

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.C. 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.**

**SIXTH REPORT OF THE RECEIVER
ALVAREZ & MARSAL CANADA INC.
(FORMERLY MCINTOSH & MORAWETZ INC.)**

INTRODUCTION

1. This report (the **“Sixth Report”**) is filed by Alvarez & Marsal Canada Inc., formerly McIntosh & Morawetz Inc. (**“A&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**”), A&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**”).
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;
 - (b) certain Asset Backed Commercial Paper (“**ABCP**”) secured in favour of HSBC Bank Canada (“**HSBC**”) as described in paragraph 1 of the Order granted by this Honourable 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 holders of the secured notes (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 (“**RBC**”) 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. On June 29, 2009, the Companies were assigned into bankruptcy and Abakhan & Associates Inc. (the “**Trustee**”) was appointed as Trustee in Bankruptcy of the estates of each of Redcorp and Redfern. The appointment of the Trustee was affirmed at the first meetings of creditors in the bankruptcies held on July 20, 2009.
 5. The Receiver has previously filed five reports, as well as a supplement to its Third Report, with this Honourable Court. Summaries of the First through Fourth Reports and the supplement to the Third Report are provided in the Receiver’s Fifth Report to Court dated March 15, 2011 (the “**Fifth Report**”) attached hereto as **Appendix “A”**.
 6. The Receiver has also filed two applications, without a hearing and by consent during these receivership proceedings which are also described in the Fifth Report.
 7. A copy of the prior reports of the Receiver and the prior orders of this Honourable Court can be found at the Receiver’s website at www.alvarezandmarsal.com/redcorpandredfern.
 8. The Receiver’s most recent motion, supported by the Fifth Report sought orders from this Honourable Court:

- (i) approving the proposed sale transaction for the RDV Gator (the **“Gator Tug”**), a Canadian tug boat registered in Canada and moored in Juneau, Alaska (the **“Gator Tug Sale Transaction”**);
 - (ii) vesting in North American Construction Group Inc. (the **“Purchaser”**) all right, title and interest in the Gator Tug free and clear of all liens, security interests and other encumbrances;
 - (iii) authorizing and directing the Receiver to make a sixth interim distribution of \$1 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, upon receipt of the Licenses Funds (as defined in the Fifth Report), to make a further seventh interim distribution to the Note Trustee of up to \$500,000; and
 - (iv) approving the activities of the Receiver from September 14, 2010 (the date of the Fourth Report) to the date of the Fifth Report.
9. This Sixth Report is filed in support of the Receiver’s motion seeking orders from this Honourable Court:
- (i) approving the proposed sale transaction for eight generator sets and related equipment, including switch gear and heat exchange equipment (collectively, the **“Gensets”**), four of which, together with the switch gear are stored in Juneau, Alaska, and four of which, together with the heat exchange equipment are stored in Savona, British Columbia (the **“Proposed Sale Transaction”**);

- (ii) vesting in R.J. Turner and Associates Inc. (the **“Purchaser”**) all right, title and interest in the Gensets free and clear of all liens, security interests and other encumbrances;
- (iii) authorizing and directing the Receiver to pay to the Trustee of Redfern \$814,971 upon closing of the Proposed Sale Transaction;
- (iv) authorizing and directing the Receiver to make an eighth interim distribution of \$1.5 million to the Note Trustee for the Note Holders in partial repayment of the Secured Notes upon closing of the Proposed Sale Transaction;
- (v) authorizing and directing the Receiver to direct Davis to pay NC Power Systems Company (**“NCPS”**) the sum of \$55,606, including interest, plus a per diem of \$19.26 thereafter, in full satisfaction of their interest in the proceeds from the sale of the Gator Tug; and
- (vi) approving the activities of the Receiver from March 15, 2011 (the date of the Fifth Report) to the date of this Sixth Report.

BACKGROUND

10. Redcorp’s principal business was the acquisition, exploration and development of mineral properties, with its primary asset being a 100% interest in the Tulsequah Project located 100 km 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 were carried on through its wholly-owned subsidiary, Redfern. Redfern was the registered holder of 38 mineral rights in the Tulsequah Project comprised of 25 Crown granted mineral claims and 13 MTOs. Redfern also owns the mining equipment assets of the Companies.

THE SALE PROCESS

11. A summary of the Sale Process carried out by the Receiver with respect to Redfern's equipment and inventory assets, and more specifically with respect to the Gensets, is as follows:

- The Receiver prepared a marketing package for each major category of Redfern's equipment assets, including one specifically related to the Gensets. A copy of the marketing package for the Gensets (the "**Marketing Package**") is attached hereto as **Appendix "B"**;
- The Marketing Package, together with information packages for Redfern's other assets, was sent to over 140 targeted parties, including:
 - (i) those parties that had participated in the sale process conducted within the *Companies' Creditors Arrangement Act* proceedings;
 - (ii) companies in the mining industry that the Receiver believed would have an interest in some or all of the equipment; and
 - (iii) parties that had contacted the Receiver to express an interest in the assets;
- the Marketing Package was posted on the Receiver's website. The Sale Process and website were advertised in the *Globe and Mail* newspaper (National Edition), the Vancouver Sun newspaper and the *Northern Miner* (a mining industry publication). Attached hereto as **Appendix "C"** is a copy of the advertisements; and
- parties expressing an interest in the Gensets were provided with the Receiver's Form of Offer and Terms and Conditions of Sale and were advised that any

transaction resulting from the Sale Process would be subject to the approval of this Honourable Court.

12. On June 2, 2010, an offer in the amount of US\$750,000 for the Gensets was submitted to the Receiver by an equipment broker. The offer was subject to inspection, was significantly lower than the original cost of the Gensets to Redfern and, based on discussions the Receiver had with several external parties familiar with the equipment, was below estimated market value. Accordingly, the Receiver declined the offer.
13. On June 9, 2010, the same offeror enquired whether the Receiver would consider the offer if it was increased to US\$900,000. As it was the Receiver's view that this was below estimated market value, the Receiver declined the revised offer.
14. Thereafter, the same offeror further increased its offer to US\$1 million (the offer remained conditional on inspection). Again, the Receiver declined to accept this offer as it was below estimated market value.
15. On November 17, 2010, the Receiver was provided with an expression of interest on the Gensets from a second equipment broker for \$1.2 million, which the Receiver again declined as it was, in the Receiver's view, below estimated market value.
16. Also on November 17, 2010, following numerous email communications and telephone conversations, Dynamic Power & Associates Inc. ("**DPAI**") provided the Receiver with an expression of interest for the Gensets at \$2.4 million. On November 19, 2010, the Receiver countered the expression of interest at \$2.8 million, subject to the approval of this Honourable Court.

17. On December 9, 2010, another equipment broker provided the Receiver with an expression of interest on the Gensets in the amount of \$2 million, conditional on the equipment being delivered to the Port of Seattle. The Receiver was not prepared to meet the conditions, and based on the expression of interest from DPAI at a higher price that the Receiver was reviewing, the Receiver declined the expression of interest.
18. On March 9, 2011, following numerous additional communications with DPAI to provide further information regarding the Gensets, DPAI increased its offer to \$2.8 million.
19. On March 13, 2011, DPAI submitted a formal offer in the format requested by the Receiver for \$2.8 million in the name of its customer, R.J. Turner and Associates Inc. (the “**RJTA Offer**”), followed by a deposit in the amount of \$140,000. The RJTA Offer is attached hereto as **Appendix “D”**.
20. The Trustee has asserted that the portion of the Genset equipment domiciled outside of Canada and/or the proceeds of sale from same (the “**Non-Canadian Genset Equipment**”) is properly an asset vested in the Trustee. This position is not disputed by the Receiver.
21. The Receiver and the Trustee subsequently accepted the RJTA Offer, subject to the approval of this Honourable Court. The RJTA Offer is supported by the Note Holders’ Committee and the inspectors of the estate of Redfern.

PROPOSED SALE TRANSACTION

22. The Proposed Sale Transaction is made on an “as is, where is” basis. The purchase price is \$2.8 million (the “**Purchase Price**”).

23. The Purchase Price is to be allocated as follows:

- \$814,791 to the Trustee (the “**Non-Canadian Genset Proceeds**”);
- \$1,971,311 to the Receiver; and
- \$13,898 to Alaska Marine Lines (“**AML**”) as payment for storage arrears outstanding on the portion of the Gensets stored at AML’s facility in Juneau, Alaska.

The above allocation is based on the original cost of the Gensets to Redfern and the current location of the components of the Gensets. The Trustee has not disputed this allocation.

24. The Receiver has been paying all storage, insurance, marketing and other costs (collectively, the “**Maintenance Costs**”) in relation to the Gensets and will continue to do so until the closing of the Proposed Sale Transaction. The portion of the Purchase Price allocated to the Trustee has been reduced by Maintenance Costs incurred by the Receiver for the Non-Canadian Genset Equipment.

THE GATOR TUG SALE TRANSACTION

25. The Gator Tug Sale Transaction closed on March 30, 2011. The vesting order granted March 25, 2011 by this Honourable Court contemplates that all claims attach to the proceeds of sale in the same priority as they would the Gator Tug.

26. As discussed in the Fifth Report, NC Power Systems Company asserted a maritime lien against the Gator Tug in the amount of US\$39,797, plus interest, related to the provision and installation of generator equipment. NCPS, operating as NC Machinery, filed a UCC

registration in the State of Alaska in support of its claim. NCPS's position is that its asserted maritime lien ranks in priority to the Note Holders' security. The Receiver's legal counsel, Davis LLP ("**Davis**"), has reviewed this matter with the Receiver's U.S. counsel, Lane Powell LLP ("**Lane Powell**"), and NCPS's legal counsel, who provided Davis with legal opinions from NCPS's U.S. counsel, Anderson, Connell & Carey, and NCPS's Canadian maritime counsel, Bernard & Partners. As a result, the Receiver does not dispute the lien asserted by NCPS. As such, the Receiver is seeking approval for Davis to pay NCPS's lien claim from the proceeds of the Gator Tug Sale Transaction currently held in its trust account.

27. After reviewing the Note Holders' security as it relates to the Gator Tug, the Receiver and the Trustee have agreed that the Note Holders' security extends to the Gator Tug and the sale proceeds. Accordingly, the net sale proceeds of approximately \$331,818, after payment of the NCPS lien of approximately \$55,606 (including interest, plus a per diem amount of \$19.62 thereafter) and commissions of \$17,576 to the marine broker, will be retained by the Receiver.

RECEIVER'S RECEIPTS AND DISBURSEMENTS

28. A combined summary of the Receiver's receipts and disbursements for Redcorp and Redfern for the period May 29, 2009 to April 29, 2011 is attached hereto as **Appendix "E"**. Also included in Appendix E is a summary of the receipts and disbursements related to these proceedings that have been processed through Davis' trust accounts as certain transactions that were previously approved by this Court were concluded.

PROPOSED EIGHTH INTERIM DISTRIBUTION

29. The Court has previously approved seven interim distributions totalling \$36,775,000 (including \$7,425,000 paid directly to the Note Trustee on the closing of the mineral claims APA and \$1.5 million paid to the Note Trustee by Davis from the Permits Funds and the Licenses Funds (both as defined in the Fifth Report)).
30. The Note Holders' Committee has requested that, should this Honourable Court approve the Proposed Sale Transaction, the Receiver seek this Honourable Court's approval to make an eighth interim distribution in the amount of \$1.5 million to the Note Trustee.
31. Based on the Receiver's combined summary of receipts and disbursements and taking into consideration the proposed disbursement and hold backs itemized below, the Receiver is of the view that the proposed distribution is appropriate at this time.

	As at April 29, 2011 (in \$CDN 000s)
Cash on deposit in Receiver's trust accounts	\$218
Plus the estimated net proceeds from the Gator Tug Sale Transaction to be remitted to the Receiver by Davis	332
Plus the Receiver's share of the proceeds from the Proposed Sale Transaction	1,971
Less proposed hold back amounts: Provision for future expenses (before net future realizations on non-cash assets)	(1,021)
Proposed Distribution	\$1,500

32. As described in the First Report: (i) the Monitor's legal counsel in the CCAA proceedings provided a legal opinion to the Monitor that the security documents related

to the Secured Notes (the “**Security**”) “constitutes a valid and binding obligation of and is enforceable against the party granting same and creates a valid perfected security interest in the collateral described therein”; and (ii) the records of the Personal Property Registry record the Note Trustee as having registered its security in priority to all other registrations.

THE RECEIVER’S ACTIVITIES TO DATE

33. Since the date of the Fifth Report, the Receiver’s activities have included, among other things, the following:

- providing periodic updates to the Note Holders’ Committee on significant receivership matters;
- continuing with efforts to market and sell the Companies’ equipment and inventory as described in the Second Report, including numerous discussions and correspondence with interested parties, offerors and purchasers of certain assets as described herein and in the Receiver’s previous reports filed in these proceedings, and coordinating the sale of various equipment and inventory assets;
- communicating with Davis and Lane Powell regarding lien and title matters;
- discussions and correspondence with Davis regarding the Interim Settlement Agreement and Quitclaim Agreement related to Sandvik Mining and Construction;
- periodic discussions with Marcon International, Inc. and Sundial Marine Construction Repair, Inc. regarding interest from prospective purchasers in Redfern’s air-cushion barge. Discussions with Davis regarding the alternatives for

the Receiver to consent to and facilitate a possible sale of the air cushion barge at a value below the first ranking lien on the barge;

- communicating with the Companies' insurance broker regarding the expiry/renewal of insurance policies and reduction of coverage on the sale of assets;
- communicating with third-party storage providers and vendors regarding the storage and transfer of various equipment;
- preparing and filing required GST and HST returns and administering various other Canadian and U.S. statutory filings;
- responding to creditor and other enquiries; and
- maintaining the schedules of the Receiver's receipts and disbursements, and managing all banking-related matters generally.

SUMMARY COMMENTS AND RECOMMENDATIONS

34. The Sale Process was conducted in a fair and reasonable manner. The Gensets were widely marketed over a 22-month period and the RJTA Offer is the highest offer generated for the Gensets through the Sale Process, and is substantially higher than many of the other offers received.
35. The Note Holders' Committee and the Trustee support the Proposed Sale Transaction.
36. In order to continue to advance these proceedings, it is appropriate to approve the Sale Process and the Proposed Sale Transaction.
37. Following the proposed distributions, the Receiver will continue to hold approximately \$1,021,000 to fund future expenses, before taking into consideration further anticipated

realizations from the Companies' equipment and other assets, which are expected to be meaningful.

38. Based on the foregoing, the Receiver respectfully recommends that this Honourable Court grant orders:

- (a) approving the Proposed Sale Transaction and granting an order vesting in the Purchaser all right, title and interest in the Gensets free and clear of all liens, security interests and other encumbrances;
- (b) authorizing and directing the Receiver to pay to the Trustee of Redfern the Non-Canadian Genset Proceeds of \$814,791 upon the closing of the Proposed Sale Transaction;
- (c) authorizing and directing the Receiver, upon closing of the Proposed Sale Transaction, to make an eighth interim distribution of \$1.5 million to the Note Trustee for the Note Holders in partial payment of the Secured Notes;
- (d) authorizing and directing Davis to pay NCPS the sum of \$55,606, plus a per diem amount of \$19.62 in full satisfaction of their interest in the proceeds from the sale of the Gator Tug;
- (e) approving the activities of the Receiver from March 25, 2011 (the date of the Fifth Report) to the date of this Sixth Report; and
- (f) granting such further and other relief as counsel may advise and this Honourable Court may permit.

All of which is respectfully submitted this 13th day of May, 2011.

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

A handwritten signature in black ink, appearing to read "A. Hutchens", written in a cursive style.

Per: Alan J. Hutchens
Vice-President

No. S091670
Vancouver Registry

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IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
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IN THE MATTER OF
REDCORP VENTURES LTD.
and REDFERN RESOURCES LTD.

FIFTH REPORT OF THE RECEIVER
ALVAREZ & MARSAL CANADA INC.
(FORMERLY MCINTOSH & MORAWETZ INC.)

INTRODUCTION

1. This report (the "**Fifth Report**") is filed by Alvarez & Marsal Canada Inc., formerly McIntosh & Morawetz Inc. ("**A&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**”), A&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**”).
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;
 - (b) certain Asset Backed Commercial Paper (“**ABCP**”) secured in favour of HSBC Bank Canada (“**HSBC**”) as described in paragraph 1 of the Order granted by this Honourable 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 holders of the secured notes (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 (“**RBC**”) 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. On June 29, 2009, the Companies were assigned into bankruptcy and Abakhan & Associates Inc. (the “**Trustee**”) was appointed as Trustee in Bankruptcy of the estates of each of Redcorp and Redfern. The appointment of the Trustee was affirmed at the first meetings of creditors in the bankruptcies held on July 20, 2009.
5. The Receiver has previously filed four reports, as well as a supplement to its Third Report, with this Honourable Court, as follows:

(a) The Receiver’s First Report to Court

The First Report of the Receiver dated June 23, 2009 (the “**First Report**”) was filed in support of the Receiver’s motion that sought, among other things, an order from this Honourable Court that 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.

On June 26, 2009, the Court granted an order that approved the First Report and granted the relief sought therein.

(b) The Receiver's Second Report to Court

The Second Report of the Receiver dated August 11, 2009 (the **"Second Report"**) was filed in support of:

- (i) the Receiver's motion that sought, among other things, an order from this Court releasing and discharging the Administration Charge of \$1 million provided in the Appointment Order, and approving a summary Court approval process to obtain vesting orders as required; and
- (ii) the motion of the former Directors and Officers of the Companies seeking an order from this Court approving the Directors and Officers claims procedure (the **"D&O Claims Procedure"**).

On August 20, 2009, this Court granted orders that:

- (i) approved the Second Report and granted the relief sought therein;
- (ii) approved the D&O Claims Procedure; and
- (iii) approved a summary Court approval process to obtain vesting orders as required.

(c) The Receiver's Third Report to Court and Supplemental Report Thereto

The Third Report of the Receiver dated October 20, 2009 (the **"Third Report"**) was filed in support of the Receiver's motion that sought orders from this Court:

- (i) approving the Proposed Sale Transactions (as defined therein, which included the sale of two marine vessels (barges), the RDV-WHO and the RDV-KEETU) and vesting right, title and interest in the applicable assets free and clear of all liens, security interests and other encumbrances to the respective purchasers;
- (ii) partially releasing and discharging the Directors' Charge provided in the Appointment Order from \$5 million to \$915,000;

- (iii) authorizing and directing the Receiver to pay \$1,202,056.77, representing interest received on Redcorp's former ABCP investments, to the Trustee of Redcorp; and
- (iv) authorizing and directing the Receiver to make a second interim distribution of \$5.5 million to the Note Trustee for the Note Holders in partial repayment of the Secured Notes.

In a Supplement to the Third Report dated October 21, 2009 (the "**Supplemental Third Report**") the Receiver sought the Court's approval of the sale of the Modular Camp (as defined in the Supplemental Third Report) and an associated vesting order, as well as authorization to file a Stipulation with the U.S. Court, as Foreign Representative in the Companies' Chapter 15 Proceedings, that the Chapter 15 stay of proceedings be waived for the purposes of that specific sale transaction.

On October 23, 2009, the Court granted four orders which collectively granted the relief sought in the Third Report and the Supplemental Third Report.

(d) The Receiver's Fourth Report to Court

The Fourth Report of the Receiver dated September 14, 2010 (the "**Fourth Report**") was filed in support of the Receiver's motion that sought orders from this Court:

- (i) approving the sale transaction proposed therein and the APA (as defined therein, which included the sale of the Tulsequah Project) for and vesting right, title and interest in the applicable assets free and clear of all liens, security interests and other encumbrances, other than Permitted Encumbrances (as defined therein) to the respective purchasers, and directing the Prince Rupert Land Title Office to transfer the fee simple interest to the Real Estate (as defined in the APA) and the

undersurface rights in respect of the Mineral Claims (as defined in the APA) to the respective purchaser, and authorizing and directing the Receiver, together with the purchaser, to register a notice of the transfer of the mineral titles online claims (as defined in the APA) under the *Mineral Tenure Act*;

- (ii) authorizing and directing the Receiver to pay to the Trustee of Redcorp \$401,000 representing interest received on Redcorp's former ABCP investments;
- (iii) authorizing and directing the Receiver's legal counsel, Davis LLP ("**Davis**"), to pay to the Trustee of Redfern \$150,341.27 (less \$12,500 to be remitted to the Receiver on account of its fees and disbursements (including legal fees)) held in the trust bank accounts of Davis, representing the net proceeds from the sale of Redfern's former oil and gas interests;
- (iv) releasing and discharging the Directors' Charge;
- (v) authorizing and directing the Receiver to make fourth and fifth interim distributions of \$850,000 and \$7.425 million, respectively, to the Note Trustee for the Note Holders in partial repayment of the Secured Notes, where the fifth interim distribution of \$7.425 million was only authorized and directed to be made following the Closing of the sale transaction described therein; and
- (vi) approving the activities of the Receiver from October 20, 2009 (the date of the Third Report) to September 14, 2010 (the date of the Fourth Report).

On September 22, 2010, the Court granted two orders which collectively granted the relief sought in the Fourth Report.

A copy of the prior reports of the Receiver and the prior orders of this Honourable Court can be found at the Receiver's website at www.alvarezandmarsal.com/redcorpandredfern.

6. On application by the Receiver, without a hearing and by consent, on January 12, 2010, this Honourable Court granted an order authorizing the Receiver to make a third interim distribution in the amount of \$1.5 million to the Note Trustee for the Note Holders in partial repayment of the Secured Notes.
7. On application by the Receiver, without a hearing, on July 22, 2010, this Honourable Court granted an order (the “**Koppers Ball Mill Order**”), among other things, approving the sale of certain assets (“**Koppers Ball Mill Assets**”) by the Receiver and the Trustee to Mine Source Inc., vesting title to the Koppers Ball Mill Assets in the nominee of Mine Source Inc. free and clear of all Encumbrances (as defined in the Koppers Ball Mill Order), and directing the distribution of the proceeds to certain parties in payment of storage arrears, 40% of the net balance to the Trustee and the remainder to the Receiver to be held pending further order. The Receiver successfully obtained an order from the Honourable Karen A. Overstreet of the United States Bankruptcy Court, Western District of Washington, pursuant to Chapter 15 of the United States Bankruptcy Code on July 27, 2010, recognizing the terms of the Koppers Ball Mill Order and vesting the Koppers Ball Mill Assets held in the United States in the name of the purchaser.
8. This Fifth Report is filed in support of the Receiver’s motion seeking orders from this Honourable Court:
 - (i) approving the proposed sale transaction for the RDV Gator (the “**Gator Tug**”), a Canadian tug boat registered in Canada and currently moored in Juneau, Alaska (the “**Proposed Sale Transaction**”);

- (ii) vesting in North American Construction Group Inc. (the “**Purchaser**”) all right, title and interest in the Gator Tug free and clear of all liens, security interests and other encumbrances;
- (iii) authorizing and directing the Receiver to make a sixth interim distribution of \$1 million to the Note Trustee for the Note Holders in partial repayment of the Secured Notes and, upon receipt of the Licenses Funds (as defined below), to make a further seventh interim distribution to the Note Trustee of up to \$500,000; and
- (iv) approving the activities of the Receiver from September 14, 2010 (the date of the Fourth Report) to the date of this Fifth Report.

BACKGROUND

9. Redcorp’s principal business was the acquisition, exploration and development of mineral properties, with its primary asset being a 100% interest in the Tulsequah Project located 100 km 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 were carried on through its wholly-owned subsidiary, Redfern. Redfern was the registered holder of 38 mineral rights in the Tulsequah Project comprised of 25 Crown granted mineral claims and 13 MTOs. Redfern also owns the mining equipment assets of the Companies.

THE SALE PROCESS

10. A summary of the Sale Process carried out by the Receiver with respect to Redfern’s equipment and inventory assets, and more specifically with respect to the Gator Tug, is as follows:

- The Receiver prepared a marketing package for Redfern's marine vessels, including the Gator Tug (the "**Marketing Package**"). A copy of the Marketing Package is attached hereto as **Appendix "A"**;
- The Marketing Package, together with information packages for other of Redfern's assets offered for sale, was sent to over 140 targeted parties, including:
 - (i) Those parties that had participated in the sale process conducted within the *Companies' Creditors Arrangement Act* proceedings;
 - (ii) Companies in the mining industry that the Receiver believed would have an interest in some or all of the equipment; and
 - (iii) Parties that had contacted the Receiver to express an interest in the assets;
- The Marketing Package was posted on the Receiver's website. The Sale Process and website were advertised in the Globe and Mail newspaper (National Edition), the Vancouver Sun newspaper, and the Northern Miner (a mining industry publication). Attached as **Appendix "B"** is a copy of the advertisements;
- On or about July 29, 2009, the Receiver engaged Global Marine Trader ("**GMT**") to market for sale Redfern's marine vessels;
- GMT posted the Marketing Package on its website, sent direct marketing to its database of customers and advertised the vessels through its publishing company, Anchor Publishing Ltd., in Mariner Life Magazine (a marine publication);
- Parties expressing an interest in the vessels were provided with the Receiver's Form of Offer and Terms and Conditions of Sale and were advised that any transaction resulting from the Sale Process would be subject to the approval of this Honourable Court.

11. On July 9, 2010, GMT provided the Receiver with an offer it had received for the Gator Tug in the amount of \$45,000, which GMT indicated was significantly lower than estimated market value and represented scrap value for the vessel. Accordingly, the Receiver declined the offer.
12. On or about February 3, 2011, GMT provided the Receiver with an offer that it had received for the Gator Tug in the amount of \$350,000 which was conditional on inspection and financing. Also on February 3, 2011, the Receiver received an offer from North American Construction Group Inc. ("**NAGI**"), another party that had been working with GMT, that was for both the Gator Tug and a second tug boat owned by Redfern. The offer was for \$400,000 and was conditional on, among other things, inspection and a closing of a sale transaction on or before March 4, 2011. The Receiver advised GMT that it would not consider conditional offers and asked GMT to advise the offerors to clear their conditions and re-submit their highest and best offers.
13. On February 24, 2011, a revised offer was received from NAGI for the Gator Tug only in the amount of \$405,000. However, this offer remained conditional on inspection and on a closing of the sale transaction on or before March 11, 2011. Following further discussion, NAGI's legal counsel emailed the Receiver waiving the conditions to the offer (the "**NAGI Offer**"). The other offeror who submitted an offer on February 3, 2011 did not submit a revised offer. The Receiver accepted the NAGI Offer, a copy of which, together with the email from NAGI's legal counsel waiving the conditions, is attached hereto as **Appendix "C"**.

PROPOSED SALE TRANSACTION

14. The Proposed Sale Transaction is made on an “as is, where is” basis. The purchase price is \$405,000 (the “**Purchase Price**”). The NAGI Offer was submitted with a deposit in the amount of \$20,500, with the remainder of the Purchase Price being payable upon closing.

POTENTIAL PRIORITIES

15. NC Power Systems Company (“**NCPS**”) has asserted a maritime lien against the Gator Tug in the amount of US\$39,797 related to the provision and installation of generator equipment. NCPS, operating as NC Machinery has further filed a UCC registration in the State of Alaska asserting its claim. NCPS’s position is that its asserted lien ranks in priority to the Note Holders’ security. The Receiver’s legal counsel continue to review this matter with NCPS’s legal counsel to determine the validity of NCPS’s claims and the relative priorities.
16. The Receiver’s legal counsel is continuing their review of the Note Holders’ security as it relates to the Gator Tug. In this regard, the Receiver has communicated with the Trustee.
17. Both NCPS and the Trustee have agreed that the Receiver can proceed with the Proposed Sale Transaction, subject to all claims attaching to the proceeds of sale in the same priority as they would the Gator Tug.
18. The vesting order that the Receiver respectfully requests that this Honourable Court approve in support of the Proposed Sale Transaction contemplates that all claims will attach to the proceeds of sale in the same priority as they would the Gator Tug.

19. NCPS has agreed to the discharge of its UCC registration, as contemplated by the proposed vesting order.
20. The Receiver has been paying all moorage and other maintenance costs (collectively the **“Maintenance Costs”**) in relation to the Gator Tug, and will continue to do so until closing.
21. The Receiver will not distribute the proceeds of sale, excluding applicable commissions payable to GMT of approximately \$18,000 and any accrued and outstanding Maintenance Costs as at the date of closing the Proposed Sale Transaction, until such time as the priorities have been resolved or settled.

RECEIVER'S RECEIPTS AND DISBURSEMENTS

22. A combined summary of the Receiver's receipts and disbursements for Redcorp and Redfern for the period May 29, 2009 to March 14, 2011 is attached hereto as **Appendix “D”**.

PROPOSED SIXTH INTERIM DISTRIBUTION

23. The proceeds from the sale of Redfern's mineral claim interests described in the Fourth Report included contingent consideration equivalent to amounts that Redfern had deposited in respect of the following:
 - (a) Licenses from Fisheries and Oceans Canada (the **“Fisheries”**) to undertake works affecting fish habitat, as security for performing obligations under which Redfern deposited \$500,000 (the **“Licenses Funds”**) with RBC as security for the issuance of standby letters of credit in favour of Fisheries; and

- (b) Reclamation permits issued pursuant to the *Mines Act* (British Columbia) (the “**Permits**”) requiring Redfern to perform certain reclamation obligations, as security for performing its obligations under which Redfern deposited \$1.7 million (the “**Permits Funds**”) with HSBC pursuant to safekeeping agreements as security for the issuance of letters of credit in favour of the Province of British Columbia.
24. Following the closing of mineral claims sale transaction, the Receiver granted its consent to transfer the Licenses and Permits to the purchaser and the purchaser under that transaction was to assume the obligations and liabilities arising from and after the closing of the transaction under the Licenses and Permits, as well as land taxes relating to the assets sold thereunder.
25. Upon release of at least \$750,000 related to the Licenses and Permits, the purchaser was to be paid \$750,000 in return for shares in the purchaser (241,935 shares) and 120,968 purchase warrants, in the name of CIBC Mellon, as trustee for the Note Holders, that were provided on closing and are held in escrow by Davis.
26. The \$1.7 million of Permits Funds has been released and paid to Davis and Davis has paid to the purchaser of the mineral claims the \$750,000 required pursuant to the APA. Davis currently holds the balance of these funds of approximately \$967,000, plus accruing interest.
27. The \$500,000 of Licenses Funds were drawn from RBC by Fisheries upon the insolvency of Redfern. Fisheries has agreed to release these funds to the Receiver. Based on recent

communications with Fisheries, it is anticipated that these funds will be released shortly to Davis.

28. The Court has previously approved five interim distributions totalling \$35,275,000 (including \$7,425,000 paid directly to the Note Trustee on the closing of the mineral claims APA).
29. The Note Holders' Committee has requested that the Receiver seek this Honourable Court's approval to make a sixth interim distribution in the amount of \$1 million to the Note Trustee, and upon receipt of the Licenses Funds, a further seventh interim distribution of up to \$500,000.
30. Based on the Receiver's combined summary of receipts and disbursements and taking into consideration the proposed disbursement and hold backs itemized below, the Receiver is of the view that the proposed distribution is appropriate at this time.

	As at March 14, 2011 (in \$CDN 000s)
Cash on deposit in Receiver's trust accounts	\$382
Plus Permits Funds held by Davis in trust	967
Less proposed hold back amounts:	
Provision for future expenses (before net future realizations on non-cash assets)	(349)
Proposed Distribution	\$1,000

31. For greater certainty, the above amounts exclude the anticipated sale proceeds to be derived from the sale of the Gator Tug which will be held pending resolution of security priorities.

32. As described in the First Report: (i) the Monitor's legal counsel in the CCAA proceedings provided a legal opinion to the Monitor that the security documents related to the Secured Notes (the "**Security**") "constitutes a valid and binding obligation of and is enforceable against the party granting same and creates a valid perfected security interest in the collateral described therein"; and (ii) the records of the Personal Property Registry record the Note Trustee as having registered its security in priority to all other registrations.

THE RECEIVER'S ACTIVITIES TO DATE

33. Since the date of the Fourth Report, the Receiver's activities have included, *inter alia*, the following:
- Providing periodic updates to the Note Holders' Committee on significant receivership matters;
 - Continuing with efforts to market and sell the Companies' equipment and inventory as described in the Second Report, including numerous discussions and correspondence with interested parties, offerors and purchasers of certain assets as described herein and in the Receiver's previous reports filed in these proceedings, and coordinating the sale of various equipment and inventory assets;
 - Communicating with Davis and the Receiver's U.S. legal counsel, Lane Powell, regarding lien and title matters;
 - Discussions and correspondence with Davis regarding the Interim Settlement Agreement and Quitclaim Agreement related to Sandvik Mining and Construction;

- Periodic discussions with Marcon International, Inc. and Sundial Marine Construction Repair, Inc. regarding interest from prospective purchasers in Redfern's air-cushion barge;
- Communicating with the Companies' insurance broker regarding the expiry/renewal of insurance policies and reduction of coverage on the sale of assets;
- Communicating with third-party storage providers and vendors regarding the storage and transfer of various equipment;
- Preparing and filing required GST and HST returns and administering various other Canadian and U.S. statutory filings;
- Coordinating with the landlord to vacate the leased office space at the Companies' head office;
- Arranging for the storage of the Companies' accounting records retained by the Receiver;
- Responding to creditor and other enquiries; and
- Maintaining the schedules of the Receiver's receipts and disbursements, and managing all banking-related matters generally.

SUMMARY COMMENTS AND RECOMMENDATIONS

34. The Sale Process was carried out in a fair and reasonable manner and the Receiver is of the view that the NAGI Offer maximizes the recovery in respect of the Gator Tug and is the highest offer generated through the Sale Process.

35. The Note Holders have consented to the Proposed Sale Transaction, as has the Trustee, to the extent that its consent may be required.
36. NCPS, the only other potentially interested party has agreed that, provided that all claims attach to the proceeds of sale in the same priority as they would the Gator Tug, it will not assert its alleged maritime lien and will consent to the discharge of its UCC registration against the Gator Tug by order of this Honourable Court.
37. In order to continue to advance these proceedings, it is appropriate to approve the Sale Process and the Proposed Sale Transaction.
38. Following the proposed distributions, the Receiver will continue to hold, at a minimum, approximately \$349,000 to fund future expenses, before taking into consideration further anticipated realizations from the Companies' equipment and other assets, which are expected to be meaningful.
39. Based on the foregoing, the Receiver respectfully recommends that this Honourable Court grant orders:
- (a) approving the Sale Process and the Proposed Sale Transaction, and granting an order vesting in the Purchaser all right, title and interest in the Gator Tug free and clear of all liens, security interests and other encumbrances;
 - (b) authorizing and directing the Receiver to make a sixth interim distribution of \$1 million to the Note Trustee for the Note Holders in partial payment of the Secured Notes, and upon receipt of the Licenses Funds, to make a further seventh interim distribution to the Note Trustee of up to \$500,000;

- (c) approving the activities of the Receiver from September 14, 2010 (the date of the Fourth Report) to the date of this Fifth Report; and
- (d) granting such further and other relief as counsel may advise and this Honourable Court may permit.

All of which is respectfully submitted this 15th day of March, 2011.

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



Per: Alan J. Hutchens
Vice-President

Acquisition Opportunity – Generator Sets

INTRODUCTION

We are contacting you to determine your interest in considering a transaction for the purchase of generator sets and related equipment in whole or in part offered herein for sale by the Receiver (as defined below) of Redcorp Ventures Ltd. and Redfern Resources Ltd. The transaction summary and a description of the equipment offered for sale follow.

On May 29, 2009, pursuant to an order of the Supreme Court of British Columbia (the "Receivership Order"), Alvarez & Marsal Canada Inc. (formerly, McIntosh & Morawetz Inc.), a subsidiary of Alvarez & Marsal Canada ULC was appointed as interim receiver and receiver (the "Receiver") of the current and future personal assets, undertaking and properties, including among other things, equipment and inventory (the "Property") of Redcorp Ventures Ltd. and Redfern Resources Ltd. (collectively, the "Companies"). The Receivership Order authorizes the Receiver to, *inter alia*, market the Property for sale and to seek a vesting order to convey the Property or any part thereof to purchasers free and clear of any liens or encumbrances affecting the Property.

This asset profile is being circulated to a select group of prospective purchasers who we believe may have an interest in this acquisition opportunity. Parties interested in receiving supplementary information, Terms and Conditions of Sale and the form of the Asset Purchase Agreement are requested to submit written request to the attention of Melanie MacKenzie of Alvarez & Marsal, acting for the Receiver, whose contact information follows.

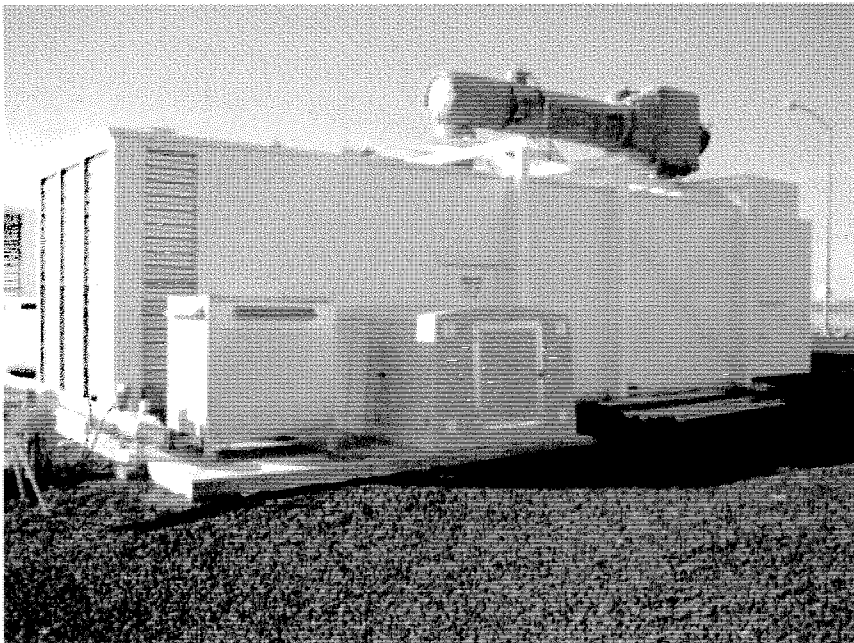
FACT SHEET - Generator Sets (Gensets)

In the spring of 2008, the Companies purchased eight low-hour, used gensets (the "Gensets") from Carmack Commercial Corporation ("Carmack"), a United States corporation, to provide power and heat for its mine site in north western B.C. These units were part of a 20 unit cluster originally located in Moses Lake, WA where they were used as a redundant power backup for the local Public Utility providing power to that area. The units were installed in 2001 for the previous owner by Caterpillar, Inc. and were used sparingly having only been powered up for scheduled test and maintenance.

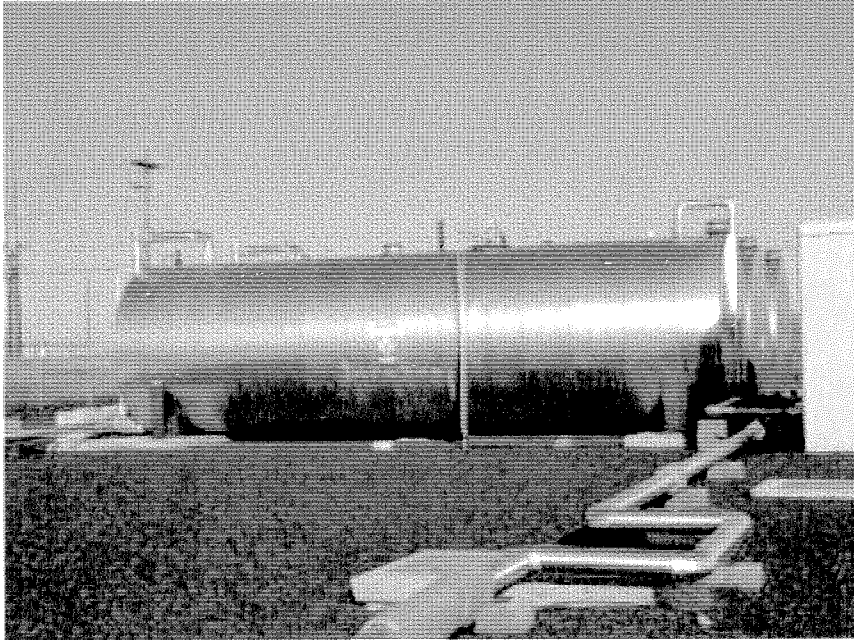


Gensets - Moses Lake Public Utility Configuration – (eight of the above units are being offered for sale by the Receiver)

The units were purchased used from Carmack with hours ranging from 288 to 455 (detail available upon request). The generators are equipped with 150 gallon day tanks that are supported by six 20,000 gallon fuel tanks and two 6,000 gallon oil tanks. The diesel fuel delivery system includes 480 VAC pumps with housing, delivery piping, piping insulation and heating system. Each unit consists of a Caterpillar SR4B Generator, 3516B diesel engine, metal enclosure, passive exhaust muffler, wiring, piping, trace heating elements and all necessary control equipment.



Individual Genset with metal housing and ancillary equipment



20,000 Gallon Fuel Tank Setup

The units were approximately six years old when purchased and were fully inspected by a Caterpillar authorized dealer and an independent inspector prior to closing (reports available upon request).

An independent dealer was hired to have the units certified for use in Canada and to add heat recovery systems. The heat recovery system is used for cold weather applications to capture the exhaust heat and redirect it to other areas such as office space and sleeping quarters. One of the units is presently located in Richmond, British Columbia (Canada) and is available to be viewed upon request. The units can be adapted to certain applications with field retrofit kits available through certain service providers.

Four of the eight generators are currently located at offsite storage facilities in Juneau, Alaska, (U.S.A.), three are in the process of being shipped to storage facilities in Savona, British Columbia (Canada), and one unit, as described above, is in Richmond, British Columbia. The unit in Richmond has been retrofit with a heat recovery system and with the exception of that unit, all of the equipment is dismantled for storage.

EQUIPMENT LIST

a) Gensets (quantity: 8) – Specifications (detailed manufacturer specifications available upon request):

- Generator - Caterpillar Model SR4B – that produces 13.8kV, 60Hh, 1640 kW continuous and 1.825 MW prime operation equipped with 150 gallon day tank and NiCd battery bank for start-up
- Diesel Engine – Caterpillar Model 3516B complete with passive exhaust system
- Metal Generator Housing – 6” insulation for noise and temperature isolation

- Wiring, piping, trace heating elements and controls, and other miscellaneous accessories and tools.
- b) Switchgear – complete with buildings and all ancillary equipment such as batteries, air conditioners, heaters and accessories (quantity 8).
- c) Miscellaneous spare parts & tools.
- d) Heat recovery systems (attachments to Gensets) (quantity: 8)

NEXT STEPS

The Receiver is proceeding quickly to identify parties interested in pursuing a sale transaction. This summary document has been developed to introduce the opportunity. If you are interested in receiving additional materials concerning the equipment described herein, including Terms and Conditions of Sale please send requests to Melanie MacKenzie: Phone (+1) 416 847 5158, facsimile (+1) 416 847 5201, email mmackenzie@alvarezandmarsal.com.

Neither the Receiver, the Companies, nor their respective agents and representatives, make any representations or warranties whatsoever with respect to the information contained in this transaction summary, or in any other documents provided to potential purchasers relating to this acquisition opportunity. Purchasers must rely entirely on their own inspection and investigation of all matters and the information provided relating to it.

To the extent that any inaccuracy in information does occur, the prospective purchaser(s) are advised that the information has been prepared and delivered on a "reasonable commercial efforts" basis by the Receiver and the Receiver will not be liable to prospective purchasers for any loss, damage, cost, expense, claim, action or demand arising out of any such inaccuracy.

Alvarez & Marsal Canada Inc. is acting in its capacity as Receiver under the Receivership Order and not in its personal capacity, and the Receiver will have no liability under or as a result of facilitating any sale transaction entered into except in its capacity as Receiver, and without limiting the generality of the foregoing, Alvarez & Marsal Canada Inc. will have no liability under or as a result of facilitating any such sale transaction in its personal or corporate capacity.

WEDNESDAY, JULY 22 | 2009 | EDITOR HUGH DAWSON 604.605.2520 | SUNBUSINESS@VANCOUVERSUN.COM | ☆

OFFERS INVITED
REDCORP VENTURES LTD.
AND REDFERN RESOURCES LTD.

McIntosh & Morewitz Inc., a subsidiary of Alvarez & Marsal Canada ULC, in its capacity as Court-appointed Interim Receiver and Receiver ("Receiver") of Redcorp Ventures Ltd. ("Redcorp") and Redfern Resources Ltd. (the "Companies") invites offers to purchase the Receiver's right, title and interest in certain of the assets of the Companies.

Redcorp is an exploration and development company based in Vancouver, British Columbia, with its main project being the Tulsequah Chief Mine re-development located in northwestern, BC. The Companies' assets include mining and related equipment suitable for developing the Tulsequah property which has reserves of zinc, copper, lead, gold and silver. The assets offered for sale include marine equipment (tugs and barges); generator sets; mining and camp equipment, personnel carriers and skidders, and other general mining equipment.

The assets are offered for sale on an "as is, where is" basis, and may be inspected by appointment only. Further information is available on the Receiver's website at www.alvarezandmarsal.com/redcorpandredfern.

To obtain details regarding the assets and the terms and conditions of the sale, please contact Melanie MacKenzie at mmackenzie@alvarezandmarsal.com or by telephone at 416-847-5158.

CLASSIFIED

Small Ads: One insertion \$1.82 Cdn per printed word; three or more consecutive insertions, same advertisement, \$1.55 Cdn per printed word. Minimum charge \$54.60 Cdn per insertion. Approximately five words to a printed line. Box service \$22.60 Cdn additional per insertion, replies mailed. All ads must be typed & submitted by fax or email to: Michael Winter Fax 416-510-5138, mwinter@northernminer.com. Your Classified ad will also appear on our web site at no extra charge.

PAYMENT WITH ORDER: CHEQUES, VISA, AMEX OR MASTERCARD.

Deadline for submission of classified ads is 5:00 pm Thursday the week prior to publication date.

Equipment For Sale

OFFERS INVITED REDCORP Ventures Ltd. And Redfern Resources Ltd. McIntosh & Morawetz Inc., a subsidiary of Alvarez & Marsal Canada ULC, in its capacity as Court-appointed Interim Receiver and Receiver ("Receiver") of Redcorp Ventures Ltd. ("Redcorp") and Redfern Resources Ltd. (the "Companies") invites offers to purchase the Receiver's right, title and interest in certain of the assets of the Companies. Redcorp is an exploration and development company based in Vancouver, British Columbia, with its main project being the Tulsequah Chief Mine re-development located in north-western, BC. The Companies' assets include mining and related equipment suitable for developing the Tulsequah property which has reserves of zinc, copper, lead, gold and silver. The assets offered for sale include marine equipment (tugs and barges), generator sets, mining and camp equipment, personnel carriers and skidders, and other general mining equipment. The assets are offered for sale on an "as is, where is" basis, and may be inspected by appointment only. Further information is available on the Receiver's website at www.alvarezandmarsal.com/redcorpandredfern. To obtain details regarding the assets and the terms and conditions of the sale, please contact Melanie MacKenzie at mmackenzie@alvarezandmarsal.com or by telephone at 416-847-5158.

AEG HOIST MOTORS 2 only 8250 HP 1250 Volts 83 RPM Serial #286/296 Style GLC837880 28 Ton payload These motors have just been taken out of service Contact: James Schur (306) 385-5250 email jwschur@potashcorp.com

Mineral Properties Wanted

COAL PROJECTS: CANADIAN coal projects wanted by investment group providing total acquisition investment options. Preferred criteria: Thermal coal, surface mining; advanced drill data, or resource rated; will assess re-commissioning of historical surface, underground, and thermal/coking coal projects. Contact: Greg Burns greg@clpartners.com.au, +1 778 387 0350

Services

DIONYSOS EXPLORATION is a Val d'Or based company with services available throughout North America. Our crews have a wealth of experience in line cutting, claims staking, diamond drill roads, prospecting crews, property finding, property evaluation, base camp building and project management. We cover all you industry needs. Phone: 819 874 9040, cell: 810 354 6037, e-mail: dionysos@cablevision.qc.ca

DUE TO THE renovation and expansion scheme a small company is looking for a part time work from home book keeper. It pays \$600 per week plus benefits and takes only a little of your time. Please contact us for more details. Ap-

OFFERS INVITED

REDCORP VENTURES LTD. AND REDFERN RESOURCES LTD.

McIntosh & Morawetz Inc., a subsidiary of Alvarez & Marsal Canada ULC, in its capacity as Court-appointed Interim Receiver and Receiver ("Receiver") of Redcorp Ventures Ltd. ("Redcorp") and Redfern Resources Ltd. (the "Companies") invites offers to purchase the Receiver's right, title and interest in certain of the assets of the Companies.

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To obtain details regarding the assets and the terms and conditions of the sale, please contact Melanie MacKenzie at mmackenzie@alvarezandmarsal.com or by telephone at 416-847-5158.

REDFERN RESOURCES LTD.**SECTION I****ASSETS AVAILABLE FOR SALE**

The assets of Redcorp Ventures Ltd. and Redfern Resources Ltd. (each a "Company" and collectively the "Companies") listed for sale, consist of the following:

Equipment Group	Description
Marine Equipment	Tugs and barges
Generator Sets	Generator sets, including eight generators and all ancillary equipment
Mining Equipment	Drill and loader, six ball mills in varying sizes, floatation cells, testing laboratory, incinerator, jaw and cone crushers, general purpose pipe and cable
Camp Equipment	Modular housing, potable water treatment plant, and sewage treatment plant
Personnel Carriers & Skidders	Five Hagglunds personnel carriers, including one old/in-operable one to be used for spare parts, two modified Morgan Skidders, including 12 spare tires
Other Miscellaneous Equipment	All other miscellaneous equipment and raw materials

Equipment details are contained on the list of assets that follow.

SECTION II

FORM OF OFFER

To: McIntosh & Morawetz Inc., Court Appointed Interim Receiver
of Redcorp Ventures Ltd. and Redfern Resources Ltd.
c/o Alvarez & Marsal Canada ULC
Royal Bank Plaza, South Tower 200 Bay Street
Suite 2000
Toronto, Ontario
M5S 2J1
Attention: Melanie MacKenzie
Facsimile No.: (416) 847-5201
Email: mmackenzie@alvarezandmarsal.com

R. J. Turner and Associates Inc.

(Name of Offeror)

Sandee Petrus - Secretary

(Contact Person)

656 Lake Moraine Way SE

(Address of Offeror)

Calgary Alberta T2J 3A5

(403) 271-9066 cell (403) 271-9090

(Telephone Number)

1. I/We hereby submit this offer for the purchase of the assets of the Companies : Please submit offer in the following format:

<u>Equipment Group</u>	<u>Description</u>	<u>Offer (CAD Dollars)</u>
Item 2 – Generator sets, including eight generators and all ancillary equipment	As described in your document titled “Genset_Factsheet”	\$2,800,000.00

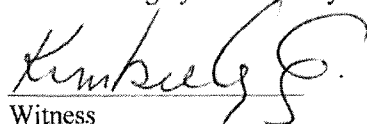
2. Offers submitted for one or more pieces or groups of equipment will be considered as separate offers for each piece or group of equipment unless the Offeror specifically states that the acceptance of one piece or group of equipment is conditional upon the acceptance of the other piece or group of equipment.

3. I/We agree that in the event this offer is accepted, to be bound by the Terms and Conditions of Sale (Section III) which shall form part of this offer.

4. This offer is irrevocable.

5. Enclosed is my/our certified cheque payable to McIntosh & Morawetz Inc., Interim Receiver of Redcorp Ventures Ltd. and Redfern Resources Ltd. as a deposit in the amount of \$140,000.00, representing 5% of the total amount of my/our offer submitted herein.

Dated at Calgary this 14th day of March, 2011.


Witness


Signature

SECTION III

TERMS AND CONDITIONS OF SALE

1. The Vendor is Alvarez & Marsal Canada Inc., formerly McIntosh & Morawetz Inc. (“M&M”), a subsidiary of Alvarez & Marsal Canada ULC, in its capacity as Court-appointed interim receiver and receiver (the “Receiver”) of the current and future personal assets, undertaking and properties, including among other things, equipment and inventory of Redcorp Ventures Ltd. and Redfern Resources Ltd. (each a “Company” and collectively, the “Companies”), having been appointed Receiver on May 29, 2009 pursuant to an Order (the “Receivership Order”) of the Supreme Court of British Columbia (the “Court”).
2. The Receiver will consider written offers to purchase its right, title and interest, if any, in the assets of the Companies (the “Assets”).
3. All offers must be submitted by completing the attached Form of Offer and must be received by Melanie MacKenzie, the M&M designated representative at M&M’s main office, Royal Bank Plaza, South Tower, 200 Bay Street, Suite 2900, Toronto, Ontario, M5J 2J1.
4. All Assets are being offered for sale on an “as is, where is” and “without recourse” basis with no representations or warranties as to title, encumbrances, description, fitness for use, condition (environmental or otherwise), defect (patent or latent), collectability, merchantability, quantity, acreage, existence, quality, value or the validity, invalidity, or enforceability of any patent, copyright or trademark right, or any other matter or thing whatsoever, either stated or implied. Each party making an offer (the “Offeror”) must

rely on its own judgment, inspection and investigation of the Assets. Further information relating to the Assets may also be obtained from the Receiver at the above noted address, or by contacting Melanie MacKenzie by telephone at (+1) 416 847 5158 or by email at mmackenzie@alvarezandmarsal.com. Such information has been prepared or collected solely for the convenience of prospective purchasers and is not warranted to be complete or accurate and is not part of these Terms and Conditions of Sale.

5. Neither the Receiver, the Companies, nor their respective agents and representatives, make any representations or warranties whatsoever with respect to the information contained in this transaction summary, or in any other documents provided to potential purchasers relating to this acquisition opportunity. Purchasers must rely entirely on their own inspection and investigation of all matters.
6. To the extent that any inaccuracy in information does occur, the prospective purchaser(s) are advised that the information has been prepared and delivered on a "reasonable commercial efforts" basis by the Receiver and the Receiver will not be liable to prospective purchasers for any loss, damage, cost, expense, claim, action or demand arising out of any such inaccuracy.
7. All offers must be accompanied by a bank draft or certified cheque payable to "McIntosh & Morawetz Inc., Interim Receiver of Redcorp Ventures Ltd. and Redfern Resources Ltd." in an amount equal to not less than 5% of the gross purchase price (the "Purchase Price") offered for all or part of the Assets, which deposit will be subject to the terms of this paragraph and paragraph 10 herein. Acceptance of any offer shall result in an asset

purchase agreement, bill of sale, conveyance or other form of agreement (an “Asset Purchase Agreement”) to transfer to the successful Offeror (the “Purchaser”) by the Receiver, on the terms contained therein which shall be reasonably acceptable to the Receiver, the Assets described in the offer (the “Purchased Property”) which Asset Purchase Agreement may be subject to, among other things, Court approval. If the offer is accepted, the draft or cheque accompanying the offer shall be deemed a non-refundable cash deposit. If the contemplated sale is completed, the deposit will be applied, without interest, against the Purchase Price. If the contemplated sale is not completed by the Purchaser by reason of the Purchaser’s default, the deposit shall be retained on account of liquidated damages by the Receiver and the Receiver shall be entitled to pursue all of its rights and remedies against the Purchaser. If the sale is not completed by reason of any matter other than the default of the Purchaser, the deposit, without interest, will be returned to the Purchaser.

8. Offers may be made for one or more of the individual parcels, or one or more individual items, of Assets outlined in the Assets Available for Sale, including any combination thereof. Offers submitted for more than one Equipment Group or item within an Equipment Group must specifically allocate a separate purchase price for each Equipment Group or item within an Equipment Group and will be considered as a separate offer for each Equipment Group or item within an Equipment Group unless otherwise indicated. Further guidance as to the format/presentation of offers can be obtained, if required, from the Receiver as noted in paragraph 4 herein.
9. Upon receipt by the Receiver of any offer, no person shall be entitled to retract, withdraw, vary or countermand the offer prior to acceptance or rejection thereof, without

the prior written consent of the Receiver. The Receiver can consider and accept more than one offer.

10. Cheques or drafts accompanying offers that are not accepted by the Receiver shall be returned to the Offeror by prepaid registered mail, addressed to the Offeror at the address set forth in its offer without interest thereon.
11. All offers are submitted on the understanding and agreement that offers in respect of any individual transaction exceeding two million dollars and all sale transactions, once they, in aggregate, exceed ten million dollars are subject to the approval of the Court, on application made by the Receiver. The closing shall take place on such day (the "Closing Date") and time on the Closing Date (the "Time of Closing") as approved by the Court or such earlier or later date as may be agreed upon by the Receiver and the Purchaser.
12. Upon the Receiver's request, the Purchaser shall provide to the Receiver information and supporting material confirming the financial capability of the Purchaser to complete the transaction.
13. The Purchaser shall pay to the Receiver on the Closing Date at the Time of Closing the Purchase Price, less the deposit, plus all applicable federal, provincial and municipal taxes and duties unless the applicable exemption certificates are presented to the Receiver on or before the Closing Date. If, notwithstanding any claimed exemption, any taxes referred to in this paragraph shall become exigible, the Purchaser shall pay the same forthwith (including any applicable interest and penalties). The Purchaser will indemnify and save the Receiver harmless from and against all claims and demands for payment of

the above mentioned taxes, including penalties thereon and any liability or costs incurred as a result of failure to pay any taxes when due.

14. All Purchased Property shall be removed from its location within fifteen (15) days after the Closing Date unless previous arrangements have been made in writing with the Receiver. The Purchaser shall i) use reasonable care in removing the Purchased Property from its location and ii) immediately repair or pay for any damage caused to the premises at which the Purchased Property was located or in any way arising out of such removal. The Purchaser agrees to indemnify the Receiver and save the Receiver harmless from any and all costs, expenses, liabilities or damages incurred or suffered by it as a result of removal or failure to remove the Purchased Property.
15. The Purchaser shall be solely responsible for costs of dismantling and removing the Purchased Property and returning the property from which it is removed to broom swept condition after removal.
16. The Purchaser shall assume, at the Purchaser's cost, complete responsibility for compliance with all municipal, provincial and federal laws insofar as the same apply to the Purchased Property, the removal thereof from its location and the use thereof by the Purchaser. It shall be the Purchaser's sole responsibility to obtain, and pay the cost of obtaining, any consents, permits, licenses or other authorizations necessary or desirable for the transfer to the Purchaser of the Purchased Property, in whole or in part.
17. The highest or any offer shall not necessarily be accepted. Preference will be given to "en bloc" offers for the purchase of all or groups of the Assets.

18. The Receiver reserves the right to amend or terminate the offer process, or to withdraw or amend the Assets offered for sale or the Terms and Conditions of Sale, or of its notice inviting offers, at any time, at its sole discretion. With respect to any withdrawal or amendment, the sole obligation of the Receiver to the Offeror shall be to inform the Offeror of the withdrawal of any Assets or Terms and Conditions of Sale or any amendment thereof. With respect to termination of the offer process, the sole obligation of the Receiver to the Offeror shall be to return the deposit without interest or deduction. In addition, the Receiver reserves the right and shall be at liberty, at any time, at its sole discretion, to set a minimum offer price for any or all of the Assets, as the case may be and, in such case, the Receiver shall inform prospective Offerors and/or Offerors of such minimum offer price.
19. The submission of an offer to the Receiver shall constitute an acknowledgement and an acceptance by the Offeror of the terms of these "Terms and Conditions of Sale".
20. M&M is acting solely in its capacity as Court-appointed Receiver of the Companies, and not in its personal or corporate capacity, and its liabilities hereunder, if any, or under any Asset Purchase Agreement, or sale process or sale contemplated hereby, will be solely in its capacity as Court-appointed Receiver of the Companies and it shall have no personal or corporate liability of any kind, whether in contract or in tort or otherwise. M & M will have no liability under or as a result of facilitating any sale transaction entered into by the Companies except in its capacity as Receiver, and without limiting the generality of the foregoing, M & M will have no liability under or as a result of facilitating any such sale transaction in its personal or corporate capacity.

21. Subject to Court approval, at the Time of Closing, the Purchaser shall be entitled to a Vesting Order in a form which will be satisfactory to the Receiver and the Court to convey the Receiver's right, title and interest, if any, in the Purchased Property in consideration of the Purchase Price.
22. Prior to closing, the Purchased Property shall be and remain in the possession of and at the risk of the Receiver and thereafter, shall be at the risk of the Purchaser. Until the closing, the Receiver shall hold all insurance policies or proceeds thereof in trust for the Receiver and the Purchaser as their interests may appear. In the event of substantial damage (as determined by the Receiver, acting reasonably) to the Purchased Property occurring before closing, the Purchaser may elect, upon written notice to the Receiver to either have the proceeds of the insurance paid to the Purchaser and complete the Asset Purchase Agreement or may cancel the Asset Purchase Agreement and have all monies theretofore paid returned without interest, cost or compensation of any kind whatsoever. Where any damage is not substantial (as determined by the Receiver, acting reasonably), the Purchaser shall be obliged to complete the Asset Purchase Agreement and be entitled to the proceeds of insurance referenced to such damage, but not to any other costs or compensation whatsoever.
23. Without limitation, all of the Purchased Property shall be as it exists on the Closing Date with no adjustments to be allowed to the Purchaser for changes in condition, qualities or quantities from the date hereof to the Closing Date. The Purchaser acknowledges and agrees that the Receiver shall not be required to inspect the Purchased Property or any part thereof and the Purchaser shall be deemed at its own expense to have relied entirely on its own inspection and investigation. The Purchaser acknowledges that no warranties

or conditions, express or implied, pursuant to the *Sale of Goods Act* (British Columbia) or similar legislation in other jurisdictions apply hereto and all of the same are hereby waived by the Purchaser.

24. The Purchaser agrees that all the insurance maintained by the Receiver in respect of the subject Assets shall be cancelled on the Closing Date and that the Purchaser shall be responsible for placing its own insurance thereafter.
25. The Purchaser represents and warrants that:
 - a) it is a corporation duly incorporated, organized and subsisting under the laws of Canada or its Provinces;
 - b) it has the corporate power and capacity to enter into and perform its obligations under the Asset Purchase Agreement; and
 - c) it is not a non-Canadian for the purpose of the *Investment Canada Act* (Canada) and it is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada).
26. The Purchaser agrees to indemnify and save harmless the Receiver with respect to any claims, demands, losses, damages, costs, charges and expenses which the Receiver may suffer as a result of any claim made by any third party, including any member of the public, against the Receiver, based upon any damage suffered by such party and arising out of the sale of inventory or other Assets by the Purchaser and the costs (including legal costs on a solicitor client basis) of enforcing the indemnity contained herein. The said indemnity shall remain in existence for a period of one (1) year subsequent to the Closing Date and be unlimited in amount.
27. The Purchaser shall indemnify the Receiver and the Companies, and their respective officers and directors (current and former) and hold such parties harmless against and

from all losses, costs, damages and expenses which such parties may sustain, incur or be or become liable for any reason of or arising from any operations of the Purchaser in relation to any Assets, including without limitation any clean-up, decommissioning, restoration or remediation of the Assets which may be required by such parties pursuant to any environmental laws as a result of the operations of the Purchaser.

28. All stipulations as to time are strictly of the essence.
29. Any tender of documents or money hereunder may be made upon the Receiver and Purchaser at their respective addresses indicated in the Form of Offer, or their respective solicitors.
30. The terms and conditions herein shall not merge on the closing of any respective transaction, but shall survive such closing and remain in full force and effect and be binding on the Purchaser thereafter.
31. The Asset Purchase Agreement, when entered into by the Receiver on behalf of the Companies and the Purchaser, shall constitute the entire agreement between the parties to it pertaining to the subject matter thereof and shall supersede all prior and contemporaneous agreements, understandings, negotiations and discussions, whether oral or written, of the parties and of the Receiver and there shall be no agreements or understandings between the parties in connection with the subject matter thereof except as specifically set forth therein. No party hereto has relied on any express or implied representation, written or oral, of any individual or entity as an inducement to enter into this offer or the Asset Purchase Agreement.

32. The obligation of the Receiver to complete the Asset Purchase Agreement is and shall be subject to the satisfaction of, among other things, the following terms and conditions at or prior to the Closing Date, which conditions are for the sole benefit of the Receiver and which may be waived by the Receiver;
- a) the representations and warranties of the Purchaser herein are true and accurate as of the Closing Date;
 - b) no action or proceeding at law or in equity shall be pending or threatened by any person, firm, government, governmental authority, regulatory body or agency to enjoin, restrict or prohibit the purchase and sale of the Purchased Property;
 - c) the Purchased Property shall not have been removed from the control of the Receiver by any means or process;
 - d) no party shall have taken any action to redeem any of the Purchased Property; and
 - e) Court approval has been granted for transactions exceeding two million dollars individually or ten million dollars in aggregate.

In the event that any of the conditions contained in the Asset Purchase Agreement are not satisfied as of the Closing Date, the Asset Purchase Agreement shall thereupon at the option of the Receiver be rendered null and void and the Purchaser shall be entitled only to the return of the Deposit without interest but without any further cost or consequence.

32. The Purchaser shall not assign the Asset Purchase Agreement without the Receiver's prior written approval which approval may be granted or withheld in the Receiver's sole discretion.
33. The parties shall not publicly announce the existence of the Asset Purchase Agreement or disclose any of its contents except:

- a) in accordance with a written public statement or other form of disclosure satisfactory to all parties; and
- b) as required in connection with the application for Court approval or the duties of the Receiver.

34. Any notices, requests, demands or other communications to be given in respect of this offer or under the Asset Purchase Agreement (referred to herein as "Notice") shall be in writing and shall be either hand delivered, telefaxed or mailed prepaid registered mail addressed as follows:

To the Purchaser: At the address set forth in the offer

To the Vendor: Alvarez & Marsal Canada Inc., formerly,
McIntosh & Morawetz Inc.,
Court Appointed Interim Receiver of
Redcorp Ventures Ltd. and Redfern Resources Ltd.
c/o Alvarez & Marsal Canada ULC
Royal Bank Plaza, South Tower
200 Bay Street, Suite 2900
P.O. Box 22
Toronto, ON M5J 2J1
Attention: Ms. Melanie MacKenzie
Telefax No.: (416) 847-5158,

With a copy to the Receiver's legal counsel:

Davis LLP
2800-666 Burrard Street
Vancouver, BC V6C 2Z7
Attention: Shelley Fitzpatrick
Telefax No.: (604) 605-3775

Notice shall be effective upon personal delivery or, if mailed, three (3) days after the deposit with the post office, or if telefaxed, on the date the Notice was sent by telefax, or if on a holiday, the next business day thereafter.

Dated at *Vancouver, British Columbia*, this 22 day of July, 2009.

**Alvarez & Marsal Canada Inc., formerly, McIntosh & Morawetz Inc.,
a subsidiary of Alvarez & Marsal Canada ULC
solely in its capacity as
COURT-APPOINTED INTERIM RECEIVER AND RECEIVER OF
Redcorp Ventures Ltd. and Redfern Resources Ltd.
and not in its personal capacity**



BANK DRAFT / TRAITE DE BANQUE

2219 7020 5 27-43345

01228 - SOUTHPORT RD SW
CALGARY, AB

2011-03-18

DATE Y/A M/M D/J

BRANCH
CENTRE BANCAIRE

NAME OF REMITTER / DONNEUR D'ORDRE
TRANSIT NO.
N° D'IDENTIFICATION

PAY TO THE
ORDER OF
PAYEZ À
L'ORDRE DE
THE SUM OF
LA SOMME DE

MCINTOSH & MORAWETZ INC. *****

*****140,000.00

*****ONE HUNDRED FORTY THOUSAND

CANADIAN DOLLARS
DOLLARS CANADIENS

FOR CANADIAN IMPERIAL BANK OF COMMERCE
POUR LA BANQUE CANADIENNE IMPERIALE DE COMMERCE

TO
TIRÉ

CANADIAN IMPERIAL BANK OF COMMERCE
TORONTO
CANADA



[Signature]
AUTHORIZED SIGNATURE / SIGNATURE AUTORISÉE
[Signature]
COUNTERSIGNED / CONTRESIGNÉ

THIS INSTRUMENT CONTAINS SECURITY FEATURES
CET INSTRUMENT COMPORTE DES ÉLÉMENTS DE SÉCURITÉ

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REDCORP VENTURES LTD. / REDFERN RESOURCES LTD.
(In Receivership)
Consolidated Receipts and Disbursements
for the period May 29, 2009 to April 29, 2011

	Redcorp Ventures Ltd.		Redfern Resources Ltd.		TOTAL	
	CDN\$	USD	CDN\$	USD	CDN\$	USD
Receipts						
Transfers from company bank accounts	30,963,473	2,226	580,696	154,444	31,544,169	156,670
Recovery of advances and refunds	126,847	-	341,268	5,846	468,115	5,846
Proceeds from asset sales	11,553	-	3,011,763	753,485	3,023,316	753,485
Tax refunds	195,000	-	30,000	-	225,000	-
Miscellaneous receipts	-	-	12,500	-	12,500	-
Total Receipts	31,296,873	2,226	3,976,227	913,775	35,273,100	916,001
Disbursements						
Interim distributions	25,500,000	-	2,379,870	-	27,879,870	-
Transfers to Trustee (ABCP interest)	1,605,607	-	(2,500)	-	1,603,107	-
Holdbacks remitted to construction lien holders	148,517	-	192,438	-	340,955	-
Salaries, wages, and source deductions	252,121	-	81,347	111,235	333,468	111,235
Transport	1,024,415	-	61,914	55,031	1,086,329	55,031
Professional fees	2,304,260	-	690,073	78,603	2,994,333	78,603
Commissions	-	-	152,396	-	152,396	-
Rent and property taxes	187,395	-	2,586	-	189,981	-
Maintenance and repairs	-	-	68,884	-	68,884	-
Storage and moorage	-	-	220,315	514,257	220,315	514,257
Insurance	178,704	-	29,462	2,500	208,166	2,500
Utilities	17,982	-	21,131	3,898	39,113	3,898
General and administrative	45,124	948	40,436	1,996	85,560	2,944
Total Disbursements	31,264,126	948	3,938,351	767,521	35,202,476	768,469
Net Cash Flow	32,747	1,278	37,876	146,254	70,624	147,533

REDCORP VENTURES LTD. / REDFERN RESOURCES LTD.
(In Receivership)
Consolidated Receipts and Disbursements of Davis LLP Trust Accounts
for the period May 29, 2009 to April 29, 2011

	Redcorp Ventures Ltd.		Redfern Resources Ltd.		TOTAL	
	CDN\$	USD	CDN\$	USD	CDN\$	USD
Receipts						
Refund of deposits/letters of credit	-	-	2,220,227	-	2,220,227	-
Proceeds from asset sales	-	-	14,654,474	850,000	14,654,474	850,000
Miscellaneous receipts	-	-	30,044	-	30,044	-
Total Receipts	-	-	16,904,744	850,000	16,904,744	850,000
Disbursements						
Interim distributions	-	-	8,925,000	-	8,925,000	-
Transfers to Trustee (Bankrupt estate's share of sale proceeds)	-	-	150,000	425,024	150,000	425,024
Payment of construction liens	-	-	4,842,000	-	4,842,000	-
Transfers to Receiver (Receiver's share of sale proceeds)	-	-	1,692,132	534,485	1,692,132	534,485
Reimbursement to purchaser of mineral claims (pursuant to APA)	-	-	750,000	-	750,000	-
Taxes and other	-	-	10,770	-	10,770	-
Total Disbursements	-	-	16,369,903	959,509	16,369,903	959,509
Net Cash Flow	-	-	534,841	(109,509)	534,841	(109,509)