



Court File No. S-1812407

IN THE MATTER OF THE RECEIVERSHIP OF  
RED EAGLE MINING CORPORATION AND REMDC HOLDINGS LIMITED

**REPORT – REMDC SHARE TRANSACTION  
PREPARED BY FTI CONSULTING CANADA INC.,  
IN ITS CAPACITY AS RECEIVER**

**INTRODUCTION & BACKGROUND**

1. Pursuant to the Order of the Honourable Mr. Justice Walker (the "**Receivership Order**") of the Supreme Court of British Columbia (the "**Court**") granted November 21, 2018, (the "**Date of Receivership**"), FTI Consulting Canada Inc. was appointed as receiver and manager (the "**Receiver**") without security, of all the assets, undertakings, and properties of Red Eagle Mining Corporation ("**REM**") and REMDC Holdings Limited ("**REMDC**"), (collectively, the "**Respondents**") acquired for, or used in relation to a business carried on the debtor involving a gold mining interest in Colombia. The application was brought pursuant to section 243 of the *Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3*, as amended (the "**BIA**"), and section 39 of the *Law and Equity Act, R.S.B.C. 1996, c. 253*, and shall be referred to herein as the ("**Receivership**").
2. The Receiver has previously prepared reports for REM and REMDC in accordance with section 245 and 246 of the BIA detailing the assets, liabilities and the activities of the Respondents. Copies of these reports can be found on the website that was established by the Receiver at <http://cfcanada.fticonsulting.com/redeaglemining> (the "**Website**").
3. On April 4, 2019 the Honourable Mr. Justice Davies granted an Order, (the "**Approval Order**") approving the agreement of purchase and sale between the Receiver and Orion Fund JV Limited and Liberty Metals and Mining Holdings LLC in respect of a certain claim that was an asset of REM. The specific details of the agreement were subject to a sealing order granted by the Court due to the nature of the litigation in respect of the claim.

## TERMS OF REFERENCE

4. In preparing this report, the Receiver has relied upon unaudited financial information of the Respondents, the Respondents books and records, certain financial information prepared by the Respondents and discussions with the Respondents' management and various interested parties (the "Information").
5. Except as described in this Report:
  - (a) The Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook; and
  - (b) The Receiver has not examined or reviewed financial forecasts and projections referred to in this Report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.
6. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars. A copy of the motion materials, prior Receiver's Reports and Court orders are available at the Receiver's website <http://cfcanada.fticonsulting.com/redeaglemining>.
7. This report of the Receiver has been prepared to provide the Court with information in respect of:
  - (a) The interim statement of Receipts and Disbursements for the period May 21, 2019 to December 31, 2019;
  - (b) Details of property of which the Receiver took possession or control that has not yet been sold or realized;
  - (c) A description of the security held by Orion Fund JV Limited ("**Orion**") and Liberty Metals and Mining Holdings LLC (collectively, the "**Secured Lenders**") and other registered creditors;

- (d) The request for the approval of the sale of the shares of REMDC to Eagle Gold Mining Inc. (the "**REMDC Transaction**");
  - (e) The proposed distribution of funds from the REMDC Transaction, prior to the Receiver's request for discharge; and
  - (f) The anticipated completion of the Receivership.
8. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars. Capitalized terms not otherwise defined are as defined in the Receivership Order or previous reports of the Receiver.

**SUMMARY OF RECEIPTS AND DISBURSEMENTS**

9. The receipts and disbursements for the period May 21, 2019 to December 31, 2019 are summarized below:

	CDN
Opening Cash Position	\$1,319.45
Receipts	
Interest	\$14.70
Disbursement	
Bank Service Charges	\$32.00
Closing Cash Position	\$1,302.15

- 10. The opening cash positions includes the initial bank transfer from the accounts of REMDC and REM to the Receiver's account.
- 11. Receipts include interest payments received in respect of these funds.
- 12. Disbursements include charges for bank service fees.

**PROPERTY THAT HAS NOT YET BEEN SOLD OR REALIZED**

- 13. The Receiver's Report dated March 19, 2019 provides details of the assets taken into possession by the Receiver, which included limited cash from the Company's

RBC accounts, the books and records of the Respondents, and the Fernando Claim. In addition to these assets, the assets of the Respondents included all of the issued and outstanding shares of REMDC registered in the name of REM (the "REMDC Shares"). The physical share certificates representing the REMDC Shares were not transferred to the Receiver and remained in the possession of the legal counsel to the Secured Lenders, on behalf of the Secured Lenders to which they had been pledged.

14. On April 4, 2019 the Honourable Mr. Justice Davies granted the Approval Order for the sale of an REM asset.
15. The only remaining assets are the cash on hand and the REMDC Shares.
16. The report is being submitted in support of the Receiver's request for an order approving the sale of the REMDC Shares to Eagle Gold Mining Inc. (the "Purchaser"). If the sale of the REMDC Shares is approved by the Court, upon closing the Receiver will distribute the funds received from the Purchaser along with the funds on hand and then intends to seek approval of its discharge, there being no further assets of the Estate that the Receiver believes have a reasonable prospect of recovery.
17. There is no further realization anticipated from the Property under the Receivership Order and therefore following distribution of available cash are no further assets to be administered by the Receiver.

#### **THE SECURITY HELD BY THE SECURED LENDERS**

18. As security for the Respondents' obligations to the Secured Lenders, the following security was provided:
  - (a) A General Security Agreement by REM dated November 3, 2015, by which REM granted a security interest in and to all of its undertaking, property and assets and collateral as enumerated therein,

- (b) Guarantees, signed by each of the wholly owned subsidiaries of REM, including by REMDC, such guarantee being in writing and signed by REMDC on or about October 5, 2015;
- (c) A General Security Agreement by REMDC dated November 3, 2015, by which REMDC granted a security interest in and to all of its undertaking, property and assets and collateral as enumerated therein;
- (d) An assignment of material contracts granted by REM dated November 3, 2015, whereby REM assigned all right, title and interest in each of the material contracts enumerated therein;
- (e) A pledge of all equity interests in REM, and in each guarantors' directly owned subsidiaries, in writing and signed by REM on or about November 3, 2015; and
- (f) A blocked account agreement in respect of all bank accounts with REM as account holder held at the Royal Bank of Canada ("**RBC**") whereby, upon activation, RBC agreed to transfer all amounts on deposit or to the credit of REM ;

(collectively, the "**Security**").

19. In addition to the Security held by the Secured Lenders, a search of the Personal Property Registry ("**PPR**") in British Columbia revealed a registration by RBC over deposit funds held at RBC. At the time of the appointment of the Receiver, with the cooperation of RBC, these funds were transferred from RBC's accounts and the Receiver is not aware of any funds currently held at RBC that would be Property under the Receivership Order.
20. A copy of a search result of the PPR dated January 13, 2020, for each of the Respondents is attached as Appendix A.

## THE SALE OF THE REMDC SHARES

21. The purpose of this Report is to provide support for the request to approve the sale of the REMDC Shares. As described in the initial report of the Receiver, REM was a holding company and did not have active operations. At the date of the Receivership Order, REM was the 100% owner of REMDC, a company also subject to the Receivership. REMDC is the 100% owner of Red Eagle Mining de Colombia S.A.S. ("**REMDC SAS**"), a Colombian entity which operated a gold mine in the Antioquia province of Colombia. REM management had stopped production and processing at the mine in Colombia in July of 2018, due to lack of funding. REMDC SAS is not subject to the Receivership; however, the Receiver has been assisting the management team of REMDC SAS with discussions with interested parties in the hopes that a capital injection may be found and that operations may be able to restart at the mine.
22. Due to lack of funding, the Receiver has not run a formal marketing process for the REMDC Shares; however, the Receiver has been contacted by multiple parties who have expressed interest in acquiring and restarting the operations in Colombia.
23. Over the past 12 months the Receiver, the Secured Lenders and the REMDC SAS management team have worked with 11 parties to assist them in conducting due diligence in respect of the Colombian operations and assets. All parties have been provided the opportunity to access the available financial, operational and geological information in respect of the Colombian operations.
24. The Receiver received 1 term sheet prior to the proposed transaction but the parties were not able to agree on final terms.
25. In August of 2019 the Receiver received a second term sheet from Masglas Limited ("**Masglas**"), a privately held exploration and exploitation mining company based in Santiago de Chile. Masglas operates several mining projects in Chile and Peru. Masglas is an affiliate of, and the financial backer for, Eagle Gold Mining Inc. (the "**Purchaser**"), the proposed purchaser of the REMDC Shares.

26. On January 8, 2020 the Receiver and the Purchaser completed a share purchase agreement for the purchase of the REMDC Shares. The purchase price for the REMDC Shares will be divided into an initial payment to be paid to the Receiver as Vendor of the REMDC Shares and in the event that certain conditions as set out in section 7.1 of the Share Purchase Agreement (“SPA”) are met, a further payment, the Deferred Purchase Price Instalment, will be paid directly to Orion or its nominee.
27. The Deferred Purchase Price Instalment will be due if within 1 year of the closing date certain conditions are met to the satisfaction of the Purchaser in its sole discretion. The conditions set out in section 7.1 are summarized as follows:
- (a) **Target Third Party Agreements:** The Target [REMDC SAS] shall have entered into settlement agreements with third parties with respect to certain outstanding liabilities of the Target, each in form and substance satisfactory to the Purchaser in its sole discretion.
28. The Third Party Target agreements are necessary to address the financial situation of REMDC SAS which led to the insolvency of REM and REMDC and the appointment of the Receiver. The Colombian insolvency laws do not permit a restructuring in the same manner that is available to companies in Canada so these Third Party Target agreements will need to be negotiated individually in order to allow for the restart of operations in Colombia. The Purchaser will have the sole responsibility to negotiate the Third Party Target agreements and the sole responsibility to determine if the conditions listed in sections 7.1 have been met. In the event that the conditions in section 7.1 are not met, the Purchaser shall be entitled to either (a) terminate the SPA or (b) pay the Deferred Purchase Price Instalment to Orion or its Nominee and waive its termination rights.
29. In the event that the Purchaser gives notice that it intends to exercise its right to terminate the SPA, Orion will have 20 business days to deliver consideration of US\$1.00 for the purchase of the REMDC Shares from the Purchaser on an “as is where is” basis. This provision provides a potential backstop in the event progress is made towards a restart of the mine but the Purchaser is not sufficiently satisfied

to finalize the proposed transaction and Orion determines that it would want to own the REMDC Shares.

30. Following an approval of the Court and the distribution of proceeds the SPA provides for the Receiver to seek its discharge. The Receiver does not anticipate any further realizations or activity that would require its involvement following the distribution of proceeds and cash on hand.
31. A redacted copy of the SPA has been attached as Appendix "B", and an unredacted copy is attached to the version of this Report for which a sealing order will be sought. A sealing order is sought as the Purchase Price represents commercially sensitive information requiring protection, and the Purchaser requires the Receiver to seek a sealing order, as set out in the SPA. However, the Receiver will consider any proper party's request for disclosure, on appropriate terms of confidentiality.
32. Proceeds received from the REMDC Transaction will be used to make payment in respect of the known third party liabilities of REMDC, other than the Secured Lenders. This will be done in order that the REMDC Shares can be transferred free and clear of obligations to existing creditors. The list of the known creditors of REMDC is included as part of Form 87 Notice and Statement of the Receiver and is included as Appendix "C". The remaining proceeds will then be used as follows:
  - (a) Payment of \$54,325.69 in respect of the priority claim identified by CRA in respect of employee withholdings, previously reported to the Court;
  - (b) Payment of any outstanding professional fees including the fees of the Receiver and its counsel;
  - (c) Payment of a maximum of one third of the proceeds after expenses to Stracon, the mining operator for REMDC SAS, who is the largest trade creditor of REMDC SAS. This agreement was reached between the Purchaser, Orion and Stracon and the Receiver has no objection to this distribution which has the support of the Secured Lenders; and



- (d) The balance of any funds remaining after payment of the amounts identified above would be distributed to the Secured Lenders in accordance with their security over all the assets of REM as discussed above. The Receiver does not anticipate any payment will be made to the Secured Lenders from the available funds.
33. Although a formal marketing of the REM assets was not undertaken by the Receiver, interest was shown by a wide variety of international parties. Each party that contacted the Receiver was provided the same opportunity to diligence the operations, speak with the REMDC SAS management team and if appropriate meet with the Secured Lenders. During the past 12 months conditions at the mining site have deteriorated rapidly. The mine has been subject to flooding from failing generators and power outages, it is expected that key equipment may be missing, and the processing facility has not been properly operated or maintained which will severely compromise its condition.
34. In the Receiver's view this transaction represents the best and most likely recovery available to the Secured Lenders, priority creditors and the unsecured creditors of REMDC. It also represents the best likelihood of restarting the mining operations in Colombia bringing employment and business relationships back to the region and an opportunity for the trade creditors of REMDC SAS to see some recovery on their existing claims.
35. Section 247(b) of the BIA states:
- "247. A receiver shall (a) act honestly and in good faith; and (b) deal with the property of the insolvent person or the bankrupt in a commercially reasonable manner."
36. Pursuant to the principles in *Soundair*<sup>1</sup>, in reviewing a proposed sale of assets by a receiver, the Court should consider the following:
- (a) Whether the receiver has made a sufficient effort to obtain the best price and has not acted improvidently;

---

<sup>1</sup> *Royal Bank v. Soundair Corp.* (1991) 4 O.R. (3d) 1 (C.A),

- (b) The interests of all parties;
  - (c) The efficacy and integrity of the process by which offers have been obtained; and
  - (d) Whether there has been unfairness in the working out of the process.
37. The Receiver in conjunction with the Secured Lenders and the REMDC SAS management team maintained open communication with all interested parties for 10 months following the appointment of the Receiver, far longer than was anticipated at the start of the Receivership. This was not a situation where sufficient funding was made available to run a formalized sales process and although no formal sales process was presented to the Court, the Receiver followed the typical protocols of a Court approved process. All parties were given access to the same information and the same opportunity to speak with management. When the term sheet was presented which included an exclusivity period, all parties were notified of the deadline to present competing offers and none were received. Parties contacting the Receiver during the exclusivity period were advised that they would need to wait until the expiry of the exclusivity period to commence or resume due diligence and that the opportunity may no longer be available if a transaction was completed.
38. After 11 months of discussions with various parties, the REMDC Transaction represents a real opportunity for a recovery for the Secured Lenders, the priority creditor and the unsecured creditors of REMDC and also represents the best offer presented, that the Receiver and the Secured Lenders believe can actually be closed. The Receiver believes that with the support of the Secured Lenders and the management team in Colombia it has not acted improvidently in accepting the REMDC Transaction.
39. The REMDC Transaction is in the interests of all parties, including employees and suppliers in Colombia who are not direct stakeholders in the Receivership.
40. The Receiver believes that the process – although informal – has been conducted properly and that there has been no unfairness in the process and that it has been conducted with the integrity expected of a court approved process.

41. For the reasons noted above the Receiver recommends and respectfully requests that the Court approve the REMDC Transaction.

#### **ANTICIPATED STEPS TO COMPLETION**

42. The following steps require completion in order to finalize the Receivership and issue the Receiver's Certificate of Completion:
  - (a) Subject to the approval of the Court, close the REMDC Transaction;
  - (b) Distributions to the known third party unsecured creditors of REMDC;
  - (c) Distribution to CRA in respect of its priority claim;
  - (d) Payment of any outstanding balances owing to the Receiver and its Counsel including the any fees required to seek and obtain the Receiver's discharge;
  - (e) In the event funds are available, payment to Stracon;
  - (f) In the event funds are available, payment to the Secured Lenders; and
  - (g) Completion of the Receiver's final report in accordance with section 246(3) of the BIA and Form 12, issuance of the Receiver's certificate of discharge.
43. The Secured Lenders will suffer a shortfall on their secured claim. Accordingly, there will be no funds available for the unsecured creditors of REM.
44. It is currently anticipated that the Receivership will be completed by the end of February 2020.

Dated this 17<sup>th</sup> day of January, 2020.

FTI Consulting Canada Inc.  
In its capacity as Receiver of Red Eagle Mining Corporation  
and REMDC Holdings Limited  
And not in its personal or corporate capacity



Toni Vanderlaan  
Senior Managing Director

**Appendix A**

**Personal Property Registry Security Search REM and REMDC**

Page: 1

BC OnLine: PPRS SEARCH RESULT

2020/01/13

Lterm: XPSP0054  
12:46:11

For: P047255 MILLER THOMSON LLP

Index: BUSINESS

DEBTOR

Search Criteria: RED EAGLE MINING CORPORATION

\*\*\*\*\* P P S A S E C U R I T Y A G R E E M E N T \*\*\*\*\*

Reg. Date: FEB 21, 2013  
Reg. Time: 07:35:34

Reg. Length: 5 YEARS  
Expiry Date: FEB 21,

2023

Base Reg. #: 201047H

Control #: D1644921

\*\*\* Expiry date includes subsequent registered renewal(s).

Block#

S0001 Secured Party: ROYAL BANK OF CANADA  
36 YORK MILLS ROAD 4TH FLR  
TORONTO ON M2P 0A4

=D0001 Base Debtor: RED EAGLE MINING CORPORATION  
(Business) SUITE 920 1030 WEST GEORGIA ST  
VANCOUVER BC V6E 2Y3

General Collateral:

MONEYS OR AMOUNTS THAT MAY FROM TIME TO TIME BE ON DEPOSIT  
IN THE NAME  
OF DEBTOR WITH OR OWED TO DEBTOR BY SECURED PARTY, ROYAL  
BANK MORTGAGE  
CORPORATION, THE ROYAL TRUST COMPANY OR ROYAL TRUST  
CORPORATION OF  
CANADA OR ANY TWO OR MORE OF THEM, AND IN THE DEBTOR'S  
RIGHTS IN THOSE  
MONEYS OR THOSE AMOUNTS.  
PROCEEDS: ALL PROCEEDS INCLUDING, WITHOUT LIMITATION, GOODS  
(INCLUDING INVENTORY AND EQUIPMENT (EQUIPMENT INCLUDES,  
WITHOUT  
LIMITATION, MACHINERY, TOOLS, APPARATUS, PLANT, FURNITURE,  
FIXTURES,  
AIRCRAFT AND VEHICLES OF WHATSOEVER NATURE AND KIND) BUT  
EXCLUDING  
CONSUMER GOODS), MONEY, CHATTEL PAPER, DOCUMENTS OF TITLE,  
INSTRUMENTS  
AND SECURITIES.

Registering

Party: ROYAL BANK OF CANADA  
36 YORK MILLS ROAD 4TH FLR

TORONTO ON M2P 0A4

----- R E N E W A L  
-----

19, 2018 Reg. #: 521174K Reg. Date: JAN  
08:10:01 Reg. Life: 5 YEARS Reg. Time:  
D5040701 Control #:

Base Reg. Type: PPSA SECURITY AGREEMENT  
21, 2013 Base Reg. #: 201047H Base Reg. Date: FEB

Registering

Party: D & H LIMITED PARTNERSHIP  
4126 NORLAND AVENUE, SUITE 201  
BURNABY BC V5G 3S8

\*\*\*\*\* P P S A S E C U R I T Y A G R E E M E N T  
\*\*\*\*\*

2025 Reg. Date: OCT 13, 2015 Reg. Length: 10 YEARS  
Reg. Time: 11:09:16 Expiry Date: OCT 13,  
Block# Base Reg. #: 893893I Control #: D3379031

on Page 2

Continued

Search Criteria: RED EAGLE MINING CORPORATION  
Page: 2

+++ Secured Party: ORION FUND JV LIMITED  
22 VICTORIA STREET  
HAMILTON BERM HM 12

S0002 Secured Party: ORION FUND JV LIMITED, AS AGENT  
22 VICTORIA STREET  
HAMILTON BERM HM 12

=D0001 Base Debtor: RED EAGLE MINING CORPORATION  
(Business) 920 - 1030 WEST GEORGIA STREET  
VANCOUVER BC V6E 2Y3

General collateral:

ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE  
DEBTOR

Registering  
Party: ESC CORPORATE SERVICES LTD.  
445 KING STREET WEST, 4TH FL  
TORONTO ON M5V 1K4

----- A M E N D M E N T / O T H E R C H A N G E  
-----

20, 2015 Reg. #: 907755I Reg. Date: OCT  
14:26:11 Reg. Time:  
D3393202 Control #:

Base Reg. Type: PPSA SECURITY AGREEMENT  
13, 2015 Base Reg. #: 893893I Base Reg. Date: OCT

Details Description:  
TO REMOVE SECURED PARTY ORION FUND JV LIMITED.

Block#

\*\* DELETED \*\*  
+++ Secured Party: ORION FUND JV LIMITED  
22 VICTORIA STREET  
HAMILTON BERM HM 12

Registering  
Party: CYBERBAHN  
400-333 BAY STREET  
TORONTO ON M5H 2R2

\*\*\*\*\* P P S A S E C U R I T Y A G R E E M E N T  
\*\*\*\*\*

2025 Reg. Date: OCT 13, 2015 Reg. Length: 10 YEARS  
Reg. Time: 11:25:57 Expiry Date: OCT 13,  
Block# Base Reg. #: 893962I Control #: D3379105

+++ Secured Party: ORION TITHECO LIMITED  
CANON'S COURT, 22 VICTORIA ST  
HAMILTON BERM

S0002 Secured Party: ORION TITHECO LIMITED, AS AGENT  
CANON'S COURT, 22 VICTORIA ST  
HAMILTON BERM HM 12



Search Criteria: RED EAGLE MINING CORPORATION

Page: 3

=D0001 Base Debtor: RED EAGLE MINING CORPORATION  
(Business) 920-1030 WEST GEORGIA STREET  
VANCOUVER BC V6E 2Y3

General Collateral:

DEBTOR ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE

Registering

Party: ESC CORPORATE SERVICES LTD.  
445 KING STREET WEST, 4TH FL  
TORONTO ON M5V 1K4

----- A M E N D M E N T / O T H E R C H A N G E  
-----

20, 2015 Reg. #: 907816I Reg. Date: OCT  
14:38:09 Reg. Time:  
D3393248 Control #:

Base Reg. Type: PPSA SECURITY AGREEMENT  
Base Reg. #: 893962I Base Reg. Date: OCT  
13, 2015

Details Description:

TO REMOVE SECURED PARTY ORION TITHECO LIMITED.

Block#

\*\* DELETED \*\*

+++ Secured Party: ORION TITHECO LIMITED  
CANON'S COURT, 22 VICTORIA ST  
HAMILTON BERM

Registering

Party: CYBERBAHN  
400-333 BAY STREET  
TORONTO ON M5H 2R2

\*\*\*\*\* P P S A S E C U R I T Y A G R E E M E N T  
\*\*\*\*\*

2020 Reg. Date: NOV 05, 2015 Reg. Length: 5 YEARS  
Reg. Time: 12:36:52 Expiry Date: NOV 05,  
Base Reg. #: 939415I Control #: D3425629  
Block#

S0001 Secured Party: ROYAL BANK OF CANADA  
36 YORK MILLS ROAD, 4TH FLOOR  
TORONTO ON M2P 0A4

=D0001 Base Debtor: RED EAGLE MINING CORPORATION  
(Business) SUITE 920,1030 WEST GEORGIA ST  
VANCOUVER BC V6E 2Y3

General Collateral:

MONEYS OR AMOUNTS THAT MAY FROM TIME TO TIME BE ON DEPOSIT  
IN THE NAME OF DEBTOR WITH OR OWED TO DEBTOR BY SECURED  
PARTY, ROYAL BANK MORTGAGE CORPORATION, THE ROYAL TRUST  
COMPANY OR ROYAL TRUST CORPORATION OF CANADA OR ANY TWO OR  
MORE OF THEM, AND IN THE DEBTOR'S RIGHTS IN THOSE MONEYS OR

on Page 4

Continued

Search Criteria: RED EAGLE MINING CORPORATION  
Page: 4

THOSE AMOUNTS.

PROCEEDS: ALL PROCEEDS INCLUDING, WITHOUT LIMITATION,  
GOODS (INCLUDING INVENTORY AND EQUIPMENT (EQUIPMENT  
INCLUDES, WITHOUT LIMITATION, MACHINERY, TOOLS, APPARATUS,  
PLANT, FURNITURE, FIXTURES, AIRCRAFT AND VEHICLES OF  
WHATSOEVER NATURE AND KIND) BUT EXCLUDING CONSUMER GOODS),  
MONEY, CHATTEL PAPER, DOCUMENTS OF TITLE, INSTRUMENTS AND  
SECURITIES.

Registering

Party: ROYAL BANK OF CANADA  
36 YORK MILLS ROAD, 4TH FLOOR  
TORONTO ON M2P 0A4

\*\*\*\*\*  
\*\*\*\*\*

Some, but not all, tax liens and other Crown claims are registered  
at the  
Personal Property Registry (PPR) and if registered, will be  
displayed on  
this search result. HOWEVER, it is possible that a particular  
chattel is  
subject to a Crown claim that is not registered at the PPR. Please  
consult  
the Miscellaneous Registrations Act, 1992 for more details. If you  
are



Page: 1

BC OnLine: PPRS SEARCH RESULT

2020/01/13  
Lterm: XPSP0054  
12:48:18

For: PO47255 MILLER THOMSON LLP

Index: BUSINESS

DEBTOR  
Search Criteria: REMDC HOLDINGS LIMITED

\*\*\*\*\* P P S A S E C U R I T Y A G R E E M E N T \*\*\*\*\*

2025 Reg. Date: OCT 13, 2015 Reg. Length: 10 YEARS  
Reg. Time: 11:19:31 Expiry Date: OCT 13,  
Base Reg. #: 893930I Control #: D3379072  
Block#

+++ Secured Party: ORION FUND JV LIMITED  
CANON'S COURT, 22 VICTORIA ST  
HAMILTON BERM HM 12

S0002 Secured Party: ORION FUND JV LIMITED, AS AGENT  
CANON'S COURT, 22 VICTORIA ST  
HAMILTON BERM HM 12

=D0001 Base Debtor: REMDC HOLDINGS LIMITED  
(Business) 920 - 1030 WEST GEORGIA STREET  
VANCOUVER BC V6E 2Y3

General collateral:  
ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE

DEBTOR

Registering  
Party: ESC CORPORATE SERVICES LTD.  
445 KING STREET WEST, 4TH FL  
TORONTO ON M5V 1K4

----- A M E N D M E N T / O T H E R C H A N G E -----

20, 2015 Reg. #: 907784I Reg. Date: OCT  
14:31:31 Reg. Time:  
D3393218 Control #:  
Base Reg. Type: PPSA SECURITY AGREEMENT  
13, 2015 Base Reg. #: 893930I Base Reg. Date: OCT

Details Description:

TO REMOVE SECURED PARTY ORION FUND JV LIMITED.

Block#

\*\* DELETED \*\*

+++ Secured Party: ORION FUND JV LIMITED  
CANON'S COURT, 22 VICTORIA ST  
HAMILTON BERM HM 12

Registering

Party: CYBERBAHN  
400-333 BAY STREET  
TORONTO ON M5H 2R2

Continued

on Page 2

Search Criteria: REMDC HOLDINGS LIMITED

Page: 2

\*\*\*\*\* P P S A S E C U R I T Y A G R E E M E N T \*\*\*\*\*

Reg. Date: OCT 13, 2015

Reg. Length: 10 YEARS

Reg. Time: 11:28:06

Expiry Date: OCT 13,

2025

Base Reg. #: 893968I

Control #: D3379116

Block#

+++ Secured Party: ORION TITHECO LIMITED  
CANON'S COURT, 22 VICTORIA ST  
HAMILTON BERM HM 12

S0002 Secured Party: ORION TITHECO LIMITED, AS AGENT  
CANON'S COURT, 22 VICTORIA ST  
HAMILTON BERM HM 12

=D0001 Base Debtor: REMDC HOLDINGS LIMITED  
(Business) 920-1030 WEST GEORGIA STREET  
VANCOUVER BC V6E 2Y3

General collateral:

ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE

DEBTOR

Registering

Party: ESC CORPORATE SERVICES LTD.  
445 KING STREET WEST, 4TH FL  
TORONTO ON M5V 1K4

----- A M E N D M E N T / O T H E R C H A N G E  
-----

20, 2015 Reg. #: 907779I Reg. Date: OCT  
14:30:05 Reg. Time:  
D3393222 Control #:

Base Reg. Type: PPSA SECURITY AGREEMENT  
13, 2015 Base Reg. #: 893968I Base Reg. Date: OCT

Details Description:

TO REMOVE SECURED PARTY ORION TITHECO LIMITED.

Block#

\*\* DELETED \*\*

+++ Secured Party: ORION TITHECO LIMITED  
CANON'S COURT, 22 VICTORIA ST  
HAMILTON BERM HM 12

Registering

Party: CYBERBAHN  
400-333 BAY STREET  
TORONTO ON M5H 2R2

\*\*\*\*\*  
\*\*\*\*\*



**Appendix B**

**The REMDC Transaction Share Purchase Agreement - Redacted**



## SHARE PURCHASE AGREEMENT

THIS AGREEMENT is made as of January 10, 2020.

BETWEEN:

**FTI CONSULTING CANADA INC.**, court appointed receiver and manager of Red Eagle Mining Corporation

(the "Vendor")

AND:

**EAGLE GOLD MINING INC.**, a corporation incorporated under the laws of British Virgin Islands

(the "Purchaser")

AND:

**ORION FUND JV LIMITED**, an exempted limited company formed under the laws of Bermuda

("Orion" or the "Agent")

WHEREAS:

A. Pursuant to an order (the "**Order**") made November 21, 2018, in proceedings commenced in the Vancouver Registry of the Supreme Court of British Columbia (the "**Court**"), under number S-1812407, the Vendor was appointed as the receiver and manager (the "**Receiver**"), without security, of all of the assets, undertakings and property of Red Eagle Mining Corporation ("**REM**") and REMDC Holdings Limited ("**REMDC**" and collectively with REM, the "**Companies**") acquired for, or used in relation to a business carried on by the Companies (the "**Property**") pursuant to Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and Section 39 of the *Law and Equity Act*, R.S.B.C. 1996 c. 253, as amended;

B. The Vendor, in its capacity as the Receiver, is empowered and authorized by the Order to act in respect of the Property, including but not limited:

1. to sell any part of the Property with the approval of the Court in respect of any transactions in which the aggregate purchase price exceeds CAD\$250,000.00; and
2. to exercise any shareholder rights which the Companies may have;

C. As of the time of the Order, REM was, and as of the date of this Agreement is, the registered owner of all of the issued and outstanding shares of REMDC, being 1 Common share without par value represented by share certificate 02 and 28,640 Common shares without par value represented by share certificate 03 (collectively, the "**Purchased Shares**");

D. REMDC granted certain security and guaranteed the obligations owing by REM to the Agent for and on behalf of the lenders (the "**Lenders**") under a second amended and restated

credit agreement dated as of August 11, 2017 (as the same may be further amended, or amended and restated, the "**Credit Agreement**"); and

E. The Vendor has been authorized by the Order to sell, and the Purchaser wishes to purchase, the Purchased Shares free and clear of any security, guarantees and any related liens, charges and security interests made by REMDC in favour of the Agent or the Lenders (the "**Security**").

IN CONSIDERATION of the covenants and agreements in this Agreement, the parties agree as follows:

## **ARTICLE 1 INTERPRETATION**

### **1.1 Definitions**

Unless the context clearly indicates otherwise, (i) each term used in this Agreement, which is defined in the Recitals shall have the meaning given to such term in the Recitals and (ii) in this Agreement:

- (a) "**Agreement**" means this agreement, including all Recitals to this agreement, as amended, supplemented or restated from time to time;
- (b) "**Approval and Vesting Order**" has the meaning given to it in Section 6.1(d);
- (c) "**Assignment Agreement**" means that certain assignment agreement to be entered into between Orion, Liberty Metals & Mining Holdings, LLC, Stracon International S.A.C., MASGLAS Limited, REMDC and the Target, in a form and substance satisfactory to each such party, acting reasonably;
- (d) "**Business Day**" means a day other than a Saturday, Sunday or statutory holiday in the Province of British Columbia;
- (e) "**Closing**" means the completion of the purchase and sale of the Purchased Shares hereunder;
- (f) "**Closing Date**" has the meaning given to it in Section 5.1 or such other date agreed to by the parties;
- (g) "**Deferred Purchase Price Installment**" has the meaning given to it in Section 2.3(b);
- (h) "**Gold Purchase Agreement**" means that certain gold purchase agreement dated July 1, 2015, between Red Eagle Finance Limited and the Target, as amended or re-enacted from time to time;
- (i) "**Initial Purchase Price Installment**" has the meaning given to it in Section 2.3(a);
- (j) "**Intercompany Debt**" means the Intercompany Note and all other intercompany receivables of REM against REMDC or the Target at Closing;
- (k) "**Intercompany Note**" means that certain intercompany note dated August 20, 2015 between REM and the Target, as amended from time to time;

- (l) **"Model Approval and Vesting Order"** means the form of Approval and Vesting Order prescribed by the Court for approving this Agreement and vesting the Purchased Shares in the Purchaser;
- (m) **"Nominee"** has the meaning given to it in Section 2.3(b);
- (n) **"Purchase Price"** has the meaning given to it in Section 2.2;
- (o) **"Purchaser's Solicitors"** means Cuatrecasas Gonçalves Pereira S.Civil de R.L. and McCarthy Tétrault LLP;
- (p) **"Target"** means Red Eagle Mining de Colombia S.A.S.; and
- (q) **"Vendor's Solicitors"** means Miller Thomson LLP.

## 1.2 Construction and Interpretation

The division of this Agreement into Sections and the insertion of headings are for convenience only, do not form a part of this Agreement and will not be used to affect the construction or interpretation of this Agreement. Unless otherwise specified:

- (a) each reference in this Agreement to "Section" or "Recital" is to a Section or Recital to this Agreement;
- (b) each reference to a statute is deemed to be a reference to that statute, and to the regulations made under that statute, as amended or re-enacted from time to time;
- (c) words importing the singular include the plural and vice versa and words importing gender include all genders;
- (d) references to time of day or date means the local time or date in Vancouver, British Columbia; and
- (e) when used in the context of a general statement followed by a reference to one or more specific items or matters, the term "including" shall mean "including, without limitation", and the term "includes" shall mean "includes, without limitation".

## ARTICLE 2 PURCHASE AND SALE OF PURCHASED SHARES

### 2.1 Purchase and Sale

At Closing, the Vendor agrees to sell to the Purchaser and the Purchaser agrees to purchase from the Vendor, the Purchased Shares, subject to and in accordance with the terms and conditions of this Agreement.

### 2.2 Purchase Price

The aggregate purchase price for the Purchased Shares is [REDACTED] (the **"Purchase Price"**).

### 2.3 Payment of Purchase Price

The Purchaser will pay the Purchase Price as follows:

- (a) on the Closing Date, pay to the Vendor's Solicitors, in trust, by bank draft or wire transfer in the amount of [REDACTED] (the "Initial Purchase Price Installment"); and
- (b) within 15 Business Days of the confirmation of the conditions set out in Section 7.1 or upon the exercise by Purchaser of its rights pursuant to Section 7.2(b), pay to the Agent, or to such party as the Agent may direct (the "Nominee"), in trust, by bank draft or wire transfer in the amount of [REDACTED] (the "Deferred Purchase Price Installment").

## ARTICLE 3 REPRESENTATIONS AND WARRANTIES

### 3.1 Representations and Warranties of Purchaser

The Purchaser represents and warrants to the Vendor, and acknowledges that the Vendor is relying upon such representations and warranties, that as at the date of this Agreement first written above and as at the Closing Date:

- (a) **Due Execution and Enforceability.** This Agreement constitutes a valid and legally binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms subject to applicable bankruptcy, insolvency, reorganization and other laws of general application limiting the enforcement of creditors' rights generally and to the fact that specific performance is an equitable remedy available only in the discretion of the court; and
- (b) **Authorizations.** The Purchaser has the corporate power and capacity to enter into this Agreement and to perform its obligations hereunder. The execution and delivery of this Agreement and the consummation of the transaction contemplated by this Agreement has been duly authorized by all necessary corporate action on the part of the Purchaser and its directors, and shareholders if necessary.

### 3.2 Survival of Representations and Warranties

The representations and warranties contained in this Agreement will survive Closing for a period of one year from the Closing Date.

## ARTICLE 4 "AS IS, WHERE IS"

### 4.1 "As is, where is"

The Purchaser acknowledges that the Vendor is a court-appointed Receiver, appointed pursuant to the Order and has not carried on or operated the business of REMDC pursuant to that Order, and, accordingly, makes no representations or warranties with respect to REMDC, its business or undertakings, the Property or the Purchased Shares, and in particular, the Purchaser acknowledges that, subject to the Vendor obtaining the Approval and Vesting Order:

- (a) it is purchasing the Purchased Shares on an "as is, where is" basis and on the basis that the Purchaser has conducted to its satisfaction an independent inspection, investigation and verification of the Purchased Shares and all other relevant matters and has determined to proceed with the transaction contemplated herein and will accept the same at the Closing Date;
- (b) the description of the Purchased Shares contained herein is for the purpose of identification only and the inclusion of any item in such description does not confirm that they have been validly issued. No representation, warranty or condition has been given by the Vendor concerning the completeness or accuracy of such description; and
- (c) any documents, materials and information provided by or on behalf of the Vendor to the Purchaser with respect to the Purchased Shares and the Property have been provided to the Purchaser solely to assist the Purchaser in undertaking its own due diligence, and the Vendor has not made and is not making any representations or warranties, implied or otherwise, to or for the benefit of the Purchaser as to the accuracy and completeness of any such documents, materials or information or the achievability of any valuations, estimates or projections. The Purchaser acknowledges that it has not and will not rely upon any such documents, materials or information in any manner, whether as a substitute for or supplementary to its own due diligence, searches, inspections and evaluations. The Vendor and its respective affiliates, directors, officers, employees, agents and advisors shall not be liable for any inaccuracy, incompleteness or subsequent changes to any such documents, materials or information.

## **ARTICLE 5 CLOSING**

### **5.1 Closing Date**

The Closing shall occur as soon as practicable following the date on which the Approval and Vesting Order has been obtained (the date on which the Closing occurs being the "**Closing Date**"), subject to,

- (a) the fulfillment or performance of the closing conditions set out in Section 6.1 to the satisfaction (or waiver) of the Vendor; and
- (b) the fulfillment or performance of the closing conditions set out in Section 6.2 to the satisfaction (or waiver) of the Purchaser.

The Closing will take place at 2:00 p.m. on the Closing Date at the offices of the Purchaser's Solicitors or such earlier or later date or other place or on such trust conditions as the parties hereto may agree in writing.

### **5.2 Closing Documents by Vendor**

On or prior to the Closing, the Vendor will deliver to the Purchaser:

- (a) the Approval and Vesting Order and the Receiver's Certificate contemplated by same;

- (b) the original share certificates representing the Purchased Shares;
- (c) an assignment agreement or other transfer document evidencing the transfer of the Purchased Shares;
- (d) the minute book of REMDC (and its subsidiaries) and all other documents and records of REMDC (and its subsidiaries) in the possession or control of the Vendor; and
- (e) such further documents and assurances as may be reasonably required by the Purchaser's Solicitors in order to complete the transaction contemplated herein.

### 5.3 Closing Documents by Purchaser

On or prior to the Closing, the Purchaser will deliver to the Vendor:

- (a) a bank draft or wire transfer payable to the Vendor's Solicitors, in trust, in the amount of the Initial Purchase Price Installment; and
- (b) such further documents and assurances as may be reasonably required by the Vendor's Solicitors in order to complete the transaction contemplated herein.

## ARTICLE 6 CONDITIONS

### 6.1 Conditions of Closing of Vendor

The Vendor's obligation to complete the purchase and sale of the Purchased Shares is subject to the following terms and conditions for the exclusive benefit of the Vendor, to be fulfilled or performed at or prior to the Closing:

- (a) **Representations and Warranties:** The representations and warranties of the Purchaser contained in this Agreement shall be true and correct in all material respects at the Closing Date, with the same force and effect as if such representations and warranties were made at and as of such time;
- (b) **Covenants:** All of the terms, covenants and conditions of this Agreement to be complied with or performed by the Purchaser at or before the Closing, to the extent required to be complied with or performed by the Purchaser at or before the Closing, shall have been complied with or performed in all material respects;
- (c) **Share Certificates:** The Vendor will have in its possession the original share certificates representing the Purchased Shares before the Closing Date;
- (d) **Order:** The Vendor will have obtained an order from the Court approving this Agreement and vesting the Purchased Shares in the Purchaser, modelled on and substantially in the form of the Model Approval and Vesting Order (the "**Approval and Vesting Order**"), and such Approval and Vesting Order shall not have been appealed, stayed, varied or dismissed;
- (e) **Purchaser Third Party Agreements:** The Vendor will have received copies of any agreements that the Vendor will be required to enter into in its capacity as the Receiver of REM or REMDC prior to the Closing, in form and substance satisfactory to the Vendor, including the agreement pursuant to which the

Intercompany Debt shall have been assigned by REM to MASGLAS Limited or as it otherwise has directed; and

- (f) **Release and Discharge:** The Vendor will have obtained from the Agent, for and on behalf of the Lenders, a full release and discharge of REMDC and its subsidiaries for any and all actions, contracts, demands, liabilities and obligations whatsoever, including all liens, charges and security interests created or intended to be created pursuant to any Security that is not assigned to MASGLAS Limited pursuant to the Assignment Agreement, which the Agent, for and on behalf of the Lenders, now has or hereafter can, shall or may have for or by reason of or arising out of or in connection with the Security and/or the Credit Agreement.

The foregoing conditions are inserted for the sole benefit of the Vendor and may be waived in whole or in part by the Vendor, in its sole and absolute discretion.

## 6.2 Conditions of Closing of Purchaser

The Purchaser's obligation to complete the purchase and sale of the Purchased Shares is subject to the following terms and conditions for the exclusive benefit of the Purchaser, to be fulfilled or performed at or prior to the Closing:

- (a) **Covenants:** All of the terms, covenants and conditions of this Agreement to be complied with or performed by the Vendor at or before the Closing, to the extent required to be complied with or performed by the Purchaser at or before the Closing, shall have been complied with or performed in all material respects;
- (b) **Order:** The Vendor will have obtained the Approval and Vesting Order in form and substance satisfactory to the Purchaser, and such Approval and Vesting Order shall not have been appealed, stayed, varied or dismissed;
- (c) **Court Materials:** The Vendor will have provided the Purchaser with draft court materials and an opportunity to provide comments on them before they are served and filed. The Vendor will have provided to the Purchaser its proposed service list for its motion and will have added to the service list and served its motion on any other Person reasonably requested by the Purchaser. The copy of this Agreement included in the Vendor's court materials that is made public will have been redacted in a manner mutually satisfactory to the Vendor and the Purchaser (with an unredacted copy have been provided to the Court confidentially with a request for a sealing order);
- (d) **Release and Discharge:** The Vendor will have obtained from the Agent, for and on behalf of the Lenders, a full release and discharge of REMDC and its subsidiaries for any and all actions, contracts, demands, liabilities and obligations whatsoever, including all liens, charges and security interests created or intended to be created pursuant to any Security that is not assigned to MASGLAS Limited pursuant to the Assignment Agreement, which the Agent, for and on behalf of the Lenders, now has or hereafter can, shall or may have for or by reason of or arising out of or in connection with the Security and/or the Credit Agreement;
- (e) **Purchaser Third Party Agreements:** The Purchaser shall have entered, or caused REMDC or the Target to have entered, into the following agreements, each in form and substance satisfactory to the Purchaser in its sole discretion:

- (i) an agreement with STRACON International S.A.C or an affiliate thereof with respect to the mining services agreement for the Property; and
  - (ii) agreements with Liberty Metals and Mining Holdings, LLC and Osisko Gold Royalties, as applicable, to amend or amend and restate the existing net smelter return royalty and production payment agreement in respect of the Property.
- (f) **Termination of the Gold Purchase Agreement:** The Gold Purchase Agreement shall have been terminated by the parties thereto and Red Eagle Finance Limited (BVI) shall have assigned its receivable against Target in connection thereof to MASGLAS Limited or as it otherwise has directed;
- (g) **Assignment of the Intercompany Debt:** The Intercompany Debt shall have been assigned by REM to MASGLAS Limited or as it otherwise has directed;
- (h) **Approvals:** The Purchaser shall have received all necessary corporate approvals in order to execute and deliver this Agreement and to perform the transactions contemplated herein;
- (i) **Officer and Director Resignations:** The Purchaser shall have received written resignations and releases of the existing directors and officers of REMDC; and
- (j) **Due Diligence:** The Purchaser shall have completed all due diligence on REMDC, the subsidiaries of REMDC and the Property to the satisfaction of the Purchaser, in its sole discretion, including all material legal, technical, commercial, tax and financial aspects of REMDC (and its subsidiaries) and the Property.

The foregoing conditions are inserted for the sole benefit of the Purchaser and may be waived in whole or in part by the Purchaser, in its sole and absolute discretion.

## ARTICLE 7 DEFERRED PURCHASE PRICE PROVISION

### 7.1 Conditions of Deferred Purchase Price Installment

The Purchaser's obligation to pay the Deferred Purchase Price Installment is subject to the following terms and conditions for the exclusive benefit of the Purchaser, to be fulfilled or performed at or prior to the one (1) year anniversary of the Closing Date,

- (a) **Target Third Party Agreements:** The Target shall have entered into the following agreements, each in form and substance satisfactory to the Purchaser in its sole discretion:
- (i) a settlement agreement with [REDACTED] with respect to certain outstanding liabilities of the Target [REDACTED]
  - (ii) a settlement agreement with [REDACTED] with respect to certain outstanding liabilities of the Target [REDACTED]



- (iii) a settlement agreement with the [REDACTED] with respect to certain outstanding liabilities of the Target;
- (iv) a settlement agreement with [REDACTED] with respect to certain outstanding liabilities of the Target [REDACTED]
- (v) a settlement agreement with [REDACTED] with respect to certain outstanding liabilities of Target [REDACTED] and [REDACTED]
- (vi) a settlement agreement with [REDACTED] with respect to certain outstanding liabilities of Target [REDACTED]

## 7.2 Termination Right of Purchaser

If the conditions of the Deferred Purchaser Price Installment set out in Section 7.1(a) have not been fulfilled or performed at or prior to the one (1) year anniversary date of the Closing Date, in all cases, to the satisfaction of the Purchaser, then the Purchaser shall be entitled, in its sole discretion, to either:

- (a) terminate this Agreement in accordance with the termination procedures set forth in Section 7.3; or
- (b) pay the Deferred Purchase Price Installment and waive its termination rights pursuant to Section 7.2(a).

## 7.3 Termination Procedures

In the event that the Purchaser exercises its right to terminate this Agreement pursuant to Section 7.2(a),

- (a) the Purchaser shall give notice to the Agent of such decision within 10 Business Days following such one (1) year anniversary date of the Closing Date
- (b) the Vendor shall be entitled to retain the Initial Purchase Price Installment and any amounts invested by the Purchaser in the Target;
- (c) the Purchaser shall no longer be required to pay the Deferred Purchase Price Installment;
- (d) following receipt of such notice from the Purchaser, the Agent shall have 20 Business Days in which to notify the Purchaser in writing that it elects to purchase the Purchased Shares. If such notice is delivered then in consideration of USD\$1.00 to be paid by the Agent or its Nominee or assignee to the Purchaser, the Purchaser shall sell, transfer and assign to the Agent or its Nominee or assignee and the Agent or its Nominee or assignee shall purchase and assume from the Purchaser all of the Purchaser's right, title and interest in the Purchased Shares, on an "as is, where is" basis, with no express or implied representations or warranties. In the event that the Agent does not provide notice of its election to purchase the Purchased Shares, the Purchaser will retain the Purchased Shares with no further obligation in respect of the Deferred Purchase Price Installment;

- (e) In the event that the Agent or its Nominee or assignee has purchased and assumed the Purchased Shares, the Purchaser will deliver to the Agent or its Nominee or assignee:
  - (i) the original share certificates representing the Purchased Shares; and
  - (ii) the minute book of REMDC (and its subsidiaries) and all other documents and records of REMDC (and its subsidiaries) in the possession or control of the Purchaser; and
  - (iii) deliver such further documents and assurances as may be reasonably required in order to complete the transactions contemplated in this Section 7.3.

## **ARTICLE 8 DISCHARGE OF THE VENDOR AS RECEIVER**

### **8.1 Discharge of the Vendor as Receiver**

The Purchaser and the Agent acknowledge and agree that:

- (a) following the Closing, the Vendor intends to make an application to the Court to be discharged as the Receiver of REM and REMDC; and
- (b) following the granting by the Court of the discharge of the Vendor as the Receiver of REM and REMDC, the Vendor will not have any power or authority to act on behalf of either REM or REMDC in connection with any matters.

## **ARTICLE 9 GENERAL**

### **9.1 Entire Agreement**

The terms of this Agreement contain the entire agreement between the parties with respect to the subject matter of this Agreement and cancel and supersede any prior understandings or agreements between the parties with respect to that subject matter.

### **9.2 Further Assurances**

The parties will execute and deliver all further documents and take all further action reasonably necessary to give effect to the terms and intent of this Agreement and to complete the transaction contemplated herein.

### **9.3 Notices**

Any notice to be given under this Agreement shall be in writing and shall be validly given if delivered, faxed or sent via email to the parties as follows:

To the Vendor at:

FTI Consulting Canada Inc.  
TD Waterhouse Tower  
79 Wellington Street West, Suite 2010

Toronto, Ontario M5K 1G8  
Attention: Toni Vanderlaan

Email: [toni.vanderlaan@fticonsulting.com](mailto:toni.vanderlaan@fticonsulting.com)

with a copy to:

Miller Thomson LLP  
400 – 725 Granville Street  
Vancouver, British Columbia V7Y 1G5  
Attention: Gordon Plottel  
Email: [gplottel@millერთhompson.com](mailto:gplottel@millერთhompson.com)

To the Purchaser at:

Eagle Gold Mining Inc.  
Los Flamencos 145, piso 5  
San Isidro, Lima, Peru

Attention: David Brownrigg & Maurizio Cordova

Email: [dbrownrigg@masglas.com](mailto:dbrownrigg@masglas.com); [mcordova@masglas.com](mailto:mcordova@masglas.com)

with a copy to:

Cuatrecasas Peru  
Attention: Oscar Trelles  
Email: [oscar.trelles@cuatrecasas.com](mailto:oscar.trelles@cuatrecasas.com)

and

McCarthy Tétrault LLP  
Suite 5300, TD Bank Tower  
Box 48, 66 Wellington Street West  
Toronto ON M5K 1E6  
Canada

Attention: Frederico Marques  
Email: [fmarques@mccarthy.ca](mailto:fmarques@mccarthy.ca)

To the Agent at:

Orion Resources Partners (USA) LP  
7 Bryant Park  
1045 Avenue of the Americas, Floor 25  
New York, NY 10018

Attention: Dov Lader  
Email: [dlader@orionrp.com](mailto:dlader@orionrp.com)

with a copy to:

Torys LLP  
TD South Tower  
79 Wellington Street West  
30th Floor, Box #270,  
Toronto, Ontario  
M5K 1N2  
Canada

Attention: Tom Zverina  
Email: tzverina@torys.com

or to such other address as a party may advise the other by written notice hereunder. Any notice addressed and provided as aforesaid shall be deemed to have been given on the day of delivery or electronic transmission if a Business Day and if not a Business Day, then on the next Business Day.

#### **9.4 Enurement**

This Agreement enures to the benefit of and binds the parties and their respective successors and permitted assigns.

#### **9.5 Assignment**

Neither this Agreement nor any of the rights or obligations under this Agreement are assignable by either party without the prior written consent of the other party, provided that the Agent may assign its right to purchase the Purchased Shares pursuant to Section 7.3 without consent.

#### **9.6 Amendment and Waiver**

This Agreement may only be amended by written agreement signed by the parties. Any waiver of any provision hereof will be effective only if it is in writing and signed by the party to be bound thereby, and only in the specific instance and for the specific purpose for which it has been given. No failure of a party to exercise, and no delay in exercising, any right under this Agreement will operate as a waiver of such right. No single or partial exercise of any such right will preclude any further or other exercise of such right.

#### **9.7 Severability**

If any provision of this Agreement is determined to be invalid, illegal or unenforceable by an arbitrator or any court of competent jurisdiction, that provision will be severed from this Agreement, and the remaining provisions will remain in full force and effect.

#### **9.8 Time of Essence**

Time is of the essence of this Agreement.

#### **9.9 Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein, without reference to conflicts of law rules. The parties agree to submit to the jurisdiction and the courts of British Columbia with respect to any dispute relating to this Agreement or the transactions contemplated herein.

**9.10 Counterparts**

This Agreement may be executed in any number of counterparts, originally, by fax, or by email, each of which is an original and all of which together are one original document.

*[Remainder of page intentionally left blank]*

IN WITNESS WHEREOF, the parties hereby have duly executed this Agreement as of the date first written above.

) **FTI CONSULTING CANADA INC.,** as  
) court appointed receiver and manager of  
) Red Eagle Mining Corporation, and not in  
) its personal capacity  
) Per: Toni Vanderlaan  
) Name: Toni Vanderlaan  
) Title: Senior Managing Director  
) I have the authority to bind the Corporation

)  
) **EAGLE GOLD MINING INC.**  
) Per: \_\_\_\_\_  
) Name:  
) Title:  
) I have the authority to bind the Corporation

)  
) **ORION FUND JV LIMITED**  
) Per: \_\_\_\_\_  
) Name:  
) Title:  
) I have the authority to bind the Corporation

IN WITNESS WHEREOF, the parties hereby have duly executed this Agreement as of the date first written above.

)  
)  
)  
)  
)  
)  
)

**FTI CONSULTING CANADA INC.**

Per: \_\_\_\_\_

Name:

Title:

I have the authority to bind the Corporation

)  
)  
)  
)  
)  
)  
)

**EAGLE GOLD MINING INC.**

Per: \_\_\_\_\_

Name: Maurizio Cordova

Title: Sole Director

I have the authority to bind the Corporation

)  
)  
)  
)  
)  
)  
)

**ORION FUND JV LIMITED**

Per: \_\_\_\_\_

Name:

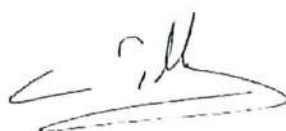
Title:

I have the authority to bind the Corporation

IN WITNESS WHEREOF, the parties hereby have duly executed this Agreement as of the date first written above.

) **FTI CONSULTING CANADA INC.**, as  
) court appointed receiver and manager of  
) Red Eagle Mining Corporation, and not in  
) its personal capacity  
)  
) Per: \_\_\_\_\_  
) Name: Toni Vanderlaan  
) Title: Senior Managing Director  
) I have the authority to bind the Corporation

)  
)  
) **EAGLE GOLD MINING INC.**  
) Per: \_\_\_\_\_  
) Name:  
) Title:  
) I have the authority to bind the Corporation

)  
)  
) **ORION FUND JV LIMITED**  
) Per: \_\_\_\_\_  
)   
) \_\_\_\_\_  
) Name: Christopher Tribley  
) Title: Director  
) I have the authority to bind the Corporation



Appendix C

Form 87 Notice and Statement of the Receiver - Schedule 1 - List of Known  
Creditors of REMDC



## Schedule 1

### Secured Creditors

### Amount

Orion Fund JV Limited  
c/o 1600 Cathedral Place  
925 West Georgia Street  
Vancouver, BC  
V6C 3L2

US\$79,901,000

### Unsecured Creditors

Deloitte Canada  
#2800, 1055 Dunsmuir Ave.  
Vancouver, BC  
V7X 1P4

\$4,494.00

Red Eagle Mining Corporation  
Suite 2348, 666 Burrard Street  
Vancouver, BC  
V6C 2X8

\$7,302.75

Office of the Superintendent of Bankruptcy  
300 West Georgia Street, Suite 2000  
Vancouver, BC  
V6B 6E1