

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE) TUESDAY, THE 29TH
)
JUSTICE) DAY OF JANUARY, 2019
)

IN THE MATTER OF RECEIVERSHIP OF SAGE GOLD INC.

and

IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243(1) OF THE
BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED; AND
SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS
AMENDED

APPROVAL AND VESTING ORDER

THIS MOTION, made by Deloitte Restructuring Inc. in its capacity as the Court-appointed receiver (the "**Receiver**") of the undertaking, property and assets of Sage Gold Inc. (the "**Debtor**") for an order, *inter alia* (a) approving the sale transaction (the "**Transaction**") contemplated by an asset purchase agreement (the "**Onaman APA**") between the Receiver and RZJ Capital Management LLC or its nominee (the "**Purchaser**") dated January 11, 2019 and appended to the Report of the Receiver dated January 23, 2019 (the "**Third Report**"), (b) vesting in the Purchaser the Debtor's right, title and interest in and to the purchased assets described in the Onaman APA (the "**Purchased Assets**"), and (c) sealing the Onaman APA pending the closing of the Transaction was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Third Report, the Motion Record and Factum of the Receiver, and on hearing the submissions of counsel for the Receiver, the Purchaser and Her Majesty the Queen in right of Ontario, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Lauren Ray sworn January 23, 2019, filed:

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion, Motion Record and Factum of the Receiver is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that, unless otherwise indicated or defined herein, capitalized terms used in this Order shall have the meanings given to them in the Onaman APA.

APPROVAL AND VESTING OF PURCHASED ASSETS

3. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Onaman APA by the Receiver is hereby authorized, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and empowered to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

4. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "**Receiver's Sale Certificate**"), all of the Debtor's right, title and interest in and to the Purchased Assets described in the Onaman APA shall vest absolutely in the Purchaser, free and clear of and from any and all ownership or other claims, security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, pledges, trusts, constructive trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Dunphy dated July 30, 2018 (as amended), the Order of the Honourable Justice Dunphy, dated December 21, 2018, and the Order of the Honourable Justice Hainey dated July 13, 2018; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; (iii) any charges, security interests or claims evidenced by registrations pursuant to the *Land Titles Act* (Ontario), the *Registry Act* (Ontario), the *Land Registration Reform Act* (Ontario) or the *Mining Act* (Ontario) or any other real property or real property related registry or recording system; (iv) any ownership or third party right, title, or interest that might arise or

exists as a result of the contravention of Section 44(1) of the *Land Titles Act* (Ontario) or the *Forfeited Property Act* (Ontario) or any predecessor of any such statutes; and (v) those Claims listed on Schedule “C” hereto (all of which Claims pursuant to this Paragraph 4 are collectively referred to as the "**Encumbrances**", which term, notwithstanding the foregoing in this Paragraph 4, shall not include the Permitted Encumbrances) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

5. **THIS COURT ORDERS** that upon,

(a) the registration in the applicable Land Registry Office of a Document General attaching a copy of this Order in the form prescribed by the *Land Registration Reform Act* or an Application for Vesting Order in the form prescribed by the *Land Registration Reform Act* and/or the *Land Titles Act* and/or the *Registry Act* or any regulation related to these statutes as applicable, or,

(b) presentation of a copy of this Order, and the Receiver’s Sale Certificate, to the applicable Land Registry Office, or with respect to any unpatented mining claims, to the Provincial Recording Office,

the Land Registrar is hereby directed to enter the Purchaser as the owner of the Patented Mining Claims and lessee of the Mining Leases identified in Schedule “B” hereto (the “**Property Interest**”) in fee simple or leasehold, as applicable, and the Provincial Mining Recorder is, on confirmation from the Purchaser of its registration within the Mining Lands Administration System, directed to enter the Purchaser as the claim holder of the Unpatented Mining Claims identified in Schedule “B” hereto in the mining claims registry. Further, the Land Registrar and Provincial Mining Recorder are hereby directed to delete and expunge from title or from the unpatented mining claim abstracts, as the case may be, to or in respect of the Property Interest, all of the Claims listed in Schedule “C” hereto.

6. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Sale Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets

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.

7. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Sale Certificate, forthwith after delivery thereof.

8. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, 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.

9. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

SEALING

10. **THIS COURT ORDERS** that the non-redacted version of the Onaman APA included as Confidential Appendix "A" to the Third Report provided to the Court by the Receiver shall remain sealed and shall not form part of the public record in this proceeding until the closing of the Transaction, or by further Order of the Court.

11. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, or in any other jurisdiction, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

A handwritten signature in blue ink, appearing to read "Dietrich J.", is positioned above a solid horizontal line.

Schedule A – Form of Receiver’s Certificate

Court File No. **CV-18-601307-00CL**

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

B E T W E E N:

IN THE MATTER OF RECEIVERSHIP OF SAGE GOLD INC.

and

**IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243(1) OF THE
BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED; AND
SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS
AMENDED**

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Dunphy of the Ontario Superior Court of Justice (the "**Court**") dated July 30, 2019, Deloitte Restructuring Inc. was appointed as the receiver (the "**Receiver**") of the undertaking, property and assets of Sage Gold Inc. (the "**Debtor**").

B. Pursuant to an Order of the Court dated January 29, 2019, the Court approved the asset purchase agreement made as of January 11, 2019 (the "**Onaman APA**") between the Receiver and RZJ Capital Management LLC or its nominee (the "**Purchaser**") and provided for the vesting in the Purchaser of the Debtor’s right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in section 5 of the Onaman APA have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Onaman APA.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Onaman APA;
2. The conditions to Closing as set out in section 5 of the Onaman APA have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

**Deloitte Restructuring Inc., in its capacity as
Receiver of the undertaking, property and
assets of Sage Gold Inc., and not in its
personal capacity**

Per: _____

Name:

Title:

Schedule B – Property Interests

Schedule B

Mining Claims – Thunder Bay, Ontario.

| Tenure ID No. |
|---------------|
| 156508 |
| 306991 |
| 276433 |
| 259286 |
| 256313 |
| 247762 |
| 247761 |
| 247745 |
| 247039 |
| 239685 |
| 191059 |
| 158547 |
| 144485 |
| 247800 |
| 211080 |
| 144486 |
| 109825 |
| 334538 |
| 306991 |
| 276433 |
| 256313 |
| 247762 |
| 237922 |
| 237921 |
| 221355 |
| 221354 |
| 208499 |
| 171323 |
| 171322 |
| 156547 |
| 156508 |
| 276419 |
| 247745 |
| 201116 |
| 137684 |
| 247039 |
| 188944 |
| 156508 |
| 110530 |
| 343144 |
| 343143 |
| 304353 |

| |
|--------|
| 304352 |
| 304351 |
| 255757 |
| 208453 |
| 201114 |
| 188943 |
| 181505 |
| 181504 |
| 156504 |
| 156503 |
| 142374 |
| 142373 |
| 136321 |
| 110532 |
| 110531 |
| 109825 |
| 313114 |
| 275780 |
| 275779 |
| 256314 |
| 208499 |
| 203093 |
| 190415 |
| 190414 |
| 157912 |
| 157911 |
| 137684 |
| 142375 |
| 273853 |
| 201116 |
| 188944 |
| 156508 |
| 142376 |
| 156547 |
| 256314 |
| 256313 |
| 208499 |
| 114060 |
| 130579 |
| 149942 |
| 152208 |
| 160686 |
| 218176 |

| |
|--------|
| 232020 |
| 284172 |
| 114060 |
| 130579 |
| 130580 |
| 160685 |
| 160686 |
| 160687 |
| 166017 |
| 166018 |
| 194793 |
| 194794 |
| 194795 |
| 213335 |
| 213336 |
| 213337 |
| 213338 |
| 225397 |
| 232020 |
| 232021 |
| 309184 |
| 309185 |
| 315910 |
| 328674 |
| 328675 |
| 332186 |
| 159916 |
| 343144 |
| 327836 |
| 315118 |
| 140371 |
| 110532 |
| 336554 |
| 327837 |
| 277814 |
| 159915 |
| 112227 |
| 212455 |
| 249155 |
| 315119 |
| 327838 |
| 114121 |
| 147206 |

| |
|--------|
| 160685 |
| 160687 |
| 194795 |
| 213333 |
| 213381 |
| 213382 |
| 225391 |
| 250640 |
| 261309 |
| 268808 |
| 268809 |
| 268810 |
| 309185 |
| 315968 |
| 315969 |
| 328732 |
| 328733 |
| 332186 |
| 160685 |
| 194790 |
| 213333 |
| 225391 |
| 250583 |
| 261309 |
| 268752 |
| 332184 |
| 110575 |
| 311706 |
| 306996 |
| 203764 |
| 191062 |
| 158548 |
| 110555 |
| 311706 |
| 311705 |
| 311704 |
| 304397 |
| 292987 |
| 256305 |
| 142411 |
| 110575 |
| 133668 |
| 178879 |

| |
|--------|
| 178880 |
| 186309 |
| 186310 |
| 198466 |
| 198467 |
| 282805 |
| 319611 |
| 340494 |
| 128784 |
| 128785 |
| 140309 |
| 140310 |
| 146281 |
| 192825 |
| 211570 |
| 240961 |
| 240962 |
| 248983 |
| 248984 |
| 296110 |
| 296111 |
| 296112 |
| 308817 |
| 315554 |
| 315555 |
| 336414 |
| 336415 |
| 336416 |
| 112080 |
| 139732 |
| 139733 |
| 140310 |
| 146281 |
| 192352 |
| 240454 |
| 240455 |
| 248510 |
| 248511 |
| 277177 |
| 296111 |
| 296112 |
| 308293 |
| 308294 |

335926

Schedule B

PIN Numbers – Thunder Bay, Ontario

| PIN No. |
|------------|
| 62504-1745 |
| 62504-1549 |
| 62504-1550 |
| 62504-1551 |
| 62504-1552 |
| 62504-1553 |
| 62504-1554 |
| 62504-1555 |
| 62504-1660 |
| 62540-2007 |

Schedule C – Claims to be deleted and expunged from title to Real Property

Schedule C – Claims to be deleted and expunged from title

Thunder Bay, Ontario – Onaman

| Transaction # | Description | PIN No. | Registration No. | Registration Date | Instrument Type | Amount |
|---------------|--|--|------------------|-------------------|--------------------------------|--------------|
| T1640.00343 | Debenture/ mortgage/ security interest: Sage Gold Inc. and CRH Funding II Pte Ltd. | 62504-1745 62504-1549 62504-1550 62504-1551 62504-1552 62504-1553 62504-1554 62504-1555 | TY225572 | 2016/11/22 | Charge | \$43,000,000 |
| | | 62504-1660 62540-2007 | TY231555 | 2017/04/07 | Charge: Demand Debenture | \$43,000,000 |

| PPSA/RSLA File No. | Registration No. | Secured Party |
|--------------------|-------------------------|---|
| 640042668 | 20071019 1949 1531 6168 | ROYAL BANK OF CANADA |
| 722707722 | 20161122 1337 9234 0460 | CRH FUNDING II PTE. LTD. |
| 735691752 | 20180116 1043 18624158 | XYLEM CANADA COMPANY |
| 741504834 | 20180711 1551 1902 2751 | OK MINING & COMMERCIAL SERVICES |
| 741504978 | 20180711 1552 1902 2752 | OK MINING & COMMERCIAL SERVICES |
| 741598632 | 20180713 1625 1590 4575 | 2474397 ONTARIO INC. O/A OK TIRE MINING AND COMMERCIAL SERVICES |
| 741598641 | 20180713 1626 1590 4576 | 2474397 ONTARIO INC. O/A OK TIRE MINING AND COMMERCIAL SERVICES |
| 741598659 | 20180713 1626 1590 4577 | 2474397 ONTARIO INC. O/A OK TIRE MINING AND COMMERCIAL SERVICES |

IN THE MATTER OF RECEIVERSHIP OF SAGE GOLD INC.

and

**IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243(1) OF THE
BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED; AND SECTION
101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED**

Court File No. CV-18-601307-00CL

ONTARIO
**SUPERIOR COURT OF JUSTICE -
COMMERCIAL LIST**

Proceeding commenced at Toronto

ONAMAN
APPROVAL AND VESTING ORDER

McMILLAN LLP
Brookfield Place
181 Bay Street, Suite 4400
Toronto, ON, M5J 2T3

Wael Rostom LS#: 43165S
Tel: 416.865.7790
Fax: 416.865.7048

Stephen Brown-Okruhlik LS#: 66576P
Tel: 416.865.7043
Fax: 416.865.7048

Lawyers for the Receiver,
Deloitte Restructuring Inc.