

CANADA  
PROVINCE OF QUEBEC  
DISTRICT OF MONTRÉAL  
COURT. No.: 500-11-048311-159

SUPERIOR COURT  
Commercial Division

**IN THE MATTER OF THE PLAN OF  
COMPROMISE OR ARRANGEMENT OF:**

**MAUDORE MINERALS LTD.**, a legal person, duly  
constituted under the *Canada Business Corporations  
Act*, having its principal place of business at 1495,  
4e Rue, Val-d'Or, Quebec, J9P 6X1

Debtor

– and –

**DELOITTE RESTRUCTURING INC.**  
(Jean-François Nadon, CPA, CA, CIRP, designated  
person in charge), having a place of business at 1190  
avenue des Canadiens-de-Montréal, Suite 500,  
Montréal, Quebec, H3B 0M7

Monitor

**FOURTH REPORT TO THE COURT  
SUBMITTED BY DELOITTE RESTRUCTURING INC.  
IN ITS CAPACITY AS MONITOR**  
(*Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended)

## INTRODUCTION

1. On February 27, 2015, Maudore Minerals Ltd. (“**Maudore**” or the “**Debtor**”) filed for, and obtained, protection from its creditors under the *Companies' Creditors Arrangement Act* (“**CCAA**”).
2. Pursuant to the initial order granted by this court (the “**Initial Order**”), Samson Bélair/Deloitte & Touche Inc., renamed Deloitte Restructuring Inc. on June 1, 2015 (“**Deloitte**”), was appointed as monitor (the “**Monitor**”) and a stay of proceedings against the Debtor was granted until March 29, 2015.
3. On March 27, 2015, Maudore obtained a first stay period extension order (the “**First Stay Extension Order**”) until June 14, 2015. A copy of the First Stay Extension Order was made available on the Monitor's website.

4. On June 18, 2015, Maudore obtained a second stay period extension order (the “**Second Stay Extension Order**”) until September 28, 2015. A copy of the Second Stay Extension Order was made available on the Monitor’s website.

#### **PURPOSE OF THE FOURTH REPORT**

5. This fourth report (the “**Fourth Report**”) of the Monitor addresses:
  - (i) the Debtor’s operations since the Second Stay Extension Order;
  - (ii) the activities of the Monitor;
  - (iii) the extension of the Stay Period; and
  - (iv) the Monitor’s conclusion and recommendations.
6. In preparing this Fourth Report, the Monitor has relied upon unaudited financial information, the Debtor’s records, the Motion for Initial Order and its discussions with the management of the Debtor and its legal advisors. While the Monitor has reviewed the information, some in draft format, the Monitor has not performed an audit or other verification of such information. Forward looking financial information included in the Fourth Report is based on assumptions of the management of the Debtor regarding future events, and actual results achieved will vary from this information and the variations may be material.
7. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars. Capitalized terms not defined in this Fourth Report are as defined in the previous reports and in the Motion for Initial Order.
8. A copy of this Fourth Report and all further reports of the Monitor will be available on the Monitor’s website at <http://www.insolvencies.deloitte.ca/en-ca/Pages/Maudore-Minerals-ltd.aspx>

#### **DEBTOR’S OPERATIONS SINCE THE SECOND STAY EXTENSION ORDER**

9. As mentioned in the Third Report, Management was in discussion with interested parties for the only significant asset of Maudore, the Comtois Property. Since then, discussion has ceased and no interested parties have put forward an offer as of yet.
10. As mentioned in the Third Report, the Receiver initiated the Aurbec Call for Tenders to divest the Sleeping Giant mine, its processing facility and all of Aurbec’s exploration projects.
11. As Cyrus has a cross collateral guarantee for its debt over Maudore and Aurbec, the results of the Aurbec Call for Tenders will influence the level of debt in Maudore.
12. The Receiver has received offers from interested parties and is already entertaining discussion with them. The Receiver expects the sale of all the assets to take several months due to the complexity of the transaction. Among other things, the restoration plan liability attached to the Sleeping Giant mine is a complex issue and would likely require negotiation with the federal and provincial authorities.
13. The Aurbec Call for Tenders provides useful indication on the level of interest for exploration projects in the current economic environment. Management might take some action for Maudore’s assets depending on the final outcome of the Aurbec Call for Tenders.

14. As illustrated in the amended cash flow forecasts in Appendix A, the Receiver, with the authorization of Cyrus, the secured lender, continues to provide Maudore with sufficient funds to meet its obligations as they come due and Cyrus is being kept informed of the restructuring progress in Maudore.

**Highlights of the Debtor’s cash flows since the Second Stay Extension Order**

Maudore Minerals Ltd. Statement of receipts and disbursements For the period from June 8 to September 13, 2015			
<u>14-week period ended September 13, 2015</u>			
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
	(\$)	(\$)	(\$)
<b>Receipts</b>			
Transfers from Mines Aurbec Inc.	150,000	125,404	(24,596)
<b>Disbursements</b>			
Salaries	13,188	14,830	(1,642)
Professional fees	27,410	31,726	(4,316)
Other consultants	100,396	68,740	31,656
Office and administration costs	21,647	22,413	(766)
Exploration costs	53,844	3,505	50,339
	<u>216,485</u>	<u>141,214</u>	<u>75,271</u>
<b>Projected bank balance variation</b>	<b>(66,485)</b>	<b>(15,810)</b>	<b>50,675</b>
Bank balance - beginning	98,263	98,263	-
<b>Bank balance - ending</b>	<b>31,778</b>	<b>82,453</b>	<b>50,675</b>

15. The actual receipts for the 14-week period ended September 13, 2015 show an unfavorable variance of \$24.6K. This budget-to-actual unfavorable variance is explained by lower disbursements than budgeted as the Receiver provides the funds to Maudore to meet its obligations on an as-needed basis.

16. The actual disbursements for the 14-week period ended September 13, 2015 show a favorable variance of \$75.3K. This budget-to-actual favorable variance is mainly explained by other consultants and lower exploration costs. Both of these favorable variances are explained by timing in the disbursements.

17. Refer to Appendix A for the amended cash flow forecasts.

**ACTIVITIES OF THE MONITOR**

18. Since February 27, 2015, the date of the Initial Order, the Monitor has analyzed the receipts and disbursements transacted through the bank accounts.

19. In accordance with the Initial Order, any disbursements for services rendered to Maudore prior or subsequent to the date of the Initial Order were presented to, and approved by, the Monitor.

20. Within five (5) business days, the Monitor made available on its website all public information and documentation related to the Debtor’s restructuring process, including the notice to creditors, creditor listings, press releases, and all Court documentation.

21. Within five (5) business days, the Monitor sent a notice by regular mail to all known creditors of the Debtor.
22. On March 5, 2015, the Monitor completed the First Report and filed it with this Honorable Court, served it to the service list, and made it available on its website.
23. On March 11 and March 18, 2015, the Monitor published a notice with respect to the Initial Order in *Le Citoyen de la Vallée de l'Or/Le Citoyen de l'Harricana*.
24. On March 27, 2015, the Monitor completed the Second Report and filed it with this Honorable Court, served it to the service list, and made it available on its website.
25. On June 12, 2015, the Monitor completed the Third Report and filed it with this Honorable Court, served it to the service list, and made it available on its website.

#### **EXTENSION OF THE STAY PERIOD**

26. Pursuant to the Second Stay Extension Order, a stay of proceedings against the Debtor was granted until September 28, 2015.
27. The Debtor notified the Monitor of its intention to request an extension of the stay of proceedings to February 29, 2016, to allow Maudore to develop and eventually submit a plan of arrangement to its creditors under the CCAA.
28. It is the Monitor's opinion that it is necessary to provide additional time for Maudore to continue discussions with interested parties, to evaluate the outcome of the Aurbec Call for Tenders, and to evaluate the different options available for the benefit of its stakeholders. The Monitor considers the Debtor's restructuring process to be progressing; however, more time will be required to develop a restructuring plan acceptable to all stakeholders.

#### **MONITOR'S CONCLUSION AND RECOMMENDATIONS**

29. It is the Monitor's view that Maudore has acted in good faith and with due diligence in accordance with the Initial Order.
30. It is the Monitor's opinion that an extension of the stay of proceedings to February 29, 2016 will allow Maudore to develop a viable plan of arrangement, for the benefit of all stakeholders, and that the extension will not prejudice any of Maudore's creditors.

The Monitor respectfully submits to the Court this, its Fourth Report.

DATED AT MONTREAL, this 18 day of  
September, 2015.



Jean-François Nadon, CPA, CA, CIRP  
Senior Vice-President

DELOITTE RESTRUCTURING INC.  
In its capacity as Court-appointed Monitor

APPENDIX A

Maudore Minerals Ltd.  
 Projected cash flow

Week beginning	Week 30 2015-09-14	Week 31 2015-09-21	Week 32 2015-09-28	Week 33 2015-10-05	Week 34 2015-10-12	Week 35 2015-10-19	Week 36 2015-10-26	Week 37 2015-11-02	Week 38 2015-11-09	Week 39 2015-11-16	Week 40 2015-11-23	Week 41 2015-11-30	Week 42 2015-12-07	Week 43 2015-12-14	Week 44 2015-12-21	Week 45 2015-12-28	Week 46 2016-01-04	Week 47 2016-01-11	Week 48 2016-01-18	Week 49 2016-01-25	Week 50 2016-02-01	Week 51 2016-02-08	Week 52 2016-02-15	Week 53 2016-02-22	Total
<b>Receipts</b>																									
Transfers from Aurbec	-	-	100,000	-	-	-	-	75,000	-	-	-	75,000	-	-	-	50,000	-	-	-	-	50,000	-	-	-	350,000
<b>Disbursements</b>																									
Salaries	-	-	-	13,188	-	-	-	-	-	-	-	-	-	-	-	13,188	-	-	-	-	-	-	-	-	26,376
Professional fees	-	-	-	-	-	10,000	-	19,000	-	-	-	-	-	-	15,000	-	-	-	-	-	-	-	15,000	-	59,000
Other consultants	20,060	-	-	33,510	-	-	-	18,510	-	-	-	-	18,510	-	-	-	18,510	-	-	-	18,510	25,000	-	-	152,610
Office and administration costs	11,579	1,000	13,103	1,000	1,069	2,404	1,500	37,500	1,069	2,404	1,000	1,500	1,000	2,473	1,000	1,500	1,000	2,404	1,069	1,500	1,000	1,000	2,973	1,000	93,047
Exploration costs	21,574	-	18,185	750	1,741	-	-	750	3,620	-	-	-	1,192	-	18,185	-	774	750	-	-	-	-	750	-	68,271
	<u>53,213</u>	<u>1,000</u>	<u>31,288</u>	<u>48,448</u>	<u>2,810</u>	<u>12,404</u>	<u>1,500</u>	<u>75,760</u>	<u>4,689</u>	<u>2,404</u>	<u>1,000</u>	<u>1,500</u>	<u>20,702</u>	<u>2,473</u>	<u>34,185</u>	<u>14,688</u>	<u>20,284</u>	<u>3,154</u>	<u>1,069</u>	<u>1,500</u>	<u>19,510</u>	<u>26,750</u>	<u>17,973</u>	<u>1,000</u>	<u>399,304</u>
<b>Net cash flow</b>	<u>(53,213)</u>	<u>(1,000)</u>	<u>68,712</u>	<u>(48,448)</u>	<u>(2,810)</u>	<u>(12,404)</u>	<u>(1,500)</u>	<u>(760)</u>	<u>(4,689)</u>	<u>(2,404)</u>	<u>(1,000)</u>	<u>73,500</u>	<u>(20,702)</u>	<u>(2,473)</u>	<u>(34,185)</u>	<u>35,312</u>	<u>(20,284)</u>	<u>(3,154)</u>	<u>(1,069)</u>	<u>(1,500)</u>	<u>30,490</u>	<u>(26,750)</u>	<u>(17,973)</u>	<u>(1,000)</u>	<u>(49,304)</u>
Opening cash	82,453	29,240	28,240	96,952	48,504	45,694	33,290	31,790	31,030	26,341	23,937	22,937	96,437	75,735	73,262	39,077	74,389	54,105	50,951	49,882	48,382	78,872	52,122	34,149	82,453
<b>Ending bank balance</b>	<u>29,240</u>	<u>28,240</u>	<u>96,952</u>	<u>48,504</u>	<u>45,694</u>	<u>33,290</u>	<u>31,790</u>	<u>31,030</u>	<u>26,341</u>	<u>23,937</u>	<u>22,937</u>	<u>96,437</u>	<u>75,735</u>	<u>73,262</u>	<u>39,077</u>	<u>74,389</u>	<u>54,105</u>	<u>50,951</u>	<u>49,882</u>	<u>48,382</u>	<u>78,872</u>	<u>52,122</u>	<u>34,149</u>	<u>33,149</u>	<u>33,149</u>