

SUPERIOR COURT
(Commercial Division)

CANADA
PROVINCE OF QUEBEC
DISTRICT OF ABITIBI

N° : 615-11-001402-140

DATE : June 6, 2016

PRESIDENT: THE HONOURABLE ROBERT DUFRESNE, j.s.c.

IN THE MATTER OF THE RECEIVERSHIP OF:

AURBEC MINES INC.

Debtor

-and-

DELOITTE RESTRUCTURING INC.

Receiver/Petitioner

-and-

FBC HOLDINGS S.À.R.L.

Principal Secured Creditor

-and-

ABCOURT MINES INC.

-and-

MIDLAND RESOURCES INC.

-and-

**THE LAND REGISTRAR FOR THE LAND REGISTRY
OFFICE FOR THE REGISTRATION DIVISION OF ABITIBI (Québec)/**

-and-

**THE REGISTRAR OF THE REGISTER OF PERSONAL AND MOVABLE REAL RIGHTS
(Québec)**

-and-

**SYNDICAT DES MÉTALLOS, SECTION LOCALE 4796
Mises-en-Cause**

APPROVAL AND VESTING ORDER

[1] ON READING the Receiver / Petitioner's Motion for the Issuance of an Approval and Vesting Order (the "Motion"), the affidavit and the exhibits in support thereof, as well as the Report of the Receiver (Exhibit P-3 of the Motion) dated June 2, 2016 (the "Report").

[2] SEEING the service of the Motion.

[3] SEEING the submissions of Receiver's attorneys.

[4] SEEING that it is appropriate to issue an order approving the transaction (the "Transaction") contemplated by the agreement entitled Asset Purchase Agreement dated February 23, 2016, a copy of which is attached to this Order as Schedule "B" (the "Purchase Agreement") by and between the Receiver (the "Receiver"), as vendor, and Abcourt Mines Inc. (the "Purchaser"), as purchaser, and vesting in the Purchaser the assets described in Schedule "A" of the Purchase Agreement (the "Purchased Assets"), which also specifically describes the excluded assets in Schedule "B" thereof.

WHEREFORE THE COURT:

[5] **GRANTS** the Motion;

SERVICE

[6] **ORDERS** that any prior delay for the presentation of this Motion is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof;

[7] **PERMITS** service of this Order at any time and place and by any means whatsoever;

SALE APPROVAL

[8] **ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Purchase Agreement by the Receiver is hereby authorized and approved, with such non-material alterations, changes, amendments, deletions or additions thereto as may be agreed to but only with the consent of the Receiver;

EXECUTION OF DOCUMENTATION

[9] **AUTHORIZES** the Receiver and the Purchaser to perform all acts, sign all documents and take any necessary action to execute any agreement, contract, deed, provision, transaction or undertaking stipulated in the Purchase Agreement (Exhibit P-4) and any other ancillary document which could be required or useful to give full and complete effect thereto;

[10] **AUTHORIZES** the Receiver to assign the Royalty Agreement by and between the Receiver and the Purchaser (Schedule "C" of the Purchase Agreement) (the "Royalty Agreement") and any rights and obligations of the Receiver under said Royalty Agreement to FBC Holdings S.À.R.L., the whole in accordance with Section 8.1 of Royalty Agreement;

AUTHORIZATION

[11] **ORDERS and DECLARES** that this Order shall constitute the only authorization required by the Receiver to proceed with the Transaction and that no shareholder or regulatory approval, if applicable, shall be required in connection therewith;

VESTING OF PURCHASED ASSETS

[12] **ORDERS and DECLARES** that upon the issuance of a Receiver's certificate substantially in the form appended as Schedule "A" hereto (the "Certificate"), all rights, title and interest in and to the Purchased Assets shall vest absolutely and exclusively in and with the Purchaser, free and clear of and from any and all claims, liabilities (direct, indirect, absolute or contingent), obligations, prior claims, right of retention, charges, hypothecs, deemed trusts, judgments, writs of seizure or execution, notices of sale, rights of first refusal (including any such right that may have been granted to the Mis-en-cause Midland Resources Inc.) or pre-emptive rights in favour of third parties, contractual rights relating to the Property, royalties, encumbrances, whether or not they have been registered, published or filed and whether secured, unsecured or otherwise (collectively, the "Encumbrances"), including without limiting the generality of the foregoing all Encumbrances created by order of this Court and all charges, or security evidenced by registration, publication or filing pursuant to the Civil Code of Québec in movable / immovable property and, for greater certainty, **ORDERS** that all of the Encumbrances affecting or relating to the Purchased Assets be cancelled and discharged as against the Purchased Assets, in each case effective as of the applicable time and date of the Certificate;

[13] **DECLARES** that upon issuance of the Certificate, the Transaction shall be deemed to constitute and shall have the same effect as a sale under judicial authority as per the provisions of the Code of Civil Procedure and a forced sale as per the provisions of the Civil Code of Quebec;

[14] **ORDERS** and **DIRECTS** the Receiver to file with the Court a copy of the Certificate, forthwith after issuance thereof;

CANCELLATION OF SECURITY REGISTRATIONS

[15] **ORDERS** the Land Registrar of the Land Registry Office for the Registry Division of Abitibi, upon presentation of the Certificate in the form appended as Schedule "A" and a certified copy of this Order accompanied by the required application for registration and upon payment of the prescribed fees, to publish this Order and (i) to make an entry on the Land Register showing the Purchaser as the owner of the immovable property identified in Schedule "A" of the Purchase Agreement (the "Quebec Real Property") and (ii) to reduce the scope of any and all Encumbrances on Quebec Real Property, including, without limitation, the following registrations published at the said Land Registry Office:

- a Deed of Hypothec executed before Mtre. Lisa Erin Susser on March 21, 2014, registered at the Land Registrar of the Land Registry Office for the Registry Division of Abitibi on March 24, 2014 under number 20 627 267;
- a First Supplemental Deed of Hypothec executed before Mtre. Sébastien Jacques on March 26, 2014, registered at the Land Registrar of the Land Registry Office for the Registry Division of Abitibi on March 27, 2014 under number 20 636 435;

[16] **ORDERS** the Registrar of the Public Register of Real and Immovable Mining Rights (the "PRRIMR") kept at the Ministère de l'Énergie et des ressources naturelles of the Province of Quebec (the "MERN") pursuant to Section 9 of the Mining Act (R.S.Q., c. M-13.1), upon presentation of the Certificate in the form appended as Schedule "A" and a certified copy of this Order accompanied by the required application for registration and upon payment of the prescribed fees, to publish this Order at the PRRIMR and (i) to make the entries that may be required to show the Purchaser as the holder of a 100% undivided interest in all the real and immovable mining rights (mining claims and mining leases) identified in Schedule "A" of Purchase Agreement (the "Quebec Mining Rights") further to the vesting (transfer) and (ii) to cancel the registration at the PRRIMR of the Deed of Hypothec and the First Supplemental Deed of Hypothec referred to at paragraph 15 above, respectively registered at such register on April 1, 2014 under number 55538 and on April 9, 2014 under number 55554, more specifically and in accordance with Section 13 of the Mining Act, as these deeds concern the following Mining Rights: mining leases numbered 785, 846, 847 and 863;

[17] **ORDERS** the Quebec Personal and Movable Real Rights Registrar, upon presentation of the required form with a true copy of this Order and the Certificate, to reduce the scope of the registrations number 14-0240926-0001, 14-0225968-0002, 13-1047915-0001, in connection with the Purchased Assets in order to allow the transfer to the Purchaser of the Purchased Assets free and clear of such registrations;

NET PROCEEDS

[18] **ORDERS** that the net proceeds from the sale of the Purchased Assets (the "Net Proceeds") shall be remitted to the Receiver and shall be distributed in accordance with applicable legislation;

[19] **ORDERS** that for the purposes of determining the nature and priority of the Encumbrances, the Net Proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that upon payment of the Purchase Price (as defined in the Purchase Agreement) by the Purchaser, all Encumbrances except for the Permitted Encumbrances shall attach to the Net Proceeds with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale;

PROTECTION OF PERSONAL INFORMATION

[20] **ORDERS** that, pursuant to sub-section 7(3)(c) of the Canada Personal Information Protection and Electronic Documents Act or any similar provision of any applicable provincial legislation, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Company's records pertaining to the Debtor's past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor;

VALIDITY OF THE TRANSACTION

[21] **ORDERS** that notwithstanding:

- (i) the pendency of these proceedings;
- (ii) any petition for a receiving order now or hereafter issued pursuant to the Bankruptcy and Insolvency Act ("BIA") and any order issued pursuant to any such petition; or
- (iii) the provisions of any federal or provincial legislation;

the vesting of the Purchased Assets contemplated in this Order, as well as the execution of the Purchase Agreement pursuant to this Order, are to be binding on any trustee in bankruptcy that has been appointed or that may be appointed, and shall not be void or voidable nor deemed to be a preference, assignment, fraudulent conveyance, transfer at undervalue or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, as against the Receiver or the Purchaser;

LIMITATION OF LIABILITY

[22] **DECLARES** that, subject to other orders of this Court, nothing herein contained shall require the Receiver to occupy or to take control, or to otherwise manage all or any part of the Purchased Assets. The Receiver shall not, as a result of this Order, be deemed to be in possession of any of the Purchased Assets within the meaning of environmental legislation, the whole pursuant to the terms of the BIA;

[23] **DECLARES** that no action lies against the Receiver by reason of this Order or the performance of any act authorized by this Order, except by leave of the Court. The entities related to the Receiver or belonging to the same group as the Receiver shall benefit from the protection arising under the present paragraph;

GENERAL

[24] **ORDERS** that the Purchaser or the Receiver shall be authorized to take all steps as may be necessary to effect the discharge of the Encumbrances;

[25] **ORDERS** that the Purchase Agreement and the Report be kept confidential and under seal until the earlier of a) the filing of the Certificate with the Court; or b) further order of this Court;

[26] **DECLARES** that this Order shall have full force and effect in all provinces and territories in Canada;

[27] **DECLARES** that the Receiver shall be authorized to apply as it may consider necessary or desirable, with or without notice, to any other court or administrative body, whether in Canada, the United States of America or elsewhere, for orders which aid and complement the Order and, without limitation to the foregoing, an order under Chapter 15 of the U.S. Bankruptcy Code, for which the Receiver shall be the foreign representative of the Debtor. All courts and administrative bodies of all such jurisdictions are hereby respectfully requested to make such orders and to provide such assistance to the Receiver as may be deemed necessary or appropriate for that purpose;

[28] **REQUESTS** the aid and recognition of any court or administrative body in any Province of Canada and any Canadian federal court or administrative body and any federal or state court or administrative body in the United States of America and any court or administrative body elsewhere, to act in aid of and to be complementary to this Court in carrying out the terms of the Order;

[29] **ORDERS** the provisional execution of the present Order notwithstanding any appeal and without the requirement to provide any security or provision for costs whatsoever;

[30] Without legal costs.



ROBERT DUFRESNE, j.s.c.

Fasken, Martineau duMoulin LLP
Attorneys for the receiver

Date of hearing: June 6, 2016

SCHEDULE "A"
DRAFT CERTIFICATE OF THE RECEIVER

C A N A D A

"Commercial Division"

PROVINCE OF QUÉBEC
DISTRICT OF ABITIBI

SUPERIOR COURT

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OF:**

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-and-

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FBC HOLDINGS S.À.R.L.,

Principal Secured Creditor

-and-

**THE LAND REGISTRAR FOR THE LAND
REGISTRY OFFICE FOR THE
REGISTRATION DIVISION OF ABITIBI,**

-and-

**THE REGISTRAR OF THE REGISTER OF
PERSONAL AND MOVABLE REAL
RIGHTS,**

-and-

**THE MINISTER OF ENERGY AND
NATURAL RESOURCES,**

-and-

ABCOURT MINES INC.,

-and-

MIDLAND RESOURCES INC.,

Mises en cause

CERTIFICATE OF THE RECEIVER

RECITALS:

WHEREAS pursuant to an order of the Québec Superior Court, Commercial Division rendered on December 17, 2014 under docket number 615-11-001402-140, Deloitte Restructuring Inc. was appointed as receiver (the "**Receiver**") pursuant to Section 243(1) of the BIA (as defined below) in respect of certain assets, undertakings and properties of *Aurbec Mines Inc.* ("**Aurbec**");

WHEREAS on ●, the Court issued an Order (the "**Vesting Order**") thereby, *inter alia*, authorizing and approving the execution by the Petitioner of an agreement entitled Asset Purchase Agreement (the "**Purchase Agreement**") by and between the Receiver, as vendor and Abcourt Mines Inc. as purchaser (the "**Purchaser**"), copy of which was filed in the Court record, and into all the transactions contemplated therein (the "**Transaction**") with such alterations, changes, amendments, deletions or additions thereto, as may be agreed to with the consent of the Receiver;

WHEREAS the Vesting Order contemplates the issuance of this Certificate of the Receiver once the (a) the Purchase Agreement has been executed and delivered; and (b) the Purchase Price (as defined in the Purchase Agreement) has been paid by the Purchaser; and (c) and all the conditions to the closing of the Transaction have been satisfied or waived by the parties thereto.

THE RECEIVER CERTIFIES THE FOLLOWING:

- (a) the Purchase Agreement has been executed and delivered;
- (b) the Purchase Price (as defined in the Purchase Agreement) payable upon the closing of the Transaction and all applicable taxes have been paid; and
- (c) all conditions to the closing of the Transaction have been satisfied or waived by the parties thereto.

This Certificate was issued by the Receiver at [TIME] on [DATE].

Deloitte Restructuring Inc. in its capacity as Receiver, and not in its personal capacity.

Name: _____

Title: _____

SCHEDULE "B"
UNDER SEAL
ASSET PURCHASE AGREEMENT