

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

**THIRD REPORT OF THE RECEIVER
DELOITTE RESTRUCTURING INC.
DATED JANUARY 23, 2019**

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INTRODUCTION

1. Pursuant to an Order (“**Receivership Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated July 30, 2018 (“**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 47 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 the Receiver pursuant to section 243 of the BIA and section 101 of the CJA over the Property made on July 13, 2018 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 pending resolution of the Company’s opposition to the appointment at a subsequent hearing. On July 30, 2018, Mr. Justice Dunphy granted the Receivership Order.
3. On August 29, 2018, the Court granted an Order to approve the Sale and Investment Solicitation Process (the “**SISP Order**”), attached hereto as **Appendix “B”**. The SISP Order, among other things, authorized and directed the Receiver and its agent, Deloitte Corporate Finance Inc. (“**DCFI**”) to carry out the activities in connection with the sale of all or substantially all of the properties Sage as prescribed in the SISP Order (the “**SISP**”).

PURPOSE OF REPORT

4. The purpose of this Third Report is to:

- a. provide the Court with an update on the Receiver's activities since our Second Report, some of which are noted above, related to the abandonment of Clavos Property, including the co-operative efforts and communication between representatives of HMQ, the Director and the Receiver;
- b. summarize the results of the SISP and provide an update on the Receiver's activities related to the sale and marketing efforts immediately prior to and following the abandonment of the Clavos Property;
- c. describe the proposed transaction for the Onaman Property, which subject to Court approval, is to be effected through an executed asset purchase agreement, dated January 11, 2019 (the "**Onaman APA**") between the Receiver and RZJ Capital Management LLC;
- d. describe the proposed transaction for the Clavos Property, certain other exploratory mining properties and a residential property, which subject to Court approval, is to be effected through an executed asset purchase agreement, dated January 14, 2019 (the "**Clavos APA**") between the Receiver and Eric Quint, on behalf a corporation to be incorporated under the laws of Ontario;
- e. Respectfully recommend that this Honourable Court make orders:
 - i) approving the APAs and the Receiver's execution thereof;
 - ii) granting the approval, vesting and assignment order in the forms attached to the Receiver's Motion Record;

- iii) approving the Receiver's Interim Statement of Receipts and Disbursements for the period from August 18, 2018 to January 17, 2019;
- iv) approving the activities of the Receiver since August 21, 2018;
- v) sealing Confidential Appendices "A", "B" until the Proposed Transactions are closed, subject to further order of Court;
- vi) sealing Confidential Appendix "C" subject to further order of Court;
- vii) providing such other relief that this Honourable Court considers just and warranted in the circumstances.

5. Unless otherwise stated, all dollar amounts contained in this Third Report are expressed in Canadian dollars.
6. Unless otherwise provided, all other capitalized terms not otherwise defined in this Third Report are as defined in the Receivership Order or the Receiver's previously issued reports.

TERMS OF REFERENCE

7. In developing this Second Report, the Receiver has relied upon unaudited financial information prepared by the Company's management ("Management"), 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 Chartered Professional Accountants Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance in respect of the information.

RELIEFE SOUGHT BY THE RECEIVER FROM THE COURT

8. The Receiver attended Court before Mr. Justice Dunphy on December 18, 2018 to request an increase to the Receiver's Borrowings Charge from \$1 million to \$2 million as additional funding was required to continue the Care and Maintenance Program and to seek the approval of a Priority Claims Process. As noted in more detail below, CRH withdrew its credit bid immediately prior to the court hearing and CRH advised the Receiver that the future receivership funding was unlikely; therefore, the proposed Priority Claims Process was adjourned *sine die*. The Receiver advised the Court about the lack of funds available and uncertainty of additional funding from CRH and communicated the potential need for the Receiver to abandon the Clavos Property as early as December 27, 2018. Attached hereto as **Appendix "C"**, is a copy of an Order of the Court dated December 18, 2018 ("**Receiver Borrowings Charge Order**").
9. On the evening of December 18, 2018, the Receiver's counsel served notice of a motion to abandon the Clavos Property returnable on December 21, 2018.
10. Pursuant to an Order ("**Property Abandonment Order**") of the Court dated December 21, 2018, the Court ordered that (a) paragraph 16 of the Receivership Order be amended to permit the Receiver to abandon the Clavos Property on on two (2) business days' written notice to the Director of Mine Rehabilitation (the "**Director**") rather than having to schedule a court attendances and (b) Her Majesty the Queen in right of Ontario ("**HMQ**"), shall be entitled to and granted a charge on all property comprising the Clavos Property in an amount not to exceed \$50,000, as security for out of pocket costs incurred by HMQ in respect of non-environmental remediation post-abandonment ("**Abandonment Cost Charge**"). The Abandonment Cost Charge ranks subordinate to the Receiver's Charge but in priority to the Receiver's Borrowings Charge. The Receiver, HMQ and

CRH consented to the Order and a copy of the Property Abandonment Order, is attached hereto as **Appendix “D”**.

11. The Receivership Order and other Orders, together with related Court documents including Deloitte’s previously issued reports and this third report of the Receiver (the “**Third Report**”) have been posted on the Receiver’s website at: www.insolvencies.deloitte.ca/en-ca/sagegoldinc.

UPDATE ON EVENTS SINCE OUR SECOND REPORT

12. As noted in more detail below, the Receiver completed the sale process outlined in the SISP Order by mid-November and unfortunately, there were no binding offers for the Property of Sage other than the credit bid submitted by CRH pursuant to its Bid Notice as contemplated by the SISP.
13. After several discussions about the SISP results and negotiations between the Receiver and CRH, on December 14, 2018, CRH withdrew its credit bid for the Clavos Property and the Onaman Property. Further, CRH had advised that it was considering abandoning its interest in the Sage Gold Inc.’s property, including the Clavos Property and ceasing to provide any further funding of the sale process and administration of the receivership.
14. As noted in paragraph 24 of the Second Report, the Receiver had only \$90,000 on hand as at December 11, 2018. The Receiver notified CRH that if sufficient funding was not provided before the holidays then it had no alternative but to seek directions of the Court in respect of filing an abandonment notice with the Director.
15. The Receiver requested funding from CRH to maintain the Clavos Property until January 31, 2019 in order to facilitate the Receiver completing a transaction with urgent timeframes following the

renewed negotiations with various bidders, in particular two parties that had been most active in the SISP.

16. During this period of time, the Receiver also engaged in discussions with CRH about alternative funding scenarios, including the parameters of continuing to fund the receivership proceedings in order to transition the Clavos Property to a “state of inactivity” to reduce operating expenses should an acceptable transaction be unavailable.
17. In parallel with the expedited sale efforts, the Receiver and its counsel engaged in detailed communications with multiple representatives of HMQ and the Director in order to plan for the contingency that the Receiver would abandon the Clavos Property. The Receiver facilitated a pre-abandonment inspection on-site and representatives of the Director provided specific observations about the property to the Receiver that allowed the on-site staff to prepare the site in these circumstances.
18. On December 20, 2018, the Receiver received \$190,000 in funding from CRH, which was sufficient to continue activities at the Clavos Property until January 3, 2019. This short-term funding was provided in order to give the Receiver a final opportunity to finalize one or more sale agreements with the SISP Participants, in light of CRH’s withdrawal of the CRH Credit Bid.
19. Despite its urgent efforts, the Receiver was unable to obtain a viable offer for the Clavos Property before the January 3, 2019 deadline and consequently CRH declined to fund the receivership administration further.
20. On January 3, 2019, the Receiver issued a notice of abandonment for the Clavos Property, which was effective on January 8, 2019 (“**Notice of Abandonment – Clavos Property**”). A copy of the Notice

of Abandonment – Clavos Property, is attached hereto as **Appendix “E”**. A copy of this notice was provided to the Service List on January 3, 2019.

21. In order to provide the Service List and the Court with an update regarding the material events since December 20, 2018 related to the abandonment of Clavos Property, the Receiver completed a Second Supplemental Report dated January 8, 2019. A copy of the report, is attached hereto as **Appendix “F”**.
22. As noted in more detail below, the Receiver abandoned the Clavos Property on January 8, 2019. However, the Receiver elected to continue its expedited sale efforts pursuant to the Receiver’s sale authority under the Receivership Order and, as provided for under the Property Abandonment Order, the abandonment of Clavos Property was without prejudice to the Debtor’s interest, the interests of any creditor (including the beneficiaries of the court ordered charges) and contractual counter-parties. The Receiver’s sale efforts were carried out in consultation with the Director.
23. Without funding available in the estate, the Receiver made a voluntary election to personally fund, on a day to day basis, the costs for 24-hour on-site security and continued hydro services to facilitate the expedited sale efforts. This voluntary election by the Receiver permitted negotiations with the two interested parties for the Clavos Property to continue in consultation with representatives of the Director. In addition, the Receiver continued the negotiations for the exploration mining property known as the Onaman Property.
24. The Receiver has been successful in obtaining two binding offers for the sale of the significant properties in this estate, being the Clavos Property and the Onaman Property. These asset purchase agreements are fully disclosed in a Confidential Supplemental Report and are summarized herein.

ABANDONMENT OF CLAVOS PROPERTY

25. Since the inception of the Interim Receivership and Receivership Administration, the Receiver engaged Sage's previous mine manager and staffing company, R. Ritchie Services Ltd. ("**Ritchie Services**") for the Clavos Property to complete care and maintenance activities, including dewatering activities, environmental water testing, equipment clean-up, winterization measures and property maintenance ("**Care and Maintenance Program**").
26. As noted above, the receivership estate did not have estate funding to continue the Care and Maintenance Program after the January 3, 2019 offer deadline for the Receiver's expedited sale process.
27. On December 19, 2018 and January 7, 2019, representatives of the Director attended the Clavos Property to conduct pre-abandonment inspections. During this period, the Receiver and its counsel continued discussions with the representatives of HMQ and the Director with respect to a possible abandonment of the property should it be required. Representatives of the Director assisted the Receiver by providing its observations and priority steps to prepare the site for abandonment. The Receiver, with assistance of Ritchie Services, completed certain tasks and other risk mitigation steps during this time in consultation with the Director.
28. On January 3, 2019, the Receiver provided its written notice to the Director of Mine Rehabilitation that it intended to abandon, renounce and divest its control (and ancillary possession), if any, of the Clavos Property, all without prejudice to the Debtor's interest in such property and rights and interests of creditors (including creditors with security arising as a consequence of the Receivership Order), effective January 8, 2019.

29. Prior to the abandonment of the Clavos Property, the Receiver notified the suppliers and parties with equipment on-site in order to advise that it would not be responsible for the on-site costs after January 7, 2019.
30. The Receiver engaged in a number of discussions with Hydro One representatives about the options to suspend the Receiver's account and about the necessary process to engage a contractor to de-power the site.
31. Upon the abandonment, one of the prospective purchasers expressed concerns to the Receiver about the physical security of the equipment at the abandoned Clavos Property. Another prospective purchaser expressed interest in funding an agent to attend on-site, with the permission of the Director, to attend underground to monitor the pumps and de-watering activities and to inspect the property for damage because of the severe winter temperatures.
32. In consultation with the representatives of the Director, the Receiver voluntarily elected to provide funding on a day to day basis for 24-hour security on-site and electricity. The security and continued hydro provided, among other things, the opportunity for interested parties to visit the Clavos Property with Ritchie Services for the purposes of trying to complete a sale of the property. The Receiver estimates that the *per diem* costs incurred for security and hydro were approximately \$2,000.
33. On January 11, 2019, one of the prospective purchasers provided the Receiver with a non-refundable payment of \$10,000 USD to be applied to its deposit to allow the Receiver, in conjunction with the Director, to provide access to the purchaser's agent to inspect the pumps underground and to inspect the Clavos Property.

34. As described above and below, these efforts lead to the Receiver securing definitive agreements for the purchase of the Onaman and the Clavos properties.

RESULTS OF THE SALE AND INVESTOR SOLICITATION PROCESS

35. The Company's primary assets consist of the Clavos property (the "**Clavos Property**") located near Timmins and the Onaman property northeast of Thunder Bay (the "**Onaman Property**"), each as more fully described in the affidavit of Andrew Wehrley dated July 10, 2018. In addition, Sage also has interests in early stage exploration properties in Northern Ontario, the majority of which are in a similar geographical location as the Onaman Property and the Company owned a residential property near Clavos Property that served as a staff house.

36. As noted in paragraphs 12 to 14 in our Second Report, the Receiver completed a sale process pursuant to the SISP Order. Key documents including the Teaser, press release and CIM were enclosed as Appendices to our Second Report. The Receiver undertook the following key steps in accordance with the requirements of the SISP:

- a. DCFI identified and contacted 142 potential purchasers ("**Known Potential Bidders**"), primary global mining producers, operators, and investors with a focus in North America as well as other relevant parties. All Known Potential Bidders, were provided a copy of the Teaser and a confidentiality agreement ("**Confidentiality Agreement**");
- b. Any party who expressed an interest in the Property was required to sign the Confidentiality Agreement in order to receive further information. Subsequent to which, the parties were provided access to an electronic data room (the "**Data Room**") containing detailed financial, technical and other relevant information;

- c. On September 14, 2018, the Receiver issued a press release in the Canadian Newswire announcing the SISP and providing the Receiver's contact information for interested parties.
- d. 15 parties executed the Confidentiality Agreement and each was determined to be a "**Potential Bidder**" in accordance with the SISP and were provided with the CIM and access to the Data Room;
- e. Of those 15 parties, seven (7) withdrew from the process and eight (8) submitted a non-binding indications of interest to acquire all, or substantially all of Sage's Property or to invest in Sage (each a "**Non-Binding Indication of Interest**") which were delivered to the Receiver on or before 5:00 p.m. (Toronto time) on September 28, 2018 (the "**Phase 1 Bid Deadline**");
- f. The Receiver, in conjunction with DCFI, reviewed the eight (8) Non-Binding Indications of Interest and determined that six (6) parties would each be designated as a "**Qualified Phase 1 Bid**" and each bidder was accepted as a "**Qualified Phase 2 Bidder**" based on the criteria set out in the SISP. The Receiver promptly notified each party;
- g. In accordance with the SISP, CRH issued a bid notice (the "**Bid Notice**") to the Receiver identifying its intention to participate in Phase 2 and setting out the general terms of its potential credit bid. CRH also executed a Confidentiality Agreement and subsequently it was deemed to be a Qualified Phase 2 Bidder;
- h. The Receiver arranged introductory teleconference calls with each Qualified Phase 2 Bidder and facilitated the due diligence process;

- i. To facilitate ongoing negotiations and to allow additional time for further due diligence, the Receiver exercised its discretion twice to extend the Phase 2 bid deadline, ultimately to November 12, 2018 (the “**Final Phase 2 Bid Deadline**”);
- j. Of the seven (7) Qualified Phase 2 Bidders (including CRH), the Receiver received three (3) bids, as follows:
 - i. one bidder delivered a draft asset purchase agreement, however it did not provide a deposit;
 - ii. a second bidder delivered an asset purchase agreement for the Onaman Property only; and
 - iii. CRH delivered a credit bid for both the Clavos Property and the Onaman Property on substantially the same terms as the Bid Notice.

37. After the Final Phase 2 Bid Deadline, the Receiver pursued obtaining a deposit from all parties and provided feedback on the various asset purchase agreements with these parties in an effort to negotiate binding bids for the assets of Sage. Discussions with CRH consisted mainly of ensuring consistency of the Credit Bid with the Bid Notice including that any and all priority claims would be paid or assumed.

38. Following the withdrawal of the CRH Credit Bid on December 14, 2018, the Receiver engaged in expedited discussions with seven (7) parties about a possible transaction the Clavos Property and / or the Onaman Property. In addition, the Receiver commenced the process to list the residential property, which is close proximity to the Clavos Property, with a real estate broker and the Receiver contacted three (3) liquidators for an assessment of the equipment located at Clavos Property.

39. During this period, the Receiver and CRH discussed the terms of potential further financing of the Clavos Project. However, despite the Receiver's continued efforts to achieve a sale transaction in respect of Sage's property, by January 3, 2019, it had not entered into any agreements of purchase and sale for the Clavos Property, the Onaman Property or any other of Sage's assets. In light of those circumstances, CRH was not prepared to commit to providing further financing.
40. As noted above, through the steps taken in consultation with representatives of HMQ and the Director, the Receiver has been successful in obtaining two executed and binding agreements to sell substantially all of the Property of Sage.
41. Executing two agreements was necessary when CRH, as the only prospective purchaser expressing interest in both Clavos Property and Onaman Property, withdrew its credit bid. On January 11, 2019 the Receiver executed the Onaman APA and on January 14, 2019 the Receiver executed the Clavos APA (together the "**Proposed Transactions**"). Enclosed as **Confidential Appendix "C"**, is a Confidential Report of the Receiver that encloses the bid summary for all stages of the SISP and the provides a comparative analysis of the proposed asset purchase agreements for the Proposed Transactions. Confidential Appendix "C" is subject to a sealing order request. It is the Receiver's view that this document should remain sealed until the Proposed Transactions are completed to allow for the possibility that if the Proposed Transactions do not close, other transactions can be pursued.

PROPOSED SALE TRANSACTION - ONAMAN APA

42. The Receiver held discussions with RZJ Capital Management LLC ("**RZJ Capital**" or "**Proposed Onaman Purchaser**") throughout the SISP. RZJ Capital provided the highest cash offer on the Onaman Property for a stand-alone transaction, and the following attributes of this transaction support the Receiver's recommendation for the Court to issue an Approval and Vesting Order:

- a. The Receiver is holding a sufficient deposit of approximately 10% of initial cash purchase price;
- b. The Proposed Onaman Purchaser is assuming the existing royalty contract (the “**Onaman Royalty Agreement**”) registered against the property and it is responsible for all cure costs;
- c. The Onaman APA terms related to Environmental Liabilities and the form of the Approval and Vesting Order have been provided to the representatives of HMQ in advance; and
- d. Estimated closing date will follow immediately upon receiving appropriate Consents to transfer permits and mining claims from the Ministry of Energy, Northern Development and Mining following the completion of Approval and Vesting Order and the passage of the appeal periods applicable thereto.

43. Enclosed as **Appendix “G”**, is a copy of the Onaman APA, which has been redacted for financial terms.

44. Enclosed as **Confidential Appendix “A”**, is the unredacted copy of the Onaman APA.

PROPOSED SALE TRANSACTION – CLAVOS APA

45. The Receiver held discussions with Eric Quint on behalf of a corporation to be incorporated under the laws of Ontario and his representatives (“**Quint**” or “**Proposed Clavos Purchaser**”) throughout the SISP. Quint provided the highest value offer on the Clavos Property and the offer is solely comprised of cash (other interested parties had proposed shares). Included in the proposed Clavos transaction is the residential property owned by Sage, which is approximately one (1) km from the site and three (3) early stage exploration properties in Northern Ontario. The following attributes of this transaction support the Receiver’s recommendation for the Court to issue an Approval and Vesting Order:

- a. The Receiver is holding a sufficient deposit of \$100,000, which is non-refundable;
 - b. The Proposed Clavos Purchaser has agreed to fund the Care and Maintenance Program until the transaction is closed. The cash payment on closing will be reduced by up to \$200,000 for validated expenses incurred by the Proposed Clavos Purchaser during this pre-closing period. The Receiver's only obligations during this period are for hydro costs;
 - c. The Proposed Clavos Purchaser will be assuming all royalty agreements specifically listed on the Schedules to the Clavos APA, along with all other royalty agreements to which Clavos Property is subject that create a valid and enforceable interest in land and are valid and enforceable under law;
 - d. The Proposed Clavos Purchaser will also be assuming all commercial agreements specified in the schedules thereto;
 - e. The Clavos APA terms related to Environmental Liabilities and the form of the Approval and Vesting Order have been provided to the representatives of HMQ in advance; and
 - f. The estimated closing date will follow immediately upon receiving appropriate Consents to transfer permits and mining claims from the Ministry of Energy, Northern Development and Mining following the completion of Approval and Vesting Order.
46. The Proposed Clavos Purchaser has agreed to provide funding (in addition to its deposit) in order to engage the previous mine manager Ritchie Services as its agent to continue the Care and Maintenance Program and provide 24-hour security over the site until closing and beyond. The combination of hydro services maintenance on-site and the attendance of the mine staff on-site protects the interests of equipment financing companies with equipment underground and provides monitoring to the site

for safety purposes. All of the foregoing is being done by the Clavos Purchaser in consultation with representatives of the Director.

47. Enclosed as **Appendix “H”**, is a copy of the Clavos APA which has been redacted for financial terms.

48. Enclosed as **Confidential Appendix “B”**, is the unredacted copy of the Clavos APA.

ASSIGNMENT OF AGREEMENTS

49. As noted above, the Clavos Purchaser’s APA contemplates assignment of three commercial contracts.

The Clavos Purchaser has advised that the assignment of commercial contracts connected with the Clavos Property is an important aspect of the proposed Clavos transactions. The Clavos Purchaser has agreed to pay the cure costs in relation to each of the assigned contracts. Following service of the Receiver’s Motion Record, the Receiver will deliver letters to the counterparties to such commercial agreements soliciting consent to assignment before closing of the Clavos Transaction. At the Clavos Purchaser’s request, the Receiver is seeking an order of the court assigning the commercial agreements to be effective in the event that consent to assignment cannot be obtained by the closing date. The Receiver views this request as reasonable in the circumstances as it has been advised by the Clavos Purchaser that it has investors who are prepared to fund the purchase price and all cure costs plus significant operating capital to put the Clavos mine back into operation.

50. The Receiver is strongly of the opinion that completing the Onaman APA and Clavos APA represents the best combination of transactions for the stakeholders of the Company, including that Clavos Property not remain indefinitely abandoned.

51. More particularly, the projected value of the Proposed Transactions have been maximized for the receivership estate. The projected value provides value to address the Receiver’s Charge, the Property

Abandonment Charge and the remaining recovery to the Receiver's Borrowings Charge. The Proposed Transactions provide value for the assumed liabilities and cure costs provide value to the royalty holders and other stakeholders. As mentioned above, executing a transaction for the Clavos Property will avoid its continued abandonment.

RECEIVER'S INTERIM RECEIPTS AND DISBURSEMENTS

52. Attached hereto as **Appendix "T"**, is the Interim Statement of Receipts and Disbursements for the period August 18, 2018 to January 17, 2019 (the "**Interim R&D**"). Excluding deposits by prospective purchasers, as at January 17, 2018, the closing cash balance was approximately \$143,000.

53. The Receiver collected approximately \$58,000 for an HST refund in the week ending January 12, 2019 and it is in the process of funding its commitments for costs incurred to date.

CONCLUSIONS AND RECOMMENDATIONS

54. For the reasons set out above, the Receiver recommends that the Court make Orders in the forms of the proposed Approval and Vesting Orders, approving the Onaman APA and Clavos APA and the Proposed Transactions (including the assignment of relevant contracts, as necessary).

55. In addition, we submit this Third Report to in support of the Receiver's motion to this Court making orders:

- a. approving the Receiver's Interim Statement of Receipts and Disbursements for the period from August 18, 2018 to January 17, 2019;
- b. approving the activities of the Receiver since August 21, 2018;

- c. sealing Confidential Appendices “A” and “B” until the Proposed Transactions are closed, subject to further order of Court;
- d. sealing Confidential Appendix “C” subject to further order of Court; and
- e. providing such other relief that this Honourable Court considers just and warranted in the circumstances.

All of which is respectfully submitted at Toronto, Ontario this 23rd day of January, 2019.

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



Per:

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



Per:

Rob Biehler, CPA, CA, CIRP, LIT
Senior Vice-President