

District of British Columbia
Division No. 03 - Vancouver
Estate No. 11- 1904501
Court No. B-141088

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE BANKRUPTCY OF

Mercator Minerals Ltd.

TRUSTEE'S PRELIMINARY REPORT

September 24, 2014

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GLOSSARY

895	4394895 Canada Inc.
909	4394909 Canada Inc.
Ajax	An exploration stage molybdenum property located near Alice Arm, British Columbia
Arrangement	The arrangement agreement, dated December 12, 2013, between Mercator and Intergeo to effect a business combination via a plan of arrangement under Canadian law
BIA	<i>Bankruptcy and Insolvency Act</i>
Bluefish	Bluefish Energy Corporation
Bridge Loan	US\$15 million bridge loan advanced by Daselina to MPI
Company / Mercator	Mercator Minerals Ltd.
Creston Moly	Creston Moly Corp.
Creston Moly Assets	Properties owned indirectly by Creston Moly: El Creston, Molybrook and Ajax

Daselina	Daselina Investments Ltd.
Debtors	Collectively, Mercator and Creston Moly
Deloitte/Trustee	Deloitte Restructuring Inc.
Deloitte CF	Deloitte Corporate Finance Inc.
Ejido	Village disputing surface land ownership with Exploraciones regarding El Creston property
El Creston	A molybdenum/copper exploration and development project located in Sonora, Mexico
El Pilar	An advanced development stage copper project located in Sonora, Mexico
El Pilar Sale Process	Sales process related to El Pilar
Exploraciones	Exploraciones Global SA de CV
FAS	Russian Federal Antimonopoly Services
Intercompany Note	US\$40 million promissory note issued by MPI to Mercator in connection with the Silver Wheaton Purchase Agreement
Intergeo	Intergeo MMC Ltd.
Lodestrike	Lodestrike Resources Ltd.
Mercator	Mercator Minerals Ltd.
Mercator Barbados	Mercator Minerals (Barbados) Ltd.
Mercator Group	Mercator group of subsidiaries
Mercator USA	Mercator Minerals (USA) Ltd.
Mineral Park	A large tonnage, long life, producing copper/molybdenum mine located near Kingman, Arizona
Molybrook	An exploration stage molybdenum property located on the south coast of Newfoundland
MPI	Mineral Park Inc.
MPI Holdings	Mercator Mineral Park Holdings Ltd.
MPI Lenders	Collectively, Société Générale (the administrative agent), WestLB AG, Credit Suisse and Barclays Capital
MPI Silver Purchase Agreement	Agreement between MPI and Mercator Barbados where MPI agreed to sell to Mercator Barbados, and Mercator Barbados agreed to purchase from MPI, an amount of silver equal to one hundred percent (100%) of the number of ounces of silver mined, produced, extracted or otherwise recovered from Mineral Park
NOI	Notice of Intention

Recursos	Recursos Stingray de Cobre SA de CV
Report	Trustee's Preliminary Report
RMB	RMB Australia Holdings Limited
RMB Facility	US\$30 million corporate debt facility provided by RMB to Mercator on December 20, 2012
Silver Wheaton	Silver Wheaton (Caymans) Ltd.
Silver Wheaton Purchase Agreement	Silver purchase agreement between Mercator Barbados, Mercator and Silver Wheaton, pursuant to which Mercator Barbados agreed to sell its purchased silver to Silver Wheaton
SoA	Form 78 - Statement of Affairs, as prescribed under the BIA
SocGen Facility	Syndicated senior credit facility provided by the MPI Lenders to MPI in the amount of approximately USD\$103 million
SocGen Guarantee	Unsecured parent guarantee agreement dated October 23, 2012 under which Mercator guaranteed all the obligations of MPI to the MPI Lenders in certain circumstances
Stingray	Stingray Copper Inc.
Tenajon	Tenajon Resources Corp.
US Filers	Collectively, MPI Holdings, Lodestrike, MPI and Bluefish Energy Corporation

1. Introduction

Mercator Minerals Ltd. ("Mercator" or the "Company") is a base metals natural resource company engaged in the mining, development and exploration of its subsidiary-owned mineral properties in the United States of America, Mexico and Canada. Founded in 1984, Mercator is registered under the laws of the Province of British Columbia, Canada.

On August 26, 2014, Mercator and its directly owned subsidiary Creston Moly Corp. ("Creston Moly") filed a Notice of Intention to make a proposal ("NOI") under Part III, Division I of the *Bankruptcy and Insolvency Act* ("BIA"). Deloitte Restructuring Inc. was appointed as the Proposal Trustee.

Mercator and Creston Moly (collectively, the "Debtors") were not able to obtain further sources of funding to allow a Proposal to be made to their creditors. Pursuant to Section 50.4(8) of the BIA, the Debtors were deemed to have filed assignments in bankruptcy on September 5, 2014. Deloitte Restructuring Inc. was appointed as Trustee in Bankruptcy ("Trustee") for the Debtors by the Official Receiver.

The purpose of the Trustee's Preliminary Report ("Report") is to:

- Provide background information concerning the Company and the causes of the Company's financial difficulties;
- Outline the key activities of the Trustee since its appointment; and
- Provide the Trustee's preliminary evaluation of the assets and liabilities of the Company.

Throughout this Report, amounts are expressed in Canadian Dollars, unless otherwise specified.

2. Mercator Overview

Mercator is the parent company of six wholly-owned subsidiaries: Mercator Minerals (USA) Ltd. ("Mercator USA"), Stingray Copper Inc. ("Stingray"), Creston Moly, Mercator Minerals (Barbados) Ltd. ("Mercator Barbados"), Mercator Mineral Park Holdings Ltd. ("MPI Holdings"), and Lodestrike Resources Ltd. ("Lodestrike"). A copy of the Mercator group structure chart is attached as Appendix A.

Via its wholly-owned direct and indirect subsidiaries, Mercator owns a 100% interest in five mining properties:

- Mineral Park: a large tonnage, long life, producing copper/molybdenum mine located near Kingman, Arizona ("Mineral Park"). Owned indirectly by MPI Holdings via its wholly-owned subsidiary Mineral Park Inc. ("MPI").

- El Pilar: an advanced development stage copper project located in Sonora, Mexico ("El Pilar"). Owned indirectly by Stingray via its various wholly-owned subsidiaries.
- El Creston: a molybdenum/copper exploration and development project located in Sonora, Mexico ("El Creston"). Owned indirectly by Creston Moly via its various wholly-owned subsidiaries.
- Ajax: an exploration stage molybdenum property located near Alice Arm, British Columbia ("Ajax"). Owned indirectly by Creston Moly via its wholly-owned subsidiary Tenajon Resources Corp. ("Tenajon").
- Molybrook: an exploration stage molybdenum property located on the south coast of Newfoundland ("Molybrook"). Owned indirectly by Creston Moly via its wholly-owned subsidiary Tenajon.

The Company was publicly traded on the Toronto Stock Exchange (TSX:ML). Trading in the Company's shares was suspended on August 26, 2014 as a result of the NOI proceedings. Mercator's head office is located in, Vancouver, British Columbia. The Company provided head office functions to the Mercator group of subsidiaries ("Mercator Group") and had 10 employees located in Canada and the United States as at August 26, 2014.

3. Background

In light of the commodity price environment and difficult capital market conditions, Mercator commenced a process to review its strategic alternatives in mid-2013 with the assistance of its financial advisor, BMO Nesbitt Burns Inc.

On December 12, 2013, Mercator announced that it had entered into an arrangement agreement ("Arrangement") and ancillary documentation with Intergeo MMC Ltd. ("Intergeo") to effect a business combination through a plan of arrangement under Canadian law.

In connection with this transaction, Daselina Investments Ltd. ("Daselina"), Intergeo's controlling shareholder, agreed to advance up to US\$15 million to MPI by way of a bridge loan ("Bridge Loan") to provide sufficient funding to stabilize its operations until the business combination transaction could be completed.

On April 29, 2014, the Company agreed with Intergeo to certain amendments to the agreements executed in the Arrangement, including the extension of the completion deadline up to May 30, 2014 and, in certain circumstances, up to August 1, 2014, and additional interim funding. The completion deadline was extended to provide the Russian Federal Anti-Monopoly Services ("FAS"), the federal executive body responsible for foreign investments by Russian Federation entities, with additional time to complete its review of the response provided by Mercator and Intergeo to its request for information regarding the terms and conditions of the Arrangement. On July 2, 2014, FAS extended its review of Mercator's application for up to an additional two months.

On July 14, 2014, Intergeo advised the Company that Intergeo was not expecting to request or agree to an extension of the completion deadline beyond August 1, 2014. Effective the end of the day on August 1, 2014, the Arrangement was terminated, and Intergeo provided a waiver of the non-solicitation provisions contained in the Arrangement agreement.

In addition to the Bridge Loan provided by Daselina, MPI has a syndicated senior credit facility in place with Société Générale (the administrative agent), WestLB AG, Credit Suisse and Barclays Capital (collectively, the "MPI Lenders") in the amount of approximately US\$103 million ("SocGen Facility") (which amount includes the obligations of MPI in respect of certain terminated copper hedge and interest rate swap contracts). Various defaults had occurred under the SocGen Facility and other credit facilities held by MPI and other related parties. As a result, the Mercator entities had been operating under forbearance arrangements with the applicable lenders.

After the expiration of the forbearance agreement with the MPI Lenders on August 15, 2014, the Company continued to explore its strategic options. However, we understand that the Company and the MPI Lenders were unable to come to an agreement to extend any further accommodations to MPI outside of bankruptcy. Subsequently, MPI Holdings, Lodestrike, MPI and Bluefish Energy Corporation ("Bluefish") (collectively, the "US Filers") all filed for Chapter 11 protection under the Bankruptcy Code, in the United States Bankruptcy Court on August 25, 2014.

The SocGen Facility is supported by an unsecured parent guarantee agreement dated October 23, 2012 ("SocGen Guarantee"), under which Mercator guaranteed all the obligations of MPI to the MPI Lenders in certain circumstances. Given Mercator's lack of liquidity, the SocGen Guarantee, and Mercator's other liabilities, Mercator was unable to meet its current and future obligations. In order to allow time for the Company to restructure its operations and affairs, the Company filed an NOI on August 26, 2014 and Deloitte Restructuring Inc. consented to act as trustee under the NOI.

After filing the NOI, the Company continued to solicit interest in the Company and/or its assets, and to determine whether a transaction could be achieved to allow the Company to restructure its financial affairs. The Company engaged in discussions with various interested parties to explore their interest in the Company and the assets of the Mercator Group. However, due to the uncertainty surrounding the Chapter 11 proceedings, and the complex security structure associated with the Mercator Group's various lending facilities, it became apparent that it was unlikely that a transaction to recapitalize Mercator which would allow the Company to make a viable Proposal to its creditors would be achieved.

Effective September 4, 2014 all the Company's directors and officers resigned. Pursuant to Section 50.4(8) of the BIA, the Debtors were deemed to have made assignments in bankruptcy on September 5, 2014 as a result of the Debtors not filing the cash flow forecast with the Official Receiver within the prescribed statutory 10-day period. Deloitte Restructuring Inc. was appointed as Trustee by the Official Receiver, subject to affirmation by the creditors at the meeting of creditors on September 25, 2014.

4. Conservatory and Protective Measures

On September 5, 2014, the Trustee met with the former Corporate Secretary and Officer, Marc LeBlanc and the former CEO and Officer, Bruce McLeod at the Company's office located at 1050 – 625 Howe Street, Vancouver, British Columbia. The Trustee took an inventory of the office furniture and equipment and took possession of the Company's books and records.

The Trustee has engaged the services of the Company's former Exploration Manager to review, collate and secure the soft and hard copy records relating to El Creston, Ajax and Molybrook which will be required for undertaking a sale process (refer to Section 7 for further details). The Trustee has also engaged the services of the Company's former Corporate Secretary to assist in the process of providing the relevant information required for the Trustee to assess the Company's assets, liabilities and operations.

5. Assets

i) Cash

The Company held various bank accounts with ScotiaBank in Vancouver. The Trustee advised ScotiaBank of the bankruptcy proceedings and arranged for the account balances to be transferred to the Trustee's account. As at the date of our appointment, the Company had a cash balance of \$154,198 which has been received into the Trustee's account. In addition, the Company has provided a fee retainer to the Trustee for acting in Mercator's NOI and bankruptcy proceedings in the amount of \$85,000.

The Company's Statement of Affairs ("SoA") indicated cash at bank totaling \$239,236, which represents the combined total of the cash at bank and the Trustee's retainer. A copy of the SoA is attached as Appendix B.

We also note that the Trustee received a fee retainer in the amount of \$40,000 for acting in Creston Moly's NOI and bankruptcy proceedings. These monies were provided by Mercator Minerals Ltd. during the NOI proceedings.

ii) Accounts Receivable

The Company's books indicate that it had accounts receivable of \$87,826, of which \$2,539 related to receivables from subtenants of its office and \$85,287 related to a GST receivable. The Company has estimated that the realizable value of the accounts receivable is \$2,539 since CRA is likely to offset other amounts owing against the receivable.

iii) **Office Furniture & Equipment**

The Company's books indicate that it had furniture and equipment with a net book value of \$4,381. Per the SoA, the Company has indicated an estimated realizable value of \$1,000.

iv) **Intercompany Balances**

The Company's books indicate that it has the following intercompany balances owing to Mercator, totaling \$100.3 million:

- MPI Holdings \$87.7 million;
- BlueFish \$1.5 million;
- Minera Stingray SA de CV \$0.3 million;
- Mercator USA \$5.6 million;
- Recursos Stingray de Cobre SA de CV ("Recursos") \$2.7 million; and
- Exploraciones Global SA de CV ("Exploraciones") \$2.5 million.

The Company has estimated the net realizable value of these intercompany balances in the SoA at \$1 each (\$6 in total) due to the uncertainty of the outcome of the various insolvency proceedings and sale processes (refer to Section 7 for further details).

v) **Investments in Subsidiaries**

The Company's books indicate that it has the following investments in subsidiaries, totaling \$158.9 million:

- MPI Holdings \$156.0 million;
- Bluefish \$0.4 million;
- Lodestrike \$2,031; and
- Stingray \$2.5 million.

The Company has estimated the net realizable value of its equity interests in its subsidiaries in the SoA at \$1 each (\$4 in total) due to the uncertainty of the outcome of the various insolvency proceedings and sale processes (refer to Section 7 for further details).

6. **Creditors**

i) **Secured Creditors**

RMB Australia Holdings Limited ("RMB")

On December 20, 2012, the Company executed an agreement with RMB Australia Holdings Ltd. for a US\$30 million corporate debt facility ("RMB Facility"). Security interests were granted to RMB which include a first ranking charge over El Pilar and a pledge of the securities of certain Mercator subsidiaries.

The Company's SoA indicates an amount owing to RMB of \$33.1 million, including accrued interest. The Trustee notes that since RMB's security interests primarily relate to El Pilar, any claim of RMB against Mercator will likely depend on the outcome of the sale process of this asset (refer to Section 7 for further details).

Daselina

As outlined in Section 3, Daselina provided a Bridge Loan to MPI. Under the Bridge Loan, as at August 26, 2014, Daselina is owed approximately \$14.2 million including accrued interest by MPI as borrower, and each of Mercator, MPI Holdings, Stingray, 4394895 Canada Inc. ("895"), 4394909 Canada Inc. ("909") and Recursos as guarantors. The Trustee has been informed by Daselina's legal counsel that Daselina holds various security in support of the Bridge Loan.

The Trustee understands that Daselina currently stands in second lien priority for amounts owed under the Bridge Loan. As against MPI and MPI Holdings, Daselina is subordinated to the MPI Lenders and as against Mercator, Stingray, 895, 909 and Recursos, Daselina is subordinated to RMB. The Trustee understands that Daselina has an intercreditor agreement in place with both the MPI Lenders and RMB.

The Company's SoA indicates an amount owing by Mercator to Daselina of \$1 since Daselina's security interests primarily relate to El Pilar and MPI, and any claim of Daselina against Mercator will likely depend on the outcome of the sale processes of these assets (refer to Section 7 for further details).

Silver Wheaton (Caymans) Ltd. ("Silver Wheaton")

In March 2008, MPI entered into an agreement (the "MPI Silver Purchase Agreement") with Mercator Barbados, a wholly-owned subsidiary of Mercator. Pursuant to the MPI Silver Purchase Agreement, MPI agreed to sell to Mercator Barbados, and Mercator Barbados agreed to purchase from MPI, an amount of silver equal to one hundred percent (100%) of the number of ounces of silver mined, produced, extracted or otherwise recovered from Mineral Park for so long as silver is mined, produced, extracted or otherwise recovered therefrom.

Pursuant to a separate silver purchase agreement (the "Silver Wheaton Purchase Agreement") between Mercator Barbados, Mercator and Silver Wheaton, Mercator Barbados agreed to sell its purchased silver to Silver Wheaton. Under the Silver Wheaton Purchase Agreement, Silver Wheaton made an up-front payment of US\$42 million to Mercator Barbados. Mercator guaranteed the repayment obligations of Mercator Barbados under the agreement, subordinate to certain claims. Mercator Barbados loaned US\$40 million to Mercator, which in turn loaned US\$40 million to MPI, and MPI issued a promissory note in favor of Mercator in the amount of US\$40 million (the "Intercompany Note").

The Intercompany Note was secured by a deed of trust against the silver in Mineral Park in favor of Mercator. In turn, Mercator assigned its interest in the Intercompany

Note and associated deed of trust to Silver Wheaton. In 2013, Mercator, MPI and Mercator Barbados entered into a deferral agreement whereby MPI would, for a period of up to one year, defer up to fifty percent (50%) of the refined silver that MPI is obligated to deliver to Mercator Barbados under the terms of the Silver Wheaton Purchase Agreement. As of August 25, 2014, the face amount outstanding under the Intercompany Note held by Silver Wheaton is US\$50.0 million.

On September 11, 2014, Silver Wheaton issued a default letter outlining various breaches and defaults under the Silver Wheaton Purchase Agreement and demanding immediate delivery of the deferred silver balance by Mercator Barbados and Mercator. The deferred silver balance was calculated as 178,572 ounces as at the date of the letter, which is equivalent to approximately US\$3.3 million based on the per ounce silver fixing price quoted by the London Bullion Market Association on that date.

Refer to Section 7 for further details on Mercator Barbados.

The Company's SoA indicates an amount owing by Mercator to Silver Wheaton of \$1 since Silver Wheaton's security interests primarily relate to MPI, and any claim of Silver Wheaton against Mercator will likely depend on the outcome of the sale process of this asset (refer to Section 7 for further details).

ii) **Unsecured Creditors**

Société Générale

All of the obligations owing to the MPI Lenders are secured by liens on substantially all of MPI's assets, including cash collateral. As outlined in Section [3], Mercator entered into a Guarantee Agreement in favour of the MPI Lenders under which Mercator guaranteed all obligations of MPI to the MPI Lenders, subject to certain carve-outs for any indebtedness, liens and asset disposals as they relate to El Pilar and/or the RMB Facility. As at September 2, 2014, MPI was indebted to the MPI Lenders in the amount of approximately US\$103.0 million.

The Company's SoA indicates an amount owing by Mercator to Société Générale of \$1 since Société Générale's security interests primarily relate to Mineral Park, and any claim of Société Générale against Mercator will likely depend on the outcome of the sale process of this asset (refer to Section 7 for further details).

Other

Mercator has listed other unsecured creditor claims in its SoA as follows:

- Employee severance claims \$2.2 million;
- Intercompany balances \$44.0 million;
- Service providers \$2.4 million;
- **Total \$48.6 million**

iii) **Provable Claims**

At the time of finalizing this Report, proofs of claims have been filed by eleven unsecured creditors totaling approximately \$1,953,965.

We have been advised that the Company owed four employees severance as at the date of bankruptcy. Claims will be filed pursuant to the Wage Earner Protection Program Act.

7. **Subsidiaries**

i) **Creston Moly**

As outlined in Section 2, Creston Moly indirectly owns a 100% interest in the El Creston, Molybrook and Ajax properties (collectively, the "Creston Moly Assets"). Creston Moly was acquired by Mercator in June 2011 via a plan of arrangement for a combination of shares in Mercator and cash, which valued Creston Moly at approximately \$195 million at the time of the transaction. The Company's investment in Creston Moly has since been written down to nil in the Company's financial statements.

The Trustee is not currently aware of any security interests attaching to Creston Moly, its subsidiaries or assets. It is the intention of the Trustee to seek the approval of creditors to initiate a sale process to solicit interest in the Creston Moly Assets.

We understand that Exploraciones, the wholly-owned subsidiary of Creston Mining and the entity that holds the rights to El Creston, has 3 employees in Mexico which are responsible for the maintenance of the property. Further, Exploraciones has outstanding mineral concession taxes of US\$42,000, lease surface rights payments of US\$23,000 and other accounts payable of US\$20,000 owing. In the past, Exploraciones has depended on funding from its ultimate parent, Mercator. Given the bankruptcy proceedings, the ongoing funding of this entity is subject to uncertainty. The Trustee intends to carry out a cost/benefit analysis of maintaining the Exploraciones entity and El Creston asset.

As at the date of this Report, the Trustee is aware of two outstanding litigation actions against the Exploraciones entity which may impact the realizable value of Creston Moly's interest in El Creston, including:

- *Severance payment dispute*: In February 2014, Exploraciones was served in Mexico with a claim in the Mexican labour courts by the former Mexico country manager in respect of payments due for change of control provisions. The former country manager tendered his letter of resignation on November 1, 2013, with an effective date of December 31, 2013. Exploraciones engaged legal counsel to defend this matter. A hearing was scheduled to be held in August 2014, which has not yet occurred.

- Surface land ownership dispute: In November 2011 and February 2012, Exploraciones was served in connection with two lawsuits filed in Mexican Agrarian Court by certain members of the Ejido (village) that previously owned the surface land in question. These lawsuits seek to nullify the surface ownership right transfers of two parcels of land, Parcels 38 and 39, which transfers were originally negotiated by Exploraciones and the Ejido in 2007, and legally and finally effectuated and registered in March of 2011. The suits claim that the Notices of Intent to sell the surface land ownership rights to Exploraciones were not properly given. These Notices of Intent implement a right of first refusal process that is required under Mexican law to allow certain parties (to whom the Agrarian Law affords such right of first refusal) an opportunity to purchase the parcels for the same price and on the same terms being offered by the intended purchaser. The hearings and litigation in relation to this dispute is ongoing.

The SoA for Creston Moly lists estimated realization values of \$3 million for its investment in Creston Mining Corporation (indirect owner of El Creston) and \$2 million for its investment in Tenajon (owner of Ajax and Molybrook). The Trustee cautions that any realizable value will be dependent on the impact of the above noted litigation and ability to continue to fund the Exploraciones through a sale process.

Creston Moly has listed unsecured creditors in its Statement of Affairs of \$3.1 million, of which \$2.9 million relates to an intercompany balance owing to Tenajon.

ii) **Stingray**

Stingray and its direct and indirect subsidiaries are not subject to BIA or Chapter 11 proceedings. We understand from management of Stingray that the company and its wholly-owned subsidiaries are in the process of agreeing a mutually acceptable forbearance arrangement with its primary senior lender, RMB to allow Stingray to initiate a sale process for El Pilar (the "El Pilar Sale Process"). In addition, Stingray is in the process of negotiating a funding agreement with RMB and an intercreditor agreement with the subordinated lender, Daselina, to allow normal course business to continue at El Pilar and to fund the cost of the El Pilar Sale Process.

To the extent that the sale process may realize proceeds in excess of the amounts owing to RMB and Daselina, there may be a surplus available in Stingray which may ultimately be available for the benefit of Mercator's creditors via Mercator's equity interest in Stingray.

Stingray is in the process of engaging a financial advisor to conduct the El Pilar Sale Process which is likely to be a Canadian investment bank experienced in undertaking mining transactions. Given the Trustee's interest in the El Pilar Sale Process by way of Mercator's ownership of Stingray, Deloitte Corporate Finance Inc. ("Deloitte CF") is proposing to provide services to Stingray as a strategic advisor to assist in its assessment of the strategic options and potential economic outcomes available to

Stingray specific to the El Pilar Sale Process and to provide strategic advice and recommendations in relation to the El Pilar Sale Process, including the provision of advice as to the form, structure, terms and price of a transaction with a view to maximizing value for all stakeholders.

iii) **MPI Holdings**

As outlined in Section 2, MPI Holdings indirectly owns Mineral Park through its wholly-owned subsidiary MPI.

Mineral Park encompasses approximately 6,497 acres of contiguous ground in the Wallapai mining district located in the Cerbat Mountains in Northwestern Arizona and employs over 400 people. The mine is continuing to operate during the Chapter 11 proceedings and Evercore Partners Inc. has been engaged to undertake a sale process in respect of Mineral Park. FTI Consulting Inc. is engaged as Chief Restructuring Officer.

The outcome of any sale process and the value of Mercator's equity interest in MPI Holdings is currently unknown.

iv) **Mercator Barbados**

As outlined in Section 6(i), Mercator Barbados is a wholly-owned subsidiary of Mercator and was set-up for the purpose of administering the Silver Wheaton Purchase Agreement.

We understand that Mercator Barbados is currently holding approximately US\$550,000 in cash. The extent to which Mercator has any interest in this cash balance is as yet undetermined and will be subject to review by the Trustee.

v) **Lodestrike and Bluefish**

Lodestrike is a holding company which owns a wholly-owned subsidiary Bluefish. Bluefish's operations consist of the ownership and operation of an industrial gas turbine power generator, which Bluefish purchased in August 2010. The generator is housed at a facility located at Mineral Park, and the power generated at the Bluefish facility is utilized exclusively to supply Mineral Park.

The power supplied by Bluefish partially satisfies Mineral Park's power requirements, and MPI satisfies the balance of its power requirements through purchases from third parties on the power grid. MPI pays for power purchases from Bluefish by purchasing natural gas to run the turbine and satisfying other operating obligations of Bluefish.

In August 2010, Bluefish entered into an agreement to purchase a Gas Turbine from GE Packaged Power, Inc. Bluefish financed the purchase of the gas turbine with a loan from Transfigura AG, dated October 21, 2010. The original principal amount of the

loan under the agreement was US\$20.8 million, of which approximately \$13 million remained outstanding as at August 26, 2014. Bluefish pledged substantially all of its assets to secure the obligations under the agreement with Transfigura AG. Lodestrike has also pledged the shares of Bluefish to secure such obligations.

The Trustee understands that Evercore Partners Inc. has been engaged to market and sell Bluefish as part of the sale of Mineral Park during the Chapter 11 proceedings.

The outcome of any sale process and the value of Mercator's equity interest in Lodestrike is currently unknown.

vi) **Mercator USA**

Mercator USA is an employment arm of the Mercator Group. The Trustee understands from management of Mercator USA that the entity is not subject to any insolvency proceedings and does not have any material assets.

8. Anticipated Realization and Projected Distribution

The level of realizations available to secured and unsecured creditors of Mercator is as yet unknown, and will depend primarily on the following:

- The outcome of the sale of the Creston Moly Assets;
- The outcome of the El Pilar Sale Process, after discharging the secured creditor claims of RMB and Daselina;
- The outcome of the sale process related to Mineral Park, after discharging the secured creditor claims of the MPI Lenders; and
- The outcome of the sale process related to Bluefish, after discharging the secured creditor claims of Transfigura AG.

9. Legal Proceedings, Reviewable Transactions and Preference Payments

At the time of this Report, the Trustee is not aware of any legal proceedings against the Company.

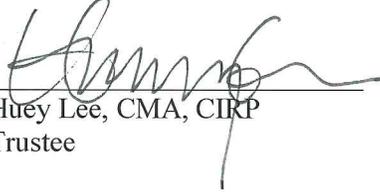
A preliminary review of the Company's books and records has not identified any reviewable transactions or preference payments.

Dated at Vancouver, this 24th day of September, 2014.

DELOITTE RESTRUCTURING INC.

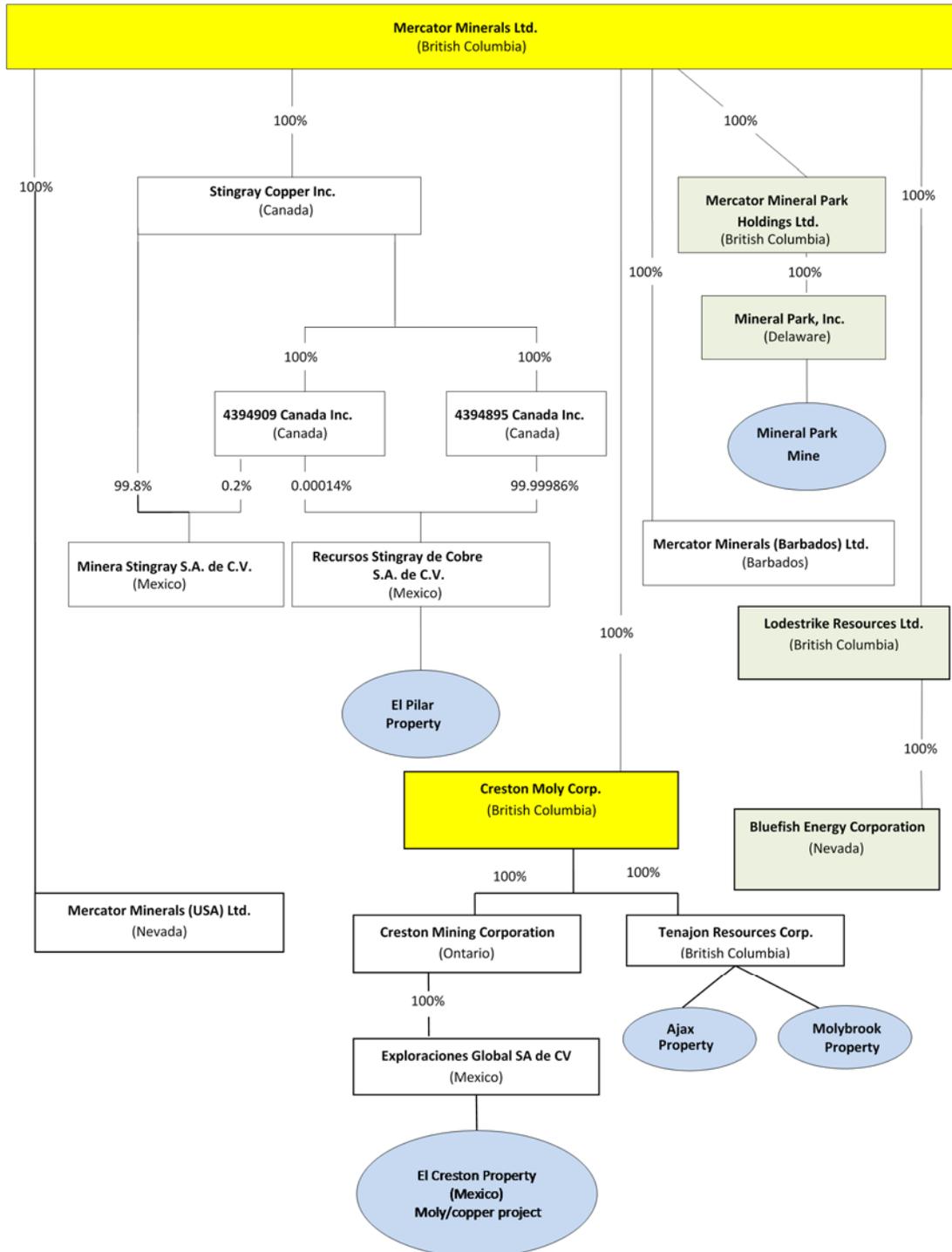
In its capacity as Trustee in Bankruptcy
of Mercator Minerals Ltd.
and not in its personal capacity.

Per: _____


Huey Lee, CMA, CIRP
Trustee

APPENDIX A

Mercator Minerals Ltd. Group Structure Chart



APPENDIX B

Mercator Mineral's Ltd. Statement of Affairs dated September 5, 2014

District of: British Columbia
Division No. 03 - Vancouver
Court No. B-141088
Estate No. 11-1904501

FORM 67
Notice of Bankruptcy and First Meeting of Creditors
(Subsection 102(1) of the Act)

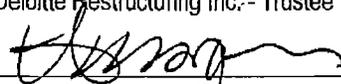
In the matter of the bankruptcy of
Mercator Minerals Ltd.
of the City of Vancouver, in the Province of British Columbia

Take notice that:

1. Mercator Minerals Ltd. filed (or was deemed to have filed) an assignment on the 5th day of September 2014, and the undersigned, Deloitte Restructuring Inc., was appointed as trustee of the estate of the bankrupt by the official receiver (or the Court), subject to affirmation by the creditors of the trustee's appointment or substitution of another trustee by the creditors.
2. The first meeting of creditors of the bankrupt will be held on the 25th day of September 2014, at 9:00 AM, at the office of Deloitte Restructuring Inc., at 2800 - 1055 Dunsmuir Street, Vancouver, British Columbia.
3. To be entitled to vote at the meeting, a creditor must lodge with the trustee, before the meeting, a proof of claim and, where necessary, a proxy.
4. Enclosed with this notice is a proof of claim form, proxy form, and list of creditors with claims amounting to \$25 or more showing the amounts of their claims.
5. Creditors must prove their claims against the estate of the bankrupt in order to share in any distribution of the proceeds realized from the estate.

Dated at the City of Vancouver in the Province of British Columbia, this 11th day of September 2014.

Deloitte Restructuring Inc.- Trustee


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Vancouver BC V7X 1P4
Phone: (604) 534-0921 Fax: (604) 534-7429

District of: British Columbia
 Division No. 03 - Vancouver
 Court No. B-141088
 Estate No. 11-1904501

Original Amended

Form 78
 Statement of Affairs (Business Bankruptcy) made by an entity
 (Subsection 49(2) and Paragraph 158(d) of the Act / Subsections 50(2) and 62(1) of the Act)

In the matter of the bankruptcy of
 Mercator Minerals Ltd.
 of the City of Vancouver, in the Province of British Columbia

To the bankrupt:
 You are required to carefully and accurately complete this form and the applicable attachments showing the state of your affairs on the date of the bankruptcy, on the 5th day of September 2014. When completed, this form and the applicable attachments will constitute the Statement of Affairs and must be verified by oath or solemn declaration.

LIABILITIES (as stated and estimated by the officer)	
1. Unsecured creditors as per list "A"	48,627,277.22
Balance of secured claims as per list "B"	32,765,225.24
Total unsecured creditors	81,392,502.46
2. Secured creditors as per list "B"	311,803.39
3. Preferred creditors as per list "C"	0.00
4. Contingent, trust claims or other liabilities as per list "D" estimated to be reclaimable for	1.00
Total liabilities	81,704,306.85
Surplus	NIL

ASSETS (as stated and estimated by the officer)	
1. Inventory	0.00
2. Trade fixtures, etc.	0.00
3. Accounts receivable and other receivables, as per list "E"	
Good	2,539.08
Doubtful	85,286.80
Bad	0.00
Estimated to produce	2,539.08
4. Bills of exchange, promissory note, etc., as per list "F"	0.00
5. Deposits in financial institutions	0.00
6. Cash	239,236.67
7. Livestock	0.00
8. Machinery, equipment and plant	0.00
9. Real property or immovable as per list "G"	0.00
10. Furniture	1,000.00
11. RRSPs, RRIIFs, life insurance, etc.	0.00
12. Securities (shares, bonds, debentures, etc.)	0.00
13. Interests under wills	0.00
14. Vehicles	0.00
15. Other property, as per list "H"	10.00
If bankrupt is a corporation, add:	
Amount of subscribed capital	0.00
Amount paid on capital	0.00
Balance subscribed and unpaid	0.00
Estimated to produce	0.00
Total assets	242,785.75
Deficiency	81,461,521.10

I, Marc S. LeBlanc, of the City of Vancouver in the Province of British Columbia, do swear (or solemnly declare) that this statement and the attached lists are to the best of my knowledge, a full, true and complete statement of my affairs on the 5th day of September 2014 and fully disclose all property of every description that is in my possession or that may devolve on me in accordance with the Act.

SWORN (or SOLEMNLY DECLARED)
 before me at the City of Vancouver in the Province of British Columbia, on this 10th day of September 2014.

Melinda McKie, Commissioner of Oaths
 For the Province of British Columbia
 Expires Sep. 30, 2014


 Marc S. LeBlanc
 Former officer and
 Employee

MELINDA C. MCKIE
 A Commissioner for Taking Affidavits
 Within the Province of British Columbia
 Suite 2800, 1055 Dunsmuir Street
 Vancouver, B.C. V7X 1P4
 Appointment Expires: September 30, 2014

District of: British Columbia
 Division No. 03 - Vancouver
 Court No. B-141088
 Estate No. 11-1904501

FORM 78 - Continued

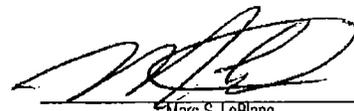
List 'A'
 Unsecured Creditors

Mercator Minerals Ltd.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
1	Adriel Communicallons Inc.	#401 - 510 West Hastings Street Vancouver BC V6B 1L8	250.15	0.00	250.15
2	Aurora Resource Group Ltd	#1020 - 800 West Pender Street Vancouver BC V6C 2V6	6,029.09	0.00	6,029.09
3	BDO Canada LLP	600 Cathedral Place, 925 W. Georgia Street Vancouver BC V6C 3L2	24,901.71	0.00	24,901.71
4	Bell Canada	Floor 2 - 5115 Creekbank Road Mississauga ON L4W 5R1	2,869.67	0.00	2,869.67
5	Bell Conferencing Inc.	5099 Creekbank Road B4 Mississauga ON L4W 5N3	872.29	0.00	872.29
6	Bigdough	PO Box 26886 New York NY 10087 United States	4,083.75	0.00	4,083.75
7	Blake, Cassels & Graydon LLP - Vancouver	2600 - 595 Burrard Street, PO Box 49314, Three Bentall Centre Vancouver BC V7X 1L3	50,080.64	0.00	50,080.64
8	Broadridge	PO Box 57461 Toronto ON M5W 5M5	49.21	0.00	49.21
9	Bruce McLeod	[REDACTED]	761,861.59	0.00	761,861.59
10	CML Professional Accounting Corporation	1040 Westmount Drive Port Moody BC V3H 1K9	3,203.37	0.00	3,203.37
11	Computershare	11th Floor, 100 University Avenue Toronto ON M5J 2Y1	1,696.35	0.00	1,696.35
12	Creston Moly Corp.	10th Floor, 595 Howe Street Vancouver BC V6C 2T5	1,512,252.31	0.00	1,512,252.31
13	Cutfield Freeman & Co Ltd	Royal Bank Plaza 200 Bay Street Suite 1650, North Tower PO Box 72 Toronto ON M5J 2J2	136,126.09	0.00	136,126.09
14	Daniel Tellechia	[REDACTED]	70,890.79	0.00	70,890.79
15	David Jan	[REDACTED]	225,000.00	0.00	225,000.00
16	David Visagie	[REDACTED]	164,775.00	0.00	164,775.00
17	Deborah Williams	[REDACTED]	4,135.85	0.00	4,135.85
18	Dorsey & Whitney LLP	PO Box 1680 Minneapolis MN 55480-1680 United States	11,103.68	0.00	11,103.68
19	DuMoulin Black LLP	10th Floor, 595 Howe Street Vancouver BC V6C 2T5	324,135.60	0.00	324,135.60
20	Elaine Shum	[REDACTED]	1,692.31	0.00	1,692.31
21	Federal Express Canada Ltd.	PO Box 4626 Toronto ON M5W 5B4	205.73	0.00	205.73
22	Herbert Smith Freehills	36/250 St Georges Terrace Perth, 6000 WA Australia	1,093.36	0.00	1,093.36
23	International Northair Mines Ltd.	Suite 860 - 625 Howe Street Vancouver BC V6C 2T6	3,651.75	0.00	3,651.75

10-Sep-2014

Date



Marc S. LeBlanc

Former officer & Employee

District of: British Columbia
 Division No. 03 - Vancouver
 Court No. B-141088
 Estate No. 11-1904501

FORM 78 - Continued

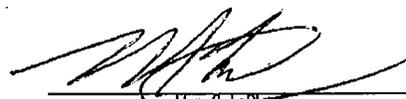
List "A"
 Unsecured Creditors

Mercator Minerals Ltd.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
24	John H. Bowles	[REDACTED]	87,482.53	0.00	87,482.53
25	K&H Dispatch Couriers	165 - 6260 Graybar Rd Richmond BC V6W 1H6	38.99	0.00	38.99
26	KPMG LLP	PO Box 4348, Station A Toronto ON M5W 7A6	220,587.54	0.00	220,587.54
27	Landsberg and Associates	5950 Canoga Ave, Suite 605, Woodland Hills CA 91367 USA	18,023.09	0.00	18,023.09
28	Madill Office Company	PO Box 1240 Ladysmith BC V9G 1A8	515.88	0.00	515.88
29	Marc LeBlanc	[REDACTED]	369,666.67	0.00	369,666.67
30	Mark Distler	[REDACTED]	390,750.00	0.00	390,750.00
31	Marketwire LP	26 York Street, Suite 900, PO Box 403 Toronto ON M5J 2V5	8,840.09	0.00	8,840.09
32	McLennan Ross	#1001 Precambrian Bldg, 4920 - 52 Street Yellowknife NT X1A 3T1	364.16	0.00	364.16
33	Mercator Minerals (Barbados) Ltd.	C/o Melanie Jones Worthing Corporate Centre Worthing, Christ Church 15008 Barbados	42,522,789.17	0.00	42,522,789.17
34	Michael Broch	[REDACTED]	290,150.00	0.00	290,150.00
35	Miller Thomson LLP	1000-840 Howe Street Vancouver BC V6Z 2M1	2,160.80	0.00	2,160.80
36	Pitney Bowes	PO Box 278 Orangeville ON L9W 2Z7	187.93	0.00	187.93
37	RMB Australia Holdings Ltd	c/o Sean Collins, McCarthy Tetrault Suite 1300, 777 Dunsmuir St PO Box 10424, Pacific Centre Vancouver BC V7Y1K2	0.00	32,765,225.24	32,765,225.24
38	Robert J. Quinn	[REDACTED]	139,711.82	0.00	139,711.82
39	Rogers Wireless*	PO Box 8878 Stn Terminal Vancouver BC V6B 0H6	1,200.98	0.00	1,200.98
40	Roman Friedrich	[REDACTED]	55,891.15	0.00	55,891.15
41	Ron Vankoughnet	[REDACTED]	122,788.33	0.00	122,788.33
42	Salans FMC SNR Denton Europe	Suite 1000, 2101 L Street, N.W. Washington DC 20037 United States	22,710.39	0.00	22,710.39
43	Shaw Business	100 - 3636 23rd Street NE Calgary AB T2E 8Z5	1,084.34	0.00	1,084.34
44	Shaw Cable	PO Box 2468 Stn Main Calgary AB T2P 4Y2	164.43	0.00	164.43
45	Shred-It International Inc.	Unit 300 - 1650 Briganline Drive Coquitlam BC V3K 7B5	135.72	0.00	135.72

10-Sep-2014

Date


 Marc S. LeBlanc
 Former Officer &
 Employer

District of: British Columbia
 Division No. 03 - Vancouver
 Court No. B-141088
 Estate No. 11-1904501

FORM 78 - Continued

List "A"
 Unsecured Creditors

Mercator Minerals Ltd.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
46	SITek	10200 Algonquin Drive Richmond BC V7A 3A4	286.53	0.00	286.53
47	St. Bernadine Mission Communications Inc.	Main Floor, 228 E. Georgia St. Vancouver BC V6A 1Z7	631.59	0.00	631.59
48	Steelhead Business Products	5589 Regent Street Burnaby BC V5B 4R6	2,677.84	0.00	2,677.84
49	Stephen Qulin (CAD)	[REDACTED]	70,396.12	0.00	70,396.12
50	Stikeman Elliott LLP	5300 Commerce Court West, 199 Bay Street Toronto ON M5L 1B9	974,708.69	0.00	974,708.69
51	Tapia, Robles, Cabrera y Moreno	Miguel Hidalgo 64, 83280 Hermosillo Sonora Mexico	3,868.64	0.00	3,868.64
52	Tenajon Resources Corp.	C/o Dumoulin 10th Floor, 595 Howe Street Vancouver BC V6C 2T5	8,248.83	0.00	8,248.83
53	Van Houtte Coffee Services Inc.	9 Burbidge Street, Unit 120 Coquitlam BC V3K 7B2	254.68	0.00	254.68
Total:			48,627,277.22	32,765,225.24	81,392,502.46

10-Sep-2014

Date



Marc S. LeBlanc

Former Officer &
 Employee

District of: British Columbia
 Division No. 03 - Vancouver
 Court No. B-141088
 Estate No. 11-1904501

FORM 78 - Continued

List "B"
 Secured Creditors

Mercator Minerals Ltd.

No.	Name of creditor	Address	Amount of claim	Particulars of security	When given	Estimated value of security	Estimated surplus from security	Balance of claim
1	Daselina Investments Ltd.	c/o Alexander Schmitt, Norton Rose Fulbright Royal Bank Plaza, Suite 3800, 200 Bay Street Toronto ON M5J 2Z4	1.00	Other - Investment in Stingray Copper Inc.	12-Dec-2013	0.00		1.00
2	RMB Australia Holdings Ltd	c/o Sean Collins, Mearthy Tetrauli Suite 1300, 777 Dunsmuir St PO Box 10424, Pacific Centre Vancouver BC V7Y1K2	33,077,026.63	Other - Investment in Stingray Copper Inc.	14-Dec-2012	2,542,007.00		30,535,019.63
3	Silver Wheaton (Caymans) Ltd.	c/o Cassels Brock and Blackwell LLC, Shayne Kukulowicz 2100 Scotia Plaza, 40 King Street West, Toronto ON M5H 3C2	1.00	Other - Investment in Mercator Mineral Park Holdings Ltd.	10-Jun-2008	1.00	156,005,516.00	
Total:			33,077,028.63			2,542,008.00	156,005,516.00	30,535,020.63

10-Sep-2014

Date



Marc S. LeBlanc

*Former officer &
Employee*

District of: British Columbia
Division No. 03 - Vancouver
Court No. B-141088
Estate No. 11-1904501

FORM 78 -- Continued

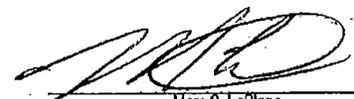
List "C"
Preferred Creditors for Wages, Rent, etc.

Mercator Minerals Ltd.

No.	Name of creditor	Address and occupation	Nature of claim	Period during which claim accrued	Amount of claim	Amount payable in full	Difference ranking for dividend
Total:					0.00	0.00	0.00

10-Sep-2014

Date



Marc S. LeBlanc

Former officer &
employee.

District of: British Columbia
 Division No. 03 - Vancouver
 Court No. B-141088
 Estate No. 11-1904501

FORM 78 - Continued

List "D"
 Contingent or Other Liabilities

Mercator Minerals Ltd.

No.	Name of creditor or claimant	Address and occupation	Amount of liability or claim	Amount expected to rank for dividend	Date when liability incurred	Nature of liability
1	Société Générale c/o Kibben Jackson	Fasken Martineau DuMoulin LLP, 2900-550 Burrard St Vancouver BC V6C 0A3	1.00	0.00		Unsecured contingent liability
Total:			1.00	0.00		

Note:

- Mercator Minerals Ltd. provided an unsecured guarantee to Société Générale guaranteeing all obligations of Mineral Park, Inc. to Société Générale. Mineral Park, Inc. is currently indebted to Société Générale in the amount of approximately 103 million USD. Mineral Park, Inc. is subject to Chapter 11 proceedings in the U.S.

10-Sep-2014

Date


 Marc S. LeBlanc

Former Officer &
 Employee

District of: British Columbia
 Division No. 03 - Vancouver
 Court No. B-141088
 Estate No. 11-1904501

FORM 78 - Continued

List "E"
 Debts Due to the Bankrupt

Mercator Minerals Ltd.

No.	Name of debtor	Address and occupation	Nature of debt	Amount of debt (good, doubtful, bad)	Folio of ledgers or other book where particulars to be found	When contracted	Estimated to produce	Particulars of any securities held for debt
1	Accounts Receivable from Tenants	1050 - 625 Howe Street Vancouver BC V6C 2T6	Tenant receivables	2,539.08 0.00 0.00		05-Sep-2014	2,539.08	Nil
2	Accounts Receivable GST	1166 W Pender Street Vancouver BC V6E 3H8	GST accrued	0.00 85,286.80 0.00		05-Sep-2014	0.00	nil
Total:				2,539.08 85,286.80 0.00			2,539.08	

10-Sep-2014

Date



Marc S. LeBlanc

Former Officer &
 Employee

District of: British Columbia
Division No. 03 - Vancouver
Court No. B-141088
Estate No. 11-1904501

FORM 78 - Continued

List "F"

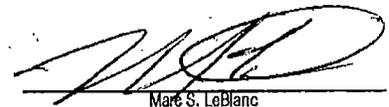
Bills of Exchange, Promissory Notes, Lien Notes, Chattel
Mortgages, etc., Available as Assets

Mercator Minerals Ltd.

No.	Name of all promissory, acceptors, endorsers, mortgagors, and guarantors	Address	Occupation	Amount of bill or note, etc.	Date when due	Estimated to produce	Particulars of any property held as security for payment of bill or note, etc.
Total:				0.00		0.00	

10-Sep-2014

Date



Marc S. LeBlanc

Former officer &
Employee

District of: British Columbia
Division No. 03 - Vancouver
Court No. B-141088
Estate No. 11-1904501

FORM 78 - Continued

List "G"
Real Property or Immovables Owned by Bankrupt

Mercator Minerals Ltd.

Description of property	Nature of bankrupt interest	In whose name does title stand	Total value	Particulars of mortgages, hypothecs, or other encumbrances (name, address, amount)	Equity or surplus
Total:			0.00		0.00

10-Sep-2014

Date



Marc S. LeBlanc

Former officer &
Employee

District of: British Columbia
 Division No. 03 - Vancouver
 Court No. B-141088
 Estate No. 11-1904501

FORM 78 - Concluded

List "H"
 Property

Mercator Minerals Ltd.
 FULL STATEMENT OF PROPERTY

Nature of property	Location	Details of property	Original cost	Estimated to produce
(a) Stock-in-trade			0.00	0.00
(b) Trade fixtures, etc.			0.00	0.00
(c) Cash in financial institutions			0.00	0.00
(d) Cash on hand			239,236.67	239,236.67
(e) Livestock			0.00	0.00
(f) Machinery, equipment and plant			0.00	0.00
(g) Furniture		Office furniture & equipment	4,381.77	1,000.00
(h) Life insurance policies, RRSPs, etc.			0.00	0.00
(i) Securities			0.00	0.00
(j) Interests under wills, etc.			0.00	0.00
(k) Vehicles			0.00	0.00
(l) Taxes			0.00	0.00
(m) Other		Intercompany due from Mercator Mineral Park Holdings Ltd.	87,700,318.00	1.00
		Intercompany due from Bluefish Energy Corporation	1,472,420.57	1.00
		Intercompany due from Minera Stingray SA de CV	311,801.39	1.00
		Investment in Mercator Mineral Park Holdings Ltd.	156,005,517.00	1.00
		Investment - Lodestrike Resources Ltd.	2,031.00	1.00
		Investment in Stingray Copper Inc.	2,542,007.00	1.00
		Investment in Bluefish Energy Corporation	364,012.00	1.00
		Intercompany due from Mercator Minerals (USA) Ltd.	5,609,978.87	1.00
		Intercompany due from Recursos Stingray de Cobre SA de CV	2,711,090.45	1.00
		Intercompany due from Exploraciones Global SA de CV	2,540,710.00	1.00
			Total:	240,248.67

Noté:

- Other Assets: The value of Mercator Minerals Ltd.'s equity interests in its wholly owned direct and indirect subsidiaries and intercompany balances are currently pending the outcome of the Chapter 11 proceedings in the U.S. and any sale process in respect of the El Pilar and El Creston properties.

10-Sep-2014

Date



Marc S. LeBlanc

Former officer & Employee



Industry Canada

Office of the Superintendent
of Bankruptcy Canada

Industrie Canada

Bureau du surintendant
des faillites Canada

District of: British Columbia
Division No.: 03 - Vancouver
Court No.: 11-1904501
Estate No.: 11-1904501

In the Matter of the Bankruptcy of:

Mercator Minerals Ltd.
Debtor

DELOITTE RESTRUCTURING INC/RESTRUCTURATION
DELOITTE INC
Trustee

Ordinary Administration

Date of bankruptcy: September 05, 2014

Security: \$0.00

Meeting of creditors:

Chair:

Designated person: Marc S. LeBlanc

CERTIFICATE OF ASSIGNMENT - Paragraph 50.4(8)(b.1) of the Act

I, the undersigned, official receiver in and for this bankruptcy district, do hereby certify that:

- a notice of intention in respect of the aforementioned debtor was filed under section 50.4 of the *Bankruptcy and Insolvency Act*;
- the debtor has failed to file a cash-flow statement or a proposal within the provided period following the filing of the notice of intention or within any Court-granted extension and is thereupon deemed to have made an assignment.

The said trustee is required:

- to provide to me, without delay, security in the aforementioned amount;
- to send to all creditors, within five days after the date of the trustee's appointment, a notice of the bankruptcy; and
- when applicable, to call in the prescribed manner a first meeting of creditors, to be held at the aforementioned time and place or at any other time and place that may be later requested by the official receiver.

Date: September 09, 2014

E-File/Dépôt Electronique

Official Receiver

300 Georgia Street W, Suite 2000, Vancouver, British Columbia, Canada, V6B6E1, (877)376-9902

Canada

Please submit this Proof of Claim (Form 31) to the Deloitte office administering the Proposal estate.

Fax: (604) 602 - 1583
www.bankruptcy.deloitte.ca

BANKRUPTCY AND INSOLVENCY ACT PROOF OF CLAIM FORM

Sections 50.1, subsections 65.2(4), 81.2(1), 81.3(8), 81.4(8), 102(2), 124(2) and 128(1), and paragraphs 51(1)(e) and 66.14(b) of the Act

Provide the complete address, including postal code, to which any notice or correspondence is to be forwarded.

All notices or correspondence regarding this claim are to be forwarded to the following address: _____

IN THE MATTER OF THE BANKRUPTCY / PROPOSAL / RECEIVERSHIP OF _____ (NAME OF DEBTOR)

of the City of _____ (CITY & PROVINCE), and the claim of _____ (NAME OF CREDITOR)

I, _____, residing in the City of _____ in the Province of _____

DO HEREBY CERTIFY THAT:

1. I am a creditor of the above-named debtor (or that I am _____ of _____ (POSITION OR TITLE) of _____ (NAME OF CREDITOR OR REPRESENTATIVE))

2. I have knowledge of all circumstances connected with the claim referred to below.

3. The debtor was, at the date of the bankruptcy (or the date of the receivership or, in the case of a proposal, the date of the notice of intention or of the proposal if no notice of intention was filed), namely the _____ day of _____ and still is indebted to the above-named creditor in the sum of \$ _____ as specified in the statement of account (or affidavit) attached and marked Schedule "A" after deducting any counterclaims to which the debtor is entitled. (The attached statement of account or affidavit must specify the vouchers or other evidence in support of the claim.)

4. Complete appropriate category:

A. UNSECURED CLAIM of \$ _____
That in respect of this debt, I do not hold any assets of the debtor as security and:
 Regarding the amount of \$ _____, I do not claim a right to a priority.
 Regarding the amount of \$ _____, I claim a right to a priority under Section 136 of the Act.

B. CLAIM OF LANDLORD FOR DISCLAIMER OF A LEASE of \$ _____
That I hereby make a claim under Subsection 65.2(4) of the Act, particulars of which are as follows: (Attach full particulars of the claim, including calculations upon which the claim is based.)

C. SECURED CLAIM of \$ _____
That in respect of this debt, I hold assets of the debtor valued at \$ _____ as security, particulars of which are as follows: (Attach full particulars of the security, including the date on which the security was given and the value at which you assess the security and attach a copy of the security document.)

D. CLAIM BY FARMER, FISHERMAN OR AQUACULTURIST of \$ _____
That I hereby make a claim under Subsection 81.2(1) of the Act for the unpaid amount of \$ _____ (Attach a copy of the sales agreement and delivery receipts.)

E. CLAIM BY WAGE EARNER OF \$ _____
 That I hereby make a claim under subsection 81.3(8) of the Act in the amount of \$ _____
 That I hereby make a claim under subsection 81.4(8) of the Act in the amount of \$ _____
(Give full particulars of the claim, including the calculations upon which the claim is based.)

F. CLAIM AGAINST DIRECTOR of \$ _____ (To be filed when a proposal provides for the compromise of claims against directors).
That I hereby make a claim under Subsection 50(13), particulars of which are as follows: (Attach full particulars of the claim, including the calculations upon which the claim is based.)

G. CLAIM OF A CUSTOMER OF A BANKRUPT SECURITIES FIRM \$ _____
That I hereby make a claim as a customer for net equity as contemplated by section 262 of the Act, particulars of which are as follows: (Give full particulars of the claim, including the calculations upon which the claim is based.)

5. That, to the best of my knowledge, I am (or the above-named creditor is) (or am not or is not) related to the debtor within the meaning of section 4 of the Act, and have (or has) (or have not or has not) dealt with the debtor in a non-arm's-length manner.

6. That the following are the payments that I have received from, and the credits that I have allowed to, and the transfers at undervalue within the meaning of subsection 2(1) of the Act that I have been privy to or a party to with the debtor within the three months (or, if the creditor and the debtor are related within the meaning of section 4 of the Act or were not dealing with each other at arm's length, within the 12 months) immediately before the date of the initial bankruptcy event within the meaning of Section 2(1) of the Act: (Provide details of payment, credits and transfers at undervalue.)

Dated at _____, this _____ day of _____ (CITY & PROVINCE)

(SIGNATURE OF INDIVIDUAL COMPLETING THIS FORM) (SIGNATURE OF WITNESS)

(CREDITOR'S PHONE NUMBER) (CREDITOR'S FACSIMILE NUMBER)

APPLICABLE ONLY IN THE CASE OF BANKRUPTCY OF AN INDIVIDUAL:

I request that a copy of the report filed by the Trustee regarding the bankrupt's application for discharge, pursuant to Subsection 170(1) of the Act, be sent to the above address.

NOTE: If an affidavit is attached, it must have been made before a person qualified to take affidavits or solemn declarations.

WARNINGS: A Trustee may, pursuant to Subsection 128(3) of the Act, redeem a security on payment to the secured creditor of the debt or the value of the security as assessed in a proof of security by the secured creditor.

Subsection 201(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.

PLEASE TURN OVER AND COMPLETE THE PROXY ON THE BACK OF THIS FORM.

GENERAL PROXY (with Power of Substitution)

WHERE A CREDITOR IS A CORPORATION, THE PROXY MUST BE COMPLETED AND SIGNED IN THE CORPORATE NAME

IN THE MATTER OF THE BANKRUPTCY / PROPOSAL / RECEIVERSHIP OF _____
(NAME OF DEBTOR)

I, _____, of the City of _____, in the Province of _____
(NAME OF CORPORATION) (CITY) (PROVINCE)

a creditor in the above matter, hereby appoint _____ of _____
(NAME OF PROXY) (CITY & PROVINCE)

to be my general proxy in the above matter except as to the receipt of dividends with / without power to appoint another general proxy in his / her place.

Dated at the City of _____, in the Province of _____, this _____ day of _____.

(CORPORATE NAME) (SIGNATURE OF WITNESS)

(ADDRESS) (SIGNATURE OF PROXY GRANTOR)

PROXY

The Bankruptcy and Insolvency Act permits a Proof of Claim to be made by a duly authorized agent of a creditor; however, this does not give such a person power to vote at the First Meeting of Creditors or to act as the proxy of the creditors.

GENERAL

- A creditor may vote either in person or by proxy.
- The Trustee may be appointed as a proxy for any creditor.
- A Corporation may vote by an authorized agent at a meeting of creditors.
- Debtors may not be appointed a proxy to vote at any meeting of their creditors.
- In order for a duly authorized person to have a right to vote, they must be a creditor themselves or be the holder of a properly executed proxy, showing the name of the creditor.

**DIRECTIONS AS TO COMPLETING PROOF OF CLAIM FORM
(CLAIMS NOT COMPLETED CORRECTLY IN EVERY RESPECT WILL BE RETURNED)**

Every creditor who does not prove a claim is not entitled to share in any distribution. The checklist below is provided to assist you in preparing the Proof of Claim and, where required, Proxy in a complete and accurate manner. Please check each requirement.

GENERAL

- The signature of a witness is required.
- This document must be signed personally by the person completing the Proof of Claim.
- Give the complete address, including postal code, where any notice or correspondence is to be forwarded.
- The amount on the Statement of Account must correspond with the amount indicated on the Proof of Claim.

PARAGRAPH 1

- The creditor must state the full and complete legal name of the company or firm.
- If the individual completing the Proof of Claim is not the creditor himself, he must state his position or title.

PARAGRAPH 3

- The Schedule A or Statement of Account must be complete and detailed, showing the date, number and amount of all invoices or charges, together with the date, number and amount of all creditors or payments. A Statement of Account is not complete if it begins with an amount brought forward.

PARAGRAPH 4

- All claims must be submitted in Canadian dollars converted at the closing exchange rate in effect on the date of bankruptcy, September 5, 2014 (USD:CAD 1.0890).
- A claim by a farmer, fisherman or aquaculturist must attach a copy of the sales agreement and delivery documents.
- Details of Section 136 are available from Deloitte upon request.

PARAGRAPH 5

- All claimants must indicate if they are / are not related to the debtor, as defined in Section 4 of the Bankruptcy and Insolvency Act, "If you are related by blood or marriage to the bankrupt, then you should consider yourself to be a related person pursuant to Section 4. If the bankrupt is a corporation, you would be considered to be related to it if you were a shareholder or if your company was controlled by the same shareholders as the bankrupt corporation."

PARAGRAPH 6

- All claimants must attach a detailed list of all payments or credits received or granted as follows:
 - Within the three months preceding the bankruptcy / proposal, in the case where the claimant and debtor are not related;