

CANADA

SUPERIOR COURT

PROVINCE OF QUEBEC
DISTRICT OF ABITIBI

IN THE MATTER OF THE PROPOSAL OF:

No: 615-11-001401-142
Dossier No. 33-190914

MINÉRAUX MAUDORE LTÉE

Debtor

SAMSON BÉLAIR/DELOITTE & TOUCHE INC.

Trustee

**MOTION TO EXTEND THE PERIOD FOR MAKING A PROPOSAL
(S. 50.4(9) OF THE *BANKRUPTCY AND INSOLVENCY ACT*)**

TO ONE OF THE HONOURABLE JUDGES OF THE SUPERIOR COURT, SITTING IN BANKRUPTCY MATTERS IN AND FOR THE DISTRICT OF ABITIBI, OR TO THE BANKRUPTCY REGISTRAR, THE DEBTOR RESTFULLY STATES:

1. Minéraux Maudore ltée ("**Maudore**"), a publicly-owned company listed as MAO on the TSX Venture Exchange (TSX-V), is a Quebec junior gold company with more than 22 exploration projects located near the towns of Amos, Lebel-sur-Quévillon and Matagami.
2. Maudore is the majority shareholder of Mines Aurbec inc. ("**Aurbec**"), whose principal assets are the ~~Sleeping Giant~~ mine and processing facility about 80 km north of Amos ("**Sleeping Giant**"), and the Vezza project about 25 km south of Matagami ("**Vezza**").
3. On September 8, 2104, both Aurbec and Maudore filed notices of their intention to make a proposal to their creditors under the *Bankruptcy and Insolvency Act* ("**BIA**"), with Samson Bélaïr/Deloitte & Touche Inc. ("**Deloitte**") agreeing in both instances to act as proposal trustee, the whole as appears from the court record.

- 2 -

4. The most significant secured creditor of both Aurbec and Maudore is FBC Holdings S.à.r.l. ("FBC"), controlled by Cyrus Capital Partners L.P., whose claim of approximately \$33.5 million is secured by all of the assets of Maudore as appears from a copy of a search of the Register of Personal and Movable Real Rights, **Exhibit P-1**.
5. Even prior to the filing of the notices of intention, Aurbec and Maudore had been working with FBC (which is also a significant shareholder of Aurbec) to be able to make a proposal to their creditors, which proposal would probably involve the separation of the exploration assets from the production assets, and additional capital from the sale of Sleeping Giant or Vezza or both.
6. To this end, following the filing of the notices of intention, a list of potential investors/acquirers was compiled; approximately 30 parties were sent a confidentiality agreement which, once executed, permits access to a data room set up by Aurbec and Maudore in order to explore a potential transaction.
7. Vezza had been shut down several months prior to the notices of intention because the price of gold was not sufficient to cover extraction costs given the ore concentrations found in the mine.
8. In order to minimize costs, Aurbec's management decided in early October to commence the shutdown of operations at the Sleeping Giant mine as well, as it could not be operated profitably under current market conditions.
9. By October 8, 2014, the deadline for Aurbec and Maudore to file their proposals was extended for a period of 44 days, ending on November 21, 2014, as appears from the court record.
10. On October 14, 2014, a sale process undertaken by Aurbec to maximize recovery for creditors generated an offer for various equipment no longer required by Aurbec, which sale was approved by the court on November 7, 2014, as appears from the court record.
11. On November 21, 2014, the deadline for Aurbec and Maudore to file their proposals was extended for a period of 45 days, ending on January 6, 2015, as appears from the court record.
12. As part of its efforts to maximize recovery for creditors, Aurbec signed an agreement with a third party to collect, process and sell whatever gold residues could be recovered following the mine-out process at Sleeping Giant.
13. No transaction has materialized despite the efforts of Maudore, Aurbec and their proposal trustee (with the assistance of Clarus), and on December 15, 2014, FBC served upon Aurbec a notice under section 244 of the *Bankruptcy and Insolvency Act* in the amount of \$33,588,673.

14. On December 17, 2014, with the consent of both Aurbec and Maudore, Deloitte was appointed receiver of all assets of Aurbec subject to FBC's security (with the exception of Vezza, in respect of which Entrepreneur Minier Promec and Gestion Abitibi Inc. are the *pari passu* first-ranking secured creditors).
15. At the hearing for the appointment of a receiver of various property of Aurbec, this court extended the deadline for Maudore to file a proposal for an additional period of 9 days, ending on January 14, 2015, to coincide with the availability of this court, as appears from the minutes of hearing.
16. On January 6, 2015, the deadline for Aurbec to make a proposal to its creditors expired, and Deloitte was appointed trustee to the bankruptcy of Aurbec, subject to ratification at the first meeting of creditors scheduled for 11 a.m. on January 22, 2015.
17. Maudore holds interests in exploration projects but generates no revenue of its own and relies entirely upon revenue generated by its subsidiary, Aurbec.
18. Despite the bankruptcy of its subsidiary, there is still the possibility of a proposal with the creditors of Maudore (notably in light of the value attributable to the stock exchange listing and the tax losses), but additional time is required in order to determine if funding will be made available for a proposal; the alternative would be a bankruptcy with no dividend for unsecured creditors.
19. For the foregoing reasons, Maudore requests a further extension of the deadline to make a proposal for a period of 44 days, up to February 27, 2015.
20. Maudore has prepared a cash flow statement for the period ending on March 1, 2015 which is annexed to the report of the proposal trustee, **Exhibit P-2**.
21. The cash flow demonstrates that Maudore is dependent upon the receipt of funds from the receiver of Aurbec in order to meet its ongoing obligations (which are principally salaries as well as costs relating to the proposal process) but no creditors will be materially prejudiced by the extension, because an immediate bankruptcy and liquidation of all assets would be insufficient to pay the claims of secured creditors such that creditors with unsecured pre-filing claims would suffer a total loss.
22. To date, no creditor has objected to the extension of the deadline for Maudore to make a proposal, nor did any creditor object to the extension of Aurbec's deadline to make a proposal.
23. The debtor has acted, and is acting in good faith and with due diligence, and the proposal trustee supports the extension as appears from its report (Exhibit P-2).

WHEREFORE, MAY IT PLEASE THE COURT:

GRANT the present motion.

EXTEND the period for the debtor to make its proposal for an additional period of **44** days, from Wednesday, January 14, 2015 until Friday, February 27, 2015.

THE WHOLE without costs, unless contested.

MONTREAL, January 9, 2015

Woods LLP
WOODS LLP
Attorneys for the Debtor

CANADA

SUPERIOR COURT

PROVINCE OF QUEBEC
DISTRICT OF ABITIBI

IN THE MATTER OF THE PROPOSAL OF:

No: 615-11-001401-142
Dossier No. 33-190914

MINÉRAUX MAUDORE LTÉE

Debtor

SAMSON BÉLAIR/DELOITTE & TOUCHE INC.

Trustee

**AFFIDAVIT OF GEORGE FOWLIE
(MOTION TO EXTEND THE PERIOD FOR MAKING A PROPOSAL)**

I, the undersigned, **George Fowlie**, domiciled and residing for present purposes at 1495 4th Street, Val-d'Or, Quebec, J9P 6X1 do solemnly affirm that:

1. I am chairman of the boards of directors of Minéraux Maudore ltée ("**Maudore**") and Mines Aurbec inc. ("**Aurbec**").
2. Maudore is a publicly-owned company listed as MAO on the TSX Venture Exchange (TSX-V), is a Quebec junior gold company with more than 22 exploration projects located near the towns of Amos, Lebel-sur-Quévillon and Matagami.
3. Maudore is the majority shareholder of Aurbec, whose principal assets are the Sleeping Giant mine and processing facility about 80 km north of Amos ("**Sleeping Giant**"), and the Vezza project about 25 km south of Matagami ("**Vezza**").
4. On September 8, 2014, both Aurbec and Maudore filed notices of their intention to make a proposal to their creditors under the *Bankruptcy and Insolvency Act* ("**BIA**"), with Samson Bélaïr/Deloitte & Touche Inc. ("**Deloitte**") agreeing in both instances to act as proposal trustee, the whole as appears from the court record.
5. The most significant secured creditor of both Aurbec and Maudore is FBC Holdings S.à.r.l. ("**FBC**"), controlled by Cyrus Capital Partners L.P., whose claim of approximately \$33.5 million is secured by all of the assets of Maudore as appears from a copy of a search of the Register of Personal and Movable Real Rights, **Exhibit P-1**.

- 2 -

6. Even prior to the filing of the notices of intention, Aurbec and Maudore had been working with FBC (which is also a significant shareholder of Aurbec) to be able to make a proposal to their creditors, which proposal would probably involve the separation of the exploration assets from the production assets, and additional capital from the sale of Sleeping Giant or Vezza or both.
7. To this end, following the filing of the notices of intention, a list of potential investors/acquirers was compiled; approximately 30 parties were sent a confidentiality agreement which, once executed, permits access to a data room set up by Aurbec and Maudore in order to explore a potential transaction.
8. Vezza had been shut down several months prior to the notices of intention because the price of gold was not sufficient to cover extraction costs given the ore concentrations found in the mine.
9. In order to minimize costs, Aurbec's management decided in early October to commence the shutdown of operations at the Sleeping Giant mine as well, as it could not be operated profitably under current market conditions.
10. By October 8, 2014, the deadline for Aurbec and Maudore to file their proposals was extended for a period of 44 days, ending on November 21, 2014, as appears from the court record.
11. On October 14, 2014, a sale process undertaken by Aurbec to maximize recovery for creditors generated an offer for various equipment no longer required by Aurbec, which sale was approved by the court on November 7, 2014, as appears from the court record.
12. On November 21, 2014, the deadline for Aurbec and Maudore to file their proposals was extended for a period of 45 days, ending on January 6, 2015, as appears from the court record.
13. As part of its efforts to maximize recovery for creditors, Aurbec signed an agreement with a third party to collect, process and sell whatever gold residues could be recovered following the mine-out process at Sleeping Giant.
14. No transaction has materialized despite the efforts of Maudore, Aurbec and their proposal trustee (with the assistance of Clarus), and on December 15, 2014, FBC served upon Aurbec a notice under section 244 of the *Bankruptcy and Insolvency Act* in the amount of \$33,588,673.
15. On December 17, 2014, with the consent of both Aurbec and Maudore, Deloitte was appointed receiver of all assets of Aurbec subject to FBC's security (with the exception of Vezza, in respect of which Entrepreneur Minier Promec and Gestion Abitibi Inc. are the *pari passu* first-ranking secured creditors).


- 3 -

16. At the hearing for the appointment of a receiver of various property of Aurbec, this court extended the deadline for Maudore to file a proposal for an additional period of 9 days, ending on January 14, 2015, to coincide with the availability of this court, as appears from the minutes of hearing.
17. On January 6, 2015, the deadline for Aurbec to make a proposal to its creditors expired, and Deloitte was appointed trustee to the bankruptcy of Aurbec, subject to ratification at the first meeting of creditors scheduled for 11 a.m. on January 22, 2015.
18. Maudore holds interests in exploration projects but generates no revenue of its own and relies entirely upon revenue generated by its subsidiary, Aurbec.
19. Despite the bankruptcy of its subsidiary, there is still the possibility of a proposal with the creditors of Maudore (notably in light of the value attributable to the stock exchange listing and the tax losses), but additional time is required in order to determine if funding will be made available for a proposal; the alternative would be a bankruptcy with no dividend for unsecured creditors.
20. For the foregoing reasons, Maudore requests a further extension of the deadline to make a proposal for a period of 44 days, up to February 27, 2015.
21. Maudore has prepared a cash flow statement for the period ending on March 1, 2015 which is annexed to the report of the proposal trustee, **Exhibit P-2**.
22. The cash flow demonstrates that Maudore is dependent upon the receipt of funds from the receiver of Aurbec in order to meet its ongoing obligations (which are principally salaries as well as costs relating to the proposal process) but no creditors will be materially prejudiced by the extension, because an immediate bankruptcy and liquidation of all assets would be insufficient to pay the claims of secured creditors such that creditors with unsecured pre-filing claims would suffer a total loss.
23. To date, no creditor has objected to the extension of the deadline for Maudore to make a proposal, nor did any creditor object to the extension of Aurbec's deadline to make a proposal.
24. The debtor has acted, and is acting in good faith and with due diligence, and the proposal trustee supports the extension as appears from its report (Exhibit P-2).

[the rest of this page has intentionally been left blank]

25. All of the facts in my affidavit are true.

AND I HAVE SIGNED




GEORGE FOWLIE

Solemnly affirmed before me in

TORONTO, ONTARIO

this 9th day of January, 2015



Commissioner of Oaths

NOTICE OF PRESENTATION

TO:

Mr. Jean-François Nadon
Samson Bélair/Deloitte & Touche Inc.
1 Place Ville-Marie, suite 3000
Montreal (Quebec) H3B 4T9

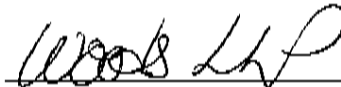
Mtre. Alain Riendeau
Fasken Martineau Dumoulin LLP
Place Victoria
800, Square-Victoria Street
Suite 3700
Montreal (Quebec) H4Z 1E9

Ms. Lucie Pageot
Direction générale du recouvrement
Revenu Quebec
Secteur C65-61
1265, Blvd. Charest Ouest
Quebec (Quebec) G1N 4V5

TAKE NOTICE that the Motion to Extend the Period for Making a Proposal shall be presented to the bankruptcy registrar at the courthouse of Val d'Or, 900 - 7th Street, **on January 14, 2015 at a time and place to be determined.**

DO GOVERN YOURSELF ACCORDINGLY.

MONTREAL, January 9, 2015



WOODS LLP
Attorneys for the Debtor