



Form 109 (Rule 22-2(2) and (7))

This is the 1st affidavit  
of Huey Lee in these cases and  
was made on November 25, 2014

Estate No. 11-1904494  
Court No. B141089  
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA  
IN BANKRUPTCY AND INSOLVENCY**

IN THE MATTER OF THE BANKRUPTCY OF  
CRESTON MOLY CORP.

Estate No. 11-1904501  
Court No. B141088  
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA  
IN BANKRUPTCY AND INSOLVENCY**

IN THE MATTER OF THE BANKRUPTCY OF  
MERCATOR MINERALS LTD.

**AFFIDAVIT**

I, Huey Lee, care of 1055 Dunsmuir St, Vancouver, British Columbia, SWEAR  
THAT:

1. I am a senior vice president of Deloitte Restructuring Inc. the trustee in bankruptcy of Creston Moly Corp. and Mercator Minerals Ltd. (in such dual capacities the "Trustee"). I have personal knowledge of the facts and matters set out in this affidavit except where such facts and matters are based on information and belief and where so stated I verily believe them to be true.
2. I have reviewed the books and records of Creston Moly Corp. ("Creston Moly") and Mercator Minerals Ltd. ("Mercator") and from the such review believe that:

- (a) Mercator is a base metals natural resource company registered under the laws of the Province of British Columbia engaged in the mining, development and exploration of its subsidiary-owned mineral properties in the United States of America, Mexico and Canada;
  - (b) Creston Moly is one of several wholly owned subsidiaries of Mercator and is registered under the laws of the Province of British Columbia, Canada;
  - (c) Creston Moly is a holding company which owns a 100% interest in three mining properties via its wholly owned subsidiaries:
    - (i) **El Creston**: a molybdenum/copper exploration and development project located in Sonora, Mexico ("**El Creston**"). The rights to El Creston are owned by a Mexican registered subsidiary Exploraciones Global SA de CV ("**Exploraciones**"), which itself is wholly-owned by an intermediary holding company, Creston Mining Corporation ("**Creston Mining**"). El Creston is the most valuable property owned by Creston Moly;
    - (ii) **Ajax**: an exploration stage molybdenum property located near Alice Arm, British Columbia ("**Ajax**"). Owned indirectly by Creston Moly via its wholly-owned subsidiary Tenajon Resources Corp. ("**Tenajon**"); and
    - (iii) **Molybrook**: an exploration stage molybdenum property located on the south coast of Newfoundland ("**Molybrook**"). Owned indirectly by Creston Moly via its wholly owned subsidiary Tenajon;
  - (d) There are currently no known security interests registered against Creston Moly or its subsidiaries; and
  - (e) Excluding inter-company claims there is only one known unsecured claim against Creston Moly, for \$2,124.
3. On August 26, 2014, Mercator and Creston Moly each filed a Notice of Intention to make a Proposal under Part III, Division I of the *Bankruptcy and Insolvency Act* ("**BIA**").

Deloitte Restructuring Inc. was appointed as the Proposal Trustee. Mercator and Creston Moly (collectively, the “Debtors”) did not make a Proposal to their creditors before the expiry of the statutory period for doing so. Pursuant to Section 50.4(8) of the BIA, the Debtors were deemed to have filed assignments in bankruptcy on September 5, 2014. Deloitte Restructuring Inc. was appointed as trustee in bankruptcy of each of the Debtors by the Official Receiver.

4. Attached as **Exhibit “A”** hereto is a copy of the Trustee’s Preliminary Report regarding Mercator dated September 24, 2014.

5. Attached as **Exhibit “B”** hereto is a copy of the Trustee’s Preliminary Report regarding Creston Moly dated September 24, 2014.

6. The Trustee’s appointments as Trustee were affirmed by the creditors of the Debtors’ on September 25, 2014. On the same date Kibben Jackson and Tamara Howarth were appointed Inspectors of the estate of Mercator. No inspectors were appointed over the estate of Creston Moly.

7. From my review of the books and records of the Debtors I understand that Creston Moly and its subsidiaries were acquired by Mercator in 2011 at a transaction value of approximately \$195 million by way of a plan of arrangement.

8. The Trustee believes that there is some value for the Debtors’ creditors in the shares of or assets in Creston Moly and its subsidiaries although it is not certain how much value.

9. As at October 30, 2014 the estate of Mercator had approximately \$154,000 in cash. Neither the estate of Creston Moly nor its subsidiaries have any material cash balances.

10. Based on the cash flow forecast prepared by Creston Moly, the Trustee estimates that the cost to preserve the Company’s ownership interests in Creston Moly and its subsidiaries and properties, particularly the El Creston Property, from September 1, 2014 to January 5, 2015 will amount to approximately \$84,000 (the “**Preservation Costs**”).

11. As authorized by a resolution of the inspectors of Mercator dated October 30, 2014 the Trustee caused the estate of Mercator to loan funds to the estate of Creston Moly in order to cover the majority of the Preservation Costs.

12. The Trustee needs to complete other work with the estates of the Debtors in order to meet all of its statutory obligations to the Debtors' creditors. In addition to basic administration of the Debtors' estates the Trustee must monitor and address issues arising from Mercator's extensive collection of subsidiaries in addition to Creston Moly. Some of these are also subject to distressed sale processes, such as Mineral Park, Inc., a Delaware company currently in Chapter 11 proceedings in the United States, and Stingray Copper Inc., a Canada company that indirectly owns another development property in Sonora, Mexico known as El Pilar ("El Pilar").

13. After account is taken for the Preservation Costs and the Trustee's administration fees and expenses the Trustee has insufficient funds to commence or continue a sales and marketing process of Creston Moly and its assets absent third party arrangements.

14. Based on information received to date the Trustee estimates that, excluding inter-company claims, the claim of Société Générale ("**SocGen**") and the potential claim of Silver Wheaton (Caymans) Ltd. ("**Silver Wheaton**") are by far the largest unsecured claims against Mercator and currently account for more than 95% of all such claims. The Trustee has sought an indemnity for its fees in running a sales process from SocGen and Silver Wheaton but has been unable to secure their agreement. The Trustee is not willing to bear the risk of running a sales process of the Creston Moly shares or assets without assurance that it will be paid for its efforts in doing so.

15. The Trustee therefore wishes to engage Deloitte Corporate Finance Inc. as its advisor (the "**Financial Advisor**") on terms substantially as set out in the engagement letter attached hereto as **Exhibit "C"** (the "**Engagement Letter**") in order for the Financial Advisor to conduct a sales process to divest Creston Moly via the sale of:

- (a) Mercator's Corporate shares in Creston Moly;

- (b) Creston Moly's corporate shares in its directly and indirectly held wholly owned subsidiaries, namely Creston Mining, Tenajon, and Exploraciones; or
- (c) The assets of Creston's subsidiaries, El Creston, Ajax and Molybrook.

16. The Engagement Letter contemplates that the Financial Advisor's fees shall be payable upon the closing of a divesting transaction. In the Trustee's view the Financial Advisor's fees contemplated by the Engagement Letter are reasonable market rates given the risks to be borne by the Financial Advisor, risks that the Trustee is unwilling to take, and for which it could not secure an indemnity from Silver Wheaton or SocGen.

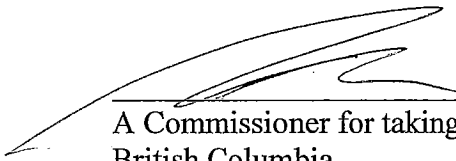
17. In the Trustee's view:

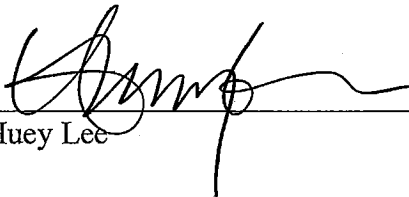
- (a) the Financial Advisor is well-qualified to carry out the engagement and benefits from already being involved in the marketing efforts involving the El Pilar property which are ongoing outside of these proceedings;
- (b) the engagement provides the greatest possibility of selling Creston Moly for the general benefit of the creditors of both Mercator and Creston Moly;
- (c) the Financial Advisor will be assisted by the knowledge and expertise that can be shared due to the Financial Advisor being at the same firm as the Trustee;

18. The Trustee is aware that engaging a division of its own firm raises a potential appearance of a conflict of interest. However, the Trustee believes that the proposed engagement is the best course of action given the unusual situation.

19. Attached hereto as **Exhibit "D"** is an Introduction to Deloitte Corporate Finance that includes the qualifications of the proposed team for the engagement.

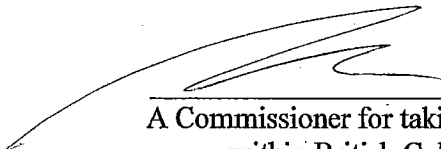
SWORN (OR AFFIRMED) BEFORE ME at )  
Vancouver, British Columbia, on November, )  
25, 2014. )  
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A Commissioner for taking Affidavits in  
British Columbia

  
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Huey Lee

**MELINDA C. MCKIE**  
*A Commissioner for Taking Affidavits  
Within the Province of British Columbia.*  
Suite 2800 - 1055 Dunsmuir Street  
Vancouver, B.C. V7X 1P4  
**Appointment Expires: September 30, 2017**

The attached is **Exhibit "A"**  
referred to in the affidavit  
of Huey Lee sworn before  
me at Vancouver, B.C.,  
this 25 day of November, 2014



A Commissioner for taking Affidavits  
within British Columbia

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

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

**IN THE MATTER OF THE BANKRUPTCY OF**

**Mercator Minerals Ltd.**

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**TRUSTEE'S PRELIMINARY REPORT**

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**September 24, 2014**



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## APPENDICES

- A. Mercator Minerals Ltd. Group Structure Chart
- B. Mercator Minerals Ltd. Statement of Affairs dated September 5, 2014

## GLOSSARY

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

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

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

## **1. Introduction**

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

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

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

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

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

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

## **2. Mercator Overview**

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

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

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

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

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

### **3. Background**

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

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

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

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

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

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

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

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

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

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

#### **4. Conservatory and Protective Measures**

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

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

#### **5. Assets**

##### **i) Cash**

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

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

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

##### **ii) Accounts Receivable**

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

iii) **Office Furniture & Equipment**

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

iv) **Intercompany Balances**

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

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

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

v) **Investments in Subsidiaries**

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

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

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

6. **Creditors**

i) **Secured Creditors**

**RMB Australia Holdings Limited ("RMB")**

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



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

Daselina

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

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

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

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

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

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

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

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

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

Refer to Section 7 for further details on Mercator Barbados.

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

ii) Unsecured Creditors

Société Générale

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

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

Other

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

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

iii) **Provable Claims**

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

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

7. **Subsidiaries**

i) **Creston Moly**

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

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

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

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

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

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

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

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

ii) Stingray

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

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

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

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

iii) **MPI Holdings**

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

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

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

iv) **Mercator Barbados**

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

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

v) **Lodestrike and Bluefish**

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

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

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

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

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

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

vi) **Mercator USA**

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

**8. Anticipated Realization and Projected Distribution**

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

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

**9. Legal Proceedings, Reviewable Transactions and Preference Payments**

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

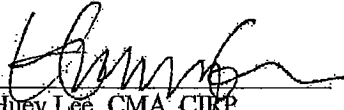
A preliminary review of the Company's books and records has not identified any reviewable transactions or preference payments.

Trustee's Preliminary Report  
Mercator Minerals Ltd.  
Page 16 of 18

Dated at Vancouver, this 24<sup>th</sup> day of September, 2014.

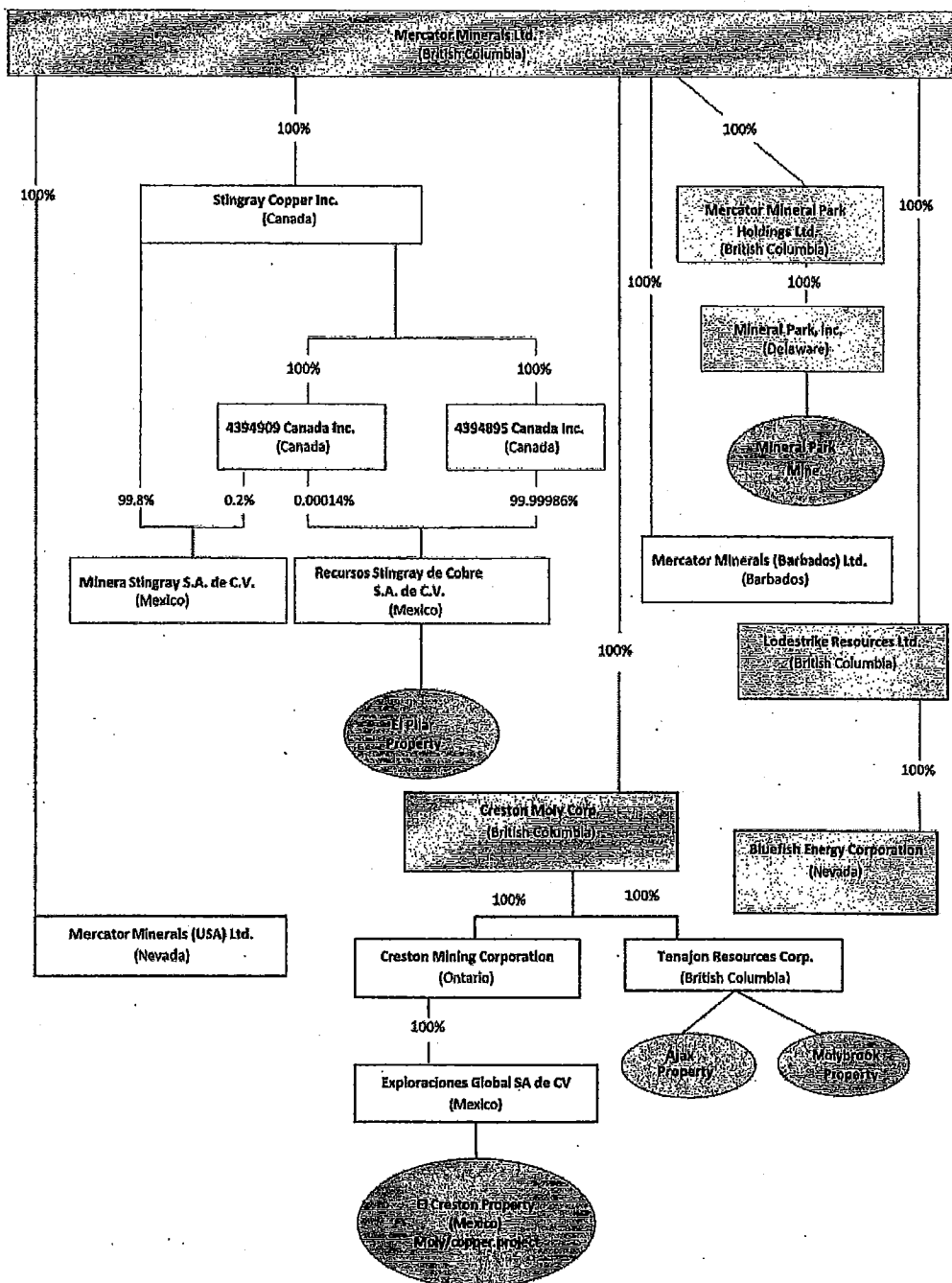
**DELOITTE RESTRUCTURING INC.**

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

Per:   
Huey Lee, CMA, CFP  
Trustee

APPENDIX A

Mercator Minerals Ltd. Group Structure Chart





**APPENDIX B**

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

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

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

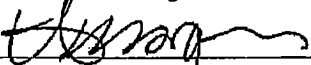
In the matter of the bankruptcy of  
Mercator Minerals Ltd.  
of the City of Vancouver, in the Province of British Columbia

Take notice that:

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

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

Deloitte Restructuring Inc.-- Trustee

  
 2800 - 1055 Dunsmuir Street, PO Box 49279  
 Vancouver BC V7X 1P4  
 Phone: (604) 534-0921 Fax: (604) 534-7429

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District of: British Columbia  
Division No. 03 - Vancouver  
Court No. B-141088  
Estate No. 11-1904601

Original  Amended

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

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

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

LIABILITIES (as stated and estimated by the officer)	
1. Unsecured creditors as per list "A" .....	48,827,277.22
Balance of secured claims as per list "B" .....	32,765,225.24
Total unsecured creditors .....	81,392,502.46
2. Secured creditors as per list "B" .....	311,803.39
3. Preferred creditors as per list "C" .....	0.00
4. Contingent, trust claims or other liabilities as per list "D" estimated to be reclaimable for .....	1.00
Total liabilities .....	81,704,306.85
Surplus .....	NIL

ASSETS (as stated and estimated by the officer)	
1. Inventory .....	0.00
2. Trade fixtures, etc. ....	0.00
3. Accounts receivable and other receivables, as per list "E"	
Good .....	2,539.08
Doubtful .....	85,286.80
Bad .....	0.00
Estimated to produce .....	2,539.08
4. Bills of exchange, promissory note, etc., as per list "F" ....	0.00
5. Deposits in financial institutions .....	0.00
6. Cash .....	239,238.67
7. Livestock .....	0.00
8. Machinery, equipment and plant .....	0.00
9. Real property or immovable as per list "G" .....	0.00
10. Furniture .....	1,000.00
11. RRSPs, RRFs, life insurance, etc. ....	0.00
12. Securities (shares, bonds, debentures, etc.) .....	0.00
13. Interests under wills .....	0.00
14. Vehicles .....	0.00
15. Other property, as per list "H" .....	10.00
If bankrupt is a corporation, add:	
Amount of subscribed capital .....	0.00
Amount paid on capital .....	0.00
Balance subscribed and unpaid .....	0.00
Estimated to produce .....	0.00
Total assets .....	242,786.75
Deficiency .....	81,461,521.10

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

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

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

**MELINDA C. MCKIE**  
A Commissioner for Taking Affidavits  
Within the Province of British Columbia  
Suite 2800, 1085 Dunsmuir Street  
Vancouver, B.C. V7X 1P4  
Appointment Expires: September 30, 2014

Marc S. LeBlanc

Former officer and  
Employee

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

FORM 78 - Continued

List "A"  
Unsecured Creditors

Maneator Minerals Ltd.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
1	Adtel Communications Inc.	#401 - 510 West Hastings Street Vancouver BC V6B 1L6	250.15	0.00	250.15
2	Aurora Resource Group Ltd	#1020 - 800 West Pender Street Vancouver BC V6C 2V6	6,029.09	0.00	6,029.09
3	BDO Canada LLP	600 Cathedral Place, 925 W. Georgia Street Vancouver BC V6C 3L2	24,901.71	0.00	24,901.71
4	Bell Canada	Floor 2 - 5115 Creekside Road Mississauga ON L4W 5R1	2,869.67	0.00	2,869.67
5	Bell Conferencing Inc.	5099 Creekside Road B4 Mississauga ON L4W 5N3	872.29	0.00	872.29
6	Bigdough	PO Box 26886 New York NY 10087 United States	4,083.75	0.00	4,083.75
7	Blake, Cassels & Graydon LLP - Vancouver	2800 - 595 Burrard Street, PO Box 49314, Three Bentall Centre Vancouver BC V7X 1L3	50,080.64	0.00	50,080.64
8	Broadridge	PO Box 57461 Toronto ON M5W 5M5	49.21	0.00	49.21
9	Bruce McLeod	[REDACTED]	761,861.59	0.00	761,861.59
10	CML Professional Accounting Corporation	1040 Westmount Drive Port Moody BC V3H 1K9	3,203.37	0.00	3,203.37
11	Computershare	11th Floor, 100 University Avenue Toronto ON M5J 2Y1	1,698.35	0.00	1,698.35
12	Creston Moly Corp.	10th Floor, 595 Howe Street Vancouver BC V6C 2T5	1,512,252.31	0.00	1,512,252.31
13	Cutfield Freeman & Co Ltd	Royal Bank Plaza 200 Bay Street Suite 1650, North Tower PO Box 72 Toronto ON M5J 2J2	136,126.09	0.00	136,126.09
14	Daniel Tellechea	[REDACTED]	70,890.78	0.00	70,890.78
15	David Jan	[REDACTED]	225,000.00	0.00	225,000.00
16	David Visagie	[REDACTED]	164,775.00	0.00	164,775.00
17	Deborah Williams	[REDACTED]	4,135.85	0.00	4,135.85
18	Dorsey & Whitney LLP	PO Box 1680 Minneapolis MN 55400-1680 United States	11,103.68	0.00	11,103.68
19	DuMoulin Black LLP	10th Floor, 595 Howe Street Vancouver BC V6C 2T5	324,135.60	0.00	324,135.60
20	Elaine Shum	[REDACTED]	1,692.31	0.00	1,692.31
21	Federal Express Canada Ltd.	PO Box 4628 Toronto ON M5W 5B4	205.73	0.00	205.73
22	Herbert Smith Freehills	38/250 St Georges Terrace Perth, 6000 WA Australia	1,093.36	0.00	1,093.36
23	International Northair Mines Ltd.	Suite 860 - 625 Howe Street Vancouver BC V6C 2T6	3,651.75	0.00	3,651.75

10-Sep-2014

Date

Marc S. LeBlanc

Former officer & Employee

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

FORM 70 - Continued


List "A"  
Unsecured Creditors

Mercator Minerals Ltd.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
24	John H. Bowles	[REDACTED]	87,482.53	0.00	87,482.53
25	K&H Dispatch Couriers	165 - 8260 Grayber Rd Richmond BC V6W 1H6	38.99	0.00	38.99
26	KPMG LLP	PO Box 4340, Station A Toronto ON M5W 7A8	220,587.54	0.00	220,587.54
27	Landsberg and Associates	5550 Canoga Ave, Suite 605, Woodland Hills CA 91367 USA	18,023.09	0.00	18,023.09
28	Madill Office Company	PO Box 1240 Ladysmith BC V8G 1A8	515.88	0.00	515.88
29	Marc LeBlanc	[REDACTED]	369,666.67	0.00	369,666.67
30	Mark Oslter	[REDACTED]	390,750.00	0.00	390,750.00
31	Marketwire LP	26 York Street, Suite 900, PO Box 403 Toronto ON M5J 2V5	8,840.09	0.00	8,840.09
32	McLennan Ross	#1001 Precambrian Bldg, 4920 - 82 Street Yellowknife NT X1A 3T1	364.16	0.00	364.16
33	Mercator Minerals (Barbados) Ltd.	C/o Melanie Jones Working Corporate Centre Working, Christ Church 15008 Barbados	42,522,789.17	0.00	42,522,789.17
34	Michael Broch	[REDACTED]	280,150.00	0.00	280,150.00
35	Miller Thomson LLP	1000-840 Howe Street Vancouver BC V6Z 2M1	2,160.80	0.00	2,160.80
36	Pinney Bowes	PO Box 278 Orangeville ON L9W 2Z7	187.93	0.00	187.93
37	RMB Australia Holdings Ltd	c/o Sean Collins, Meritry Telport Suite 1300, 777 Dunsmuir St PO Box 10424, Pacific Centre Vancouver BC V7Y1K2	0.00	32,785,225.24	32,785,225.24
38	Robert J. Quinn	[REDACTED]	139,711.82	0.00	139,711.82
39	Rogers Wireless*	PO Box 8878 Sin Terminal Vancouver BC V6B 0H6	1,200.98	0.00	1,200.98
40	Roman Friedrich	[REDACTED]	55,891.15	0.00	55,891.15
41	Ron Vankoughnett	[REDACTED]	122,788.33	0.00	122,788.33
42	Salans FMC SNR Denton Europe	Suite 1000, 2101 L Street, N.W. Washington DC 20037 United States	22,710.39	0.00	22,710.39
43	Shaw Business	100 - 3636 23rd Street NE Calgary AB T2E 8Z5	1,084.34	0.00	1,084.34
44	Shaw Cable	PO Box 2468 Sin Main Calgary AB T2P 4Y2	164.43	0.00	164.43
45	Shred-It International Inc.	Unit 300 - 1050 Biganline Drive Coquitlam BC V3K 7B5	135.72	0.00	135.72

10-Sep-2014

Date

  
 Marc S. LeBlanc  
 Former Officer &  
 Employee

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

FORM 78 -- Continued

List "A"  
Unsecured Creditors

Mercator Minerals Ltd.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
46	SITek	10280 Algonquin Drive Richmond BC V7A 3A4	286.53	0.00	286.53
47	St. Bernadine Mission Communications Inc.	Main Floor, 228 E. Georgia St. Vancouver BC V6A 1Z7	631.59	0.00	631.59
48	Steelhead Business Products	5589 Regent Street Burnaby BC V5B 4R6	2,677.84	0.00	2,677.84
49	Stephen Quin (CAD)	[REDACTED]	70,396.12	0.00	70,396.12
50	Silkeman Elliott LLP	5300 Commerce Court West, 188 Bay Street Toronto ON M5L 1B9	974,708.69	0.00	974,708.69
51	Tapia, Robles, Cabrera y Moreno	Miguel Hidalgo 64, 83280 Hemisillo Sonora Mexico	3,868.64	0.00	3,868.64
52	Tenajon Resources Corp.	C/o Dumoulin 10th Floor, 596 Howe Street Vancouver BC V6C 2T5	8,248.83	0.00	8,248.83
53	Van Houllie Coffee Services Inc.	9 Barbidge Street, Unit 120 Coquitlam BC V3K 7B2	254.68	0.00	254.68
Total:			48,627,271.22	32,765,225.24	81,392,502.46

10-Sep-2014

Date

  
Marc S. LeBlanc

Former Officer &  
Employee

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

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FORM 78 - Continued

List "B"  
 Secured Creditors

Mercator Minerals Ltd.

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

10-Sep-2014

Date

  
 Marc S. LeBlanc

Partner Officer &  
 Employee

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

FORM 78 - Continued

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

Mercator Minerals Ltd.

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

10-Sep-2014

Date



Marc S. LeBlanc

Former officer & employee.



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

FORM 78 - Continued

List "D"  
Contingent or Other Liabilities

Mercator Minerals Ltd.

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

Note:

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

10-Sep-2014

Date



Marc S. LeBlanc

Former officer &  
Employee

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


FORM 78 - Continued

List "E"  
Debts Due to the Bankrupt

Mercator Minerals Ltd.

No.	Name of debtor	Address and occupation	Nature of debt	Amount of debt (good, doubtful, bad)	Folio of ledgers or other book where particulars to be found	When contracted	Estimated to produce	Particulars of any securities held for debt
1	Accounts Receivable from Tenants	1050 - 425 Howe Street Vancouver BC V6C 2T6	Tenant receivables	2,539.08 0.00 0.00		05-Sep-2014	2,539.08	Nil
2	Accounts Receivable GST	1166 W Pender Street Vancouver BC V8E 3H8	GST accrued	0.00 85,286.80 0.00		05-Sep-2014	0.00	nil
Total:				2,539.08 85,286.80 0.00			2,539.08	

10-Sep-2014  
Date

  
Marc S. LeBlanc  
Former Officer &  
Employee

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

FORM 78 - Continued


List "F"

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

Mercator Minerals Ltd.

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

10-Sep-2014  
Date

  
Marc S. LeBlanc  
Former officer &  
Employee

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

FORM 78 - Continued

List "G"  
Real Property or Immovables Owned by Bankrupt

Mercator Minerals Ltd.

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

10-Sep-2014

Date

  
Marco S. LeBlanc

Former officer &  
Employee

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

FORM 78 - Concluded

List "H"  
 Property

Mercator Minerals Ltd.

FULL STATEMENT OF PROPERTY

Nature of property	Location	Details of property	Original cost	Estimated to produce
(a) Stock-in-trade			0.00	0.00
(b) Trade fixtures, etc.			0.00	0.00
(c) Cash in financial institutions			0.00	0.00
(d) Cash on hand			239,236.67	239,236.67
(e) Livestock			0.00	0.00
(f) Machinery, equipment and plant			0.00	0.00
(g) Furniture		Office furniture & equipment	4,381.77	1,000.00
(h) Life insurance policies, RRSPs, etc.			0.00	0.00
(i) Securities			0.00	0.00
(j) Interests under wills, etc.			0.00	0.00
(k) Vehicles			0.00	0.00
(l) Taxes			0.00	0.00
(m) Other		Intercompany due from Mercator Mineral Park Holdings Ltd.	67,700,318.00	1.00
		Intercompany due from Bluefish Energy Corporation	1,472,420.67	1.00
		Intercompany due from Minera Singray SA de CV	311,801.39	1.00
		Investment in Mercator Mineral Park Holdings Ltd.	158,005,617.00	1.00
		Investment - Lodestrike Resources Ltd.	2,031.00	1.00
		Investment in Singray Copper Inc.	2,542,007.00	1.00
		Investment in Bluefish Energy Corporation	384,012.00	1.00
		Intercompany due from Mercator Minerals (USA) Ltd.	5,809,978.87	1.00
		Intercompany due from Recursos Singray de Cobre SA de CV	2,711,090.45	1.00
		Intercompany due from Exploraciones Global SA de CV	2,540,710.00	1.00
			Total:	240,246.67

Note:

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

10-Sep-2014

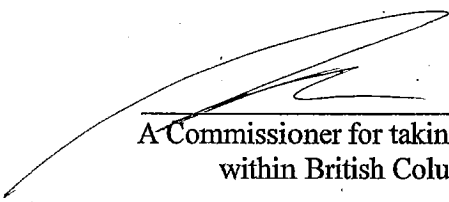
Date



Marc S. Letlanc

Former officer & Employee

The attached is **Exhibit "B"**  
referred to in the affidavit  
of Huey Lee sworn before  
me at Vancouver, B.C.,  
this 25 day of November, 2014



---

A Commissioner for taking Affidavits  
within British Columbia

District of British Columbia  
Division No. 03 - Vancouver  
Estate No. 11- 1904494  
Court No. B-141089

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

**IN THE MATTER OF THE BANKRUPTCY OF**

**Creston Moly Corp.**

---

**TRUSTEE'S PRELIMINARY REPORT**

---

**September 24, 2014**

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8. Anticipated Realization and Projected Distribution .....	9

## APPENDICES

- A. Mercator Minerals Ltd. Group Structure Chart
- B. Creston Moly Corp.'s Statement of Affairs dated September 5, 2014

## GLOSSARY

Ajax	An exploration stage molybdenum property located near Alice Arm, British Columbia
BIA	<i>Bankruptcy and Insolvency Act</i>
Bridge Loan	US\$15 million bridge loan advanced by Daselina to MPI
Company / Creston Moly	Creston Moly Corp.
Creston Moly Assets	Properties owned indirectly by Creston Moly: El Creston, Molybrook and Ajax
Daselina	Daselina Investments Ltd.
Debtors	Collectively, Mercator and Creston Moly
Deloitte/Trustee	Deloitte Restructuring Inc.
Ejido	Village disputing surface land ownership with Exploraciones regarding El Creston property
El Creston	A molybdenum/copper exploration and development project located in Sonora, Mexico
Exploraciones	Exploraciones Global SA de CV



FAS	Russian Federal Antimonopoly Services
Intergeo	Intergeo MMC Ltd.
Mercator	Mercator Minerals Ltd.
Mineral Park	A large tonnage, long life, producing copper/molybdenum mine located near Kingman, Arizona
Molybrook	An exploration stage molybdenum property located on the south coast of Newfoundland
MPI	Mineral Park Inc.
MPI Lenders	Collectively, Société Générale (the administrative agent), WestLB AG, Credit Suisse and Barclays Capital
NOI	Notice of Intention
Report	Trustee's Preliminary Report
RMB	RMB Australia Holdings Limited
RMB Facility	US\$30 million corporate debt facility provided by RMB to Mercator on December 20, 2012
SoA	Form 78 - Statement of Affairs, as prescribed under the BIA
SocGen Facility	Syndicated senior credit facility provided by the MPI Lenders to MPI in the amount of approximately USD\$103 million
SocGen Guarantee	Unsecured parent guarantee agreement dated October 23, 2012 under which Mercator guaranteed all the obligations of MPI to the MPI Lenders in certain circumstances
Tenajon	Tenajon Resources Corp.

## 1. Introduction

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

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

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

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

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

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

## 2. Creston Moly Overview

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

Creston Moly is a holding company which owns a 100% interest in three mining properties via its wholly owned subsidiaries:

- El Creston: a molybdenum/copper exploration and development project located in Sonora, Mexico ("El Creston"). The rights to El Creston are owned by a Mexican registered subsidiary Exploraciones Global SA de CV ("Exploraciones"), which itself is wholly-owned by an intermediary holding company, Creston Mining Corporation ("Creston Mining").

- Ajax: an exploration stage molybdenum property located near Alice Arm, British Columbia ("Ajax"). Owned indirectly by Creston Moly via its wholly-owned subsidiary Tenajon Resources Corp. ("Tenajon").
- Molybrook: an exploration stage molybdenum property located on the south coast of Newfoundland ("Molybrook"). Owned indirectly by Creston Moly via its wholly-owned subsidiary Tenajon.

Creston Moly was acquired by Mercator in June 2011 via a plan of arrangement for a combination of shares in Mercator and cash, which valued Creston Moly at approximately \$195 million at the time of the transaction. Mercator's investment in Creston Moly has since been written down to nil in Mercator's financial statements.

Mercator was publicly traded on the Toronto Stock Exchange (TSX:ML). Trading in Mercator's shares was suspended on August 26, 2014 as a result of the NOI proceedings. Creston Moly was managed from Mercator's head office located in Vancouver, British Columbia. Creston Moly did not have any employees at the time of the assignment in bankruptcy.

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

We understand that Tenajon, the wholly-owned subsidiary of Creston Moly and the entity that holds the rights to Ajax and Molybrook has no operations or employees.

### **3. Background**

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

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

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

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

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

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

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

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

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

recapitalize Mercator which would allow the Debtors to make a viable Proposal to its creditors would be achieved.

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

#### **4. Conservatory and Protective Measures**

On September 5, 2014, the Trustee met with the former Corporate Secretary and Officer, Marc LeBlanc and the former CEO and Officer, Bruce McLeod at Mercator's office located at 1050 – 625 Howe Street, Vancouver, British Columbia. The Trustee took possession of the Company's books and records and was advised that, as a holding company, Creston Moly did not have any tangible assets other than its equity interests in Tenajon and Creston Mining.

The Trustee has engaged the services of the Company's former Exploration Manager to review, collate and secure the soft and hard copy records relating to El Creston, Ajax and Molybrook which will be required for undertaking a sale process (refer to Section 5(iii) for further details). The Trustee has also engaged the services of the Company's former Corporate Secretary to assist in the process of providing the relevant information required for the Trustee to assess the Company's assets and liabilities and the operations of its indirectly owned subsidiary, Exploraciones.

#### **5. Assets**

##### **i) Cash**

The Company had no cash balances as the date of the Trustee's appointment. The Trustee received a fee retainer for acting in the Creston Moly NOI and bankruptcy proceedings in the amount of \$40,000. These monies were provided by Mercator during the NOI proceedings.

##### **ii) Intercompany Balances**

Creston Moly's books indicate that it has the following intercompany balances owing to the Company, totaling \$25.4 million:

- Mercator \$1.3 million;
- Exploraciones \$23.7 million; and
- Creston Mining \$0.4 million.

The Company has estimated the net realizable value of these intercompany receivable balances in its Statement of Affairs ("SoA") at nil due to the uncertainty of the

outcome of the Mercator bankruptcy proceedings and since both Exploraciones and Creston Mining have no significant tangible assets other than their direct and indirect interests in El Creston (refer to Section 5(ii) for the Company's valuation of its equity interest in Creston Mining).

The Company's SoA is attached as Appendix B.

iii) **Investments in Subsidiaries**

Creston Moly's books indicate that it has the following investments in subsidiaries, totaling \$53.3 million:

- Tenajon \$17.9 million (owner of Ajax and Molybrook); and
- Creston Mining \$35.3 million (indirect owner of El Creston).

The Company has estimated the net realizable value of its equity interest in Tenajon at \$1.0 million, and in Creston Mining at \$3.0 million. The Trustee cautions that any realizable value will be dependent on the impact of the litigation outlined in Section 7 and the ability to continue to fund Exploraciones through a sale process. The Trustee intends to carry out a cost/benefit analysis of maintaining the Exploraciones entity and El Creston asset. It is also the intention of the Trustee to seek the approval of creditors to initiate a sale process to solicit interest in the Creston Moly Assets.

6. **Creditors**

i) **Secured Creditors**

The Trustee is not currently aware of any security interests attaching to Creston Moly, its subsidiaries or assets.

ii) **Unsecured Creditors**

Creston Moly has listed three unsecured creditors in its SoA:

- Tenajon \$2.9 million;
- Miller Thompson \$1,000; and
- Sattva Capital Corporation \$200,000.

iii) **Provable Claims**

At the time of finalizing this report, proofs of claims have been filed by Tenajon in the amount of \$2.9 million and Miller Thompson in the amount of \$2,124.

## **7. Legal Proceedings, Reviewable Transactions and Preference Payments**

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

- *Severance payment dispute*: In February 2014, Exploraciones was served in Mexico with a claim in the Mexican labour courts by the former Mexico country manager in respect of payments due for change of control provisions. The former country manager tendered his letter of resignation on November 1, 2013, with an effective date of December 31, 2013. Exploraciones engaged legal counsel to defend this matter. A hearing was scheduled to be held in August 2014, which has not yet occurred.
- *Surface land ownership dispute*: In November 2011 and February 2012, Exploraciones was served in connection with two lawsuits filed in Mexican Agrarian Court by certain members of the Ejido (village) that previously owned the surface land in question. These lawsuits seek to nullify the surface ownership right transfers of two parcels of land, Parcels 38 and 39, which transfers were originally negotiated by Exploraciones and the Ejido in 2007, and legally and finally effectuated and registered in March of 2011. The suits claim that the Notices of Intent to sell the surface land ownership rights to Exploraciones were not properly given. These Notices of Intent implement a right of first refusal process that is required under Mexican law to allow certain parties (to whom the Agrarian Law affords such right of first refusal) an opportunity to purchase the parcels for the same price and on the same terms being offered by the intended purchaser. The hearings and litigation in relation to this dispute is ongoing.

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

## **8. Anticipated Realization and Projected Distribution**

The level of realizations available to the unsecured creditors of Creston Moly is as yet unknown, and will depend primarily on the level of interest expressed by potential interested parties and the outcome of any sale of the Creston Moly Assets. The Trustee intends to commence a sale process of the Creston Moly Assets as soon as possible.

Trustee's Preliminary Report  
Creston Moly Corp.  
Page 10 of 12

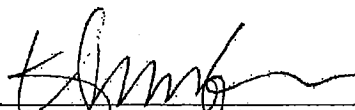
42

Dated at Vancouver, this 24<sup>th</sup> day of September, 2014.

**DELOITTE RESTRUCTURING INC.**

In its capacity as Trustee in Bankruptcy  
of Creston Moly Corp.  
and not in its personal capacity.

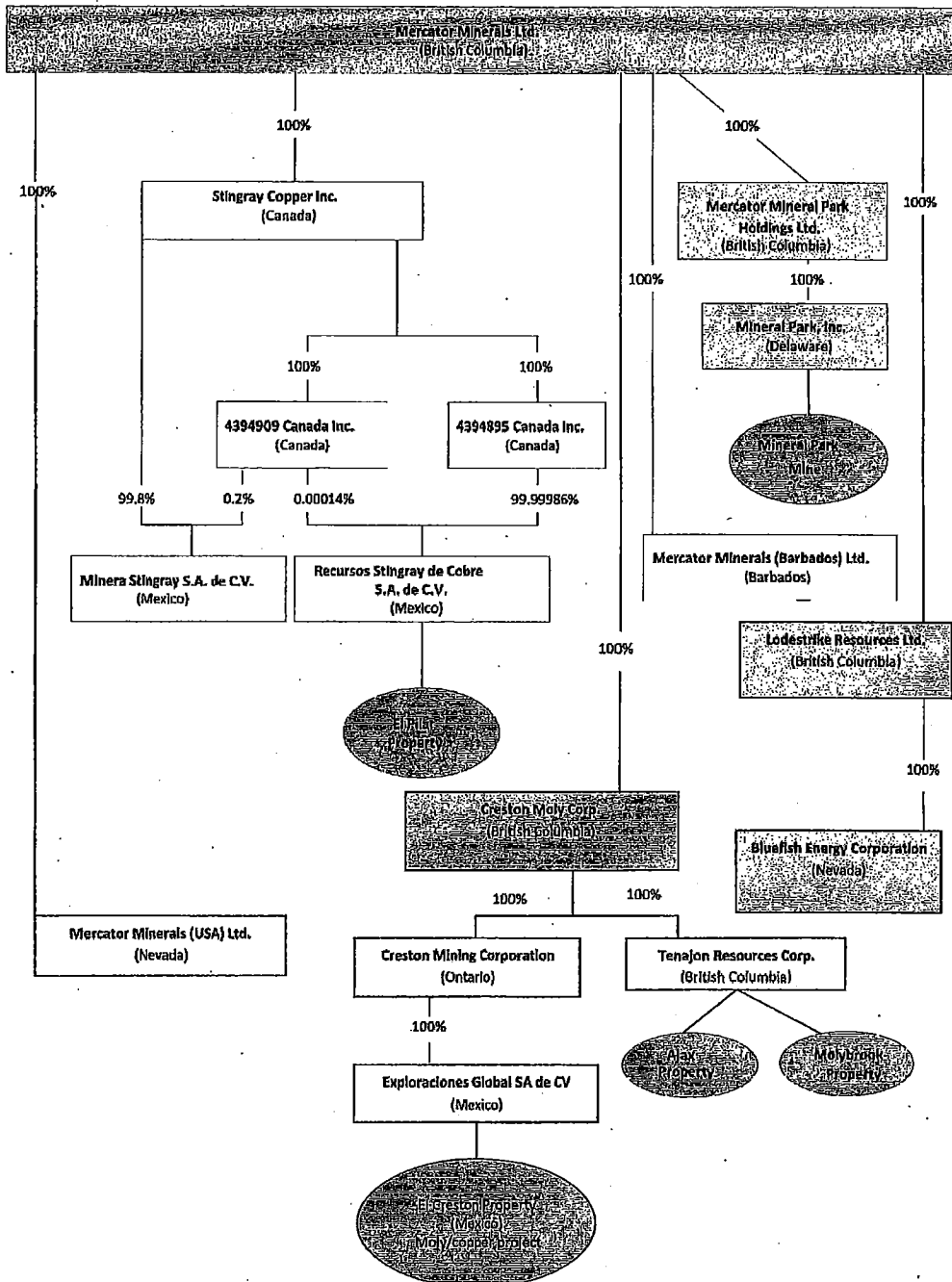
Per:

  
\_\_\_\_\_  
Huey Lee, CMA, CIRP  
Trustee



APPENDIX A

Mercator Minerals Ltd. Group Structure Chart



Trustee's Preliminary Report  
Creston Moly Corp.  
Page 12 of 12

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**APPENDIX B**

**Creston Moly Corp.'s Statement of Affairs dated September 5, 2014**

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District of: British Columbia  
Division No. 03 - Vancouver  
Court No. B-141089  
Estate No. 11-1904494

Original  Amended

Form 78  
Statement of Affairs (Business Bankruptcy) made by an entity  
(Subsection 49(2) and Paragraph 158(d) of the Act/ Subsections 50(2) and 62(1) of the Act)  
In the matter of the bankruptcy of  
Creston Moly Corp.  
of the City of Vancouver, in the Province of British Columbia

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

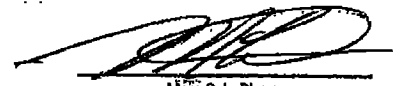
LIABILITIES (as stated and estimated by the officer)	
1. Unsecured creditors as per list "A" .....	3,108,031.00
Balance of secured claims as per list "B" .....	0.00
Total unsecured creditors .....	3,108,031.00
2. Secured creditors as per list "B" .....	0.00
3. Preferred creditors as per list "C" .....	0.00
4. Contingent, trust claims or other liabilities as per list "D" .....	0.00
estimated to be reclaimable for .....	
Total liabilities .....	3,108,031.00
Surplus .....	891,969.00

ASSETS (as stated and estimated by the officer)	
1. Inventory .....	0.00
2. Trade fixtures, etc. ....	0.00
3. Accounts receivable and other receivables, as per list "E"	
Good .....	0.00
Doubtful .....	0.00
Bad .....	0.00
Estimated to produce .....	0.00
4. Bills of exchange, promissory note, etc., as per list "F" .....	0.00
5. Deposits in financial institutions .....	0.00
6. Cash .....	0.00
7. Livestock .....	0.00
8. Machinery, equipment and plant .....	0.00
9. Real property or immovable as per list "G" .....	0.00
10. Furniture .....	0.00
11. RRSFs, RRIFs, life insurance, etc. ....	0.00
12. Securities (shares, bonds, debentures, etc.) .....	0.00
13. Interests under wills .....	0.00
14. Vehicles .....	0.00
15. Other property, as per list "H" .....	4,000,000.00
If bankrupt is a corporation, add:	
Amount of subscribed capital .....	0.00
Amount paid on capital .....	0.00
Balance subscribed and unpaid .....	0.00
Estimated to produce .....	0.00
Total assets .....	4,000,000.00
Deficiency .....	NIL

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

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

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

  
Marc S. LeBlanc  
Former Director  
officer and employee

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

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District of: British Columbia  
Division No. 03 - Vancouver  
Court No. B-141089  
Estate No. 11-1904494

FORM 78 - Continued

List "A"  
Unsecured Creditors

Craston Moly Corp.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
1	Miller Thompson	c/o David Mitchell Robson Court, 1000-840 Howe Street Vancouver BC V6Z 2S9	1,000.00	0.00	1,000.00
2	Sattva Capital Corporation	1155 Pender St W #708 Vancouver BC V6E 2P4	200,000.00	0.00	200,000.00
3	Tenajon Resources Corp.	c/o Dumoulin 10th Floor, 595 Howe Street Vancouver BC V6C 2T6	2,907,031.00	0.00	2,907,031.00
Total:			3,108,031.00	0.00	3,108,031.00

10-Sep-2014

Date



Marc S. LeBlanc

Former Director, officer  
& employee

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District of: British Columbia  
Division No. 03 - Vancouver  
Court No. B-141089  
Estate No. 11-1904494

FORM 78 -- Continued


List "B"  
Secured Creditors

Creston Moly Corp.

No.	Name of creditor	Address	Amount of claim	Particulars of security	When given	Estimated value of security	Estimated surplus from security	Balance of claim
			Total			0.00	0.00	0.00

10-Sep-2014

Date



Marc S. LeBlanc

Former Director, officer  
& employee

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District of: British Columbia  
Division No. 03 - Vancouver  
Court No. B-141089  
Estate No. 11-1904494

FORM 78 - Continued

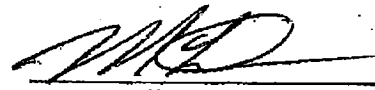
List "C"  
Preferred Creditors for Wages, Rent, etc.

Creston Moly Corp.

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

10-Sep-2014

Date



Marc S. LeBlanc

Former Director, Officer  
& Employee

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District of: British Columbia  
Division No. 03 - Vancouver  
Court No. B-141089  
Estate No. 11-1904494

FORM 78 - Continued

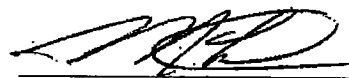
List "D"  
Contingent or Other Liabilities

Creston Moly Corp.

No.	Name of creditor or claimant	Address and occupation	Amount of liability or claim	Amount expected to rank for dividend	Date when liability incurred	Nature of liability
			Total	0.00	0.00	

10-Sep-2014

Date



Marc S. LeBlanc

Former Director, officer  
& Employee

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District of: British Columbia  
Division No. 03 - Vancouver  
Court No. B-141089  
Estate No. 11-1904494

FORM 78 - Continued

List "E"  
Debts Due to the Bankrupt

Creston Moly Corp.

No.	Name of debtor	Address and occupation	Nature of debt	Amount of debt (good, doubtful, bad)	Folio of ledgers or other book where particulars to be found	When contracted	Estimated to produce	Particulars of any securities held for debt
				0.00				
			Total	0.00			0.00	
				0.00				

10-Sep-2014

Date



Marc S. LeBlanc

Former Director, officer  
& Employee.



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District of: British Columbia  
Division No. 03 - Vancouver  
Court No. B-141089  
Estate No. 11-1904494

FORM 78 - Continued

List "F"

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

Creston-Moly Corp.

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

10-Sep-2014

Date



Marc S. LeBlanc

Former Director, officer  
& Employee

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District of: British Columbia  
Division No. 03 - Vancouver  
Court No. B-141089  
Estate No. 11-1904494

FORM 78 - Continued

List "G"  
Real Property or Immovables Owned by Bankrupt

Creston Moly Corp.

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

10-Sep-2014

Date



Marc S. LeBlanc

Former Director, officer  
& Employee

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District of: British Columbia  
Division No. 03 - Vancouver  
Court No. B-141089  
Estate No. 11-1904494

FORM 78 - Concluded

List "H"  
Property

Creston Moly Corp.

FULL STATEMENT OF PROPERTY

Nature of property	Location	Details of property	Original cost	Estimated to produce
(a) Stock-in-trade			0.00	0.00
(b) Trade fixtures, etc.			0.00	0.00
(c) Cash in financial institutions			0.00	0.00
(d) Cash on hand			0.00	0.00
(e) Livestock			0.00	0.00
(f) Machinery, equipment and plant			0.00	0.00
(g) Furniture			0.00	0.00
(h) Life insurance policies, RRSPs, etc.			0.00	0.00
(i) Securities			0.00	0.00
(j) Interests under wills, etc.			0.00	0.00
(k) Vehicles			0.00	0.00
(l) Taxes			0.00	0.00
(m) Other		Intercompany due from Exploraciones Global SA de CV	23,717,272.00	0.00
		Intercompany due from Mercator Minerals Ltd.	1,265,463.00	0.00
		Investment in Tenajon Resources Corp.	17,939,372.00	1,000,000.00
		Investment in Creston Mining Corporation	35,348,682.00	3,000,000.00
		Intercompany due from Creston Mining Corporation	419,744.26	0.00
			<b>Total:</b>	<b>4,000,000.00</b>

10-Sep-2014

Date

Marc S. LeBlanc

Former Director, Officer & Employee

54

The attached is Exhibit "C"  
referred to in the affidavit  
of Huey Lee sworn before  
me at Vancouver, B.C.,  
this 25 day of November, 2014



A Commissioner for taking Affidavits  
within British Columbia

55

**Deloitte.**

Deloitte Corporate Finance Inc.  
2800 - 1055 Dunsmuir Street  
4 Bentall Centre  
P.O. Box 49279  
Vancouver BC V7X 1P4  
Canada

Tel: 604-669-4466  
Fax: 604-602-1583  
www.deloitte.ca

November 17, 2014

**Private and Confidential**

Deloitte Restructuring Inc.  
2800 - 1055 Dunsmuir Street  
4 Bentall Centre  
Vancouver, BC V7X 1P4

**Attention: Huey Lee, Senior Vice President**

**Subject: Creston Moly Corp., in bankruptcy**

Dear Sir:

The purpose of this letter is to confirm the appointment of Deloitte Corporate Finance Inc. ("**Financial Advisor**" or "**Deloitte**") as financial advisor to Deloitte Restructuring Inc. in its capacity as trustee in bankruptcy of Mercator Minerals Ltd. and Creston Moly Corp. (the "**Trustee**"). The Financial Advisor will conduct a sales process to divest Creston Moly Corp. ("**Creston**"), a wholly-owned subsidiary of Mercator Minerals Ltd. ("**Mercator**"), via the sale of either:

- (a) Mercator's corporate shares in Creston; or
- (b) Creston's corporate shares in its directly and indirectly held wholly owned subsidiaries, namely Creston Mining Corporation, Tenajon Resources Corp. and Exploraciones Global SA de CV; or
- (c) The assets of Creston's subsidiaries, namely the El Creston deposit located in Sonora, Mexico; the Ajax deposit located in British Columbia, Canada; and the Molybrook deposit located in Newfoundland, Canada.

Such sale may occur on a solicited or unsolicited basis, or by way of an amalgamation, arrangement, merger or other business combination transaction involving Creston and a third party to effect any such sale or disposition by Creston (individually or collectively, a "**Transaction**"). This letter of engagement is subject to Court approval.

This letter confirms our mutual understanding and agreement regarding the terms and scope of our engagement to render financial advisory services to the Trustee in connection with a Transaction. This letter agreement constitutes the entire agreement of the parties pertaining to a Transaction and supersedes all prior communications, understandings and agreements relating to the subject matter hereof.

### 1. Appointment and Engagement

By its acceptance of this letter, the Trustee hereby appoints Financial Advisor, and we agree to act, as financial advisor to the Trustee in respect of the Transaction.

This engagement of Financial Advisor shall be for a period of six months (the "Initial Term") and commences on the date hereof unless extended by the mutual agreement of the Trustee and Financial Advisor, or unless earlier terminated by Financial Advisor or the Trustee upon giving 30 days' written notice to that effect to the other party.

### 2. Services to be Rendered by Financial Advisor

Financial Advisor shall perform such advisory services of a strategic and financial nature as are required by and/or reasonably requested by the Trustee including the following:

- (a) Review and analyze public and confidential financial and technical information, management prepared and third party studies and forecasts relating to Creston;
- (b) Undertake the necessary activities to prepare Creston for marketing and prepare a list of prospective buyers;
- (c) In consultation with the Trustee, assist in preparing a marketing document and engage with prospective buyers in a dialogue to solicit feedback and determine the level of interest in consummating a Transaction;
- (d) Assist in all negotiations in respect of any Transaction including the provision of advice as to the form, structure, terms and price of a Transaction with a view to maximizing value for the bankruptcy estate of Mercator Minerals Ltd. and Creston Moly Corp (the "Estates");
- (e) Assist in the preparation of materials pertaining to a Transaction;
- (f) In the event of alternative proposals, assist in the detailed assessment of such proposals, the financial qualifications of potential purchasers and, if applicable, the negotiation of alternative transactions to the Transaction;
- (g) Assist in due diligence matters, along with the Trustee and its other advisors; and
- (h) Generally assist in the execution of an overall process that seeks to maximize realizations for the Estates.

The engagement of Financial Advisor to perform any additional services in respect of the Transactions and not otherwise covered by the terms of this letter shall be set forth in, and subject to the terms and conditions of, a separate or amending letter agreement and the fees for such services, including but not limited to detailed assessment of tax structuring related items, will be negotiated separately and in good faith.

**3. Disclosure of our Advice and this Engagement**

The Trustee acknowledges that all oral or written opinions, advice and materials provided by Financial Advisor to the Trustee in connection with Financial Advisor's engagement hereunder are intended solely for the benefit and internal use of the Trustee and the Trustee agrees that no such opinion, advice or material shall be used for any other purpose or publicly reproduced, disseminated, quoted from or referred to at any time, in any manner or for any purpose, nor shall any public references to Financial Advisor or this engagement be made by the Trustee (or such persons), without our prior written consent in each specific instance; provided, however, that the foregoing shall not prevent the Trustee from making such disclosure which, in the judgment of the Trustee, is required under applicable securities laws or the *Bankruptcy and Insolvency Act, Canada* ("BIA") or policy statements or stock exchange rules and provided in any event to the extent permitted thereunder that Financial Advisor is given a reasonable opportunity to review and comment thereon prior to any such disclosure being made.

Notwithstanding the foregoing, Financial Advisor consents to the disclosure of the terms of engagement of Financial Advisor and the services provided by Financial Advisor under this letter agreement in any take-over bid circular, directors' circular, management proxy circular or other disclosure document (each a "Disclosure Document") prepared by the Trustee or any other parties to the Transaction and mailed to shareholders of the Mercator Minerals Ltd. or the shareholders of any other parties to the Transaction from time to time in connection with a Transaction. Financial Advisor also understands that it will be necessary to share some opinions, advice and materials provided by Financial Advisor to the Trustee with the Inspectors of the Mercator bankruptcy estate. Financial Advisor also understands that the Disclosure Document may be filed with securities regulatory authorities. Financial Advisor expressly disclaims any liability or responsibility for the form or content of any directors' circular or similar disclosure document prepared by the Trustee or any other parties to the Transaction and mailed to Mercator's shareholders or the shareholders of any other parties to the Transaction in connection with any Transaction, other than disclosure of the terms of engagement of Financial Advisor and the services provided by Financial Advisor under this engagement letter that may be required by law, and any advice given by Financial Advisor, and such disclosure shall have been approved by Financial Advisor, acting reasonably. Financial Advisor expressly disclaims any liability or responsibility to the Trustee or any other party by reason of any unauthorized use, publication or distribution of the advice or opinions provided by Financial Advisor in connection with any Transaction.

**4. Consideration for Services**

Notwithstanding anything else contained herein, for our services hereunder, the Trustee agrees to pay or issue to Financial Advisor from proceeds of the Estate, the following:

- a) Accrued fees calculated on an hourly basis will be due and payable on closing of a Transaction (the "Transaction Fee") using the below billing rates and classifications.

Deloitte's fees will be based on the amount of professional time required using our standard hourly billing rates inclusive of a risk premium customary to this type of engagement, which vary depending upon the experience level of the professionals involved as follows:

Managing Director / Partner:	\$1,075/hr
Executive Director:	\$ 850/hr
Vice-President:	\$ 675/hr
Associate:	\$ 475/hr
Analyst:	\$ 350/hr

It is hereby agreed that the minimum Transaction Fee payable shall be the lower of: a) \$250,000; and b) the Transaction Value (as defined below).

Engagement team

This engagement will be under the direction of Jeremy South, who will maintain overall responsibility for the engagement on behalf of Financial Advisor. Kevin Becker will coordinate daily management of the engagement. The engagement team will include the following personnel:

Name	Function	Title
Kevin Becker	Project Lead	Executive Director
Jeremy South	Project Oversight	Managing Director / Partner
Cecilia Zhao	Execution Support	Vice President
Chelsea Jlang	Execution Support	Analyst

Other professionals who will be identified during the course of the engagement may also be included to provide technical support. Circumstances may occur that could result in changes to our anticipated staffing for this engagement. Deloitte will, however, use its best efforts to ensure that the members of the engagement team are not changed without prior consultation.

Deloitte will provide to the Trustee a monthly statement summary of accrued hourly billings. The first statement will be provided one month following execution of this engagement letter.

- b) In the event that a Transaction is not completed during the Initial Term (subject to extension by the mutual agreement), and the Trustee enters into an agreement in respect of one or more Transactions or to complete one or more Transactions within six months of the termination of this engagement, then the Trustee shall pay Financial Advisor the Transaction Fee, payable upon closing of such Transaction, and
- c) In the event that Financial Advisor is requested to perform additional services in addition to those described in this agreement, Financial Advisor shall receive additional fees, as may be agreed between Financial Advisor and the Trustee.

For these purposes, the "Transaction Value" shall be the aggregate value of the total consideration (in cash, securities, assumption of debt or other property or interest) paid, payable, committed to, received by, issued to or transferred to the Trustee and/or Mercator's or its subsidiaries' security holders that can reasonably be considered to be payment for a Transaction. For the purposes of calculating the "Transaction Value", any non-cash consideration will be assessed, where specified, as valued in any Disclosure Document, and otherwise, at its estimated fair market value at the time of the first public announcement of the Transaction with the value of publicly traded securities being determined by reference to the ten day weighted average trading price immediately preceding the first public announcement of the Transaction.

The Trustee will reimburse Financial Advisor for all reasonable out-of-pocket expenses incurred by Financial Advisor in performing this agreement, including (but not limited to) travel and communication expenses, courier charges and reasonable fees and disbursements of any other consultants engaged by Financial Advisor with the prior consent of the Trustee. Financial Advisor shall obtain the prior approval of the Trustee to any single expenditure in excess of CDN\$2,000. Such reimbursable expenses will be payable on the closing of a Transaction, upon receipt by the Trustee of Financial Advisor's invoices.



## 5. Confidentiality

We and each of our directors, officers, employees and agents will keep strictly confidential and will use only for the purpose of performing our obligations hereunder all information, whether written or oral, acquired from the Trustee and Mercator's subsidiaries and their respective agents and advisors in connection with our work hereunder except information that was made available to the public prior to our engagement or that thereafter becomes available to the public other than through a breach by us of our obligations hereunder or was known to us prior to our engagement and except to the extent that we are required by Law or in connection with legal process or regulatory proceedings to disclose such information. If we are so required to disclose any such information, we will provide the Trustee with advance written notice of such requirement so that the Trustee may seek an appropriate protective order. For purposes of this agreement, "Law" means any rule, regulation, stock exchange rule, subpoena, court order or any other similar judicial, legal or regulatory process or examination.

## 6. Information

The Trustee will ensure that Financial Advisor is provided, on a timely basis, with all information (financial or otherwise), data, opinions, appraisals, valuations, documentation or other information and materials of whatsoever nature or kind concerning Creston and any Transaction which might reasonably be considered by the Trustee to be material to this engagement or which Financial Advisor may reasonably request in the performance of its services, including reasonable access to the officers, directors, employees, independent auditors and other advisors and consultants of the Trustee.

To the extent that any Transaction involves any non-cash consideration, the Trustee will also ensure that Financial Advisor is provided, on a timely basis, with all information (financial or otherwise), data, opinions, appraisals, valuations, documentation or other information and materials of whatsoever nature or kind concerning the party offering such non-cash consideration and its subsidiaries to the extent such information is available or made available to the Trustee and legally permitted to be provided to Financial Advisor, as Financial Advisor might reasonably be considered material to this engagement or which Financial Advisor may reasonably request in the performance of its services.

The Trustee acknowledges and agrees that Financial Advisor shall be relying upon the accuracy and completeness of the information and documentation furnished to it pursuant to the preceding paragraphs and, subject to the exercise of its professional judgment, shall be under no obligation to verify independently the accuracy and completeness of such information and documentation or to investigate whether any changes have occurred to the facts set out or referred to in such information or documentation subsequent to the date thereof (but shall consider the impact of any such changes of which it is aware or that are brought to its attention).

## 7. Advertisements

Once the Transaction is consummated, the Trustee agrees that Financial Advisor has the right to place advertisements in financial and other newspapers and journals, at its own expense, describing its services to the Trustee hereunder, provided that Financial Advisor shall submit a copy of any such proposed advertisements to the Trustee for its approval, such approval not to be unreasonably withheld.

## 8. Survival of Terms

Sections 3, 4 and 5 of this letter agreement and the Indemnity shall survive the completion of our engagement hereunder.

**9. Notices**

Any notice or other communication required or permitted to be given under this letter agreement shall be in writing and shall be sufficiently given or made by delivery or by teletcopy or similar facsimile transmission (receipt confirmed) to the respective parties as follows:

**If to the Trustee:**

Deloitte Restructuring Inc.  
Attention: Mr. Paul Chambers  
Senior Manager  
1055 Dunsmuir St, Suite 2800  
Vancouver BC V7X 1P4  
Email: pachambers@deloitte.ca

**If to Financial Advisor:**

Deloitte Corporate Finance Inc.  
Attention: Mr. Kevin S. Becker  
Executive Director  
1055 Dunsmuir St, Suite 2800  
Vancouver BC V7X 1P4  
Email: kebecker@deloitte.ca

Any notice so given shall be deemed conclusively to have been given and received when so personally delivered or so teletyped or transmitted. Any party may change its address by notice to the others in the manner set out above.

**10. No Partnership**

The Trustee acknowledges that it has retained Financial Advisor solely to provide the services set forth in this letter. In rendering such services, Financial Advisor will act as an independent contractor, and Financial Advisor owes its duties arising out of this engagement solely to the Trustee and to no other person. The Trustee acknowledges that nothing in this letter is intended to create duties beyond those expressly provided for in this letter, and Financial Advisor and the Trustee specifically disclaim the creation of any partnership, joint venture, fiduciary, agency or non-contractual relationship between, or the imposition of any partnership, joint venture, fiduciary, agency or non-contractual duties on, either party.

**11. General Business Terms**

The attached General Business Terms form part of our mutual agreement concerning this engagement. By signing this agreement the parties agree to be bound by these General Business Terms. In the event of a conflict between this letter and the General Business Terms, the letter shall take precedence with respect to that term.

**12. Governing Law**

The agreement resulting from the acceptance of this engagement letter shall be governed by and construed in accordance with the laws of the Province of British Columbia and the parties hereto attorn to the exclusive jurisdiction of the superior courts of the Province of British Columbia.

If the foregoing is in accordance with your understanding, please indicate your agreement to the above terms and conditions by signing the enclosed duplicate copy of this letter and returning it to us.  
Yours truly,

Jeremy South, Managing Director  
Deloitte Corporate Finance Inc.

Agreed and accepted by:

**DELOITTE RESTRUCTURING INC.**  
**in its capacity as trustee in bankruptcy of**  
**Mercator Minerals Ltd. and Creston Moly Corp.**  
**and not in its personal capacity**

\_\_\_\_\_  
Signature of authorized signing officer

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

**DRAFT**

# General business terms

The following general business terms (the "Terms") apply to the engagement letter between Deloitte Corporate Finance Inc. and Deloitte Restructuring Inc. in its capacity as trustee in bankruptcy of Mercator Minerals Ltd. and Creston Moly Corp. and not in its personal capacity (the "Trustee") except as expressly set forth in the engagement letter to which these Terms are attached (the "Engagement Letter" or engagement letter").

## 1. Contracting parties

- a) **Definitions:** "Deloitte" or "Deloitte Canada" shall mean the Canadian corporation Deloitte Corporate Finance Inc. "Deloitte Entities" shall mean Deloitte Canada and where appropriate its directors, officers, partners, principals, professional corporations, employees, agents, subsidiaries and affiliates and to the extent providing services under the engagement letter, the member firms of Deloitte Touche Tohmatsu Limited, the subsidiaries and affiliates of such member firms, and all of their respective directors, officers, partners, principals, professional corporations, employees, agents; and in all cases any successor or assignee.
- b) This engagement letter is between the Trustee and Deloitte Canada. The Trustee agrees that its relationship is solely with Deloitte Canada as the entity contracting with the Trustee to provide the services covered by this engagement letter. Notwithstanding the fact that certain services covered by this engagement letter may be carried out by personnel provided to Deloitte Canada from other Deloitte Entities through service or other agreements, Deloitte Canada remains solely responsible and liable to the Trustee for all services covered by the engagement letter. Accordingly, the Trustee agrees that none of the Deloitte Entities (except Deloitte Canada) will have any liability to the Trustee, and the Trustee will not bring any claims or proceedings of any nature (whether in contract, tort, breach of statutory duty, or otherwise and including, but not limited to, a claim of negligence) in any way in respect of or in connection with this engagement against any of the Deloitte Entities (except Deloitte Canada) or against any subcontractors that Deloitte Canada may use to provide the services covered by this engagement letter.
- c) To the extent that Deloitte Entities (other than Deloitte Canada) are providing services to Deloitte Canada in connection with this engagement as subcontractors to Deloitte Canada, then the term "Deloitte" should read as "Deloitte Entities" for purposes of these Terms.

## 2. Services

- a) It is understood and agreed that the services to be provided under the Engagement Letter (the "Services") may include advice and recommendations, but all decisions in connection with the implementation of such advice and recommendations shall be the responsibility of, and be made by, the Trustee. In connection with the Services, Deloitte shall be entitled to rely on all decisions and approvals of the Trustee.

- b) The Services conducted by Deloitte cannot be relied upon to disclose errors or fraud should they exist. The Services will not constitute an audit conducted in accordance with generally accepted auditing standards, an examination or compilation of, or the performance of agreed upon procedures with respect to prospective financial information, an examination of or any other form of assurance with respect to internal controls, or other attestation or review services in accordance with standards or rules established by the CICA or other regulatory body. Deloitte will not express an opinion or any other form of assurance on any operating or internal controls, financial statements, forecasts, projections or other financial information.
- c) Neither the Services or any advice or reports in connection therewith are intended to be, nor shall be construed to be, "investment advice" within the meaning of the US Investment Advisors Act of 1940. In the performance of the Services, Deloitte will not perform any evaluation of internal controls and procedures for financial reporting upon which the Trustee and/or Mercator and its subsidiaries can base its assertion in connection with the US Sarbanes-Oxley Act of 2002 or related rules or regulations ("Sarbanes-Oxley"). Deloitte will make no representations or warranties and will provide no assurances that Mercator's and its subsidiaries' disclosure controls and procedures are compliant with the certification requirements of and internal controls and procedures for financial reporting are effective as required by Sarbanes-Oxley or any other standards or rules, including, without limitation, Sections 302 and 404 of Sarbanes-Oxley. The Services will be conducted in accordance with these Terms and, to the extent performed by the subsidiaries of Deloitte & Touche USA LLP, in accordance with the *Statement of Standards for Consulting Services* established by the American Institute of Certified Public Accountants.

### 3. Term

Unless terminated sooner in accordance with its terms, this engagement shall terminate on the completion of the Services. Either party may terminate this engagement at any time upon giving at least thirty (30) days written notice, unless otherwise stated in the above portion of the Engagement Letter, to that effect to the other party, provided that in the event of termination for cause, the breaching party shall have the right to cure the breach within the notice period. In the event of termination pursuant to this paragraph, the Trustee agrees to compensate Deloitte Canada under the terms of the Engagement Letter for Services performed and expenses incurred through the effective date of termination.

### 4. Timely performance

Deloitte will endeavour to complete within any agreed upon time-frame the performance of the Services. However, Deloitte will not be liable for failures or delays in performance that arise from causes beyond Deloitte's control, including the untimely performance by the Trustee of its obligations as set out in the engagement letter and in these Terms.

### 5. Fees and payment

- a) All fees and other charges do not include any applicable federal, provincial or other goods and services or sales taxes, or any other taxes or duties whether presently in force or imposed in the future. Any such taxes or duties shall be assumed and paid by the Trustee without deduction from the fees and charges hereunder.
- b) To the extent that, as part of the Services to be performed by Deloitte Canada as described in the engagement letter, Deloitte Canada personnel are required to perform the services in the United States of America ("US Business"), the Trustee and Deloitte Canada agree to assign performance of the US Business to Deloitte Canada LLP, an affiliate of Deloitte Canada. All services

performed by Deloitte Canada LLP shall be performed under the direction of Deloitte Canada which shall remain responsible to the Trustee for such Services. Deloitte Canada LLP shall invoice the Trustee with respect to the US Business and Deloitte Canada will invoice for services performed in Canada ("Canadian Business"). Payment for US business and/or Canadian Business can be settled with one payment to Deloitte Canada.

## 6. Independence

- a) Deloitte Canada may terminate this engagement upon written notice to the Trustee if it determines that (i) a governmental, regulatory or professional entity (including, without limitation, provincial accounting institutes, Canadian and foreign securities commissions, the Canadian Public Accountability Board and the Public Company Accounting Oversight Board) or an entity having the force of law has introduced a new, or modified an existing, law, rule, regulation, interpretation or decision the result of which would render the performance by Deloitte of any part of the engagement illegal or otherwise unlawful or in conflict with independence or professional rules, or (ii) circumstances change (including, without limitation, changes in ownership of Mercator or any of its affiliates) such that the performance by Deloitte of any part of the engagement would be illegal or otherwise unlawful or in conflict with independence or professional rules. Upon termination of the engagement, the Trustee will compensate Deloitte Canada under the terms of the Engagement Letter for the expenses incurred through the effective date of termination. For greater certainty, in the event that Deloitte Canada terminates this engagement pursuant to this section 6(a), the Transaction Fee shall not be payable under any circumstances including under section 4(a) of the Engagement letter.
- b) The Trustee shall provide Deloitte Canada with prompt written notice if Mercator or any of its subsidiaries or affiliates engages Deloitte Canada, a member firm of Deloitte Touche Tohmatsu Limited or any affiliates of such a member firm to provide audit related services.

## 7. Conflict of interest

- a) **Notification and resolution.** Should Deloitte Canada determine that there is a potential conflict of interest in connection with its performance of the Services, Deloitte Canada will advise the Trustee promptly and endeavour to resolve such potential conflict. Also, the Trustee agrees to notify Deloitte Canada promptly of any potential conflict affecting this engagement of which it is, or becomes aware. Where a potential conflict is identified by either party and Deloitte Canada believes the Trustee's interests can be properly safeguarded by the implementation of appropriate procedures, Deloitte Canada will discuss and agree such procedures with the Trustee.
- b) In the event that Deloitte Canada, an affiliate of Deloitte Canada or a member firm of Deloitte Touche Tohmatsu Limited or any of their respective affiliates acts for any other party, (i) Deloitte will not disclose any Confidential Information (defined below) that the Trustee provides to Deloitte in connection with this engagement and will not use such Confidential Information for another party's benefit, and (ii) Deloitte will establish appropriate ethical walls between the persons involved in advising the Trustee under this engagement and the persons involved in advising another party.

## 8. Trustee responsibilities

- a) **Cooperation.** The Trustee shall cooperate with Deloitte in the performance of the Services, including, without limitation, providing Deloitte with reasonable facilities and timely access to data, information and personnel of the Trustee. The Trustee shall be responsible for the

performance of its personnel and agents and for the accuracy and completeness of all data and information provided to Deloitte for purposes of the performance by Deloitte of the Services hereunder.

- b) **Management.** The Trustee shall be solely responsible for, among other things: (i) making all decisions and performing all functions in respect of its statutory duties in administering the Estates under the BIA; (ii) designating a competent management member to oversee the Services; (iii) evaluating the adequacy and results of the Services; (iv) accepting responsibility for the results of the Services; and (v) establishing and maintaining internal controls, including, without limitation, monitoring ongoing activities.

9. Information

- a) **Access and reliance.** The Trustee will make available to Deloitte all information (financial or otherwise) reasonably necessary to enable Deloitte to provide the Services. The Trustee will also provide Deloitte with any information, advice and opinions relevant to the engagement that may be delivered by third parties, such as legal counsel (except where necessary to preserve privilege) and accounting, financial, environmental or other advisors, and will ensure that such third parties co-operate with Deloitte on matters considered by Deloitte to be relevant to the engagement. In carrying out its Services, Deloitte will rely on information that is publicly available, prepared or supplied by the Trustee or provided to Deloitte by third parties. Deloitte will be entitled to rely on, and is under no obligation to verify, the accuracy or completeness of such information and Deloitte has no responsibility for the accuracy or completeness of the information provided by, or on behalf of, Trustee or other parties. This engagement cannot be relied upon to disclose errors or fraud should they exist. Further, Deloitte is under no obligation to investigate any changes that may occur in such information subsequent to the date thereof.

- b) **Confidentiality.** To the extent that, in connection with this engagement, Deloitte come into possession of any proprietary or confidential information of Trustee, Mercator, Creston or its subsidiaries ("Confidential Information") (including Personal Information as defined in section 12(b) below), Deloitte will not disclose such information to any third party, other than the Deloitte Entities, without the Trustee's consent, except as may be required or permitted by law, regulation, judicial or administrative process, or in accordance with applicable professional standards, or in connection with litigation pertaining thereto. "Confidential Information" shall not include information which:

- i) shall have otherwise become publicly available (including, without limitation, any information filed with any governmental agency and available to the public) other than as the result of a disclosure by Deloitte in breach hereof;
- ii) is disclosed by the Trustee to a third party without substantially the same restrictions as set forth herein;
- iii) becomes available to Deloitte on a non-confidential basis from a source other than the Trustee which Deloitte believes is not prohibited from disclosing such information to Deloitte by obligation to the Trustee;
- iv) is known by Deloitte prior to its receipt from the Trustee without any obligation of confidentiality with respect thereto; or
- v) is developed by Deloitte independently of any disclosures made by the Trustee to Deloitte of such information.

- c) **Prospective financial information.** Unless Deloitte Canada and the Trustee agree otherwise in the Engagement Letter, Deloitte will not compile, examine or apply other procedures to prospective financial information of Mercator, Creston or its subsidiaries or other parties in

accordance with Canadian Institute of Chartered Accountants Standards and accordingly, will express no opinion or any other form of assurance or representations concerning its accuracy, completeness or presentation format. Any financial forecasts or projections belong to Mercator, Creston or its subsidiaries or other parties and are the sole responsibility of such management. There will usually be differences between projected and actual results, because events and circumstances frequently do not occur as expected or predicted, and those differences may be material.

- d) Deloitte will not return or provide records or information obtained in the course of the engagement to the Trustee if it is illegal to do so or if Deloitte is required to withhold the records or information by law enforcement or other public regulatory authorities (regardless of whether the engagement has been terminated).

**10. Reporting**

- a) **Qualifications to advice, opinions, and reports.** Any advice, opinions, or reports provided by Deloitte will be made subject to, and will be based upon, such assumptions, limitations, qualifications and reservations as Deloitte, in its judgment, deems necessary or prudent in the circumstances, including without limitation: (i) the time available to perform the Services, (ii) the information, data, opinions, advice and representations made available to Deloitte, and (iii) access to the Trustee's management, advisors and agents.
- b) **Amendments to reports.** Deloitte reserves the right to amend its advice, opinions, and reports accordingly, in the event that new information becomes available which may be contrary to or different from that which is set out to the Trustee in documents or verbal reports. Notwithstanding the foregoing, Deloitte has no responsibility for performing any services or procedures beyond those agreed to by Trustee and Deloitte Canada or for updating the Services performed.
- c) **Limitation on use and distribution.** Except as otherwise agreed in writing, all services in connection with this engagement shall be solely for the Trustee's internal purposes and use, and this engagement does not create privity between Deloitte and any person or party other than the Company ("third party"). This engagement is not intended for the express or implied benefit of any third party. No third party is entitled to rely, in any manner or for any purpose, on the advice, opinions, reports, or services of Deloitte. The Company further agrees that the advice, opinions, reports or other materials prepared or provided by Deloitte are to be used only for the purpose contemplated by the Engagement Letter and shall not be distributed to any third party, except to the extent required under applicable securities laws or the BIA, without the prior written consent of Deloitte Canada.
- d) **Ownership.** Deloitte shall retain all right, title and interest in the reports, opinions and other documents provided by Deloitte to the Company and the Company shall be entitled to use such material in accordance with section 10(c).

**11. Indemnification and limitation on liability**

- a) **Application.** The provisions of this Section 11 shall apply to the fullest extent of the law, whether in contract, statute, tort (such as negligence), or otherwise. This Section shall survive termination or expiry of the engagement. The provisions of this Section are not applicable to the extent that mandatory provisions of applicable regulatory bodies prohibit a professional financial advisor from limiting liability.



- b) **Limitation on liability.** The Trustee and Deloitte Canada agree to the following with respect to Deloitte's liability to the Trustee:
- i) Deloitte shall not be liable to the Trustee for any claims, liabilities, or expenses relating to this engagement for an aggregate amount in excess of the fees paid by the Trustee to Deloitte Canada pursuant to this engagement, except to the extent finally judicially determined to have resulted from the Gross Negligence (defined herein), bad faith or intentional misconduct of Deloitte. For the purposes of this agreement, "gross negligence" shall mean: any act performed in connection with providing the Services that is (a) a substantially marked and flagrant departure from the duty to abide by the rules of conduct normally applicable to the provision of such Services under the circumstances in which such Services are provided or (b) intended to inflict, or which is in reckless disregard of, or wanton indifference to harmful consequences which Deloitte knew or should have known would result from such act provided however that "gross negligence" does not include mere ordinary fault, any error of judgment or mistake made by Deloitte or any partner, director, officer, employee or agent of Deloitte in good faith in connection with providing the Services for the purposes of this engagement and is more than just neglect or ordinary care towards others or just inadvertence.
  - ii) In no event shall Deloitte be liable for consequential, special, indirect, incidental, punitive or exemplary loss, damage, or expense relating to this engagement or any loss of revenue or profit or any other commercial or economic loss or failure to realize expected savings.
  - iii) In any action, claim, loss or damage arising out of the engagement, the Trustee agrees that Deloitte's liability will be several and not joint and several and the Trustee may only claim payment from Deloitte of Deloitte's proportionate share of the total liability based on the degree of fault of Deloitte as finally determined by a court of competent jurisdiction.
- c) **Limitation on actions.** No action, regardless of form, relating to this engagement, may be brought by either party more than one year after the cause of action has accrued, except for an action for non-payment of fees.

## 12. Other

- a) **Regulatory or legal action.** The Trustee will notify Deloitte Canada promptly of any request received by the Trustee from any third party, including a regulatory authority, for any material information or for a meeting or hearing; the issuance of any restraining order; or the initiation of a proceeding or litigation relating to this engagement.

Subject to any professional issues including audit independence, if requested and if the parties agree, Deloitte will testify (as a non expert witness) or provide reasonable support services to the Trustee before any governmental commission, regulatory authority or court. Any such testimony or support services will be confined to the services performed under this engagement. Deloitte shall have the right to employ counsel in connection with such testimony or support services.

Deloitte shall be paid for any time spent by its personnel in connection with such support at their standard hourly rates, which shall be separate and apart from any other professional fees payable hereunder. The Trustee shall also reimburse Deloitte for its reasonable out-of-pocket costs, charges and expenses, including legal counsel, incurred in connection therewith. These fees and expenses shall be separate and in addition to any other fees or amounts payable under the provisions for payment of fees in the engagement letter.

- b) **Privacy.** Deloitte and the Trustee acknowledge and agree that, during the course of this engagement, Deloitte may collect personal information about identifiable individuals ("Personal Information"), either from the Trustee or from third parties. The Trustee and Deloitte Canada agree that Deloitte will collect, use and disclose Personal Information on behalf of the Trustee solely for purposes related to completing this engagement, providing services to the Trustee and in a manner consistent with section 9(c) above. Deloitte shall not collect, use and disclose such Personal Information for Deloitte's own behalf or for its own purposes.
- c) **Survival and interpretation.** The agreements and undertakings of the Trustee contained in the Engagement Letter together with the following sections of these Terms shall survive the expiration or termination of this engagement: 1, 2, 4, 5, 6, 8, 9, 10, 11 and 12.
- d) **Governing law.** These Terms, the Engagement Letter and all matters relating to this engagement (whether in contract, statute, tort (such as negligence), or otherwise), shall be governed by, and construed in accordance with, the laws of the Province of British Columbia. Any action or proceeding relating to this engagement shall be brought in the Province of British Columbia, and the parties submit to the jurisdiction of the courts of that Province and waive any defence of inconvenient forum to the maintenance of such action or proceeding.
- e) **Severability.** If any provision of the Terms or the Engagement Letter is found by a court of competent jurisdiction to be unenforceable, such provision shall not affect the other provisions, but such unenforceable provision shall be deemed modified to the extent necessary to render it enforceable, preserving to the fullest extent permissible the intent of the parties set forth herein.
- f) **Entire agreement.** These Terms and the Engagement Letter is the complete agreement between the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, proposals, negotiations, representations or warranties of any kind whether oral or written.
- g) **Assignment.** Except as provided below, neither party may assign, transfer or delegate any of its rights or obligations hereunder (including, without limitation, interests or Claims relating to this engagement) without the prior written consent of the other party. Trustee hereby consents to Deloitte Canada assigning or subcontracting any portion of the Services to any affiliate or related entity, whether located within or outside of Canada, provided that, any such assignment or subcontracting shall not relieve Deloitte Canada of its obligations hereunder. Services performed hereunder by Deloitte Canada's subcontractors shall be invoiced as professional fees on the same basis as Services performed by Deloitte Canada's personnel, unless otherwise agreed. Deloitte Canada may, without the consent of the Trustee, assign or subcontract its rights and obligations hereunder to (i) any affiliate or related entity or (ii) any entity which acquires all or a substantial part of the assets or business of Deloitte Canada.
- h) **Currency.** All financial references herein are to Canadian dollars unless specifically indicated otherwise. If it is necessary to convert any amounts into Canadian dollars, a prevailing commercial bank exchange rate at closing or the time of the invoice shall be used.
- i) **Notices.** Any notice or other communication required or permitted to be given under this engagement shall be in writing and shall be sufficiently given or made by delivery or by post or by telecopy or similar facsimile transmission (with confirmation of accurate and complete transmission obtained by the sender) to the respective parties. Any notice so given shall be deemed conclusively to have been given and received when so personally delivered or posted or so telecopied or transmitted, except that any notice delivered after 5:00 p.m. on the day prior to a

non-business day shall be deemed to have been received at 9:00 a.m. on the first business day following delivery. Any party may change its address, telephone number or facsimile number by notice to the others in the manner set out above.

- j) **Communication.** Except as instructed otherwise in writing, each party may assume that the other approves of properly addressed fax, email (including email exchanged via Internet media) and voicemail communication of both sensitive and non-sensitive documents and other communications concerning this engagement, as well as other means of communication used or accepted by the other.
- k) **Language.** The parties have requested that this Agreement and all communications and documents relating hereto be expressed in the English language. Les parties ont exigé que la présente convention ainsi que tous les documents s'y rattachant soient rédigés dans la langue anglaise.
- l) **Quality of Service.** If, at any time, you believe our service to you could be improved or if you are dissatisfied with any aspect of our services you should raise the matter with the engagement partner. Alternatively, if you wish to discuss the matter with someone other than the engagement partner, or make a complaint, please email [nlethics@deloitte.ca](mailto:nlethics@deloitte.ca) or call 1 (888) 688-2020 and ask for the National Ethics Leader. We will acknowledge the complaint upon receipt and every effort will be made to investigate expeditiously.

DRAFT

The attached is Exhibit "D"  
referred to in the affidavit  
of Huey Lee sworn before  
me at Vancouver, B.C.,  
this 25 day of November, 2014

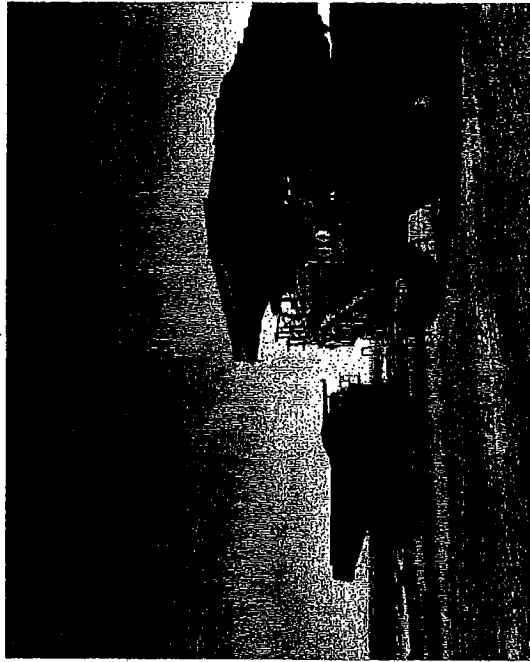


A Commissioner for taking Affidavits  
within British Columbia

**Deloitte.**

Introduction to Deloitte Corporate Finance  
Global Mining Advisory Team

November 2014



# Deloitte Corporate Finance

# Deloitte.

## Why Deloitte?

### **Deloitte is a leader in advising mining companies and industry participants globally**

- Expertise in marketing development stage assets of global significance; strongest global footprint and established relationships with all players relevant to Creston-Moly and Mercator
- Completed multiple successful financial advisory mandates within the moly/copper sector
- Advised both large strategic / industrial buyers as well as emerging mining companies
- Deloitte Mining Corporate Finance understands the mining sector, is located in key jurisdictions, and has requisite access and ability to appropriately assist

### **Deloitte's Mining Corporate Finance has expertise executing strategic partnership transactions**

- Essentially a specialized investment banking firm within a global organization
- Track record of highly structured, negotiated transactions – experience advising on strategic partnering and consortium structures is an advantage
- Expertise from transaction origination to due diligence, documentation and closing

### **Deloitte provides an integrated suite of corporate finance and restructuring services**

- Significant mining transaction experience involving restructuring situations; we have a connected team with requisite expertise
- From strategy development, transaction execution, integration and valuation assistance, Deloitte's M&A services professionals have the experience to advise you during each transaction phase
- Deloitte's platform offers a broad range of fully integrated services in areas that include accounting, tax, due diligence, risk management, restructuring and financial consulting

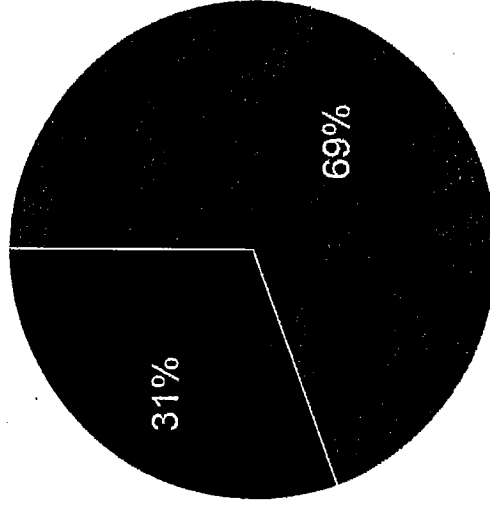
# Deloitte Corporate Finance

# Deloitte.

One of the largest practices in the world

- Deloitte Corporate Finance
  - In more than 150 countries, is the world's largest private professional services practice in terms of headcount and fee income.
  - Offers sophisticated investment banking advice to companies participating in public and private transactions globally.
  - Boutique levels of service and industry knowledge integrated with the market reach and technical resources of a global advisory network.
  - Last year, Deloitte advised on over 350 completed M&A transactions globally.
- Deloitte is consistently ranked as a leading Global Mid-Market Advisor by Thomson Financial

Firm Revenue (2014)



## Deloitte's Global Footprint

North America: Vancouver, Toronto, Montreal, New York, Los Angeles, Chicago

Latin America: São Paulo, Santiago, Buenos Aires, Mexico City

Africa: Johannesburg

Europe: London, Paris, Madrid, Brussels, Oslo, Frankfurt, Berlin, Moscow, Munich, Rome, Warsaw

Asia: Tokyo, Hong Kong, Seoul, Beijing, Mumbai

Australia: Brisbane, Sydney, Perth

With nearly 1,500 dedicated specialists around the globe, Deloitte has one of the largest Corporate Finance practices in the world

# Deloitte Corporate Finance

# Deloitte.

Complete corporate finance advisory services

## Mergers and Acquisitions



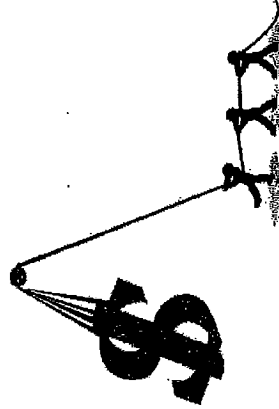
- Strategy development
- Acquisitions or divestitures
- Valuations
- Execution

## Corporate Advisory



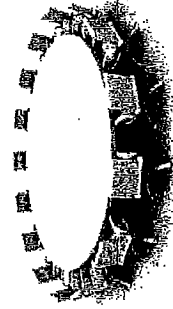
- "Outsource" corporate development
- Strategic assessment and analysis
- Board, shareholder services

## Capital Raising



- Capital raising
- Option analysis
- Private placements
- Strategic investors

## Other



- Fairness opinions
- Capital projects
- Safety assessment
- "Deloitte as one"

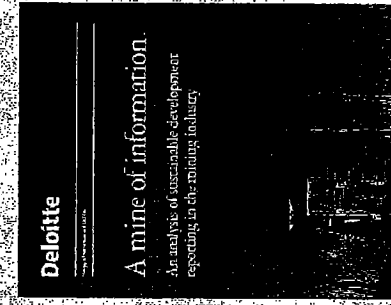
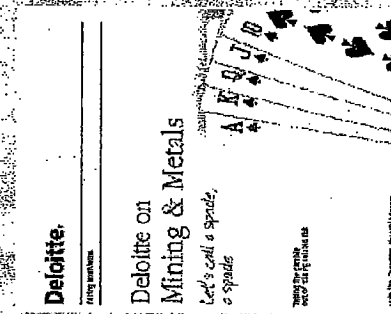
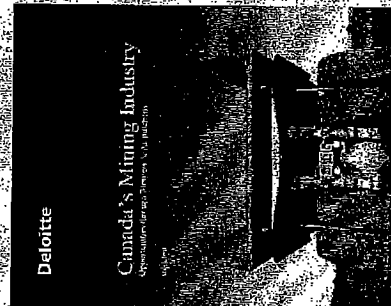
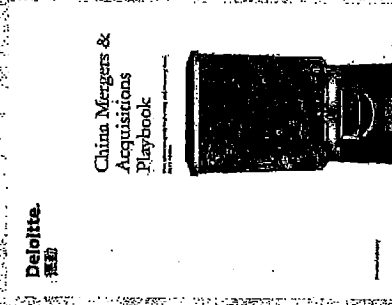
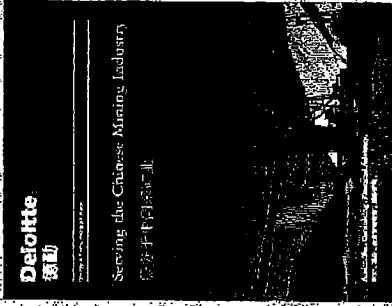
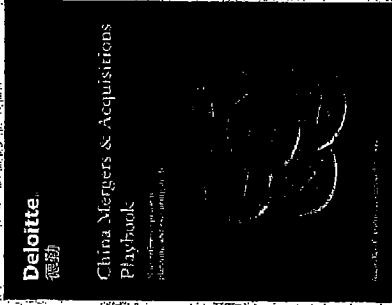
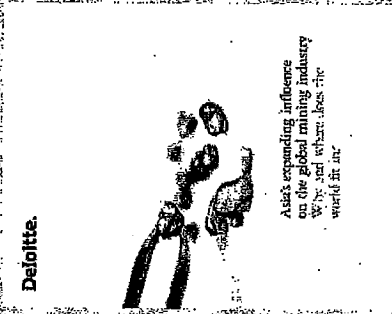
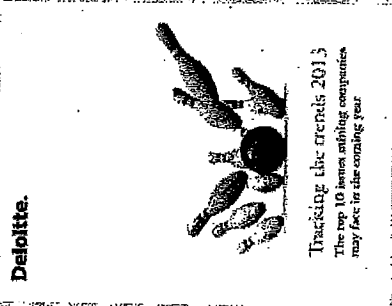
Full suite of corporate finance products and services



# Deloitte Corporate Finance

Lead with industry – global mining is our focus

# Deloitte.



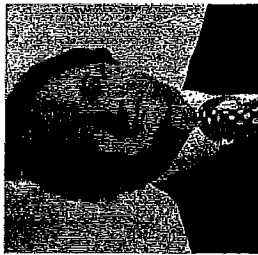
Deloitte Corporate Finance – mining is our business

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# Deloitte Mining Corporate Finance

## Mining Advisory Team – Center of Excellence

### Core Mining Advisory Team



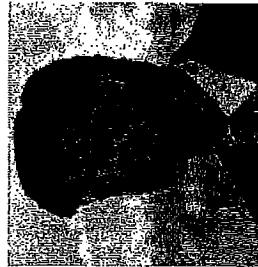
**Jeremy South**  
Global Leader, Mining  
Advisory

- Mining Leader for Deloitte China
- Over 25 years of investment banking experience
- Specializes in public company M&A, capital markets advice and project finance
- Advisor to leading Asian trading houses and State Owned Enterprises on outbound investment



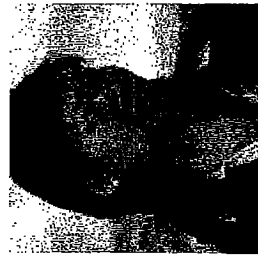
**Kevin Becker**  
Vice President &  
Director

- Over 10 years investment banking experience in mining and resources sector
- Focuses on providing merger, acquisition, financing and advisory services to clients
- Raised over \$1.0B for mining companies globally



**Douglas Beaton**  
Vice President &  
Director

- Specializes in delivery of lead advisory services to clients in the mining industry
- Extensive cross-border transaction advisory experience



**Cecilia Zhao**  
Vice President

- Focuses on mergers, acquisitions, financings, and advisory services
- Conducts due diligence, creates financial models, and develops business cases



**Chelsea Jiang**  
Analyst

- Provides support on the origination and execution of M&A and advisory mandates
- Experience in the metals and mining sector

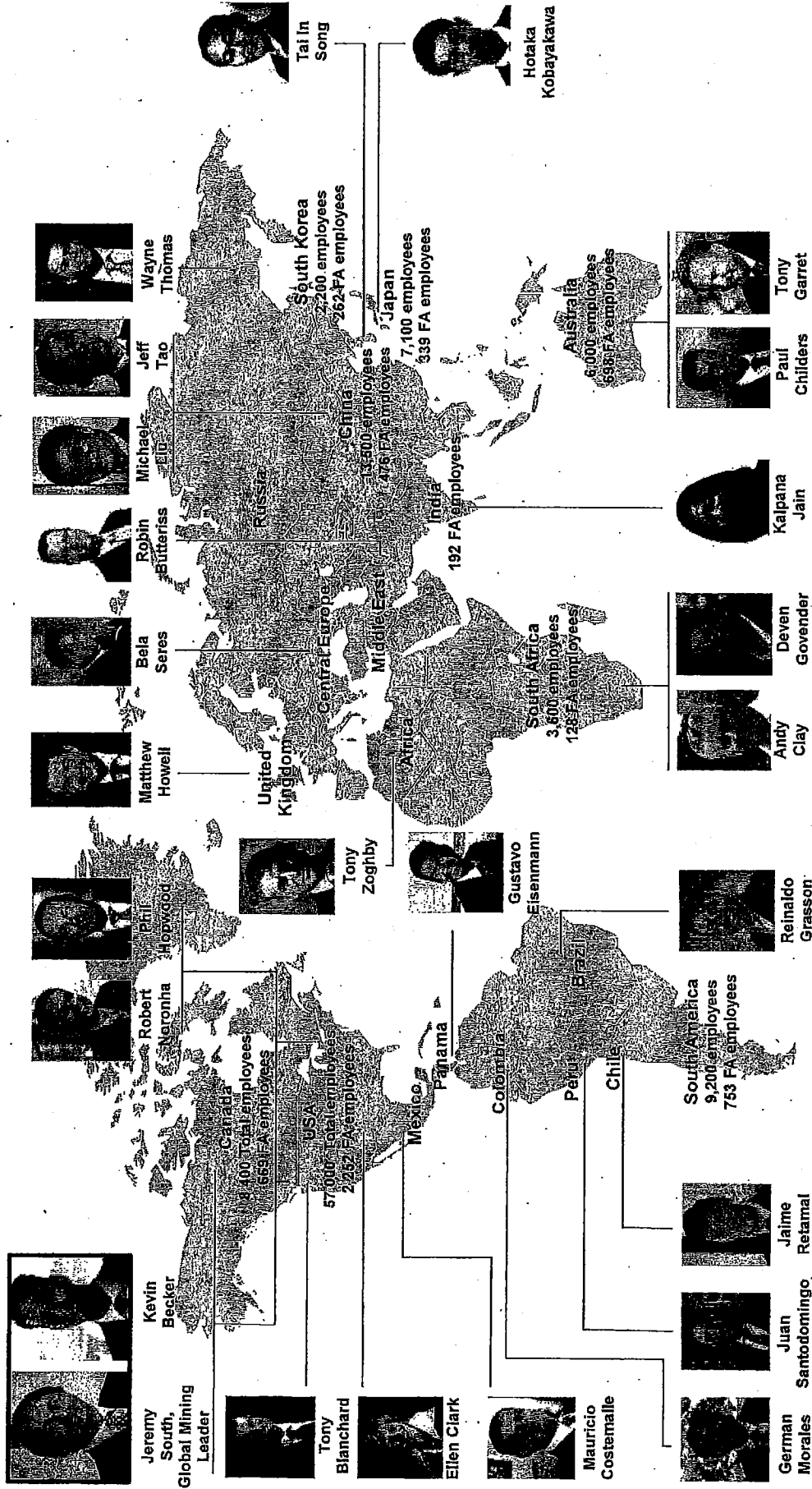
Deloitte Mining Corporate Finance – investment banking experience and capabilities

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# Deloitte Mining Corporate Finance

Deloitte.

Global team – strategically positioned industry leading experts



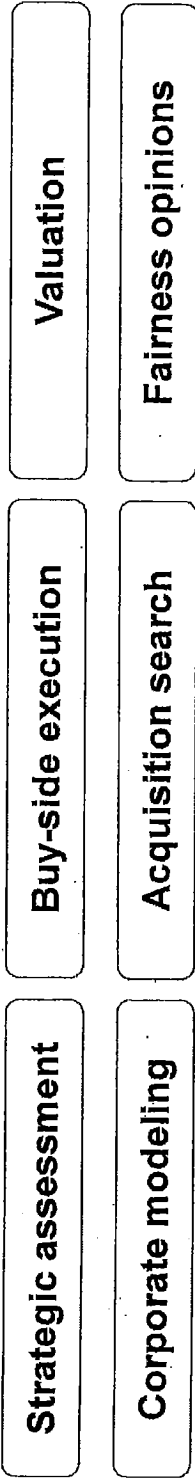
Deloitte is a leader in providing mining-focused Corporate Finance services on a global basis

# Deloitte Mining Corporate Finance

**Deloitte.**

Trusted advisor both globally and regionally

- Ability to essentially work as “extended corporate development team”



- Global mining advisory experience includes advising locally based miners as well as large global industrials from China, Korea, Japan, India, and other global strategic investors

**Deloitte.**  
M&A Advisory Services  
**Confidential Client**  
Adviser to Japanese trading house seeking fertilizer opportunities in Africa  
Current  
Audit, Tax, Consulting, Financial Advisory.

**Deloitte.**  
M&A Advisory Services  
**KORES** & **LS-Nikko Copper**  
Adviser to the Korean Consortium regarding its investment in Inmet Mining's Cobre Panama Project  
2012 & 2009  
Audit, Tax, Consulting, Financial Advisory.

**Deloitte.**  
M&A Advisory Services  
**JOGMEC**  
Adviser to the company regarding global mining investments  
2012 & 2009  
Audit, Tax, Consulting, Financial Advisory.

**Deloitte.**  
M&A Advisory Services  
**TOYOTA TSUSHO**  
Adviser to the company regarding its MOU to form a JV with Matamec Exploration to develop the Kipawa REE deposit  
2011  
Audit, Tax, Consulting, Financial Advisory.

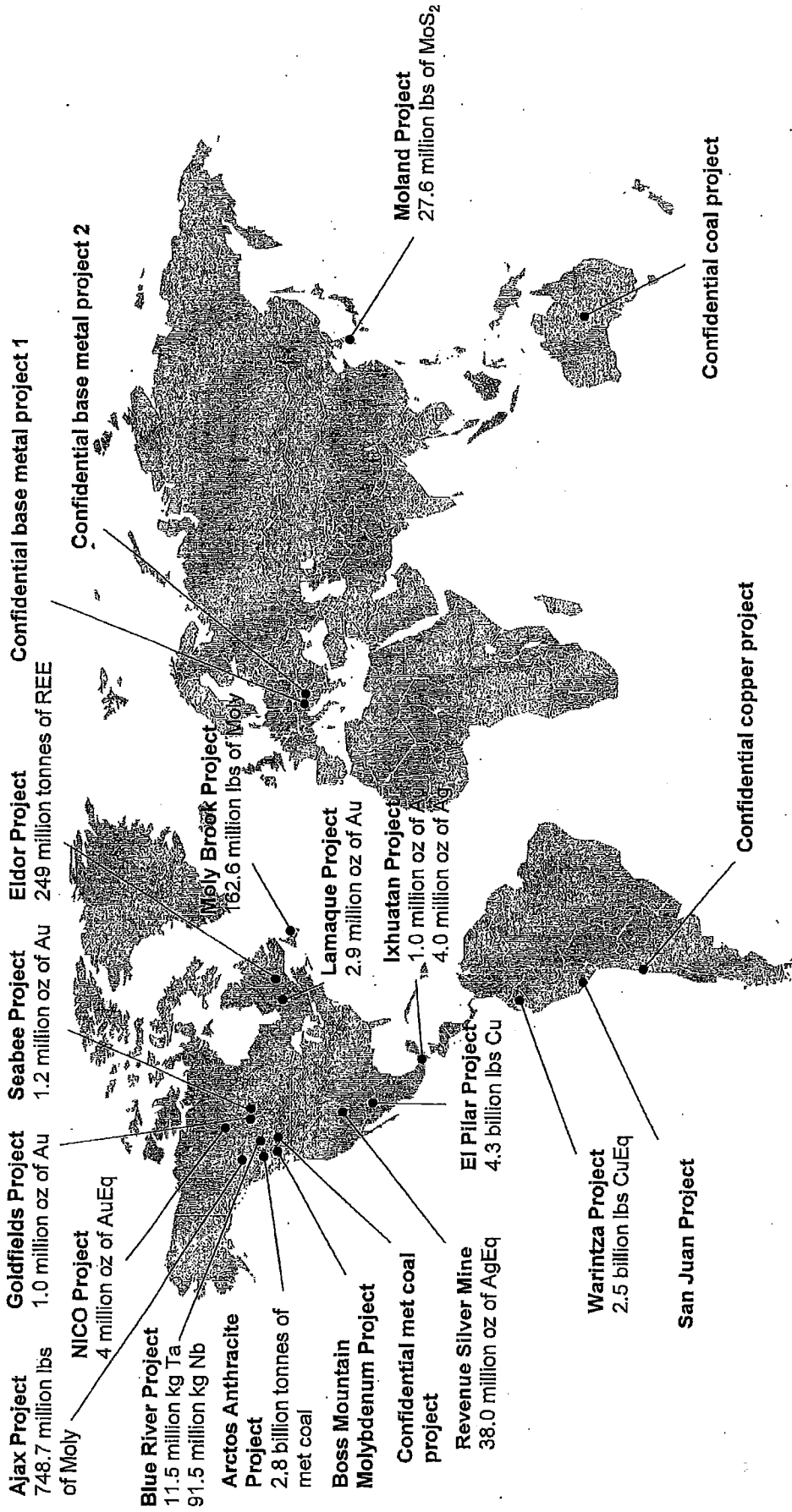
**Deloitte.**  
M&A Advisory Services  
**SINOM 成隆**  
Adviser to the company regarding its investment in Curtis Resources  
2010  
Audit, Tax, Consulting, Financial Advisory.

**Deloitte Corporate Finance works closely with our client companies to drive acquisition or investment strategies**

# Deloitte Mining Corporate Finance

## Sell-side capabilities

**Deloitte.**



Deloitte has the ability to offer global sell-side capabilities

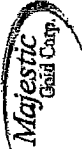
# Deloitte Mining Corporate Finance

## Demonstrated experience and capabilities

# Deloitte.

### CAPITAL RAISING

**Deloitte.**  
Capital Raising



**\$35,000,000**


Advisor to the company regarding financing to develop the Songlilagou project

2012

- Emerging gold producer in China
- Deloitte assisted in:
  - Successful capital raise with financial investors
  - Strategic growth planning
  - Introductions and negotiations with investors / targets

### MERGERS & ACQUISITIONS

**Deloitte.**  
M&A Advisory Services



Strategic and financial advisor to the company

Current

- Gold producer in Saskatchewan
- Deloitte is lead advisor to:
  - Assess strategic options and prepare marketing strategy
  - Engage with global prospective buyers
  - Negotiate and execute potential transaction

### FINANCIAL ADVISORY

**Deloitte.**  
M&A Advisory Services




Advisor to the KC consortium regarding strategic alternatives

2012 - 2013

- Consortium investor seeking strategic alternatives analysis relating to Mexico copper project under construction
- Deloitte is:
  - Undertaking a comprehensive review of the risks, project challenges, and strategic opportunities

**Deloitte.**  
Capital Raising



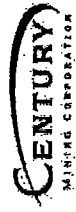
**\$45,000,000**

Advisor to the company to raise expansion capital for its Chilean operations

Current

- Private copper producer in Chile
- Deloitte acting as lead advisor to:
  - Review strategic options and advise on expansion financing
  - Conduct global marketing
  - Introductions and negotiations with investors

**Deloitte.**  
M&A Advisory Services




Advisor regarding sale of the two gold mines in Canada and Peru

2014

- Gold producer in Quebec and Peru
- Deloitte is lead advisor to:
  - Assess value maximizing strategy
  - Contact all potential global buyers
  - Negotiate and close structured transactions

**Deloitte.**  
M&A Advisory Services



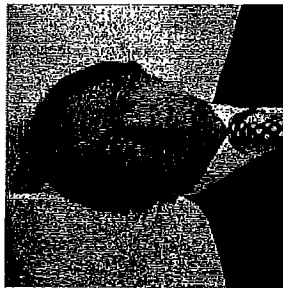
M&A Advisor to Special Committee - Warintza Copper Project in Ecuador

2013

- Providing Fairness Opinion as part of transaction
- Deloitte is advising the Special Committee of Waterloo:
  - Providing transaction support and fairness opinion

# Our Canadian M&A advisory team

# Deloitte.



## Jeremy South

Global Leader, Mining Advisory

Corporate Finance

Beijing and Vancouver

Direct: +86 10 8512 5686

Direct: +1 604-640-3042

Email: jsouth@deloitte.ca

Jeremy is Global Leader, Mining M&A Advisory at Deloitte. He is also the Asia Pacific Leader, Energy & Resources Advisory

Based in Canada, Jeremy specializes in the delivery of lead advisory services to clients in the Energy & Resources sector, with a specialization in public and private company M&A, capital markets advice and project finance.

Jeremy is recently returned from four years in Beijing where he built the firm's mining practice across Asia Pacific. He has advised leading Asian trading houses, State Owned Enterprises and leading Financial Investors on outbound mining investment and he counts some of Asia's largest companies as clients.

A native of Australia, he also advises both mid-market and large cap resource companies on M&A, capital raising and strategic investor negotiations.

Jeremy joined Deloitte in 2006 as a partner. He has over 28 years of experience in the capital markets in Europe, North America and Australia, including senior positions in investment banking at Deutsche Bank and NatWest Markets.

He was seconded to the London Stock Exchange for 18 months in 1991 where he helped shape listing policy including the establishment of the AIM market.

He was joint Managing Partner at a leading Canadian private equity fund immediately prior to joining Deloitte.



## Kevin Becker

Executive Director,

Corporate Finance

Vancouver

Direct: +1 604-640-4926

Email: kebecker@deloitte.ca

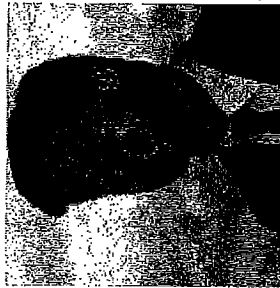
Kevin is an Executive Director in our Corporate Finance Mining team. Kevin's focus is working with our clients to provide merger, acquisition, financing and advisory services. Prior to joining Deloitte in 2010, he worked at one of Canada's largest independent investment banks covering the mining sector, and has also held roles in equity research and large cap lending – all within the resource sector.

His focus as part of Deloitte's global mining team includes working with mining companies on a global basis to provide strategic options relating to growth, project development advancement and capital raising, and traditional M&A advisory.

- Active in the investment banking / capital markets industry with 10 years' transaction experience in the resource sector
- Raised over \$1.0B for junior to large cap mining firms listed on TSX, TSXV, and NYSE
- Advised numerous junior and mid-tier companies on strategic partnering and sourcing alternative capital
- Significant involvement in distressed restructuring situations
- Extensive M&A advisory experience and related provision of fairness opinions

# Our Canadian M&A advisory team

# Deloitte.



**Douglas Beaton**  
Vice-President and Director,  
Corporate Finance  
Vancouver  
Direct: +1 604-640-3058  
Email: dbeaton@deloitte.ca



**Cecilia Zhao**  
Vice President,  
Corporate Finance  
Vancouver  
Direct: +1 604-640-4912  
Email: cezhao@deloitte.ca

Douglas is a Vice-President & Director in our Corporate Finance Advisory Services group. Based in Vancouver, Douglas specializes in the delivery of lead advisory services to clients in the mining industry, with a specialization in M&A and project finance. He has extensive experience advising on cross-border transactions, including acting as a lead advisor to overseas investors and to Canadian public issuers.

Prior to joining Deloitte, Douglas served as an advisor to the Canadian Prime Minister and Cabinet. He also currently serves as a Board Member on the B.C. Renaissance Fund.

#### Selected relevant experience:

- Advised Fortune Minerals on forming a partnership with CAMCE Engineering, a Chinese SOE, to develop a gold mine in Canada
- Advised a Korean Consortium on the refinancing of a \$1.3B mine
- Advised LS-Nikko and Kores on their \$1B investment in the Cobre Panama Project
- Advised Fortune Minerals on raising \$181 million from POSCO
- Advised Toyota Tsusho on its investments in Matamec Exploration's rare earths project and Orocobre's lithium project
- Advised SINOM Hong Kong on its investment in Curis Resources
- Advised JOGMEC on investing in Canada

11 Introduction to Deloitte Corporate Finance

Cecilia is a Vice President in our Corporate Finance Advisory Services group. Cecilia's focus is working with our clients to provide merger, acquisition, financing and advisory services. Her experience in the mining sector includes working as part of our corporate finance Global Mining Team.

#### Selected relevant experience:

- Lead financial modeler on Fortune Minerals on strategic alternatives in respect to its Mount Klappan Anthracite Coal
- Built financial models to structure and examine capital market and bank funding solutions for infrastructure projects and developed innovations to optimize financing efficiency.
- Conducted due diligence on prospective lenders, partners, markets and projects, and developed business cases on market potential, project viability and commercial development prospects.
- Fluent in Mandarin.

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**Deloitte.**