

ONTARIO
SUPERIOR COURT OF JUSTICE - COMMERCIAL LIST

THE HONOURABLE

JUSTICE

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29th

DAY OF AUGUST, 2018



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

ORDER

THIS MOTION, made by Deloitte Restructuring Inc. in its capacity as the Court-appointed receiver pursuant to Section 243(1) of the *Bankruptcy and Insolvency Act* (“BIA”) and Section 101 of the *Courts of Justice Act* (the “Receiver”) of Sage Gold Inc. (“Sage”) and the Order of the Honourable Justice Dunphy dated July 30, 2018 (the “Receivership Order”), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Motion Record of the Receiver, the Factum of the Receiver and the First Report of the Receiver to the Court, dated August 21, 2018 (the “First Report”), and on hearing the submissions of counsel for the Receiver and counsel for CRH Funding II PTE Ltd., the principal secured creditor of Sage, and no one appearing for any other parties, although properly served as appears from the affidavit of Stephen Brown-Okruhlik dated August 22, 2018:

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record 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 the Sales and Investor Solicitation Procedure, attached as Schedule "A" to this Order (the "**SISP**"), is hereby approved.
3. **THIS COURT ORDERS** that the Receiver is hereby authorized and directed to perform its obligations under the SISP, including through its affiliate, Deloitte Corporate Finance Inc., and to take any and all steps that are reasonably necessary or desirable to carry out the SISP.
4. **THIS COURT ORDERS** that Deloitte Corporate Finance Inc., as agent of the Receiver, shall incur no liability or obligation as a result of assisting the Receiver with the carrying out of the SISP or the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Deloitte Corporate Finance Inc. shall enjoy all of the protections from liability that were granted to the Receiver under the Receivership Order in carrying out or in assisting the Receiver in carrying out the SISP and related activities.
5. **THIS COURT ORDERS** that the First Report and the actions and activities of the Receiver described therein be and hereby are approved.
6. **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.
7. **THIS COURT HEREBY REQUESTS** the aid and recognition of any other Canadian and foreign court, tribunal, regulatory or administrative body ("**Judicial Body**") to give effect to this Order and to assist the Receiver and its respective agents in carrying out the terms of this Order. All Judicial 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, to

grant representative status to the Receiver in any foreign proceeding, or to assist the Receiver and its respective agents in carrying out the terms of this Order.

A handwritten signature in cursive script, appearing to read "Haimy J.", written over a horizontal line.

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SCHEDULE "A"

SALE AND INVESTOR SOLICITATION PROCEDURES

SAGE GOLD INC.

RECITALS

- A. Pursuant to an Order (the "**Receivership Order**") granted by the Ontario Superior Court of Justice (the "**Court**") on July 30, 2018, Deloitte Restructuring Inc. was appointed as receiver (the "**Receiver**") of all of the assets, undertakings and properties of Sage Gold Inc. ("**Sage**").
- B. On ●, 2018, the Court granted an order (the "**SISP Approval Order**") approving a sale and investor solicitation process (the "**SISP**") and the SISP procedures set forth herein (these "**SISP Procedures**").
- C. The SISP Approval Order, the SISP and these SISP Procedures shall govern the process for soliciting and selecting bids for (i) the sale (a "**Sale**") of all or substantially all of the property, assets and undertakings of Sage (the "**Sage Property**"), including without limitation (a) the Clavos Property, (b) the Onaman Property; and (c) all mining equipment owned by Sage, wherever located, including at the Clavos Property; and (ii) for the restructuring, recapitalization or refinancing of Sage (an "**Investment**").
- D. All dollar amounts expressed herein, unless otherwise noted, are in Canadian currency. Unless otherwise indicated herein any event that occurs on a day that is not a Business Day shall be deemed to occur on the next Business Day.

ARTICLE 1 — DEFINED TERMS

In these SISP Procedures:

- (1) "**Approval Hearing**" has the meaning ascribed thereto in Section 5.8(1).
- (2) "**Backup Bid**" has the meaning ascribed thereto in Section 5.6(5).
- (3) "**Backup Bid Expiration Date**" has the meaning ascribed thereto in Section 5.6(7).
- (4) "**Backup Bidder**" has the meaning ascribed thereto in Section 5.6(5).
- (5) "**Bid Notice**" has the meaning ascribed to it in Section 4.3(5).
- (6) "**Business Day**" means any day other than (i) a Saturday or Sunday or (ii) a day which is a statutory holiday in Toronto, Ontario.
- (7) "**Clavos Project**" means the Clavos mining, exploration and development project described in the Wehrley Affidavit.
- (8) "**Clavos Property**" means: (i) the area located about 46 kilometres northeast of Timmins, Ontario, and centred at 514000 E and 5384000 N in NAD83, Zone 10, presently consisting of 73 contiguous leased and/or patented claims, unpatented claims and mining leases covering 2,540 hectares, as further described in **Schedule "A"** hereto; (ii) and any and all real property interests, mineral claims, mineral leases, and any related rights, concessions or interests, owned or in respect of which an interest is held in respect of the Clavos Project, directly or indirectly, by Sage and includes all buildings, structures, improvements, appurtenances and fixtures thereon or attached thereto, whether created privately or by the action of any governmental authority; (iii) any term extension, renewal, replacement, conversion or substitution of any such real property interests, mineral claims, mineral leases, and any related rights, concessions or interests, owned or in respect of which an interest is held, directly or indirectly, by Sage; and (iv) and all other

present and after-acquired real or personal property or other assets and rights (including water rights and surface rights) of Sage in respect of the Clavos Project.

- (9) "**Court**" has the meaning ascribed thereto in Recital A.
- (10) "**Confidentiality Agreement**" has the meaning ascribed thereto in Section 2.4(2).
- (11) "**CRH**" means CRH Funding II PTE Ltd.
- (12) "**Definitive Investment Agreement**" has the meaning ascribed thereto in Section 5.3(a).
- (13) "**Deposit**" has the meaning ascribed thereto in Section 5.2(i).
- (14) "**Form of Purchase Agreement**" means the form of purchase and sale agreement to be developed by the Receiver and provided to Qualified Phase 2 Bidders that submitted a Qualified Non-Binding Indication of Interest that is a Sale Proposal prior to the Phase 1 Bid Deadline.
- (15) "**GPA**" means that Gold Prepayment Agreement entered into between CRH and Sage on November 17, 2016.
- (16) "**Investment**" has the meaning ascribed thereto in Recital C.
- (17) "**Investment Proposal**" has the meaning ascribed thereto in Section 2.5(1)(c)).
- (18) "**Known Potential Bidders**" has the meaning ascribed thereto in Section 2.4(1).
- (19) "**New Potential Bidder**" has the meaning ascribed thereto in Section 2.4(1).
- (20) "**Non-Binding Indication of Interest**" has the meaning ascribed thereto in Section 4.1(1).
- (21) "**Onaman Project**" means the Onaman mining, exploration and development project described in the Wehrley Affidavit.
- (22) "**Onaman Property**" means: (i) 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, consisting of seven claims and two leases, as further described in **Schedule "A"** hereto, (ii) any and all real property interests, mineral claims, mineral leases, and any related rights, concessions or interests, owned or in respect of which an interest is held therein, directly or indirectly, Sage and includes all buildings, structures, improvements, appurtenances and fixtures thereon or attached thereto, whether created privately or by the action of any governmental authority; (iii) any term extension, renewal, replacement, conversion or substitution of any such real property interests, mineral claims, mineral leases, and any related rights, concessions or interests, owned or in respect of which an interest is held, directly or indirectly, by Sage and (iv) and all other present and after-acquired real or personal property or other assets and rights (including water rights and surface rights) of Sage in respect of the Onaman Project.
- (23) "**Phase 1 Bid Deadline**" has the meaning ascribed thereto in Section 4.1(2).
- (24) "**Phase 2 Bid Deadline**" has the meaning ascribed thereto in Section 5.1.
- (25) "**Potential Bidder**" has the meaning ascribed thereto in Section 2.5(1).
- (26) "**Potential Bidder Deadline**" has the meaning ascribed thereto in Section 2.5(1).
- (27) "**Purchase Price**" has the meaning ascribed thereto in Section 5.2(b).

- (28) "**Qualified Bidder**" has the meaning ascribed thereto in Section 5.4(1).
- (29) "**Qualified Bids**" has the meaning ascribed thereto in Section 5.4(1).
- (30) "**Qualified Investment Bid**" has the meaning ascribed thereto in Section 5.3.
- (31) "**Qualified Non-Binding Indication of Interest**" has the meaning ascribed thereto in Section 4.2(1).
- (32) "**Qualified Phase 1 Bidder**" has the meaning ascribed thereto in Section 2.5(2).
- (33) "**Qualified Phase 2 Bidder**" has the meaning ascribed thereto in Section 4.3(4).
- (34) "**Qualified Purchase Bid**" has the meaning ascribed thereto in Section 5.2.
- (35) "**Receiver**" has the meaning ascribed thereto in Recital A.
- (36) "**Receivership Order**" has the meaning ascribed thereto in Recital A.
- (37) "**Sage**" has the meaning ascribed thereto in Recital A.
- (38) "**Sage Property**" has the meaning ascribed thereto in Recital C.
- (39) "**Sale**" has the meaning ascribed thereto in Recital C.
- (40) "**Sale Proposal**" has the meaning ascribed thereto in Section 2.5(1)(c).
- (41) "**Secured Claims Amount**" means the aggregate amount owing (whether for principal, interest, fees and recoverable expenses) to the Secured Creditor, as at the date which the transactions contemplated by the Qualified Bid or Successful Bid, if any, are completed, under the GPA and validly secured by the Sage Property, all as determined by the Receiver, Court or other court of competent jurisdiction.
- (42) "**Secured Creditor**" means CRH or any purchaser or assignee of the GPA related security documents and indebtedness outstanding thereunder.
- (43) "**Secured Creditor Consultation Rights**" has the meaning ascribed to it in Section 5.7.
- (44) "**SISP**" has the meaning ascribed thereto in Recital B.
- (45) "**SISP Approval Order**" has the meaning ascribed thereto in Recital B.
- (46) "**SISP Procedures**" has the meaning ascribed thereto in Recital B.
- (47) "**Solicitation Process**" has the meaning ascribed thereto in Section 2.1(1).
- (48) "**Successful Bid**" has the meaning ascribed thereto in Section 5.6(5).
- (49) "**Successful Bidder**" has the meaning ascribed thereto in Section 5.6(5).
- (50) "**Target Closing Date**" means November 19, 2018.
- (51) "**Teaser Letter**" has the meaning ascribed thereto in Section 2.4(1).

(52) "**Wehrley Affidavit**" means the Affidavit of Andrew Wehrley sworn on July 10, 2018 in support of the appointment of the Receiver.

ARTICLE 2 — SOLICITATION

Section 2.1 Solicitation Process

(1) These SISP Procedures describe, among other things, the Sage Property available for sale, the opportunity for an investment in Sage, the debts and equity interests of Sage, the manner in which prospective bidders may gain access to or continue to have access to due diligence materials concerning Sage, the Sage Property, the manner in which bidders and bids become Qualified Bidders and Qualified Bids, respectively, the receipt and negotiation of bids received, the ultimate selection of one or more Successful Bids and a Backup Bid (if a Backup Bid is identified in accordance with these SISP Procedures), and the approval thereof by the Court (collectively, the "**Solicitation Process**").

(2) The Receiver (including through its affiliate, Deloitte Corporate Finance Inc.) shall conduct the Solicitation Process as outlined herein. In the event that there is a disagreement or clarification required as to the interpretation or application of these SISP Procedures, the Court will have the jurisdiction to hear such matter and provide directions, upon application of the Receiver, or any other party, with a hearing on no less than five (5) Business Days notice.

Section 2.2 Sale and Investment Opportunity

These SISP Procedures provide for (i) a sale of all or part of the Sage Property, and (ii) an investment in Sage to be structured in a manner acceptable to the Receiver.

Section 2.3 "As Is, Where Is"

Any Sale or Investment will be on an "as is, where is" basis and without surviving representations, warranties, covenants or indemnities of any kind, nature, or description by the Receiver or Sage or any of their agents, estates, advisors, professionals or otherwise, except to the extent set forth in the relevant agreement with the Successful Bidder.

Section 2.4 Solicitation of Interest

(1) As soon as reasonably practicable after the granting of the SISP Approval Order, the Receiver, will prepare a list of potential bidders in respect of a Sale or Investment (the "**Known Potential Bidders**"). The Secured Creditor may on a timely basis identify any parties to the Receiver which shall be included in the list of Known Potential Bidders. Concurrently, the Receiver, will prepare an initial offering summary (the "**Teaser Letter**") notifying Known Potential Bidders of the existence of the Solicitation Process and inviting the Known Potential Bidders to express their interest in participating in a Sale or an Investment.

(2) Promptly after preparation of the Known Potential Bidders list and the Teaser Letter, the Receiver shall distribute to the Known Potential Bidders the Teaser Letter and a form of confidentiality agreement satisfactory to the Receiver (a "**Confidentiality Agreement**"). The Receiver shall also issue a press release announcing this SISP.

Section 2.5 Participation Requirements

(1) Unless otherwise provided for herein, ordered by the Court or agreed by the Receiver, in order to participate in the Solicitation Process and be considered for qualification as a Qualified Phase I Bidder, an interested party (a "**Potential Bidder**") must deliver the following:

- (a) an executed Confidentiality Agreement, which shall inure to the benefit of any purchaser of any part of the Sage Property or any investor in Sage;

- (b) a letter setting forth the identity of the Potential Bidder, the contact information for such Potential Bidder, full disclosure of the direct and indirect owners of the Potential Bidder and their principals;
- (c) an indication of whether the Potential Bidder is offering to (i) acquire all or substantially all of the Sage Property (a "**Sale Proposal**"); or (ii) make an investment in Sage (an "**Investment Proposal**"); and
- (d) a written acknowledgment of receipt of a copy of the SISP Approval Order (including these SISP Procedures) and agreeing to accept and be bound by the provisions contained therein.

(2) A Potential Bidder will be deemed a "**Qualified Phase 1 Bidder**" if: (a) such Potential Bidder has satisfied all of the requirements described in Section 2.5(1) above; and (b) such Potential Bidder's financial information and credit support or enhancement demonstrate to the satisfaction of the Receiver in its reasonable business judgment, the financial capability of such Potential Bidder to consummate a transaction and that such Potential Bidder is likely (based on availability of financing, experience and other considerations) to consummate either a Sale or an Investment. Notwithstanding the requirements set out in Section 2.5(1)(a) to (d), the Receiver may designate any Potential Bidder as a Qualified Phase I Bidder. Upon executing the Confidentiality Agreement, the Secured Creditor shall be deemed to be a Qualified Phase I Bidder.

(3) The determination as to whether a Potential Bidder is a Qualified Phase 1 Bidder pursuant to Section 2.5(2) will be made as promptly as practicable after a Potential Bidder delivers all of the materials required above. If it is determined that a Potential Bidder is a Qualified Phase 1 Bidder, the Receiver will promptly notify the Potential Bidder that it is a Qualified Phase 1 Bidder.

(4) If it is determined in accordance with Section 2.5(2) above, that there are no Qualified Phase 1 Bidders and that, as a consequence, proceeding with these SISP Procedures is not in the best interests of Sage or its stakeholders, the Receiver shall notify the Secured Creditor forthwith, and within five (5) Business Days of such determination, file an application with the Court seeking directions with respect to the conduct of the SISP.

ARTICLE 3 — DUE DILIGENCE

(1) As soon as practicable after the determination that a party is a Qualified Phase I Bidder, the Receiver will make available to such Qualified Phase 1 Bidder in a secure online electronic data room confidential due diligence information that is in the possession and control of the Receiver regarding (i) the Sage Property available for sale, and (ii) the debt and equity interests in Sage. At the request of a Qualified Phase 1 Bidder, such confidential due diligence information shall also be provided on a confidential basis to a proposed lender of such Qualified Phase I Bidder that is reasonably acceptable to the Receiver.

(2) Each Qualified Phase 1 Bidder shall have such access to due diligence materials, on-site inspections and information relating to the Sage Property, and other information as the Receiver deems appropriate in its discretion.

(3) The Receiver shall not be obligated to furnish any due diligence materials or information after the Phase 2 Bid Deadline.

(4) Without limiting the generality of any term or condition of any confidentiality agreement between the Receiver and any Potential Bidder, Qualified Phase 1 Bidder, Qualified Phase 2 Bidder, Successful Bidder or Backup Bidder, unless otherwise agreed by the Receiver or by further order of the Court, no Potential Bidder, Qualified Phase 1 Bidder, Qualified Phase 2 Bidder, Successful Bidder or Backup Bidder shall be permitted to have any discussions with any counterparty to any contract with Sage, any

current or former director, officer or employee of Sage, or with any regulatory authority responsible for Sage or any of their businesses or any other Potential Bidder, Qualified Phase I Bidder or Qualified Phase 2 Bidder in connection with a Non-Binding Indication of Interest or any other bid submitted in accordance with the terms hereof or in contemplation thereof

(5) The Receiver is not responsible for, and will have no liability with respect to, any information obtained by any Known Potential Bidder, Potential Bidder or Qualified Bidder in connection with the Sage Property, a Sale or Investment. The Receiver does not make any representations or warranties whatsoever as to the information or the materials provided, except, to the extent the representations or warranties are contained in any definitive sale or investment agreement executed and delivered by a Successful Bidder or Backup Bidder.

ARTICLE 4 — PHASE 1

Section 4.1 Seeking Non-Binding Indications of Interest by Qualified Phase 1 Bidders

(1) From the date of the SISP Approval Order until the Phase I Bid Deadline, in accordance with the terms of the SISP Approval Order and these SISP Procedures, the Receiver will seek to identify and qualify Qualified Phase 1 Bidders, and will solicit non-binding indications of interest from Qualified Phase 1 Bidders to acquire all, or substantially all of the Sage Property or to invest in Sage (each a "**Non-Binding Indication of Interest**").

(2) Subject to Section 4.3(5), in order to continue to participate in the SISP Process, a Qualified Phase 1 Bidder must deliver a Non-Binding Indication of Interest to the Receiver so as to be received by the Receiver not later than **5:00 p.m. (Toronto time) on September 28, 2018**, or such later date or time as the Receiver may determine appropriate (the "**Phase 1 Bid Deadline**").

Section 4.2 Non-Binding Indications of Interest by Qualified Phase 1 Bidders

(1) Unless otherwise ordered by the Court or agreed by the Receiver, a Non-Binding Indication of Interest will be considered a "**Qualified Non-Binding Indication of Interest**" only if it is submitted by a Qualified Phase 1 Bidder, received on or before the Phase 1 Bid Deadline, and contains the following information:

- (a) An indication of whether the Qualified Phase 1 Bidder is offering to (i) make a Sale Proposal; or (ii) make an Investment Proposal;
- (b) In the case of a Sale Proposal, it shall identify
 - i. the purchase price (including liabilities to be assumed by the Qualified Phase 1 Bidder);
 - ii. the assets included, any of the assets expected to be excluded, and/or any additional assets desired to be included in the transaction;
 - iii. the structure and financing of the transaction (including, but not limited to, the sources of financing for the purchase price, preliminary evidence of the availability of such financing and the steps necessary and associated timing to obtain the financing and consummate the proposed transaction and any related contingencies, as applicable);
 - iv. an acknowledgement that the contemplated sale will be made on an "as is where is" basis;

- v. the key material contracts and leases, if any, the Qualified Phase I Bidder wishes to acquire and the Qualified Phase I Bidder's proposed treatment of related cure costs, if any;
 - vi. any anticipated corporate, shareholder, internal or regulatory approvals, including without limitation any approvals with respect to the grant or transfer of any mining permits or licenses or other approvals with respect to environmental matters, required to close the transaction and the anticipated time frame and any anticipated impediments for obtaining such approvals;
 - vii. the Qualified Phase 1 Bidder's ability to consummate the contemplated transaction by the Target Closing Date;
 - viii. a detailed description of any additional due diligence required or desired to be conducted prior to the Phase 2 Bid Deadline, if any;
 - ix. contact information for any business, financial or legal advisors retained or to be retained in connection with the contemplated transaction;
 - x. a specific indication of sources of capital for the Qualified Phase I Bidder and preliminary evidence of the availability of such capital, or such other form of financial disclosure and credit-quality support or enhancement, including contact information for capital/financing sources, that will allow the Receiver to make a reasonable business judgement as to the Qualified Phase I Bidder's financial or other capabilities to consummate the contemplated transaction;
 - xi. any conditions to closing that the Qualified Phase 1 Bidder may wish to impose; and
 - xii. any other terms or conditions of the Sale Proposal which the Qualified Phase I Bidder believes are material to the transaction;
- (c) In the case of an Investment Proposal, it shall identify:
- (i) the aggregate amount of the equity and debt investment (including, the sources of such capital, preliminary evidence of the availability of such capital and the steps necessary and associated timing to obtain the capital and consummate the proposed transaction and any related contingencies, as applicable) to be made in Sage;
 - (ii) the underlying assumptions regarding the pro forma capital structure (including, the anticipated debt levels, debt service fees, interest and amortization);
 - (iii) the consideration to be allocated to the stakeholders including claims of any secured or unsecured creditors of Sage and the proposed treatment of employees;
 - (iv) the structure and financing of the transaction including all requisite financial assurance including a specific indication of sources of capital for the Qualified Phase 1 Bidder and preliminary evidence of the availability of such capital, or such other form of financial disclosure and credit-quality support or enhancement, including contact information for capital/financing sources, that will allow the Receiver to make a reasonable business judgement as to the Qualified Phase I Bidder's financial or other capabilities to consummate the contemplated transaction;

- (v) any anticipated corporate, shareholder, internal or regulatory approvals, including without limitation any approvals with respect to the grant or transfer of any mining permits or licenses, required to close the transaction, the anticipated time frame and any anticipated impediments for obtaining such approvals;
 - (vi) the proposed corporate governance structure of the entity or entities owning/operating the business, following implementation of the investment
 - (vii) contact information for any business, financial or legal advisors retained or to be retained in connection with the contemplated transaction;
 - (viii) additional due diligence required or desired to be conducted prior to the Phase 2 Bid Deadline, if any;
 - (ix) a statement with respect to the Qualified Phase I Bidder's ability to consummate the contemplated transaction by the Target Closing Date;
 - (x) the proposed treatment of stakeholders, including lenders, trade creditors, shareholders and employees;
 - (xi) any conditions to closing that the Qualified Phase I Bidder may wish to impose;
 - (xii) any other terms or conditions of the Investment Proposal which the Qualified Phase 1 Bidder believes are material to the transaction; and
- (d) Such other information reasonably requested by the Receiver.

(2) The Receiver may waive compliance with any one or more of the requirements specified herein and deem any non-compliant Non-Binding Indication of Interest to be a Qualified Non-Binding Indication of Interest.

Section 4.3 Assessment of Qualified Non-Binding Indications of Interest and Determination of Qualified Phase 2 Bidders

(1) Subject to Section 4.3(7) and Section 5.7, the Receiver will provide copies of any Qualified Non-Binding Indications of Interest received to the Secured Creditor, and consult with the Secured Creditor.

(2) The Receiver will assess any Qualified Non-Binding Indications of Interest received, and will determine whether proceeding with these SISP Procedures on the basis of such Qualified Non-Binding Indications of Interest is in the best interests of Sage and its stakeholders. Such assessment will be made as promptly as practicable after the Phase I Bid Deadline.

(3) If the Receiver, in accordance with Section 4.2 above, determines that no Qualified Non-Binding Indication of Interest was received, the Receiver shall advise the Secured Creditor forthwith, and promptly file an application with the Court seeking directions.

(4) If the Receiver, in accordance with Section 4.2 above, determines that (i) one or more Qualified Non-Binding Indications of Interest were received, and (ii) proceeding with these SISP Procedures is in the best interests of Sage and its stakeholders, these SISP Procedures will continue and each Qualified Phase 1 Bidder who has submitted a Qualified Non-Binding Indication of Interest that is determined by the Receiver on consideration of the information delivered at Section 4.2(1), likely be consummated, shall be deemed to be a "**Qualified Phase 2 Bidder**". Subject to the restrictions set out in Section 5.7, the Receiver shall provide advance written notice of the commencement of Phase 2 and the names of the Qualified Phase 2 Bidders to the Secured Creditor.

(5) Notwithstanding any other provision in these SISP Procedures, the Secured Creditor shall, subject to executing the Confidentiality Agreement, be deemed to be a Qualified Phase 2 Bidder even if it did not submit a Non-Binding Indication of Interest. Subject to the restrictions and limitations set out in Section 4.3(7) and Section 5.7, the Secured Creditor shall be permitted to submit a Qualified Purchase Bid or Qualified Investment Bid, provided that the Secured Creditor declares its intention to do so within 5 business days of the commencement of Phase 2 (as described in Article 5 hereto) by delivering written notice thereof to the Receiver (the "**Bid Notice**"). The Bid Notice shall contain the amount of the Secured Creditor's bid together with a summary of all material terms of the bid. The Secured Creditor shall not be entitled to increase the amount of its bid following delivery of the Bid Notice. The Receiver shall forthwith provide a copy of the Secured Creditor's Bid Notice to all Qualified Phase 1 Bidders.

(6) If the Secured Creditor does not submit a Bid Notice within 5 business days of the commencement of Phase 2 then the Secured Creditor will not be permitted to submit any bid thereafter, save and except for in the circumstances described in Section 5.5(2).

(7) Notwithstanding any other provision of this SISP, to the extent that the Secured Creditor or any employee, officer, director or partner of the Secured Creditor or any of its affiliates, at any time received copies of any Qualified Non-Binding Indication of Interest or information regarding the proposed consideration to be paid by the bidder in such a Qualified Non-Binding Indication of Interest, the Secured Creditor shall not be permitted to submit any bid that provides for consideration that exceeds the amount of the Secured Claims Amount.

ARTICLE 5 — PHASE 2

Section 5.1 Seeking Qualified Bids by Qualified Phase 2 Bidders

In order to continue to participate in the Solicitation Process, a Qualified Phase 2 Bidder must deliver a Qualified Purchase Bid or Qualified Investment Bid to the Receiver and such bids must be received by the Receiver by no later than **5:00 p.m. (Toronto time) on October 29, 2018**, or such later date or time as the Receiver may determine appropriate (the "**Phase 2 Bid Deadline**").

Section 5.2 Qualified Purchase Bids

A Sale Proposal submitted by a Qualified Phase 2 Bidder will be considered a "**Qualified Purchase Bid**" only if the Sale Proposal complies with all of the following:

- (a) it includes a letter stating that the Sale Proposal is irrevocable until the earlier of (a) the approval by the Court of a Successful Bid, and (b) 45 Business Days following the Phase 2 Bid Deadline; provided, however, that if such Sale Proposal is selected as the Successful Bid or the Backup Bid, it shall remain irrevocable until the closing of the Successful Bid or the Backup Bid, as the case may be;
- (b) it includes a duly authorized and executed purchase and sale agreement substantially in the Form of Purchase Agreement specifying the purchase price, expressed in Canadian dollars (the "**Purchase Price**"), together with all exhibits and schedules thereto, and such ancillary agreements as may be required by the Qualified Phase 2 Bidder with all exhibits and schedules thereto (or term sheets that describe the material terms and provisions of such ancillary agreements) and such ancillary agreements and the proposed orders to approve the sale by the Court, as well as copies of such materials marked to show the amendments and modifications to the Form of Purchase Agreement;
- (c) it does not include any request or entitlement to any break-fee, expense reimbursement or similar type of payment. Further, by submitting a Sale Proposal, a Qualified Phase 2 Bidder shall be deemed to waive its right to pursue a substantial contribution claim in any way related to the submissions of its Sale Proposal or these SISP Procedures;

- (d) it includes evidence sufficient to allow the Receiver to make a reasonable determination as to the bidder's (and its direct and indirect owners and their principals') financial and other capabilities to consummate the transaction contemplated by the Sale Proposal, which evidence could include but is not limited to evidence of a firm, irrevocable commitment for all required funding and/or financing from a creditworthy bank or financial institution;
- (e) it is not conditioned or (i) the outcome of unperformed due diligence by the bidder and/or (ii) obtaining any financing capital and includes an acknowledgement and representation that the bidder has had an opportunity to conduct any and all required due diligence prior to making its Sale Proposal;
- (f) it fully discloses the identity of each entity that is bidding or otherwise that will be sponsoring or participating in the Sale Proposal, including the identification of the Qualified Phase 2 Bidder's direct and indirect owners and their principals, and the complete terms of any such participation;
- (g) it includes an acknowledgement and representation that the Qualified Phase 2 Bidder: (i) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the assets to be acquired and liabilities to be assumed in making its Sale Proposal; (ii) 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), regarding the assets to be acquired or liabilities to be assumed or the completeness of any information provided in connection therewith, including by the Receiver, or any of its advisors, except as expressly stated in the purchase and sale agreement submitted by it; (iii) is a sophisticated party capable of making its own assessments in respect of making its Sale Proposal; and (iv) has had the benefit of independent legal advice in connection with its Sale Proposal;
- (h) it includes evidence, in form and substance reasonably satisfactory to the Receiver, of authorization and approval from the Qualified Phase 2 Bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the transaction contemplated by the Sale Proposal;
- (i) it is accompanied by a refundable deposit (the "**Deposit**") in the form of a wire transfer (to a trust account specified by the Receiver), or such other form acceptable to the Receiver, payable to the order of Deloitte Restructuring Inc., in trust, in an amount equal to 10% of the proposed gross purchase price, to be held and dealt with in accordance with these SISP Procedures;
- (j) it includes an acknowledgement and representation that the Qualified Phase 2 Bidder will assume the obligations of Sage under executory contracts, unexpired leases, and licences proposed to be assigned (or identifies with particularity which of such contracts, leases, and licenses of Sage, as applicable, that the Qualified Phase 2 Bidder wishes not to assume, or alternatively wishes to assume), contains full details of the Qualified Phase 2 Bidder's proposal for the treatment of related cure costs; and which of these the assumption of which is a condition of closing;
- (k) it provides for closing of the Qualified Purchase Bid by no later than the Target Closing Date;
- (l) if the Qualified Phase 2 Bidder is an entity newly formed for the purpose of the transaction, the bid shall contain an equity or debt commitment letter from the parent entity or sponsor, which is satisfactory to the Receiver, that names the Receiver as a third party beneficiary of any such commitment letter with recourse against such parent entity or sponsor;

- (m) it includes evidence, in form and substance reasonably satisfactory to the Receiver, of compliance or anticipated compliance with any and all applicable regulatory approvals (including, if applicable, anti-trust regulatory approval and any approvals with respect to the grant or transfer of any mining permits or licenses), the anticipated time frame for such compliance and any anticipated impediments for obtaining such approvals;
- (n) it contains other information reasonably requested by the Receiver; and
- (o) it is received by no later than the Phase 2 Bid Deadline.

Section 5.3 Qualified Investment Bids

An Investment Proposal submitted by a Qualified Phase 2 Bidder will be considered a "**Qualified Investment Bid**" only if the Investment Proposal complies with all of the following:

- (a) it includes duly authorized and executed binding definitive documentation setting out the terms and conditions of the proposed transaction, including the aggregate amount of the proposed equity and/or debt investment and details regarding the proposed equity and/or debt structure of Sage, if applicable, following completion of the proposed transaction (a "**Definitive Investment Agreement**");
- (b) it includes a letter stating that the Investment Proposal is irrevocable until the earlier of (a) approval by the Court of a Successful Bid, and (b) 45 Business Days following the Phase 2 Bid Deadline; provided, however, that if such Investment Proposal is selected as the Successful Bid or Backup Bid, it shall remain irrevocable until the earlier of (i) the closing of the Successful Bid or the Backup Bid, as the case may be, and (ii) the outside date stipulated in the Successful Bid or the Backup Bid, as applicable;
- (c) it does not include any request or entitlement to any break-fee, expense reimbursement or similar type of payment. Further, by submitting an Investment Proposal, the Qualified Phase 2 Bidder shall be deemed to waive its right to pursue a substantial contribution claim in any way related to the submission of its Investment Proposal or these SISP Procedures;
- (d) it includes written evidence of a firm, irrevocable commitment for all required funding and/or financing from a creditworthy bank or financial institution to consummate the proposed transaction, or other evidence satisfactory to the Receiver, to allow the Receiver to make a reasonable determination as to the Qualified Phase 2 Bidder's financial and other capabilities to consummate the transaction contemplated by the Investment Proposal;
- (e) it is not conditioned on (i) the outcome of unperformed due diligence by the Qualified Phase 2 Bidder and/or (ii) obtaining any financing capital and includes an acknowledgement and representation that the Qualified Phase 2 Bidder has had an opportunity to conduct any and all required due diligence prior to making its bid;
- (f) it fully discloses the identity of each entity that is bidding or otherwise that will be sponsoring or participating in the Investment Proposal, including the identification of the Qualified Phase 2 Bidder's direct and indirect owners and their principals, and the complete terms of any such participation;
- (g) it includes an acknowledgement and representation that the Qualified Phase 2 Bidder: (i) has relied solely upon its own independent review, investigation and/or inspection of any documents in making its Investment Proposal; (ii) 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), regarding the business of Sage or the completeness of any information provided in connection therewith, including by the Receiver or any of its advisors, except as expressly stated in the Definitive Investment Agreement; (iii) is a sophisticated party capable of making its own assessments in respect of making its Investment Proposal; and (iv) has had the benefit of independent legal advice in connection with its Investment Proposal;

- (h) it includes evidence, in form and substance reasonably satisfactory to the Receiver, of authorization and approval from the Qualified Phase 2 Bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the transaction contemplated by the Investment Proposal;
- (i) it is accompanied by a Deposit in the form of a wire transfer (to a trust account specified by the Receiver), or such other form acceptable to the Receiver, payable to the order of Deloitte Restructuring Inc., in trust, in an amount equal to 5% of the total proposed investment, to be held and dealt with in accordance with these SISP Procedures;
- (j) it provides for closing of the Qualified Investment Bid by no later than the Target Closing Date;
- (k) if the Qualified Phase 2 Bidder is an entity newly formed for the purpose of the transaction, the Investment Proposal shall contain an equity or debt commitment letter from the parent entity or sponsor, and satisfactory to the Receiver, that names the Receiver as a third party beneficiary of any such commitment letter with recourse against such parent entity or sponsor;
- (l) it includes evidence, in form and substance reasonably satisfactory to the Receiver, of compliance or anticipated compliance with any and all applicable regulatory approvals (including, if applicable, anti-trust regulatory approval), the anticipated time frame for such compliance and any anticipated impediments for obtaining such approvals;
- (m) it contains other information reasonably requested by the Receiver; and
- (n) it is received by no later than the Phase 2 Bid Deadline.

Section 5.4 Qualified Bids

(1) Qualified Purchase Bids and Qualified Investment Bids shall hereinafter be referred to as "**Qualified Bids**" and each a "**Qualified Bid**" and each bidder who has submitted a Qualified Bid shall hereinafter be referred to as a "**Qualified Bidder**".

(2) Notwithstanding Section 5.2 and Section 5.3 hereof, the Receiver may waive compliance with any one or more of the Qualified Bid requirements specified herein, and deem such non-compliant bids to be Qualified Purchase Bids or Qualified Investment Bids, as the case may be.

Section 5.5 No Qualified Bids

(1) The Receiver will assess the Qualified Bids received, if any, and will determine whether it is likely that the transactions contemplated by such Qualified Bids are likely to be consummated and whether proceeding with these SISP Procedures is in the best interests of Sage and its stakeholders. Such assessments will be made as promptly as practicable after the Phase 2 Bid Deadline, provided that such time period may be extended upon the consent of the Receiver or order of the Court upon application and appropriate notice.

(2) If the Receiver, in accordance with Section 5.5(1) above, determines that (a) no Qualified Bid was received, or (b) at least one Qualified Bid was received but it is not likely that the transactions contemplated in any such Qualified Bids will be consummated, the Receiver shall notify the Secured Creditor forthwith, and within ten (10) Business Days of such determination, file an application with the Court seeking directions. In the circumstances described in this subsection, the Secured Creditor shall have the option within five (5) business days from such determination to submit a credit bid (that would constitute a binding agreement if accepted) even if they did not submit a credit bid at any other point during Phase 1 or Phase 2, and notwithstanding the receipt of any new information regarding bids or offers after the commencement of Phase 2.

Section 5.6 Selection Criteria

(1) In selecting the Successful Bid, the Receiver will review each Qualified Bid. Evaluation criteria with respect to a Sale Proposal may include, but are not limited to items such as: (a) the purchase price and the net value (including assumed liabilities and other obligations to be performed or assumed by the bidder) provided by such bid; (b) the claims likely to be created by such bid in relation to other bids; (c) the counterparties to the transaction; (d) the proposed revisions to the Form of Purchase Agreement and the terms of the transaction documents; (e) other factors affecting the speed, certainty and value of the transaction (including any regulatory approvals required to close the transaction); (f) the assets included or excluded from the bid and the transaction costs and risks associated with closing multiple transactions versus a single transaction for all or substantially all of the Sage Property; (g) the transition services required from Sage post-closing and any related restructuring costs; and (h) the likelihood and timing of consummating the transaction by the Target Closing Date.

(2) Evaluation criteria with respect to an Investment Proposal may include, but are not limited to items such as: (a) the amount of equity and debt investment and the proposed sources and uses of such capital; (b) the debt to equity structure post-closing; (c) the counterparties to the transaction; (d) the terms of the transaction documents; (e) other factors affecting the speed, certainty and value of the transaction; (f) planned treatment of and recovery to stakeholders; and (g) the likelihood and timing of consummating the transaction by the Target Closing Date.

(3) The Receiver may select Qualified Bids for further negotiation and/or clarification of any terms or conditions of such Qualified Bids, including the amounts offered, before identifying the highest or otherwise best Qualified Bid(s) received (the "**Successful Bid**").

(4) Upon completion of any further negotiations or clarifications that may be conducted pursuant to Section 5.6(3) above, the Receiver will identify the Successful Bid and may identify a next highest or otherwise best Qualified Bid received (such offer, the "**Backup Bid**"). The Qualified Bidders(s) who made the Successful Bid is/are the "**Successful Bidder**" and the Qualified Bidder(s) who made the Backup Bid (if a Backup Bid is identified in accordance with these SISP Procedures) is/are the "**Backup Bidder**". The Receiver will notify the Successful Bidder and any Backup Bidder that they are, respectively, the Successful Bidder and the Backup Bidder.

(5) The Receiver will finalize definitive agreements in respect of the Successful Bid and the Backup Bid (if a Backup Bid is identified in accordance with these SISP Procedures), if any, conditional upon approval by the Court.

(6) If a Backup Bid is identified in accordance with these SISP Procedures, then such Backup Bid shall remain open until the consummation of the transaction contemplated by the Successful Bid (the "**Backup Bid Expiration Date**").

(7) All Qualified Bids (other than the Successful Bid and any Backup Bid identified in accordance with these SISP Procedures) shall be deemed rejected by the Receiver on and as of the date of approval of the Successful Bid or any Backup Bid by the Court.

Section 5.7 Secured Creditor Consultation and Consent

(1) For the purposes of the Solicitation Process and these SISP Procedures, and notwithstanding any other provision in these SISP Procedures, any requirement for the Receiver to: (a) consult with the Secured Creditor, and (b) provide copies of any expressions of interest, bids or other offers submitted in connection with the Solicitation Process or these SISP Procedures (collectively, the "**Secured Creditor Consultation Rights**") shall all be subject to the terms, conditions and limitations contained in this Section 5.7.

(2) Subject to subsection 5.7(3), the Secured Creditor Consultation Rights shall be suspended for the period commencing on the earlier of (x) the date that a Non-Binding Indication of Interest, Qualified Purchase Bid, Qualified Investment Bid (including any credit bid) is actually submitted by the Secured Creditor and (y) the date that a Bid Notice is issued by the Secured Creditor as required by Section 4.3(5) and ending on the date on which the Non-Binding Indication of Interest, Qualified Purchase Bid or Qualified Investment Bid, as applicable, submitted by the Secured Creditor has been rejected and is no longer being considered by the Receiver, as evidenced by written notice to the Secured Creditor from the Receiver. For greater certainty, during any period of time during which the Secured Creditor's Consultation Rights are suspended, no officer, director or partner or any of its affiliates shall be entitled to receive any information contemplated under the Secured Creditor Consultation Rights, unless and until the Receiver has selected a Successful Bid.

(3) The suspension of Secured Creditor Consultation Rights pursuant to Section 5.7(2) will not apply in the case of an Indication of Interest, Qualified Purchase Bid or Qualified Investment Bid that is submitted by the Secured Creditor which (a) is a credit bid that involves consideration (excluding assumed obligations) that does not exceed the Secured Claims Amount as determined by the Receiver, and (b) is delivered with a binding covenant and undertaking by the Secured Creditor in favour of the Receiver covenanting and undertaking that no change shall be made to the economic terms of the offer or bid from and after the date of its submission and the key terms of such bid are disclosed to other interested parties.

(4) For the purposes of the Solicitation Process and these SISP Procedures, prior to obtaining any Secured Creditor Consultation Rights the Secured Creditor shall be required to execute a confidentiality agreement with the Receiver.

(5) The Receiver will not provide to the Secured Creditor any new information regarding bids obtained from the commencement of Phase 2 until the expiry of the period to submit a Bid Notice.

Section 5.8 Approval Hearing

(1) After definitive agreements in respect of a Successful Bid and Backup Bid (if a Backup Bid is identified in accordance with these SISP Procedures) have been finalized, in the case of the Successful Bid, signed (conditional on court approval) and, in the case of the Backup Bid signed (conditional on non-completion of the Successful Bid and on court approval) in accordance with these SISP Procedures, The Receiver shall seek a hearing as soon as practicable on a date to be scheduled by the Court that will permit not less than 5 full business Days' notice to the service list (the "**Approval Hearing**") to approve the Successful Bid or the Backup Bid should the Successful Bid not close for any reason. The Approval Hearing may be adjourned or rescheduled by the Receiver, without further notice, by an announcement of the adjourned date at the Approval Hearing.

(2) If, following approval of the Successful Bid transaction by the Court, the Successful Bidder fails to consummate the transaction for any reason, then the Backup Bid, if there is one, will be deemed to be the Successful Bid hereunder and the Receiver shall effectuate a transaction with the Backup Bidder subject to the terms of the Backup Bid, without further order of the Court.

Section 5.9 Deposits

(1) All Deposits shall be retained by the Receiver and invested in an interest bearing trust account in a Schedule I Bank in Canada. If there is a Successful Bid, the Deposit (plus accrued interest) paid by the Successful Bidder whose bid is approved pursuant to the Approval Hearing shall be applied to the purchase price to be paid or investment amount to be made by the Successful Bidder upon closing of the Successful Bid. The Deposit (plus accrued interest) paid by the Backup Bidder, if there is one, shall be retained by the Receiver until the Backup Bid Expiration Date or, if the Backup Bid becomes the Successful Bid, shall be applied to the purchase price to be paid or investment amount to be made by the Backup Bidder upon closing of the Backup Bid. The Deposits (plus applicable interest) of all Phase 2 Bidders not selected as the Successful Bidder or Backup Bidder shall be returned to such bidders without interest within five (5) Business Days of the later of the date upon which the Successful Bid and any Backup Bid are approved by the Court. If these SISP Procedures are terminated in accordance with the provisions hereof, all Deposits shall be returned to the bidders without interest within five (5) Business Days of the date upon which these SISP Procedures are terminated.

(2) If an entity selected as the Successful Bidder or Backup Bidder breaches its obligations to close, it shall forfeit its Deposit to the Receiver; provided, however, that the forfeiture of such Deposit shall be in addition to, and not in lieu of, any other rights in law or equity that the Receiver has or may have against such breaching entity.

Section 5.10 Approvals

For greater certainty, the approvals required pursuant to the terms hereof are in addition to, and not in substitution for, any other approvals required by any Canadian or other foreign statute or are otherwise required at law in order to implement a Successful Bid or Backup Bid, as the case may be.

Section 5.11 Notice to the Receiver

Any notice or other communication to be given to the Receiver in connection with this SISP shall be given in writing and shall be given by personal delivery (in which case it shall be left with a responsible officer of the recipient) or by electronic communication addressed to the Receiver as follows:

Deloitte Restructuring Inc.
8 Adelaide Street West, Suite 200
Toronto, ON M5H 0A9
Attention: Phil Reynolds and Rob Biehler
Telephone No.: 416-956-9200 / 905-315-5785
Email: pjreynolds@deloitte.ca
rbiehler@deloitte.ca

with a copy to:

McMillan LLP
Brookfield Place, Suite 4400
181 Bay Street
Toronto, ON M5J 2T3
Attention: Waël M. Rostom, Tushara Weerasooriya and Stephen Brown-Okruhlik
Telephone No.: 416-865-7790 / 416-865-7890 / 416-865-7043
Email: wael.rostom@mcmillan.ca
tushara.weerasooriya@mcmillan.ca
stephen.brown-okruhlik@mcmillan.ca

Section 5.12 Reservation of Rights

(1) The Receiver may (a) reject, at any time any bid that is (i) inadequate or insufficient, (ii) not in conformity with the requirements of these SISP Procedures or any orders of the Court applicable to Sage, or (iii) contrary to the best interests of Sage, its estate, and stakeholders as determined by the Receiver; (b) in accordance with the terms hereof accept bids not in conformity with these SISP Procedures to the extent that the Receiver determines, in its reasonable business judgment, that doing so would benefit Sage, its estate, and stakeholders; and (c) in accordance with the terms hereof extend the Potential Bidder Deadline, Phase 1 Bid Deadline or Phase 2 Bid Deadline; and (d) reject all bids. The Receiver shall not be required to accept the highest bid, but shall be entitled to recommend to the Court a transaction that in its view maximizes value for all stakeholders.

(2) These SISP Procedures do not, and shall not be interpreted to, create any contractual or other legal relationship between the Receiver on the one hand and any Known Potential Bidder, Potential Bidder, Qualified Potential Bidder, Qualified Phase 1 Bidder, Qualified Phase 2 Bidder, Qualified Bidder, Successful Bidder or Backup Bidder, on the other hand, except as specifically set forth in definitive agreements that may be executed by the Receiver.

Section 5.13 Further Orders

At any time during the SISP, the Receiver may apply to the Court for directions with respect to the discharge of its powers and duties hereunder.

Section 5.14 Credit Bid

These SISP Procedures permit the Secured Creditors to submit a credit bid, provided such credit bid is in accordance with the terms and conditions of these SISP Procedures and in accordance with applicable law.

Schedule "A"

See attached.

SCHEDULE "A"

DESCRIPTION OF CLAVOS PROPERTIES AND ONAMAN PROPERTIES (WITH MAPS)

Clavos Properties

The Clavos Project is the area located in the area located about 46km northeast of Timmins, Ontario and centred at 514000E and 5384000N in NAD83, Zone 10, which consists of the following contiguous patented, unpatented claims and mining leases:

a) Patented Mining Claims

| Claim | Parcel | PIN | Rights | Township | Size (ha) |
|--------------|---------------|------------|---------------|-----------------|------------------|
| CP2433 | 22364sec | 65362 302 | SRO | German | 73.963 |
| CP2433 | 5748sec | 65362 535 | SMR | German | 73.963 |
| CP4990 | 22593sec | 65362 305 | MRO | German | 75.588 |
| CP6499 | 23144sec | 65362 311 | MRO | German | 60.782 |
| CP6633 | 22093sec | 65362 154 | SRO | German | 53.806 |
| CP6634 | 17709sec | 65362 298 | SRO | German | 71.333 |
| CP6638 | 17713sec | 65362 299 | SRO | German | 84.314 |
| CP6640 | 22095sec | 65363 158 | SRO | Stock | 63.893 |
| L37438 | 9238sec | 65363 199 | MRO | Stock | 15.653 |
| L37438 | 17702SEC | 65363 186 | SRO | Stock | 15.653 |
| L37439 | 9239sec | 65363 200 | MRO | Stock | 16.045 |
| L37439 | 17703SEC | 65363 180 | SRO | Stock | 16.045 |
| L37440 | 9250sec | 65363 184 | SMR | Stock | 14.864 |
| L37441 | 9249sec | 65363 182 | SMR | Stock | 15.205 |
| L37442 | 9240sec | 65363 185 | SMR | Stock | 17.578 |
| L37443 | 9243sec | 65363 181 | SMR | Stock | 18.392 |
| L37454 | 9241sec | 65363 201 | MRO | Stock | 17.01 |
| L37454 | 17704SEC | 65363 187 | SRO | Stock | 17.01 |
| L37455 | 9242sec | 65363 202 | MRO | Stock | 16.988 |
| L37455 | 17705SEC | 65363 179 | SRO | Stock | 16.988 |
| L42605 | 12837sec | 65363 211 | MRO | Stock | 17.613 |
| L42605 | 17715SEC | 65363 211 | SRO | Stock | 17.613 |
| L42606 | 12821sec | 65363 212 | MRO | Stock | 14.364 |
| L42607 | 12821sec | 65363 212 | MRO | Stock | 17.618 |
| L42608 | 12822sec | 65363 183 | SMR | Stock | 17.035 |
| L42609 | 12821sec | 65363 212 | MRO | Stock | 16.536 |
| L42729 | 12822sec | 65363 183 | SMR | Stock | 16.56 |
| L43304 | 12821sec | 65363 212 | MRO | Stock | 15.463 |
| L46943 | 12823sec | 65363 246 | MRO | Stock | 14.517 |
| L46944 | 12823sec | 65363 246 | MRO | Stock | 16.182 |
| L476976 | 8724sec | 65363 218 | MRO | Stock | 71.02 |

| Claim | Parcel | PIN | Rights | Township | Size (ha) |
|--------|-----------|-----------|--------|----------|-----------|
| NP2564 | 667sec | 65362 297 | SMR | German | 67.14 |
| NP5348 | 1184sec | 65362 551 | MRO | German | 67.37 |
| P28977 | 12819sec | 65362 300 | SMR | German | 21.54 |
| P28978 | 12815sec | 65362 301 | MRO | German | 16.46 |
| P28979 | 12815sec | 65362 301 | MRO | German | 18.00 |
| P28980 | 12815sec | 65362 301 | MRO | German | 19.08 |
| P28981 | 12815sec | 65362 301 | MRO | German | 17.80 |
| P29600 | 12819sec | 65362 300 | SMR | German | 19.78 |
| P29601 | 12819sec | 65362 300 | SMR | German | 22.34 |
| P29602 | 20811 sec | 65362 154 | MRO | German | 17.04 |
| P29603 | 12814sec | 65362 507 | MRO | German | 17.88 |
| P29604 | 12817sec | 65362 505 | MRO | German | 15.05 |
| P29604 | 17711SEC | 65362 156 | SRO | German | 15.05 |
| P29605 | 12818sec | 65362 504 | MRO | German | 15.51 |
| P29605 | 17712SEC | 65362 157 | SRO | German | 15.51 |
| P29895 | 12819sec | 65362 300 | SMR | German | 20.66 |
| P30683 | 12816sec | 65362 506 | MRO | German | 16.94 |
| P30683 | 22094SEC | 65362 155 | SRO | German | 16.94 |
| P30684 | 12814sec | 65362 507 | MRO | German | 18.89 |
| P30685 | 12814sec | 65362 507 | MRO | German | 18.18 |
| P32143 | 12820sec | 65362 503 | MRO | German | 19.53 |
| P32144 | 12820sec | 65362 503 | MRO | German | 20.47 |
| TP738 | 10046sec | 65363 188 | SRO | Stock | 33.38 |
| TP738 | 5901sec | 65363 189 | SRO | Stock | 31.04 |
| TP748 | 6281sec | 65363 223 | MRO | Stock | 62.46 |

b) Mining Leases

| Claim | Lease # | Parcel | PIN | Rights | Township |
|---------|---------|--------|------------|--------|----------|
| P723319 | 106835 | 1763LC | 65363 0001 | MRO | German |
| P723320 | 106835 | 1763LC | 65363 0001 | MRO | German |
| P724525 | 106835 | 1763LC | 65363 0567 | MRO | Stock |
| P724526 | 106835 | 1763LC | 65363 0567 | MRO | Stock |

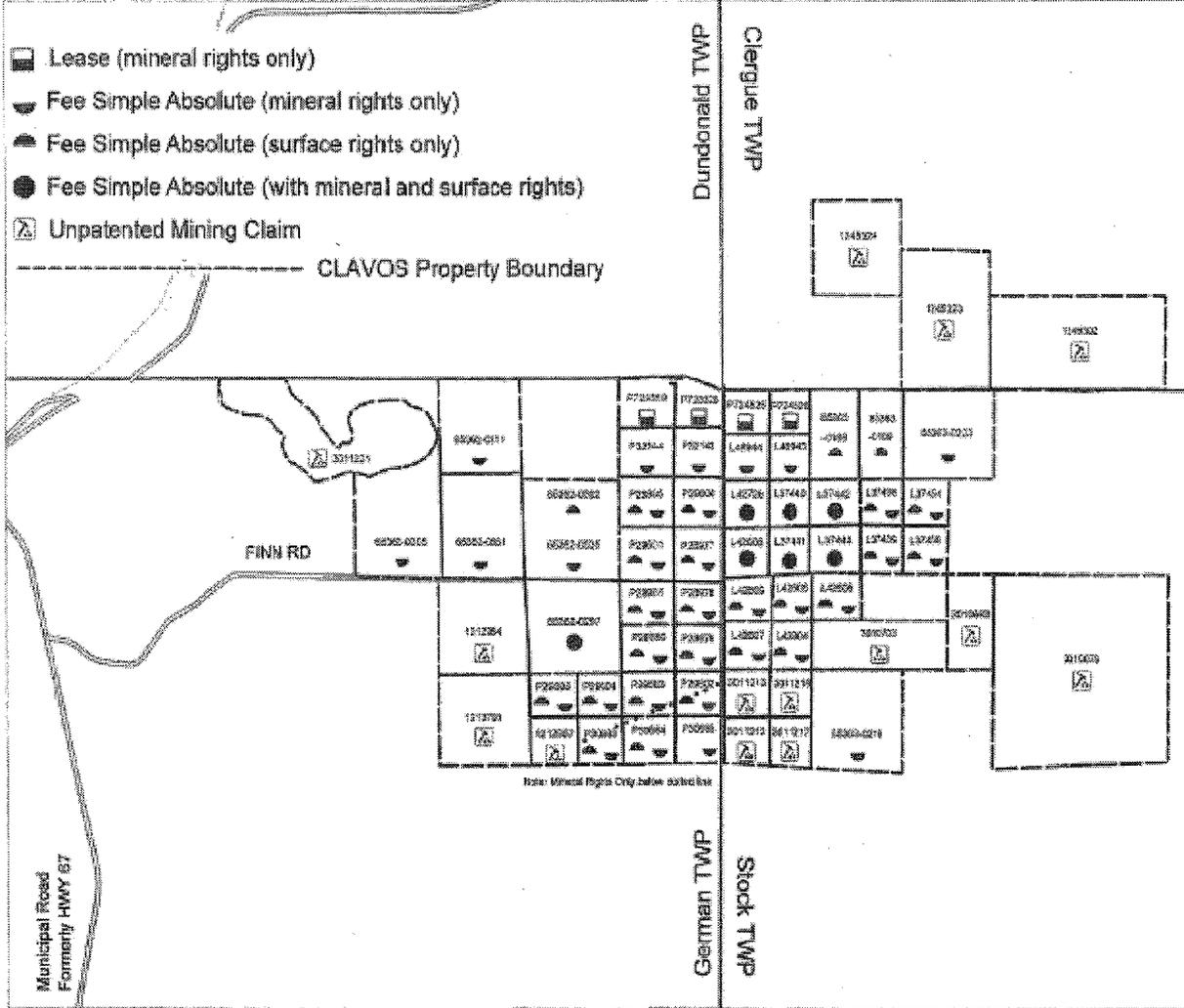
c) Unpatented Mining Claims

| Claim | Parcel | PIN | Rights | Township | Size (ha) |
|---------|--------|-----|--------|----------|-----------|
| 1212954 | UPC | n/a | MRO | German | 66.82 |
| 1212957 | UPC | n/a | MRO | German | 16.99 |

| Claim | Parcel | PIN | Rights | Township | Size (ha) |
|---------|--------|-----|--------|----------|-----------|
| 1213708 | UPC | n/a | MRO | German | 65.10 |
| 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 | 15.40 |
| 3011217 | UPC | n/a | MRO | Stock | 16.21 |
| 3011221 | UPC | n/a | MRO | German | 86.80 |
| 1245302 | UPC | n/a | MRO | Clergue | 129.27 |
| 1245323 | UPC | n/a | MRO | Clergue | 95.62 |
| 1245324 | UPC | n/a | MRO | Clergue | 64.51 |

Definitions:

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



Onaman Properties

a) Patented Mining Claims

| Claim | Parcel | PIN | Rights | Township | Holder |
|--------|--------|------------|--------|--------------------|----------------|
| KK442 | 6476 | 62504-1745 | MRO | Coughlan Lake Area | Sage Gold Inc. |
| KK2238 | 7129 | 62504-1549 | MRO | Coughlan Lake Area | Sage Gold Inc. |
| KK2239 | 7130 | 62504-1551 | MRO | Coughlan Lake Area | Sage Gold Inc. |
| KK2242 | 7040 | 62504-1555 | MRO | Coughlan Lake Area | Sage Gold Inc. |
| KK2272 | 7321 | 62504-1550 | MRO | Coughlan Lake Area | Sage Gold Inc. |
| KK2273 | 7322 | 62504-1552 | MRO | Coughlan Lake Area | Sage Gold Inc. |
| KK2274 | 7323 | 62504-1553 | MRO | Coughlan Lake Area | Sage Gold Inc. |
| KK2275 | 7324 | 62504-1554 | MRO | Coughlan Lake Area | Sage Gold Inc. |

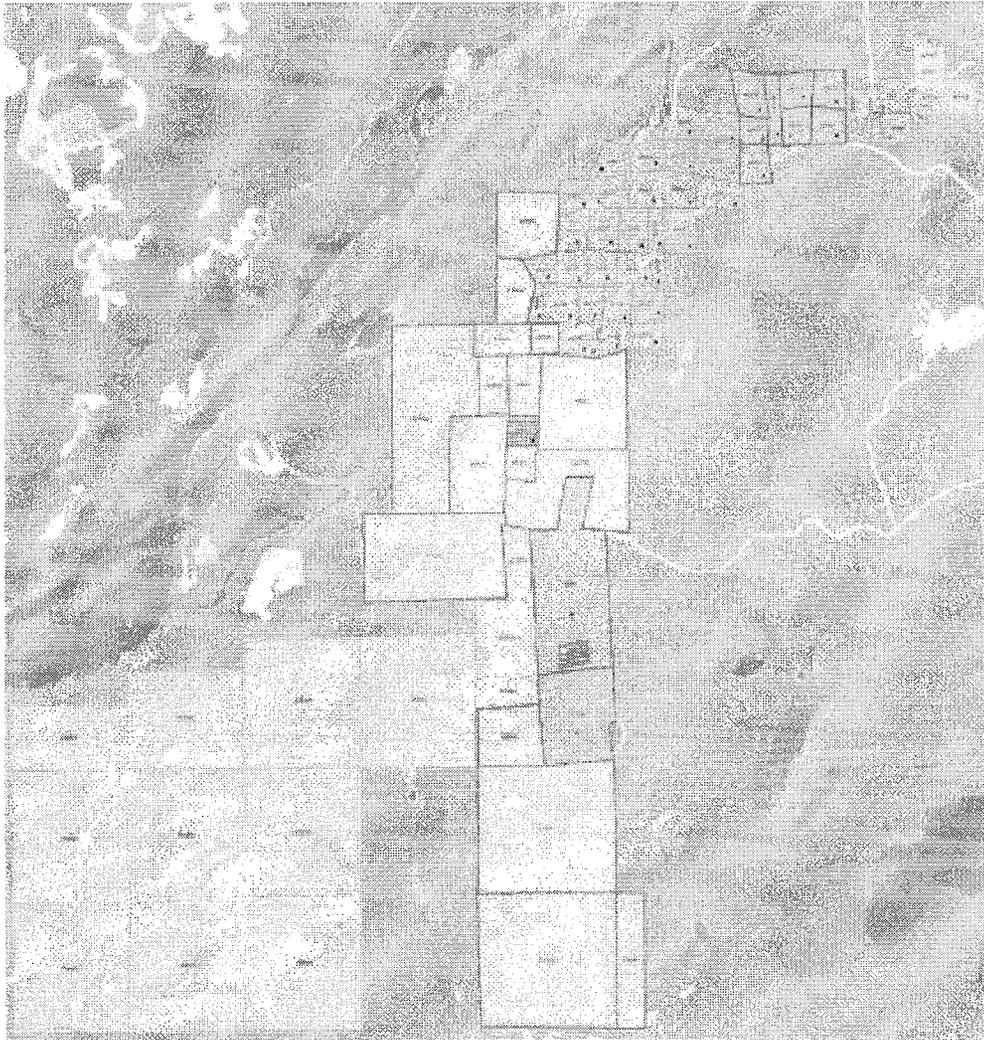
b) Mining Leases

| Claim | Lease # | Parcel | PIN | Rights | Township |
|----------------|---------|--------|------------|--------|---|
| <u>CLM 401</u> | 109010 | 3387 | 62504 2007 | MRO | Coughlan Lake Area and Castlewood Lake Area |
| <u>CLM 402</u> | 109011 | 3386 | 62504 1660 | MRO | Castlewood Lake Area |

c) Unpatented Mining Claims

| Claim Number | PIN | Rights | Township / Area | Holder |
|----------------|-----|--------|----------------------|----------------|
| <u>4210030</u> | n/a | MRO | Castlewood Lake Area | Sage Gold Inc. |
| <u>4210031</u> | n/a | MRO | Castlewood Lake Area | Sage Gold Inc. |
| <u>4210033</u> | n/a | MRO | Castlewood Lake Area | Sage Gold Inc. |
| <u>4210034</u> | n/a | MRO | Castlewood Lake Area | Sage Gold Inc. |
| <u>1233877</u> | n/a | MRO | Coughlan Lake Area | Sage Gold Inc. |
| <u>1233888</u> | n/a | MRO | Coughlan Lake Area | Sage Gold Inc. |
| <u>3007228</u> | n/a | MRO | Coughlan Lake Area | Sage Gold Inc. |
| <u>3008410</u> | n/a | MRO | Coughlan Lake Area | Sage Gold Inc. |
| <u>3008411</u> | n/a | MRO | Coughlan Lake Area | Sage Gold Inc. |
| <u>3011520</u> | n/a | MRO | Coughlan Lake Area | Sage Gold Inc. |
| <u>3011813</u> | n/a | MRO | Coughlan Lake Area | Sage Gold Inc. |
| <u>3011826</u> | n/a | MRO | Coughlan Lake Area | Sage Gold Inc. |
| <u>3011873</u> | n/a | MRO | Coughlan Lake Area | Sage Gold Inc. |
| <u>4210032</u> | n/a | MRO | Coughlan Lake Area | Sage Gold Inc. |
| <u>4210043</u> | n/a | MRO | Coughlan Lake Area | Sage Gold Inc. |
| <u>4210044</u> | n/a | MRO | Coughlan Lake Area | Sage Gold Inc. |

Sage Gold's Onaman Property



IN THE MATTER OF RECEIVERSHIP OF SAGE GOLD INC.

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

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

ONTARIO
SUPERIOR COURT OF JUSTICE -
COMMERCIAL LIST

Proceeding commenced at Toronto

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.