

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.**

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

INTRODUCTION

1. This report (the “**Third Report**”) is filed by Alvarez & Marsal Canada Inc., formerly 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 third report of the Receiver in these proceedings. The Receiver previously filed its first and second reports as follows:

1. First Report of the Receiver

The First Report to the Court dated June 23, 2009 (the “**First Report**”) was filed in support of the Receiver’s 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.

On June 26, 2009, this Honourable Court granted an Order (the “**Distribution Order**”) that:

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

2. Second Report of the Receiver

The Second Report to the Court dated August 11, 2009 (the “**Second Report**”) was filed in support of motions that sought, *inter alia*, orders from the 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 the Second Report; and (ii) releasing and discharging the Administration Charge of \$1 million; and
- (b) motion by the former Directors and Officers of the Companies: approving the Director and Officers claims procedure (the “**D&O Claims Procedure**”).

On August 20, 2009, this Honourable Court granted Orders that:

- (a) approved the Receiver’s Second Report, and the conduct of the Receiver as particularized therein, and discharged the Administration Charge as against the Property;
- (b) approved the D&O Claims Procedure as set out in the D&O Claims Procedure Order; and
- (c) approved a summary Court approval process to obtain vesting orders as required.

A copy of the First and Second Reports can be found at the Receiver’s website at www.alvarezandmarsal.com/redcorpandredfern.

- 5. As disclosed in the Second Report, 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 on June 29, 2009. The appointment of the Trustee was affirmed at the first meetings of creditors in the bankruptcies held on July 20, 2009.

6. This Third Report is filed in support of the Receiver's motion seeking, *inter alia*, the following orders from this Honourable Court:

- (a) approving the activities of the Receiver from August 11, 2009 (the date of the Second Report) to the date of this Report;
- (b) approving the Proposed Sale Transactions (as defined herein) and granting orders vesting the right, title and interest of the Companies in the applicable assets free and clear of all liens, security interests and other encumbrances to the respective purchasers;
- (c) authorizing and directing the Receiver to pay to the Trustee of Redcorp \$1,202,056.77 held in the Receiver's trust bank accounts, representing interest received on Redcorp's former ABCP investments;
- (d) partially releasing and discharging the Directors' Charge in order to reduce the amount of the charge from the \$5 million provided for in the Initial Order to \$915,000; and
- (e) authorizing and directing the Receiver to make a second interim distribution of \$5.5 million to the Note Trustee for holders of the Secured Notes in partial repayment of the Secured Notes.

THE RECEIVER'S ACTIVITIES TO DATE

7. Since the date of the Second Report, the Receiver's activities have included, *inter alia*, the following:

- Attending at the Companies' premises to 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 and other 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;
- Coordinating the transportation of assets retrieved from the Mine Site from port in Prince Rupert to a rented storage area in Savona, British Columbia;
- Remitting holdback funds in the amount of approximately \$148,000 to Canron Western Constructors Inc.;
- Communicating with the Companies' insurance broker to arrange for the Receiver to be added as Loss Payee or Additional Insured on the Companies' policies;
- Liaising with the Receiver's Canadian (Davis LLP) and U.S. (Lane Powell) legal counsel regarding several lien and title matters as described in the Second Report;
- Pursuing final accountings of advances from certain service providers and seeking recovery of amounts owed to the Companies;
- Retaining London, U.K.-based legal counsel, JS Berwin, to assist in discussions and negotiations with Hovertrans Ltd. ("**Hovertrans**") regarding matters related to the air cushion barge ("**ACB**") (as described in the Second Report, Hovertrans is an engineering and design firm located in Southampton, England, and is indebted to Redfern in the amount of approximately \$US1.4 million for prepaid advances made in connection with the ACB); communicating with Davis, Lane Powell and Sundial

Marine Construction Repair, Inc. (“**Sundial**”) regarding Sundial’s lien against the ACB; communicating with Marcon International, Inc. and Sundial regarding an agreement to list the ACB for sale, and related matters; communicating with Davis and Lane Powell regarding the lien asserted by Halton Company on the ACB;

- Implementing the D&O Claims Procedure in accordance with the D&O Claims Procedure Order, including: (i) arranging for the publication of notice of the D&O Claims Procedure in the Globe and Mail (National Edition) and Vancouver Sun newspapers on August 24, 2009; (ii) arranging for the D&O Claims Package to be mailed to each Creditor (as defined in the D&O Claims Procedure Order) within seven days of the issuance of the D&O Claims Procedure Order (after having sought input from legal counsel for each of the Designated Director and the Secured Noteholders regarding parties that could potentially have a D&O Claim); (iii) posting of the D&O Claims Package to the Receiver’s website; (iv) sending a copy of any D&O Claims and any materially relevant correspondence received by the Receiver to legal counsel for the Designated Director and the Secured Noteholders within two days of receipt by the Receiver; (v) arranging for the Receiver’s legal counsel to provide a copy of all D&O Claims received by the Receiver to the Company’s D&O insurer; (vi) preparing a summary of the D&O Claims received; (vii) liaising with legal counsel to assess, on a preliminary basis, the validity of the D&O Claims received;
- Continuing with efforts to market and sell the Companies’ assets as described in the Second Report, including numerous discussions and correspondence with the purchasers of certain assets as described herein, as well as other prospective

purchasers; coordinating the sale of lab equipment and various miscellaneous assets located at the Mine Site and the Companies' head office;

- Coordinating with the Mine Site personnel to work toward discontinuing the two-person caretaking crews that rotate at the Mine Site on two-week intervals, including: (i) disposing of debris where reasonably possible and generally tidying any debris that will remain at site; (ii) removing oil, chemicals, batteries and aerosols; (iii) removing perishable goods that might otherwise attract animals; (iv) blocking access into the mine; and (v) where possible, blocking bridges and roadways that will not be maintained. The foregoing was completed on September 17, 2009. The acting Mine Manager will then notify the British Columbia Ministry of Energy, Mines and Petroleum Resources, Mining and Minerals Division, of his resignation as Mine Manager;
- Finalizing and swearing an Affidavit in response to an action commenced within these proceedings by Procon Mining and Tunnelling Ltd. ("**Procon**"), where Procon is seeking to recover consumables inventory that was delivered to the Mine Site;
- Coordinating the preparation of employee T4s for the period up to the date of bankruptcy of the Companies; coordinating source deduction audits by Canada Revenue Agency;
- Preparing and filing GST returns for the months following the receivership appointment;
- Arranging with landlords to reduce the footprint of the leased office space at the Companies' head office and to vacate secondary office space used for temporary storage;

- 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 October 11, 2009 is attached hereto as **Appendices "B-1" and "B-2"**.

PROPOSED SALE TRANSACTIONS

9. The Receiver has negotiated purchase and sale agreements that are subject to this Court's approval, as follows (collectively, the **"Proposed Sale Transactions"**):
 - (a) Drill – As described in the Second Report, Sandvik Mining and Construction ("**Sandvik**") had 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 drill and loader were delivered by Sandvik to third-party storage facility in Seattle, Washington on December 31, 2008. The third-party storage provider then shipped the equipment to its facility in Juneau, Alaska, which was being utilized by Redfern as a staging area for goods and equipment that were ultimately to be transported to the Mine Site. The drill and loader arrived in Juneau on January 6, 2009. Sandvik invoiced Redfern for the equipment on invoices totaling approximately \$2.1 million dated February 12, 2009. The terms of the sale were FOB Seattle. Sandvik was not paid for the equipment and has taken the position that title did not pass to Redfern

and was retained by Sandvik. The Receiver's position is that, in accordance with the terms of sale, title to the equipment passed to Redfern on delivery in December 2008 and continues to rest with Redfern. The Receiver has negotiated a transaction with J.S. Redpath Limited to sell the drill for \$529,000. The Note Holders' committee supports this transaction; and

- (b) Barges – As described in the Second Report, the Receiver has entered listing agreements with Global Marine Trader (**“Global Marine”**) to list Redfern's marine vessels (two tug boats and two barges) for sale. Global Marine has received and recommended acceptance of offers for each of the barges: (i) \$78,500 from Wainwright Marine Services for “The Who” barge; and (ii) \$75,000 from Alert Towing Ltd. for “The Keetu” barge.

- 10. As described in the Second Report, in order to market and sell the Companies' machinery and equipment, and other assets the Receiver has:

- 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 – modular camp, potable water treatment plant, and sewage treatment plant; and
 - v. Mining and other equipment – includes the interim water treatment plant, Sandvik drill and 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, compiled and supplemented a list of 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. In aggregate, in excess of 140 parties have been provided with teasers, the Terms and Conditions of Sale and Form of Offer;
- 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), Globe and Mail (July 24) and Northern Miner (August 17) inviting offers for the Companies' assets; and

- Liaised with prospective purchasers to facilitate access to the electronic data and to respond to questions and information requests regarding the assets.

11. Based on the foregoing, the Receiver is of the view that the machinery and equipment, and other assets of the Companies have been extensively marketed for sale, and the Proposed Sale Transactions are fair and reasonable. The Proposed Sale Transactions are supported by the Note Holders' committee. Accordingly, the Receiver requests that this Honourable Court grant orders approving the Proposed Sale Transactions and vesting all right, title and interest of the Companies in the assets free and clear of all liens, security interests and other encumbrances to the respective purchasers.

ABCP INTEREST PAYMENT – FUNDS HELD IN TRUST BY THE RECEIVER

12. As disclosed in the First Report:

- (a) following its appointment, the Receiver liaised with HSBC and its legal counsel to arrange for an interest payment of approximately \$1.2 million on the ABCP investment formerly held by Redcorp (the “**ABCP Interest Payment**”) to be paid into the company's then existing bank accounts, and coordinated the subsequent transfer of those funds from Redcorp's accounts into the Receiver's accounts; and
- (b) in calculating the first interim distribution amount of \$20 million, the Receiver held back funds to account for the D&O Charge and the Administration Charge provided for in the Initial Order, and \$1.2 million to account for the ABCP Interest Payment. At the time of the First Report, it was uncertain whether the ABCP Interest Payment was subject to the priority security interest of the Note Trustee.

13. On August 7, 2009, legal counsel for the Trustee, Owen Bird LLP, wrote to the Receiver's counsel to confirm that it was their view that the ABCP Interest Payment is properly an asset which vests in the Trustee. Davis has reviewed the relevant Note Indenture and related correspondence, and does not dispute the Trustee's position. Counsel to the Note Holders' committee has also confirmed that it does not intend to contest the Trustee's position. Accordingly, there is no basis for the Receiver to continue to hold the ABCP Interest Payment and it is appropriate to remit the \$1,202,056.77 to the Trustee.

UPDATE RE: DIRECTORS AND OFFICERS CLAIMS PROCEDURE AND PARTIAL RELEASE AND DISCHARGE OF THE DIRECTORS' CHARGE

14. On August 20, 2009, this Honourable Court granted the D&O Claims Procedure Order. In accordance with the order, the Receiver (all defined terms are as per the D&O Claims Procedure Order):
- (a) arranged for publication of a notice, substantially in the form of the D&O Instruction Letter, in the Globe and Mail (National Edition) and Vancouver Sun newspapers on August 24, 2009;
 - (b) arranged for the D&O Claims Package to be mailed to each Creditor within seven days of the issuance of the D&O Claims Procedure Order (after having sought input from legal counsel for each of the Designated Director and the Secured Noteholders regarding parties that could potentially have a D&O Claim);
 - (c) posted the D&O Claims Package to the Receiver's website;

- (d) sent a copy of any D&O Claims and any materially relevant correspondence received by the Receiver to legal counsel for the Designated Director and the Secured Noteholders within two days of receipt by the Receiver;
- (e) arranged for the Receiver's legal counsel to provide a copy of all D&O Claims received by the Receiver to the Company's D&O insurer;
- (f) liaised with the Receiver's legal counsel to assess, on a preliminary basis, the validity of D&O Claims filed with the Receiver.

15. Pursuant to the D&O Claims Procedure Order, any party asserting a D&O Claim (as defined in the order) against a current or former Director or Officer of the Petitioners was required to deliver a D&O Proof of Claim to the Receiver so that it was received by no later than the D&O Claims Bar Date. The D&O Claims Bar Date was defined in the D&O Claims Procedure Order as being 4:00 p.m. Pacific Time on the day which was 30 days after the last of the D&O Notices to Creditors was placed in the Globe and Mail and Vancouver Sun newspapers or such later date as the Receiver, the Secured Noteholders and the Designated Director may agree in writing. As indicated above, the Notice to Creditors was published in each of the Globe and Mail (National Edition) and Vancouver Sun on August 24, 2009, therefore, the D&O Claims Bar Date was September 23, 2009. Pursuant to the D&O Claims Procedure Order, any party that did not deliver a D&O Proof of Claim in respect of a D&O Claim by the D&O Claims Bar Date was forever barred from asserting such D&O Claim against any of the Directors and/or Officers and such D&O Claim was forever extinguished.

16. As at the time of expiry of the D&O Claims Bar Date, the Receiver had received eight claims totalling \$704,777. A further claim was received several days after the D&O Claims Bar Date in the amount of \$209,417. Therefore, claims as filed total \$914,194, comprised of eight claims from former employees of the Companies totalling \$670,803 and one claim from a services supplier in the amount of \$243,391. With the assistance of Davis, the Receiver has commenced assessing the validity of the claims. The Receiver anticipates that claims ultimately admitted in the D&O Claims Procedure will be less than the total amount filed of \$914,194.
17. Paragraph 28 of the Initial Order provides, *inter alia*, that: (i) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge; and (ii) the Petitioners' directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with the Order.
18. Therefore: (i) although the validity of the D&O Claims received by the Receiver by the D&O Claims Bar Date has not been finally determined, the total amount of such claims is \$914,194, as compared to the \$5 million amount of the Directors' Charge; and (ii) to the extent that certain amounts of the D&O Claims are determined to be valid, a further determination will be required as to whether such claims will be paid by the Receiver from the funds supporting the Directors' Charge or by the Companies' insurer.
19. Based on the foregoing, the full amount of the Directors' Charge is no longer necessary, and it can be partially released and discharged as against the Property. Taking into

consideration the total amount of the D&O Claims received by the Receiver, the Receiver is of the view that it is appropriate to partially release and discharge the Directors' Charge at this time, and to reduce the Directors' Charge to \$915,000.

PROPOSED SECOND INTERIM DISTRIBUTION

20. This Honourable Court previously approved the first interim distribution of \$20 million to the Note Trustee, for the benefit of the Note Holders, pursuant to the Distribution Order granted on June 26, 2009.
21. The Note Holders' committee has requested that the Receiver seek approval to make a second interim distribution in the amount of \$5.5 million to the Note Trustee.
22. Based on the Receiver's summaries 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 October 11, 2009 (in \$CDN 000's)
Cash on deposit in Receiver's trust accounts	8,665
Less ABCP Interest Payment to be remitted to Trustee	(1,202)
Less proposed hold back amounts:	
Directors' Charge, reduced as described above	(915)
Provision for future expenses (before net future realizations on non-cash assets)	(1,048)
Proposed Distribution	5,500

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

SUMMARY COMMENTS AND RECOMMENDATIONS

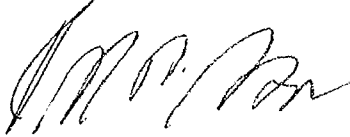
25. In order to continue to advance these proceedings, it is appropriate to approve the Proposed Sale Transactions.
26. Davis has reviewed the relevant Note Indenture and related correspondence, and does not dispute the Trustee’s position that the ABCP Interest Payment is properly an asset that vests in the Trustee. Counsel to the Note Holders committee has also confirmed that it does not intend to contest the Trustee’s position. Accordingly, there is no basis for the Receiver to continue to hold the ABCP Interest Payment and it is appropriate to remit those funds to the Trustee.
27. The \$5 million Directors’ Charge is no longer necessary and it is appropriate to partially release and discharge the Directors’ Charge at this time.
28. Following the Proposed Distribution, the Receiver will continue to hold, at a minimum, approximately \$1,048,000 to fund future expenses, before taking into consideration further anticipated realizations from the Companies’ equipment and other assets (including the anticipated net proceeds from the Proposed Sale Transactions), which are expected to be meaningful.

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

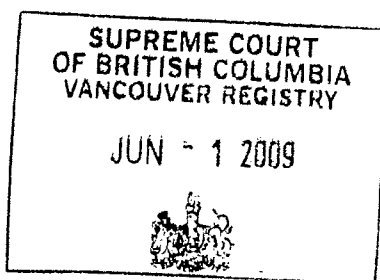
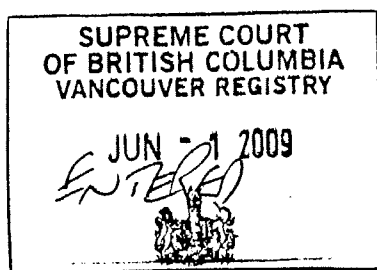
- (a) approving the activities of the Receiver from August 11, 2009 (the date of the Second Report) to the date of this Report;
- (b) approving the Proposed Sale Transactions and granting orders vesting the right, title and interest of the Companies and the Receiver in the applicable assets free and clear of all liens, security interests and other encumbrances to the respective purchasers;
- (c) authorizing and directing the Receiver to pay to the Trustee of Redcorp \$1,202,056.77 held in the Receiver's trust bank accounts, representing the ABCP Interest Payment;
- (d) partially releasing and discharging the Directors' Charge in order to reduce the amount of the charge from the \$5 million provided for in the Initial Order to \$915,000;
- (e) authorizing and directing the Receiver to make a second interim distribution of \$5.5 million to the Note Trustee for holders of the Secured Notes in partial payment of the Secured Notes; and
- (f) granting such further and other relief as counsel may advise and this Court permit.

All of which is respectfully submitted this 20th day of October, 2009.

**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 'D. McIntosh', written in a cursive style.

Per: Douglas R. McIntosh
President



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

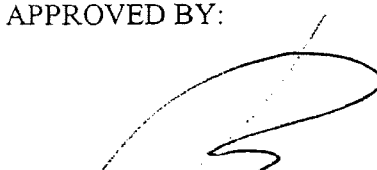
located, for recognition of this Order and for assistance in carrying out the terms of this Order and all such courts, tribunals and regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court,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

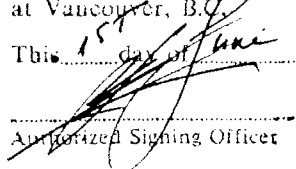
DISTRICT REGISTRAR

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

Alvarez & Marsal Canada Inc.,
 formerly McIntosh & Morawetz Inc., Interim Receiver and Receiver of Redcorp Ventures Ltd.
 Receipts and Disbursements for the period - May 29, 2009 to October 11, 2009

	<u>Total (\$)</u>
Redcorp - Canadian	
<i>Receipts</i>	
Advances and retainers recovered	126,847
Proceeds on sale of assets	6,496
Balance transfers	<u>30,662,470</u>
Total Receipts, net - Canadian	<u>30,795,813</u>
<i>Disbursements</i>	
Canron Western Constructors Inc.- holdback	148,517
General and administrative	31,053
Insurance	101,400
Interim distribution	20,000,000
Professional fees - Admin Charge	255,875
Professional fees - consultant	6,903
Professional fees - legal	131,634
Professional fees - Receiver	1,016,757
Professional fees - Trustee	15,000
Rent and property taxes	103,119
Salaries, wages, casual wages, and source deductions	174,344
Travel/transport, including barging from Mine Site	903,277
Utilities	<u>4,901</u>
Total Disbursements - Canadian	<u>22,892,780</u>
Net Cash Flow - Canadian	<u>7,903,034</u>
Redcorp - US Dollars	
<i>Receipts</i>	
Accounts receivable	-
Proceeds on sale of assets	-
Balance transfers	<u>2,226</u>
Total Receipts, net - US	<u>2,226</u>
<i>Disbursements</i>	
General and administrative	<u>778</u>
Total Disbursements - US	<u>778</u>
Net Cash Flow - US	<u>1,449</u>
US Cash Flow - translated into CDN at 1.06	<u>1,536</u>
Combined net Cash Flow (CDN\$) - Redcorp	<u>7,904,569</u>

Alvarez & Marsal Canada Inc.,
formerly McIntosh & Morawetz Inc., Interim Receiver and Receiver of Redfern Resources Ltd.
Receipts and Disbursements for the period - May 29, 2009 to October 11, 2009

	<u>Total (\$)</u>
Redfern - Canadian	
Receipts	
Advances and retainers recovered	341,268
Proceeds on sale of assets	394,586
Balance transfers (including holdback accounts)	400,157
Total Receipts, net - Canadian	<u>1,136,011</u>
Disbursements	
Arctic Construction Ltd. - holdback	192,438
Equipment rental	16,945
General and administrative	27,022
Professional fees	10,000
Salaries, wages, casual wages, and source deductions	77,966
Storage and moorage	31,839
Travel and transport	30,032
Utilities	20,812
Total Disbursements - Canadian	<u>407,053</u>
Net Cash Flow - Canadian	<u>728,958</u>
Redfern - US Dollars	
Receipts	
Accounts receivable	5,723
Proceeds on sale of assets	-
Balance transfers	245,522
Total Receipts, net - US	<u>251,245</u>
Disbursements	
Equipment rental	15,988
General and administrative	347
Professional Fees - legal	29,950
Salaries, wages, casual wages, and source deductions	34,512
Storage and moorage	102,197
Travel and transport	36,421
Utilities	1,795
Total Disbursements - US	<u>221,210</u>
Net Cash Flow - US	<u>30,035</u>
US Cash Flow - translated into CDN at 1.06	<u>31,837</u>
Combined net Cash Flow (CDN\$) - Redfern	<u>760,795</u>