

CANADA  
PROVINCE OF QUEBEC  
DISTRICT OF ABITIBI  
DIVISION NUMBER: 12-Abitibi  
COURT NUMBER: 615-11-001401-140  
ESTATE NUMBER: 33-190909

SUPERIOUR COURT  
Commercial Division

**IN THE MATTER OF THE PROPOSAL  
OF:**

**MAUDORE MINERALS LTD.**, a legal person, duly incorporated according to law, having its head office and principal place of business at 1495, 4e Rue, Val-d'Or, Quebec, J9P 6X1

Insolvent person

– and –

**SAMSON BÉLAIR/DELOITTE & TOUCHE INC.**  
(**Jean-François Nadon**, CPA, CA, CIRP, designated person) having a place of business at 1 Place Ville Marie, Suite 3000, Montreal, Quebec, H3B 4T9

Trustee

**REPORT OF THE TRUSTEE ON THE MONITORING OF THE INSOLVENT PERSON'S  
BUSINESS AND FINANCIAL AFFAIRS  
(Subparagraph 50.4(7)(b)(ii) and Subsection 50.4(9) of the BIA)**

I, the undersigned, Jean-François Nadon, CPA, CA, CIRP, with the firm of Samson Bélair/Deloitte & Touche Inc., Trustee acting *in re*: the notice of intention (“**NOI**”) to make a proposal of Maudore Minerals Ltd. (“**Maudore**”), the insolvent person, am hereby reporting my principal observations regarding the insolvent person’s business and financial affairs to the Court pursuant to subparagraph 50.4(7)(b)(ii) of the Bankruptcy and Insolvency Act (“**BIA**”).

1. The above-mentioned insolvent person filed a NOI on September 8, 2014.
2. In preparing this first report (“**First Report**”), the Trustee has relied upon unaudited financial information, Maudore’s records and its discussion with the management of Maudore (“**Management**”). While the Trustee has analyzed the information, he has not performed an audit or otherwise verified such information.
3. Maudore is a company that holds exploration projects and shares of Aurbec Mines Inc. (“**Aurbec**”), a company operating in the exploration, development and operation of gold mining sites located in Quebec. The Sleeping Giant gold mining site (“**Sleeping Giant**”) is presently in a reduced

operational mode; as for the Vezza gold mining site (“**Vezza**”), it is presently not being operated by Aurbec.

4. Matters addressed in this First Report:
  - a. Trustee's activities since September 8, 2014;
  - b. Maudore's activities from September 8 to October 8, 2014;
  - c. Maudore's application for a 45-day extension of the stay proceedings;
  - d. Trustee's recommendation.

### **TRUSTEE'S ACTIVITIES**

5. On September 11, 2014, the Trustee sent a copy of the NOI to all of the insolvent person's known creditors.
6. The forecast cash flow statement was prepared for the period from September 15 to December 14, 2014, and was submitted to the Official Receiver on September 17, 2014, together with the report by the insolvent person and the Trustee's report, pursuant to Subsection 50.4(2) of the BIA.
7. The Trustee has sent the NOI, by regular mail, to all known creditors.
8. The Trustee has performed a weekly review of the actual receipts and disbursements.
9. Since the filing of the NOI, the Trustee held weekly conference calls with Management and FBC Holdings S.à.r.l., controlled by Cyrus Capital Partners L.P. (collectively “**Cyrus**”), the main secured lender on all the assets of Maudore.

### **MAUDORE'S ACTIVITIES**

10. Since June 2014, Management, with the assistance of Clarus Securities Inc. (“**Clarus**”), has been actively searching for a potential investor. At the time of the NOI, approximately four potential investors had signed confidentiality agreements and had been granted access to a virtual data room containing additional financial and operational information. Since the filing of the NOI, three additional investors have signed confidentiality agreements with Maudore. Management continues to entertain discussions with potential investors.
11. The actual results for the two-week period ended September 28, 2014 are presented in Appendix A.
12. Maudore had no receipts during the two-week period ended September 28, 2014.
13. Total disbursements were approximately \$22K considering a receipt of approximately \$8K for GST reimbursement.
14. As mentioned previously, Management and Cyrus have been in regular communications regarding the operations of Maudore. Since the filing of the NOI, with the support of Cyrus and with advances provided by Aurbec, pre-filing payments totaling approximately \$35K were made to some of Maudore's creditors:

- a. Management contracts (\$35K): Maudore paid three individuals for amounts due prior to the filing of the NOI. These individuals actively participated in the preparation of the information required for the NOI filing and are required for continued operations.

#### **EXTENSION OF THE STAY PROCEEDINGS**

15. The insolvent person signified its intention to the Trustee to file a first motion for a 45-day extension of the stay proceedings to make a proposal to its creditors pursuant to Subsection 50.4(9) of the BIA, the whole as it appears in the court file.

#### **TRUSTEE'S RECOMMENDATION**

16. The Trustee is of the opinion that the reasons invoked in the motion presented by the insolvent person for a 45-day extension of the stay proceedings are reasonable.
17. The Trustee is of the opinion, based on the grounds alleged in the motion for an extension of the stay proceedings, that:
  - a. It is in the creditors' best interest for an extension of the stay proceedings to be granted in order to allow Maudore more time to make a viable proposal to its creditors;
  - b. Maudore has acted – and is continuing to act – in good faith and with due diligence;
  - c. Creditors will not suffer losses as compared to the situation at the time that the NOI was filed.

DATED AT MONTREAL on this 6<sup>th</sup> day of October, 2014.

**SAMSON BÉLAIR/DELOITTE & TOUCHE INC.**  
Trustee acting *in re*: the proposal of  
MAUDORE MINERALS LTD.



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Jean-François Nadon, CPA, CA, CIRP

APPENDIX A

**Maudore Minerals Ltd.**  
**Statement of receipts and disbursements**  
**For the period from September 15 to 28, 2014**

	<b>2-week period ended September 28, 2014</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>
<b>Receipts</b>			
Transfers from Mines Aurbec Inc.	<u>8,415</u>	<u>-</u>	<u>(8,415)</u>
<b>Disbursements</b>			
Salaries	25,751	25,854	(103)
Professional fees	-	-	-
Other consultants	-	-	-
Office and administration costs	973	(4,347)	5,320
Exploration costs	<u>-</u>	<u>-</u>	<u>-</u>
	<u>26,724</u>	<u>21,507</u>	<u>5,217</u>
<b>Projected bank balance variation</b>	<b>(18,309)</b>	<b>(21,507)</b>	<b>(3,198)</b>
<b>Bank balance - beginning</b>	<b><u>18,309</u></b>	<b><u>18,309</u></b>	<b><u>-</u></b>
<b>Bank balance - ending</b>	<b><u>-</u></b>	<b><u>(3,198)</u></b>	<b><u>(3,198)</u></b>