

Court File No. 18-601307-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE**

(COMMERCIAL LIST)

BETWEEN:

CRH Funding II Pte. Ltd.

Applicant

- and -

SAGE GOLD INC.

Respondent

FIFTH REPORT OF THE RECEIVER

DELOITTE RESTRUCTURING INC.

DATED SEPTEMBER 22, 2020

INTRODUCTION AND PURPOSE OF REPORT

1. Pursuant to an Order (the “**Receivership Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated July 30, 2018 (the “**Receivership Date**”), Deloitte Restructuring Inc. (“**Deloitte**”) was appointed as receiver (the “**Receiver**”) of all of the assets, undertakings and properties of Sage Gold Inc. (“**Sage**” or the “**Company**”) acquired for, or used in relation to business carried on by Sage (the “**Property**”) pursuant to section 243 of the *Bankruptcy and Insolvency Act* (Canada), R.S.C. 1985, c. B-3, as amended (the “**BIA**”) and section 101 of the *Courts of Justice Act*, R.S.O., 1990, C-43 (“**CJA**”). A copy of the Receivership Order is attached hereto as Appendix “**A**”.
2. The application for the appointment of Deloitte as Receiver by CRH Funding II Pte. Ltd. (“**CRH**”), the senior secured creditor of the Respondent, was opposed by the Company. At that time, the Court found it appropriate in the circumstances to make an Order for the appointment of Deloitte as an interim receiver pursuant to section 47 of the BIA (“**Interim Receivership Order**”) pending resolution of the Company’s opposition to the appointment at a subsequent hearing. On July 30, 2018, Mr. Justice Dunphy heard arguments from CRH, Deloitte (as interim receiver) and the Company, ultimately granting the Receivership Order. A copy of the Interim Receivership Order is attached hereto as Appendix “**B**”.
3. Despite a number of challenges, which are set out in the prior reports of the Receiver, a purchase and sale agreement was negotiated for each of Sage’s two properties: the Onaman property, which was a development property near Thunder Bay, Ontario (the “**Onaman Property**”), and the Clavos property, Sage’s formerly operating gold mine near Timmins, Ontario (the “**Clavos Property**”).

4. On August 29, 2018, Mr. Justice Hainey granted an order approving a sale and investor solicitation procedure (the “**SISP**”) for the marketing and sale of Sage’s assets by the Receiver. The conduct of the SISP and the transactions that resulted from the SISP and subsequent efforts by the Receiver were described in the Receiver’s Third Report, dated January 23, 2019 (the “**Third Report**”) and the Fourth Report of the Receiver, dated December 11, 2019 (the “**Fourth Report**”).
5. On January 29, 2019, Madam Justice Dietrich granted orders approving:
 - a) The sale of the Onaman Property pursuant to an asset purchase agreement; and
 - b) The sale of the Clavos Property (the “**Original Clavos Approval and Vesting Order**”, as defined in the Fourth Report) pursuant to an asset purchase agreement (the “**Original Clavos APA**”, as defined in the Fourth Report) between the Receiver and a proposed purchaser.
6. The sale of the Onaman Property closed on April 7, 2019. However, the sale contemplated in the Original Clavos APA did not close. Following further negotiations with a newly constituted purchaser, the Receiver entered into a new asset purchase agreement (the “**New Clavos APA**”, as defined in the Fourth Report) on substantially similar commercial terms to the Original Clavos APA.
7. On December 19, 2019, Madam Justice Conway granted an Order (the “**Vesting Order**”) approving the transaction contemplated in the New Clavos APA and vesting the assets purchased thereunder in the purchaser upon closing. Since the issuance of the Vesting Order, the Receiver has been working towards a closing of the sale of the Clavos Property with the purchaser, Grace Gold Ltd. (the “**Clavos Purchaser**”), and its principals, Mr.

Jonathon Quint and Mr. Jayson Flowers. The sale of the Clavos Property has not yet closed, but all significant conditions precedent included in the New Clavos APA have now been met and the Clavos Purchaser and the Receiver are both ready to close the sale, subject to certain necessary steps as detailed herein.

8. Counsel to the Clavos purchaser advised the Receiver that it had sufficient funds in its trust account to close the transaction contemplated by the New Clavos APA.
9. Since the Court's granting of the Vesting Order, the Clavos Purchaser has been funding substantially all costs related to the mine property. Certain of these costs have been paid directly while others have been paid by the Receiver and then later reimbursed by the Clavos Purchaser.
10. The purpose of this Fifth Report is to provide the Court with information regarding the following:
 - a) The steps necessary to close the New Clavos APA transaction, including certain amendments to the Vesting Order that are required in connection with such closing;
 - b) The work done by the Receiver and the Clavos Purchaser to allow for the New Clavos APA to close; and
 - c) Certain adjustments to the payment of the purchase price as contemplated by the New Clavos APA and a related amendment thereto that has been agreed by the parties.
11. Unless otherwise stated, all dollar amounts contained in this Fifth Report are expressed in Canadian dollars.

TERMS OF REFERENCE

12. In developing this Fifth Report, the Receiver has relied upon the Company's books and

records and discussions with its management. The Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to be the *CPA Canada Handbook* and, accordingly, the Receiver expresses no opinion or other form of assurance in respect of the information.

STEPS TAKEN SINCE THE ISSUANCE OF THE CLAVOS SALE APPROVAL ORDER

13. As set out in the Fourth Report, there were a number of conditions precedent that needed to be satisfied before the New Clavos APA could close. These included the following, as detailed in the Fourth Report:

Item	Status
Consents related to the transfer of mining licenses or claim shall have been obtained, or shall have been waived	• The Clavos Purchaser will satisfy or waive this condition prior to closing
Relevant permits (i.e. mining and environmental) shall have been transferred to the Clavos Purchaser	• The Clavos Purchaser will satisfy or waive this condition prior to closing
An acceptable draft closure plan amendment shall have been delivered to the Ministry of Energy, Northern Development and Mines (“ENDM”)	• The Clavos Purchaser will satisfy or waive the condition prior to closing
An approval and vesting order shall have been obtained	• This condition is intended to be satisfied prior to closing

14. In addition, ENDM has advised the Receiver and counsel to the Clavos Purchaser that the financial assurance currently held by the Crown in respect of the Clavos Property is likely to be insufficient. The Clavos Purchaser is currently in the process of finalizing a draft closure plan amendment for submission to ENDM within 90 days of closing, which final closure plan amendment will set out the required amount of the financial assurance. In the interim, the ENDM is requiring the Clavos Purchaser to provide ENDM with \$200,000

(the “**ENDM Escrow Amount**”), prior to closing, to be held in escrow pending provision of the closure plan amendment, as a condition on the Director’s consent to the assignment of the existing closure plan to the Clavos Purchaser.

15. Based on the foregoing, the Receiver and the Clavos Purchaser are prepared to close the transaction subject to the Court issuing the amended and restated Vesting Order that is currently being sought by the Receiver.

CURRENT STATUS AND OTHER DEVELOPMENTS

Charge being sought by the Receiver

16. As a result of ENDM’s requirement that the Clavos Purchaser provide the ENDM Escrow Amount, the Clavos Purchaser has requested that a portion of the purchase price contemplated by the New Clavos APA (the “**Purchase Price**”) be deferred for a period of 120 days after closing. Such deferral will allow the Clavos Purchaser to close on an expedited basis for the benefit of both it and other stakeholders. The requested purchase price deferral is \$200,000 (the “**Purchase Price Deferred Amount**”).
17. In addition to the Purchase Price Deferred Amount, the Clavos Purchaser has requested that certain other amounts due to the Receiver be deferred for a period of 120 days following closing. These include the following:
 - a) Up to \$25,000 in respect of property taxes currently outstanding. The New Clavos APA required that the Clavos Purchaser pay these amounts in full (up to \$50,000), but the Receiver has consented to a reimbursement that is capped at \$25,000 (the “**Property Tax Deferral**”); and
 - b) Operating costs that have been paid by the Receiver that the Clavos Purchaser is

required to fund, currently estimated to be \$31,389 but with likely additions prior to closing, will also be deferred for a period of 120 days (the “**Operating Cost Deferral**”).

18. The total of the Purchase Price Deferred Amount, the Property Tax Deferral and the Operating Cost Deferral is referred to as the “**Deferred Amount**”. The components of the Deferred Amount currently total \$256,389.
19. The Receiver has accepted the delayed payment of the Deferred Amount, subject to the interest of Sage’s estate being protected in respect of same. As such, the Receiver and the Clavos Purchaser have agreed that the Receiver will have a first priority charge, in the amount of \$300,000, on the Clavos Property assets that are being sold to the Purchaser (the “**Deferral Charge**”) as security for the Deferred Amount. The Deferral Charge shall be a new charge on the assets subject to the New Clavos APA and the Receiver will not be relying on any previous charge. The Clavos Purchaser has agreed to this mechanism and is supportive of the Deferral Charge on the assets being acquired by the Clavos Purchaser. The parties have executed an amendment to the New Clavos APA dated September 16, 2020 reflecting the deferred payments and related charge (the “**Second Amendment**”).
20. The Deferral Charge will ensure that the receivership estate is not prejudiced by the delayed payment of the Deferred Amount. The Receiver is currently seeking such charge from the Court. It will be vacated upon payment of the Deferred Amount and the Receiver filing a certificate with the Court confirming same.
21. The mechanics of the Deferred Amount and the Deferral Charge are included in the Second Amendment. A redacted copy of the Second Amendment, along with the redacted New Clavos APA and the first amendment thereto dated December 18, 2019, are compiled and

attached as Appendix “C” to this Fifth Report. Non-redacted versions of these documents will be provided to the Court as Confidential Appendix “1” to this Fifth Report, which is subject to a requested sealing order.

Payment of operating costs

22. Over the last several months, the Receiver has continued to pay certain costs in respect of the Clavos Property. These costs include the following:
- a) Insurance;
 - b) Software licenses;
 - c) Hydro;
 - d) Mining lease costs and property taxes; and
 - e) Certain professional costs.
23. The Receiver has been reimbursed by the Clavos Purchaser for such costs in the amount of \$99,244 as of the date of this Fifth Report. The Receiver has recently provided the Clavos Purchaser with a listing of more recent costs that need to be paid prior to closing. Such costs total \$31,389 as of the date of this Fifth Report.
24. In accordance with the New Clavos APA, the Clavos Purchaser is responsible for ongoing contractor costs at the Clavos Property. The Clavos Purchaser has advised the Receiver that it has paid such costs through August 31, 2020 and has provided the Receiver with evidence of the payment or assumption of such costs.

Revised Vesting Order

25. On December 19, 2019, the Receiver brought a motion before Madame Justice Conway for

the issuance of the Vesting Order in respect of the New Clavos APA, which order was granted. Among other things, the Vesting Order expressly lists in its schedules the various property interests that will be transferred thereunder upon closing of the New Clavos APA transaction. Certain licenses and leases connected with the Clavos Property that are included in the Purchased Assets under the New Clavos APA were inadvertently omitted from the schedules to the Vesting Order. It is therefore necessary to amend the Vesting Order to add such licenses and leases so that the Clavos Purchaser can register its interest in them upon closing in the relevant public registries. The amended vesting order is attached hereto as Appendix “D” (the “**Amended Vesting Order**”).

26. In addition to the previously missing schedule items, the Amended Vesting Order also provides for the Deferral Charge, which is described above.
27. Notice in respect of the proposed Amended Vesting Order has been provided to the parties on the Service List.

RECEIPTS AND DISBURSEMENTS

28. Attached as Appendix “E” to this Fifth Report is a summary of the Receiver’s receipts and disbursements since the commencement of the receivership proceeding through August 28, 2020 (the “**R&D**”).
29. As set out in the R&D, the Receiver was holding approximately \$494,493 as at August 28, 2020.

RECOMMENDATIONS

30. Based on the foregoing, the Receiver respectfully requests that the Court:
 - a) Grant the Receiver’s request for the Deferral Charge; and

b) Issue the Amended Vesting Order.

All of which is respectfully submitted this 22nd day of September, 2020.

Deloitte Restructuring Inc.,
Solely in its capacity as the
Receiver of Sage Gold Inc., and not in its
personal capacity

Per:

A handwritten signature in blue ink, appearing to read "Philip Reynolds". The signature is written in a cursive, flowing style with a long, sweeping tail on the final letter.

Philip J. Reynolds, CPA, CA, CIRP, LIT
Senior Vice-President

Appendix "A"
Receivership Order

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE)
 JUSTICE S.F. DUNPHY)

MONDAY, THE 30TH
 DAY OF JULY, 2018



CRH FUNDING II PTE. LTD.

Applicant

- and -

SAGE GOLD INC.

Respondent

ORDER
(Appointing Receiver)

THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") appointing Deloitte Restructuring Inc. as receiver ("**Deloitte**" or, in such capacities, the "**Receiver**") without security, of all of the assets, undertakings and properties of Sage Gold Inc. (the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Andrew Wehrley sworn July 10, 2018, the Exhibits thereto and the Supplemental Affidavit of Andrew Wehrley sworn July 12, 2018 and on hearing the submissions of counsel for the Applicant, counsel for the Debtor, no one else appearing

although duly served as appears from the affidavits of service of Amy Sevigny sworn July 12, 2018 and on reading the consent of Deloitte to act as the Receiver,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application is hereby abridged and validated so that this application is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, Deloitte is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "**Property**").

RECEIVER'S POWERS

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary

course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;

- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and

negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;

- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business, ^{ADD (but on three days notice to Debtor)}
 - (i) without the approval of this Court in respect of any transaction not exceeding \$250,000, provided that the aggregate consideration for all such transactions does not exceed \$1,000,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;

- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that

nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

7. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days' notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

8. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

9. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property, including the proceedings commenced by Toromont Industries Ltd., carrying on business as Battlefield Equipment Rentals, against the Debtor and the Applicant before the Ontario Superior Court of Justice in the Court file number CV-18-00000097-0000, are hereby stayed and suspended pending further Order of this Court, and that any Proceedings seeking to challenge the validity of the Applicant's claim against the Debtor or priority of the Applicant's security interest against its Property shall be brought before this Court, in the context of the present receivership proceedings.

without prejudice to the Debtor seeking leave to commence arbitration proceedings.

NO EXERCISE OF RIGHTS OR REMEDIES

10. THIS COURT ORDERS that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

11. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement,

licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

12. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

13. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

14. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related

liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

15. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall

exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession. The Receiver shall be deemed not to have taken possession of any of the Property for the purposes of Environmental Legislation or the Mining Act, R.S.O. 1990, C. M.14 during the Review Period (as defined below) while it assesses the environmental condition of the Property and the requirements for completing the process of placing the Debtor's mines on care and maintenance. The Receiver will have the option at any time up to and including August 31, 2018 (the "**Review Period**") of abandoning all or any part of the Property at any time upon filing a certificate with this court so certifying and describing the abandoned Property, all without prejudice to the Debtor's interest in such property and rights and interests of creditors to the abandoned Property and all such rights and interests are expressly reserved. The Receiver shall provide prior written notice to the Director of Mine Rehabilitation and CRH (with a copy to the Service List) of its intention to file a certificate of abandonment at least ten business days in advance of filing such certificate with this Court prior to the expiry of the Review Period. In the event that the Receiver seeks to abandon all or any part of the Property at any other time during these proceedings, save and except for abandonment pursuant to section 14.06(4) of the BIA, the Receiver may do so only with leave of the Court obtained on motion with reasonable notice to the Director of Mine Rehabilitation and CRH (with a copy to the Service List).

LIMITATION ON THE RECEIVER'S LIABILITY

17. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

18. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

19. THIS COURT ORDERS that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

20. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

21. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$1,000,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise.

in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

22. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

23. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

24. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

25. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol.

26. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier,

personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

27. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

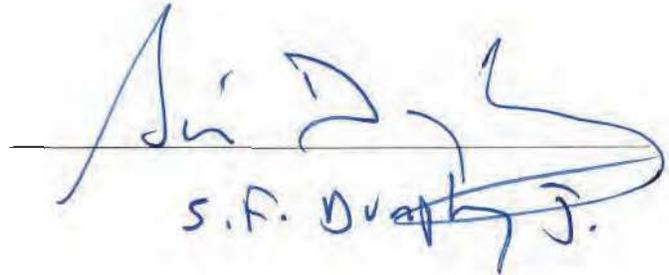
28. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

29. 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 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.

30. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

31. THIS COURT ORDERS that the Applicant shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

32. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.



S.F. Duagh J.

ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

JUL 30 2018

PER / PAR: RW

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that Deloitte Restructuring Inc., the receiver (the "**Receiver**") of the assets, undertakings and properties Sage Gold Inc. acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the ___ day of _____, 2018 (the "**Order**") made in an application having Court file number __-CL-_____, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded daily after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ___ day of _____, 2018.

DELOITTE RESTRUCTURING INC., solely in its capacity as Receiver of the Property, and not in its personal capacity

Per:

Name:

Title:

CRH FUNDING II PTE. LTD.
Applicant and Respondent
SAGE GOLD INC.

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

ORDER (APPOINTING RECEIVER)

STIKEMAN ELLIOTT LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

Guy Martel
Tel: (514) 397-3163
Email: gmartel@stikeman.com

Kathryn Esaw LSUC#58264F
Tel: (416) 869-6820
Email: kesaw@stikeman.com

Lawyers for the Applicant

St. Dunstons
30 July 2018

Mr Rober appeared - he is in the process of being retained by the directors of the debtor but has not yet been retained. He asked for an adjournment of the matter which I denied. The IR's report demonstrates the urgent need for a properly funded custodian of this asset and there is no credible alternative to the receiver before me. Counsel for the Ministry is not opposed. Paragraph 3(k) and paragraph 9 of the draft order amended by me to ensure the debtor - if actively and seriously pursuing a restructuring alternative to receivership - will have an opportunity to make that case. Para 16 has been vetted by the Crown who is not opposed. Draft Order signed as amended.



**Appendix “B”
Interim Receivership Order**

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MISTER)	FRIDAY, THE 13TH
)	
JUSTICE HAJNEY)	DAY OF JULY, 2018



CRH FUNDING II PTE. LTD.

Applicant

- and -

SAGE GOLD INC.

Respondent

ORDER
(Appointing an Interim Receiver)

THIS APPLICATION made by the Applicant for an Order pursuant to section 47 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing Deloitte Restructuring Inc. as an interim receiver ("Deloitte" or, in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of Sage Gold Inc. (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario.

THIS ORDER is rendered without prejudice to the respective positions of the parties on the merits of the Receivership Application filed by the Applicant on July 10, 2018 pursuant to section 243 of the BIA, and any of the relief therein.

ON READING the affidavit of Andrew Wehrley sworn July 10, 2018, the Exhibits thereto and the Supplemental Affidavit of Andrew Wehrley sworn July 12, 2018 and on hearing the submissions of counsel for the Applicant, counsel for the Debtor, no one else appearing although duly served as appears from the affidavits of service of Amy Sevigny sworn July 12, 2018 and on reading the consent of Deloitte to act as the Receiver,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application is hereby abridged and validated so that this application is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 47 of the BIA and section 101 of the CJA, Deloitte is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "**Property**").

RECEIVER'S POWERS

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the cash, receipts and disbursements arising out of or from the Property;
- (b) to monitor, preserve, and protect the Property, or any part or parts thereof, to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

- (c) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (d) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (e) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor, provided, however that funds held by the Debtor, as of the date of this Order, shall only be used as determined by the Receiver in consultation with the Debtor;
- (f) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (g) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor; and
- (h) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations,

governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. THIS COURT ORDERS that, for the purpose of preserving and protecting the property if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and

all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

7. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

8. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property, including the proceedings commenced by Toromont Industries Ltd., carrying on business as Battlefield Equipment Rentals, against the Debtor and the Applicant before the Ontario Superior Court of Justice in the Court file number CV-18-00000097-0000, are hereby stayed and suspended pending further Order of this Court, and that any Proceedings seeking to challenge the validity of the Applicant's claim against the Debtor or priority of the Applicant's security interest against its Property shall be brought before this Court, in the context of the present receivership proceedings.

NO EXERCISE OF RIGHTS OR REMEDIES

9. THIS COURT ORDERS that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

10. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

11. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

12. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

13. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

14. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

15. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario*

Water Resources Act, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession. The Receiver shall be deemed not to have taken possession of any of the Property for the purposes of Environmental Legislation for the first 10 days after the date of this order while it assesses the environmental condition of the Property and the requirements for completing the process of placing the Debtor's mines on care and maintenance. The Receiver will have the option of abandoning all or any part of the Property at any time upon filing a certificate with this court so certifying and describing the abandoned Property, all without prejudice to the Debtor's interest in such property and rights and interests of creditors to the abandoned Property and all such rights and interests are expressly reserved.

LIMITATION ON THE RECEIVER'S LIABILITY

16. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

17. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and

encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

18. THIS COURT ORDERS that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

- (a) THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.
- (b) THIS COURT ORDERS that Ormston List Frawley's rights to seek payment of its professional fees and disbursements from the estate of the Debtor is expressly reserved, without prejudice to the rights of any part to oppose the payments of such fees.

FUNDING OF THE RECEIVERSHIP

19. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$1,000,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise,

in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

20. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

21. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

22. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

23. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol.

24. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier,

personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

25. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

26. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

27. 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 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.

28. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

29. THIS COURT ORDERS that the Applicant shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

30. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

A handwritten signature in blue ink, appearing to read "Heiney J.", is written over a horizontal line. The signature is cursive and extends to the right of the line.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

JUL 13 2018

PER / PAR: *RW*

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that Deloitte Restructuring Inc., the receiver (the "**Receiver**") of the assets, undertakings and properties Sage Gold Inc. acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the ___ day of _____, 2018 (the "**Order**") made in an application having Court file number ___-CL-_____, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded daily after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 2018.

DELOITTE RESTRUCTURING INC., solely in its capacity as Receiver of the Property, and not in its personal capacity

Per: _____

Name:

Title:

CRH FUNDING II PTE. LTD.
Applicant and Respondent
SAGE GOLD INC.

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

**ORDER (APPOINTING AN
INTERIM RECEIVER)**

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Lawyers for the Applicant

Appendix “C”
New Clavos APA and related amendments

ASSET PURCHASE AGREEMENT

Made as of December 6, 2019

Between

DELOITTE RESTRUCTURING INC.,

in its capacity as court-appointed receiver of the assets, undertakings and properties of Sage Gold Inc., and not in its corporate or personal capacity

and

GRACE GOLD LTD.,

a corporation incorporated under the laws of the Province of British Columbia

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ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (the “**Agreement**”) is made as of December 6, 2019, between

DELOITTE RESTRUCTURING INC.,
in its capacity as court-appointed receiver of the assets,
undertakings and properties of Sage Gold Inc., and not in its
corporate or personal capacity (the “**Receiver**” or the “**Seller**”)

and

GRACE GOLD LTD.,
a corporation incorporated under the laws of the Province of
British Columbia (the “**Purchaser**”)

RECITALS

A. Pursuant to the order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated July 30, 2018, as may be amended from time to time (the “**Receivership Order**”), Deloitte Restructuring Inc. was appointed as the receiver of the assets, undertakings and properties of Sage Gold Inc. (“**Sage Gold**”);

B. On August 29, 2018, the Court granted an Order (the “**SISP Order**”) which, among other things, approved Sale and Investment Solicitation Procedures in connection with the sale of all or substantially all of the Purchased Assets or Business (as that term is defined below) of Sage Gold (the “**SISP**”). The SISP Order and the SISP exclusively govern the process for soliciting and selecting bids for such sale. The SISP Order and the SISP receipt of irrevocable bids by the Receiver from Qualified Phase 2 Bidders on or before October 29, 2018, subject to the Receiver’s discretion to extend such deadlines;

C. Pursuant to the SISP Order, Deloitte Corporate Finance Inc., as agent for the Receiver, is authorized and directed to carry out the SISP and to select a Successful Bid (as those terms are defined in the SISP), in consultation with the Receiver and, subject to the terms of the SISP, CRH Funding II PTE Ltd., as Sage Gold’s senior secured creditor;

D. A Successful Bid was selected and approved by the Court on January 29, 2019, but failed to close; and

E. The Purchaser offers and agrees to purchase and to assume, the Purchased Assets and the Assumed Liabilities (as defined below) from the Seller upon the terms and conditions set forth hereinafter.

FOR VALUE RECEIVED, the parties agree as follows:

ARTICLE 1 – INTERPRETATION

Section 1.1 Definitions

- (1) “**Accounts Payable**” means any and all amounts relating to the Business owing to any Person by Sage Gold or the Receiver incurred after the effective time of the Receivership Order in connection with the purchase of goods or services in relation to the supervision, care and maintenance of the Clavos Project, as at Closing, including in connection with any Taxes owing in respect of the Mining Licenses and Claims.
- (2) “**Accounts Receivable**” means, with respect to Sage Gold, all accounts receivable, notes receivable, purchase orders, completed work or services not yet billed, chattel paper, notes and other rights to payment, including those consisting of all accounts receivable in respect of services rendered or products sold by Sage Gold, any other miscellaneous accounts receivable of Sage Gold, and any claim, remedy or other right of Sage Gold or the Receiver related to any of the foregoing.
- (3) “**Accrued Liabilities**” means any and all Liabilities relating to the Business (i) incurred after the effective time of the Receivership Order to the Closing Date but which are not yet due and payable as of the Closing Date and (ii) that apply to goods to be received or services to be provided or other accruals related to the period after the Closing Date.
- (4) “**Action**” means any Claim, litigation, action, suit, charge, arbitration or other legal, administrative or judicial proceeding.
- (5) “**Additional Financial Assurances**” means the total amount of any deposits or other financial assurances (required to be posted by the Purchaser with various Government Entities to secure reclamation and other obligations with respect to the Permits) that is in excess of any Financial Assurances transferred, assigned or otherwise credited, to the Purchaser.
- (6) “**Affiliate**” means, as to any Person, any other Person that directly or indirectly through one or more intermediaries Controls, or is under common Control with, or is Controlled by, such Person.
- (7) “**Agreement**” means this Asset Purchase Agreement, including the recitals, and all Schedules attached hereto (as amended and supplemented in accordance with Section 9.2) and all amendments hereto made in accordance with Section 9.5.
- (8) “**Ancillary Agreements**” means, in each case in a form reasonably acceptable to the Seller and the Purchaser: (i) bill(s) of sale for the assignment and conveyance of the Purchased Assets from the Seller to the Purchaser; (ii) an assignment and assumption agreement for the assignment and assumption of the Assumed Liabilities from the Seller to the Purchaser; and (iii) any necessary agreements to effect the transfer of the Mining Licenses and Claims in accordance with applicable Laws.
- (9) “**Approval and Vesting Order**” has the meaning set forth in Section 4.1(2).
- (10) “**Assigned Contracts**” means the Royalty Agreements and those Contracts listed in Schedule 1.1(10) hereto subject to the right of the Purchaser to amend the list of Contracts up to 10 days prior to the Closing Date.

- (11) “**Assumed Liabilities**” has the meaning set forth in Section 2.3.
- (12) “**Bank Comfort Letter**” means a letter in form and substance satisfactory to the Receiver from a reputable financial institution addressed to the Receiver confirming Mr. Flower’s financial wherewithal to fund the Purchaser to pay the balance of the Cash Purchase Price as set out in Section 2.8(b) on the Closing Date.
- (13) “**Bankruptcy Law**” means the *Bankruptcy and Insolvency Act* (Canada) and the other applicable insolvency Laws.
- (14) “**Books and Records**” means all accounting records, all other information in any form relating to the Business or Purchased Assets, including sales and purchase records, lists of suppliers and customers, lists of potential customers, credit and pricing information, Tax records, business reports, plans and projections, production reports and records, inventory reports and records, business, engineering and consulting reports, marketing and advertising materials, research and development reports and records, maps, all plans, surveys, specifications, and as-built drawings relating to the plant, buildings, structures, erections, improvements, appurtenances and fixtures situate on or forming part of the Projects, including all such electrical, mechanical and structural drawings related thereto, environmental reports, soil and substratum studies, inspection records, financial records, and all other records, books, documents and data bases recorded or stored by means of any device, including in electronic form, relating to the Business and the Purchased Assets that are owned by Sage Gold provided however that the term “Books and Records” shall not include any of the foregoing items that do not relate to the Purchased Assets.
- (15) “**Buildings**” means, individually or collectively, as the context requires, all of the buildings, structures and fixed improvements located at any of the Projects and owned by Sage Gold, and improvements and fixtures contained in or on such buildings and structures used in the operation of same, but excluding improvements and fixtures not owned by Sage Gold.
- (16) “**Business**” means the gold exploration, development, mining and sales activities carried on by Sage Gold in the Province of Ontario (other than the Onaman Project), and all operations, maintenance and other activity related thereto.
- (17) “**Business Day**” means a day on which the banks are open for business (Saturdays, Sundays, statutory and civic holidays excluded) in Toronto, Ontario, Canada.
- (18) “**Business Information**” means all books, records, files, catalogues, data, information (including tangible and intangible information such as drill core, drill logs, assays, core samples, metallurgical test work, mine plans and similar information), agreements, operating records, operating, safety and maintenance manuals, engineering and design plans, blueprints and as-built plans, specifications, drawings, reports, procedures, facility compliance plans, test records and results, other records and filings made with regulatory agencies regarding operations of the Business, environmental procedures and similar records, correspondence with present or prospective, customers and suppliers, advertising materials, software programs, documentation and sales literature owned by Sage Gold that are used or held for use in connection with the Business, including information, policies and procedures, manuals and materials and procurement documentation used in the Business and information received pursuant to Section 2.1(b), including all data and documents contained in the Data Site as of the Closing

Date, provided however that the term “Business Information” shall not include any of the foregoing items that are not the Property of Sage Gold.

(19) “**Cash Purchase Price**” has the meaning set forth in Section 2.5.

(20) “**Claim**” means any indebtedness, liability or obligation of any kind that would be a claim provable within the meaning of Section 2 of the *Bankruptcy and Insolvency Act* (Canada).

(21) “**Clavos Project**” means the Clavos mining, exploration and development project conducted in the area located about 46 kilometres northeast of Timmins, Ontario, and centred at 514000 E and 5384000 N in NAD83, Zone 10.

(22) “**Clist Lake Project**” means the Clist Lake mining, exploration and development project conducted in the mining division of Thunder Bay and township of Leopard Lake Area and Vincent.

(23) “**Closing**” has the meaning set forth in Section 6.1.

(24) “**Closing Date**” has the meaning set forth in Section 6.1.

(25) “**Confidentiality Agreement**” has the meaning set forth in Section 4.4(1).

(26) “**Consent**” means any approval, authorization, consent, order, license, permission, permit, including any Permit, qualification, exemption or waiver by any Government Entity or other Third Party.

(27) “**Contract**” means any legally binding contract, agreement, obligation, license, undertaking, instrument, lease, ground lease, commitment or other arrangement, whether written or oral.

(28) “**Contractor Costs**” has the meaning set out in Section 8.1(b).

(29) “**Control**”, including, with its correlative meanings, “Controlled by” and “under common Control with”, means, in connection with a given Person, the possession, directly or indirectly, of the power to either (i) elect more than 50% of the directors of such Person; or (ii) direct or cause the direction of the management and policies of such Person, whether through the ownership of securities, Contract or otherwise.

(30) “**Court**” has the meaning set forth in the recitals to this Agreement.

(31) “**CRA**” means the Canada Revenue Agency.

(32) “**Cure Costs**” means all amounts required to remedy any monetary default in respect of any Assigned Contract.

(33) “**Current Assets**” means the (i) Inventories, (ii) Accounts Receivable, (iii) Purchased Deposits, and (iv) other current assets of the Business, each as determined in accordance with generally accepted accounting principles used by Sage Gold applied on a consistent basis, but excluding cash.

(34) “**Data Site**” means the online data room maintained by the Receiver in accordance with the SISP.

(35) “**Environment**” means the environment or natural environment as defined in any Environmental Laws and includes air, surface water, ground water (including potable water, navigable water and wetlands), land surface, soil, subsurface, subsurface strata, and natural resources.

(36) “**Environmental Law**” means any applicable Law relating to contamination, pollution or protection of the Environment, plant life, animal and fish or other natural resources or human health, including Laws relating to the exposure to, or Releases or threatened Releases of, Hazardous Materials or otherwise relating to the manufacture, presence, processing, distribution, use, treatment, storage, Release, transport, disposal, transfer, discharge, control, recycling, production, generation or handling of Hazardous Materials and all Laws with regard to monitoring, recordkeeping, notification, disclosure and reporting requirements respecting Hazardous Materials, each as amended and as now in effect.

(37) “**Environmental Liabilities**” shall mean any and all Liability arising out of, based on or resulting from (i) the presence, Release, or threatened Release, into the Environment of any Hazardous Materials or substances existing or arising on, beneath or above the Projects and/or emanating or migrating and/or threatening to emanate or migrate from the Projects to other properties; (ii) the storage, disposal, handling or treatment of or the arrangement for the storage, disposal, handling or treatment of Hazardous Materials originating or transported from the Projects to an off-site treatment, storage or disposal facility; (iii) physical disturbance of or harm or injury to the Environment on, beneath or from the Projects, including any reclamation obligations; or (iv) the violation or alleged violation of any Environmental Laws relating to the Projects.

(38) “**Excluded Assets**” has the meaning set forth in Section 2.2.

(39) “**Excluded Contracts**” means any Contracts that are not Assigned Contracts.

(40) “**Excluded Liabilities**” has the meaning set forth in Section 2.4.

(41) “**Equipment**” means all machinery, vehicles, tools, production equipment, servers and networking equipment, handling equipment, furniture, furnishings, computer hardware and peripheral equipment, coal production technology, rail and truck terminal equipment, spare parts, supplies and accessories used in the Business and owned by Sage Gold, and any of the parts and components thereof and any of the warranties associated therewith, including the Equipment listed in Schedule 1.1(41) .

(42) “**Financial Assurances**” means deposits in the amount of \$ [REDACTED] posted by or on behalf of Sage Gold with various Government Entities to secure Sage Gold’s reclamation and other obligations with respect to the Permits.

(43) “**Finn Road Farm Property**” means the farm property located at 1557 Finn Road in the Municipality of Timmins City, including the single family detached farm house and related 75.5 acre farm lands.

(44) “**First Deposit**” has the meaning set forth in Section 2.7(a).

(45) “**Government Entity**” means any Canadian, foreign, domestic, federal, territorial, provincial, state, municipal or local governmental authority, quasi-governmental authority, instrumentality, court, government or self-regulatory organization, bureau, board, commission, tribunal or organization or any regulatory, administrative or other agency, or any political or other subdivision, department or branch of any of the foregoing having jurisdiction.

(46) “**GST/HST**” means goods and services tax, including harmonized sales tax, interest, penalties and fines payable under Part IX of the *Excise Tax Act* (Canada) and the regulations made thereunder.

(47) “**Hazardous Materials**” means (i) petroleum, petroleum products, asbestos in any form, mold, urea formaldehyde foam insulation, lead based paints, polychlorinated biphenyls or any other material or substance regulated pursuant to Environmental Laws; and (ii) any solid, liquid, gas, sound, vibration, odour, mine tailings, chemical, material or other substance, contaminant or pollutant which is regulated, prohibited, limited, defined, designated or listed or otherwise characterized, alone or in any combination, as “hazardous”, “hazardous waste”, “solid waste”, “radioactive”, “deleterious”, “effluent”, “toxic”, “caustic”, “dangerous”, a “contaminant”, a “pollutant”, a “waste”, a “special waste”, a “source of contamination” or “source of pollution”, or words of similar meaning, under any Environmental Law.

(48) “**Intellectual Property**” means intellectual property of Sage Gold of any nature and kind including all domestic and foreign trade-marks, business names, trade names, domain names, trading styles, patents, trade secrets, confidential information, software, industrial designs and copyrights, whether registered or unregistered, and all applications for registration thereof, and inventions, formulae, recipes, product formulations and chemistries, processes and processing methods, technology and techniques and know-how, including the name “Sage Gold”.

(49) “**Interest**” means any legal or equitable assertion of right in Property, including a royalty, production royalty, restrictive covenant, or assertion of a right or interest in a percentage of income, production, minerals, profit, revenue, payment or sale, or any other right of payment asserted in the nature of a royalty or interest, including any interest.

(50) “**Investment Canada Act**” means the *Investment Canada Act* (Canada).

(51) “**Inventories**” means all inventory of any kind or nature, merchandise, stockpiles and goods, related to the Business and maintained, held or stored by or for Sage Gold on the Closing Date, whether or not prepaid, and wherever located, held or owned, and any prepaid deposits for any of the same, including all gold ore stockpiles and inventory located upon or within Sage Gold’s Property or belonging to Sage Gold, disposables and consumables used, or held for use, in connection with the Business, including any goods or inventory in transit or being held by third parties for milling or processing.

(52) “**Knowledge**” or “**aware of**” or “**notice of**” or a similar phrase shall mean, with reference to the Seller, the actual knowledge of officers, directors or employees of the Seller after reasonable inquiry, and with reference to the Purchaser, the actual knowledge officers, directors or employees of the Purchaser after reasonable inquiry.

(53) “**Law**” means any foreign, domestic, federal, territorial, state, provincial, local, regional or municipal statute, law, common law, ordinance, rule, bylaw, regulation, Order, writ,

injunction, directive, judgment, decree, code, policy standard, criteria, condition or guideline having the force of law.

(54) “**Liabilities**” means any and all debts, liabilities, obligations and Claims, whether accrued or fixed, absolute or contingent, matured or unmatured or determined or undeterminable, including those arising under any Law or Action and those arising under any Contract or otherwise, including any Tax liability, or under Environmental Laws.

(55) “**Licensed Intellectual Property**” means all Intellectual Property licensed by Sage Gold or which it has the right to use, excluding the Owned Intellectual Property, and is used in the Business, including the software and the Intellectual Property listed in Schedule 1.1(55).

(56) “**Lien**” means, as to all Purchased Assets, any lien, Interests, mortgage, deed of trust, judgment lien, pledge or security interest, hypothec (including legal hypothecs), encumbrance, floating charge, mechanic’s lien, builder’s lien, materialmen’s lien, servitude, easement, encroachment, right-of-way, restrictive covenant on real or immovable property, real property license, other real property rights in favor of Third Parties, charge, prior claim, Lease, statutory or deemed trust or conditional sale arrangement, including the Receiver’s Charge, the Receiver’s Borrowing Charge and the Abandonment Cost Charge (each as defined in the Receivership Order or the Order of the Court dated December 21, 2018) and including any claims under any streaming agreements or other security held by CRH Funding II PTE. Ltd.

(57) “**McDonald Project**” means the McDonald mining, exploration and development project conducted in the mining division of Sault Ste. Marie and townships of Esquega and Corbiere.

(58) “**Mining Licenses and Claims**” means any and all real property interests, mineral claims, mining licenses, mining leases, recorded claims, leased claims, leases of recorded claims, locations leases, placer claims, placer leases, undersurface rights and other mining rights and any related rights, tenures and concessions or interests, owned or in respect of which an interest is held therein, directly or indirectly, by Sage Gold, related to the Projects, Business or Purchased Assets, including those Mining Licenses and Claims listed in Schedule 1.1(58), along with any term extension, renewal, replacement, conversion or substitution of any such rights or interests.

(59) “**Onaman Project**” means the Onaman mining, exploration and development project conducted in the area located about 50 kilometres east from Beardmore-Geraldton Gold Camp, in the Thunder Bay Mining Division, Coughlan Lake area at 42 East13/Southeast.

(60) “**Order**” means any order, injunction, judgment, decree, direction, instructions, ruling, writ, assessment, arbitration award or penalties or sanctions issued, filed or imposed by any Government Entity.

(61) “**Ordinary Course**” means the ordinary course of the Business consistent with past practice, as such practice is, or may have been, modified as a result of the appointment of the Receiver.

(62) “**Owned Intellectual Property**” means all Intellectual Property which is owned by Sage Gold and used in the Business, including the software and the Intellectual Property listed in Schedule 1.1(62).

(63) “**Parties**” has the meaning set forth in the recitals to this Agreement.

(64) **“Permit”** means any approval, license, authorization, certificate, consent, decree, consent decree, registration, exemption, permit (including where applicable, export permit), certificate of authorization, environmental assessment certificate, waste management plan, operational certificate, approval in principle, certificate of compliance, voluntary remediation agreement, mine development permit or other Government Entity approval required by applicable Law required (i) to conduct the Business; or (ii) in relation to the Purchased Assets, including those dealing with mining, reclamation, air, water, effluent, explosives, special use and Environmental Laws. The certified closure plan required under the *Mining Act*, which includes the financial assurance posted pursuant to s.145(1) of the *Mining Act*, is a Permit for the purposes of this Agreement.

(65) **“Permitted Encumbrances”** means (i) statutory Liens for Taxes or governmental assessments, charges or claims the payment of which is not yet due, or for Taxes which are being contested in good faith by appropriate proceedings; (ii) any other Liens or Interests set forth in Schedule 1.1(65); (iii) the Royalty Agreements, as long as such Royalty Agreements are valid and enforceable under applicable Law; and (iv) zoning, entitlement, building and land use regulations, minor defects of title, servitudes, easements, rights of way, restrictions and other similar charges or encumbrances which do not impair in any material respect the use or the value of the Purchased Assets or Business, and which are not listed as Excluded Assets, but excluding the Receiver’s Charge, the Receiver’s Borrowing Charge and the Abandonment Cost Charge (each as defined in the Receivership Order or the Order of the Court dated December 21, 2018).

(66) **“Person”** means an individual, a partnership, a corporation, an association, a limited or unlimited liability company, a joint stock company, a trust, a joint venture, an unincorporated organization or other legal entity or Government Entity.

(67) **“Personal Information”** means information in the possession or under the control of the Receiver about an identifiable individual.

(68) **“Pillars Project”** means the Pillars mining, exploration and development project conducted in the area located in the mining division of Thunder Bay and townships of Walters and Leduc and municipality of Greenstone.

(69) **“Pre-Closing Disbursements”** means the expenses incurred by the Purchaser and/or its representative between September 30, 2019 and the Closing Date to supervise and maintain the operation of the underground pumps and heaters for the fresh air raise and to ensure there is appropriate security to protect the Purchased Assets.

(70) **“Projects”** means the Clavos Project, the Pillars Project, the McDonald Project and the Clist Lake Project.

(71) **“Property”** means any interest in any kind of property or asset, whether real (including chattels real), personal or mixed, movable or immovable, tangible or intangible.

(72) **“Purchase Price”** has the meaning set forth in Section 2.5.

(73) **“Purchased Assets”** has the meaning set forth in Section 2.1.

(74) **“Purchased Deposits”** means (i) the unused portion of amounts prepaid by or on behalf of Sage Gold with respect to any Assigned Contracts acquired by the Purchaser at the Closing,

(ii) the unused portion of any amounts prepaid by or on behalf of Sage Gold in respect of any Permits, (iii) the unused portion of any amounts prepaid by or on behalf of Sage Gold in respect of any real property or other Taxes, and (iv) all deposits (including customer deposits and security deposits for rent, electricity and otherwise) and prepaid charges and expenses of Sage Gold (including in each of the foregoing cases the right to receive any refund of any unutilized amounts thereof), including without limitation those set forth on Schedule 1.1(74); provided however that the term “Purchased Deposits” shall not include any deposits or prepaid charges and expenses paid in connection with or relating exclusively to any Excluded Assets and further provided, for clarity, that monies paid as financial assurance pursuant to the *Mining Act* are not amounts prepaid by or on behalf of Sage Gold for the purposes of subsection (ii).

(75) “**Purchaser**” has the meaning set forth in the preamble to this Agreement.

(76) “**Railway Lease**” means the expired fee simple absolute lease (registered as PIN #s 31159-0239 and 31148-0027) in respect of claims AC3041, AC3042, AC3043, AC3044, AC3046, AC3045, AC3075, AC3076, AC3077, AC3739, AC3740 and AC3741.

(77) “**Receiver**” has the meaning set forth in the preamble to this Agreement.

(78) “**Receiver’s Certificate**” means a certificate signed by the Receiver and confirming that (i) the Purchaser has paid, and the Receiver has received payment of, the Cash Purchase Price in relation to the purchase by the Purchaser of the Purchased Assets; and (ii) the conditions to be complied with at or prior to the Closing as set out in Article 5 have been satisfied or waived by the Seller or the Purchaser, or both, as applicable.

(79) “**Release**” means any release, spill, emission, discharge, leaking, pouring, emptying, escaping, pumping, dumping, injection, deposit, disposal, dispersal, leaching, spraying, abandonment, throwing, placing or migration into the indoor or outdoor Environment or into or out of any Property.

(80) “**Replacement Permits**” means new or replacement Permits issued by the relevant Government Entity on terms and conditions substantially similar to those Required Permits currently held by Sage Gold that are not transferable.

(81) “**Required Consents**” has the meaning set forth in Section 5.1(c).

(82) “**Required Permits**” has the meaning set forth in Section 5.1(d).

(83) “**Royalty Agreements**” means (i) all royalty agreements (including all agreements granting royalties or similar rights) in favour of the parties set out on Schedule 1.1(83), and (ii) all royalty agreements (including all agreements granting royalties or similar rights) in respect of the Projects and/or to which the Purchased Assets are subject that create a valid and enforceable interest in land in favour of the counterparty to that agreement.

(84) “**Sale Hearing**” has the meaning set forth in Section 4.1(2).

(85) “**Securities Commissions**” means, collectively, the securities commissions or similar securities regulatory authorities of all of the Provinces of Canada.

- (86) “**Securities Laws**” means all securities Laws applicable to either Sage Gold or the Purchaser or their parent companies, as applicable.
- (87) “**Second Deposit**” has the meaning set forth in Section 2.7(b).
- (88) “**Seller**” has the meaning set forth in the preamble to this Agreement.
- (89) “**September Letter**” means the letter agreement dated September 30, 2019 between Mr. Jayson Flowers, by and on behalf of the Purchaser without personal liability, and the Receiver.
- (90) “**SISP**” has the meaning set forth in the recitals to this Agreement.
- (91) “**SISP Order**” has the meaning set forth in the recitals to this Agreement.
- (92) “**Solomon Pillars Lease**” means the expired MNDM lease (registered as PIN # 62409-0023) in respect of claim numbers TB222661, TB377993, TB222655 and TB222656.
- (93) “**Successful Bid**” has the meaning set forth in the SISP.
- (94) “**Tax**” means any domestic or foreign federal, state, local, provincial, territorial or municipal taxes or other impositions by any Government Entity, including Transfer Taxes and the following taxes and impositions: net income, gross income, capital, value added, goods and services, capital gains, alternative, net worth, harmonized sales, gross receipts, sales, use, ad valorem, business rates, transfer, franchise, profits, business, environmental, real or immovable property, municipal, school, Canada Pension Plan, withholding, workers’ compensation levies, payroll, employment, unemployment, employer health, occupation, social security, excise, stamp, customs, and all other taxes, fees, duties, assessments, deductions, contributions, withholdings or charges of the same or of a similar nature, however denominated, together with any interest and penalties, fines, additions to tax or additional amounts imposed or assessed with respect thereto.
- (95) “**Tax Act**” means the *Income Tax Act* (Canada) and the regulations promulgated thereunder.
- (96) “**Tax Authority**” means any local, municipal, governmental, state, provincial, territorial, federal, including any Canadian or other fiscal, customs or excise authority, body or officials anywhere in the world with responsibility for, and competent to impose, collect or administer, any form of Tax.
- (97) “**Tax Returns**” means all returns, reports (including elections, declarations, disclosures, statements, schedules, estimates and information returns) and other information filed or required to be filed with any Tax Authority relating to Taxes.
- (98) “**Third Party**” means any Person that is neither a Party nor an Affiliate of a Party.
- (99) “**Transaction Documents**” means this Agreement, the Ancillary Agreements and all other ancillary agreements to be entered into, or documentation delivered by, any Party pursuant to this Agreement.

(100) “**Transfer Costs**” means any Taxes, administration, filing or other fees or costs payable to any Governmental Authority to transfer or obtain the Mining Licenses and Claims, the Required Consents, Required Permits or Replacement Permits.

(101) “**Transfer Taxes**” means all goods and services, sales, excise, use, transfer, gross receipts, documentary, filing, recordation, value-added, stamp, stamp duty reserve, and all other similar taxes, duties or other like charges, however denominated, in each case including interest, penalties or additions attributable thereto whether or not disputed, arising out of or in connection with the transactions provided for herein, regardless of whether the Government Entity seeks to collect the Transfer Tax from Sage Gold, the Seller or the Purchaser, including GST/HST.

Section 1.2 **Rules of Interpretation**

In this Agreement:

- (a) Currency – Unless otherwise specified, all dollar amounts in this Agreement, including the symbol “\$”, refer to the currency of Canada.
- (b) Headings, etc. – The division of this Agreement into Articles, Sections and other subdivisions and the inclusion of headings are provided for convenience only and do not affect the construction or interpretation of this Agreement.
- (c) Extended Meanings – Words importing the singular include the plural and vice versa, words importing gender include all genders.
- (d) Time – Time is of the essence of this Agreement, and no extension or variation of this Agreement will operate as a waiver of this provision.
- (e) Schedules – The following are the Schedules to this Agreement:

SCHEDULE 1.1(10) – ASSIGNED CONTRACTS

SCHEDULE 1.1(41) – EQUIPMENT

SCHEDULE 1.1(55) – LICENSED INTELLECTUAL PROPERTY

SCHEDULE 1.1(58) – MINING LICENSES AND CLAIMS

SCHEDULE 1.1(62) – OWNED INTELLECTUAL PROPERTY

SCHEDULE 1.1(65) – PERMITTED ENCUMBRANCES

SCHEDULE 1.1(74) – PURCHASED DEPOSITS

SCHEDULE 1.1(83) – ROYALTY AGREEMENTS

SCHEDULE 2.6 – ALLOCATION OF PURCHASE PRICE

ARTICLE 2 – PURCHASE AND SALE OF ASSETS

Section 2.1 Purchase and Sale of the Purchase Assets

Subject to the terms and conditions of this Agreement, on the Closing Date, the Seller shall sell, assign and transfer to the Purchaser, and the Purchaser shall purchase and assume from

the Seller, all of the right, title and interest of Sage Gold, if any, in and to all of the Property and undertaking of Sage Gold (other than the Excluded Assets), held for use in or relating to the Business free and clear of all Claims and Liens (other than Permitted Encumbrances) pursuant to the Approval and Vesting Order, when granted, including, but not limited to all right title and interest of Sage Gold in, to and under:

- (a) the Mining Licenses and Claims;
- (b) the Business Information, subject to Section 2.2(c);
- (c) the Consents of Government Entities to the extent transferable at Law, including all Permits and all pending applications for Permits;
- (d) all Current Assets, but not including any rights or property described in Section 2.2(a) and Section 2.2(e);
- (e) all Books and Records;
- (f) all Assigned Contracts;
- (g) the Buildings;
- (h) the Equipment;
- (i) the Owned Intellectual Property and the Licensed Intellectual Property;
- (j) all Property, including the Finn Road Farm Property;
- (k) the Clavos Project, the Pillars Project, the McDonald Project, the Clist Lake Project and related assets; and
- (l) all other rights, properties and assets of Sage Gold used in the Business (other than the Excluded Assets), of whatever nature or kind and wherever situated,

(collectively, the “**Purchased Assets**”).

Section 2.2 **Excluded Assets**

The following items (collectively, the “**Excluded Assets**”) shall not form part of the Purchased Assets:

- (a) all cash and cash equivalents, bank deposits, bank balances in possession of banks, the Receiver and other depositories, but excluding the Financial Assurances;
- (b) any deposits associated with Contracts that are not Assigned Contracts;
- (c) following Closing, copies of any book, recorded, literature, list and any other written or recorded information constituting Business Information (the original of which has already been assigned or transferred to the Purchaser) to which the

Seller in good faith determines it is reasonably likely to need to access for *bona fide* Tax of legal purposes;

- (d) any known or unknown Claims Sage Gold may have against any Person other than a Claim for Accounts Receivable;
- (e) refunds and/or credits in respect of reassessment for Taxes relating the Business or Purchased Assets paid prior to the Closing and refundable Taxes;
- (f) Excluded Contracts;
- (g) the Onaman Project and related assets; and
- (h) all rights of the Seller under this Agreement and the Ancillary Agreements.

Section 2.3 Assumed Liabilities

On the terms and subject to the conditions set forth in this Agreement, at the Closing, the Purchaser shall assume and become responsible for, and perform, discharge and pay when due, the following Liabilities (the “**Assumed Liabilities**”):

- (a) all Liabilities of Sage Gold in respect of the Mining Licenses and Claims;
- (b) all Liabilities for, or related to any obligation for, any Tax that the Purchaser bears under Section 2.9 (including, for the avoidance of doubt, Transfer Taxes imposed in connection with this Agreement and the transactions contemplated hereunder or any other Transaction Document and the transactions contemplated thereunder);
- (c) all Liabilities with respect to the post-Closing operation of the Business or ownership of the Purchased Assets;
- (d) all Liabilities (i) arising from or in connection with the Royalty Agreements (as long as such Royalty Agreements are valid and enforceable under applicable Law), and (ii) from and after the Closing Date arising from or in connection with any Assigned Contracts (other than the Royalty Agreements) or breach thereof;
- (e) any Cure Costs associated with the Assigned Contracts;
- (f) all amounts payable or Liabilities that must be assumed to obtain the Consents or Permits, including Taxes, filing and other fees related thereto;
- (g) all Environmental Liabilities; and
- (h) to the extent not listed above and without duplication, all other Accounts Payable, Accrued Liabilities and Taxes (other than Transfer Taxes), provided that any such amounts incurred prior to the Closing shall not exceed the total amount of \$ [REDACTED]

Section 2.4 Excluded Liabilities

Except for the Assumed Liabilities, the Purchaser shall not assume and shall not be responsible for any of the Liabilities of Sage Gold, whether present or future, known or unknown, absolute or contingent and whether or not relating to the Business or the Purchased Assets (collectively, the “**Excluded Liabilities**”).

Section 2.5 Purchase Price

Pursuant to the terms and subject to the conditions set forth in this Agreement, in consideration of the sale of the Purchased Assets pursuant to the terms hereof, the Purchaser shall (i) pay to the Seller \$ [REDACTED] (the “**Cash Purchase Price**”); and (ii) assume from the Seller and Sage Gold and become obligated to pay, perform and discharge, when due, the Assumed Liabilities ((i) and (ii), collectively, the “**Purchase Price**”).

Section 2.6 Allocation of Purchase Price

The Purchase Price will be allocated among the Purchased Assets in accordance with Schedule 2.6 and the values so attributed to the Purchased Assets are the respective fair market values thereof. The Seller and the Purchaser shall cooperate in the preparation of and execute any elections and agreements that may be necessary or desirable under any Tax Laws to give effect to the allocations described in Schedule 2.6, and the Seller and the Purchaser shall prepare and file their respective Tax returns in a manner consistent with those allocations, elections and agreements.

Section 2.7 Deposit

- (a) Contemporaneously with the execution and delivery of the September Letter, the Purchaser paid a deposit payable to the order of the Receiver in the amount of \$ [REDACTED] (the “**First Deposit**”);
- (b) On November 18, 2019, the Purchaser paid a second deposit payable to the order of the Receiver in the amount of \$ [REDACTED] (the “**Second Deposit**”);
- (c) The First Deposit shall be non-refundable and such funds shall be used by the Receiver to fund certain operations of Sage Gold until Closing in accordance with Section 8.1(d); and
- (d) The Second Deposit shall be non-refundable, other than as a result of the failure of the Receiver to obtain and maintain the Approval and Vesting Order in full force and effect without any variance or modification in accordance with the terms hereof.

Section 2.8 Satisfaction of Purchase Price

The Purchaser shall satisfy the Purchase Price at the Closing Date as follows:

- (a) by the assumption by the Purchaser of the Assumed Liabilities; and

- (b) by payment to the Receiver by wire transfer of \$ [REDACTED] being the balance of the Cash Purchase Price due on Closing after deducting the following amounts from the Cash Purchase Price:
- (i) the amount of the First Deposit received by the Receiver;
 - (ii) the amount of the Second Deposit received by the Receiver;
 - (iii) \$ [REDACTED] on account of one half of the anticipated Additional Financial Assurances;
 - (iv) \$ [REDACTED] on account of payments made to the Seller on July 31, 2019, in order to fund Operating Activities; and
 - (v) \$ [REDACTED] on account of the assumption, settlement and/or payment by the Purchaser of the Contractor Costs.

Section 2.9 Transfer Taxes

(1) The Parties agree that the Purchase Price is exclusive of any Transfer Taxes. Subject to Section 4.7 and Section 2.9(3) the Purchaser shall promptly pay directly to the appropriate Tax Authority all applicable Transfer Taxes that are properly payable by the Purchaser or the Seller under applicable Law in connection with this Agreement and the transactions contemplated herein and the other Transaction Documents and the transactions contemplated therein. The Purchaser shall indemnify and save harmless the Seller from and against any Transfer Taxes that may be imposed on, claimed from or demanded of the Seller or Sage Gold, including as a result of the transactions contemplated hereby or as a result of any elections made or omitted to be made or any refusal of any Government Entity to accept any such election.

(2) If the Purchaser wishes to claim any exemption relating to, or a reduced rate of, Transfer Taxes, in connection with this Agreement or the transactions contemplated herein or the other Transaction Documents and the transactions contemplated therein, the Purchaser shall be solely responsible for ensuring that such exemption or election applies and, in that regard, shall provide the Seller prior to Closing with its permit number, GST/HST number, or other similar registration numbers and/or any appropriate certificate of exemption, election and/or other document or evidence to support the claimed entitlement to such exemption or reduced rate by the Purchaser. The Seller shall make commercially reasonable efforts to cooperate to the extent necessary to obtain any such exemption or reduced rate.

(3) At the Purchaser's sole expense, the Purchaser and the Seller, on behalf of Sage Gold, shall, where such election is available, jointly execute an election under Section 167 of Part IX of the *Excise Tax Act* (Canada) in the forms prescribed for such purposes such that the sale of the Purchased Assets by the Seller will take place without payment of any GST/HST. The Purchaser shall file the election forms referred to above with the proper Tax Authority, together with the Purchaser's GST/HST return for its GST/HST reporting period during which the transaction of purchase and sale contemplated herein occurs. Notwithstanding such election, in the event that it is determined by the CRA that there is a GST/HST liability of the Purchaser to pay GST/HST on all or part of the Purchased Assets sold pursuant to this Agreement, the Parties agree that such GST/HST, as the case may be, shall, unless already collected from the Purchaser and remitted by the Seller, be forthwith remitted by the Purchaser to the CRA, as the case may be. If it is

determined that the elections are not available, the Seller agrees to provide reasonable cooperation to the Purchaser to expedite the Purchaser's claims for input tax credits, input tax refunds or rebates of GST/HST. Regardless of whether an election is made pursuant to this Section 2.9(3) the Seller agrees that it shall collect no GST/HST in respect of any real property acquired by the Purchaser so long as the notification requirement in Section 3.1(i) of this Agreement is satisfied.

(4) The Seller and the Purchaser agree to treat all payments made either to or for the benefit of the other Party under this Agreement as adjustments to the Purchase Price for Tax purposes and that such treatment shall govern for purposes hereof to the extent permitted under applicable Tax Law.

Section 2.10 Non-Assignable Rights

Nothing in this Agreement shall be construed as an assignment of, or an attempt to assign to the Purchaser, any Contract, Permit or Consent which, as a matter of law or by its terms, is (i) not assignable, or (ii) not assignable without the approval or consent of the issuer thereof or the other party or parties thereto, without first obtaining such approval or consent or a Court Order (collectively "**Non-Assignable Rights**"). In connection with such Non-Assignable Rights, the Seller shall, at the request of the Purchaser use commercially reasonable efforts to assist the Purchaser in applying for and use commercially reasonable efforts to assist the Purchaser in obtaining any of the Required Consents, Required Permits or Replacement Permits contemplated in Section 5.1(c) and Section 5.1(d) provided that nothing shall require the Seller to make any payment to any Person in order to obtain such Required Consents, Required Permits or Replacement Permits.

Section 2.11 Solomon Pillars Lease and Railway Lease

The Receiver agrees to use its commercially reasonable efforts, prior to the date of the Receiver's discharge, to reactivate, or to assist the Purchaser in reactivation of, the Solomon Pillars Lease and Railway Lease; provided, however, that the Receiver shall have no obligation to incur any out-of-pocket expenses in discharging such commercially reasonable efforts and shall have no obligation to delay its discharge as a result of its obligation hereunder. In the event that the Solomon Pillars Lease and Railway Lease have not been successfully reactivated prior to the Receiver's motion for discharge, the Receiver shall pay to the Purchaser, not later than two (2) Business Days after the date on which notice is served of the Receiver's motion for discharge, \$ [REDACTED] as a rebate of the Cash Purchase Price.

ARTICLE 3- REPRESENTATIONS AND WARRANTIES

Section 3.1 Representations and Warranties of the Purchaser

The Purchaser represents and warrants to the Seller as follows and acknowledges that the Seller is relying on the following representations and warranties in entering into this Agreement and completing the transactions contemplated by it:

- (a) the Purchaser possesses all requisite legal right, power, authority and capacity to execute, deliver and perform this Agreement, and each Transaction Document, instrument and document to be executed and delivered by the Purchaser in

connection herewith and to consummate the transactions contemplated herein and therein;

- (b) this Agreement and each Transaction Document has been duly executed and delivered by the Purchaser and constitutes the legal, valid and binding obligation of the Purchaser, enforceable in accordance with its terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other Laws of general application affecting enforcement of creditors' rights or by principles of equity. The Purchaser is not a party to, subject to, or bound by any Order, or any Contract which would prevent the execution or delivery of this Agreement by the Purchaser or the purchase by the Purchaser of the Purchased Assets;
- (c) the Purchaser has now, and at all times from the date hereof through and after the Closing Date, will have, sufficient funds available to pay the Cash Purchase Price and all other amounts payable under the Transaction Documents and to otherwise consummate the transactions contemplated hereby and thereby, and to pay all fees and expenses related thereto and to perform all obligations when due under the Assigned Contracts. The Purchaser acknowledges that its obligations under this Agreement and the other Transaction Documents are not subject to any conditions regarding its ability to obtain financing for any portion of the foregoing amounts;
- (d) except for fees and commissions that will be paid by the Seller out of the Cash Purchase Price, no broker, finder or investment banker is entitled to any brokerage, finder's or similar fee or commission in connection with the transactions contemplated by this Agreement and the other Transaction Documents based upon arrangements made by or on behalf of the Purchaser;
- (e) except for the Required Consents, Required Permits or Replacement Permits, and entry of the Approval and Vesting Order, to the best of the Purchaser's Knowledge, no notice, filing, authorization, approval, Order or consent is required to be given, filed or obtained by the Purchaser to or from any Government Entity or Third Party in connection with the execution, delivery and performance by the Purchaser of this Agreement or the transactions contemplated hereby;
- (f) the Purchaser, after diligent review is aware of no facts that would prevent the issuance of the Required Consents or the Required Permits from any Government Entities for the transfer of the Required Permits from Sage Gold to the Purchaser or for the obtaining of Replacement Permits by the Purchaser for those Required Permits presently held by Sage Gold that are not transferable;
- (g) the Purchaser has disclosed the identity of all investors in the Purchaser and in the Purchased Assets to the Receiver and has authorized the Receiver to share the identity of the investors with the Ministry of Northern Development and Mines and any other relevant Government Entity;
- (h) the Purchaser is a "WTO Investor" within the meaning of the Investment Canada Act, and the regulations thereunder; and

- (i) the Purchaser is or will be registered for the purposes of the Tax imposed under Part IX of the *Excise Tax Act* (Canada) and shall provide to the Seller its registration number no later than 10 days prior to Closing.

Section 3.2 **Representations and Warranties of the Seller**

The Seller represents and warrants to the Purchaser as follows and acknowledges that the Purchaser is relying on the following representations and warranties in entering into this Agreement and completing the transactions contemplated by it:

- (a) subject to obtaining the Approval and Vesting Order, the Seller has good and sufficient power, authority and right to enter into and deliver this Agreement and complete the transactions contemplated hereunder;
- (b) this Agreement has been duly and validly executed and delivered by the Seller and, subject to obtaining the Approval and Vesting Order, constitutes legal, valid and obligations of the Seller, enforceable against it in accordance with its terms;
- (c) the execution and delivery by the Seller of this Agreement and the performance by the Seller of its obligations under this Agreement will not result in, (i) the breach or violation of any terms or conditions of any applicable law, regulation or order, or (ii) the creation of any lien, charge or encumbrance on any of the Purchased Assets;
- (d) the Purchased Assets (together with the Excluded Assets) represent all or substantially all of the assets of Sage Gold and, upon acquisition of the Purchased Assets by the Purchaser, the Purchaser will be able to operate the business in substantially the same manner as undertaken by Sage Gold at the time it operated the Purchased Assets;
- (e) the Seller is not a “non-resident” of Canada for the purpose of Section 116 of the Tax Act; and
- (f) Sage Gold is registered for purposes of the *Excise Tax Act* (Canada) and its registration number is 87581 5250.

Section 3.3 **No Other Representations or Warranties**

(1) Notwithstanding anything contained in this Agreement to the contrary, the Purchaser acknowledges and agrees that none of the Seller or any other Person (including Deloitte Corporate Finance Inc. or any of the Receiver’s advisors) is making any representations or warranties whatsoever, express or implied, beyond those expressly given by the Seller in Section 3.2, or with respect to any other information provided to the Purchaser in connection with the transactions contemplated hereby, including as to the probable success or profitability of the ownership, use or operation of the Business, title to the Purchased Assets, the Assumed Liabilities, or as to the accuracy or completeness of any information regarding any of the foregoing that any Seller, or any other Person, furnished or made available to the Purchaser or its representatives. The Purchaser further represents that none of the Seller or any other Person has made any representation or warranty, express or implied, as to the accuracy or completeness of any information regarding the Seller, the Business or the transactions contemplated by this

Agreement not expressly set forth in this Agreement, and none of the Seller or any other Person will have or be subject to liability to the Purchaser or any other Person resulting from the distribution to the Purchaser or its representatives or the Purchaser's use of any such information, including Data Site information provided to the Purchaser or its representatives, in connection with the sale of the Business. The Purchaser acknowledges that it has conducted to its satisfaction its own independent investigation of the Business and the Purchased Assets and, in making the determination to proceed with the transactions contemplated by this Agreement, the Purchaser has relied solely on the results of its own independent investigation.

(2) The Purchaser acknowledges and agrees that, in determining whether to enter into this Agreement, Purchaser (i) has had an opportunity to conduct any and all due diligence regarding the Purchased Assets, the Business and the Assumed Liabilities prior to the execution of this Agreement and that the obligations of the Purchaser are not conditional upon any additional due diligence; (ii) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Purchased Assets to be acquired and obligations and Liabilities to be assumed in entering into this Agreement; and (iii), except for the representations and warranties set out in Section 3.2 did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of Law or otherwise) from or by the Seller, Deloitte Corporate Finance Inc. or any partner, employee, officer, director, accountant, agent, financial, legal or other representative of any of the Seller or Deloitte Corporate Finance Inc. regarding the Purchased Assets to be acquired or the Assumed Liabilities or the completeness of any information provided in connection therewith, except as expressly stated herein.

(3) The Purchaser acknowledges and agrees that the enforceability of this Agreement against the Seller is subject to entry of the Approval and Vesting Order.

Section 3.4 “As Is, Where Is”

Subject to Section 3.2 of this Agreement, the Purchaser acknowledges that (i) it is purchasing the Purchased Assets on an “as is, where is” and “without recourse” basis and on the basis that the Seller has not guaranteed or will not guarantee title to the Purchased Assets and that the Purchaser has conducted such inspections of title to the Purchased Assets as it deems appropriate and has satisfied itself with regard to these matters and (ii) it has inspected the Purchased Assets and will accept the same on the Closing Date, in their then current state, condition and location. Except as otherwise expressly provided in this Agreement, no representation, warranty or condition whether statutory (including under the *Sale of Goods Act* (Ontario), the *International Sale of Goods Contracts Convention Act* (Canada) or any international equivalent act which may be applicable to the subject matter pursuant to the provisions of this Agreement, including, without limitation, the Uniform Commercial Code as enacted in any State or the United Nations Convention on Contracts for the International Sale of Goods), expressed or implied, oral or written, legal, equitable, conventional, collateral or otherwise is or will be given by the Seller as to title, outstanding liens, description, fitness or purpose, merchantability, quantity, condition, quality, suitability, durability, assignability, or marketability therefor or any other matter or thing whatsoever, and all of the same are expressly excluded. The Purchaser acknowledges and agrees that it has inspected the Purchased Assets and has relied on its own investigations as to the matters set out above and in determining to purchase the Purchased Assets pursuant to this Agreement. The description of the Purchased Assets contained herein is for the purpose of identification only. No representation, warranty or

condition has or will be given by the Seller concerning completeness or accuracy of such description.

ARTICLE 4 - COVENANTS AND OTHER AGREEMENTS

Section 4.1 Approval and Vesting Order

(1) The Seller and the Purchaser acknowledge that this Agreement and the transactions contemplated hereby are subject to the approval of the Court. Mr. Flowers delivered the Bank Comfort Letter to the Seller on November 23, 2019.

(2) The Seller shall use its commercially reasonable efforts to obtain from the Court, upon a hearing to be held on a date specified by the Court (the “**Sale Hearing**”), an order in form and in substance acceptable to the Purchaser approving the sale of the Purchased Assets to the Purchaser pursuant to this Agreement and vesting in and to the Purchaser the Purchased Assets free and clear of all Liens and Claims (other than Permitted Encumbrances) which shall not be subject to appeal, leave to appeal, and/or a motion to stay, vary, modify, and/or set aside and shall be in full force and effect in accordance with its terms (the “**Approval and Vesting Order**”).

(3) The Purchaser, at its own expense, will promptly provide to the Seller all such information within its possession or under its control as the Seller may reasonably require to obtain the Approval and Vesting Order. The Purchaser and the Seller will cooperate in obtaining entry of the Approval and Vesting Order.

Section 4.2 Cooperation

(1) Prior to the Closing, upon the terms and subject to the conditions of this Agreement, each of the Parties shall use its commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, and cooperate with each other in order to do, all things necessary, proper or advisable under applicable Law to consummate the transactions contemplated by this Agreement as soon as practicable, including the preparation and filing of all forms, registrations and notices required to be filed to consummate the Closing, making witnesses available in the Court or by declaration, as necessary, in obtaining the entry of the Approval and Vesting Order, and the taking of such actions as are necessary to obtain any requisite Consent; provided, however, at no time shall the Seller be obligated to make any payment or deliver anything of value to the Purchaser or any Third Party (other than filing with and payment of any application fees to Government Entities, all of which shall be paid or reimbursed by the Purchaser unless otherwise provided herein) or to the Purchaser in order to obtain any Consent.

(2) The Seller and the Purchaser shall promptly notify the other of the occurrence, to such Party’s Knowledge, of any event or condition, or the existence, to such Party’s Knowledge, of any fact, that would reasonably be expected to result in (i) any of the conditions set forth in Article 5 not being satisfied; or (ii) any of the representations and warranties in Article 3 not being true and correct.

(3) The Purchaser and the Seller acknowledge and agree that time is of the essence in effecting the Closing and otherwise consummating the transactions contemplated herein, and that it will promptly and timely provide written requests, execute and deliver all required documents

and materials and use commercially reasonable efforts to perform all necessary and required actions, including to obtain the Required Consents, the Required Permits or the Replacement Permits from appropriate Government Entities.

Section 4.3 **Pre-closing Access to Information**

(1) Prior to the Closing, the Seller shall (a) give the Purchaser and its authorized representatives, upon advance notice and during regular business hours, access to all books, records, reports (including any mine closure reports or drafts thereof), plans, certificates, files, documents and information related to the Purchased Assets and other facilities and properties of the Business; and (b) permit the Purchaser to make such copies and inspections thereof, upon advance notice and during regular business hours, as the Purchaser may reasonably request; provided, however, that any such access shall be conducted at Purchaser's expense, in accordance with Law (including any applicable Bankruptcy Law), under the supervision of the Seller's personnel and in such a manner as to maintain confidentiality and not to interfere with the normal operations of the Business of the Seller.

(2) Notwithstanding Section 4.3(1), the Seller shall not be required to disclose any information, records, files or other data to the Purchaser where prohibited by any Laws or which would result in the disclosure of any trade secrets of Third Parties or violate any obligation of the Seller to any Third Party or that would have the effect of causing the waiver of any solicitor-client privilege or subsisting agreement of confidentiality.

Section 4.4 **Confidentiality**

(1) Prior to the Closing, the Purchaser shall keep confidential all information disclosed to it by the Seller or its agents (including any disclose made pursuant to Section 4.3(1)) relating to Sage Gold or the Business in accordance with the terms of the confidentiality agreement signed by the Purchaser and the Seller (the "**Confidentiality Agreement**"). Such information is confidential and proprietary to the Seller and the Purchaser shall only disclose such information to those of its employees and representatives of its advisors who need to know such information for the purposes of evaluating and implementing the transaction contemplated in this Agreement and only in accordance with the terms of the Confidentiality Agreement. Notwithstanding the foregoing, the Purchaser shall keep confidential all Personal Information disclosed to it by the Seller or its agents and will not disclose the Personal Information except in accordance with applicable Law. If this Agreement is terminated without completion of the transactions contemplated by this Agreement, the Purchaser shall promptly return all documents, work papers and other written material (including all copies) obtained from the Seller in connection with this Agreement, and not previously made public and shall continue to maintain the confidence of all such information.

(2) After the Closing, the Seller shall keep confidential all Personal Information it disclosed to the Purchaser and all information relating to the Business, except information which:

- (a) is part of the public domain;
- (b) becomes part of the public domain other than as a result of a breach of these provisions by the Seller; or

- (c) was received in good faith after Closing from an independent Person who was lawfully in possession of such information free of any obligation of confidence.

Section 4.5 Public Announcements

Prior to the Closing and except as necessary for the Party to make any filing with the Court to obtain approval of the transactions contemplated by this Agreement, no Party shall issue any press release or public announcement concerning this Agreement or the transactions contemplated by this Agreement without obtaining the prior written approval of the other Party, which approval will not be unreasonably withheld or delayed, unless, in the reasonable judgment of the Purchaser or the Seller, disclosure is otherwise required by applicable Law (including the Securities Laws), or the Court with respect to filings to be made with the Court in connection with this Agreement or by the Securities Laws of the Securities Commissions or any stock exchange on which the Purchaser lists securities, provided that the Party intending to make such release shall use commercially reasonable efforts consistent with such applicable Law and the Court requirement to consult with the other Party with respect to the text thereof.

Section 4.6 Further Actions

From and after the Closing Date, each of the Parties shall execute and deliver such documents and other papers and take such further actions as may reasonably be required to carry out the provisions of this Agreement and give effect to the transactions contemplated herein, including the execution and delivery of such assignments, deeds and other documents as may be necessary to transfer any Purchased Assets as provided in this Agreement; provided that the Seller shall not be obligated to make any payment or deliver anything of value to any Third Party (other than filing with and payment of any application fees to Government Entities, all of which shall be paid or reimbursed by the Purchaser unless otherwise specified herein) or the Purchaser in order to obtain any Consent to the transfer of Purchased Assets or the assumption of Assumed Liabilities.

Section 4.7 Transaction Expenses

Except as otherwise provided in this Agreement or the Ancillary Agreements, each of the Purchaser and the Seller shall bear its own costs and expenses (including brokerage commissions, finders' fees or similar compensation, and legal fees and expenses) incurred in connection with this Agreement, the other Transaction Documents and the transactions contemplated hereby and thereby. Without limiting the foregoing, Purchaser shall pay all recording costs associated with transferring the Mining Licenses and Claims in accordance with applicable Laws and all costs associated with obtaining any Required Consents and Required Approvals.

Section 4.8 Certain Payments or Instruments Received from Third Parties

To the extent that, after the Closing Date, (a) the Purchaser receives any payment or instrument that is for the account of the Seller, or Sage Gold, according to the terms of this Agreement, the Purchaser shall promptly deliver such amount or instrument to the Seller; and (b) the Seller receives any payment that is for the account of the Purchaser according to the terms of this Agreement or relates to the Business, the Seller shall hold such payment in trust for the Purchaser and promptly deliver such amount or instrument to the Purchaser. All amounts due

and payable under this Section 4.8 shall be due and payable by the applicable Party in the form received, or if payment in such form is not possible, in immediately available funds, by wire transfer to the account designated in writing by the relevant Party. Notwithstanding the foregoing, each Party hereby undertakes to use commercially reasonable efforts to direct or forward all bills, invoices or like instruments to the appropriate Party.

Section 4.9 Notification of Certain Matters

The Seller shall give written notice to the Purchaser and the Purchaser shall give written notice to the Seller, as applicable, promptly after becoming aware of (a) the occurrence of any event, which would be likely to cause any condition set forth in Article 5 to be unsatisfied in any material respect at any time from the date hereof to the Closing Date; or (b) any notice or other communication from (i) any Person alleging that the Consent of such Person is or may be required in connection with any of the transactions contemplated by this Agreement; or (ii) any Government Entity in connection with any of the transactions contemplated by this Agreement; provided, however, that the delivery of any notice pursuant to this Section 4.9 shall not limit or otherwise affect the remedies available hereunder to the Seller or the Purchaser.

Section 4.10 Risk of Loss

Until the Closing, the Purchased Assets will remain at the risk of the Seller. If any material destruction or material damage occurs to the Purchased Assets on or before the Closing or if any or all of the Purchased Assets are appropriated, expropriated or seized by Government Entity or other lawful authority on or before the Closing, the Seller will give notice thereof to the Purchaser as promptly as practical and the Purchaser will have the option, exercisable by notice to the Seller on or before the Closing:

- (a) to reduce the Purchase Price by an amount equal to the proceeds of insurance or compensation for destruction or damage or appropriation, expropriation or seizure with respect thereto (referred to as the “**Proceeds**”), and to complete the purchase; or
- (b) to complete the purchase without reduction of the Purchase Price, in which event all Proceeds will be payable to the Purchaser and all Claims of the Seller to any such amounts not paid by the Closing will be assigned to the Purchaser.

Section 4.11 Investment Canada Act

The Purchaser shall notify the Director Investments of the transactions contemplated by this Agreement within 30 days after the Closing Date, in accordance with Part III of the Investment Canada Act.

ARTICLE 5 - CONDITIONS OF CLOSING

Section 5.1 Conditions to Each Party's Obligation

The Parties' obligation to effect the Closing is subject to the satisfaction or the express written waiver of the Parties, at or prior to the Closing, of each of the following conditions

- (a) there shall be in effect no Law or Order prohibiting the consummation of the transactions contemplated hereby that has not been withdrawn or terminated;
- (b) none of the Parties nor any of their respective directors, officers, employees or agents, will be a defendant or third party to or threatened with any litigation or proceedings before any Government Entity which could prevent or restrict that Party from performing any of its obligations in this Agreement or any Transaction Document;
- (c) Consents to the transfer of the Mining Licenses and Claims or waivers thereof shall have been obtained (“**Required Consents**”) and any Transfer Costs in respect thereof shall have been paid by the Purchaser;
- (d) All Permits shall have been transferred to the Purchaser (the “**Required Permits**”) or Replacement Permits shall have been issued to the Purchaser in respect thereof and any Transfer Costs in respect thereof shall have been paid by the Purchaser; and
- (e) the Approval and Vesting Order shall have been entered, in form and substance acceptable to the Purchaser and the Seller and shall not be subject to appeal, leave to appeal and/or a motion to stay, vary, modify and/or set aside and shall be in full force and effect in accordance with its terms.

Section 5.2 **Conditions to the Seller’s Obligation**

The Seller’s obligation to effect the Closing shall be subject to the fulfillment (or express written waiver by the Seller), at or prior to the Closing, of each of the following additional conditions:

- (a) except for any failure to be true and correct that has not had a material adverse effect on the ability of the Purchaser to consummate the transactions contemplated by this Agreement, each representation and warranty contained in Section 3.1 shall be true and correct (i) as if restated on and as of the Closing Date; or (ii) if made as of a date specified therein, as of such date. The Seller shall have received a certificate of the Purchaser to such effect signed by a duly authorized officer thereof;
- (b) the covenants, obligations, and agreements contained in this Agreement to be complied with by the Purchaser on or before the Closing shall have been complied with in all material respects. The Seller shall have received a certificate of Purchaser to such effect signed by a duly authorized officer thereof;
- (c) the Purchaser shall have delivered a draft closure plan acceptable to the Ministry of Northern Development and Mines (the “**MNDM**”) that is acceptable to it, together with the financial assurance set out in such draft closure plan to be held by the MNDM pending closing unless otherwise agreed by the MNDM;
- (d) each of the deliveries required to be made to the Seller pursuant to Article 6 shall have been so delivered.

Section 5.3 **Conditions to Purchaser's Obligation**

The Purchaser's obligation to effect the Closing shall be subject to the fulfillment (or express written waiver by the Purchaser), at or prior to the Closing, of each of the following additional conditions:

- (a) except for any failure to be true and correct that has not had a material adverse effect on the ability of the Seller to consummate the transactions contemplated by this Agreement, each representation and warranty contained in Section 3.2 shall be true and correct (i) as if restated on and as of the Closing Date; or (ii) if made as of a date specified therein, as of such date. The Purchaser shall have received a certificate of the Seller to such effect signed by a duly authorized officer thereof;
- (b) the covenants, obligations and agreements contained in this Agreement to be complied with by the Seller on or before the Closing shall have been complied with in all material respects. The Purchaser shall have received a certificate of the Seller to such effect signed by a duly authorized officer thereof; and
- (c) each of the deliveries required to be made to the Purchaser pursuant to Article 6 shall have been so delivered,

Section 5.4 **Waiver of Conditions**

Either party may waive, in whole or in part, at any time by notice in writing to the other party, any condition in Section 5.2 or Section 5.3 that is for its benefit. No waiver by a party of any condition, in whole or in part, will operate as a waiver of any other condition or of that party's rights of termination in the event of non-fulfilment of any other condition, in whole or in part.

ARTICLE 6 - CLOSING ARRANGEMENTS

Section 6.1 **Date, Place and Time of Closing**

The completion of the purchase and sale of the Purchased Assets and the assumption of the Assumed Liabilities (the "**Closing**") shall take place at the offices of McMillan LLP, 181 Bay Street, Toronto, Ontario, commencing at 10:00 a.m. local time on December 20, 2019 so long as such date is on or after the 11th day after the granting of the Approval and Vesting Order, or at such other place and on such other date and at such other time as shall be mutually agreed upon in writing by the Purchaser and the Seller (the day on which the Closing takes place being the "**Closing Date**"). Legal title, equitable title and risk of loss with respect to the Purchased Assets will transfer to the Purchaser, and the Assumed Liabilities will be assumed by the Purchaser at the Closing.

Section 6.2 **Actions and Deliveries at Closing**

At the Closing:

- (a) the Purchaser shall pay to Seller, in cash, \$ [REDACTED] being the Cash Purchase Price less the amounts set out in Section 2.8(b)(i) to Section 2.8(b)(v), by wire transfer of immediately available funds to an account or accounts designated by Seller;

- (b) the Purchaser shall deliver evidence, satisfactory to the Seller, of the assumption, settlement in writing or payment of the Contractor Costs as of the Closing Date and/or, in the alternative, deliver a cash deposit or performance bond to counsel for the Purchaser in the amount of up to \$ [REDACTED] to secure the performance of the Purchaser's remaining obligation to assume, settle in writing or pay the Contractor Costs (for avoidance of doubt, such \$ [REDACTED] does not include, and is in addition to, the \$ [REDACTED] to be held by counsel for the Purchaser pursuant to Section 8.1(c));
- (c) the Seller and the Purchaser shall deliver duly executed copies of and enter into the Transaction Documents to which it is contemplated that they will be parties, respectively;
- (d) the Purchaser shall deliver the officer's certificates required to be delivered pursuant to Section 5.2(a) and Section 5.2(b);
- (e) the Seller shall deliver the officer's certificates required to be delivered pursuant to Section 5.3(a) and Section 5.3(b);
- (f) the Seller shall deliver a certified copy of the Approval and Vesting Order; and
- (g) each Party shall deliver, or cause to be delivered, to the other any other documents reasonably requested by such other Party in order to effect, or evidence the consummation of, the transactions contemplated herein or otherwise provided for under this Agreement, provided however that all material physical or electronic deliveries required hereunder to be made by the Seller shall be at the Purchaser's expense.

Section 6.3 Delivery of the Receiver's Certificate

When the conditions set out in Article 5 have been satisfied or waived, the Receiver will deliver an executed copy of the Receiver's Certificate to the Purchaser. Upon such delivery, the Closing will be deemed to have occurred. The Receiver will file a copy of the Receiver's Certificate with the Court and provide evidence of such filing to the Purchaser.

ARTICLE 7 - TERMINATION

Section 7.1 Termination Rights

This Agreement may be terminated at any time prior to the Closing (or in the case of clause (c) below, within the time period prescribed therein):

- (a) by mutual written consent of the Seller and the Purchaser;
- (b) by either Party, upon written notice to the other:
 - (i) in the event of a material breach by such other Party of such other Party's representations, warranties, agreements or covenants set forth in this Agreement, which breach (A) would result in a failure of the conditions to Closing set forth in Section 5.2 or Section 5.3, as applicable; and (B) is not

cured within seven (7) days from receipt of a written notice from the non-breaching Party;

(ii) if a Government Entity issues an Order prohibiting the transactions contemplated hereby; or

(c) if the Closing does not take place by December 30, 2019;

provided, however, that the right to terminate this Agreement pursuant to Section 7.1(b) or Section 7.1(c) shall not be available to any Party whose breach hereof has been the principal cause of, or has directly resulted in, the event or condition purportedly giving rise to a right to terminate this Agreement under such clauses.

Section 7.2 Effect of Exercise of Termination Rights

If this Agreement is terminated pursuant to Section 7.1, all further obligations of the Parties under or pursuant to this Agreement shall terminate without further Liability of any Party to the other except for the provisions of Section 1.1 (Definitions), Section 1.2(Rules of Interpretation), Section 2.7(Deposit), Section 3.1(d) (No Brokers), Section 4.4 (Confidentiality), Section 4.5 (Public Announcements), Section 4.7 (Transaction Expenses), Section 7.2 (Effect of Exercise of Termination Rights), Section 8.1(c) (Responsibility for Services to the Project, Section 9.3 (Remedies), Section 9.4 (No Third-Party Beneficiaries), Section 9.6 (Successors and Assigns), Section 9.7 (Governing Law; Submission to Jurisdiction), Section 9.8 (Notices), and Section 9.13 (Entire Agreement).

ARTICLE 8 – POST-CLOSING ACTIVITIES AND ARRANGEMENTS

Section 8.1 Responsibility for Services to the Project

The Parties agree as follows:

- (a) Between September 30, 2019 and the Closing Date, the Purchaser (or its authorized representative) shall supervise and maintain the operation of the underground pumps and heaters and to ensure the Purchased Assets are properly secured at the Clavos Project (the “**Purchaser Activities**”). All charges, costs and expenses associated with the Purchaser Activities shall be deemed to be Pre-Closing Disbursements that are for the account of the Purchaser. The Purchaser shall be responsible for arranging with the relevant Government Entities for appropriate access for itself (and its authorized representatives) to the Clavos Project for the purpose of undertaking the Purchaser Activities. The Seller will, if necessary and reasonable, facilitate communication between the relevant Government Entities and the Purchaser.
- (b) At Closing, the Purchaser shall agree to settle, pay or assume accrued and outstanding charges, costs and properly documented project-related expenses owing to contractors for work performed and services rendered in connection with the care and maintenance of the Clavos Project as of September 29, 2019 (collectively, the “**Contractor Costs**”) in an amount up to \$ [REDACTED], which amount includes the \$ [REDACTED] referenced in the September Letter. To the extent that the total quantum of the Contractor Costs exceeds [REDACTED] (the “**Excess**

Contractor Costs”), the Purchaser shall not be required to settle, pay or assume that portion of the Excess Contractor Costs which is attributable to the period prior to April 1, 2019.

- (c) The Purchaser has deposited \$ [REDACTED] referenced in Section 8.1(b) in trust with counsel to the Purchaser and such \$ [REDACTED] shall be maintained for the sole purpose of the satisfying or settling Contractor Costs, whether or not Closing occurs.
- (d) The Seller will use the First Deposit to pay for the electrical supply to the Clavos Project until the Closing Date, and thereafter, at the Seller’s discretion for general estate administration.

Section 8.2 **General Post-Closing Access to the Purchased Assets**

In addition to the other provisions hereof granting to the Seller access to the Project after the Closing Date for certain specified purposes, the parties agree that upon reasonable prior notice to Purchaser, the Seller will be given reasonable access to the Project and to the Purchased Assets during normal business hours as necessary to enable the Seller to conduct ongoing tax and accounting functions and obligations, and other activities. All such activities of the Seller will be conducted in a manner which complies with Purchaser’s safety and operating procedures and in a manner which will not interfere unreasonably with the activities of Purchaser. All such activities of the Seller shall only be conducted in the presence of a representative of the Purchaser.

ARTICLE 9- MISCELLANEOUS

Section 9.1 **No Survival of Representations and Warranties or Covenants**

- (1) No representations or warranties, covenants or agreements in this Agreement or in any instrument delivered pursuant to this Agreement shall survive beyond the Closing Date unless expressly provided for herein or therein.
- (2) With respect to Claims against the Seller or the Purchaser, no Claim of any nature whatsoever for breach of representations or warranties hereunder may be made, or Action instituted with respect thereto, after the Closing Date.
- (3) Notwithstanding the foregoing, the covenants and agreements that by their terms are to be satisfied after the Closing Date shall survive until satisfied in accordance with their terms, including for greater certainty, the Guarantors’ obligations hereunder.

Section 9.2 **Purchaser Disclosure Supplements**

From time to time prior to the Closing, the Purchaser shall have the right to supplement or amend the Schedules hereto with respect to any matter that, if existing, occurring or known at the date of this Agreement, would have been required to be set forth or described in the respective Schedules. The Schedules shall be deemed amended by all such supplements and amendments for all purposes. Without limiting the generality of the foregoing, from the date hereof until the Closing Date, Purchaser shall have the right, upon written notice to Seller, to exclude any Contract (other than, for greater certainty, the Royalty Agreements) that is a “designated assigned contract” listed on Schedule 1.1(10) from the Assigned Contracts, or

supplement the list of Assigned Contracts to include any Contract that is related to the Business that should have been listed on Schedule 1.1(10) for any reason, provided however that there shall be no reduction to the Purchase Price in respect of any such exclusion. Any Contract so excluded by Purchaser shall be deemed to no longer be an Assigned Contract and shall be deemed an Excluded Asset. Any disclosure schedules hereto shall be amended to reflect any changes made pursuant to this Section 9.2.

Section 9.3 Remedies

No failure to exercise, and no delay in exercising, any right, remedy, power or privilege under this Agreement by any Party will operate as a waiver of such right, remedy, power or privilege, nor will any single or partial exercise of any right, remedy, power or privilege under this Agreement preclude any other or further exercise of such right, remedy, power or privilege or the exercise of any other right, remedy, power or privilege.

Section 9.4 No Third-Party Beneficiaries

This Agreement is for the sole benefit of the Parties and their permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

Section 9.5 Consent to Amendments; Waivers

No Party shall be deemed to have waived any provision of this Agreement or any of the other Transaction Documents unless such waiver is in writing, and then such waiver shall be limited to the circumstances set forth in such written waiver. This Agreement and the ancillary documents shall not be amended, altered or qualified except by an instrument in writing signed by all the Parties hereto or thereto, as the case may be.

Section 9.6 Successors and Assigns

Except as otherwise expressly provided in this Agreement, all representations, warranties, covenants and agreements set forth in the Transaction Documents by or on behalf of the Parties thereto will be binding upon and inure to the benefit of such Parties and their respective successors and permitted assigns. Neither the Seller nor the Purchaser shall assign any of its rights or delegate any of its obligations under this Agreement without the prior written consent of the other. Any purported assignment or delegation in violation of this Section 9.6 shall be null and void.

Section 9.7 Governing Law; Submission to Jurisdiction

(1) Any questions, claims, disputes, remedies or Actions arising from or related to this Agreement, and any relief or remedies sought by any Parties, shall be governed exclusively by the Laws of the Province of Ontario and the federal laws of Canada applicable therein without regard to the rules of conflict of laws applied therein or any other jurisdiction.

(2) To the fullest extent permitted by applicable Law, each Party (i) agrees that any Claim, Action or proceeding by such Party seeking any relief whatsoever arising out of, or in connection with, this Agreement or the transactions contemplated hereby shall be brought only in the Court;

(ii) agrees to submit to the nonexclusive jurisdiction of the Court for purposes of all legal proceedings arising out of, or in connection with, this Agreement or the transactions contemplated hereby; (iii) waives and agrees not to assert any objection that it may now or hereafter have to the laying of the venue of any such Action brought in such a Court or any Claim that any such Action brought in such a Court has been brought in an inconvenient forum; (iv) agrees that mailing of process or other papers in connection with any such Action or proceeding in the manner provided in Section 9.8 or any other manner as may be permitted by Law shall be valid and sufficient service thereof; and (v) agrees that a judgment in any such Action or proceeding, once finally determined, settled or adjudicated, and all rights to appeal, if any, have been exhausted or have expired, shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by applicable Law.

Section 9.8 Notices

All demands, notices, communications and reports provided for in this Agreement shall be deemed given if in writing and delivered, if sent by facsimile, electronic mail, courier or sent by reputable overnight courier service (delivery charges prepaid) to any Party at the address specified below, or at such other address, to the attention of such other Person, and with such other copy, as the recipient Party has specified by prior written notice to the sending Party pursuant to the provisions of this Section 9.8.

(a) If to the Purchaser, to:

c/o Brauti Thorning LLP
 Attention: Steven Weisz
 Brookfield Place
 161 Bay Street, Suite 2900,
 Toronto, ON M5J 2S1

Facsimile: 416.362.8410
 Email: sweisz@btlegal.ca

(b) If to the Seller, to:

Philip J. Reynolds and Todd Ambachtsheer
 Deloitte Restructuring Inc.
 Bay Adelaide East
 8 Adelaide Street West, Suite 200
 Toronto, ON M5H 0A9
 Email: philreynolds@deloitte.ca and tambachtsheer@deloitte.ca

and a copy to counsel to the Receiver:

Wael Rostom and Tushara Weerasooriya
 McMillan LLP
 181 Bay Street, Suite 440
 Toronto, ON M5J 2T3

Facsimile: 416.865.7048

Email: wael.rostom@mcmillan.ca and tushara.weerasooriya@mcmillan.ca

(2) Any such demand, notice, communication or report shall be deemed to have been given pursuant to this Agreement when delivered personally, when confirmed if by facsimile transmission or electronic mail, or on the calendar day after deposit with a reputable overnight courier service, as applicable.

Section 9.9 Schedules

The Schedules attached hereto constitute a part of this Agreement and are incorporated into this Agreement for all purposes as if fully set forth herein.

Section 9.10 Counterparts

The Parties may execute and deliver this Agreement in two or more counterparts (no one of which need contain the signatures of all Parties), including facsimile or scanned PDF document, with the same effect as if all Parties had executed and delivered the same copy, each of which will be deemed an original and all of which together will constitute one and the same instrument.

Section 9.11 No Presumption

The Parties agree that this Agreement was negotiated fairly among them at arm's length and that the final terms of this Agreement are the product of the Parties' negotiations. Each Party represents and warrants that it has sought and received experienced legal counsel of its own choosing with regard to the contents of this Agreement and the rights and obligations affected hereby. The Parties agree that this Agreement shall be deemed to have been jointly and equally drafted by them, and that the provisions of this Agreement therefore should not be construed against a Party on the grounds that such Party drafted or was more responsible for drafting the provisions.

Section 9.12 Severability

If any provision, clause, or part of this Agreement, or the application thereof under certain circumstances, is held invalid, illegal or incapable of being enforced in any jurisdiction, (i) as to such jurisdiction, the remainder of this Agreement or the application of such provision, clause or part under other circumstances; and (ii) as for any other jurisdiction, any provision of this Agreement, shall not be affected and shall remain in full force and effect, unless, in each case, such invalidity, illegality or unenforceability in such jurisdiction materially impairs the ability of the Parties to consummate the transactions contemplated by this Agreement or to carry out the intent of this Agreement. Upon such determination that any clause or other provision is invalid, illegal or incapable of being enforced in such jurisdiction, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated or carried out as originally contemplated to the greatest extent legally possible including in such jurisdiction.

Section 9.13 Entire Agreement

The Transaction Documents set forth the entire understanding of the Parties relating to the subject matter thereof, and all prior or contemporaneous understandings, agreements, representations and warranties, whether written or oral, are superseded by the Transaction Documents, and all such prior or contemporaneous understandings, agreements, representations and warranties are hereby terminated. In the event of any irreconcilable conflict between this Agreement and any of the other Transaction Documents, the provisions of this Agreement shall prevail, regardless of the fact that certain Ancillary Agreements may be subject to different governing Laws (unless the other Transaction Documents expressly provides otherwise).

[SIGNATURE PAGE FOLLOWS]

The parties have executed this Asset Purchase Agreement.

DELOITTE RESTRUCTURING INC.,
in its capacity as court-appointed receiver of the
assets, undertakings and properties of Sage Gold
Inc., and not in its corporate or personal capacity

By: _____
Name:
Title:

GRACE GOLD LTD.,
a corporation incorporated under the laws of the
Province of British Columbia

By:  _____
Name: Jayson B Flowers
Title: Chief Executive Officer

The parties have executed this Asset Purchase Agreement.

DELOITTE RESTRUCTURING INC.,
in its capacity as court-appointed receiver of the
assets, undertakings and properties of Sage Gold
Inc., and not in its corporate or personal capacity

By: _____
Name: Phil Reynolds, CPA, CA, CIRP, LIT
Title: Senior Vice President

GRACE GOLD LTD.,
a corporation incorporated under the laws of the
Province of British Columbia

By: _____
Name:
Title:

Schedule 1.1(10) – Assigned Contracts

Contract Name	Parties	Agreement date	Payment Terms
CUSTOM MILLING AGREEMENT	McEwen Milling McEwen Mining Inc.	17-Nov-16	Refer to agreement - various rates and terms
HAUL ROAD LEASING	André and Jeanne Charlebois	12-Oct-17	Refer to agreement - annual payments
121352 Canada Inc. o/a Technosub	121352 Canada Inc. o/a Technosub	1-Aug-18	Refer to agreement - 3 pumps

Schedule 1.1(41) – Equipment

Work Area	Quantity	Item	Description	Remarks
U/G 100 Level	31	6" x 10' Pipe	259 L	
U/G 100 Level	1	Pensil Pump	Technosub	owned -This is down at 261 mL
U/G 100 Level	1	Pensil Pump Starter	Technosub	owned -This is down at 261 mL
U/G 100 Level	3	450 Elbow 6" Pipe		
U/G 100 Level	3	6" Clamps		
U/G 100 Level	17	5' x 10' Screen	250 ESS	
U/G 100 Level	2	48" x 50' Vent Tubino Flat	220 L	
U/G 100 Level	15	4" x 20' Black Pipe	240	
U/G 100 Level	1	15PH Pump	245L	Technosub - Rent to Own - Receiver currently paying
U/G 100 Level	2	25' x 4" Bullhose	220L	
U/G 100 Level	1	Air Fan - 24"		
U/G 100 Level	1	Start 58HP	Xylem	Probably a 100 HP starter
U/G 100 Level	1	2.4 HP Pump - in use	Xylem	Xylem - 2.4 HP pump
U/G 100 Level	3	Extention Cables for 58HP Pump elow 200 cutout		
U/G 100 Level	1	Starter for Slurry Pump	200L	Pam
U/G 100 Level	1	Scissor-Lift - purchased from Mining EQUIP		owned
U/G 100 Level	5	4" x 20' Pipe		
U/G 100 Level	1	6" x 20' Pipe		
U/G 100 Level	1	2" Bull Hose		
U/G 100 Level	8	5 Elbow 3 TB 6"		
U/G 100 Level	4	4" Elbrow		
U/G 100 Level	16	4" Clamps		
U/G 100 Level	3	Rolls Fence Galvan		
U/G 100 Level	1	Out House		
U/G 100 Level	1	Bandle 6' Rebar		
U/G 100 Level	6	4" x 20' Pipe		
U/G 100 Level	1	6ft Reamers Steel		
U/G 100 Level	1	6" Drill		
U/G 100 Level	1	2Ft Drill Steel		
U/G 100 Level	4	Bundles Rockbolt Plate		
U/G	2	Bundle Split Set	Plate	

Work Area	Quantity	Item	Description	Remarks
U/G	1	Amex Loader		
U/G	1	4ft Reamer Steel		
U/G	5	2" Elbows		
U/G	1	Sack Leg (Leg)		
U/G	1	Loading Stick		
Lunch Room	1	Microwave		
Lunch Room	1	Fridge		
Lunch Room	1	First Aid Box		
Lunch Room	1	Space Heat		
Lunch Room	1	Blasting Box		
Lunch Room	2	Bundles Rabbit Ears		
Lunch Room	1	60HP x 38IN Fan Elect	175L	
Lunch Room	1	40HP 30" Fan	175L	
Lunch Room	3	Screen Rolls		
Lunch Room	1	Jack Leg		
Lunch Room	4	Grout Plugs		
Lunch Room	3	8' Drill Steel		
Lunch Room	1	8' Reamer		
Lunch Room	3	6' Drill Steel		
Lunch Room	1	6' Reamer		
Lunch Room	1	4' Reamer		
Lunch Room	2	2' Drill Steel		
Lunch Room	1	2' Split Set Polly		
Lunch Room	30	6' Rock Bolts		
Lunch Room	1	Hammier Knocker		
Lunch Room	1	10' Drill Steel		
Lunch Room	2	Stoppers		
Lunch Room	2	Jackleg Legs		
Lunch Room	1	Jackleg Leg Only		
Lunch Room	1	Amex Loader		
Lunch Room	3	4' Drill Steel		
Lunch Room	1	6' Drill Steel		
Lunch Room	1	4' Rock Bolt Pollie		
Lunch Room	1	8' Drill Steel		

Work Area	Quantity	Item	Description	Remarks
Lunch Room	2	10' Drill Steel		
U/G	2	8ft ?????	175L	
U/G	2	6ft ?????		
U/G	1	6' Reamer		
U/G	4	4' Drill Steel		
U/G	2	2' Drill Steel		
U/G	1	12ft Ext. Steel		
U/G	1	Grout Plug		
U/G	1	4' Reamer Steel		
U/G	2	4' Rock Bolt Dolly		
U/G	1	1' Split Set Polly		
U/G	1	Hack Saw		
U/G	2	Leg Extension		
U/G	2	Bolt Cutters		
U/G	2	6' Rebar		
U/G	1	44" Air Fan		
U/G	1	4ft Reamer Steel		
U/G	1	Blasting Box		
U/G	3	Bundles Rock Bolt Plates		
U/G	1	Drop Plate		
U/G	2	Bundles Lifter Flags		
150 East	10	Bump Rock Bolt Plates		
150 East	1	Bump Spill Set Plates		
150 East	15	Split Sets		
150 East	1	4' Rock Bolt Polly		
150 East	1	4' Drill Steel		
150 East	2	6' Drill Steel		
150 East	1	2' Drill Steel		
150 East	2	8' Drill Steel		
150 East	10	5x10 Screen		
150 East	1	Chicken Wire		
150 East	1	Tranformer		
150 East	3	Push Plates		
150 East	1	Cable Pusher		

Work Area	Quantity	Item	Description	Remarks
150 East	2	2" Pipe 20Ft		
150 East	1	40 HP Elect. Fan		
150 East	1	58 HP Pump in use	Xylem	Xylem - 58 HP pump - in use
150 East	1	Walden Pump		
150 East	1	2" x 50 Bull Hose	150 East	
150 West	1	40HP 30' Elect Fan		
150 West	1	15HP Pump/Starter	Technosub	Technosub - Rent to Own - Receiver currently paying
150 West	1	Blasting Box		
100 Level	30	4" Black Pipe	20 Ft Long	
100 Level	3	Bundles Lifter Sticks		
100 Level	1	60HP Pump/Starter	Technosub	Technosub - Rent to Own - Receiver currently paying
100 Level	1	40HP 30" Fan		
100 Level	2	58 HP Pumps - not in use	Xylem	Xylem - 2 x 58 HP pumps - not in use
100 Level	1	Receiver Tank		
Lunch Room	1	Fridge		
Lunch Room	1	Microwave		
Lunch Room	1	First Aid Box		
Lunch Room	1	Eye Wash		
Lunch Room	1	Heater		
Lunch Room	1	Elect Panel		
#2 Rm	3	12' Scaling Bars		
#2 Rm	39	2" Valves		
#2 Rm	3	4" Valves		
#2 Rm	35	4" 90 Degree Fittings		
#2 Rm	8	45 Degree Elbow		
#2 Rm	10	4ft I-Bocts		
#2 Rm	4	6" Y Fittings		
#2 Rm	2	Rock Bolt Oil		
#2 Rm	1	4" Check Valve		
#2 Rm	3	6" Pipe Patch		
#2 Rm	1	58HP & 100 HP Starter - in use	Xylem	Xylem - 58 HP pump and 100 HP starter - in use

Work Area	Quantity	Item	Description	Remarks
Laydown	1	Grader	Sage	Sage asset. It is on surface
Laydown	1	Bean Pump	CABO	
Laydown	50	3' x 6'	Lumber	
Laydown	13	Flats 5'	Lumber	
Laydown	37	Flats 5'	Lumber	End
Laydown	33	3" x 6" x 16'	Lumber	End
Laydown	11	3" x 8" x 12'	Lumber	
Laydown	60	Rabbit Ears	10 Bundle	
Laydown	1	24" Air		
Laydown	4	1" Hose 25'		
Laydown	3	1/2" Hose 25'		
Laydown	70	Straping	Screen	
Laydown	1600	Split Set	Plate	
Laydown	1	Box Carshow	Old Fittings	
Laydown	5	20' Latter	Wood	
Laydown	14	2" x 4" Wooden Wedges	Wood 14 x Bundle	
Laydown	4	Vent 24" x 50'		
Laydown	49	Rebar Plate Bundle	Bundle 20	
Laydown	225	Rebars		
Laydown	50	Rebars	8'	
Laydown	150	Spin Cables	20ft	
Laydown	9	Scaling Bars	12ft	
Laydown	1600	Rabbits		
Laydown	1600	Splits Plates		
Laydown	1	Box Carshaw Tunic		
Laydown	84	MFCH 6' Rockbox's		
Laydown	1	Potty	LPL's	
Laydown	1600	Rock Bolt Plates		
Laydown	750	Mech Rock Bolt Shells		
Laydown	2	2 x 19 HP pump - not in use	Xylem	Xylem - 2 x 19 HP - not in use
Laydown	1	1 x 15 HP pump - not in use	Xylem	Xylem - 15 HP - not in use
Laydown	1	200 HP Fan		

Work Area	Quantity	Item	Description	Remarks
Laydown	2	Vent (Plastic) Section		
Laydown	1	Eye Wash Station		
Laydown		C-5		
Laydown	1	4" Flow Meter		
Laydown	1	6" Flow Meter		
Compressor Lay Down	31	6" x 10' Black	Pipe	
Compressor Lay Down	50	2" x 20' Black	Pipe	
Compressor Lay Down	18	3" x 20' Black	Pipe	
Compressor Lay Down	3	Tires No Good		
Compressor Lay Down	14	6" x 20' Black	Pipe	
Compressor Lay Down	22	4" x 20' Black	Pipe	
Compressor Lay Down	19	Old Drill Rods	No Good?	
Compressor Lay Down	2	4550 Litres Pump	Martin Fuels	
Compressor Lay Down	1	C-6 Flow Meters		
Core Shack	1	225 kVA 600V Diesel Generator	Xylem	225 kVA by core shack - in use
Core Shack	3	Environmental ?????		
Core Shack	1	Fuel Tank 4550 Litres	Martin Fuels	
Core Shack	3	Nasco 3 x 250 Tanks	Nasco	
Core Shack	1	Propane Heat	Nasco	
Core Shack	1	Core Cutting Saws		
Core Shack	1	Soft Starter	10K	
Core Shack	1	Lighting Transform	Central Blasting	
Core Shack	1	150 kVA 600V Diesel Generator	Xylem	150 kVA by ponds not core shack - not in use
Vent Fan	2	7000 Propane Tanks	Nasco	
Vent Fan	1	Vapourize	Nasco	
Vent Fan	1	Mine Heater		

Work Area	Quantity	Item	Description	Remarks
Vent Fan	1	200HP Fan		
Vent Fan	1	CO ² Test		
Vent Fan	1	Stench Gas Tank		
Vent Fan	10	Core Racks		
Vent Fan	1	Core Shack Building		
Vent RSE	1	Welded (Miller)		
Vent RSE	1	60HP 600V Fan		
Vent RSE	1	C-CAH Switch Gear		
Vent RSE	1	4160V --> Distrobus		
Vent RSE	1	2700-4160 Transformed/Ground Fault		
Vent RSE	1	Hut Quanset		
Vent RSE	1	Air Receiver 2000 Gal	6" to 6"	
Vent RSE	2	4160 Splitter Boxes		
Outside Shop East Side	1	Slip Tank 450L Pump		
Outside Shop East Side	1	Sludge Pump 30HP - in use	Xylem	Xylem pump - 30 HP - in use
Outside Shop East Side	1	C-Can 8' x 20'	TP-Golt-20	
Outside Shop East Side	4	O	Praxair	Rental
Outside Shop East Side	4	A	Praxair	Rental
Outside Shop East Side	2	120/100 Propane	Praxair	Rental
Inside	1	C-Can	Inside	
Inside	13	Wire-Tire		
Back of Shop & West Side - All Electrical	4	Windows 2 Sizes		
Back of Shop & West Side - All Electrical	3	Backfill Tanks	(Old)	
Back of Shop & West Side - All Electrical	1	Elect. Distribution Building		
Back of Shop & West Side - All	3	100 Amp Canisters		

Work Area	Quantity	Item	Description	Remarks
Electrical				
Back of Shop & West Side - All Electrical	3	Fan Starters		
Back of Shop & West Side - All Electrical	2	Air Cond.		
Back of Shop & West Side - All Electrical	1	13 x #12 Cable Rolls		
Back of Shop & West Side - All Electrical	2	#12 Cable Rolls		
Back of Shop & West Side - All Electrical	1/2	Roll Blasting Cable		
Back of Shop & West Side - All Electrical	1	2000L Propane Tank	Nasco	
Back of Shop & West Side - All Electrical	1	Roll #2 Elect. Cable		
Back of Shop & West Side - All Electrical	1	Roll #3 Elect. Cable		
Back of Shop & West Side - All Electrical	1.5	Rolls #6 Elect. Cable		
Back of Shop & West Side - All Electrical	1/2	Rolls 13/12 Elect. Cable		
Back of Shop & West Side - All Electrical	1	4160 40T Elect. Cable Roll		
Back of Shop & West Side - All Electrical	1	3.5 VD Bucket (Tele)		
Back of Shop & West Side - All Electrical	1	Man Basket		
Back of Shop & West Side - All Electrical	3	Roll Environmental Cloth		
Back of Shop &	1	Ore Pad (Started)		

Work Area	Quantity	Item	Description	Remarks
West Side - All Electrical				
Back of Shop & West Side - All Electrical	16	Rails		
Back of Shop & West Side - All Electrical	8	2" Pipes 20ft	Black Pipe	
Back of Shop & West Side - All Electrical	1	Gate (Security)		
Back of Shop & West Side - All Electrical	300	Property Fencing		
Back of Shop & West Side - All Electrical	1	Soft Starter for Fan (100 Amp) with ground fault		
Shop #1	1	Tank 2320L	Martin Fuels	
Shop #1	2	Boom Stands Adjustable		
Shop #1	1	400AM Willway	Welder	
Shop #1	1	Dolly		
Shop #1	4	4" Clamps	Pipe	
Shop #1	17	3" Clamps	Pipe	
Shop #1	7	2" Clamps	Pipe	
Shop #1	1	2" Water Pump		
Shop #1	2	14" Saw (Chop)		
Shop #1	1	8" Bench Grinder		
Shop #1	1	Hot Water Tank	Mine Site	
Shop #1	1	Holding Tank	Mine Site	
Shop #1	1	Floor Mount ???? Press (Ridgid)		
Electrical Supplies	6	3/8 Connectors		
Electrical Supplies	4	1/2" Connectors		
Electrical Supplies	2	1/2" Straight Connectors		
Electrical Supplies	100	Elect. Boxes		
Electrical	80	Octagon Boxes		

Work Area	Quantity	Item	Description	Remarks
Supplies				
Electrical Supplies	1	Hilti(bat) Drill		
Electrical Supplies	1	Brother Labeler		
Electrical Supplies	1	10K Volt Meter		
Electrical Supplies	1	Cripper (HYO)		
Electrical Supplies	1	Celoster Cable		
Electrical Supplies	1	Elect. Suit		
Electrical Supplies	1	Tire X-Deck		
Electrical Supplies	1	Pipe Crover		
Electrical Supplies	1	Steel Band Labeler		
Electrical Supplies	1	Voltage Detetor		
Electrical Supplies	1	Set Bolt Cuters		
Electrical Supplies	1	Incersoll Rand Compressor		
Electrical Supplies	1	Pump Starter		
Electrical Supplies	1	Set Welding Tanks (Cart)		
Electrical Supplies	3	Jack Legs/Legs		
Electrical Supplies	3	Jack Legs/No Legs		
Electrical Supplies	3	Stoppers		
Electrical Supplies	1	Screen Pusher		
Shop #2	14	Bags Hydraulic Fittings		
Shop #2	2	Anfo Loader		
Shop #2	1	Row of Old Filters		

Work Area	Quantity	Item	Description	Remarks
Shop #2	5	Roll Hydraulic Hoses		
Shop #2	2	3" Air Pumps		
Shop #2	2	2" Air Pumps	Needs Repairs	
Shop #2	1	Row Old Fan Belts		
Shop #2	1	Row Drills Steels	10-8-6-4-2	
Shop #2	1	Rack of Drills		
Shop #2	1	LG Fid6		
Shop #2	1	Microwave	Danby	
Shop #2	1	Filing Cabinet		
Shop #2	1	Ladder (10ft)		
Shop #2	1	First Aid Station	Equipped	
Shop #2	1	Ladder (2ft)		
Shop #2	1	12/24 Battery Charger		
Shop #2	4	Steel Benches		
outside	1	Ford Pick up		

Note: with respect to Xylem pumps, based on Receiver's preliminary assessment there is likely equity in the pumps, however, a buy-out of \$ [REDACTED] to \$ [REDACTED] would be necessary to own outright.

LAPTOPS

Computer ID	Assigned to:	Make/Model	Serial Number	Remarks
Server	Server (not Sage property)	Acer Aspire TC-710	DTB15AA01560204 F813000	In QuickBooks a/c 12810
Admin2	Keith Gage	Acer Aspire ES-15 ES1-531-C6FQ	NXMZ8AA0015310 A7806600	In QuickBooks a/c 12810
Admin2	Richard Mills	Acer Aspire E5- 523G-94NQ/N16Q3	NXGDAAA0016411 95987600	In QuickBooks a/c 12810
Admin3	Ross Penney	HP Model 15- bs027ca	CND7258PJR	In QuickBooks a/c 12815
Eng1	Brad	Acer Aspire E5- 7526	NXMYMAA002619 0639C6600	In QuickBooks a/c 12810
Eng3	Francois Mallette	Acer Aspire E15/E5-523G- 94NQ	NXGDAAA0016411 95OC7600	In QuickBooks a/c 12810
Eng4	Spare	Acer Aspire E15/E5-523G- 94NQ	NXGDAAA0016331 C4F87600	In QuickBooks a/c 12810
Eng5	Jim	Asus Sonicmaster	GANDCV04032840	In QuickBooks a/c

Computer ID	Assigned to:	Make/Model	Serial Number	Remarks
		X555Q	C	12805
Eng6	Brad	HP Model 15- bs027ca	CND7387W8L	In QuickBooks a/c 12815
Geo1	Core Farm	Acer Aspire ES1- 533-C7M8	NXGTAA01465000 D583400	In QuickBooks a/c 12810
Geo2	Core Shack	Acer Aspire ES1- 533-C7M8	NXGTAA01465000 E313400	In QuickBooks a/c 12810
James Thompson	Jim Thompson	Lenovo Ideapad 320 80XN	PFORA5DM	In QuickBooks a/c 12815
Maint1	Andre	Acer Aspire ES1- 531-C6FQ	NXMZ8AA0016240 39AA6600	In QuickBooks a/c 12810

Schedule 1.1(55) – Licensed Intellectual Property

Nil.

Schedule 1.1(58) – Mining Licenses and Claims

Clavos Properties

A	Patented Mining Claims
B	Mining Leases
C	Unpatented Mining Claims

Definitions:

MRO	Mineral Rights Only
SMR/SRO	Surface Rights Only
NSR	Net Smelter Return
nil	No royalties
UPC	Unpatented Mining Claim

A) Patented Mining Claims

Claim	Parcel	PIN	Rights	Township	Size (ha)
CP2433	22364sec	65362302	SRO	German	73.963
CP2433	5748sec	65362535	SMR	German	73.963
CP4990	22593sec	65362305	MRO	German	75.588
CP6499	23144sec	65362311	MRO	German	60.782
CP6633	22093sec	65362154	SRO	German	53.806
CP6634	17709sec	65362298	SRO	German	71.333
CP6638	17713sec	65362299	SRO	German	84.314
CP6640	22095sec	65363158	SRO	Stock	63.893
L37438	9238sec	65363199	MRO	Stock	15.653
L37438	17702SEC	65363186	SRO	Stock	15.653
L37439	9239sec	65363200	MRO	Stock	16.045
L37439	17703SEC	65363180	SRO	Stock	16.045

Schedule 1.1(58) – Mining Licenses and Claims

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CP6634	17709sec	65362298	SRO	German	71.333
CP6638	17713sec	65362299	SRO	German	84.314
CP6640	22095sec	65363158	SRO	Stock	63.893
L37438	9238sec	65363199	MRO	Stock	15.653
L37438	17702SEC	65363186	SRO	Stock	15.653
L37439	9239sec	65363200	MRO	Stock	16.045
L37439	17703SEC	65363180	SRO	Stock	16.045

Claim	Parcel	PIN	Rights	Township	Size (ha)
L37440	9250sec	65363184	SMR	Stock	14.864
L37441	9249sec	65363182	SMR	Stock	15.205
L37442	9240sec	65363185	SMR	Stock	17.578
L37443	9243sec	65363181	SMR	Stock	18.392
L37454	9241 sec	65363201	MRO	Stock	17.01
L37454	177045EC	65363187	SRO	Stock	17.01
L37455	9242sec	65363202	MRO	Stock	16.988
L37455	177055EC	65363179	SRO	Stock	16.988
L42605	12837sec	65363211	MRO	Stock	17.613
L42605	177155EC	65363211	SRO	Stock	17.613
L42606	12821sec	65363212	MRO	Stock	14.364
L42607	12821 sec	65363212	MRO	Stock	17.618
L42608	12822sec	65363183	SMR	Stock	17.035
L42609	12821sec	65363212	MRO	Stock	16.536
L42729	12822sec	65363183	SMR	Stock	16.56
L43304	12821 sec	65363212	MRO	Stock	15.463
L46943	12823sec	65363246	MRO	Stock	14.517
L46944	12823sec	65363246	MRO	Stock	16.182
L476976	8724sec	65363218	MRO	Stock	71.02
NP2564	667sec	65362297	SMR	German	67.14
NP5348	1184sec	65362551	MRO	German	67.37
P28977	12819sec	65362300	SMR	German	21.54
P28978	12815sec	65362301	MRO	German	16.46
P28979	12815sec	65362301	MRO	German	18

Claim	Parcel	PIN	Rights	Township	Size (ha)
L37440	9250sec	65363184	SMR	Stock	14.864
L37441	9249sec	65363182	SMR	Stock	15.205
L37442	9240sec	65363185	SMR	Stock	17.578
L37443	9243sec	65363181	SMR	Stock	18.392
L37454	9241 sec	65363201	MRO	Stock	17.01
L37454	177045EC	65363187	SRO	Stock	17.01
L37455	9242sec	65363202	MRO	Stock	16.988
L37455	177055EC	65363179	SRO	Stock	16.988
L42605	12837sec	65363211	MRO	Stock	17.613
L42605	177155EC	65363211	SRO	Stock	17.613
L42606	12821sec	65363212	MRO	Stock	14.364
L42607	12821 sec	65363212	MRO	Stock	17.618
L42608	12822sec	65363183	SMR	Stock	17.035
L42609	12821sec	65363212	MRO	Stock	16.536
L42729	12822sec	65363183	SMR	Stock	16.56
L43304	12821 sec	65363212	MRO	Stock	15.463
L46943	12823sec	65363246	MRO	Stock	14.517
L46944	12823sec	65363246	MRO	Stock	16.182
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P28977	12819sec	65362300	SMR	German	21.54
P28978	12815sec	65362301	MRO	German	16.46
P28979	12815sec	65362301	MRO	German	18

Claim	Parcel	PIN	Rights	Township	Size (ha)
P28980	12815sec	65362301	MRO	German	19.08
P28981	12815sec	65362301	MRO	German	17.8
P29600	12819sec	65362300	SMR	German	19.78
P29601	12819sec	65362300	SMR	German	22.34
P29602	20811 sec	65362154	MRO	German	17.04
P29603	12814sec	65362507	MRO	German	17.88
P29604	12817sec	65362505	MRO	German	15.05
P29604	17711 SEC	65362156	SRO	German	15.05
P29605	12818sec	65362504	MRO	German	15.51
P29605	17712SEC	65362157	SRO	German	15.51
P29895	12819sec	65362300	SMR	German	20.66
P30683	12816sec	65362506	MRO	German	16.94
P30683	22094SEC	65362155	SRO	German	16.94
P30684	12814sec	65362507	MRO	German	18.89
P30685	12814sec	65362507	MRO	German	18.18
P32143	12820sec	65362503	MRO	German	19.53
P32144	12820sec	65362503	MRO	German	20.47
TP738	10046sec	65363188	SRO	Stock	33.38
TP738	5901 sec	65363189	SRO	Stock	31.04
TP748	6281sec	65363223	MRO	Stock	62.46

B) Mining Leases

Claim	Lease #	Parcel	PIN	Rights	Township
P723319	106835	1763LC	653631	MRO	German

P723320	106835	1763LC	653631	MRO	German
P724525	106835	1763LC	65363567	MRO	Stock
P724526	106835	1763LC	65363567	MRO	Stock

C) Unpatented Mining Claims

Claim	Parcel	PIN	Rights	Township	Size (ha)
1212954	UPC	n/a	MRO	German	66.82
1212957	UPC	n/a	MRO	German	16.99
1213708	UPC	n/a	MRO	German	65.1
3010679	UPC	n/a	MRO	Stock	260.39
3010680	UPC	n/a	MRO	Stock	33.21
3010703	UPC	n/a	MRO	Stock	51.37
3011212	UPC	n/a	MRO	Stock	16.77
3011213	UPC	n/a	MRO	Stock	17.07
3011216	UPC	n/a	MRO	Stock	15.4
3011217	UPC	n/a	MRO	Stock	16.21
3011221	UPC	n/a	MRO	German	86.8
1245302	UPC	n/a	MRO	Clergue	129.27
1245323	UPC	n/a	MRO	Clergue	95.62
1245324	UPC	n/a	MRO	Clergue	64.51

Legacy Claim Id	Township / Area	Property Name	Tenure ID	Tenure Status	Anniversary Date	Tenure Percentage	Work Required	Work Applied	Available Consultation Reserve	Available Exploration Reserve	Total Reserve	Conversion Bank Credit
1208513	LEOPARD LAKE AREA	Clist	201309	Active	2019-08-24	100	200	0	0	0	0	0
1208513	LEOPARD LAKE AREA,VINCENT	Clist	305116	Active	2019-08-24	100	200	0	0	0	0	0
1208513	LEOPARD LAKE AREA,VINCENT	Clist	221368	Active	2019-08-24	100	200	0	0	0	0	0
1208513	LEOPARD LAKE AREA,VINCENT	Clist	221367	Active	2019-08-24	100	200	0	0	0	0	11805
1208513	LEOPARD LAKE AREA	Clist	275302	Active	2019-08-24	100	200	0	0	0	0	0
1208513	LEOPARD LAKE AREA	Clist	275301	Active	2019-08-24	100	200	0	0	0	0	0
4252552	LEOPARD LAKE AREA	Clist	113543	Active	2019-09-29	100	400	0	0	0	0	0
4252552	LEOPARD LAKE AREA	Clist	331982	Active	2019-09-29	100	400	0	0	0	0	0
4252552	LEOPARD LAKE AREA	Clist	331981	Active	2019-09-29	100	200	0	0	0	0	0
4252552	LEOPARD LAKE AREA	Clist	327987	Active	2019-09-29	100	200	0	0	0	0	0
4252552	LEOPARD LAKE AREA	Clist	315197	Active	2019-09-29	100	400	0	0	0	0	0
4252552	LEOPARD LAKE AREA	Clist	315196	Active	2019-09-29	100	400	0	0	0	0	0
4252552	LEOPARD LAKE AREA	Clist	268075	Active	2019-09-29	100	400	0	0	0	0	0
4252552	LEOPARD LAKE AREA	Clist	248689	Active	2019-09-29	100	400	0	0	0	0	0
4252552	LEOPARD LAKE AREA	Clist	230847	Active	2019-09-29	100	200	0	0	0	0	0
4252552	LEOPARD LAKE AREA	Clist	230846	Active	2019-09-29	100	200	0	0	0	0	0
4252552	LEOPARD LAKE AREA	Clist	224690	Active	2019-09-29	100	400	0	0	0	0	0
4252552	LEOPARD LAKE AREA	Clist	224689	Active	2019-09-29	100	400	0	0	0	0	0
4252552	LEOPARD LAKE AREA	Clist	224688	Active	2019-09-29	100	400	0	0	0	0	0
4252552	LEOPARD LAKE AREA	Clist	212632	Active	2019-09-29	100	400	0	0	0	0	0
4252552	LEOPARD LAKE AREA	Clist	194074	Active	2019-09-29	100	400	0	0	0	0	0

4252552	LEOPARD LAKE AREA	Clist	194073	LEDUC-LEOPARD-VINCENT CLAIMS	Single Cell Mining Claim	2019-09-29	Active	100	400	0	0	0	0
4252552	LEOPARD LAKE AREA	Clist	145932	LEDUC-LEOPARD-VINCENT CLAIMS	Boundary Cell Mining Claim	2019-09-29	Active	100	200	0	0	0	0
4252552	LEOPARD LAKE AREA	Clist	145931	LEDUC-LEOPARD-VINCENT CLAIMS	Single Cell Mining Claim	2019-09-29	Active	100	400	0	0	0	0
4252552	LEOPARD LAKE AREA	Clist	140484	LEDUC-LEOPARD-VINCENT CLAIMS	Single Cell Mining Claim	2019-09-29	Active	100	400	0	0	0	0
4252552	LEOPARD LAKE AREA	Clist	113544	LEDUC-LEOPARD-VINCENT CLAIMS	Boundary Cell Mining Claim	2019-09-29	Active	100	200	0	0	0	0
4252553	LEOPARD LAKE AREA	Clist	230846	LEDUC-LEOPARD-VINCENT CLAIMS	Boundary Cell Mining Claim	2019-09-29	Active	100	200	0	0	0	0
4252553	LEOPARD LAKE AREA,VINCENT	Clist	332145	LEDUC-LEOPARD-VINCENT CLAIMS	Boundary Cell Mining Claim	2019-09-29	Active	100	200	0	0	0	0
4252553	LEOPARD LAKE AREA,VINCENT	Clist	231495	LEDUC-LEOPARD-VINCENT CLAIMS	Boundary Cell Mining Claim	2019-09-29	Active	100	200	0	0	0	0
4252553	LEOPARD LAKE AREA	Clist	331981	LEDUC-LEOPARD-VINCENT CLAIMS	Boundary Cell Mining Claim	2019-09-29	Active	100	200	0	0	0	0
4252554	LEOPARD LAKE AREA,VINCENT	Clist	108423	LEDUC-LEOPARD-VINCENT CLAIMS	Boundary Cell Mining Claim	2019-09-29	Active	100	200	0	0	0	0
4252554	VINCENT	Clist	316343	LEDUC-LEOPARD-VINCENT CLAIMS	Boundary Cell Mining Claim	2019-09-29	Active	100	200	0	0	0	0
4252554	VINCENT	Clist	316342	LEDUC-LEOPARD-VINCENT CLAIMS	Boundary Cell Mining Claim	2019-09-29	Active	100	200	0	0	0	0
4252554	VINCENT	Clist	309615	LEDUC-LEOPARD-VINCENT CLAIMS	Single Cell Mining Claim	2019-09-29	Active	100	400	0	0	0	0
4252554	VINCENT	Clist	309614	LEDUC-LEOPARD-VINCENT CLAIMS	Boundary Cell Mining Claim	2019-09-29	Active	100	200	0	0	0	0
4252554	VINCENT	Clist	278804	LEDUC-LEOPARD-VINCENT CLAIMS	Boundary Cell Mining Claim	2019-09-29	Active	100	200	0	0	0	0
4252554	VINCENT	Clist	195668	LEDUC-LEOPARD-VINCENT CLAIMS	Single Cell Mining Claim	2019-09-29	Active	100	400	0	0	0	0
4252554	VINCENT	Clist	176152	LEDUC-LEOPARD-VINCENT CLAIMS	Single Cell Mining Claim	2019-09-29	Active	100	400	0	0	0	0
4252554	VINCENT	Clist	130356	LEDUC-LEOPARD-VINCENT CLAIMS	Single Cell Mining Claim	2019-09-29	Active	100	400	0	0	0	0
4252554	LEOPARD LAKE AREA,VINCENT	Clist	212353	LEDUC-LEOPARD-VINCENT CLAIMS	Boundary Cell Mining Claim	2019-09-29	Active	100	200	0	0	0	0
835326	LEDUC	Pillars	144006	LEDUC-LEOPARD-VINCENT CLAIMS	Boundary Cell Mining Claim	2019-05-21	Active	100	200	0	0	0	0
835326	LEDUC	Pillars	326102	LEDUC-LEOPARD-VINCENT CLAIMS	Boundary Cell Mining Claim	2019-05-21	Active	100	200	0	0	0	9400
835327	LEDUC	Pillars	144006	LEDUC-LEOPARD-VINCENT CLAIMS	Boundary Cell Mining Claim	2019-05-21	Active	100	200	0	0	0	0
835327	LEDUC	Pillars	287622	LEDUC-LEOPARD-VINCENT CLAIMS	Boundary Cell Mining Claim	2019-05-21	Active	100	200	0	0	0	0

835327	LEDUC	Pillars	314082	LEDUC-LEOPARD-VINCENT CLAIMS	Boundary Cell	2019-05-21	Active	100	200	0	0	0	0	0	13600
835327	LEDUC	Pillars	326102	LEDUC-LEOPARD-VINCENT CLAIMS	Boundary Cell	2019-05-21	Active	100	200	0	0	0	0	0	0
845846	LEDUC	Pillars	144006	LEDUC-LEOPARD-VINCENT CLAIMS	Boundary Cell	2019-05-21	Active	100	200	0	0	0	0	0	12966
845846	LEDUC	Pillars	155597	LEDUC-LEOPARD-VINCENT CLAIMS	Boundary Cell	2019-05-21	Active	100	200	0	0	0	0	0	0
845847	LEDUC	Pillars	144006	LEDUC-LEOPARD-VINCENT CLAIMS	Boundary Cell	2019-05-21	Active	100	200	0	0	0	0	0	0
845847	LEDUC	Pillars	155597	LEDUC-LEOPARD-VINCENT CLAIMS	Boundary Cell	2019-05-21	Active	100	200	0	0	0	0	0	0
845847	LEDUC	Pillars	201427	LEDUC-LEOPARD-VINCENT CLAIMS	Boundary Cell	2019-05-21	Active	100	200	0	0	0	0	0	0
845847	LEDUC	Pillars	287622	LEDUC-LEOPARD-VINCENT CLAIMS	Boundary Cell	2019-05-21	Active	100	200	0	0	0	0	0	0

Schedule 1.1(62) – Owned Intellectual Property

Nil.

Schedule 1.1(65) – Permitted Encumbrances

Nil.

Schedule 1.1(74) – Purchased Deposits

Party	Principal	Accumulated Interest	Total	Comments
Ministry of Northern Developments and Mines	\$ [REDACTED]	\$ [REDACTED]	[REDACTED]	As at March 31, 2018 – deposit with MNDM for Clavos reclamation – should be formally assigned to purchaser with MNDM

Schedule 1.1(83) –Royalty Agreements

1. Jubilee Gold Exploration Limited.
2. Franco Nevada Corporation.
3. St. Andrew Goldfields Ltd. (Kirkland)
4. 1051989 ONTARIO INC.

Schedule 2.6 – Allocation of Purchase Price

1. 99% of the Purchase Price is allocated to Mining Claims and Leases.
2. 1% of the Purchase Price is allocated to Finn Road Mining Property.
3. 0% of the Purchase Price is allocated to Other Property.

AMENDING AGREEMENT

THIS AMENDING AGREEMENT (this “**Agreement**”) shall be effective as of December 18, 2019 (the “**Effective Date**”).

BETWEEN:

GRACE GOLD LTD.

(the “**Purchaser**”)

- and -

DELOITTE RESTRUCTURING INC., in its capacity as court-appointed receiver of the assets, undertakings and properties of Sage Gold Inc., and not in its corporate or personal capacity

(the “**Receiver**” or “**Seller**”)

RECITALS

- A. Pursuant to the order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated July 30, 2018 (as amended), Deloitte Restructuring Inc. was appointed as the receiver of the assets and undertakings and property of Sage Gold Inc.
- B. As of December 6, 2019, the Purchaser and the Receiver entered into an Asset Purchase Agreement (the “**APA**”).
- C. The Purchaser and the Receiver have agreed to effect certain amendments to the APA upon the terms set forth herein.

NOW THEREFORE THIS, FOR VALUE RECEIVED, the parties agree as follows:

SECTION 1– DEFINED TERMS

All capitalized terms which are used herein without being specifically defined herein shall have the meaning ascribed thereto in the APA.

SECTION 2– AMENDMENT TO APA

2.1 Amendments to Section 2.2 – Excluded Assets

Section 2.2(a) of the APA is hereby amended as of the Effective Date by deleting the words “but excluding the Financial Assurances”.

2.2 Amendments to Section 5.2 – Conditions to the Seller’s Obligation.

Section 5.2(c) of the APA is hereby amended as of the Effective Date by deleting the words “pending closing”.

2.3 Amendments to Schedule 1.1(74) – Purchased Deposits.

Schedule 1.1(74) of the APA is hereby amended as of the Effective Date by deleting the contents in their entirety and replacing them with the word “Nil.”

SECTION 3– EFFECT OF THIS AGREEMENT

3.1 Future References to the APA

On and after the Effective Date, each reference in the APA to “this Agreement”, “hereunder”, “hereof”, or words of like import referring to the APA, and each reference in any related document to the “Asset Purchase Agreement”, “thereunder”, “thereof”, or words of like import referring to the APA, shall mean and be construed as a reference to the APA as amended hereby.

3.2 No Other Waivers or Agreements

Except as amended by the amendments expressly set forth in Section 2 of this Agreement, the APA shall remain unchanged and continue in full force and effect and is hereby in all other respects ratified and confirmed. This Agreement shall be limited precisely as drafted and shall not be construed as an amendment or a waiver of any other terms or provisions of the APA.

SECTION 4– MISCELLANEOUS

4.1 Severability

If any provision of this Agreement is or becomes illegal, invalid or unenforceable in any jurisdiction, the illegality, invalidity or unenforceability of that provision will not affect (a) the legality, validity or enforceability of the remaining provisions of this Agreement or (b) the legality, validity or enforceability of that provision in any other jurisdiction.

4.2 Section Titles

The Section titles contained in this Agreement are for convenience of reference only and do not form part of this Agreement.

4.3 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

4.4 Enurement

This Agreement shall enure to the benefit of and shall be binding upon the parties hereto and their respective successors and permitted assigns. Nothing in this Agreement, express or implied, shall give to any person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy or claim under this Agreement.

4.5 Conflict

If any provision of this Agreement is inconsistent or conflicts with any provision of the APA, the relevant provision of this Agreement shall prevail and be paramount.

4.6 Counterparts

This parties may execute and deliver this agreement in one or more counterparts, including by facsimile, scanned PDF or other electronic transmission, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument.

[Signature Page Follow.]

IN WITNESS WHEREOF the parties hereto have executed and delivered this Agreement as of the date first above written.

GRACE GOLD LTD.

By:



Name: Gail A. Quint

Title: Secretary

DELOITTE RESTRUCTURING INC.,

in its capacity as court-appointed receiver of the assets, undertakings and properties of Sage Gold Inc., and not in its corporate or personal capacity

By: _____

Name:

Title:

IN WITNESS WHEREOF the parties hereto have executed and delivered this Agreement as of the date first above written.

GRACE GOLD LTD.

By: _____

Name:

Title:

DELOITTE RESTRUCTURING INC.,
in its capacity as court-appointed receiver
of the assets, undertakings and properties
of Sage Gold Inc., and not in its corporate
or personal capacity

By: _____

Name: *Todd Ambachtsheer*

Title: *Vice President*

SECOND AMENDING AGREEMENT

THIS SECOND AMENDING AGREEMENT (this “**Agreement**”) shall be effective as of September 16, 2020 (the “**Effective Date**”),

BETWEEN:

GRACE GOLD LTD.

(the “**Purchaser**”)

- and -

DELOITTE RESTRUCTURING INC., in its capacity as court-appointed receiver of the assets, undertakings and properties of Sage Gold Inc., and not in its corporate or personal capacity

(the “**Receiver**” or “**Seller**”)

RECITALS

A. Pursuant to the order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated July 30, 2018 (as amended), Deloitte Restructuring Inc. was appointed as the receiver of the assets and undertakings and property of Sage Gold Inc.

B. As of December 6, 2019, the Purchaser and the Receiver entered into an Asset Purchase Agreement, as amended pursuant to an amending agreement dated as of December 18, 2019 (collectively, the “**APA**”).

C. The Purchaser and the Receiver previously agreed to extend the Closing Date of the APA and now desire to effect a further extension to the APA upon the terms set forth herein.

NOW THEREFORE THIS, FOR VALUE RECEIVED, the parties agree as follows:

SECTION 1– DEFINED TERMS

All capitalized terms which are used herein without being specifically defined herein shall have the meaning ascribed thereto in the APA.

SECTION 2– AMENDMENT TO APA

2.1 Amendments to Section 2.3 – Assumed Liabilities

Section 2.3(h) is hereby amended as of the Effective Date by deleting the contents in their entirety and replacing them with the following words:

“(h) to the extent not listed above and without duplication, all other Accounts Payable, Accrued Liabilities and Taxes (other than Transfer Taxes), provided that the Purchaser shall only be required to assume 50% of any such Tax amounts (other than Transfer Taxes) incurred prior to the Closing up to \$25,000.”

2.2 Amendments to Section 2.8 – Satisfaction of Purchase Price

Section 2.8 of the APA is hereby amended as of the Effective Date by deleting the contents in their entirety and replacing them with the following words:

“(1) The Receiver has agreed to defer receiving payment of (i) \$ [REDACTED] of the Cash Purchase Price and (ii) the Reimbursement Amount (collectively, the “**Deferred Cash Purchase Price**”) from the Purchaser until 120 days after the Closing Date (the “**Deferred Payment Date**”). The Purchaser shall pay the Deferred Cash Purchase Price to the Receiver by wire transfer on or before the Deferred Payment Date. In consideration for the foregoing deferral, the Purchaser has agreed to an amendment to the Vesting Order providing a first ranking court-ordered charge over all of the Purchased Assets in favour of the Receiver to secure the timely payment of the Deferred Cash Purchase Price by the Purchaser. The Purchaser agrees that if the Deferred Cash Purchase Price is not received in full and in cash from the Purchaser by the Deferred Payment Date, the Receiver shall be entitled to immediately enforce such court ordered charge against any or all of the Purchased Assets as the Receiver deems fit in its sole discretion upon giving 5 days written notice to the Purchaser of its intention to do so.

(2) The Purchaser shall satisfy the portion of the Purchase Price due on the Closing Date as follows:

- (a) by the assumption by the Purchaser of the Assumed Liabilities; and
- (b) by payment to the Receiver by wire transfer of \$ [REDACTED]. For clarity, this foregoing amount has been calculated by deducting the following amounts from the Cash Purchase Price:
 - (i) the amount of the First Deposit received by the Receiver;
 - (ii) the amount of the Second Deposit received by the Receiver;
 - (iii) \$ [REDACTED] on account of one half of the anticipated Additional Financial Assurances;
 - (iv) \$ [REDACTED] on account of payments made to the Seller on July 31, 2019, in order to fund Operating Activities; and
 - (v) \$ [REDACTED] on account of the assumption, settlement and/or payment by the Purchaser of the Contractor Costs.
- (c) The Purchaser shall satisfy payment of the Deferred Cash Purchase Price on the Deferred Payment Date.

2.3 Amendments to Section 5.2 – Conditions to the Seller’s Obligation.

Section 5.2 of the APA is hereby amended as of the Effective Date by adding the following as Section 5.2(e) and Section 5.2(f):

“(e) the Approval and Vesting Order shall include the granting of a first ranking court-ordered charge over all of the Purchased Assets in favour of the Seller securing payment of the Deferred Cash Purchase Price; and

(f) on or before the Deferred Payment Date, the Purchaser shall fully reimburse the Seller for certain agreed costs and expenses (estimated to be approximately \$ [REDACTED] as of the date hereof) and Taxes (for which the Purchaser is liable under Section 2.3(h)) which the Seller has paid or incurred or will pay or incur up to Closing, including as a result of the delay of the Closing (collectively, the “**Reimbursement Amount**”).”

2.4 Amendments to Section 6.1 – Date, Place and Time of Closing

Section 6.1 of the APA is hereby amended as of the Effective Date by deleting the words “December 20, 2019” and replacing them with the words “October 2, 2020”.

SECTION 3– EFFECT OF THIS AGREEMENT

3.1 Future References to the APA

On and after the Effective Date, each reference in the APA to “this Agreement”, “hereunder”, “hereof”, or words of like import referring to the APA, and each reference in any related document to the “Asset Purchase Agreement”, “thereunder”, “thereof”, or words of like import referring to the APA, shall mean and be construed as a reference to the APA as amended hereby.

3.2 No Other Waivers or Agreements

Except as amended by the amendments expressly set forth in Section 2 of this Agreement and as amended by the amending agreement dated as of December 18, 2019, the APA shall remain unchanged and continue in full force and effect and is hereby in all other respects ratified and confirmed. This Agreement shall be limited precisely as drafted and shall not be construed as an amendment or a waiver of any other terms or provisions of the APA.

3.3 Amended and Restated Approval and Vesting Order

The Purchaser and the Seller agree to use commercially reasonable methods to obtain an amended and restated Approval and Vesting Order, which amended and restated Approval and Vesting Order shall be in the form attached to this Agreement as Schedule 3.3.

SECTION 4– MISCELLANEOUS

4.1 Severability

If any provision of this Agreement is or becomes illegal, invalid or unenforceable in any jurisdiction, the illegality, invalidity or unenforceability of that provision will not affect (a) the legality, validity or enforceability of the remaining provisions of this Agreement or (b) the legality, validity or enforceability of that provision in any other jurisdiction.

4.2 Section Titles

The Section titles contained in this Agreement are for convenience of reference only and do not form part of this Agreement.

4.3 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

4.4 Enurement

This Agreement shall enure to the benefit of and shall be binding upon the parties hereto and their respective successors and permitted assigns. Nothing in this Agreement, express or implied, shall give to any person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy or claim under this Agreement.

4.5 Conflict

If any provision of this Agreement is inconsistent or conflicts with any provision of the APA, the relevant provision of this Agreement shall prevail and be paramount.

4.6 Counterparts

This parties may execute and deliver this agreement in one or more counterparts, including by facsimile, scanned PDF or other electronic transmission, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument.

[Signature Page Follows.]

IN WITNESS WHEREOF the parties hereto have executed and delivered this Agreement as of the date first above written.

GRACE GOLD LTD.

By: _____
Name: JAYSON FLOWERS
Title: C DIRECTOR

DELOITTE RESTRUCTURING INC.,
in its capacity as court-appointed receiver
of the assets, undertakings and properties
of Sage Gold Inc., and not in its corporate
or personal capacity

By: _____
Name:
Title:

IN WITNESS WHEREOF the parties hereto have executed and delivered this Agreement as of the date first above written.

GRACE GOLD LTD.

By: _____

Name:

Title:

DELOITTE RESTRUCTURING INC.,
in its capacity as court-appointed receiver
of the assets, undertakings and properties
of Sage Gold Inc., and not in its corporate
or personal capacity

By: _____

Name: *Todd Ambachtsheer*

Title: *Vice President*

Schedule 3.3**Form of Amended and Restated Approval and Vesting Order**

See attached.

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE)	THURSDAY, THE 19 th
)	
JUSTICE CONWAY)	DAY OF DECEMBER, 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**

AMENDED AND RESTATED 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 "**New Clavos APA**") between the Receiver and Grace Gold Ltd. (the "**Purchaser**"), dated December 6, 2019 and appended to the Fourth Report of the Receiver dated December 11, 2019 (the "**Fourth Report**"), as amended by an Amending Agreement dated December 18, 2019 and an Amending Agreement dated August 31, 2020 (the "**Second Amending Agreement**"), (b) vesting in the Purchaser the Debtor's right, title and interest in and to the purchased assets described in the New Clavos APA (the "**Purchased Assets**"), and (c) sealing the New Clavos APA pending the closing of the Transaction was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Fourth 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 E-Service List, although properly served as appears from the affidavit of Stephen Brown-Okruhlik sworn December 17, 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 New Clavos APA.

APPROVAL AND VESTING OF PURCHASED ASSETS

3. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the New Clavos 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 New Clavos APA, including the Assigned Contracts, shall vest absolutely in the Purchaser, free and clear of and from any and all ownership 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 D 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 AND DECLARES** that the Receiver shall be deemed not to have taken possession of the Purchased Assets and shall bear no responsibility to secure, maintain or monitor the Purchased Assets, or any of it, by reason of the Receiver's participation in the Transaction or the execution of its duties as Receiver.

6. **THIS COURT ORDERS** upon delivery of the Receiver's Sale Certificate, the Purchased Assets shall become subject to a charge in the amount of \$300,000 (the "**Deferred Payments Charge**") in favour of the Receiver to secure the amount owed by the Purchaser in respect of the Deferred Cash Purchase Price and the Reimbursement Amount as those terms are defined in the New Clavos APA (together, the "**Deferred Payments**"). Notwithstanding any other provisions of this Order, the Purchased Assets shall remain subject to the Deferred Payments Charge until such time as the Receiver delivers a Receiver's certificate to the Purchaser substantially in the form attached as Schedule B hereto (the "**Receiver's Deferred Payments Certificate**"), at which time the Deferred Payments Charge shall cease to be effective.

7. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order, upon any failure by the Purchaser to make payment of the Deferred Payments under the New Clavos APA, the Receiver may, upon 5 days notice to the Purchaser and without further application to this Court, take such steps as are necessary to enforce the Deferred Payments Charge including

taking possession of and selling the Purchased Assets, or part thereof, to satisfy any outstanding portion of the Deferred Payments.

8. **THIS COURT ORDERS** that the filing, registration or perfection of the Deferred Payments Charge shall not be required, and that it shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the charge coming into existence, notwithstanding any such failure to file, register, record or perfect.

9. **THIS COURT ORDERS** the Deferred Payments Charge shall constitute a charge on the Purchased Assets and shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise in favour of any Person.

10. **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 and/or the Mining Act or any regulation related to these statutes as applicable, or,
- (b) upon 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 the Finn Farm Road Property and lessee of the Mining Leases identified in Schedule C hereto (the "**Property Interests**") 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 C 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 Interests, all of the Claims listed in Schedule D hereto.

11. **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.

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

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

14. **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.

15. **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.

16. **THIS COURT ORDERS** that, subject to the rights of the Purchaser to amend the schedule of assigned contracts under the New Clavos APA, upon delivery of the Receiver's Sale Certificate, all of the rights and obligations of the Debtor under the agreements set out in Schedule E hereto, including all associated or related agreements, schedules, appendices, addendum, amendments, supplements, restatements or other modifications, (each an "**Assigned Contract**" and collectively, the "**Assigned Contracts**") shall be assigned to the Purchaser.

17. **THIS COURT ORDERS** that the assignment to the Purchaser of the rights and obligations of the Debtor under the Assigned Contracts, pursuant to this Order is valid and binding upon all of the counterparties to the Assigned Contracts notwithstanding any restriction or prohibition contained in any such Assigned Contract relating to the assignment thereof, including, without limitation, any provision requiring the consent of any party to the assignment.

18. **THIS COURT ORDERS** that each counterparty to an Assigned Contract is prohibited from exercising any right or remedy as against the Purchaser by reason of any defaults thereunder arising from the assignment of the Assigned Contracts.

19. **THIS COURT ORDERS** that the Cure Costs of the contracts listed in Schedule E hereto shall be in amounts set out in Schedule E hereto and that upon Closing, the Purchaser shall pay the Cure Costs as set out therein with respect to each applicable Assigned Contract, in full and final satisfaction of any Cure Costs owing to the counterparty to the applicable Assigned Contract, by no later than the day that is five (5) business days following delivery of the Receiver's Sale Certificate.

20. **THE COURT DIRECTS** the Receiver to send a copy of this Order to all of the counterparties to the Assigned Contracts listed in Schedule E.

21. **THE COURT ORDERS AND DECLARES** that the Order of the Honourable Justice Dietrich made on January 29, 2019 in this proceeding be, and hereby is, varied so as to remove and rescind paragraphs 4, 6, 7, 8, 10, 11, 12, 13 and 14 thereof, and that those paragraphs be, and hereby are, of no force and effect.

SEALING

22. **THIS COURT ORDERS** that the non-redacted versions of the New Clavos APA included as Confidential Appendix “3” to the Fourth 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.

23. **THIS COURT ORDERS** that Confidential Appendices “1” and “2” to the Fourth Report provided to the Court by the Receiver shall remain sealed and shall not form part of the public record in this proceeding until closing of the transaction or by further Order of the Court.

24. **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.

Schedule A – Form of Receiver’s Sale CertificateCourt 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 Amended and Restated Order of the Court dated December 19, 2019, the Court approved the asset purchase agreement made as of December 6, 2019 (as amended, the "**New Clavos APA**") between the Receiver and Grace Gold Ltd. (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 (except for the Deferred Cash Purchase Price and the Reimbursement Amount, each as defined in the New Clavos APA); (ii) that the conditions to Closing as set out in section 5 of the New Clavos 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 New Clavos 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 New Clavos APA except for the Deferred Cash Purchase Price and the Reimbursement Amount (each as defined in the New Clavos APA);
2. The conditions to Closing as set out in section 5 of the New Clavos 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, subject to completion of the parties' post-closing obligations.
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 – Form of Receiver’s Deferred Payment CertificateCourt 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 Amended and Restated Order of the Court dated December 19, 2019 (the "**Amended and Restated AVO**"), the Court approved the asset purchase agreement made as of December 6, 2019 (as amended, the "**New Clavos APA**") between the Receiver and Grace Gold Ltd. (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 became effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate on _____, 2020 (the "**Receiver’s Sale Certificate**"), confirming the satisfaction of certain requirements set out in the Amended and Restated AVO.

C. Pursuant to the Amended and Restated AVO, upon deliver by the Receiver of the Receiver's Sale Certificate, the Purchased Assets became subject to a charge in the amount of \$300,000 (the "**Deferred Payments Charge**") in favour of the Receiver to secure the amount owed by the Purchaser in respect of the Deferred Cash Purchase Price and the Reimbursement Amount as those terms are defined in the New Clavos APA.

D. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the New Clavos APA.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Deferred Cash Purchase Price and the Reimbursement Amount, each as defined in the New Clavos APA;
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 C – Property Interests

Mining Claims - Cochrane, Ontario

Tenure ID No.
105480
105480
105481
108642
110855
110855
111497
111832
113482
113482
114288
122864
125905
125905
132855
137374
138540
138540
140578
143980

Reference: Clavos Unpatented Mining Claims

Tenure ID No.
143988
153788
153789
153790
153791
153792
153864
153864
153792
153864
153864
158040
160069
161414
161415
163355
164739
164740
164740
165409
170425
170426
170427

Reference: Clavos Unpatented Mining Claims

Tenure ID No.
176382
176382
176383
176383
184516
184516
189745
196557
198393
198394
198394
209937
212725
213243
213243
214069
214596
215586
226684
226685
239316
242404
242404

Reference: Clavos Unpatented Mining Claims

Tenure ID No.	<u>Reference: Clavos Unpatented Mining Claims</u>
242405	
243753	
243753	
252176	
256050	
256051	
263274	
263274	
265068	
265069	
269206	
270525	
280678	
280679	Deletion: Claim No. 280679 - Cancelled
282748	
289272	
289273	
289556	
289556	
293307	
300451	
300452	
301414	Deletion: Claim No. 301414 - Cancelled

Tenure ID No.
301615
306496
306497
308576
309736
313276
316630
317774
317775
322439
322439
322510
322510
322510
322510
330480
332083
332431
334646
338538
338538
339648
339649

Reference: Clavos Unpatented Mining Claims

Tenure ID No.

344861

Reference: Clavos Unpatented Mining Claims

Thunder Bay, Ontario Claim Numbers

Tenure ID No.
343398
342771
330403
330402
291197
291196
283135
283134
270505
253984
253983
253982
235166
235165
216629
181288
167838
167837
161799
161798
123343
123342
103774
103773

Reference: Crooked Green Lake Unpatented Mining Claims

4283653 (Legacy Claim)

Thunder Bay, Ontario Claim Numbers

Tenure ID No.
201309
305116
221368
221367
275302
275301
113543
331982
331981
327987
315197
315196
268075
248689
230847
230846
224690
224689
224688
212632
194074

Reference: Clist Lake Unpatented Mining Claims

Tenure ID No.
194073
145932
145931
140484
113544
230846
231495
331981
108423
316343
316342
309615
309614
278804
195668
176152
130356
212353
332145

Reference: Clist Lake Unpatented Mining Claims

4252552(Legacy Claim)

4252553(Legacy Claim)

4252554(Legacy Claim)

1208513(Legacy Claim)

Thunder Bay, Ontario Claim Numbers

144006 (Legacy Claim ID 835326)
326102 (Legacy Claim ID 835326)
144006 (Legacy Claim ID 835327)
287622 (Legacy Claim ID 835327)
314082 (Legacy Claim ID 835327)
326102 (Legacy Claim ID 835327)
144006 (Legacy Claim ID 845846)
155597 (Legacy Claim ID 845846)
144006 (Legacy Claim ID 845847)
155597 (Legacy Claim ID 845847)
201427 (Legacy Claim ID 845847)
287622 (Legacy Claim ID 845847)

Reference: Pillars Unpatented Mining Claims

Cochrane, Ontario PIN Numbers

PIN	<u>Reference:</u> Clavos Patented Mining Claims
65362-0302	
65362-0535	
65362-0305	
65362-0311	
65362-0154	
65362-0298	
65362-0299	
65363-0158	
65363-0199	
65363-0186	
65363-0200	
65363-0180	
65363-0184	
65363-0182	
65363-0185	
65363-0181	
65363-0201	
65363-0187	
65363-0202	
65363-0179	
65363-0211	
65363-0212	
65363-0183	
65363-0212	
65363-0246	
65363-0218	
65362-0297	
65362-0551	
65362-0300	
65362-0301	
65362-0154	
65362-0507	
65362-0505	
65362-0156	
65362-0504	
65362-0157	
65362-0300	
65362-0506	
65362-0155	
65362-0507	
65362-0503	
65363-0188	
65363-0189	

PIN
65363-0223
65363-0001
65363-00567

Reference: Clavos Patented Mining Claims

Reference: Clavos Mining Leases

PIN No. - Clavos, Greenstone, Ontario

62409-0023

Reference: Soloman's Pillars Mining Leases

62409-0022

PIN No. - Railway Land Lease

31159-0239

Reference: Railway Land Leases

31148-0027

65363-0159

62409-0013

62375-0016

62375-0014

62375-0007

62375-0006

62375-0005

62375-0004

62375-0003

PIN No. - Finn Farm Road Property

65362-0293

Property Description:

PCL 23759 SEC SEC SRO; NE 1/4 LT 4 CON 5 GERMAN; CITY OF TIMMINS

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

Charge CB130708 on PIN Nos.: 65363-0001 and 65362-0567

Certificate of Action CB137729 on PIN Nos.: 65362-0505, 65362-0311, 65362-0503, 65362-0504, 65362-0506, 65362-0507, 65362-0535, 65362-0551

Registration No.	Registration Date	Description	Address for Service	Transaction No.
CB127780	2016/11/22	Charge in the amount of \$43,000,000	CRH Funding II Ptd. Ltd. 10 Changi Business Park Central 2 #05-01 HansaPoint Singapore 486030	T1660.00346
CB130708	2017/04/07	Charge in the amount of \$43,000,000	CRH Funding II Ptd. Ltd. 10 Changi Business Park Central 2 #05-01 HansaPoint Singapore 486030	
CB137052	2017/12/21	Construction Lien. Consideration: \$212,728.50	2120693 Ontario Inc. o/a Sunset Contracting 1321 Sandy Falls Road Timmins, ON P4R OH9	

Registration No.	Registration Date	Description	Address for Service	Transaction No.
CB136943	2017/12/18	Certificate re Construction Lien	John Wlad & Sons Construction Ltd. PO Box 725 746 Highway 67 Iroquois Falls, ON POK 1G0	
CB136510	2017/11/29	Construction Lien. Consideration: \$58,560.08	John Wlad & Sons Construction Ltd. PO Box 725 746 Highway 67 Iroquois Falls, ON POK 1G0	
CB137729	2018/02/01	Certificate re Construction Lien	2120693 Ontario Inc. o/a Sunset Contracting 1321 Sandy Falls Road Timmins, ON P4R OH9	
CB138032	2018/02/23	Construction Lien. Consideration: \$179,551.11	Epitron Inc. 841 Pine Street South Unit #3 Timmins, Ontario P4N 8S3	

Registration No.	Registration Date	Description	Address for Service	Transaction No.
CB138449	2018/03/20	Construction Lien. Consideration: \$42,279.57	Tim McDowell Equipment Ltd. 21 Thomson Road Skead, Ontario POM 2Y0	
CB138648	2018/03/29	Construction Lien. Consideration: \$88,683.12	Toromont Industries Ltd. c/o Pallett Valo LLP Lawyers & TradeMark Agents 77 City Centre Drive West Tower, Suite 300 Mississauga, Ontario L5B 1M5	
CB138894	2018/04/18	Certificate re Construction Lien	Epitron Inc. 841 Pine Street South Unit #3 Timmins, Ontario P4N 8S3	
CB139469	2018/05/14	Certificate re Construction Lien	Tim McDowell Equipment Ltd. 21 Thomson Road Skead, Ontario POM 2Y0	

Registration No.	Registration Date	Description	Address for Service	Transaction No.
CB139863	2018/05/31	Certificate re Construction Lien	Toromont Industries Ltd. c/o Pallett Valo LLP Lawyers & TradeMark Agents 77 City Centre Drive West Tower, Suite 300 Mississauga, Ontario L5B 1M5	
CB140097	2018/06/11	Construction Lien. Consideration: \$2,414,120.77	R. Ritchie Service Ltd. 36 Lyon Cres. Sylvan Lake, Alberta T4S 2M7	
CB140303	2018/06/20	Construction Lien. Consideration: \$252,016.43	1685300 Ontario Inc. COB as LPL Contracting 1835 Diamond Road RR#3 Matheson, ON POK 1NO	
CB140659	2018/07/04	Construction Lien. Consideration: \$2.00	Equipment North Inc. 269 Feilding Road Lively, Ontario P3Y 1L8	

Registration No.	Registration Date	Description	Address for Service	Transaction No.
CB140784	2018/07/10	Certificate re Construction Lien	1685300 Ontario Inc. COB as LPL Contracting 1835 Diamond Road R R#3 Matheson, ON POK 1NO	
CB140933	2018/07/17	Construction Lien. Consideration: \$125,940.35	Cooper Equipment Rentals Limited c/o Minden Gross LLP Barristers and Solicitors 145 King Street West Suite 2200 Toronto, Ontario M5H 4G2 Attention: Raymond M. Slattery (File No. 4110643)	
CB141071	2018/07/24	Certificate re Construction Lien	R. Ritchie Service Ltd. 36 Lyon Cres. Sylvan Lake, Alberta T4S 2M7	

Registration No.	Registration Date	Description	Address for Service	Transaction No.
CB141459	2018/08/10	Certificate re Construction Lien	Cooper Equipment Rentals Limited do Minden Gross LLP Barristers and Solicitors 145 King Street West Suite 2200 Toronto, Ontario M5H 4G2 Attention: Raymond M. Slattery (File No. 4110643)	
CB141676	2018/08/20	Construction Lien. Consideration : \$147,590.77	Cabo Drilling (Ontario) Corp PO Box 998 34 Duncan Avenue North Kirkland Lake, Ontario P2N 3L3	
CB141742	2018/08/23	Certificate re Construction Lien	Equipment North Inc. 269 Feilding Road Lively, Ontario P3Y 1L8	

Registration No.	Registration Date	Description	Address for Service	Transaction No.
CB142100	2018/09/05	Certificate re Construction Lien	Cooper Equipment Rentals Limited c/o Minden Gross LLP Barristers and Solicitors 145 King Street West Suite 2200 Toronto, Ontario M5H 4G2 Attention: Raymond M. Slattery (File No. 4110643)	
CB142739	2018/10/03	Certificate re Construction Lien	Cabo Drilling (Ontario) Corp PO Box 998 34 Duncan Avenue North Kirkland Lake, Ontario P2N 3L3	

Schedule E – Assigned Contracts

Contract Name	Parties	Agreement date	Cure Costs
CUSTOM MILLING AGREEMENT	McEwen Milling McEwen Mining Inc.	17-Nov-16	\$0
121352 Canada Inc. o/a Technosub	121352 Canada Inc. o/a Technosub	1-Aug-18	\$0

IN THE MATTER OF RECEIVERSHIP OF SAGE GOLD INC.

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

ONTARIO
SUPERIOR COURT OF JUSTICE
Proceeding commenced at **TORONTO**

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.

Appendix "D"
Amended Approval and Vesting Order

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE)	THURSDAY, THE 19 th
)	
JUSTICE CONWAY)	DAY OF DECEMBER, 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**

AMENDED AND RESTATED 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 "**New Clavos APA**") between the Receiver and Grace Gold Ltd. (the "**Purchaser**"), dated December 6, 2019 and appended to the Fourth Report of the Receiver dated December 11, 2019 (the "**Fourth Report**"), as amended by an Amending Agreement dated December 18, 2019 and an Amending Agreement dated August 31, 2020 (the "**Second Amending Agreement**"), (b) vesting in the Purchaser the Debtor's right, title and interest in and to the purchased assets described in the New Clavos APA (the "**Purchased Assets**"), and (c) sealing the New Clavos APA pending the closing of the Transaction was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Fourth 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 E-Service List, although properly served as appears from the affidavit of Stephen Brown-Okruhlik sworn December 17, 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 New Clavos APA.

APPROVAL AND VESTING OF PURCHASED ASSETS

3. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the New Clavos 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 New Clavos APA, including the Assigned Contracts, shall vest absolutely in the Purchaser, free and clear of and from any and all ownership 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 D 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 AND DECLARES** that the Receiver shall be deemed not to have taken possession of the Purchased Assets and shall bear no responsibility to secure, maintain or monitor the Purchased Assets, or any of it, by reason of the Receiver's participation in the Transaction or the execution of its duties as Receiver.

6. **THIS COURT ORDERS** upon delivery of the Receiver's Sale Certificate, the Purchased Assets shall become subject to a charge in the amount of \$300,000 (the "**Deferred Payments Charge**") in favour of the Receiver to secure the amount owed by the Purchaser in respect of the Deferred Cash Purchase Price and the Reimbursement Amount as those terms are defined in the New Clavos APA (together, the "**Deferred Payments**"). Notwithstanding any other provisions of this Order, the Purchased Assets shall remain subject to the Deferred Payments Charge until such time as the Receiver delivers a Receiver's certificate to the Purchaser substantially in the form attached as Schedule B hereto (the "**Receiver's Deferred Payments Certificate**"), at which time the Deferred Payments Charge shall cease to be effective.

7. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order, upon any failure by the Purchaser to make payment of the Deferred Payments under the New Clavos APA, the Receiver may, upon 5 days notice to the Purchaser and without further application to this Court, take such steps as are necessary to enforce the Deferred Payments Charge including

taking possession of and selling the Purchased Assets, or part thereof, to satisfy any outstanding portion of the Deferred Payments.

8. **THIS COURT ORDERS** that the filing, registration or perfection of the Deferred Payments Charge shall not be required, and that it shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the charge coming into existence, notwithstanding any such failure to file, register, record or perfect.

9. **THIS COURT ORDERS** the Deferred Payments Charge shall constitute a charge on the Purchased Assets and shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise in favour of any Person.

10. **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 and/or the Mining Act or any regulation related to these statutes as applicable, or,
- (b) upon 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 the Finn Farm Road Property and lessee of the Mining Leases identified in Schedule C hereto (the "**Property Interests**") 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 C 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 Interests, all of the Claims listed in Schedule D hereto.

11. **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.

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

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

14. **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.

15. **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.

16. **THIS COURT ORDERS** that, subject to the rights of the Purchaser to amend the schedule of assigned contracts under the New Clavos APA, upon delivery of the Receiver's Sale Certificate, all of the rights and obligations of the Debtor under the agreements set out in Schedule E hereto, including all associated or related agreements, schedules, appendices, addendum, amendments, supplements, restatements or other modifications, (each an "**Assigned Contract**" and collectively, the "**Assigned Contracts**") shall be assigned to the Purchaser.

17. **THIS COURT ORDERS** that the assignment to the Purchaser of the rights and obligations of the Debtor under the Assigned Contracts, pursuant to this Order is valid and binding upon all of the counterparties to the Assigned Contracts notwithstanding any restriction or prohibition contained in any such Assigned Contract relating to the assignment thereof, including, without limitation, any provision requiring the consent of any party to the assignment.

18. **THIS COURT ORDERS** that each counterparty to an Assigned Contract is prohibited from exercising any right or remedy as against the Purchaser by reason of any defaults thereunder arising from the assignment of the Assigned Contracts.

19. **THIS COURT ORDERS** that the Cure Costs of the contracts listed in Schedule E hereto shall be in amounts set out in Schedule E hereto and that upon Closing, the Purchaser shall pay the Cure Costs as set out therein with respect to each applicable Assigned Contract, in full and final satisfaction of any Cure Costs owing to the counterparty to the applicable Assigned Contract, by no later than the day that is five (5) business days following delivery of the Receiver's Sale Certificate.

20. **THE COURT DIRECTS** the Receiver to send a copy of this Order to all of the counterparties to the Assigned Contracts listed in Schedule E.

21. **THE COURT ORDERS AND DECLARES** that the Order of the Honourable Justice Dietrich made on January 29, 2019 in this proceeding be, and hereby is, varied so as to remove and rescind paragraphs 4, 6, 7, 8, 10, 11, 12, 13 and 14 thereof, and that those paragraphs be, and hereby are, of no force and effect.

SEALING

22. **THIS COURT ORDERS** that the non-redacted versions of the New Clavos APA included as Confidential Appendix “3” to the Fourth 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.

23. **THIS COURT ORDERS** that Confidential Appendices “1” and “2” to the Fourth Report provided to the Court by the Receiver shall remain sealed and shall not form part of the public record in this proceeding until closing of the transaction or by further Order of the Court.

24. **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.

Schedule A – Form of Receiver’s Sale CertificateCourt 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 Amended and Restated Order of the Court dated December 19, 2019, the Court approved the asset purchase agreement made as of December 6, 2019 (as amended, the "**New Clavos APA**") between the Receiver and Grace Gold Ltd. (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 (except for the Deferred Cash Purchase Price and the Reimbursement Amount, each as defined in the New Clavos APA); (ii) that the conditions to Closing as set out in section 5 of the New Clavos 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 New Clavos 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 New Clavos APA except for the Deferred Cash Purchase Price and the Reimbursement Amount (each as defined in the New Clavos APA);
2. The conditions to Closing as set out in section 5 of the New Clavos 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, subject to completion of the parties' post-closing obligations.
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 – Form of Receiver’s Deferred Payment CertificateCourt 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 Amended and Restated Order of the Court dated December 19, 2019 (the "**Amended and Restated AVO**"), the Court approved the asset purchase agreement made as of December 6, 2019 (as amended, the "**New Clavos APA**") between the Receiver and Grace Gold Ltd. (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 became effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate on _____, 2020 (the "**Receiver’s Sale Certificate**"), confirming the satisfaction of certain requirements set out in the Amended and Restated AVO.

C. Pursuant to the Amended and Restated AVO, upon deliver by the Receiver of the Receiver's Sale Certificate, the Purchased Assets became subject to a charge in the amount of \$300,000 (the "**Deferred Payments Charge**") in favour of the Receiver to secure the amount owed by the Purchaser in respect of the Deferred Cash Purchase Price and the Reimbursement Amount as those terms are defined in the New Clavos APA.

D. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the New Clavos APA.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Deferred Cash Purchase Price and the Reimbursement Amount, each as defined in the New Clavos APA;
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 C – Property Interests

Mining Claims - Cochrane, Ontario

Tenure ID No.
105480
105480
105481
108642
110855
110855
111497
111832
113482
113482
114288
122864
125905
125905
132855
137374
138540
138540
140578
143980

Reference: Clavos Unpatented Mining Claims

Tenure ID No.
143988
153788
153789
153790
153791
153792
153864
153864
153792
153864
153864
158040
160069
161414
161415
163355
164739
164740
164740
165409
170425
170426
170427

Reference: Clavos Unpatented Mining Claims

Tenure ID No.
176382
176382
176383
176383
184516
184516
189745
196557
198393
198394
198394
209937
212725
213243
213243
214069
214596
215586
226684
226685
239316
242404
242404

Reference: Clavos Unpatented Mining Claims

Tenure ID No.
242405
243753
243753
252176
256050
256051
263274
263274
265068
265069
269206
270525
280678
280679
282748
289272
289273
289556
289556
293307
300451
300452
301414

Reference: Clavos Unpatented Mining Claims

Deletion: Claim No. 280679 - Cancelled

Deletion: Claim No. 301414 - Cancelled

Tenure ID No.
301615
306496
306497
308576
309736
313276
316630
317774
317775
322439
322439
322510
322510
322510
322510
330480
332083
332431
334646
338538
338538
339648
339649

Reference: Clavos Unpatented Mining Claims

Tenure ID No.

344861

Reference: Clavos Unpatented Mining Claims

Thunder Bay, Ontario Claim Numbers

Tenure ID No.
343398
342771
330403
330402
291197
291196
283135
283134
270505
253984
253983
253982
235166
235165
216629
181288
167838
167837
161799
161798
123343
123342
103774
103773

Reference: Crooked Green Lake Unpatented Mining Claims

4283653 (Legacy Claim)

Thunder Bay, Ontario Claim Numbers

Tenure ID No.
201309
305116
221368
221367
275302
275301
113543
331982
331981
327987
315197
315196
268075
248689
230847
230846
224690
224689
224688
212632
194074

Reference: Clist Lake Unpatented Mining Claims

Tenure ID No.
194073
145932
145931
140484
113544
230846
231495
331981
108423
316343
316342
309615
309614
278804
195668
176152
130356
212353
332145

Reference: Clist Lake Unpatented Mining Claims

4252552(Legacy Claim)

4252553(Legacy Claim)

4252554(Legacy Claim)

1208513(Legacy Claim)

Thunder Bay, Ontario Claim Numbers

144006 (Legacy Claim ID 835326)
326102 (Legacy Claim ID 835326)
144006 (Legacy Claim ID 835327)
287622 (Legacy Claim ID 835327)
314082 (Legacy Claim ID 835327)
326102 (Legacy Claim ID 835327)
144006 (Legacy Claim ID 845846)
155597 (Legacy Claim ID 845846)
144006 (Legacy Claim ID 845847)
155597 (Legacy Claim ID 845847)
201427 (Legacy Claim ID 845847)
287622 (Legacy Claim ID 845847)

Reference: Pillars Unpatented Mining Claims

Cochrane, Ontario PIN Numbers

PIN	<u>Reference</u>: Clavos Patented Mining Claims
65362-0302	
65362-0535	
65362-0305	
65362-0311	
65362-0154	
65362-0298	
65362-0299	
65363-0158	
65363-0199	
65363-0186	
65363-0200	
65363-0180	
65363-0184	
65363-0182	
65363-0185	
65363-0181	
65363-0201	
65363-0187	
65363-0202	
65363-0179	
65363-0211	
65363-0212	
65363-0183	
65363-0212	
65363-0246	
65363-0218	
65362-0297	
65362-0551	
65362-0300	
65362-0301	
65362-0154	
65362-0507	
65362-0505	
65362-0156	
65362-0504	
65362-0157	
65362-0300	
65362-0506	
65362-0155	
65362-0507	
65362-0503	
65363-0188	
65363-0189	

PIN
65363-0223
65363-0001
65363-00567

Reference: Clavos Patented Mining Claims

Reference: Clavos Mining Leases

PIN No. - Clavos, Greenstone, Ontario

62409-0023

Reference: Soloman's Pillars Mining Leases

62409-0022

PIN No. - Railway Land Lease

31159-0239

Reference: Railway Land Leases

31148-0027

65363-0159

62409-0013

62375-0016

62375-0014

62375-0007

62375-0006

62375-0005

62375-0004

62375-0003

PIN No. - Finn Farm Road Property

65362-0293

Property Description:

PCL 23759 SEC SEC SRO; NE 1/4 LT 4 CON 5 GERMAN; CITY OF TIMMINS

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

Charge CB130708 on PIN Nos.: 65363-0001 and 65362-0567

Certificate of Action CB137729 on PIN Nos.: 65362-0505, 65362-0311, 65362-0503, 65362-0504, 65362-0506, 65362-0507, 65362-0535, 65362-0551

Registration No.	Registration Date	Description	Address for Service	Transaction No.
CB127780	2016/11/22	Charge in the amount of \$43,000,000	CRH Funding II Ptd. Ltd. 10 Changi Business Park Central 2 #05-01 HansaPoint Singapore 486030	T1660.00346
CB130708	2017/04/07	Charge in the amount of \$43,000,000	CRH Funding II Ptd. Ltd. 10 Changi Business Park Central 2 #05-01 HansaPoint Singapore 486030	
CB137052	2017/12/21	Construction Lien. Consideration: \$212,728.50	2120693 Ontario Inc. o/a Sunset Contracting 1321 Sandy Falls Road Timmins, ON P4R OH9	

Registration No.	Registration Date	Description	Address for Service	Transaction No.
CB136943	2017/12/18	Certificate re Construction Lien	John Wlad & Sons Construction Ltd. PO Box 725 746 Highway 67 Iroquois Falls, ON POK 1G0	
CB136510	2017/11/29	Construction Lien. Consideration: \$58,560.08	John Wlad & Sons Construction Ltd. PO Box 725 746 Highway 67 Iroquois Falls, ON POK 1G0	
CB137729	2018/02/01	Certificate re Construction Lien	2120693 Ontario Inc. o/a Sunset Contracting 1321 Sandy Falls Road Timmins, ON P4R OH9	
CB138032	2018/02/23	Construction Lien. Consideration: \$179,551.11	Epitron Inc. 841 Pine Street South Unit #3 Timmins, Ontario P4N 8S3	

Registration No.	Registration Date	Description	Address for Service	Transaction No.
CB138449	2018/03/20	Construction Lien. Consideration: \$42,279.57	Tim McDowell Equipment Ltd. 21 Thomson Road Skead, Ontario POM 2Y0	
CB138648	2018/03/29	Construction Lien. Consideration: \$88,683.12	Toromont Industries Ltd. c/o Pallett Valo LLP Lawyers & TradeMark Agents 77 City Centre Drive West Tower, Suite 300 Mississauga, Ontario L5B 1M5	
CB138894	2018/04/18	Certificate re Construction Lien	Epitron Inc. 841 Pine Street South Unit #3 Timmins, Ontario P4N 8S3	
CB139469	2018/05/14	Certificate re Construction Lien	Tim McDowell Equipment Ltd. 21 Thomson Road Skead, Ontario POM 2Y0	

Registration No.	Registration Date	Description	Address for Service	Transaction No.
CB139863	2018/05/31	Certificate re Construction Lien	Toromont Industries Ltd. c/o Pallett Valo LLP Lawyers & TradeMark Agents 77 City Centre Drive West Tower, Suite 300 Mississauga, Ontario L5B 1M5	
CB140097	2018/06/11	Construction Lien. Consideration: \$2,414,120.77	R. Ritchie Service Ltd. 36 Lyon Cres. Sylvan Lake, Alberta T4S 2M7	
CB140303	2018/06/20	Construction Lien. Consideration: \$252,016.43	1685300 Ontario Inc. COB as LPL Contracting 1835 Diamond Road RR#3 Matheson, ON POK 1NO	
CB140659	2018/07/04	Construction Lien. Consideration: \$2.00	Equipment North Inc. 269 Feilding Road Lively, Ontario P3Y 1L8	

Registration No.	Registration Date	Description	Address for Service	Transaction No.
CB140784	2018/07/10	Certificate re Construction Lien	1685300 Ontario Inc. COB as LPL Contracting 1835 Diamond Road R R#3 Matheson, ON POK 1NO	
CB140933	2018/07/17	Construction Lien. Consideration: \$125,940.35	Cooper Equipment Rentals Limited c/o Minden Gross LLP Barristers and Solicitors 145 King Street West Suite 2200 Toronto, Ontario M5H 4G2 Attention: Raymond M. Slattery (File No. 4110643)	
CB141071	2018/07/24	Certificate re Construction Lien	R. Ritchie Service Ltd. 36 Lyon Cres. Sylvan Lake, Alberta T4S 2M7	

Registration No.	Registration Date	Description	Address for Service	Transaction No.
CB141459	2018/08/10	Certificate re Construction Lien	Cooper Equipment Rentals Limited do Minden Gross LLP Barristers and Solicitors 145 King Street West Suite 2200 Toronto, Ontario M5H 4G2 Attention: Raymond M. Slattery (File No. 4110643)	
CB141676	2018/08/20	Construction Lien. Consideration : \$147,590.77	Cabo Drilling (Ontario) Corp PO Box 998 34 Duncan Avenue North Kirkland Lake, Ontario P2N 3L3	
CB141742	2018/08/23	Certificate re Construction Lien	Equipment North Inc. 269 Feilding Road Lively, Ontario P3Y 1L8	

Registration No.	Registration Date	Description	Address for Service	Transaction No.
CB142100	2018/09/05	Certificate re Construction Lien	Cooper Equipment Rentals Limited c/o Minden Gross LLP Barristers and Solicitors 145 King Street West Suite 2200 Toronto, Ontario M5H 4G2 Attention: Raymond M. Slattery (File No. 4110643)	
CB142739	2018/10/03	Certificate re Construction Lien	Cabo Drilling (Ontario) Corp PO Box 998 34 Duncan Avenue North Kirkland Lake, Ontario P2N 3L3	

Schedule E – Assigned Contracts

Contract Name	Parties	Agreement date	Cure Costs
CUSTOM MILLING AGREEMENT	McEwen Milling McEwen Mining Inc.	17-Nov-16	\$0
121352 Canada Inc. o/a Technosub	121352 Canada Inc. o/a Technosub	1-Aug-18	\$0

IN THE MATTER OF RECEIVERSHIP OF SAGE GOLD INC.

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

ONTARIO
SUPERIOR COURT OF JUSTICE
Proceeding commenced at **TORONTO**

APPROVAL AND VESTING ORDER

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

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Fax: 416.865.7048

Lawyers for the Receiver,
Deloitte Restructuring Inc.

Appendix “E”
Receipts and disbursements to August 7, 2020

In the Matter of the Receivership of Sage Gold Inc.
Receiver's Statement of Receipts and Disbursements
For the Peiroad from August 18, 2018 to August 28, 2020

Receipts	
Receiver's borrowings	1,089,000
Asset sales	651,398
Tax refunds	350,262
Expense reimbursements	143,133
Transfer from Sage Gold's account	17,054
Tax collected	6,909
Refunds	5,351
Interest	4,596
Total receipts	2,267,704
Operating expenses	1,083,336
Sales taxes paid	179,735
Insurance	168,698
Consulting	84,881
Utilities	84,352
Legal fees	79,491
Leases	40,800
Miscellaneous disbursements	39,027
Property taxes	8,862
Source deductuions	3,959
Filing fees	70
Total disbursements	1,773,211
Excess of receipts over disbursements	494,493

**Confidential Appendix “1”
New Clavos APA and related amendments**