

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.**

**SECOND REPORT OF THE RECEIVER
MCINTOSH & MORAWETZ INC.**

INTRODUCTION

1. This report (the "**Second 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 "**Petitioners**" or 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 Petitioners' 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 (the "**Mine Site**");
 - (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 is the second report of the Receiver in these proceedings. The Receiver previously filed its First Report to the Court dated June 23, 2009 (the "**First Report**") in support of its motion that sought, *inter alia*, orders from the Court that:

- (a) approved the activities of the Receiver from May 29, 2009 to the date of the First Report; and
- (b) authorized and directed 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.

A copy of the First Report can be found at the Receiver's website at www.alvarezandmarsal.com/redcorpandredfern.

5. On June 26, 2009, this Honourable Court granted an Order (the "**Distribution Order**") that:

- (a) the Receiver pay the sum of \$20 million to the Note Trustee in partial satisfaction of the security held by the Note Holders in respect of assets being administered by the Receiver; and
- (b) approved the Receiver's First Report, and the conduct of the Receiver as particularized therein; and

6. This Second Report is filed in support of motions seeking, *inter alia*, the following orders from this Honourable Court:

- (a) motion by the Receiver: (i) approving the activities of the Receiver from June 23, 2009 (the date of the First Report) to the date of this Report; and (ii) releasing and discharging the Administration Charge; and
- (b) motion by the former Directors and Officers of the Companies: approving the Director and Officers claims procedure.

THE RECEIVER'S ACTIVITIES TO DATE

7. Since the date of the First Report, the Receiver's activities include, *inter alia*, the following:

- Paying \$20 million to the Note Trustee pursuant to the Distribution Order;
- 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, and participating in regularly scheduled teleconferences with Mine Site personnel;
- Coordinating the development of the Receiver's website and posting Court-filed and other documents to the website;
- Providing periodic updates to the Note Holders' committee on key receivership matters;
- Communicating with the British Columbia Ministry of Energy, Mines and Petroleum Resources, Mining and Minerals Division, regarding the appointment of a mine manager at the Mine Site;
- Liaising with Canadian and U.S. legal counsel to have the Receiver appointed as the Foreign Representative in the Chapter 15 Proceedings of the Companies commenced in the United States Bankruptcy Court, Western District of Washington at Seattle (the "U.S. Court") (replacing the prior CCAA Monitor as the appointed representative) with the authority to act in connection with certain assets located in the United States which form part of the Property. The Receiver was appointed as Foreign Representative in the Chapter 15 Proceedings by the U.S. Court on June 18, 2009. A copy of the Order of the U.S. Court is attached hereto as **Appendix "B"**;
- Liaising with Abakhan & Associates Inc. ("**Abakhan**") to coordinate the assignment of the Companies into bankruptcy, as provided for in paragraph 30 of the Appointment Order. Abakhan was appointed as Trustee in Bankruptcy of the estates of each of Redcorp and Redfern on June 29, 2009. The first meetings of creditors in the bankruptcies were held on July 20, 2009;
- Communicating with the Companies' insurance broker to arrange for the Receiver to be added as Loss Payee or Additional Insured on the Companies' policies;
- Responding to lien claimants and liaising with legal counsel regarding same;
- Pursuing final accountings of advances from certain service providers and seeking recovery of amounts owed to the Companies;
- Liaising with Wainright Marine Service Ltd. for the provision of barging services on the Taku and Tulsequah rivers in order to facilitate retrieval of certain of the higher value assets from the Mine Site (assets retrieved include three generator sets and related equipment, interim water treatment plant and related equipment, sewage treatment plant, potable water treatment plant, incinerator and other equipment and materials);

- Attending at the Mine Site to assess: (i) the site; (ii) assets being retrieved; (iii) assets that will likely not be economical to retrieve; and (iv) asset retrieval and barging activities;
- Attending at Sundial Marine Construction Repair, Inc.'s ("**Sundial**") shipyard in Troutdale, Oregon to view the air cushion barge ("**ACB**") that Sundial had been constructing for Redfern and to meet with Sundial to discuss its asserted lien, the estimated costs to complete construction of the barge and next steps to market it for sale;
- Liaising with legal counsel regarding the proposed Directors and Officers Claims Procedure (discussed below) and reviewing drafts of the materials to be filed with the Court;
- Reviewing and compiling detailed lists of the Companies' assets; categorizing like assets for purposes of marketing them for sale; developing introductory solicitation materials (including equipment specifications and photographs) ("**teasers**") for major categories and units of equipment; coordinating the posting of the teasers and a master equipment list to the Receiver's website; updating the electronic data room previously established by the Companies to create a separate access area related to equipment only; liaising with marine and other equipment brokers to seek proposals for listing certain types of equipment for sale; researching and compiling a list of approximately 80 North American mining companies to market the Companies' assets to; maintaining a contact log of parties that have expressed interest in the assets; distributing the teasers to over 120 companies and addressing the questions and information requests of interested parties; coordinating the placement of advertisements in the Vancouver Sun (July 22) and Globe and Mail (July 24) newspapers; preparing the Terms and Conditions of Sale and Form of Offer; coordinating the viewing of assets by prospective purchasers;
- Responding to creditor and other enquiries; and
- Maintaining the schedules of the Receiver's receipts and disbursements, and managing all banking related matters generally.

RECEIVER'S RECEIPTS AND DISBURSEMENTS

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

RECEIVER'S ACTIONS AND PLAN TO REALIZE ON ASSETS

9. As described in the Third Report of the Monitor in the CCAA proceedings, Redcorp retained Paradigm Capital Inc. as its financial advisor to assist in the sale or refinancing of the company (the "CCAA Sale Process"). A deadline of May 7, 2009 was established for the submission of non-binding expressions of interest. Teaser documents were distributed to 29 target parties and five parties executed confidentiality agreements. However, no non-binding expressions of interest were submitted by the due date of May 7, 2009.
10. As described in the First Report, following its appointment, the Receiver made arrangements to freeze the Petitioners' bank accounts and coordinated the transfer of funds totalling approximately \$29.7 million from the Petitioners' accounts into the Receiver's trust bank accounts. The Receiver also liaised with HSBC and its legal counsel to arrange for receipt of an interest payment of approximately \$1.2 million on the ABCP held by Redcorp. On June 29, 2009, in accordance with the Distribution Order, the Receiver paid \$20 million to the Note Trustee, after holding back certain funds as described in the First Report.
11. Based on its review of certain of the Companies' records, the Receiver estimates that the Companies' machinery and equipment assets have an original cost value of approximately \$42 million. The Receiver has not commissioned an independent appraisal of the assets and cautions that actual recoveries could vary materially from estimated original cost values. Until the Receiver has received market feedback through the marketing and sale process described below, it is premature for the Receiver to provide meaningful guidance on a likely range of recoveries from the Companies'

machinery and equipment, and other assets. In addition, as discussed below, several parties have contacted the Receiver to assert a lien claim or to advance a position that title to certain assets was not transferred to Redfern. The outcome of these claims/positions could also materially impact recoveries to the Receiver.

12. In order to market and sell the Companies' machinery and equipment, and other assets the Receiver has:

- Reviewed detailed lists of the assets and categorized like assets for purposes of marketing them for sale;
- Developed introductory solicitation materials (including equipment specifications and photographs) (teasers) for major categories and units of equipment. The categories include:
 - i. Marine equipment – tugs, barges and recreational vehicles;
 - ii. Generator sets and heat exchange equipment;
 - iii. Heavy equipment – personnel carriers and skidders;
 - iv. Camp equipment – permanent camp, potable water treatment plant, and sewage treatment plant; and
 - v. Mining and other equipment – includes the interim water treatment plant, drill, loader, various mills, assay lab equipment, and all other equipment and consumables inventory;
- Updated the electronic data room established by the Companies during the CCAA Sale Process to create a separate access area specific to the equipment and other assets, which includes photographs, technical specifications, manufacturer's manuals, detailed component lists and third-party evaluation reports on certain of the equipment;
- Maintained a contact log of all parties that have expressed interest in the assets to the Receiver;
- Researched and compiled a list of approximately 80 North American mining companies that the Receiver believes could be interested in the mining and other equipment, and the camp equipment. The teasers were distributed to these parties, as well as those parties that had participated in the CCAA Sales Process and those parties that have contacted the Receiver to express interest in the assets, commencing July 14, 2009;

- Communicated with two mining industry groups, the Mining Association of British Columbia, and the British Columbia Mining and Mineral Organization, both of which have included notices in their weekly newsletters regarding the receiverships and the availability of assets;
- Contacted marine and other equipment brokers to request listing proposals for certain of the assets; entered listing agreements with Global Marine Trader to list the marine vessels (two tug boats and two barges) for sale;
- Placed advertisements in the Vancouver Sun (July 22), and Globe and Mail (July 24) newspapers inviting offers for the Companies' assets; arrangements have also been made to place the same advertisements in the Northern Miner trade publication and Juneau Empire newspaper;
- Prepared the Terms and Conditions of Sale and Form of Offer and distributed same to prospective purchasers; and
- Liaised with prospective purchasers to facilitate access to the electronic data and to respond to questions and information requests regarding the assets.

LIEN CLAIMANTS, TITLE AND OTHER MATTERS

(i) Lien Claimants

13. Several parties have directly or through their legal counsel contacted the Receiver to assert lien claims over certain of the Property. With the assistance of its Canadian and U.S. legal counsel, Davis LLP ("**Davis**") and Lane Powell LLP ("**Lane Powell**"), respectively, the Receiver has been working to determine the validity, priority and amount of such potential lien claims. To date, the following claims have been advanced with the Receiver:

- Sundial has asserted a possessory lien under Oregon Revised Statute 87.152 (the "**Possessory Chattel Lien**") over the ACB. As indicated above, the ACB is currently located at Sundial's shipyard in Troutdale, Oregon. Sundial is asserting a possessory lien in the amount of approximately \$US3.4 million for materials and labour related to the ACB. Lane Powell has concluded that Sundial's Possessory Chattel Lien is valid and has priority over the security held by the Note Holders. The Receiver has met with Sundial and is working to reconcile and validate the amount due to them;

- Halton Company ("**Halton**") has asserted a lien under Oregon Revised Statute 783.010 – 783.170 (the "**Boat and Vessel Lien**") over the ACB. Halton is asserting a lien in the amount of approximately \$US1.6 million for materials and labour supplied in connection with constructing the ACB. Lane Powell and Davis are reviewing the validity and relative priority of the Boat and Vessel Lien;
- Kinetic Drive Solutions Inc. ("**KDS**") has asserted a possessory lien over two "skidders" that KDS had modified for Redfern. The skidders are currently located at KDS's facility in Langley, British Columbia. Based on the books and records of Redfern, approximately \$148,000 is due to KDS for repair modifications to the skidders. Davis has concluded that KDS has a valid repairer's lien that has priority over the security held by the Note Holders; and
- NC Power Systems ("**NC Power**") has asserted a maritime lien on a tug boat on which NC Power installed generator equipment. The tug boat is currently moored in Juneau, Alaska at a site controlled by Trucano Construction, a supplier to Redfern. NC Power is asserting a lien in the amount of approximately \$US40,000. Davis is reviewing the validity and relative priority of the asserted lien.

(ii) **Title Matters**

14. Several parties have directly or through their legal counsel contacted the Receiver to assert that title to certain assets had not transferred to Redfern prior to the Receiver's appointment. With the assistance of its Canadian and U.S. legal counsel, the Receiver has been working to determine the validity of these positions. To date, the following claims have been advanced with the Receiver:

- Modular Transportable Solutions, LLC ("**MTS**") has asserted that title to modular camp facilities (the "**Permanent Camp**") that MTS had been constructing for Redfern rests with MTS. The Permanent Camp is currently located at MTS's storage facilities at a pier in Seattle, Washington. Based on its books and records, Redfern has paid approximately \$US7.9 million to MTS for construction of the Permanent Camp. MTS has asserted that approximately \$US1.1 million is due to MTS for work completed but not paid for. The Receiver and its legal counsel are reviewing this matter with MTS and its counsel;
- Procon Mining and Tunnelling Ltd. ("**Procon**") has commenced an action within these proceedings seeking to recover consumables inventory that was delivered to the Mine Site. Procon's position is that title to the inventory did not pass to Redfern and was retained by Procon. The inventory has an invoice value of approximately \$652,000. The Receiver's position is that title to the inventory rests with Redfern and

the Receiver intends to litigate Procon's claim. In addition, the Receiver intends to bring a cross-claim against Procon regarding inventory held at certain other locations; and

- Sandvik Mining and Construction ("**Sandvik**") has contacted a third party storage facility rented by Redfern to request the return of two pieces of equipment (a drill and a loader). The third party storage provider referred Sandvik to the Receiver. The combined invoice value of this equipment is approximately \$2.1 million. Sandvik's position is that title to this equipment did not pass to Redfern and was retained by Sandvik. The Receiver's preliminary position is that title to the inventory passed on delivery of the equipment in February, 2008 and rests with the Redfern. The Receiver and its legal counsel are continuing to review the supporting documents and correspondence related to this matter.

(iii) **Other Matters**

15. Hovertrans Ltd. ("**Hovertrans**"), an engineering design firm located in Southampton, England, is indebted to Redfern in the amount of approximately \$US1.4 million for pre-paid advances made in connection with the ACB. Hovertrans has proposed a settlement offer to the Receiver. The Receiver is engaging U.K. based legal counsel to assist in assessing the offer.

DIRECTORS AND OFFICERS CLAIMS PROCEDURE

16. The former Directors and Officers ("**D&Os**") of the Petitioners have brought a motion to be heard by this Court on August 20, 2009 for approval of the D&O Claims Procedure. The D&O Claims Procedure is described in detail in the proposed Order (D&O Claims Procedure) (the "**Proposed Order**"). The Proposed Order was developed with input from counsel to the former D&Os, counsel to the Note Holders' Committee, and the Receiver and its counsel. Discussions were also held with Great American Insurance Company, the insurer for the Petitioners' D&O insurance policy.

17. The Proposed Order requires that any party asserting a D&O Claim (as defined in the Proposed Order and repeated below) against a current or former Director or Officer of the Petitioners must deliver a D&O Proof of Claim to the Receiver so that it is received by no later than the D&O Claims Bar Date (being 4:00 p.m. Pacific Time on the day which is 30 days after the last of the D&O Notices to Creditors is placed in the Globe and Mail, and Vancouver Sun newspapers) or such later date as the Receiver, the Secured Note Holders and the Designated Director may agree in writing.

18. A D&O Claim is defined in the Proposed Order as:

“D&O Claim” has the meaning in accordance with the Initial Order granted herein, being any and all claims, costs, liabilities and expenses relating to the failure of the Petitioners after March 4, 2009 to make payments of such obligations which they sustain or incur by reason of or in relation to their respective capacities as Directors and Officers of any of the Petitioners both before and after March 4, 2009 (“Claims”). For greater certainty, D&O Claims are Claims:

- (i) arising after March 4, 2009;
- (ii) in respect of any liability to employees of the Petitioners including liability for wages, vacation pay or severance pay, whether arising before or after March 4, 2009; and
- (iii) any environmental liability including any liability arising out of or in any way connected with any environmental law, act or regulation in any jurisdiction, whether arising before or after March 4, 2009.

19. Pursuant to the Proposed Order, any party that does not deliver a D&O Proof of Claim in respect of a D&O Claim by no later than the D&O Claims Bar Date is forever barred from asserting such D&O Claim against any of the Directors and/or Officers and such D&O Claim is forever extinguished.

20. The document package that includes a copy of the D&O Instruction Letter, a D&O Proof of Claim and such other materials as the Receiver considers necessary or appropriate is to be posted to the Receiver's website at www.alvarezandmarsal.com/redcorpandredfern seven days after the date the Proposed Order is granted by this Honourable Court.

RELEASE AND DISCHARGE OF THE ADMINISTRATION CHARGE

21. The Initial Order in the CCAA proceedings provided for a charge (the "**Administration Charge**") on the Property of up to \$1 million as security for payment of the fees and disbursements of the Monitor, counsel to the Monitor, counsel to the Petitioners and counsel to the Note Holders' Committee (collectively, the "**Administration Charge Parties**").
22. Through payment by the Petitioners, the application of retainers or by payment from the Receiver, the invoices for fees and disbursements of the Administration Charge Parties in connection with the CCAA proceedings have been paid. As such, the Administration Charge is no longer necessary, and can be released and discharged as against the Property.

SUMMARY COMMENTS AND RECOMMENDATIONS

23. In order to continue to advance these proceedings, it is appropriate to commence the D&O Claims Procedure at this time.
24. The Administration Charge is no longer necessary and it is appropriate to release and discharge the charge at this time.

25. Based on the foregoing, the Receiver respectfully recommends that the Court grant orders:

- (a) approving the activities of the Receiver from June 23, 2009 (the date of the First Report) to the date of this Report;
- (b) releasing and discharging the Administration Charge;
- (c) approving the D&O Claims Procedure; and
- (d) granting such further and other relief as counsel may advise and this Court permit.

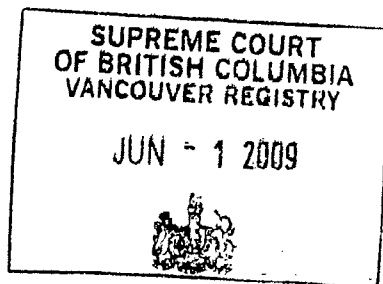
All of which is respectfully submitted this 11th day of August, 2009.

**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

Schedule “A”



No. S091670
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

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

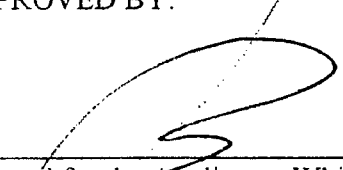
located, for recognition of this Order and for assistance in carrying out the terms of this Order and all such courts, tribunals and regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, 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

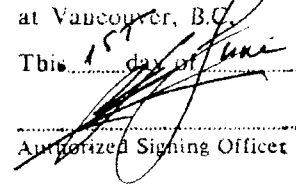
DISTRICT REGISTRAR

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

Schedule “B”

Entered on Docket Jun. 18, 2009

HON. KAREN A. OVERSTREET
Chapter 15
Ex Parte

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

In re:

KPMG INC, Foreign Representative of

REDCORP VENTURES LTD. and
REDFERN RESOURCES LTD.,

Petitioners.

NO. 09-12019

PROPOSED EX PARTE ORDER
RECOGNIZING INTERIM RECEIVER
AS FOREIGN REPRESENTATIVE IN
PLACE OF MONITOR AND
DIRECTING AMENDMENT OF THE
CAPTION OF THIS CHAPTER 15
PROCEEDING

THIS MATTER having come before the Court upon the ex parte application (the "Application") filed on behalf of the Interim Receiver and Receiver, McIntosh & Morawetz, Inc. ("M&M or the "Interim Receiver") appointed pursuant to the May 29, 2009 order (the "Interim Receiver Order")¹ of the Supreme Court of British Columbia (the "Canadian Court") in the pending Canadian insolvency case commenced by Redcorp Ventures Ltd ("Redcorp") and Redfern Resources Ltd ("Redfern") (collectively referred to as "the Petitioners") pursuant to order dated March 4, 2009 (the "Initial CCAA Order") under the provisions of the *Canadian Companies' Creditors Arrangement Act*, R.S. C. 1985, c.C-36 (the "CCAA") and the *Business Corporations Act*, S.B.C. 2002, c.57 in British Columbia,

¹ A copy of the Interim Receiver Order is attached as Exhibit A to the Affidavit of Douglas R. McIntosh (the "McIntosh Affidavit").

ORDER RECOGNIZING INTERIM RECEIVER AS
FOREIGN REPRESENTATIVE - I

124077.0001/1723258.1

LANE POWELL PC
1420 FIFTH AVENUE, SUITE 4100
SEATTLE, WASHINGTON 98101-2338
(206) 223-7000

1 IT IS FURTHER ORDERED that within five business days following entry of this
2 Order the Interim Receiver shall cause notice to be sent to all of the U.S. creditors listed in
3 this Chapter 15 proceeding, which notice shall include a copy of the contact information for
4 the Interim Receiver, a copy of the notice of the appointment sent in the CCAA Case along
5 with a copy of the Interim Receiver Order and a copy of this Order.

6 DATED this ____ day of _____, 2009.

7
8 
9 United States Bankruptcy Judge
(Dated as of Entered on Docket date above)

10 Presented by:

11 LANE POWELL PC

12 By /s/ Mary Jo Heston

13 Mary Jo Heston, WSBA No. 11065
14 Attorneys for McIntosh & Morawetz, Inc.,
Interim Receiver and Receiver.

15
16
17
18
19
20
21
22
23
24
25
26
ORDER RECOGNIZING INTERIM RECEIVER AS
FOREIGN REPRESENTATIVE - 3

124077.0001/1723258.1

LANE POWELL PC
1420 FIFTH AVENUE, SUITE 4100
SEATTLE, WASHINGTON 98101-2338
(206) 223-7000

Schedule “C”

McIntosh & Morawetz Inc., Interim Receiver and Receiver of Redcorp Ventures Ltd.

Receipts and Disbursements for the Period May 29, 2009 to August 2, 2009

	<u>Total CDN(\$)</u>
Redcorp - Canadian	
<i>Receipts</i>	
Accounts Receivable	59,924
Proceeds of sale	1,550
Balance transfers	30,662,470
Total Receipts, net - Canadian	<u>30,723,944</u>
<i>Disbursements</i>	
General and administrative	11,429
Insurance	62,125
Interim distribution to CIBC Mellon Trust Company	20,000,000
Professional Fees - Consultant	5,996
Professional fees - otherwise subject to Administrative Charge (legal and Monitor)	255,875
Professional Fees - Receiver	521,662
Professional fees - Bankruptcy Trustee retainer	15,000
Property taxes	21,713
Rent	44,520
Salaries, wages, casual wages, and source deductions	94,128
Transport and travel (including retrieval of assets from mine site)	698,967
Utilities	2,161
Total Disbursements - Canadian	<u>21,733,575</u>
Net Cash Flow - Canadian	<u>8,990,369</u>
Redcorp - US Dollars	
<i>Receipts</i>	
Accounts Receivable	-
Proceeds on sale of assets	-
Balance transfers	2,226
Total Receipts, net - US	<u>2,226</u>
<i>Disbursements</i>	
General and administrative	636
Total Disbursements - US	<u>636</u>
Net Cash Flow - US	<u>1,591</u>
US Cash Flow - translated into CDN at 1.08	<u>1,718</u>
Combined net Cash Flow (CDN\$) - Redcorp	<u>8,992,087</u>

McIntosh & Morawetz Inc., Interim Receiver and Receiver of Redfern Resources Ltd.
Receipts and Disbursements for the Period May 29, 2009 to August 2, 2009

	<u>Total (CDN\$)</u>
Redfern - Canadian	
Receipts	
Advances recovered	218,281
Proceeds of sale	60,000
Balance transfers (including holdback accounts)	400,157
Total Receipts, net - Canadian	<u>678,438</u>
Disbursements	
Arctic Construction Ltd. - holdback and related interest	192,438
Equipment rental	8,757
General and administrative	13,350
Maintenance and repairs	2,355
Professional fees - Bankruptcy Trustee retainer	10,000
Salaries, wages, casual wages, and source deductions	34,296
Storage and moorage	13,650
Transport and travel	10,981
Utilities	19,745
Total Disbursements - Canadian	<u>305,572</u>
Net Cash Flow - Canadian	<u>372,866</u>
Redfern - US Dollars	
Receipts	
Accounts Receivable	1,936
Balance transfers	245,521
Total Receipts, net - US	<u>247,457</u>
Disbursements	
Equipment rental	14,094
General and administrative	123
Professional Fees - legal	15,410
Salaries, wages, casual wages, and source deductions	12,911
Storage and moorage	15,556
Travel and transport	36,420
Utilities	1,004
Total Disbursements - US	<u>95,518</u>
Net Cash Flow - US	<u>151,939</u>
US Cash Flow - translated into CDN at 1.08	<u>164,094</u>
Combined net Cash Flow (CDN\$) - Redfern	<u>536,960</u>