

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36

- AND -

IN THE MATTER OF THE *CANADA BUSINESS CORPORATIONS ACT*,
R.S. 1985 c. C-44

- AND -

IN THE MATTER OF THE *BRITISH COLUMBIA BUSINESS CORPORATIONS ACT*,
S.B.C. 2002, c. 57

- AND -

IN THE MATTER OF
REDCORP VENTURES LTD.
and REDFERN RESOURCES LTD.

FIRST REPORT OF THE RECEIVER
MCINTOSH & MORAWETZ INC.

INTRODUCTION

1. This report (the **"Report"**) is filed by McIntosh & Morawetz Inc. (**"M&M"**) in its capacity as Court-appointed Interim Receiver and Receiver (in such capacities, the **"Receiver"**) of certain assets, undertakings and properties of Redcorp Ventures Ltd. (**"Redcorp"**) and Redfern Resources Ltd. (**"Redfern"**) (collectively, the **"Companies"**).
2. Pursuant to an order of the Supreme Court of British Columbia (the **"Court"**) dated May 29, 2009 (the **"Appointment Order"**), M&M was appointed Receiver, without security,

of the Companies' current and future personal assets, undertakings and properties, including all proceeds thereof, including, without limitations, all cash, money, goods, equipment, inventory, books and records, securities, choses in action, instruments, document of title, accounts, receivables, intangibles, certain mineral claims as administered by the Ministry of Energy, Mines and Petroleum Resources and certain royalty or other interests arising from oil and gas properties (collectively, the **"Property"**). A copy of the Appointment Order is attached hereto as **Appendix "A"**.

3. Pursuant to the Appointment Order, the appointment of the Receiver does not extend to nor does the Property include any interest of the Companies in:

- (a) any real property or land interests, including without limitation any interests held in accordance with titles issued in accordance with the *Land Title Act of British Columbia*, including the real property constituting the mine site known as the Tulsequah Project (described below);
- (b) any interest in certain Asset Backed Commercial Paper (the **"ABCP"**) secured in favour of HSBC Bank Canada (**"HSBC"**) as described in paragraph 1 of the Order granted by the Court on April 6, 2009, save and except for any interest receivable owing in respect of the predecessor notes to the ABCP for the period prior to the Receiver's appointment;
- (c) amounts held by CIBC Mellon Trust Company in an interest escrow account and payable to the Note Holders in accordance with paragraphs 6(d) and 10(a) of the Initial Order granted on March 4, 2009; and
- (d) any amounts deposited at HSBC and Royal Bank of Canada or elsewhere by Redfern and secured in favour of parties in accordance with certain Safekeeping Agreements under the *Mines Act* and Standby Letters of Credit issued under the *Fisheries Act*.

4. This Report is filed in support of the Receiver's motion seeking, *inter alia*, the following orders from this Honourable Court:
 - (a) approving the activities of the Receiver from May 29, 2009 to the date of this Report;
 - (b) authorizing and directing the Receiver to make an interim distribution of \$20 million to CIBC Mellon Trust Company as Note Trustee (the "**Note Trustee**"), for holders of the 13% senior secured redeemable series D Notes (the "**Secured Notes**") in partial repayment of the Secured Notes; and
 - (c) granting such further and other relief as counsel may advise and this Court permit.

BACKGROUND

4. Redcorp was formed in 2000 and is incorporated under the *Canada Business Corporations Act*. It is a publicly held corporation with its common shares traded on the Toronto Stock Exchange, and is headquartered from leased office premises in Vancouver, British Columbia. Redcorp's principal business was the acquisition, exploration and development of mineral properties, with its primary asset being a 100% interest in the Tulsequah Chief project (the "**Tulsequah Project**") located 100km south of Atlin, British Columbia. The Tulsequah Project is a mine that was being developed for the production of gold, silver, copper, lead and zinc. Redcorp's primary exploration and development activities are carried on through its wholly-owned subsidiary, Redfern. Redfern is incorporated under the *Business Corporations Act of British Columbia*, is the registered holder of 38 mineral rights in the Tulsequah Project and owns the mining equipment assets of the Companies.
5. Redcorp's primary creditors include the holders of the Secured Notes with an aggregate outstanding principal amount of \$141,975,000 (the "**Noteholders**"). The Noteholders'

security includes the Companies' personal property and the proceeds thereof, including the Companies' cash, inventory and equipment.

6. On March 4, 2009, the Companies made an application under the *Companies' Creditors Arrangement Act* (the "**CCAA**") in the Supreme Court of British Columbia (the "**Court**") and the Court granted an Initial Order, which among other things, provided for a stay of proceedings as against the Companies until and including April 3, 2009 (the "**Stay Period**"). On March, 27, 2009, the Court made a further Order, which among other things, continued and extended the Stay Period until June 16, 2009.
7. The beneficial holders of a majority (i.e. approximately \$101 million) in amount of the Secured Notes formed a secured noteholders' committee (the "**Committee**") in the CCAA proceedings.
8. On March 9, 2009, the Companies and the Monitor in the CCAA proceeding, KPMG Inc., jointly filed an application with the United States Bankruptcy Court, Western District of Washington at Seattle (the "**U.S. Court**"), for recognition of the CCAA proceeding as a foreign main proceeding as well as an application for entry of an order seeking the imposition of an interim stay as to the U.S. Assets pending entry of an order of recognition. The U.S. Court granted the initial Order on March 9, 2009. On March 24, 2009, following notice to the creditors of the Companies identified in the U.S. (the "**U.S. Creditors**"), the U.S. Court entered the final Order. On April 30, 2009, the U.S. Court entered the order of recognition of the CCAA proceeding as a foreign main proceeding (the "**Recognition Order**"). The Recognition Order stayed the individual actions of the U.S. Creditors, executions and proceedings concerning the Companies'

assets, rights and obligations other than pursuit of claims through the CCAA or Chapter 15 proceedings. The Recognition Order also recognized the Companies and the Monitor as the Foreign Representatives authorized to act in the Chapter 15 Proceeding.

9. On May 20, 2009, the Committee served notice of a motion for an application to be heard on May 27, 2009, seeking an Order lifting the CCAA stay of proceedings and appointing M&M as Interim Receiver and Receiver, and on May 29, 2009, the Court granted the Appointment Order. Further particulars relating to the Companies and the events leading up to the appointment of the Receiver were set out in the Affidavit of Paul Liebovitz sworn May 20, 2009 (the “**Liebovitz Affidavit**”) filed by the Applicants on the application to appoint the Receiver and, accordingly, are not repeated in this Report.

THE RECEIVER’S ACTIVITIES TO DATE

10. On May 29, 2009, the Receiver commenced taking control of the Property. The Receiver’s activities since its appointment include, *inter alia*, the following:

- Freezing the Companies’ existing bank accounts, opening new trust bank accounts in the name of the Receiver and coordinating the transfer of funds totalling approximately \$29.7 million from the Companies’ accounts into the Receiver’s accounts;
- Writing to third parties storing or otherwise in possession of certain of the Companies’ assets in order to notify them of the Receiver’s appointment and to advise that no such assets should be moved or released without the prior written approval of the Receiver;
- Liaising with HSBC and its legal counsel to arrange for an interest payment of approximately \$1.2 million on the ABCP held by Redcorp to be paid into the company’s existing bank accounts, and coordinating the transfer of those funds from Redcorp’s accounts into the Receiver’s accounts;
- Attending at the Companies’ premises on a daily basis to, *inter alia*, meet with former management and address various matters related to the closure of the Companies’ businesses and operations; arranging for the retention of certain of the Companies’ former employees;

- Securing the books, records and office equipment of the Companies by changing the locks and security alarm codes at the Companies' headquarters and disconnecting remote access to the Companies' computer systems;
- Liaising with the Companies' insurance broker to confirm existing insurance coverage and arranging for the Receiver to be added as Loss Payee or Additional Insured on the policies. Arranging for the implementation of certain insurance coverage that the Companies were transitioning to prior to the issuance of the Appointment Order;
- Liaising with Canadian and U.S. legal counsel to seek the appointment of the Receiver as the Foreign Representative in the Chapter 15 Proceeding (replacing the Monitor as the prior appointed representative) with the authority to act in connection with certain assets located within the territorial jurisdiction of the U.S. which form part of the Property;
- Responding to equipment rental organizations seeking to retrieve equipment from the mine site;
- Responding to the demand for return of materials from Procon Mining and Tunnelling Ltd. and its Notice of Motion regarding same;
- Responding to lien claimants;
- Pursuing final accountings of advances from certain contract service providers and seeking recovery of amounts owed to the Companies;
- Arranging for the preparation and distribution of Records of Employment to former employees and addressing general employee enquiries;
- Preparing and coordinating the mailing of the Notice and Statement of Receiver required pursuant to subsections 245(1) and 246(1) of the *Bankruptcy and Insolvency Act*;
- Liaising with legal counsel regarding the proposed Directors' and Officers' claims process;
- Reviewing detailed asset lists and related materials, and compiling information related to the development of a marketing and sales plan for the Companies' equipment and other assets; and
- Responding to creditor and other enquiries.

RECEIVER'S RECEIPTS AND DISBURSEMENTS

11. A summary of the Receiver's receipts and disbursements for each of Redcorp and Redfern from May 29 to June 21, 2009 is attached hereto as **Appendices "B-1" and "B-2"**.

INTERIM DISTRIBUTION

12. As indicated above, the Noteholders are the senior secured creditors of Redcorp and are owed approximately \$142 million. Details of the Secured Notes and of the security held by the Note Trustee, for the benefit of the Noteholders, are set out in paragraphs 13 through 24 of the Liebovitz Affidavit.
13. The Receiver has reviewed the books and records of Redcorp and has confirmed the amount of the outstanding indebtedness owing by Redcorp under the Secured Notes.
14. As described in paragraph 22 of the Liebovitz Affidavit, the Monitor's legal counsel in the CCAA proceedings, Fasken Martineau DuMoulin LLP ("**FMD**"), has provided a legal opinion to the Monitor that the security documents related to the Secured Notes "constitutes a valid and binding obligation of and is enforceable against, the party granting same and create a valid perfected security interest in the collateral described therein". The legal opinion of FMD dated March 19, 2009 was attached to the Liebovitz Affidavit as Exhibit G and, for ease of reference, is attached hereto as **Appendix "C"**. Subject to the Court-ordered charges established by the Initial Order and the priorities mandated under s.81.3 and s.81.4 of the *Bankruptcy and Insolvency Act* in respect of employee wages, the records of the Personal Property Registry ("PPR") record the Note

Trustee as having registered its security interest in priority to all other registrations. A copy of the PPR Search Results for the Companies is attached hereto as **Appendix “D”**.

15. The Committee has requested that the Receiver seek approval to distribute the amount of \$20 million to the Note Trustee, for the benefit of the Noteholders (the **“Proposed Distribution”**).
16. Based on the Receiver’s statement of receipts and disbursements and taking into consideration the hold backs itemized below, the Receiver is of the view that the Proposed Distribution is appropriate at this time.

	As at June 21, 2009 (in \$CDN 000’s)
Cash on deposit in Receiver’s trust accounts	<u>30,498</u>
Less proposed hold back amounts:	
D&O Charge, provided for in the Initial Order	5,000
Administrative Charge, provided for in the Initial Order	1,000
ABCP Interest, security matters to be resolved	<u>1,202</u>
Subtotal of proposed hold backs	<u>7,202</u>
Amount available for distribution and to fund future expenses	23,296
Less: proposed distribution	<u>20,000</u>
Amount available to fund future expenses (before net future realizations on non-cash assets)	3,296

SUMMARY COMMENTS AND RECOMMENDATIONS

17. FMD has independently reviewed and opined on the Noteholder’s security in the Property.

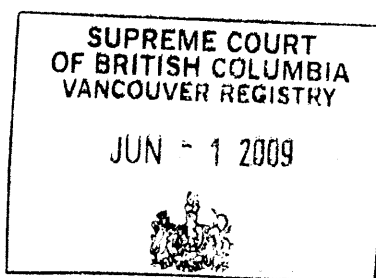
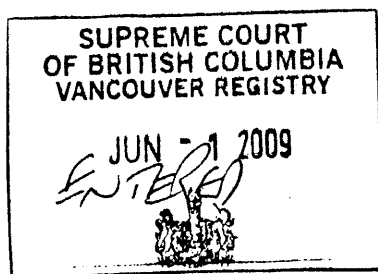
18. The PPR Search Results show the Note Trustee as having registered evidence of its security interest in priority to all other registrations.
19. Following the Proposed Distribution, the Receiver will continue to hold approximately \$3.4 million to fund future expenses, before taking into consideration anticipated realizations from the Companies' equipment and other assets, which are expected to be meaningful.
20. Based on the foregoing, the Receiver respectfully recommends that the Court grant an order:
 - (a) approving the activities of the Receiver from May 29, 2009 to the date of this Report;
 - (b) authorizing and directing the Receiver to make an interim distribution of \$20 million to the Note Trustee, for the benefit of the Noteholders, as partial repayment of the Secured Notes; and
 - (c) granting such further and other relief as counsel may advise and this Court permit.

All of which is respectfully submitted this 23rd day of June, 2009.

**McIntosh & Morawetz Inc., solely in its capacity as
Court-Appointed Interim Receiver and Receiver of
Redcorp Ventures Ltd. and Redfern Resources Ltd.**



Per: Douglas R. McIntosh
President



No. S091670
Vancouver Registry

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ORDER

BEFORE THE HONOURABLE)	FRIDAY, THE 29TH DAY
)	
THE CHIEF JUSTICE)	OF MAY, 2009
)	

THE APPLICATION of Whitebox Advisors LLC, GMP Investment Management LP, Sandleman Partners LP and VR Global Partners LP for an Order pursuant to Section 47(1) 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, as amended (the "LEA") appointing McIntosh & Morawetz Inc, an affiliate of Alvarez & Marsal Canada ULC as Interim Receiver and Receiver (in such capacities, the "Receiver") without security, of certain assets, undertakings and properties of Redcorp Ventures Ltd. and Redfern Resources Ltd. (the "Debtors") coming on for hearing on May 27, 2009 at the Courthouse, 800 Smithe Street, Vancouver, British Columbia.

AND ON READING the Notice of Motion dated May 20, 2009, the Affidavit #1 of Paul Liebovitz sworn May 20, 2009, the Affidavit #4 of Terry Chandler sworn May 21, 2009, the Affidavit #5 of Terence E. Chandler sworn May 21, 2009, the Affidavit #1 of Wade Comin sworn May 25, 2009, the Affidavit #6 of Terry Chandler sworn May 26, 2009, and the Third Report of the Monitor dated May 22, 2009, and the consent of McIntosh & Morawetz Inc, an affiliate of Alvarez & Marsal Canada ULC to act as the Receiver; AND ON HEARING Matthew Gottlieb, Counsel for the Applicants, and other counsel as listed on Schedule A" hereto.

AND UPON JUDGMENT BEING RESERVED TO THIS DATE:

AND UPON THE COURT determining that the stay of proceedings granted herein as against the Applicants is no longer appropriate:

APPOINTMENT

1. THIS COURT ORDERS that pursuant to Section 47(1) of the BIA and Section 39 of the LEA McIntosh & Morawetz Inc, an affiliate of Alvarez & Marsal Canada ULC is hereby appointed Receiver, without security, of the Debtors' current and future personal assets, undertakings and properties, including all proceeds thereof, including, without limitation, all cash, money, goods, equipment, inventory, books and records, securities, choses in action, instruments, document of title, accounts, receivables, intangibles, certain mineral claims as administered by the Ministry of Energy, Mines and Petroleum Resources and certain royalty or other interests arising from oil and gas properties (collectively the "Property").
2. For greater certainty and notwithstanding the foregoing, the appointment of the Receiver against certain assets of the Debtors shall not extend to nor shall the Property include any interest of the Debtors in:
 - (a) any real property or land interests, including without limitation, any interests held in accordance with titles issued in accordance with the *Land Title Act* of British Columbia including the real property constituting the mine site known as the Tulsequah Project;
 - (b) any interest in certain Asset Based Commercial Paper (the "ABCP") secured in favour of HSBC Bank Canada as described in paragraph 1 of the Order granted herein on April 6, 2009, save and except for any interest receivable owing in respect of the predecessor notes to the ABCP for the period prior to this appointment;
 - (c) amounts held by CIBC Mellon Trust Company in an interest escrow account and payable to the Note Holders in accordance with paragraphs 6(d) and 10(a) of the Initial Order granted herein (the "Interest Escrow Account"); and
 - (d) any amounts deposited at HSBC Bank Canada and Royal Bank of Canada or elsewhere by the Debtor Redfern Resources Ltd. and secured in favour of those

parties in accordance with certain Safekeeping Agreements under the *Mines Act* and Standby Letters of Credit issued under the *Fisheries Act*.

RECEIVER'S POWERS

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:
- (a) take possession and control of the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
 - (b) receive, preserve, protect and maintain control of the Property, or any part or parts thereof, including, but not limited to, changing of locks and security codes, relocating of Property to safeguard it, engaging of independent security personnel, the taking of physical inventories and placement of such insurance coverage as may be necessary or desirable;
 - (c) engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the powers and duties conferred by this Order;
 - (d) pay the costs of completing or improving certain equipment or pay the balance owing in respect of any partially paid for equipment;
 - (e) receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
 - (f) settle, extend or compromise any indebtedness owing to or by the Debtors, including without limitation, paying any amounts owing under the Administration Charge (as defined in accordance with the Initial Order of this Court dated March 4, 2009 (the "Initial Order"));
 - (g) apply for court approval of a claims process in respect of any amounts owing under the Directors' Charge (as defined in accordance with the Initial Order) and to pay such amounts as are determined to be owing under the Directors' Charge;
 - (h) execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtors, for any purpose pursuant to this Order;
 - (i) initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtors, the Property or the Receiver, and to settle or compromise any such

proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding, provided that nothing in this Order shall authorize the Receiver to defend or settle the action(s) in which this Order is made unless otherwise directed by this Court;

- (j) market any or all the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate, including reselling equipment back to the original vendor or supplier or to equipment dealers or brokers;
- (k) sell, convey, transfer, lease, assign or otherwise dispose of the Property or any part or parts thereof out of the ordinary course of business:
 - (i) without the approval of this Court in respect of any transaction not exceeding \$2,000,000, provided that the aggregate consideration for all such transactions does not exceed \$10,000,000 or such greater amount that this Court may from time to time allow; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amounts set out in the preceding clause,

and in each such case notice under Section 59(10) of the *Personal Property Security Act*, R.S.B.C. 1996, c. 359 shall not be required;

- (l) apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information with such Persons, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) apply for any permits, licences, approvals or permissions and any renewals thereof as may be required by any governmental authority for and on behalf of and, if considered necessary or appropriate by the Receiver, in the name of the Debtors;
- (o) enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limitation, the ability to enter into occupation agreements for any Property owned or leased by the Debtors;
- (p) exercise any shareholder, partnership, joint venture or other rights which the Debtors may have; and

(q) take any steps reasonably incidental to the exercise of these powers,

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtors, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (i) the Debtors, (ii) all of the Debtors' current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to such Property to the Receiver, and shall deliver all such Property (excluding Property subject to liens the validity of which is dependant on maintaining possession) to the Receiver upon the Receiver's request.
5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtors, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control relating to the Property, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 4 or in paragraph 5 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or documents prepared in contemplation of litigation or due to statutory provisions prohibiting such disclosure.
6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by an independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including, without limitation, providing the Receiver with instructions on the use of any computer or other system and

providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

7. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY

8. THIS COURT ORDERS that no Proceeding against or in respect of the Debtors or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtors or the Property are hereby stayed and suspended pending further Order of this Court, provided, however, that nothing in this Order shall prevent any Person from commencing a Proceeding regarding a claim that might otherwise become barred by statute or an existing agreement if such Proceeding is not commenced before the expiration of the stay provided by this paragraph.

NO EXERCISE OF RIGHTS OF REMEDIES

9. THIS COURT ORDERS that all rights and remedies (including, without limitation, set-off rights) against the Debtors, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that nothing in this paragraph shall (i) empower the Receiver or the Debtors to carry on any business which the Debtors are not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, (iv) prevent the registration of a claim for lien, or (v) prevent the Note Holders or the trustee on behalf of the Note Holders from realizing on the Interest Escrow Account.

NO INTERFERENCE WITH THE RECEIVER

10. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtors, without written consent of the Receiver or leave of this Court. Nothing in this Order shall prohibit any party to an "eligible financial contract" (as defined in Section 65.1 of the BIA) with the Debtors from terminating such contract or exercising any rights of set-off, in accordance with its terms.

CONTINUATION OF SERVICES

11. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtors or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data

services, centralized banking services, payroll services, insurance, transportation services, utility or other services of any kind to the Debtors are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtors' current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

12. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever including, without limitation, the sale or disposition of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post- Receivership Accounts") and the monies standing to the credit of Post-Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further order of this Court.

TRANSITION

13. THIS COURT ORDERS that subject to any subsequent order(s) of this Court, except to the extent provided for herein, KPMG Inc. (the "Monitor") is hereby relieved of its duties and obligations relating to its appointment as Monitor as set forth in the Initial Order and any subsequent Order of this Court, including specifically the duty to file any further reports to this Court. For clarity, notwithstanding the foregoing, all provisions of the Initial Order relieving the Monitor of any liability arising as a result of its appointment or the carrying out of its duties, including without limitation paragraph 34 thereof, shall continue in full force and effect.
14. THIS COURT ORDERS that the Monitor shall not have any liability to any person for any matter relating to the duties and obligations in respect of which it has been relieved arising from and after the date of this Order.
15. THIS COURT ORDERS that notwithstanding the relief from its duties and obligations as aforesaid, the Monitor shall continue to hold the ERIP Monies (as that term is defined in the April 6, 2009 Order of this Court) and disburse the ERIP Monies in accordance with the Employee Retention and Incentive Program described in Affidavit #3 of Terry Chandler or in accordance with any subsequent order(s) of this Court.
16. THIS COURT ORDERS that notwithstanding the Initial Order, and in particular paragraphs 40 to 44 thereof, the Administration Charge, shall not secure payment of any

fees and/or disbursements of counsel to the Committee, counsel to the Petitioners, the Monitor or counsel to the Monitor that are incurred after the date of this Order, provided however that the Administration Charge shall continue to secure payment of the fees and disbursements of the Monitor and its counsel in relation to the administration by the Monitor of the ERIP Monies and in relation to the defence by the Monitor of any claims against it by any person arising from or in relation to the appointment of the Monitor or the carrying out of its duties and obligations as Monitor.

17. THIS COURT ORDERS that notwithstanding the Initial Order, and in particular, paragraphs 40 to 44 thereof, any amounts accruing under the Directors' Charge from and after the date of this Order shall not constitute a charge on the Property (as defined herein). For greater certainty, the Directors' Charge continues to charge all of the Property, as defined in the Initial Order, as amended, including the Property as defined herein, for any Claims, as defined in the Initial Order, whenever made, arising from or connected with any matter, event, occurrence or any other cause, arising or occurring up to the date of this order.
18. THIS COURT ORDERS that:
 - (a) the sum of \$1,000,000 (exclusive of any interest earned thereon), as secured by the Administration Charge, shall be held and administered by the Receiver, and shall be exempt from any claims, Proceedings (as defined in the Initial Order) or execution by the Receiver or otherwise pending further order of this Court; and
 - (b) the sum of \$5,000,000 (exclusive of any interest earned thereon), as secured by the Directors' Charge, shall be held and administered by the Receiver, and shall be exempt from any claims, Proceedings (as defined in the Initial Order) or execution by the Receiver or otherwise pending further order of this Court.
19. THIS COURT ORDERS that all actions and activities of the Monitor performed or undertaken in connection with its appointment as Monitor in the within proceedings are hereby ratified and approved unless any person brings an application to challenge any of the Monitor's actions or activities within 30 days of the date of entry of this Order.
20. THIS COURT ORDERS that within seven days of the date of entry of this Order, the Monitor shall deliver a copy of this Order by regular mail or facsimile to all parties of record and all known creditors of the Petitioners and shall post a copy of this Order on the Monitor's website.

EMPLOYEES

21. THIS COURT ORDERS that, subject to the right of employees to terminate their employment notwithstanding paragraph 10, all employees of the Debtors shall remain the employees of the Debtors until such time as the Receiver, on the Debtors' behalf, may terminate the employment of such employees. The Receiver shall be liable for any employee-related liabilities that accrue subsequent to the date of this Order, including

wages, severance pay, termination pay, vacation pay, and pension or benefit amounts relating to any employees that the Receiver may hire.

22. THIS COURT ORDERS that pursuant to Section 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5 or Section 18(1)(o) of the *Personal Information Protection Act*, S.B.C. 2003, c. 63, the Receiver may disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales or dispositions of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete the Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

23. THIS COURT ORDERS that nothing in this Order shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release, or deposit of a substance contrary to any federal, provincial or other law relating to the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, 1999, S.C. 1999, c. 33, the *Fisheries Act*, R.S.C. 1985, c. F-14, the *Environmental Management Act*, R.S.B.C. 1996, c. 118 and the *Fish Protection Act*, S.B.C. 1997, c. 21 and regulations thereunder (collectively "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be construed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless the Receiver is actually in Possession.

LIMITATION ON THE RECEIVER'S LIABILITY

24. THIS COURT ORDERS that the Receiver shall incur no personal liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Receiver by Section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

25. THIS COURT ORDERS that any expenditure or liability which shall properly be made or incurred by the Receiver, including the fees of the Receiver and the fees and disbursements of its legal counsel, incurred at the standard rates and charges of the Receiver and its counsel, shall be allowed to it in passing its accounts and shall form a first charge on the Property (the "Receiver's Charge") in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but excluding the charge on the ERIP Monies, the Administration Charge and the Directors' Charge.
26. THIS COURT ORDERS that the Receiver and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Supreme Court of British Columbia and may be heard on a summary basis.
27. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

ALLOCATION

28. THIS COURT ORDERS that any interested party may apply to this Court on notice to any other party likely to be affected, for an order allocating the Receiver's Charge amongst the various assets comprising the Property.

GENERAL

29. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
30. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtors. The Receiver is authorized, but not required, to file assignments into bankruptcy with the Official Receiver on behalf of any of the Debtors naming itself, or some other Licensed Trustee in Bankruptcy, as Trustee.
31. THIS COURT ORDERS that this Order and any other orders in these proceedings shall have full force and effect in all provinces and territories of Canada and shall be binding on all creditors of the Debtors, wherever situate. THIS COURT SEEKS AND REQUESTS the aid and recognition of any Canadian or foreign court, tribunal, regulatory or administrative body having jurisdiction, wherever located, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order.
32. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal or regulatory or administrative body, wherever

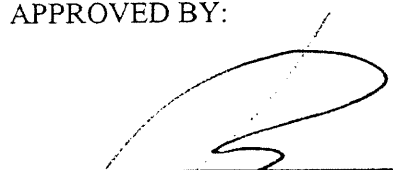
located, for recognition of this Order and for assistance in carrying out the terms of this Order and all such courts, tribunals and regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order. In particular, the Receiver shall be authorized as a foreign representative of the Debtors to apply to the United States Bankruptcy Court for relief pursuant to Chapter 15 of the *United States Bankruptcy Code*, 11 U.S.C. §§ 101-1330, as amended, if required.

33. THIS COURT ORDERS that the Applicants shall have their costs of this motion, up to and including entry and service of this Order, as provided for by the terms of the Applicants' security or, if not so provided by the Applicants' security, then on a substantial indemnity basis to be paid by the Receiver from the Debtors' estate with such priority and at such time as this Court may determine.
34. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than two (2) clear business days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.
35. THIS COURT ORDERS that endorsement of this Order by counsel appearing on this application, other than counsel for the Applicants, is hereby dispensed with.

BY THE COURT

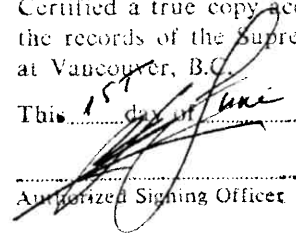
DISTRICT REGISTRAR

APPROVED BY:


Counsel for the Applicants Whitebox Advisors
LLC, GMP Investment Management LP,
Sandleman Partners LP and VR Global
Partners LP

Certified a true copy according to
the records of the Supreme Court
at Vancouver, B.C.

This 15th day of June, 2005


Authorized Signing Officer

SCHEDULE "A"

(List of Counsel)

COUNSEL APPEARING	REPRESENTING
Jay Swartz, Matthew Gottlieb and Shelley C. Fitzpatrick	Whitebox Advisors LLC, GMP Investment Management LP, Sandleman Partners LP and VR Global Partners LP
Colin Brousson	Redcorp Ventures Ltd. and Redfern Resources Ltd.
Kibben Jackson	The Monitor, KPMG Inc.
E. Jane Milton, Q.C.	Directors and Officers of Redcorp. Ventures Ltd. and Redfern Resources Ltd.
David J. Hatter	Her Majesty the Queen in right of the Province of British Columbia
Donnaree Nygard	Attorney General of Canada
David McKenzie	Arctic Const. Ltd.
Sharon Urquhart	Sundial Marine Construction and Repair, Inc.
J. Cam McKechnie	Canron Western Constructors Ltd. & Klohn Crippen Berger Ltd.
Cindy Cheuk	Procon Mining and Tunnelling Ltd.

No. S091678
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE
COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36

- AND -

IN THE MATTER OF THE
CANADA BUSINESS CORPORATIONS ACT,
R.S. 1985 c. C-44

- AND -

IN THE MATTER OF THE BRITISH
COLUMBIA BUSINESS CORPORATIONS ACT,
S.B.C. 2002, c. 57

- AND -

IN THE MATTER OF
REDCORP VENTURES LTD.
and REDFERN RESOURCES LTD.

ORDER

DAVIES WARD PHILLIPS AND VINEBERG LLP

Barristers & Solicitors
44th Floor
1 First Canadian Place
Toronto, Ont. M5X 1B1

Tel. No. 416.863.5516
Fax No. 416.863.0871

McIntosh & Morawetz Inc., Interim Receiver and Receiver of Redcorp Ventures Ltd.
Summary of Receipts and Disbursements for the period - May 29, 2009 to June 21, 2009

	<u>Total (\$)</u>
Redcorp - Canadian	
<i>Receipts</i>	
Accounts Receivable	-
Proceeds of sale	1,050
Balance transfers	<u>30,662,443</u>
Total Receipts, net - Canadian	<u>30,663,493</u>
<i>Disbursements</i>	
General and administrative	3,757
Professional fees - Legal	193,636
Professional fees - Receiver	113,812
Professional fees - Retainer	10,000
Salaries, wages, casual wages, and source deductions	38,876
Utilities	<u>888</u>
Total Disbursements - Canadian	<u>360,969</u>
Net Cash Flow - Canadian	<u>30,302,524</u>
Redcorp - US	
<i>Receipts</i>	
Accounts Receivable	-
Proceeds on sale of assets	-
Balance transfers	<u>2,226</u>
Total Receipts, net - US	<u>2,226</u>
Total Disbursements - US	<u>-</u>
Net Cash Flow - US	<u>2,226</u>
US Cash Flow - translated into CDN at 1.13	<u>2,515</u>
Combined net Cash Flow (CDN\$) - Redcorp	<u><u>30,305,039</u></u>

McIntosh & Morawetz Inc., Interim Receiver and Receiver of Redfern Resources Ltd.
Summary of Receipts and Disbursements for the period - May 29, 2009 to June 21, 2009

	<u>Total (\$)</u>
Redfern - Canadian	
Receipts	
Accounts Receivable	-
Proceeds of sale	-
Balance transfers	173,146
Total Receipts, net - Canadian	<u>173,146</u>
Disbursements	
Equipment rental	3,960
General and administrative	4,168
Professional fees - Retainer	10,000
Property taxes	32
Salaries, wages, casual wages, and source deductions	10,814
Travel and transport	2,703
Utilities	316
Total Disbursements - Canadian	<u>31,993</u>
Net Cash Flow - Canadian	<u>141,153</u>
Redfern - US	
Receipts	
Accounts Receivable	1,936
Balance transfers	66,844
Total Receipts, net - US	<u>68,780</u>
Disbursements	
Equipment rental	544
Professional fees - Legal	3,802
Salaries, wages, casual wages, and source deductions	3,705
Storage and moorage	14,913
Utilities	381
Total Disbursements - US	<u>23,345</u>
Net Cash Flow - US	<u>45,435</u>
US Cash Flow - translated into CDN at 1.13	<u>51,342</u>
Combined net Cash Flow (CDN\$) - Redfern	<u>192,495</u>

Fasken Martineau DuMoulin LLP *
Barristers and Solicitors
Patent and Trade-mark Agents

www.fasken.com

2900 - 550 Burrard Street
Vancouver, British Columbia, Canada V6C 0A3

604 631 3131 Telephone
604 631 3232 Facsimile



Brent J. Lewis
Direct 604 631 4889
Facsimile 604 632 4889
blewis@fasken.com

March 19, 2009
File No.: 254241.00092/14179

BY COURIER

KPMG Inc.
777 Dunsmuir Street
PO Box 10426, Pacific Centre
Vancouver, B.C.
V7Y 1K3

Attention: Pam Boparai

Dear Sirs/Mesdames:

**Re: Redcorp Ventures Ltd. (the "Redcorp") and Redfern Resources Ltd.
("Redfern")**

We write to provide you with our opinion with respect to certain security documents held by CIBC Mellon Trust Company ("CIBC Mellon") in connection with the Amended and Restated Note Indenture dated as of October 15, 2008, entered into between Redcorp, as issuer, and CIBC Mellon, as note trustee, providing for the issue of up to \$141,975,000 13% Senior Secured Notes, due July 11, 2001 ("Note Indenture").

In rendering this opinion we have reviewed copies of the security documents listed in Schedule A (collectively, the "Security Documents").

1. Searches

In rendering this opinion, we have conducted searches of the records of: (i) the office of the British Columbia Registrar of Companies, current to February 16, 2009; and (ii) the records of the British Columbia Personal Property Registry, current to March 10, 2009; with respect to Redcorp and Redfern. We have not conducted any other searches of public record for Redcorp or Redfern or for any of the assets subject to the Security Documents and we have limited our inquiries to a review of the Security Documents.

DM_VAN/254241-00092/7232451.1

*Fasken Martineau DuMoulin LLP is a limited liability partnership and includes law corporations.

2. Assumptions

In rendering this opinion, we have assumed the following:

- (a) the due authorization, issuance and delivery of the Security Documents;
- (b) that the original Security Documents are authentic and all copies we reviewed conform to the originals;
- (c) the authenticity of all signatures appearing on the Security Documents;
- (d) that all instruments signed on behalf of a corporation were signed by persons duly authorized in that regard;
- (e) that each individual who executed a Security Document had the legal capacity to do so and executed and delivered the document(s) in question free from all vitiating elements such as duress, undue influence, *non est factum* and mistake;
- (f) the Security Documents are enforceable against any third party that executed same; and
- (g) that there are no collateral agreements between CIBC Mellon and any of the other parties to the Security Documents with respect to the subject matter of any of the Security Documents.

3. Opinion

Subject to the above assumptions and the qualifications and comments set out below, we are of the opinion that, each of the Security Documents:

- (a) constitutes a valid and binding obligation of, and is enforceable against, the party granting same; and
- (b) create valid perfected security interests in the collateral described therein.

4. Qualifications

Our opinion is subject to the following qualifications:

- (a) the secured party's rights and remedies may be limited by general principles of equity;

- (b) the secured party's right and remedies are subject to the laws affecting creditors' rights and remedies generally; and
- (c) we express no opinion as to the priority of the security interests created by the Security Documents vis à vis any other creditors.

5. Comments

The General Security Agreement granted by Redfern provides that it is enforceable upon an event of default under the Note Indenture, which is a default by Redcorp. It would have been more direct if the General Security Agreement provided that the security interest becomes enforceable upon a default by Redfern, as that is the obligation secured under the General Security Agreement. This is more a technicality than a "defect" as the way the General Security Agreement is drafted works, it's just a little convoluted. A default occurs under the Redfern General Security Agreement if there is a default by Redcorp under the Note Indenture. When that occurs the Redfern General Security Agreement becomes enforceable, however it secures the obligations of Redfern to CIBC Mellon under the Guarantee granted by Redfern, and presumably demand will have already been made under the Guarantee to "create" the obligations secured under the General Security Agreement.

We trust you find the foregoing in order. If you have any questions or would like to discuss any of this, please do not hesitate to contact us.

Yours truly,

FASKEN MARTINEAU DuMOULIN LLP


Brent J. Lewis

BZL/eh
Encl.

SCHEDULE A

1. General Security Agreement dated as of July 10, 2007, granted by Redcorp in favour of CIBC Mellon, pursuant to which Redcorp granted to CIBC Mellon a security interest in all of Redcorp's present and after-acquired personal property other than its shares in the capital of Redcorp Empreendimentos Mineiros Unipessoal Ltda, as security for amounts payable by Redcorp to the Noteholders pursuant to the Note Indenture;
2. Share Pledge Agreement dated as of July 10, 2007, granted by Redcorp in favour of CIBC Mellon, pursuant to which Redcorp pledges in favour of CIBC Mellon, and grants CIBC Mellon a security interest in, Redcorp's shares in the capital of Redfern, as security for amounts payable by Redcorp to the Noteholders pursuant to the Note Indenture;
3. Guarantee dated as of July 10, 2007, granted by Redfern in favour of CIBC Mellon with respect to all amounts payable by Redcorp under or in connection with the Note Indenture and the notes issued in connection therewith; and
4. General Security Agreement dated as of July 10, 2007, granted by Redfern in favour of CIBC Mellon, pursuant to which Redfern granted to CIBC Mellon a security interest in all of Redfern's present and after-acquired personal property, as security for Redfern's obligations to CIBC Mellon under the Guarantee described at item 3 above.

Page: 1

BC OnLine: PPRS SEARCH RESULT 2009/03/05
Lterm: XPSP0050 For: PC84000 DAVIS LLP 09:17:51

Attn./Ref. No.: 90335-00007/SCF

Index: BUSINESS DEBTOR

Search Criteria: REDCORP VENTURES LTD.

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

Reg. Date: JUL 09, 2007 Reg. Length: 7 YEARS
Reg. Time: 15:50:15 Expiry Date: JUL 09, 2014
Base Reg. #: 784965D Control #: B8137197

Block#

S0001 Secured Party: CIBC MELLON TRUST COMPANY, AS TRUSTEE
STE 1600, 1066 W. HASTINGS ST
VANCOUVER BC V6E 3X1

=D0001 Base Debtor: REDCORP VENTURES LTD
(Business) STE 800, 1281 W. GEORGIA ST
VANCOUVER BC V6E 3J7

General Collateral:

ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY OF THE DEBTOR,
EXCEPT FOR SHARES OF REDCORP EMPREENDIMENTOS MINEIROS UNIPessoal
LTDA. HELD BY THE DEBTOR AND ALL INVESTMENT PROPERTY, INSTRUMENTS,
DOCUMENTS OF TITLE, CHATTEL PAPER, INTANGIBLES AND MONEY RELATING
THERE TO (COLLECTIVELY, THE "PORTUGAL SHARES") AND ALL PROCEEDS
RELATING TO THE PORTUGAL SHARES.

Registering

Party: GOWLING LAFLEUR HENDERSON LLP
2300-1055 DUNSMUIR, BOX 49122
VANCOUVER BC V7X 1J1

*** Name/Address Changed on October 30, 2008 to:

Registering

Party: GOWLING LAFLEUR HENDERSON LLP
2300-550 BURRARD ST., BOX 3
VANCOUVER BC V6C 2B5

*** Name/Address Changed on October 30, 2008 to:

Registering

Party: GOWLING LAFLEUR HENDERSON LLP
2300-550 BURRARD ST. BOX 30
VANCOUVER BC V6C 2B5

*** Name/Address Changed on October 30, 2008 to:

Registering

Party: GOWLING LAFLEUR HENDERSON LLP
2300-550 BURRARD ST., BOX 30
VANCOUVER BC V6C 2B5

out for

Continued on Page 2

Search Criteria: REDCORP VENTURES LTD.

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: MAR 20, 2008 Reg. Length: 5 YEARS
 Reg. Time: 13:41:25 Expiry Date: MAR 20, 2013
 Base Reg. #: 254565E Control #: B8620375

Block#

S0001 Secured Party: HSBC BANK CANADA
 885 WEST GEORGIA STREET
 VANCOUVER BC V6C 3G1

=D0001 Base Debtor: REDCORP VENTURES LTD
 (Business) 1055 DUNSMUIR ST, STE 2300
 VANCOUVER BC V7X 1J1

1st notes

General Collateral:

ALL RIGHT, TITLE AND INTEREST OF THE DEBTOR IN AND TO
 CAD16,349,000 STRUCTURED INVESTMENT TRUST "SERIES A" NOTES,
 CAD35,000,000 AURORA TRUST "SERIES A" NOTES, CAD16,500,000
 ROCKET TRUST "SERIES A" NOTES, CAD16,200,000 ROCKET TRUST
 "SERIES A" NOTES AND CAD7,400,000 COMET TRUST "SERIES A"
 NOTES AND ALL RENEWALS THEREOF, SUBSTITUTIONS THEREFOR
 AND ACCRETIONS THERETO AND ALL DIVIDENDS THEREON OR
 OTHER INCOME THEREFROM AND ALL PROCEEDS INCLUDING
 WITHOUT LIMITATION, ALL GOODS, SECURITIES, INSTRUMENTS,
 DOCUMENTS OF TITLE, CHATTEL PAPER, INTANGIBLES AND MONEY
 (ALL AS DEFINED IN THE PERSONAL PROPERTY SECURITY ACT, ANY
 REGULATIONS THEREUNDER AND ANY AMENDMENTS THERETO).

Registering

Party: KOFFMAN KALEF LLP
 1900 - 885 W. GEORGIA STREET
 VANCOUVER BC V6C 3H4

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

Reg. Date: JUL 30, 2008 Reg. Length: 1 YEAR
 Reg. Time: 11:15:26 Expiry Date: JUL 30, 2009
 Base Reg. #: 509332E Control #: B8884187

Block#

S0001 Secured Party: HSBC BANK CANADA
 1160 - 4151 HAZELBRIDGE WAY
 RICHMOND BC V6X 4J7

=D0001 Base Debtor: REDCORP VENTURES LTD.
 (Business) 800-1281 WEST GEORGIA STREET
 VANCOUVER BC V6E3J7

General Collateral:

THE ENTIRE RIGHT, TITLE, CLAIM AND INTEREST OF THE DEBTOR IN AND TO THE PRINCIPAL SUM, INTEREST AND ALL OTHER MONIES OWING AND PAYABLE OR HEREAFTER OWING AND PAYABLE TO THE DEBTOR PURSUANT TO THE TERMS OF THE INSTRUMENT OR INSTRUMENTS DESCRIBED AS NON-REDEEMABLE GUARANTEED INVESTMENT CERTIFICATE CAD52,500.00 AND THE ENTIRE RIGHT, TITLE, CLAIM

Continued on Page 3

Search Criteria: REDCORP VENTURES LTD.

Page: 3

AND INTEREST OF THE DEBTOR IN AND TO THE SAID INSTRUMENT OR INSTRUMENTS. AND ALL PROCEEDS INCLUDING, WITHOUT LIMITATION, ALL GOODS, SECURITIES, INSTRUMENTS, DOCUMENTS OF TITLE, CHATTEL PAPER, INTANGIBLES AND MONEY (ALL AS DEFINED IN THE PERSONAL PROPERTY SECURITY ACT, ANY REGULATIONS THEREUNDER AND ANY AMENDMENTS THERETO).

Registering

Party: HSBC BANK CANADA
1160 - 4151 HAZELBRIDGE WAY
RICHMOND BC V6X 4J7

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

Reg. Date: FEB 04, 2009

Reg. Length: 5 YEARS

Reg. Time: 10:23:34

Expiry Date: FEB 04, 2014

Base Reg. #: 813342E

Control #: B9197055

Block#

S0001 Secured Party: HSBC BANK CANADA
885 WEST GEORGIA STREET
VANCOUVER BC V6C 3G1

=D0001 Base Debtor: REDCORP VENTURES LTD
(Business) 1055 DUNSMUIR ST, STE 2300
VANCOUVER BC V7X 1J1

General Collateral:

ALL RIGHT, TITLE AND INTEREST OF THE DEBTOR IN AND TO CAD51,668,595 MAV 2 CLASS A-1 NOTES; CAD26,099,419 MAV 2 CLASS A-2 NOTES; CAD4,737,771 MAV 2 CLASS B NOTES; CAD2,551,724 MAV 2 CLASS C NOTES; CAD4,298,325 MAV 2 CLASS 13 TRACKING NOTES; AND CAD1,769,236 MAV 2 CLASS 15 TRACKING NOTES; AND ALL RENEWALS THEREOF, SUBSTITUTIONS THEREFOR AND ACCRETIONS THERETO AND ALL DIVIDENDS THEREON OR OTHER INCOME THEREFROM AND ALL PROCEEDS INCLUDING WITHOUT LIMITATION, ALL GOODS, SECURITIES, INSTRUMENTS, DOCUMENTS OF TITLE, CHATTEL PAPER, INTANGIBLES AND MONEY (ALL AS DEFINED IN THE PERSONAL PROPERTY SECURITY ACT, ANY REGULATIONS THEREUNDER AND ANY AMENDMENTS THERETO).

Registering

Party: KOFFMAN KALEF LLP
1900 - 885 W. GEORGIA STREET

[illegible]

Page: 1

BC OnLine: PPRS SEARCH RESULT
Lterm: XPSP0050 For: PC84000 DAVIS LLP

2009/03/05
09:18:37

Attn./Ref. No.: 90335-00007/SCF

Index: BUSINESS DEBTOR

Search Criteria: REDFERN RESOURCES LTD.

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

Reg. Date: APR 21, 1994

Reg. Length: 3 YEARS

Reg. Time: 12:53:08

Expiry Date: APR 21, 2009

Base Reg. #: 5174176

Control #: B1170744

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

Block#

+++ Secured Party: HONGKONG BANK OF CANADA
1010-4380 NO 3 ROAD
RICHMOND BC V6X 3V7

*** Name/Address Changed on April 12, 2000 to:

S0001 Secured Party: HSBC BANK CANADA
1010-4380 NO 3 ROAD
RICHMOND BC V6X 3V7

=D0001 Base Debtor: REDFERN RESOURCES LTD
(Business) 10711 CAMBIE ROAD 205
RICHMOND BC V6X 3G5

General Collateral:

THE ENTIRE RIGHT, TITLE, CLAIM AND INTEREST OF THE DEBTOR IN AND TO THE PRINCIPAL SUM, INTEREST AND ALL OTHER MONIES OWING AND PAYABLE OR HEREAFTER OWING AND PAYABLE TO THE DEBTOR PURSUANT TO THE TERMS OF THE INSTRUMENT OR INSTRUMENTS DESCRIBED AS GUARANTEED INVESTMENT CERTIFICATE #529381 \$55,000.00 AND THE ENTIRE RIGHT, TITLE, CLAIM AND INTEREST OF THE DEBTOR IN AND TO THE SAID INSTRUMENT OR INSTRUMENTS.

AND ALL PROCEEDS INCLUDING, WITHOUT LIMITATION, ALL GOODS, SECURITIES, INSTRUMENTS, DOCUMENTS OF TITLE, CHATTEL PAPER, INTANGIBLES AND MONEY (ALL AS DEFINED IN THE PERSONAL PROPERTY SECURITY ACT, ANY REGULATIONS THEREUNDER AND ANY AMENDMENTS THERETO).

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

Reg. #: 6916562

Reg. Date: MAR 13, 1997

Reg. Life: 3 YEARS

Reg. Time: 14:32:19

Control #: C2018991

Base Reg. Type: PPSA SECURITY AGREEMENT

Base Reg. #: 5174176

Base Reg. Date: APR 21, 1994

Registering

Party: CCNS CORPORATE SERVICES LTD.
10 620 ROYAL AVENUE.,
NEW WESTMINSTER BC V3M 1J2

Continued on Page 2

Search Criteria: REDFERN RESOURCES LTD.

Page: 2

*** Name/Address Changed on April 6, 1998 to:

Registering

Party: CCNS CORPORATE SERVICES LTD.
320 435 COLUMBIA STREET
NEW WESTMINSTER BC V3L 5N8

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

Reg. #: 8769478	Reg. Date: MAR 15, 2000
Reg. Life: 3 YEARS	Reg. Time: 14:28:43
	Control #: B3572263
Base Reg. Type: PPSA SECURITY AGREEMENT	
Base Reg. #: 5174176	Base Reg. Date: APR 21, 1994

Registering

Party: PROCESSING CENTRE CSRS
180-13571 COMMERCE PARKWAY
RICHMOND BC V6V 2L1

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

Reg. #: 936697A	Reg. Date: MAR 14, 2003
Reg. Life: 3 YEARS	Reg. Time: 16:01:05
	Control #: B5200636
Base Reg. Type: PPSA SECURITY AGREEMENT	
Base Reg. #: 5174176	Base Reg. Date: APR 21, 1994

Registering

Party: CANADIAN SECURITIES REGISTRATION
SYSTEMS
4126 NORLAND AVENUE
BURNABY BC V5G 3S8

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

Reg. #: 894605C	Reg. Date: MAR 16, 2006
Reg. Life: 3 YEARS	Reg. Time: 13:19:18
	Control #: B7220518
Base Reg. Type: PPSA SECURITY AGREEMENT	
Base Reg. #: 5174176	Base Reg. Date: APR 21, 1994

Registering

Party: CANADIAN SECURITIES REGISTRATION
SYSTEMS
4126 NORLAND AVENUE
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 *****

Reg. Date: JUL 09, 2007 Reg. Length: 7 YEARS
 Reg. Time: 15:54:38 Expiry Date: JUL 09, 2014
 Base Reg. #: 784973D Control #: B8137219

Block#

S0001 Secured Party: CIBC MELLON TRUST COMPANY, AS TRUSTEE
 STE 1600, 1066 W. HASTINGS ST
 VANCOUVER BC V6E 3X1

Continued on Page 3

Search Criteria: REDFERN RESOURCES LTD.

Page: 3

=D0001 Base Debtor: REDFERN RESOURCES LTD
 (Business) STE 800, 1281 W. GEORGIA ST
 VANCOUVER BC V6E 3J7

General Collateral:
 ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.

Registering
 Party: GOWLING LAFLEUR HENDERSON LLP
 2300-1055 DUNSMUIR, BOX 49122
 VANCOUVER BC V7X 1J1

*** Name/Address Changed on October 30, 2008 to:

Registering
 Party: GOWLING LAFLEUR HENDERSON LLP
 2300-550 BURRARD ST., BOX 3
 VANCOUVER BC V6C 2B5

*** Name/Address Changed on October 30, 2008 to:

Registering
 Party: GOWLING LAFLEUR HENDERSON LLP
 2300-550 BURRARD ST. BOX 30
 VANCOUVER BC V6C 2B5

*** Name/Address Changed on October 30, 2008 to:

Registering
 Party: GOWLING LAFLEUR HENDERSON LLP
 2300-550 BURRARD ST., BOX 30
 VANCOUVER BC V6C 2B5

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

Reg. Date: AUG 03, 2007 Reg. Length: 1 YEAR
 Reg. Time: 10:47:26 Expiry Date: AUG 03, 2009
 Base Reg. #: 837037D Control #: B8190793

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

Block#

S0001 Secured Party: HSBC BANK CANADA

1160 - 4151 HAZELBRIDGE WAY
RICHMOND BC V6X 4J7

=D0001 Base Debtor: REDFERN RESOURCES LTD.
(Business) #800-1281 WEST GEORGIA STREET
VANCOUVER BC V6E3J7

General Collateral:

THE ENTIRE RIGHT, TITLE, CLAIM AND INTEREST OF THE DEBTOR IN AND TO
THE PRINCIPAL SUM, INTEREST AND ALL OTHER MONIES OWING AND PAYABLE OR
HEREAFTER OWING AND PAYABLE TO THE DEBTOR PURSUANT TO THE TERMS OF THE
INSTRUMENT OR INSTRUMENTS DESCRIBED AS TERM DEPOSIT CAD245,000.00 AND
THE ENTIRE RIGHT, TITLE, CLAIM AND INTEREST OF THE DEBTOR IN AND TO

Continued on Page 4

Search Criteria: REDFERN RESOURCES LTD.

Page: 4

THE SAID INSTRUMENT OR INSTRUMENTS. AND ALL PROCEEDS INCLUDING,
WITHOUT LIMITATION, ALL GOODS, SECURITIES, INSTRUMENTS, DOCUMENTS OF
TITLE, CHATTEL PAPER, INTANGIBLES AND MONEY (ALL AS DEFINED IN THE
PERSONAL PROPERTY SECURITY ACT, ANY REGULATIONS THEREUNDER AND ANY
AMENDMENTS THERETO).

Registering

Party: HSBC BANK CANADA
1160 - 4151 HAZELBRIDGE WAY
RICHMOND BC V6X 4J7

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

Reg. #: 511933E	Reg. Date: JUL 31, 2008
Reg. Life: 1 YEAR	Reg. Time: 11:38:03
	Control #: B8886900

Base Reg. Type: PPSA SECURITY AGREEMENT
Base Reg. #: 837037D Base Reg. Date: AUG 03, 2007

Registering

Party: HSBC BANK CANADA
1160 - 4151 HAZELBRIDGE WAY
RICHMOND BC V6X 4J7

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

Reg. Date: NOV 21, 2007	Reg. Length: 1 YEAR
Reg. Time: 13:12:32	Expiry Date: NOV 21, 2009
Base Reg. #: 047962E	Control #: B8407680

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

Block#

S0001 Secured Party: HSBC BANK CANADA
1160 - 4151 HAZELBRIDGE WAY
RICHMOND BC V6X 4J7

=D0001 Base Debtor: REDFERN RESOURCES LTD.
 (Business) #800-1281 WEST GEORGIA STREET
 VANCOUVER BC V6E 3J7

General Collateral:

THE ENTIRE RIGHT, TITLE, CLAIM AND INTEREST OF THE DEBTOR IN AND TO
 THE PRINCIPAL SUM, INTEREST AND ALL OTHER MONIES OWING AND PAYABLE OR
 HEREAFTER OWING AND PAYABLE TO THE DEBTOR PURSUANT TO THE TERMS OF THE
 INSTRUMENT OR INSTRUMENTS DESCRIBED AS TERM DEPOSIT CAD200,000.00 AND
 THE ENTIRE RIGHT, TITLE, CLAIM AND INTEREST OF THE DEBTOR IN AND TO
 THE SAID INSTRUMENT OR INSTRUMENTS. AND ALL PROCEEDS INCLUDING,
 WITHOUT LIMITATION, ALL GOODS, SECURITIES, INSTRUMENTS, DOCUMENTS OF
 TITLE, CHATTEL PAPER, INTANGIBLES AND MONEY (ALL AS DEFINED IN THE
 PERSONAL PROPERTY SECURITY ACT, ANY REGULATIONS THEREUNDER AND ANY
 AMENDMENTS THERETO).

Registering

Party: HSBC BANK CANADA
 1160 - 4151 HAZELBRIDGE WAY
 RICHMOND BC V6X 4J7

Continued on Page 5

Search Criteria: REDFERN RESOURCES LTD.

Page: 5

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

Reg. #: 706908E Reg. Date: NOV 21, 2008
 Reg. Life: 1 YEAR Reg. Time: 11:09:19
 Control #: B9087401
 Base Reg. Type: PPSA SECURITY AGREEMENT
 Base Reg. #: 047962E Base Reg. Date: NOV 21, 2007

Registering

Party: HSBC BANK CANADA
 1160 - 4151 HAZELBRIDGE WAY
 RICHMOND BC V6X 4J7

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

Reg. Date: JAN 18, 2008 Reg. Length: 5 YEARS
 Reg. Time: 12:50:01 Expiry Date: JAN 18, 2013
 Base Reg. #: 144189E Control #: B8506718

Block#

S0001 Secured Party: ROYAL BANK OF CANADA
 180 WELLINGTON ST, W. 3RD FLR.
 TORONTO ON M5J 1J1

=D0001 Base Debtor: REDFERN RESOURCES LTD.
 (Business) 800 1281 WEST GEORGIA STREET
 VANCOUVER BC V6E 3J7

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
180 WELLINGTON ST, W. 3RD FLR.
TORONTO ON M5J 1J1

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

Reg. Date: MAR 26, 2008

Reg. Length: 1 YEAR

Reg. Time: 12:04:16

Expiry Date: MAR 26, 2009

Base Reg. #: 262101E

Control #: B8628081

Block#

S0001 Secured Party: HSBC BANK CANADA
1160 - 4151 HAZELBRIDGE WAY
RICHMOND BC V6X 4J7

Continued on Page 6

Search Criteria: REDFERN RESOURCES LTD.

Page: 6

=D0001 Base Debtor: REDFERN RESOURCES LTD.
(Business) 800-1281 WEST GEORGIA ST
VANCOUVER BC V3E3J7

General Collateral:

THE ENTIRE RIGHT, TITLE, CLAIM AND INTEREST OF THE DEBTOR IN AND TO THE PRINCIPAL SUM, INTEREST AND ALL OTHER MONIES OWING AND PAYABLE OR HEREAFTER OWING AND PAYABLE TO THE DEBTOR PURSUANT TO THE TERMS OF THE INSTRUMENT OR INSTRUMENTS DESCRIBED AS TERM DEPOSIT CAD600,000.00 AND THE ENTIRE RIGHT, TITLE, CLAIM AND INTEREST OF THE DEBTOR IN AND TO THE SAID INSTRUMENT OR INSTRUMENTS. AND ALL PROCEEDS INCLUDING, WITHOUT LIMITATION, ALL GOODS, SECURITIES, INSTRUMENTS, DOCUMENTS OF TITLE, CHATTEL PAPER, INTANGIBLES AND MONEY (ALL AS DEFINED IN THE PERSONAL PROPERTY SECURITY ACT, ANY REGULATIONS THEREUNDER AND ANY AMENDMENTS THERETO).

Registering

Party: HSBC BANK CANADA
1160 - 4151 HAZELBRIDGE WAY
RICHMOND BC V6X 4J7

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

Reg. Date: DEC 22, 2008	Reg. Length: 1 YEAR
Reg. Time: 10:45:21	Expiry Date: DEC 22, 2009
Base Reg. #: 754928E	Control #: B9136993

Block#

S0001 Secured Party: HSBC BANK CANADA
1160 - 4151 HAZELBRIDGE WAY
RICHMOND BC V6X 4J7

=D0001 Base Debtor: REDFERN RESOURCES LTD.
 (Business) #800-1281 WEST GEORGIA STREET
 VANCOUVER BC V6E 3J7

General Collateral:

THE ENTIRE RIGHT, TITLE, CLAIM AND INTEREST OF THE DEBTOR IN AND TO THE PRINCIPAL SUM, INTEREST AND ALL OTHER MONIES OWING AND PAYABLE OR HEREAFTER OWING AND PAYABLE TO THE DEBTOR PURSUANT TO THE TERMS OF THE INSTRUMENT OR INSTRUMENTS DESCRIBED AS TERM DEPOSIT CAD600,000.00 AND THE ENTIRE RIGHT, TITLE, CLAIM AND INTEREST OF THE DEBTOR IN AND TO THE SAID INSTRUMENT OR INSTRUMENTS. AND ALL PROCEEDS INCLUDING, WITHOUT LIMITATION, ALL GOODS, SECURITIES, INSTRUMENTS, DOCUMENTS OF TITLE, CHATTEL PAPER, INTANGIBLES AND MONEY (ALL AS DEFINED IN THE PERSONAL PROPERTY SECURITY ACT, ANY REGULATIONS THEREUNDER AND ANY AMENDMENTS THERETO).

Registering

Party: HSBC BANK CANADA
1160 - 4151 HAZELBRIDGE WAY
RICHMOND BC V6X 4J7

Continued on Page 7

Search Criteria: REDFERN RESOURCES LTD.

Page: 7

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 concerned that a particular chattel may be subject to a Crown claim not registered at the PPR, please consult the agency administering the type of Crown claim.

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