### ONTARIO SUPERIOR COURT OF JUSTICE

BETWEEN:

### **2403177 ONTARIO INC.**

**Applicant** 

- and -

### BENDING LAKE IRON GROUP LIMITED

Respondent

## APPLICATION UNDER SUBSECTION 243(1) OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED AND SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED

### MOTION RECORD (Returnable December 10, 2015)

November 30, 2015

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### ONTARIO SUPERIOR COURT OF JUSTICE

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# APPLICATION UNDER SUBSECTION 243(1) OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED AND SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED

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# TAB 1

### ONTARIO SUPERIOR COURT OF JUSTICE

BETWEEN:

### **2403177 ONTARIO INC.**

**Applicant** 

- and -

### BENDING LAKE IRON GROUP LIMITED

Respondent

IN THE MATTER OF APPLICATION UNDER SUBSECTION 243(1) OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED AND SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED

### NOTICE OF MOTION

(Returnable December 10, 2015)

A. Farber & Partners Inc., in its capacity as the court-appointed receiver ("Receiver") of all of the assets, undertakings and properties (collectively, the "Property") of Bending Lake Iron Group Limited ("BLIG" or the "Debtor"), appointed pursuant to the Order of the Honourable Justice D.C. Shaw dated September 11, 2014, as amended by the Order dated February 26, 2015 (together, the "Receivership Order") will make a motion to the Court on Thursday, December 10, 2015, at 10:00 a.m. or as soon after that time as the motion can be heard, at 125 Brodie Street North, Thunder Bay, Ontario.

**PROPOSED METHOD OF HEARING**: The motion is to be heard orally.

### THE MOTION IS FOR AN ORDER:

 if necessary, abridging the time for service of this Notice of Motion and the Motion Record filed in support of this motion and dispensing with further service thereof;

- approving the Asset Purchase Agreement, dated November 27, 2015 (the "Sale Agreement") between the Receiver and Legacy Hill Resources Ltd. ("Legacy Hill"), as assigned by Legacy Hill to 1053895 B.C. Ltd. (the "Purchaser"), and ratifying the Receiver's execution of the Sale Agreement;
- (c) approving the transaction contemplated by the Sale Agreement (the "Transaction"), and authorizing the Receiver to execute any additional documents as may be necessary or desirable for the completion of the Transaction;
- (d) providing that, upon the delivery by the Receiver to the Purchaser of a Receiver's Certificate (as such term is defined in the attached draft Approval and Vesting Order), confirming the satisfaction or waiver of the conditions precedent in the Sale Agreement, the Debtor's and Receiver's right, title and interest, if any, in and to the Purchased Assets (as defined in the Sale Agreement) shall vest in and to the Purchaser free and clear of all encumbrances;
- (e) authorizing the Receiver to file an assignment in bankruptcy on behalf of the Debtor;
- (f) approving paragraph 20 of the First Report of the Receiver, dated November 18, 2014 (the "**First Report**"), and the activities of the Receiver described therein;
- (g) approving the Second Report of the Receiver, dated January 20, 2015 (the "Second Report"), and the Third Report of the Receiver, dated November 30, 2015 (the "Third Report"), and the activities of the Receiver described therein;
- (h) approving the fees and disbursements of the Receiver and its legal counsel, as set out in the Third Report, and authorizing the Receiver to pay all approved and unpaid fees and disbursements;

- (i) authorizing and directing the Receiver, *nunc pro tunc*, to redact from the version of the Third Report served on any party other than this Honourable Court, (A) the commercially sensitive information contained therein, and (B) the unredacted version of the Sale Agreement, attached as Confidential Appendix "1";
- (j) sealing the unredacted version of the Third Report filed with this Honourable Court from the public record until after the closing of the Transaction or further order of this Honourable Court; and
- (k) such further and other relief as counsel may request and this Honourable Court may deem just.

### THE GROUNDS FOR THE MOTION ARE:

### **Background**

- 1. BLIG is an early stage iron ore mine development company whose major asset is a mine site (the "Mine Site") located northwest of Thunder Bay, Ontario in the Kenora Mining Division and the Dryden Ministry of Natural Resources District. The Mine Site currently has estimated resources in excess of 335 million tons of iron ore.
- 2. Pursuant to the Receivership Order, A. Farber & Partners Inc. was appointed as Receiver, without security, of all the Property of the Debtor, pursuant to subsection 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended ("BIA"), and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C-43, as amended ("CJA").

### **SISP**

- 3. Pursuant to the Receivership Order, the Receiver was authorized and empowered to, among other things:
  - (a) market any or all of 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; and
- (b) 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.
- 4. Pursuant to the Order of the Honourable Justice Pierce dated November 27, 2014 (the "Sales Process Order"), the sales and investor solicitation process ("SISP"), attached as Schedule "A" thereto, was approved and the Receiver was authorized and directed to implement the SISP and do all such things as are reasonably necessary to conduct and give full effect to the SISP and carry out its respective obligations therein.
- 5. The Receiver conducted the SISP, as approved by the Sale Process Order.
- 6. As part of the SISP, over 120 interested parties were contacted by the Receiver or notified by the Receiver. A total of twelve (12) parties executed a confidentiality agreement, were provided with access to the virtual data room set up by the Receiver and undertook varying levels of due diligence.
- 7. The deadline for the submission of offers was February 27, 2015 (the "Bid Deadline").
- 8. Market conditions have not been ideal for attracting interested parties given the continuing depressed conditions in the iron ore mining sector. Since the commencement of the receivership in September 2014 to the end of March 2015, the market price for a dry metric ton of iron ore declined from \$82.27 to \$56.94.
- 9. The Receiver received no offers at or prior to the Bid Deadline and, pursuant to the Sale Process Order, extended the Bid Deadline by thirty (30) days. Although discussions were ongoing with a number of parties at that time, no offers or proposals were submitted by the extended bid deadline.

10. The Receiver continued to market the Property throughout 2015, during which time the mining sector and in particular the iron ore market, continued to face a sustained slump.

### **Sale Agreement**

- 11. Legacy Hill, a prospective purchaser, commenced due diligence in respect of the BLIG opportunity in March, 2015.
- 12. After significant due diligence and extensive consultations with the Receiver, the Applicant and other stakeholders, on September 30, 2015, Legacy Hill entered into a letter of intent with the Receiver.
- 13. On November 27, 2015, the Receiver and Legacy Hill executed the Sale Agreement.
- 14. The Sale Agreement contemplates the sale of substantially all of the Property to Legacy Hill, and the assignment of the Sale Agreement by Legacy Hill to the Purchaser, an affiliate, prior to closing.
- 15. The parties have agreed to a closing date of January 11, 2016, subject to the satisfaction of all conditions precedent set out in the Sale Agreement, including this Court granting an Approval and Vesting Order approving the Sale Agreement and the Transaction.
- 16. In the Receiver's view, the SISP adequately canvassed the market for prospective purchasers of the Property and the Sale Agreement represents the best and highest offer for the Property.
- 17. The Applicant, the Debtor's secured creditor, has approved the Sale Agreement and is supportive of the Transaction.
- 18. The Sale Agreement results in greatly improved prospects for the future of the Mine Site, which for many years faced an uncertain outlook, for the benefit of the local communities and the North West Ontario region.

#### Miscellaneous and Administrative

- 19. The Receiver requests authority to assign the Debtor into bankruptcy. This will provide a cost-effective and efficient process to complete the administration of the Debtor's estate after the closing of the Transaction and the sale of substantially all of the Debtor's assets.
- 20. Pursuant to the Sales Process Order, this Honourable Court approved the First Report and the activities and conduct of the Receiver reported therein, with the exception of paragraph 20. Paragraph 20 of the First Report discussed a protocol to be put in place with counsel to the Debtor regarding the payment of the Debtor's legal fees. An agreement was reached with the Debtor's counsel and this issue has now been settled. Accordingly, the Receiver is now requesting approval of paragraph 20 of the First Report.
- 21. The Receiver did not previously proceed with its request for Court approval of the Second Report and is therefore requesting that this Honourable Court approve the Second Report, and the activities of the Receiver set out therein at this time.
- 22. The fees and disbursements of the Receiver and its legal counsel are set out in detail in the fee affidavits of the Receiver and its counsel, filed in support of this motion.
- 23. The unredacted Third Report contains commercially sensitive information which, in the Receiver's view, should be sealed pending the closing of the Transaction or further order of this Honourable Court.
- 24. Rules 2.03, 3.02 and 16 of the Rules of Civil Procedure (Ontario);
- 25. Section 100 and 137 of the CJA;
- 26. Such further and other grounds as counsel may advise and this Honourable Court permit.

**THE FOLLOWING DOCUMENTARY EVIDENCE** will be used at the hearing of the motion:

- 1. The Third Report;
- 2. The Affidavit of John Salmas, sworn January 20, 2015;
- 3. The Affidavit of John Salmas, sworn November 27, 2015;
- 4. The Affidavit of Paul Denton, sworn November 30, 2015; and
- 5. Such further and other evidence that counsel may advise and this Honourable Court permit.

November 30, 2015

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**Applicant** 

### BENDING LAKE IRON GROUP LIMITED

Respondent

### ONTARIO SUPERIOR COURT OF JUSTICE

Proceeding commenced at THUNDER BAY

### NOTICE OF MOTION (Returnable December 10, 2015)

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Lawyers for A. Farber & Partners Inc.

# TAB 2

### ONTARIO SUPERIOR COURT OF JUSTICE

BETWEEN:

### **2403177 ONTARIO INC.**

**Applicant** 

- and -

### BENDING LAKE IRON GROUP LIMITED

Respondent

APPLICATION UNDER SUBSECTION 243(1) OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED AND SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED

## THIRD REPORT TO THE COURT OF A. FARBER & PARTNERS INC. IN ITS CAPACITY AS COURT APPOINTED RECEIVER OF BENDING LAKE IRON GROUP LIMITED

### **NOVEMBER 30, 2015**

### INTRODUCTION

1. On September 11, 2014, pursuant to an order, as amended by the February 26 Order (defined herein) (the "Receivership Order"), of this Honourable Court (the "Court"), A. Farber & Partners Inc. ("Farber") was appointed receiver (the "Receiver"), pursuant to section 243(1) of the *Bankruptcy & Insolvency Act*, R.S.C. 1985, c. B-3 and Section 101 of the *Courts of Justice Act*, R.S.O. 1990 over all of the assets, undertakings and properties (the "Property") of Bending Lake Iron Group Limited ("BLIG" or the "Debtor"). The Receiver is not in possession and does not have the power to manage the Property. A copy of the Receivership Order is hereto attached as Appendix "A".

- 2. On November 27, 2014, the Receiver sought and obtained an Order (the "SISP Order") from the Court authorizing the Receiver to conduct a sales and investment solicitation process (the "SISP"). The SISP Order authorized and directed the Receiver to undertake the SISP with respect to the Property. The SISP was intended to attract interested parties for all or part of the Property at a price which maximizes recovery of proceeds and/or the prospects of restructuring the Debtor for the benefit of all of the Debtor's stakeholders. A copy of the SISP Order is attached hereto as Appendix "B".
- 3. On February 26, 2015 the Court granted an Order (the "February 26 Order") amending or varying paragraph 20 of the Receivership Order, *nunc pro tunc*, by adding a new paragraph 20 (a) fixing the remuneration of BLIG's legal counsel under the Administration Charge (as defined in the Receivership Order) at \$18,080 (inclusive of HST). A copy of the February 26 Order is attached hereto as **Appendix "C"**.
- 4. To date, the Receiver has filed two reports with the Court in these proceedings. The First Report, dated November 18, 2014 (the "First Report") was filed largely in support of the SISP Order. A copy of the First Report, without appendices, is attached hereto as Appendix "D". The Second Report, dated January 20, 2015 (the "Second Report"), included a status update on the SISP and the Receiver's activities and also sought relief related to the matters that were settled in the February 26 Order. A copy of the Second Report is attached hereto as Appendix "E".

### PURPOSE OF THE REPORT

- 5. This is the third report to the Court of the Receiver (the "**Third Report**"). The purpose of this Third Report is to:
  - a) report on the Receiver's activities since the Second Report;
  - b) provide a detailed reporting on the SISP and the activities undertaken by the Receiver to market and sell the Property;
  - c) report on the priority claims, secured claims, and unsecured claims against BLIG; and

- d) request an Order of the Court:
  - i) approving the Asset Purchase Agreement, dated November 27, 2015 (the "Sale Agreement"), between the Receiver and Legacy Hill Resources Ltd. ("Legacy Hill"), as assigned by Legacy Hill to 1053895 B.C. Ltd. (the "Purchaser"), and ratifying the Receiver's execution of the Sale Agreement;
  - ii) approving the transaction as contemplated by the Sale Agreement (the "Transaction"), and authorizing the Receiver to execute any additional documents as may be necessary or desirable for the completion of the Transaction;
  - iii) vesting, on the closing of the Transaction, the Debtor's and Receiver's right, title and interest, if any, in and to the Purchased Assets (as defined in the Sale Agreement) in and to the Purchaser free and clear of all encumbrances;
  - iv) authorizing the Receiver to file an assignment in bankruptcy on behalf of the Debtor;
  - v) approving paragraph 20 of the First Report, and the activities of the Receiver described therein;
  - vi) approving the Second Report and the Third Report and the activities of the Receiver described therein;
  - vii)approving the fees and disbursements of the Receiver and its legal counsel, as set out herein, and authorizing the Receiver to pay all approved and unpaid fees and disbursements;
  - viii) authorizing and directing the Receiver, *nunc pro tunc*, to redact from the version of the Third Report served on any party other than this Court, (i) the commercially sensitive information contained herein, and (ii) the unredacted version of the Sale Agreement, attached as Confidential Appendix "1"; and

ix) sealing the unredacted version of the Third Report, including the unredacted version of the Sale Agreement, filed with this Court from the public record until after the closing of the Transaction or further order of this Court.

### DISCLAIMER

6. The Receiver has relied upon the financial records and information provided by the Debtor as well as other information supplied by former management, accountants, auditors and advisors, and Farber has not independently reviewed or verified such information. The Receiver has prepared this Third Report for the sole use of the Court and of the other stakeholders in these proceedings.

### GENERAL BACKGROUND

- 7. BLIG is an early stage iron ore mine development company whose major asset is a mine site ("Mine Site") located northwest of Thunder Bay, Ontario in the Kenora Mining Division and the Dryden Ministry of Natural Resources District. The Mine Site currently has estimated resources in excess of 335 million tons of iron ore.
- 8. Magnetic iron formation occurrences in the Bending Lake area have been known since the 1890's. A number of mining companies have undertaken exploratory work in the area of the Mine Site with BLIG being the most recent one to do such work.
- 9. BLIG's registered office is located at 201 Hardisty Street, Thunder Bay, Ontario P7C 3G8.
- 10. Henry Wetelainen ("Mr. Wetelainen") is the President and CEO of the Debtor, and a major shareholder of the Debtor.
- 11. BLIG owns 100% of the iron ore deposit at the Mine Site. The Mine Site consists of 49 patented freehold claims and three Mining Licenses of Occupation for a total land area of approximately 624 hectares. The prospective mine was named the Josephine Cone Mine, after the founder's grandmother, a member of the Wabigoon Lake Ojibway Nation who helped stake the original property.

- 12. BLIG also assisted in the development and acquisition of certain beneficial rights in adjacent mining claims, some of which are currently owned and controlled by parties non-arm's length to BLIG.
- 13. Although BLIG was successful in raising equity though the period 2008 to 2011 to finance further development of the Mine Site, it was unable to consummate any major financings in 2011 and 2012. Negotiations with numerous parties occurred including with: i) Liberty Metals and Mining Holdings LLC, to raise Cdn \$20 million, which BLIG was unable to complete in early 2011; and ii) a Chinese entity, Aiwan Investment Corporation, to raise debt and equity of Cdn \$110 million, which transaction failed to materialize in the Fall of 2012.
- In anticipation of a financing being successfully concluded, C. Stuart Livingston and James MacLean (collectively the "Secured Lenders"), through 2403177 Ontario Inc. (the security agent), made a series of advances (the "Loans") to BLIG pursuant to and under the terms of a loan agreement made among Arm's Length Holding's Inc. (the prior security agent), C. Stuart Livingston, and the Debtor dated November 2, 2011, as amended (the "Loan Agreement"). The Loans were advanced on a secured basis, as set out in detail in the affidavit of C. Stuart Livingston, sworn July 22, 2014 (the "Livingston Affidavit"), filed in support of the motion to appoint the Receiver. A copy of the Livingston Affidavit, without exhibits, is attached hereto as Appendix "F".
- 15. Advances were made by the Secured Lenders over the period from November 2011 to September 2012, to fund the Mine Site development while BLIG negotiated a larger financing transaction. However, no such transaction was able to be finalized and development of the Mine Site was suspended in early 2013 due to lack of funding. The Debtor failed to make any payments of principal and interest pursuant to the Loan Agreement since November, 2012 and accordingly, prior to the Receivership Order, was in default of the Loan Agreement. As of June 1, 2014, the Secured Lenders' Loans were recorded at \$3,120,159.32.
- 16. Given the suspension of Mine Site development in early 2013, there remains significant development activity and consultation that needs to occur for the mine to be in a position to

commence mining operations. BLIG was in the process of completing its Federal and Provincial Environmental Assessment processes under both the *Canadian Environmental Assessment Act* and the *Ontario Environmental Act*. The Debtor has not yet obtained the necessary permits to commence mining activities. The Project Description, which is the first step in the Federal Environmental Assessment process, was submitted in early 2012 but, as with other mine development steps, was halted due to lack of liquidity.

17. Based on its review of the Debtor's overall situation including the Debtor's efforts to seek additional financing prior to the Receivership Order, the Receiver determined that the market should be canvassed through a court supervised sales process in order to effect a restructuring or sale of the Debtor and its Property. As a result the Receiver formulated the SISP.

### PRIORITY CLAIMS, SECURED AND UNSECURED CREDITORS LIABILITIES

### <u>SECURED CREDITORS</u>

### **Secured Lenders**

18. As at October 31, 2015, the Secured Lenders' Loans totaled in excess of CAD \$3.5 million, inclusive of accrued interest and costs. Professional fees and certain costs have been funded by the Secured Lenders both in advance of and since the date of the Receivership Order.

### Canada Revenue Agency

- 19. Since the Receivership Order, Canada Revenue Agency ("CRA") has undertaken payroll and HST examinations. As a result of those examinations, CRA has lodged the following claims:
  - a) on October 20, 2014, CRA filed a claim for payroll deductions amounting to \$63,596.83 (\$46,776.04 of which is categorized as a trust claim); and
  - b) on August 25, 2015, CRA provided notice of an HST reassessment claiming \$341,802.96 owed for HST periods August 1, 2011 to October 31, 2015.

### **UNSECURED CREDITORS**

20. The Debtor's creditor list, as of September 11, 2014, shows unsecured liabilities totaling \$8,454,506.85. This list has not been subject to an audit by the Receiver nor a claims process. A list of those creditors is attached as **Appendix "G"**.

### RECEIVER'S ACTIVITIES

- 21. Pursuant to the SISP Order, the Court approved the First Report and the activities and conduct of the Receiver reported therein, with the exception of paragraph 20. Paragraph 20 of the First Report discusses a protocol to be put in place with counsel to the Debtor regarding the payment of the Debtor's legal fees. An agreement was reached with the Debtor's counsel and this issue has now been settled. Accordingly, the Receiver is now requesting approval of paragraph 20 of the First Report.
- 22. The Receiver did not previously proceed with its request for Court approval of the Second Report and is therefore requesting it at this time.
- 23. Since the date of the Second Report, the Receiver's activities have included:
  - Undertaking extensive activities with respect to the SISP, which are further detailed below;
  - Liaising with the Ministry of Northern Development and Mines ("MNDM") regarding the receivership and SISP status;
  - Reviewing and responding to the Secured Creditor's motion to vary or amend the Receivership Order culminating in the February 26, 2015 Order;
  - Filing HST returns;
  - Liaising with the CRA regarding the status of BLIG's tax returns, potential priority claims and coordination of an HST examination;
  - Liaising with the Debtor with respect to CRA HST re-assessment dated August 25, 2015, received by the Receiver;

- Liaising with the office of Sheldon Huxtable Professional Corporation regarding access to the minute book of BLIG; and
- Responding to creditor and shareholder enquiries throughout.

### **SISP**

- 24. As reported above, the SISP Order was granted on November 28, 2014. An interim status report on the SISP was set out in the Second Report. For completeness, all major activities undertaken under the SISP since the date of the SISP Order are set out below.
- 25. Pursuant to the SISP Order, the Receiver:
  - Compiled a list of interested parties through consultation with BLIG and the Receiver's network of advisors and investors in both the mining and investment community;
  - Prepared an information summary (the "**Teaser**") and sent the Teaser to the interested parties identified or who approached the Receiver;
  - Drafted and finalized a form of confidentiality agreement ("CA") in concert with its independent legal counsel;
  - Drafted an Invitation for Offers to purchase or invest in the Debtor and/or property and the Proposed Terms and Conditions of Sale;
  - Information pertaining the opportunity was posted on the Receiver's website with details of the SISP, which included: the Teaser; an Invitation for Offers to purchase or invest in the Debtor and/or property; the Proposed Terms and Conditions of Sale; and a form of CA;
  - Arranged advertisements in the Northern Miner (December 8, 2014) and Globe & Mail (National Edition) on December 10, 2014;

- Prepared a Confidential Information Summary ("CIM") in concert with independent legal counsel and through consultation with the Debtor and its legal counsel;
- Reviewed and gathered information for posting to a virtual data room;
- Set up and operated a virtual data room for interested party access (after signing a CA);
- Liaised with interested parties regarding the BLIG opportunity and the SISP;
- Coordinated access to the virtual data room, and gathered additional information when requested by interested parties; and
- Liaised with the MNDM and Thunder Bay Development Corporation to facilitate due diligence or identification of interested parties.
- 26. The deadline for submission of proposals of offers under the SISP Order was 4:00 p.m. EST February 27, 2015 (the "Bid Deadline"). The market conditions were not ideal for attracting interested parties given the continuing depressed conditions in the mining sector, in particular in the iron ore sector. Since the commencement of the receivership in September 2014 through to the end of March 2015, the market price for a dry metric ton of iron ore declined from \$82.27 to \$56.94.
- 27. Paragraph 4 of the SISP Order provides discretion for the Receiver to alter or amend the SISP in a non substantive manner to give full or better effect to the process, which power included the Receiver's ability to extend the SISP timelines for a period of up to 30 days without Court approval.
- 28. As the SISP progressed and market challenges became increasingly evident, the Receiver, in consultation with independent legal counsel and the Secured Creditors, extended the Bid Deadline to 4:00 p.m. on March 27, 2015 (the "Extended Bid Deadline"), to afford greater opportunity for interested parties to conduct due diligence, and to benefit as much as possible from the Prospectors and Developers Association of Canada ("PDAC") annual conference held in Toronto on March 1 to 4, 2015.

- 29. As a result of the SISP, over 120 interested parties were contacted or notified by the Receiver. Twelve (12) parties signed CAs and were provided access to the virtual data room and undertook varying levels of due diligence. Although discussions were ongoing with a number of parties at the time of the Extended Bid Deadline, no offers or proposals were submitted by such deadline.
- 30. Since that time, the Receiver continued ongoing negotiations with interested parties with a view to determining if *bona fide* proposals or offers would be forthcoming. Over this period, the mining sector and in particular the iron ore market, continued to face a sustained slump.
- 31. The Receiver did not, however, return to Court to specifically seek the Court's approval of an extension of the SISP timelines because the attendance and materials for same would have required the incurrence of additional costs and the Receiver was not certain how long the SISP would need to be extended.
- 32. Legacy Hill, an affiliate of the Purchaser, undertook initial due diligence in March and April 2015, which included the signing of a CA and accessing the Receiver's virtual data room. Legacy Hill then undertook significant due diligence from May through September 2015, which included extensive consultations with the Receiver, the Secured Lenders, BLIG representatives and representatives at the MNDM. The parties' efforts culminated in the execution of a non-binding letter of intent on September 30, 2015.
- 33. Legacy Hill's due diligence activities included: (i) preliminary discussions with representatives of BLIG, including Mr. Wetelainen, and the Receiver following the PDAC conference in March 2015; (ii) over the period of June 2 to June 6, 2015 a team comprising 2 senior management and a geologist travelled to Toronto, Thunder Bay and the Mine Site for the purpose of reviewing mining data and information, gathering iron ore samples for testing in the UK, and holding discussions with the Receiver, Secured Lenders, representatives of BLIG (which included attendance at the Mine Site with Mr. Wetelainen to inspect same), the MNDM and representatives of Fladgate Exploration and Consulting Corporation (the mining engineering consulting firm previously engaged by BLIG to complete a NI 43-101 Report on the Mine Site); (iii) travelling to Toronto on September 29

and 30, 2015 to undertake further negotiations with the Receiver and the Secured Lenders; (iv) engaging Canadian legal counsel, McMillan LLP, to conduct legal due diligence and assist with review and finalization of the Sale Agreement; (v) evaluation of the requirements for trial mining (vi) ongoing consultation with the MNDM; and (vii) in-depth review of Environmental Assessment, First Nations and Community consultation and permitting requirements.

- 34. Ongoing negotiations with Legacy Hill since September 30, 2015 culminated in the Receiver entering into the Sale Agreement. Further particulars on the Sale Agreement are set out below.
- 35. Although there were discussions with several other parties over the period from April to September 2015, no concrete proposal nor expressions of interest were received by the Receiver that contemplated or provided for a restructuring or sale of BLIG in what continued to be very depressed market conditions for the mining sector. Those discussions included discussions with Mr. Wetelainen. Mr. Wetelainen communicated to the Receiver that he had canvassed various parties, including other shareholders, and he could not raise sufficient funds nor capital to submit a proposal.
- 36. Mr Wetelainen was initially kept apprised of the Receiver's discussions with Legacy Hill and developments in their due diligence process. Mr Wetelainen attended meetings with Legacy Hill and facilitated a site visit to the Mine Site with representatives of Legacy Hill and the Receiver in early June of 2015. As its due diligence progressed, Legacy Hill subsequently indicated to the Receiver that it would not be involving Mr. Wetelainen in the process going forward and it would not be seeking to offer Mr. Wetelainen a consultancy role or any other position with the Purchaser upon the closing of the Transaction.

### INDUSTRY AND MARKET CONDITIONS - BLIG EARLY STAGE MINE

37. For the benefit of this Court the following paragraphs contain a brief overview on the state and condition of the iron ore mining industry and financing markets, derived from the Receiver's experience, which underscores the challenges in finding investors and buyers in the current market.

- 38. Through 2013 to 2015, the once buoyant markets for mining companies ranging from precious metals, to base metals to the bulk commodities of iron ore and coal have faced a sustained downturn. Metal prices have seen a dramatic and prolonged slump with iron ore experiencing the most dramatic decrease in pricing. The price of iron ore has come off highs in 2011 of around \$US 180 per Dry Metric Ton ("MT") to reach a 6 year low in April 2015 of \$US 51.10 per MT. Since the commencement of the receivership proceedings in September 2014, the price of iron ore has declined from approximately \$US82 per MT to the low to mid \$US 50 range per MT.
- 39. The slow-down in the economic growth in China and cooling of other emerging markets, have resulted in the commodities markets and related equity markets facing a sustained slump. In addition, the traditional avenue for financing new mining projects, which came from the large senior mining producers, has largely dried up as such entities have become focused on internal cost control, risk management and shedding non-core assets/mines. Compounding the situation further, is the lack of financing available to junior mining companies to potentially pick up early stage mining developments. Access to any equity or debt finance for mining projects is challenging at this time, unless the mine project has proven reserves and is close to operating and generating cash flow.
- 40. The Receiver's review of industry publications, investment banking commentary and advisors writings in the mining sector, indicates that the outlook for the mining and metals markets remains depressed, given the combination of the rate of slower economic growth and signs of oversupply in several commodities, in particular iron ore. The medium term outlook for the iron ore commodity and sector, is that there is unlikely be any dramatic increase in that commodity's pricing in the next three to four years, with a recent RBC Capital Markets *RBC Global Metal & Mining Q4 2015 Outlook* forecasting \$US65 per MT in 2019 and longer term \$US75.
- 41. The Receiver's recent experience with Canadian mining entities in the base metals or bulk commodities space has shown that court sanctioned sales processes are very challenging in the current market conditions. It is very difficult to find investors or buyers, which is emblematic of the current economic climate and outlook for those sectors.

- 42. BLIG was and remains an early stage iron ore mine development. The development work that had been underway through the period 2008 to 2012 was largely suspended in late 2012 and early 2013, when BLIG was unable to secure additional financing.
- 43. There remain a number of phases of the Mine Site development that need to be completed, all of which must be financed by an infusion of new capital to move the project forward to the point where mining and production can commence. These phases include: (i) completion of the environmental assessment (provincial and federal); (ii) First Nations, Metis and Community engagement and consultation; (iii) permitting; (iv) engineering procurement and construction; (v) pre-production and start up; and (vi) ramp up of production. Even excluding items (iv) to (vi), there are considerable costs that need to be funded to complete phases (i), (ii) and (iii). Whatever the scale of the mine, these costs alone are at or in excess of the \$3 million to \$4 million range.

### LEGACY HILL - BACKGROUND AND APPROACH

- 44. Legacy Hill, a UK company, has an experienced and multi-disciplined mining team that identifies and finances distressed mining opportunities globally, with a focus on value and cost driven mining operations. Building on the management team's recent experience in operating an iron ore magnetite project in Chile, Legacy Hill has identified BLIG, as an opportunity that meets its acquisition criteria. As a result, Legacy Hill engaged in extensive due diligence over the past 6 to 7 months.
- 45. Legacy Hill incorporated a British Columbia company to purchase the Purchased Assets, complete the development phases and ultimately operate the mine. With the management team's previous mining experience in British Columbia and in-depth review undertaken, including with MNDM, Legacy Hill believes it is now fully conversant with the requirements to obtain the required approvals and permits to operate the mine. Notwithstanding a number of stalled projects in the region and current depressed conditions for iron ore, Legacy Hill believes its innovative technology, focus on a value add product and starting out as a smaller project (grow as they go), can result in a viable mine operation.

46. Legacy Hill has indicated that it is fully committed to community involvement, including the use of local services and infrastructure, which will provide benefits to the local economy in terms of employment and investment.

### THE SALE AGREEMENT

- 47. A copy of the Sale Agreement, with the purchase price and other commercially sensitive provisions redacted, is attached hereto as **Appendix "H".** A copy of the unredacted Sale Agreement is attached hereto as **Confidential Appendix "1"**.
- 48. The following is a summary of the salient terms of the Sale Agreement. All capitalized terms in this section and the following section of the Third Report but not otherwise defined herein, have the meanings given to them in the Sale Agreement.

### a) Purchase Price:



- b) <u>Purchased Assets</u>: The Receiver shall sell, assign and transfer to the Purchaser on an "as is where is" basis, the right, title and interest of the Receiver and the Debtor, if any, in all of the property, assets and undertaking of the Debtor other than the Excluded Assets. Such Purchased Assets include: mining claims and licences; books and records; all intangible personal property; and all claims, rights, actions, causes or choses in action that the Debtor has or may have.
- c) Excluded Assets: All cash and cash equivalents, bank deposits or similar cash items and any claim, right or interest in tax rebates, refunds or abatements to the extent the Debtor has a right in same arising for any tax period (or period thereof) prior to the

- date of the Receivership Order. The Purchaser can elect to designate any mining claim or license to be an Excluded Asset up to two business days prior to closing.
- d) <u>Kev Conditions</u>: Completion of the Purchaser's due diligence before the end of the Due Diligence Period (expires December 29, 2015), and granting of an Approval and Vesting Order.
- e) Closing Date: January 11, 2016.
- f) Other: No provisions for consultancy arrangement with Mr. Wetelainen.

### EVALUATION OF THE SALE AGREEMENT

- 49. The Receiver recommends that the Court approve the Sale Agreement for the following reasons:
  - a) the Receiver conducted the SISP and thereafter continued to market the property throughout 2015;
  - b) in the Receiver's view, the market was adequately canvassed in what was, and continues to be, a challenging and tough market;
  - c) during the years preceding the receivership proceedings (2012-2014), the Debtor also canvassed the market in an attempt to secure debt financing and/or equity, but without success;
  - d) the Purchase Price represents the best and highest offer in the circumstances;
  - e) the Purchase Price was deemed commercially reasonable in the circumstances and acceptable to the Secured Lenders;
  - f) the Secured Lenders have approved the Sale Agreement and are in favour of the Transaction;
  - g) the Sale Agreement contemplates the sale of substantially all of the Property to the Purchaser; and

h) the Sale Agreement results in greatly improved prospects for the future of the Mine Site, which for many years faced an uncertain outlook, for the benefit of the local communities and the North West Ontario region.



51. The Receiver recommends that the Court approve the Sale Agreement and the Transaction. The Transaction represents the best option for the Debtor's stakeholders and the Mine Site going forward, especially in light of the depressed iron ore market and current state of the Mine Site development.

### SEALING AND CONFIDENTIALITY PROVISIONS

52. The unredacted Third Report, including Confidential Appendix "1", contains sensitive commercial information which, if disclosed prior to closing of the Transaction, could negatively impact the Receiver's ability to negotiate with other potential purchasers in the event that the Transaction does not close. Accordingly, the Receiver requests an Order authorizing the Receiver, *nunc pro tunc*, to redact Confidential Appendix "1" and other commercially sensitive information from the Third Report and sealing the unredacted version of the Third Report from the public record pending the closing of the Transaction.

### RECEIVER'S RECEIPTS AND DISBURSEMENTS

53. BLIG had no funds nor liquidity at the time of the commencement of the receivership proceedings, and as a result the costs of the receivership have been funded by the Secured

Lenders. An interim statement of receipts and disbursement for the period September 11, 2014 to October 31, 2015 is attached hereto as **Appendix "I"**, which shows costs funded of \$287,276.64.

## APPROVAL OF THE RECEIVER AND INDEPENDENT LEGAL COUNSEL FEES AND COSTS FOR THE PERIOD JULY 8, 2014 TO OCTOBER 31, 2015

- 54. Pursuant to paragraph 18 of the Receivership Order, the Receiver and its independent legal counsel are required to pass their accounts from time to time and seek approval of their fees from this Court.
- 55. Set out below in further detail are the Receiver's fees and disbursements and those of its independent legal counsel, Dentons, which the Receiver and its legal counsel are seeking court approval. Each firm's fees and disbursements are supported by fee affidavits filed in respect of the Receiver's motion.
- 56. For the period from July 8, 2014 to October 31, 2015, Farber, in its capacity as Receiver has incurred fees of \$217,431.05 and disbursements of \$13,549.89, plus applicable HST of \$28,831.83. A copy of the detailed billings of the Receiver are attached to the affidavit of Paul Denton, sworn November 30, 2015.
- 57. For the period from July 9, 2014 to October 31, 2015, the Receiver's legal counsel, Dentons, has incurred fees of \$148,927.09 and disbursements of \$2,981.87 plus applicable HST of \$19,748.21. A copy of the detailed invoices of Dentons are attached to the affidavits of John Salmas, sworn January 20, 2015, and November 27, 2015.
- 58. Throughout these proceedings, Dentons has voluntarily discounted its fees. For the period from July 9, 2014 to December 31, 2014, the hourly rates charged, after accounting for the amounts written off, represent, on average, over a 30% discount from the standard Dentons hourly rates for those individuals who worked on this matter. For the period from January 1, 2015 to October 31, 2015, Dentons discounted the fees charged on each invoice by an average of 24%.

### ASSIGNMENT IN BANKRUPTCY

59. The Receiver requests authority to assign the Debtor into bankruptcy. This will provide a cost-effective and efficient process to complete the administration of the Debtor's estate after the closing of the Transaction and the sale of substantially all of the Debtor's assets.

### RECOMMENDATIONS

- 60. The Receiver respectfully requests that this Honourable Court grant an Order:
  - a) approving the Sale Agreement and ratifying the Receiver's execution of same;
  - b) approving the Transaction and authorizing the Receiver to execute any additional documents as may be necessary or desirable for the completion of the Transaction;
  - c) vesting, on the closing of the Transaction, the Debtor's and the Receiver's right, title and interest, if any, in and to the Purchased Assets in and to the Purchaser free and clear of all encumbrances;
  - d) authorizing the Receiver to file an assignment in bankruptcy on behalf of the Debtor;
  - e) approving paragraph 20 of the First Report, and the activities of the Receiver described therein;
  - f) approving the Second Report and the Third Report, and the activities of the Receiver described in each report;
  - g) approving the fees and disbursements of the Receiver and its legal counsel, as set out herein, and authorizing the Receiver to pay all approved and unpaid fees and disbursements;
  - h) authorizing and directing the Receiver, *nunc pro tunc*, to redact from the version of the Third Report served on any party other than this Court, (i) the commercially sensitive information contained herein, and (ii) the unredacted version of the Sale Agreement, attached as Confidential Appendix "1"; and

i) sealing the unredacted version of the Third Report filed with this Court from the public record until after the closing of the Transaction.

ALL OF WHICH IS RESPECTFULLY SUBMITTED THIS 30th DAY OF NOVEMBER, 2015.

A. Farber & Partners Inc. in its capacity as Court Appointed Receiver of Bending Lake Iron Group Limited and not in its personal or corporate capacity

A. Forber & Portras lac.

### Appendix "A"

### **ONTARIO**

### SUPERIOR COURT OF JUSTICE

THE HONOURABLE		)	THURSDAY, THE 11	th
JUSTICE	D.C. SHAW	)	DAY OF SEPTEMBI	ER, 2014
		)		
1	2403	3177 ONTAR	IO INC.	
				Applicant
		- and -		
*****	BENDING L	AKE IRON C	ROUP LIMITED	

Respondent

APPLICATION UNDER SUBSECTION 243(1) OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED AND SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED

### **ORDER** (appointing Receiver)

THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing A. Farber & Partners Inc. ("Farber") as receiver (in such capacities, the "Receiver") of all of the assets, undertakings and properties of Bending Iron Group Limited (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor including all proceeds thereof (collectively, the "Property"), was heard this day at 125 Brodie St N, Thunder Bay, Ontario.

ON READING the Application Record and Supplementary Record, filed, including the affidavit of C. Stuart Livingston sworn on July 22, 2014 and the Exhibits thereto, the Report of Farber in its capacity as prospective Receiver dated July 25, 2014, the Applicant's Factum and Book of Authorities, and on hearing the submissions of counsel for the applicant 2403177 Ontario Inc. (the "Security Agent"), the Respondent and the proposed Receiver, the Respondent having been duly served with the Notice of Application, Application Record, Supplementary Application Record, Applicant's Factum and Book of Authorities as appears from the affidavits of service of Perry Morgan sworn July 24, 2014 and July 28, 2014, Stacey Pawluk sworn July 24, 2014 and July 25, 2014 and Sabrina Karpowich sworn August 7, 2014 and on reading the consent of Farber to act as the Receiver,

### **SERVICE**

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this application is properly returnable today and hereby dispenses with further service thereof.

### APPOINTMENT

2. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, Farber is hereby appointed Receiver, without security, of all of the Property.

### **RECEIVER'S POWERS**

3. THIS COURT ORDERS that except as expressly set out herein or in a further Order of the Court, the Receiver is not appointed as manager of the Debtor and shall not take possession or control of the Property or operate the business of the Debtor or employ any of the Debtor's employees (and for greater certainty, subject to the terms of this Order or any further Order of the Court, the Property shall remain in the possession and control of the Debtor), but the Receiver is hereby expressly empowered and authorized, but not obligated, to do any of the following where the Receiver considers it necessary or desirable:

- (a) to prepare and file a Proposal and/or a Notice of Intention to file a Proposal pursuant to Part III the BIA in the name and on behalf of the Debtor;
- (b) to 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 Receiver's powers and duties, including without limitation those conferred by this Order;
- (c) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (d) to settle, extend or compromise any indebtedness owing to the Debtor;
- (e) to 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 Debtor, for any purpose pursuant to this Order;
- (f) to 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 Debtor, 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;
- (g) to market any or all of 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;

- (h) to sell, convey, transfer, lease or assign 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 \$50,000, provided that the aggregate consideration for all such transactions does not exceed \$250,000; 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 amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.

- (i) to 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;
- (j) to 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, subject to such terms as to confidentiality as the Receiver deems advisable;
- (k) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (l) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;

- (m) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (n) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have;
- (o) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

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 Debtor, and without interference from any other Person.

4. **THIS COURT ORDERS** that neither the making of this Order nor anything in this Order shall deem the Receiver to be an owner of any of the Property for any purpose and that neither the making of this Order or anything in this Order shall vest in the Receiver the care, ownership, control, charge, occupation, possession or management of any of the Property, or the business or operations of the Debtor. For greater certainty, the Receiver shall not employ any of the employees of the Debtor.

### DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

5. THIS COURT ORDERS that (i) the Debtor, (ii) all of its 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 the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

- 6. **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 Debtor, 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, 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 6 or in paragraph 7 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 due to statutory provisions prohibiting such disclosure.
- 7. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the 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 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

8. **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 DEBTOR OR THE PROPERTY

9. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtor 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 Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

### NO EXERCISE OF RIGHTS OR REMEDIES

10. THIS COURT ORDERS that all rights and remedies against the Debtor, 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 this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor 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, or (iv) prevent the registration of a claim for lien.

### NO INTERFERENCE WITH THE RECEIVER

11. **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 Debtor, without written consent of the Receiver or leave of this Court.

### **CONTINUATION OF SERVICES**

12. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor 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 to the Debtor 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 Debtor, and that the Debtor shall be entitled to the continued use of the Debtor's 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 Debtor in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Debtor, or as may be ordered by this Court.

### RECEIVER TO HOLD FUNDS

13. 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 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 such 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.

### **EMPLOYEES**

14. **THIS COURT ORDERS** that all employees of the Debtor shall remain the employees of the Debtor until such time as the Debtor may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

### **PIPEDA**

15. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall 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 of the Property (each, a "Sale"). Each prospective 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 a 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 Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

### LIMITATION ON ENVIRONMENTAL LIABILITIES

16. THIS COURT ORDERS that nothing herein contained 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 respecting 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, the Ontario Environmental Protection Act, the Ontario Water Resources Act, or the Ontario Occupational Health and Safety Act and regulations thereunder (the "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 deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

### LIMITATION ON THE RECEIVER'S LIABILITY

17. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. 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

- 18. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges. The Receiver and its legal counsel shall pass its 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 Ontario Superior Court of Justice.
- 19. **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.

### **ADMINISTRATION CHARGE**

20. THIS COURT ORDERS that the Receiver, counsel to the Receiver and counsel to the Respondent shall be entitled to and are hereby granted a charge (the "Administration Charge") on the Property, which charge shall not exceed an aggregate amount of \$300,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Receiver and such counsel, both before and after the making of this Order in respect of these proceedings, and that the Administration Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

### FUNDING OF THE RECEIVERSHIP

21. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$250,000 (or such greater amount as this Court may by further Order authorize) at any time, at

such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

- 22. **THIS COURT ORDERS** that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.
- 23. **THIS COURT ORDERS** that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.
- 24. **THIS COURT ORDERS** that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

### SERVICE AND NOTICE

25. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <a href="http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/">http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/</a>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission.

26. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

### **GENERAL**

- 27. **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.
- 28. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a proposal trustee or court-appointed monitor of the undertakings, property and assets of the Debtor or a trustee in bankruptcy of the Debtor.
- 29. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, 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.
- 30. **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

- 31. **THIS COURT ORDERS** that the Applicant shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.
- 32. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) 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.

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DATE Supt 11, 2014

No. 1649 PER

No. 1649 POUR W

### SCHEDULE "A"

### RECEIVER CERTIFICATE

CERTIFICATE NO
AMOUNT \$
1. THIS IS TO CERTIFY that A. Farber & Partners Inc., the receiver (the "Receiver") of
the assets, undertakings and properties Bending Lake Iron Group Limited (the "Debtor")
acquired for, or used in relation to a business carried on by the Debtor, including all proceeds
thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of
Justice (the "Court") dated the day of, 2014 (the "Order") made in an application
having Court file numberCL, has received as such Receiver from the holder of this
certificate (the "Lender") the principal sum of \$, being part of the total principal
sum of \$ which the Receiver is authorized to borrow under and pursuant to the
Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with
interest thereon calculated and compounded monthly not in advance on theday of each month
after the date hereof at a notional rate per annum equal to the rate of per cent above the
prime commercial lending rate of Bank of from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the
principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the
Order or to any further order of the Court, a charge upon the whole of the Property, in priority to
the security interests of any other person, but subject to the priority of the charges set out in the
Order and in the Bankruptcy and Insolvency Act, and the right of the Receiver to indemnify itself
out of such Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at
the main office of the Lender at Toronto, Ontario.

Until all liability in respect of this certificate has been terminated, no certificates creating

charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver

5.

to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

- 6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.
- 7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

sum in respect (	or which it may issu	de certificates under the terms of the Order.
DATED the	day of	, 2014.
		A. FARBER &PARTNERS INC., solely in its capacity as Receiver of the Property, and not in its personal capacity
		Per:
		Name:
		Title:

# ONTARIO SUPERIOR COURT OF JUSTICE

# PROCEEDING COMMENCED AT THUNDER BAY

# ORDER (appointing Receiver)

# BUSET & PARTNERS LLP

Barristers & Solicitors 1121 Barton Street Thunder Bay ON P7B 5N3 Michael Strickland (41402O) mstrickland@buset-partners.com Tel: 807-623-2500

Fax: 807-622-7808

Lawyers for the Applicant, 2403177 Ontario Inc.

### Appendix "B"

Respondent

### ONTARIO SUPERIOR COURT OF JUSTICE

THE HONOURABLE MAOAM	)	THURSDAY, THE 27 <sup>th</sup>
JUSTICE PIERCE	)	DAY OF NOVEMBER, 2014
240	3177 ONTAI	RIO INC.
		Applicant
	- and -	
BENDING LA	AKE IRON (	GROUP LIMITED

IN THE MATTER OF AN APPLICATION UNDER SUBSECTION 243(1) OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED AND SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED

### SALES AND INVESTOR SOLICITATION PROCESS ORDER

THIS MOTION, made by A. Farber & Partners Inc., in its capacity as the court appointed receiver (the "Receiver") of the assets, undertakings and properties of Bending Lake Iron Group Limited ("BLIG" or the "Debtor"), for an order approving the activities of the Receiver and the Receiver's First Report to the Court dated November 18, 2014 (the "First Report"), approving the sales and investor solicitation process (the "SISP") and authorizing and directing the Receiver to do all such things as are reasonably necessary to conduct and give full effect to the SISP and carry out its respective obligations therein (if any), was heard this day at 125 Brodie St N, Thunder Bay, Ontario.

**ON READING** the First Report, and on hearing the submissions of counsel for the Receiver, and on being advised that BLIG and 2403177 Ontario Inc. both consent to the proposed form of order, and no one appearing for any other party although served as it appears from the affidavit of service of Christopher Blake Moran, sworn November 18, 2014;

### RECEIVER'S ACTIVITIES AND REPORT

1. **THIS COURT ORDERS** that, with the exception of paragraph 20 of the First Report the balance of the First Report and the activities and conduct of the Receiver reported therein be and are hereby approved.

### SOLICITATION PROCESS

- 2. **THIS COURT ORDERS** that the sales and investor solicitation process (the "SISP") attached hereto as Schedule "A", be and is hereby approved.
- 3. **THIS COURT ORDERS** that the Receiver be and is hereby authorized and directed to implement the SISP and do all such things as are reasonably necessary to conduct and give full effect to the SISP, and to carry out its respective obligations therein.
- 4. **THIS COURT ORDERS** that the SISP may be altered or amended by the Receiver in a non-substantive manner to give full or better effect to the process hereby approved, which shall include the Receiver's ability to extend the timelines set forth in the SISP for a period of up to 30 days (additional time extensions requiring further Order of this Court).

### **GENERAL**

- 5. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Honourable Court for advice and directions in the discharge of its powers and duties hereunder, including without limitation in connection with any matters relating to the SISP.
- 6. **THIS COURT ORDERS** that any interested party (including the Receiver) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to any other

party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

- 7. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any other country, to give effect to this Order and to assist the Receiver and their respective agents in carrying out the terms of this Order. All courts, tribunals, 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, to grant representative status to the Receiver in any foreign proceeding, or to assist the Receiver and their respective agents in carrying out the terms of this Order.
- 8. **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

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### SCHEDULE 'A'

### SALES AND INVESTMENT SOLICITATION PROCESS - November 27, 2014

	Event	Timing
1.	Compile a list of interested parties through consultation with BLIG and the Receiver's network of advisors and investors in both the mining and investment community, and sending those parties an information summary (the "Teaser").	On or before December 12, 2014
2.	<ul> <li>Information pertaining to this opportunity will be posted on the Receiver's website: <a href="www.farberfinancial.com">www.farberfinancial.com</a> which will include: <ul> <li>The Teaser;</li> <li>An Invitation for Offers to purchase or invest in the Debtor and/or the Property;</li> <li>The Proposed Terms and Conditions of Sale, which is on an "as is, where is" basis with no representations or warranties, subject to court approval; and</li> <li>A Non-Disclosure Agreement ("NDA") from the Receiver.</li> </ul> </li></ul>	Within 10 business days of issuance of the Court Order approving the SISP
3.	The Receiver shall advertise the Debtor, Property and SISP in <i>The Globe &amp; Mail</i> (National Edition) and <i>The Northern Miner</i> publication.	Within 10 business days of the issuance of the Court Order approving the SISP
4.	Interested Parties expressing an interest in participating in the SISP will be required to execute the NDA, upon which Interested Parties will receive available information in respect of BLIG and the Property, including access to the Receiver's virtual data room, once established, which will also include a CIM setting out the investment and/or purchase opportunity. Interest Parties that wish to undertake further due diligence will be provided with an opportunity to conduct site visits and review further additional information not available in the virtual data room.	Through to no later than February 27, 2015
5.	Interested Parties will have until 4:00 pm Eastern Standard Time, on Friday, February 27, 2015 (the "Bid Deadline") to submit a (binding) offer and proposal (hereinafter called "Offer"), which must include a cash deposit equal to 10% of the total purchase price/investment for the Debtor and/or the Property subject to the Offer (the "Deposit"). The Deposit will be refunded in the event an Offer, as submitted, is not accepted by the Receiver.	On or before 4:00 PM (EST), February 27, 2015
6.	Offers are to be made using the APA as a template and are to be without conditions, other than Court Approval. Offers shall remain open for acceptance by the Receiver until at least 4:00 pm Eastern Standard Time, Friday March 6, 2015.	On or prior to 4:00 p.m. (EST) March 6, 2015

**Note:** All capitalized terms used and not otherwise defined herein shall have the meaning ascribed to them in the Receiver's first report dated November 18, 2014.

	Event	Timing
7.	Following the Bid Deadline, the Receiver will review and assess all Offers received, if any, including review and consultation with the Secured Lenders. Based on its review of the Offers, the Receiver will determine the most favourable outcome and will proceed to finalize the APA(s) and or transaction, with the successful offering party or parties, subject only to court approval (a "Final APA").	As soon as reasonably practical
	If the Receiver is unable to negotiate a Final APA, the Receiver shall be at liberty to negotiate and finalize an APA/ transaction with such other offering party or parties as it deems appropriate, subject to consulting first with the Secured Lenders.	
8.	Seek court approval of Final APA(s) and obtain a vesting order(s) for sale of the Property as either separate transactions or a combined transaction (the "Vesting Order").	As soon as reasonably practical following execution and delivery of a Final APA
9.	Close sale(s) to successful purchaser(s).	First business day after Vesting Order issued or such other business day as may be agreed to by the Receiver and the successful party
10.	In the event a Deposit is paid pursuant to an Offer and the Receiver elects to not proceed to negotiate a Final APA with that offering party, the Receiver shall return the Deposit (without interest) to that offering party, and that offering party shall return all confidential materials to the Receiver.	As soon as reasonably practical following execution and delivery of a Final APA

Note: The highest or best Offer may not necessarily be accepted by the Receiver. The Receiver reserves the right: (i) to not accept any Offer and, if deemed appropriate, to deal with one or more Offers to the exclusion of others, both prior to or after the timelines set out above, and (ii) to refuse the provision of confidential information, or otherwise, to any Interested Party, or the participation of any Interested Party in the SISP. Ultimately, any Offer will be subject to court approval.

Applicant

Court File No. CV-14-274 BENDING LAKE IRON GROUP LIMITED Respondents

IN THE MATTER OF AN APPLICATION UNDER SECTION 243(1) OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3 (AS AMENDED) AND SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, c. 43 (AS AMENDED)

## SUPERIOR COURT OF JUSTICE ONTARIO

Proceeding commenced at THUNDER BAY

# SOLICITATION PROCESS ORDER SALES AND INVESTOR

# DENTONS CANADA LLP

77 King Street West, Suite 400 Toronto-Dominion Centre Toronto, ON M5K 0A1

## Kenneth Kraft

Fax: (416) 863-4592 Tel: (416) 863-4374

Email: kenneth.kraft@dentons.com

### John Salmas

Tel: (416) 863-4737

Fax: (416) 863-4592

Email: john.salmas@dentons.com

Lawyer for A. Farber & Partners Inc., in its capacity as the court appointed receiver

## Appendix "C"

### **ONTARIO**

### SUPERIOR COURT OF JUSTICE

	- and -	
		Applicant (Moving Party)
	2403177 ONTAI	RIO INC.
	)	
JUSTICE W.D. Newton	)	DAY OF FEBRUARY, 2015
THE HONOURABLE	)	THURSDAY, THE 26 <sup>th</sup>

### BENDING LAKE IRON GROUP LIMITED

Respondent

APPLICATION UNDER SUBSECTION 243(1) OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED AND SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED

### **ORDER**

**THIS MOTION** made by 2403177 Ontario Inc. (the "Moving Party") for an order amending or varying paragraph 20 of the Order of the Honourable Mr. Justice D.C. Shaw dated September 11, 2014 (the "Receivership Order") was heard this day at 125 Brodie St N, Thunder Bay, Ontario.

**ON READING** the Motion Record, filed, including the affidavit of C. Stuart Livingston sworn on January 16, 2015 and the Exhibits thereto, the Moving Party's Factum and Book of Authorities, on hearing the submissions of counsel for the Moving Party, the Respondent and A. Farber & Partners Inc., the court-appointed receiver (the "**Receiver**"), having been duly served

with the Motion Record, Moving Party's Factum and Book of Authorities as appears from the affidavits of service of Stacey Pawluk sworn January 19, 2015 and January 20, 2015 respectively, and on reading the Consent, filed, on behalf of the Moving Party, the Respondent and the Receiver,

- 1. **THIS COURT ORDERS** that the time for service of the Motion Record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.
- 2. **THIS COURT ORDERS** that paragraph 20 of the Receivership Order is amended or varied *nunc pro tunc* by the addition of a new paragraph "20a" to fix the administration charge in favour of the Respondent's counsel, as follows:

20a. THIS COURT ORDERS that for the purposes of paragraph 20 of this Order, the Administration Charge in favour of Respondent's counsel shall be fixed at eighteen thousand and eighty dollars (\$18,080.00) inclusive of HST.

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ENTRE BOOK REGISTRAR DATE Feb 27/15

No. 1940 PER POUR DU

CV14-274

Court File No.

2403177 ONTARIO INC. Applicant (Moving Party)

**BENDING LAKE IRON GROUP LIMITED** Respondent -andIN THE MATTER OF AN APPLICATION UNDER SECTION 243(1) OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3 (AS AMENDED) AND SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, c. 43 (AS AMENDED)

# SUPERIOR COURT OF JUSTICE ONTARIO

PROCEEDING COMMENCED AT THUNDER BAY

### ORDER

# **BUSET & PARTNERS LLP**

Thunder Bay, ON P7B 5N3 Barristers & Solicitors 1121 Barton Street

Rodi-Lynn Rusnick-Kinisky (44658T) Email: rrusnick@buset-partners.com

Fax: 807-622-7808 Tel: 807-623-2500

Lawyer for the Moving Party

## Appendix "D"

### ONTARIO SUPERIOR COURT OF JUSTICE

BETWEEN:

### **2403177 ONTARIO INC.**

Applicant

- and -

### BENDING LAKE IRON GROUP LIMITED

Respondent

APPLICATION UNDER SUBSECTION 243(1) OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED AND SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED

FIRST REPORT TO THE COURT OF A. FARBER & PARTNERS INC. IN ITS CAPACITY AS COURT APPOINTED RECEIVER OF BENDING LAKE IRON GROUP LIMITED

**NOVEMBER 18, 2014** 

### INTRODUCTION

1. On September 11, 2014 (the "Receivership Date"), pursuant to an order of this Honourable Court (the "Receivership Order" and the "Court" respectively), A. Farber & Partners Inc. ("Farber") was appointed receiver ("Receiver") of Bending Lake Iron Group Limited ("BLIG" or the "Debtor") pursuant to section 243(1) of the *Bankruptcy & Insolvency Act*, R.S.C. 1985, c. B-3 (the "BIA") and Section 101 of the *Courts of Justice Act*, R.S.O. 1990 (the "CJA") over all of the assets, undertakings and properties of BLIG (the "Property"). The Receiver is not in possession and does not have the power to manage the Property. A copy of the Receivership Order is attached as Appendix "A".

### PURPOSE OF THE REPORT

- 2. This is the first report (the "**First Report**") of the Receiver. The purpose of this First Report is to:
  - a) Report on the Receiver's activities since the Receivership Date;
  - b) Report on the current state of affairs of the Debtor; and
  - c) Set out the detailed particulars related to a sales and investment solicitation process ("SISP") in respect of the Property, as hereafter described, and seek this Honourable Court's approval of that process.

### LIMITATION OF REVIEW

3. Farber has relied upon the financial records and information provided by the Debtor as well as other information supplied by former management, accountants, auditors and advisors, and Farber has not independently reviewed or verified such information. The Receiver has prepared this First Report for the sole use of the Court and of the other stakeholders in these proceedings.

### GENERAL BACKGROUND

- 4. BLIG is an early stage iron ore mine development company whose major asset is a mine site ("Mine Site") located northwest of Thunder Bay, Ontario in the Kenora Mining Division and the Dryden Ministry of Natural Resources District. The Mine Site currently has estimated resources in excess of 335 million tons of iron ore.
- 5. Magnetic iron formation occurrences in the Bending Lake area have been known since the 1890's. A number of mining companies have undertaken exploratory work in the area of the Mine Site with BLIG being the most recent one to do such work.
- 6. BLIG's registered office is located at 201 Hardisty Street, Thunder Bay, Ontario P7C 3G8 (the "Premises").
- 7. BLIG owns 100% of the iron ore deposit at the Mine Site. The Mine Site consists of 49 patented freehold claims and three Mining Licenses of Occupation ("MLO") for a total land area of approximately 624 hectares. The prospective mine was named the Josephine Cone Mine, after the founder's grandmother, a member of the Wabigoon Lake Ojibway Nation who helped stake the original property.
- 8. BLIG, as described in more detail below, also helped develop and acquire certain beneficial rights in adjacent claims, which are owned and controlled by non-arm's length parties.
- 9. Although BLIG was successful in raising equity though the period 2008 to 2011 to finance further development of the mine, it was unable to consummate a major financing through 2011 and 2012. Negotiations with numerous parties had occurred including with: i) Liberty Metals and Mining Holdings LLC ("Liberty"), to raise Cdn \$20 million, which BLIG was unable to complete in early 2011; and ii) a Chinese entity, Aiwan Investment Corporation ("Aiwan"), to raise debt and equity of Cdn \$110 million, which fell apart in the Fall of 2012.
- 10. In anticipation of a financing being successfully concluded, C. Stuart Livingston and James MacLean (collectively the "Secured Lenders") whom made a series of advances under a loan facility totaling \$2 million ("Loans"). Advances were made over the period

November 2011 through to September 2012 (as set out below), to help keep the mine development moving forward, while a larger financing transaction was being negotiated and finalized. However, no transaction was able to be finalized and development of the mine was suspended in early 2013 due to lack of funding. Additionally, since that time the Debtor has been unable to service the Loans.

11. Given the suspension of mine development activity in early 2013 described above, there remains significant development activity and consultation that needs to occur for the mine to be in a position to commence mining operations. BLIG was in the process of completing its Federal and Provincial Environmental Assessment processes under both the *Canadian Environmental Assessment Act* and the *Ontario Environmental Act*. The Debtor has not yet obtained the necessary permits to commence mining activities. The Project Description, which is the first step in the Federal Environmental Assessment process, was submitted in early 2012 but, as with other mine development steps, was halted due to lack of liquidity.

### SECURED LOANS

- 12. BLIG is indebted to the Secured Lenders pursuant to a credit facility (the "Credit Facility") made available by the Secured Lenders pursuant to and under the terms of a loan agreement made among Arm's Length Holding's Inc. (the "Prior Security Agent"), C. Stuart Livingston, and the Debtor dated November 2, 2011, as amended by an Amendment to Loan Agreement dated March 21, 2012, a Second Amendment to Loan Agreement dated September 11, 2012, all made among the Prior Security Agent, C. Stuart Livingston and the Debtor (collectively, and as further amended, supplemented, restated or replaced, from time to time, the "Loan Agreement").
- 13. BLIG provided security for these Loan obligations as set out in detail in the affidavit of C. Stuart Livingston, sworn July 22, 2014 (the "Livingston Affidavit"), filed in support of the motion to appoint the Receiver. A copy of the Livingston Affidavit, without exhibits, is attached as Appendix "B".

14. BLIG was indebted to the Secured Lenders<sup>1</sup>, pursuant to the Loan Agreement, for the following sums for principal and interest (including administrative and forbearance fees, as applicable) as at June 1, 2014:

Outstanding Loan Principal: CDN \$ 2,272,500.00

Interest to June 1 2014: CDN \$ 847,659.32

Total Outstanding Indebtedness: CDN \$ 3,120,159.32

15. As at October 31, 2014, the total outstanding in respect of the Loan including accrued interest, fees and costs approximates \$3.5 million.

### RECEIVER'S ACTIVITIES

- 16. Effective the Receivership Date the Debtor had no employees. Most former employees ceased employment in May and June of 2013 due to lack of funding. The Receiver was advised that any activity, including accounting undertaken through late 2013 and 2014, was undertaken through non arm's-length entities owned and controlled by members of BLIG's founder's family, Mr. Henry Wetelainen, along with Ms. Dawn MacKay (Mr. Wetelainen and Ms. MacKay are currently directors of BLIG).
- 17. Following issuance of the Receivership Order, the Receiver attended the Premises of the Debtor on September 11-12, 2014, to meet with BLIG's directors, to commence reviewing the books and records, and to assess the current status of the mine development and related mining claims of the Debtor. A further attendance was coordinated on October 23-24, 2014. Key activities undertaken by the Receiver since the Receivership Date include:
  - a) Meeting with Mr. Henry Wetelainen and Ms. Dawn MacKay, along with the former book-keeper, Ms. Susan King, to review the financial position, state of affairs of the Debtor and to explain the nature and extent of the receivership appointment and various roles and responsibilities;

<sup>&</sup>lt;sup>1</sup> Effective January 28, 2014, the Prior Security Agent, C. Stuart Livingston, James MacLean and 2403177 Ontario Inc. (the "Security Agent") entered into an Assignment Agreement (the "Assignment Agreement") whereby all of the Prior Security Agent's right, title and interest in and to the Loan Agreement and the Security were assigned to the Security Agent.

- Reviewing the books and records and saving a backup of the general ledger and accounting system as maintained and recorded in the QuickBooks accounting system;
- c) Providing immediate notice to the Debtor's banking institutions to confirm the Receiver's appointment and instruction to freeze all accounts;
- d) Obtaining copies of certain agreements and correspondence;
- e) Reviewing the Premises, including storage of iron ore core samples in the basement of the Premises;
- f) Reviewing of certain priority claims;
- g) Attending to completion and mailing of the Receiver's Notice and Statement pursuant to sections 245 and 246 of the BIA;
- h) Liaising with the Ministry of Northern Development and Mines ("MNDM") regarding the Receivership Order and confirming the status of 49 patented freehold claims and three MLOs the Debtor holds. In addition, undertaking review and enquiry with the MNDM to assess the status of certain adjacent claims that the Debtor purportedly had a beneficial interest in;
- i) Liaising with the Canada Revenue Agency ("CRA") regarding the status of tax returns and potential priority claims;
- j) Liaising with the Ontario Ministry of Finance regarding the status of outstanding property taxes on the Debtor Property;
- k) Liaising with and attending at the office of Sheldon Huxtable Professional Corporation to review the Debtor's minute books and shareholder listings and obtain copies of relevant extracts;
- 1) Reviewing the particulars of the lease for the Premises and current status of same;
- m) Responding to creditor queries including dealing with the Ministry of Labour over unpaid wage claims;

- n) Undertaking discussions on responsibility for funding of the receivership administration costs:
- o) Engaging in discussions with interested parties;
- p) Formulating a SISP process and required supporting documentation; and
- q) Drafting of the First Report.

### **DEBTOR STATUS AND PRELIMINARY FINDINGS**

- 18. The most recent audited financial statements of the Debtor are for the year ended December 31, 2011, as completed by BDO Canada LLP. The most recently prepared internal financial statements are effective August 31, 2014. The Receiver notes that: (i) the Loans have not been updated for interest charges and costs accrued through 2012, 2013 and 2014 with the liability to the Secured Lenders understated by approximately \$1.3 million; (ii) the current assets show a potential HST refund of \$463,017.89. However, after consultation with CRA and discussions with BLIG's former bookkeeper, the Receiver doubts that there is any refund due to BLIG. Instead, the Receiver believes that a claim for unremitted payroll deductions of \$63,596.83, which is further commented on below, may exist; (iii) there appears to be no near liquid assets or other assets which can be monetized in the near term to fund the costs of administering these proceedings.
- 19. From a financial position perspective, the Debtor has no liquidity and as a consequence any funding of the receivership proceeding is from funds that the Secured Lenders are prepared to advance. Additionally, there is an Administration Charge per paragraph 20 of the Receivership Order, which charge shall not exceed in aggregate the amount \$300,000, as security for the professional fees and disbursement incurred by the Receiver, its legal counsel and the Respondent's legal counsel.
- 20. As the Receiver is not in possession, the Receivership Order grants a charge to protect counsel for the Debtor as there may be legal work for which the Debtor continues to have responsibility (as the Receiver's powers do not extend to managing the Property). The Receiver does want to ensure that legal work in relation to the Debtor is done on the most

efficient basis and that any overlap is reduced to the greatest extent possible. This is even more critical where the only source of funds is the Secured Lenders and the Debtor has no financial ability to pay counsel independently. While the Receiver believes that a protocol can be put in place with counsel to the Debtor to avoid such duplication, and avoid incurring unnecessary expenses, it is possible that the Security Agent, on behalf of the Secured Lenders, may want to amend the Receivership Order to set this out in more detail if a protocol acceptable to the parties cannot be established.

21. The status of BLIG's interest in various mining claims is summarized as follows:

#### Patented Freehold Claims and MLO:

• Effective September 11, 2014, BLIG is the registered owner of 49 patented (freehold) mining claims and three MLO's. A listing of the 49 patented mining claims is attached as **Appendix "C"**. MNDM had provided notices to the Debtor, on June 27, 2014, that unpaid fees of \$5,952.58 had to be paid by December 31, 2014, or such claims/LOC would be forfeited. MNDM has since acknowledged that it is subject to the stay of proceedings under the Receivership Order. However, notwithstanding the stay, in consultation with the Secured Lenders, the Receiver intends to pay the unpaid fees prior to December 31, 2014 to ensure the claims remain in good standing.

#### Adjacent Claims:

• During the recent development phase of the mine, in particular through 2011 and 2012, a series of contiguous unpatented claims were staked and maintained for future mine access and infrastructure purposes. This series of unpatented claims extended northeast from Bending Lake Area into the Revell Lake Area, Raleigh Lake Area, Ilsley Township and Bradshaw Township. Under the *Mining Act* (Ontario), annual exploration expenditures of \$400 per claim unit must be spent on unpatented mining claims in order to maintain entitlement to the claim.<sup>2</sup> Assessment work paid for by

<sup>&</sup>lt;sup>2</sup> One unit = 16 hectares; the number of units per claim can range as high as 16 units.

BLIG was able to be used and assigned as assessment work on these adjacent claims, in order to maintain them in good standing.

- The unpatented mining claims were staked in the name of Windigo Ridge Resources Inc. ("Windigo") and had been optioned to BLIG. Windigo is a non-arm's length entity in which the directors and management of BLIG have a financial interest. A listing of the contiguous unpatented mining claims held by Windigo for BLIG's beneficial interest is attached as Appendix "D".
- Effective October 31, 2014, many of the Windigo unpatented claims previously in place, and on which BLIG had a beneficial interest (ROFR (defined below) and surface rights), have been forfeited due to the fact that there was no liquidity to continue with the required annual exploration expenditure (assessment work). Effective October 31, 2014, Windigo held 15 unpatented claims. This compares to 93 contiguous unpatented claims held by Windigo as reported in an independent technical report compiled by Fladgate Exploration and Consulting Corporation ("Fladgate"), in the form of National Instrument NI 43-101dated November 8, 2011 (the "NI 43-101 Report").
- In addition, there were also eleven (11) freehold patents which were registered and owned by 1584859 Ontario Incorporated ("1584859"). 1584859 is a non-arm's length party in which the directors and management of BLIG have a financial interest. A listing of 1584859's patented mining claims is attached as **Appendix "E"**.
- 22. BLIG had entered into rights of first refusal agreements ("ROFR") with both Windigo and 1584859. At this time, the Receiver is reviewing the various ROFR and other agreements that the Debtor entered into with Windigo and 1584859 to review their validity and enforceability regarding any rights BLIG may have with respect to claims adjacent to the BLIG Property.

#### POTENTIAL PRIORITY CLAIMS

23. The Receiver has liaised with CRA regarding claims that may take priority over the Loans. At this time, based on a letter from CRA dated October 20, 2014, CRA payroll related

- obligations owing total \$63,596.83, of which \$46,776.04 is indicated as being a deemed trust portion of the claim.
- 24. In addition, CRA wishes to complete a review of HST returns filed by the Debtor. CRA indicates that two returns still need to be filed. At this time, CRA has not notified the Receiver of any indebtedness related to HST, however, an ultimate determination of such indebtedness will be subject to CRA review.
- 25. Since the Appointment Date, the Receiver has been provided notice related to unpaid wages and expenses of two former employees; (i) Mr. A. Raoul owed \$74,355.97; and (ii) Mr. A. Stevens owed \$2,895.23, as a result of a claim filed through the Ministry of Labour. All of these unpaid wages and out of pocket expenses date back to 2013, more than six months prior to the date of the Receivership Order, and thus are not afforded security or priority pursuant section 81.4(1) of the BIA.
- 26. There is \$5,952.58 owing by the Debtor, as set out in paragraph 22 above, with respect to the property taxes and fees owing on patented claims and MLO's.

#### PROPOSED SALES AND INVESTMENT SOLICITATION PROCESS

- 27. In the Receiver's review of previous efforts to secure financing and a recapitalization of the Debtor in order to complete the development of the mine, the Debtor, its management and advisors had made extensive efforts with a large number of parties to try and secure financing. A list of parties reviewed by the Receiver (as provided by directors of BLIG) showed in excess of 20 parties, (including the aforementioned Liberty and Aiwan), which BLIG has approached since 2011 that had expressed an interest in investing in the business and/or had entered into agreements to source additional financing, including the aforementioned Liberty and Aiwan. However, no transaction was able to be finalized.
- 28. In addition, as detailed in the Livingston Affidavit, the Secured Lenders provided extensive time and accommodations in order to provide the Debtor with a reasonable time and opportunity to seek additional financing and/or effect a restructuring of the affairs of the Debtor. However, the Debtor and its management team were unsuccessful at the time.

- 29. Based on its review and enquiries since its appointment, and given the Debtor's efforts in the pre-receivership period to seek additional financing, the Receiver has determined that the market should be canvassed through a court supervised sales process in order to attempt to effect a restructuring or same of the Debtor and its Property. As a result, the Receiver has formulated a sales and investment solicitation process (the "SISP"), for which approval is being sought from this Honourable Court. The SISP is anticipated to be conducted over a four month period, during which time the Receiver will endeavor to secure proposals for investment in the Debtor and/or offers to purchase all of the Property of BLIG, and thereafter enter into a definitive asset purchase agreement or transaction, subject to subsequent Court approval. The principal elements of a SISP are set out below:
  - In order to expose the Property to the market place, the SISP contemplates that the Receiver will canvass the market for interested parties ("Interested Parties") to invest in and/or purchase all or substantially all of the right title and interest in the Property in order to try and complete a timely restructuring of the mine. The proposed SISP timetable is set out on the attached Appendix "F".
  - Compile a list of interested parties through consultation with the Debtor and Farber's network of advisors and investors in both the mining and investment community.
  - Advertise BLIG, the Property and the SISP in the national edition of the Globe & Mail and the Northern Miner (the "Advertisements") within 10 business days of the issuance of the Court Order approving the SISP.
  - Send an information summary (the "Teaser") and non-disclosure agreement ("NDA") to all parties the Receiver identifies as potentially having an interest in BLIG/or the Property.
  - The investment or purchase opportunity will also be posted on the Receiver's web site.

- Not later than ten business days after the SISP is approved by this Honourable Court, the Receiver shall establish an electronic data room containing information in respect of BLIG and the Property.
- Parties expressing an interest in participating in the SISP (the "Interested Parties")
  will be required to execute the NDA, upon which Interested Parties will receive
  available information in respect of BLIG, including access to the Receiver's data
  room, once established, which will also include a Confidential Information
  Memorandum ("CIM") setting out the investment and/or purchase opportunity.
- The Receiver will arrange site visits with the Debtor to allow Interested Parties the opportunity to visit the BLIG Premises in order to assist Interested Parties with their due diligence efforts.
- The Receiver will offer the Property for sale on an "as-is, where-is" basis, without representations or warranties with respect to BLIG and/or the Property.
- Prospective Purchasers will have until 4:00 pm Eastern Standard Time, on Friday, February 27, 2015 (the "Bid Deadline") to submit a binding offer and proposals (hereinafter called "Offer"), which must include a cash deposit equal to 10% of the total purchase price/investment for the Debtor and/or the Property subject to the Offer (the "Deposit"). The Deposit will be refunded in the event an Offer, as submitted, is not accepted by the Receiver.
- Offers are to be made using a template form of asset purchase agreement that the
  Receiver will prepare (the "APA") and are to be without conditions, other than a
  condition for court approval. Offers shall remain open for acceptance by the
  Receiver until at least 4:00 pm Eastern Standard Time, Friday March 6, 2015.
- Following the Bid Deadline, the Receiver will review and assess all Offers received, if any, including review and consultation on such Offers with the Secured Lenders (provided that the Secured Lenders are not making Offers).

• Based on its review of the Offers, the Receiver will determine the most favourable outcome and will proceed to finalize the APA(s) and or transaction, with the successful offering party or parties, subject only to court approval.

• If the Receiver is unable to finalize the APA or transaction with the successful offering party or parties, the Receiver shall be at liberty to finalize an APA/ transaction with such other offering party or parties as it deems appropriate, subject to consulting first with the Secured Lenders.

• The Receiver shall have the right to extend the timelines set forth in the SISP as described herein for up to 30 days. All other extensions to the SISP shall require court approval.

• In the event one or more APAs receive court approval, the Receiver will work with the successful purchaser(s) to close the transaction(s) forthwith thereafter.

30. The Receiver is currently in the process of drafting and finalizing a CIM based on information provided by various parties. In addition, a draft NDA document is being completed, while the information to populate a virtual data room, which the Receiver will maintain, is currently being compiled.

#### RECOMMENDATIONS

31. The Receiver respectfully requests that this Honourable Court approve:

a) the Receiver's activities from the Receivership Date to the date of this Report; and

b) the SISP as set out above.

A. Farber & Partners Inc. in its capacity as Court Appointed Receiver of Bending Lake Iron Group Limited and not in its personal or corporate capacity



## Appendix "E"

#### ONTARIO SUPERIOR COURT OF JUSTICE

BETWEEN:

#### **2403177 ONTARIO INC.**

Applicant

- and -

#### BENDING LAKE IRON GROUP LIMITED

Respondent

APPLICATION UNDER SUBSECTION 243(1) OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED AND SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED

SECOND REPORT TO THE COURT OF A. FARBER & PARTNERS INC. IN ITS CAPACITY AS COURT APPOINTED RECEIVER OF BENDING LAKE IRON GROUP LIMITED

#### **JANUARY 20, 2015**

#### INTRODUCTION

1. On September 11, 2014 (the "Receivership Date"), pursuant to an order of this Honourable Court (the "Receivership Order" and the "Court" respectively), A. Farber & Partners Inc. ("Farber") was appointed receiver ("Receiver"), pursuant to section 243(1) of the Bankruptcy & Insolvency Act, R.S.C. 1985, c. B-3 (the "BIA") and Section 101 of the Courts of Justice Act, R.S.O. 1990 (the "CJA") over all of the assets, undertakings and properties (the "Property") of Bending Lake Iron Group Limited ("BLIG" or the "Debtor"). The Receiver is not in possession and does not have the

- power to manage the Property. A copy of the Receivership Order is attached as Appendix "A".
- 2. On November 27, 2014, the Receiver sought and obtained an Order (the "SISP Order") of the Court authorizing the Receiver to conduct a sales and investment solicitation process (the "SISP"). The SISP Order authorizes and directs the Receiver to undertake a sales and investment solicitation process with respect to the Property. The SISP is intended to attract interested parties for all or part of the Property at a price which maximizes recovery of proceeds and/or the prospects of restructuring the Company for the benefit of all of the Company's stakeholders. Interested parties will have until 4:00pm Eastern Standard Time, on Friday, February 27, 2015 (the "Bid Deadline"), to submit a binding offer and proposals (hereinafter called "Offer"). A copy of the SISP Order is attached as Appendix "B".

#### PURPOSE OF THE REPORT

- 3. This is the second report (the "Second Report") of the Receiver. The purpose of this Second Report is to:
  - a) Report on the Receiver's activities since its first report to the Court on November
     18, 2014 ("First Report");
  - Obtain approval of the Receiver's fees and disbursements for the period July 8,
     2014, to December 31, 2014 (the "Fee Period");
  - Obtain approval of the fees and disbursements of the Receiver's independent legal counsel, Dentons Canada LLP ("Dentons") for the Fee Period;
  - d) Seek advice and directions from the Court as to the extent of paragraph 20 of the Appointment Order as it relates to counsel for BLIG; and
  - e) If necessary, refer the Debtor's legal fees for assessment.
- 4. The Receiver has relied upon the financial records and information provided by the Debtor as well as other information supplied by former management, accountants,

auditors and advisors, and Farber has not independently reviewed or verified such information. The Receiver has prepared this Second Report for the sole use of the Court and of the other stakeholders in these proceedings.

#### GENERAL BACKGROUND

- 5. BLIG is an early stage iron ore mine development company whose major asset is a mine site ("Mine Site") located northwest of Thunder Bay, Ontario in the Kenora Mining Division and the Dryden Ministry of Natural Resources District. The Mine Site currently has estimated resources in excess of 335 million tons of iron ore.
- 6. Magnetic iron formation occurrences in the Bending Lake area have been known since the 1890's. A number of mining companies have undertaken exploratory work in the area of the Mine Site with BLIG being the most recent one to do such work.
- 7. BLIG's registered office is located at 201 Hardisty Street, Thunder Bay, Ontario P7C 3G8 (the "Premises").
- 8. BLIG owns 100% of the iron ore deposit at the Mine Site. The Mine Site consists of 49 patented freehold claims and three Mining Licenses of Occupation ("MLO") for a total land area of approximately 624 hectares. The prospective mine was named the Josephine Cone Mine, after the founder's grandmother, a member of the Wabigoon Lake Ojibway Nation who helped stake the original property.
- 9. BLIG also helped develop and acquire certain beneficial rights in adjacent claims, which are owned and controlled by non-arm's length parties.
- 10. Although BLIG was successful in raising equity though the period 2008 to 2011 to finance further development of the mine, it was unable to consummate a major financing through 2011 and 2012. Negotiations with numerous parties had occurred including with: i) Liberty Metals and Mining Holdings LLC ("Liberty"), to raise Cdn \$20 million, which BLIG was unable to complete in early 2011; and ii) a Chinese entity, Aiwan Investment Corporation ("Aiwan"), to raise debt and equity of Cdn \$110 million, which fell apart in the Fall of 2012.

- 11. In anticipation of a financing being successfully concluded, C. Stuart Livingston and James MacLean (collectively the "Secured Lenders") whom made a series of advances under a loan facility totaling \$2 million ("Loans"). Advances were made over the period November 2011 through to September 2012, to help keep the mine development moving forward, while a larger financing transaction was being negotiated and finalized. However, no transaction was able to be finalized and development of the mine was suspended in early 2013 due to lack of funding. Additionally, since that time the Debtor has been unable to service the Loans.
- 12. Given the suspension of mine development activity in early 2013 described above, there remains significant development activity and consultation that needs to occur for the mine to be in a position to commence mining operations. BLIG was in the process of completing its Federal and Provincial Environmental Assessment processes under both the Canadian Environmental Assessment Act and the Ontario Environmental Act. The Debtor has not yet obtained the necessary permits to commence mining activities. The Project Description, which is the first step in the Federal Environmental Assessment process, was submitted in early 2012 but, as with other mine development steps, was halted due to lack of liquidity.

#### RECEIVER'S ACTIVITIES

- 13. Based on its review of the Debtor's overall situation including the Debtor's efforts to seek additional financing pre-receivership, the Receiver determined that the market should be canvassed through a court supervised sales process in order to effect a restructuring or same of the Debtor and its Property. As result the Receiver formulated the SISP process and through motion materials including the First Report, the SISP Order was granted on November 27, 2014. A copy of this First Report, without appendices, is attached as Appendix "C".
- 14. Since the First Report activities have included:
  - In advance of and subsequent to the issuance of the SISP Order undertaking the following activities:

- Compiling a list of interested parties;
- o Preparing an information summary ("teaser");
- Sending the teaser to interested parties;
- o Drafting and finalization of a confidentiality agreement ("CA") and terms and conditions of sale in concert with independent legal counsel;
- Updating the Receiver web site with details of the SISP process;
- o Arranging advertisements in the Northern Miner (December 8, 2014) and Globe & Mail (National Edition) on December 10, 2014;
- Preparing a Confidential Information Summary ("CIM") in concert with independent legal counsel and through consultation with the Debtor and its legal counsel;
- o Reviewing and gathering information for posting to a virtual data room;
- Setting up of a virtual data room for interested party access (after signing a CA);
- Liaising with interested parties regarding the BLIG opportunity and the SISP process.
- Ongoing liaison with the Ministry of Northern Development and Mines ("MNDM") regarding the Receivership Order and confirming the status of 49 patented freehold claims and three MLOs the Debtor holds, including payment of outstanding taxes prior to December 31, 2014;
- Liaising with the Canada Revenue Agency ("CRA") regarding the status of tax returns, potential priority claims and coordination of a payroll trust examination;
- Liaising with the office of Sheldon Huxtable Professional Corporation regarding access to the minute book of BLIG; and

Responding to creditor and shareholder enquiries.

#### APPROVAL OF THE RECEIVER AND INDEPENDENT LEGAL COUNSEL FEES AND COSTS TO DECEMBER 31, 2014

- 15. Pursuant to paragraph 18 of the Receivership Order, the Receiver and its independent legal counsel are required to pass their accounts from time to time and seek such approval from this Honourable Court.
- 16. Set out below in further detail are the Receiver's fees and costs and that of its independent legal counsel, Dentons, on which the Receiver and its legal counsel are seeking court approval. Each firm's fees and costs analysis is supported by Fee Affidavits attached to this Second Report.
- 17. For the Fee Period, Farber, in its capacity as Receiver of the Debtor has incurred fees of \$114,483.50 and disbursements of \$8,591.91, plus applicable HST of \$14,882.86. A copy of the detailed billings of the Receiver, supported by the affidavit of Paul Denton, is attached as Appendix "D".
- 18. For the Fee Period, the Receiver's legal counsel, Dentons has incurred fees of \$84,884.00 and disbursements of \$2,144.17 plus applicable HST of \$11,313.66. A copy of the detailed billings of Dentons, supported by the affidavit of John Salmas, is attached as **Appendix "E"**.

#### SCOPE OF THE ADMINISTRATION CHARGE AND LEGAL FEES OF BLIG

- 19. Paragraphs 18 and 20 of the Receivership Order provide as follows:
  - 18. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges. The Receiver and its legal counsel shall pass its 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 Ontario Superior Court of Justice.

- 20. THIS COURT ORDERS that the Receiver, counsel to the Receiver and counsel to the Respondent shall be entitled to and are hereby granted a charge (the "Administration Charge") on the Property, which charge shall not exceed an aggregate amount of \$300,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Receiver and such counsel, both before and after the making of this Order in respect of these proceedings, and that the Administration Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.
- 20. An account from counsel to BLIG, dated October 29, 2014 (the "Account"), arrived at the Receiver's office on October 30, 2014. A copy of the Account is attached as Appendix "F". Shortly after the Account was received, there were verbal discussions between the Receiver, its counsel, and BLIG's counsel around the amount of the account and what role BLIG's counsel should play. At the same there were considerable discussions around the SISP process.
- 21. The Account was delivered to the Receiver on October 30, 2014, and covers the period July 24 October 29, 2014. The Receiver identified a number of difficulties with the Account on its face. To begin with the Account was addressed to the Receiver, not BLIG. More substantively, the Account provided no breakdown of the time spent on matters to which the narrative is related on each date including a particularized break down of time spent on discrete tasks in the narrative. In the Receiver's view all disbursements of the Receiver must be assessed by the court as part of the passing of its accounts. Furthermore, all professional fees to which someone may claim a right to access the Administration Charge under Receivership Order need to be scrutinized by the court as part of the passing of accounts process.
- 22. The Receiver acknowledges that the Receivership Order omits reference to counsel to the Debtor's accounts being passed by the court. The Receiver does not believe that omission to be material, especially since its disbursements must be approved.

Additionally, any party required to pay a legal account is entitled to have that account assessed.

- 23. Another issue that arises in relation to the Account is that it is not entirely clear to the Receiver as to for whose benefit the work described in the Account is being performed, BLIG or its officer or directors. While some of the work would appear to be for the Debtor, other entries would appear to be more for the benefit of the shareholders and/or the directors of BLIG. The Receiver does not believe that the Administration Charge extends to work for anyone other than BLIG itself. In a letter dated September 29, 2014, BLIG's counsel writes both in his capacity as counsel to BLIG and "...as well as Vice President of Sustainable Development" for BLIG. A copy of the September 29, 2014 letter is attached as Appendix "G".
- 24. The Receiver is also concerned as to the extent of the costs incurred to obtain the Appointment Order set out in the Account. The only change in the draft order originally presented to the court and the Appointment Order related to the deletion of one subclause in the Receiver's power, and yet there ended up being two attendances at the court in Thunder Bay and BLIG only dropped its opposition to the Appointment Order at the start of the second hearing date. The Receiver is concerned with how BLIG's stakeholders derive any benefit of having both the secured creditor and the Debtor incur substantial costs to address what ended up being an unopposed order or duplicative tasks going forward after the Appointment Order. These concerns were summarized in a December 1, 2014 letter to BLIG's counsel, sent a few days after the SISP Order was granted. A copy of the December 1, 2014 letter is attached as Appendix "H".
- 25. In order for the Receiver to consider what parts of the Account may be subject to the Administration Charge the Receiver has requested that the Account be revised so that it is addressed to BLIG, provides particulars of all time entries to which the various narrative tasks are related, and only covers matters for which the work was performed for the benefit of BLIG itself and does not include time spent as an officer of BLIG. BLIG takes the position that there are no limitations around the scope of the Administration Charge as it relates to its counsel's fees.

26. The Receiver believes that commercial efficacy requires that counsel to BLIG coordinate efforts with Receiver's counsel. Work that BLIG's counsel performs should not duplicate work that the Receiver is addressing pursuant to the Administration Order. As the Receiver is not in possession pursuant to the Receivership Order, the Receiver accepts that there is some legal work that BLIG may require that the Receiver is not able to perform and which is subject to the Administration Charge. However, the Receiver does not believe that the Administration Charge is intended to cover any legal work that BLIG's counsel may perform on behalf of BLIG's management. The Receiver believes that the Administration Charge should only cover work that is not within the Receiver's powers (or work which the Receiver expressly requests BLIG's counsel to perform) and requests the Court's advice and direction as to the scope of the Administration Charge and, if necessary, an order referring the Account for assessment (along with any future accounts of BLIG's counsel) in a manner consistent with paragraph 18 of the Appointment Order.

#### RECOMMENDATIONS

- 27. The Receiver respectfully requests that this Honourable Court:
  - a) approve the Receiver's activities from November 18, 2014 to the date of this Report;
  - b) approve the fees and disbursements of the Receiver and its legal counsel for the Fee Period; and
  - c) provide advice and direction with respect to the scope of the Administration Charge; and
  - d) directing that the fees of counsel to BLIG be referred for assessment.

ALL OF WHICH IS RESPECTFULLY SUBMITTED THIS WILL DAY OF JANUARY, 2015.

A. Farber & Partners Inc. in its capacity as Court Appointed Receiver of Bending Lake Iron Group Limited and not in its personal or corporate capacity

A. Forber of Partner Inc.,

### Appendix A

Court File No. CV14-274

#### **ONTARIO**

#### SUPERIOR COURT OF JUSTICE

THE HONOU JUSTICE	RABLE	) )	THURSDAY, THE 11 <sup>th</sup> DAY OF SEPTEMBER,	2014
	2403	3177 ONTAR	IO INC.	Applicant
4		- and -		
	BENDING LA	AKE IRON G	ROUP LIMITED	

Respondent

APPLICATION UNDER SUBSECTION 243(1) OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED AND SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED

#### ORDER (appointing Receiver)

THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the Courts of Justice Act, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing A. Farber & Partners Inc. ("Farber") as receiver (in such capacities, the "Receiver") of all of the assets, undertakings and properties of Bending Iron Group Limited (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor including all proceeds thereof (collectively, the "Property"), was heard this day at 125 Brodie St N, Thunder Bay, Ontario.

ON READING the Application Record and Supplementary Record, filed, including the affidavit of C. Stuart Livingston sworn on July 22, 2014 and the Exhibits thereto, the Report of Farber in its capacity as prospective Receiver dated July 25, 2014, the Applicant's Factum and Book of Authorities, and on hearing the submissions of counsel for the applicant 2403177 Ontario Inc. (the "Security Agent"), the Respondent and the proposed Receiver, the Respondent having been duly served with the Notice of Application, Application Record, Supplementary Application Record, Applicant's Factum and Book of Authorities as appears from the affidavits of service of Perry Morgan sworn July 24, 2014 and July 28, 2014, Stacey Pawluk sworn July 24, 2014 and July 25, 2014 and Sabrina Karpowich sworn August 7, 2014 and on reading the consent of Farber to act as the Receiver,

#### **SERVICE**

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1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this application is properly returnable today and hereby dispenses with further service thereof.

#### **APPOINTMENT**

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, Farber is hereby appointed Receiver, without security, of all of the Property.

#### **RECEIVER'S POWERS**

3. THIS COURT ORDERS that except as expressly set out herein or in a further Order of the Court, the Receiver is not appointed as manager of the Debtor and shall not take possession or control of the Property or operate the business of the Debtor or employ any of the Debtor's employees (and for greater certainty, subject to the terms of this Order or any further Order of the Court, the Property shall remain in the possession and control of the Debtor), but the Receiver is hereby expressly empowered and authorized, but not obligated, to do any of the following where the Receiver considers it necessary or desirable:

- (a) to prepare and file a Proposal and/or a Notice of Intention to file a Proposal pursuant to Part III the BIA in the name and on behalf of the Debtor;
- (b) to 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 Receiver's powers and duties, including without limitation those conferred by this Order;
- (c) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (d) to settle, extend or compromise any indebtedness owing to the Debtor;
- (e) to 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 Debtor, for any purpose pursuant to this Order;
- (f) to 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 Debtor, 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;
- (g) to market any or all of 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;

- to sell, convey, transfer, lease or assign 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 \$50,000, provided that the aggregate consideration for all such transactions does not exceed \$250,000; 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 amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.

- to 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;
- (j) to 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, subject to such terms as to confidentiality as the Receiver deems advisable;
- (k) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (1) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;

- (m) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (n) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have;
- (o) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

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 Debtor, and without interference from any other Person.

4. THIS COURT ORDERS that neither the making of this Order nor anything in this Order shall deem the Receiver to be an owner of any of the Property for any purpose and that neither the making of this Order or anything in this Order shall vest in the Receiver the care, ownership, control, charge, occupation, possession or management of any of the Property, or the business or operations of the Debtor. For greater certainty, the Receiver shall not employ any of the employees of the Debtor.

#### DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

5. THIS COURT ORDERS that (i) the Debtor, (ii) all of its 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 the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

- 6. 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 Debtor, 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, 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 6 or in paragraph 7 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 due to statutory provisions prohibiting such disclosure.
- 7. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the 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 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

8. 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 DEBTOR OR THE PROPERTY

9. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor 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 Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

#### NO EXERCISE OF RIGHTS OR REMEDIES

10. THIS COURT ORDERS that all rights and remedies against the Debtor, 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 this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor 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, or (iv) prevent the registration of a claim for lien.

#### NO INTERFERENCE WITH THE RECEIVER

11. 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 Debtor, without written consent of the Receiver or leave of this Court.

#### CONTINUATION OF SERVICES

12. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor 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 to the Debtor 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 Debtor, and that the Debtor shall be entitled to the continued use of the Debtor's 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 Debtor in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Debtor, or as may be ordered by this Court.

#### RECEIVER TO HOLD FUNDS

13. 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 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 such 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.

#### **EMPLOYEES**

14. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Debtor may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the Wage Earner Protection Program Act.

#### **PIPEDA**

15. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada Personal Information Protection and Electronic Documents Act, the Receiver shall 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 of the Property (each, a "Sale"). Each prospective 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 a 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 Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

#### LIMITATION ON ENVIRONMENTAL LIABILITIES

THIS COURT ORDERS that nothing herein contained shall require the Receiver to 16. 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 respecting 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, the Ontario Environmental Protection Act, the Ontario Water Resources Act, or the Ontario Occupational Health and Safety Act and regulations thereunder (the "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 deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

#### LIMITATION ON THE RECEIVER'S LIABILITY

17. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the Wage Earner Protection Program Act. 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**

- 18. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges. The Receiver and its legal counsel shall pass its 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 Ontario Superior Court of Justice.
- 19. 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.

#### **ADMINISTRATION CHARGE**

20. THIS COURT ORDERS that the Receiver, counsel to the Receiver and counsel to the Respondent shall be entitled to and are hereby granted a charge (the "Administration Charge") on the Property, which charge shall not exceed an aggregate amount of \$300,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Receiver and such counsel, both before and after the making of this Order in respect of these proceedings, and that the Administration Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

#### FUNDING OF THE RECEIVERSHIP

21. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$250,000 (or such greater amount as this Court may by further Order authorize) at any time, at

such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

- 22. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.
- 23. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.
- 24. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a part passu basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

#### SERVICE AND NOTICE

25. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <a href="http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/">http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/</a>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission.

26. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

#### **GENERAL**

- 27. 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.
- 28. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a proposal trustee or court-appointed monitor of the undertakings, property and assets of the Debtor or a trustee in bankruptcy of the Debtor.
- 29. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, 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.
- 30. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

- 31. THIS COURT ORDERS that the Applicant shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.
- 32. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) 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.

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BOOK REGISTRAR

DATE Supt 11, 2014

No. 1649 PE

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#### SCHEDULE "A"

#### RECEIVER CERTIFICATE

CERTIFICATE NO
AMOUNT \$
1. THIS IS TO CERTIFY that A. Farber & Partners Inc., the receiver (the "Receiver") of
the assets, undertakings and properties Bending Lake Iron Group Limited (the "Debtor")
acquired for, or used in relation to a business carried on by the Debtor, including all proceeds
thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of
Justice (the "Court") dated the day of, 2014 (the "Order") made in an application
having Court file numberCL, has received as such Receiver from the holder of this
certificate (the "Lender") the principal sum of \$, being part of the total principal
sum of \$ which the Receiver is authorized to borrow under and pursuant to the
Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with
interest thereon calculated and compounded monthly not in advance on the day of each month
after the date hereof at a notional rate per annum equal to the rate of per cent above the
prime commercial lending rate of Bank of from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the
1 Production and the color is, by the colins of the Order, together with the
principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the
Order or to any further order of the Court, a charge upon the whole of the Property, in priority to
the security interests of any other person, but subject to the priority of the charges set out in the
Order and in the Bankruptcy and Insolvency Act, and the right of the Receiver to indemnify itself
out of such Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at
the main office of the Lender at Toronto, Ontario.
5. Until all liability in respect of this certificate has been terminated, no certificates creating

charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver

to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not	undertake, and it is not under any personal liability, to pay any
sum in respect of which it may i	issue certificates under the terms of the Order.
DATED the day of	, 2014.
	A. FARBER &PARTNERS INC., solely in its capacity as Receiver of the Property, and not in its personal capacity
	Per:
	Name:
	Title:

## ONTARIO SUPERIOR COURT OF JUSTICE

# PROCEEDING COMMENCED AT THUNDER BAY

## ORDER (appointing Receiver)

# BUSET & PARTNERS LLP

Barristers & Solicitors 1121 Barton Street Thunder Bay ON P7B 5N3 Michael Strickland (414020)

mstrickland@buset-partners.com Tel: 807-623-2500 Fax: 807-622-7808 Lawyers for the Applicant, 2403177 Ontario Inc.

### Appendix B

Respondent

#### ONTARIO SUPERIOR COURT OF JUSTICE

THE HONOURABLE MAOAM	)	THURSDAY, THE 27th
015.00	)	
JUSTICE PIERCE	(20) <b>)</b>	DAY OF NOVEMBER, 2014
240:	3177 ONTAI	RIO INC.
		Applicant
	- and -	
BENDING LA	AKE IRON (	GROUP LIMITED

IN THE MATTER OF AN APPLICATION UNDER SUBSECTION 243(1) OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED AND SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED

#### SALES AND INVESTOR SOLICITATION PROCESS ORDER

THIS MOTION, made by A. Farber & Partners Inc., in its capacity as the court appointed receiver (the "Receiver") of the assets, undertakings and properties of Bending Lake Iron Group Limited ("BLIG" or the "Debtor"), for an order approving the activities of the Receiver and the Receiver's First Report to the Court dated November 18, 2014 (the "First Report"), approving the sales and investor solicitation process (the "SISP") and authorizing and directing the Receiver to do all such things as are reasonably necessary to conduct and give full effect to the SISP and carry out its respective obligations therein (if any), was heard this day at 125 Brodie St N, Thunder Bay, Ontario.

ON READING the First Report, and on hearing the submissions of counsel for the Receiver, and on being advised that BLIG and 2403177 Ontario Inc. both consent to the proposed form of order, and no one appearing for any other party although served as it appears from the affidavit of service of Christopher Blake Moran, sworn November 18, 2014;

#### RECEIVER'S ACTIVITIES AND REPORT

 THIS COURT ORDERS that, with the exception of paragraph 20 of the First Report the balance of the First Report and the activities and conduct of the Receiver reported therein be and are hereby approved.

#### SOLICITATION PROCESS

- 2. THIS COURT ORDERS that the sales and investor solicitation process (the "SISP") attached hereto as Schedule "A", be and is hereby approved.
- 3. THIS COURT ORDERS that the Receiver be and is hereby authorized and directed to implement the SISP and do all such things as are reasonably necessary to conduct and give full effect to the SISP, and to carry out its respective obligations therein.
- 4. THIS COURT ORDERS that the SISP may be altered or amended by the Receiver in a non-substantive manner to give full or better effect to the process hereby approved, which shall include the Receiver's ability to extend the timelines set forth in the SISP for a period of up to 30 days (additional time extensions requiring further Order of this Court).

#### **GENERAL**

- 5. THIS COURT ORDERS that the Receiver may from time to time apply to this Honourable Court for advice and directions in the discharge of its powers and duties hereunder, including without limitation in connection with any matters relating to the SISP.
- 6. THIS COURT ORDERS that any interested party (including the Receiver) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to any other

party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

- 7. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any other country, to give effect to this Order and to assist the Receiver and their respective agents in carrying out the terms of this Order. All courts, tribunals, 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, to grant representative status to the Receiver in any foreign proceeding, or to assist the Receiver and their respective agents in carrying out the terms of this Order.
- 8. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

- Puie J.

ENTRE INSUIT

BOOK REGISTRA

No. 1772

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#### SCHEDULE 'A'

#### SALES AND INVESTMENT SOLICITATION PROCESS - November 27, 2014

	Event	Timing
1.	Compile a list of interested parties through consultation with BLIG and the Receiver's network of advisors and investors in both the mining and investment community, and sending those parties an information summary (the "Teaser").	On or before December 12, 2014
2.	Information pertaining to this opportunity will be posted on the Receiver's website: <a href="www.farberfinancial.com">www.farberfinancial.com</a> which will include:  The Teaser;	Within 10 business days of issuance of the Court Order approving the SISP
	<ul> <li>An Invitation for Offers to purchase or invest in the Debtor and/or the Property;</li> <li>The Proposed Terms and Conditions of Sale, which is on an "as is, where is" basis with no representations or warranties, subject to court approval; and</li> </ul>	
	A Non-Disclosure Agreement ("NDA") from the Receiver.	
3.	The Receiver shall advertise the Debtor, Property and SISP in The Globe & Mail (National Edition) and The Northern Miner publication.	Within 10 business days of the issuance of the Court Order approving the SISP
4.	Interested Parties expressing an interest in participating in the SISP will be required to execute the NDA, upon which Interested Parties will receive available information in respect of BLIG and the Property, including access to the Receiver's virtual data room, once established, which will also include a CIM setting out the investment and/or purchase opportunity. Interest Parties that wish to undertake further due diligence will be provided with an opportunity to conduct site visits and review further additional information not available in the virtual data room.	Through to no later than February 27, 2015
5.	Interested Parties will have until 4:00 pm Eastern Standard Time, on Friday, February 27, 2015 (the "Bid Deadline") to submit a (binding) offer and proposal (hereinafter called "Offer"), which must include a cash deposit equal to 10% of the total purchase price/investment for the Debtor and/or the Property subject to the Offer (the "Deposit"). The Deposit will be refunded in the event an Offer, as submitted, is not accepted by the Receiver.	On or before 4:00 PM (EST), February 27, 2015
6.	Offers are to be made using the APA as a template and are to be without conditions, other than Court Approval. Offers shall remain open for acceptance by the Receiver until at least 4:00 pm Eastern Standard Time, Friday March 6, 2015.	On or prior to 4:00 p.m. (EST) March 6, 2015

Note: All capitalized terms used and not otherwise defined herein shall have the meaning ascribed to them in the Receiver's first report dated November 18, 2014.

	Event	Timing
7.	Following the Bid Deadline, the Receiver will review and assess all Offers received, if any, including review and consultation with the Secured Lenders. Based on its review of the Offers, the Receiver will determine the most favourable outcome and will proceed to finalize the APA(s) and or transaction, with the successful offering party or parties, subject only to court approval (a "Final APA").	As soon as reasonably practical
	If the Receiver is unable to negotiate a Final APA, the Receiver shall be at liberty to negotiate and finalize an APA/ transaction with such other offering party or parties as it deems appropriate, subject to consulting first with the Secured Lenders.	
8.	Seek court approval of Final APA(s) and obtain a vesting order(s) for sale of the Property as either separate transactions or a combined transaction (the "Vesting Order").	As soon as reasonably practical following execution and delivery of a Final APA
9.	Close sale(s) to successful purchaser(s).	First business day after Vesting Order issued or such other business day as may be agreed to by the Receiver and the successful party
10.	In the event a Deposit is paid pursuant to an Offer and the Receiver elects to not proceed to negotiate a Final APA with that offering party, the Receiver shall return the Deposit (without interest) to that offering party, and that offering party shall return all confidential materials to the Receiver.	As soon as reasonably practical following execution and delivery of a Final APA

Note: The highest or best Offer may not necessarily be accepted by the Receiver. The Receiver reserves the right: (i) to not accept any Offer and, if deemed appropriate, to deal with one or more Offers to the exclusion of others, both prior to or after the timelines set out above, and (ii) to refuse the provision of confidential information, or otherwise, to any Interested Party, or the participation of any Interested Party in the SISP. Ultimately, any Offer will be subject to court approval.

Court File No. CV-14-274
BENDING LAKE IRON GROUP LIMITED

Respondents

IN THE MATTER OF AN APPLICATION UNDER SECTION 243(1) OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3 (AS AMENDED) AND SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, c. 43 (AS AMENDED)

## ONTARIO SUPERIOR COURT OF JUSTICE

Proceeding commenced at THUNDER BAY

# SOLICITATION PROCESS ORDER

## DENTONS CANADA LLP

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Lawyer for A. Farber & Partners Inc., in its capacity as the court appointed receiver

### Appendix C

#### ONTARIO SUPERIOR COURT OF JUSTICE

BETWEEN:

#### **2403177 ONTARIO INC.**

**Applicant** 

- and -

#### **BENDING LAKE IRON GROUP LIMITED**

Respondent

APPLICATION UNDER SUBSECTION 243(1) OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED AND SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED

FIRST REPORT TO THE COURT OF A. FARBER & PARTNERS INC. IN ITS CAPACITY AS COURT APPOINTED RECEIVER OF BENDING LAKE IRON GROUP LIMITED

**NOVEMBER 18, 2014** 

#### INTRODUCTION

1. On September 11, 2014 (the "Receivership Date"), pursuant to an order of this Honourable Court (the "Receivership Order" and the "Court" respectively), A. Farber & Partners Inc. ("Farber") was appointed receiver ("Receiver") of Bending Lake Iron Group Limited ("BLIG" or the "Debtor") pursuant to section 243(1) of the Bankruptcy & Insolvency Act, R.S.C. 1985, c. B-3 (the "BIA") and Section 101 of the Courts of Justice Act, R.S.O. 1990 (the "CJA") over all of the assets, undertakings and properties of BLIG (the "Property"). The Receiver is not in possession and does not have the power to manage the Property. A copy of the Receivership Order is attached as Appendix "A".

#### PURPOSE OF THE REPORT

- 2. This is the first report (the "First Report") of the Receiver. The purpose of this First Report is to:
  - a) Report on the Receiver's activities since the Receivership Date;
  - b) Report on the current state of affairs of the Debtor, and
  - c) Set out the detailed particulars related to a sales and investment solicitation process ("SISP") in respect of the Property, as hereafter described, and seek this Honourable Court's approval of that process.

#### LIMITATION OF REVIEW

3. Farber has relied upon the financial records and information provided by the Debtor as well as other information supplied by former management, accountants, auditors and advisors, and Farber has not independently reviewed or verified such information. The Receiver has prepared this First Report for the sole use of the Court and of the other stakeholders in these proceedings.

#### **GENERAL BACKGROUND**

- 4. BLIG is an early stage iron ore mine development company whose major asset is a mine site ("Mine Site") located northwest of Thunder Bay, Ontario in the Kenora Mining Division and the Dryden Ministry of Natural Resources District. The Mine Site currently has estimated resources in excess of 335 million tons of iron ore.
- 5. Magnetic iron formation occurrences in the Bending Lake area have been known since the 1890's. A number of mining companies have undertaken exploratory work in the area of the Mine Site with BLIG being the most recent one to do such work.
- 6. BLIG's registered office is located at 201 Hardisty Street, Thunder Bay, Ontario P7C 3G8 (the "Premises").
- 7. BLIG owns 100% of the iron ore deposit at the Mine Site. The Mine Site consists of 49 patented freehold claims and three Mining Licenses of Occupation ("MLO") for a total land area of approximately 624 hectares. The prospective mine was named the Josephine Cone Mine, after the founder's grandmother, a member of the Wabigoon Lake Ojibway Nation who helped stake the original property.
- 8. BLIG, as described in more detail below, also helped develop and acquire certain beneficial rights in adjacent claims, which are owned and controlled by non-arm's length parties.
- 9. Although BLIG was successful in raising equity though the period 2008 to 2011 to finance further development of the mine, it was unable to consummate a major financing through 2011 and 2012. Negotiations with numerous parties had occurred including with: i) Liberty Metals and Mining Holdings LLC ("Liberty"), to raise Cdn \$20 million, which BLIG was unable to complete in early 2011; and ii) a Chinese entity, Aiwan Investment Corporation ("Aiwan"), to raise debt and equity of Cdn \$110 million, which fell apart in the Fall of 2012.
- 10. In anticipation of a financing being successfully concluded, C. Stuart Livingston and James MacLean (collectively the "Secured Lenders") whom made a series of advances under a loan facility totaling \$2 million ("Loans"). Advances were made over the period

November 2011 through to September 2012 (as set out below), to help keep the mine development moving forward, while a larger financing transaction was being negotiated and finalized. However, no transaction was able to be finalized and development of the mine was suspended in early 2013 due to lack of funding. Additionally, since that time the Debtor has been unable to service the Loans.

11. Given the suspension of mine development activity in early 2013 described above, there remains significant development activity and consultation that needs to occur for the mine to be in a position to commence mining operations. BLIG was in the process of completing its Federal and Provincial Environmental Assessment processes under both the Canadian Environmental Assessment Act and the Ontario Environmental Act. The Debtor has not yet obtained the necessary permits to commence mining activities. The Project Description, which is the first step in the Federal Environmental Assessment process, was submitted in early 2012 but, as with other mine development steps, was halted due to lack of liquidity.

#### **SECURED LOANS**

- 12. BLIG is indebted to the Secured Lenders pursuant to a credit facility (the "Credit Facility") made available by the Secured Lenders pursuant to and under the terms of a loan agreement made among Arm's Length Holding's Inc. (the "Prior Security Agent"), C. Stuart Livingston, and the Debtor dated November 2, 2011, as amended by an Amendment to Loan Agreement dated March 21, 2012, a Second Amendment to Loan Agreement dated September 11, 2012, all made among the Prior Security Agent, C. Stuart Livingston and the Debtor (collectively, and as further amended, supplemented, restated or replaced, from time to time, the "Loan Agreement").
- 13. BLIG provided security for these Loan obligations as set out in detail in the affidavit of C. Stuart Livingston, sworn July 22, 2014 (the "Livingston Affidavit"), filed in support of the motion to appoint the Receiver. A copy of the Livingston Affidavit, without exhibits, is attached as Appendix "B".

14. BLIG was indebted to the Secured Lenders<sup>1</sup>, pursuant to the Loan Agreement, for the following sums for principal and interest (including administrative and forbearance fees, as applicable) as at June 1, 2014:

**Outstanding Loan Principal:** 

CDN \$ 2,272,500.00

Interest to June 1 2014:

CDN \$ 847,659.32

**Total Outstanding Indebtedness:** 

CDN \$ 3,120,159.32

15. As at October 31, 2014, the total outstanding in respect of the Loan including accrued interest, fees and costs approximates \$3.5 million.

#### RECEIVER'S ACTIVITIES

- 16. Effective the Receivership Date the Debtor had no employees. Most former employees ceased employment in May and June of 2013 due to lack of funding. The Receiver was advised that any activity, including accounting undertaken through late 2013 and 2014, was undertaken through non arm's-length entities owned and controlled by members of BLIG's founder's family, Mr. Henry Wetelainen, along with Ms. Dawn MacKay (Mr. Wetelainen and Ms. MacKay are currently directors of BLIG).
- 17. Following issuance of the Receivership Order, the Receiver attended the Premises of the Debtor on September 11-12, 2014, to meet with BLIG's directors, to commence reviewing the books and records, and to assess the current status of the mine development and related mining claims of the Debtor. A further attendance was coordinated on October 23-24, 2014. Key activities undertaken by the Receiver since the Receivership Date include:
  - a) Meeting with Mr. Henry Wetelainen and Ms. Dawn MacKay, along with the former book-keeper, Ms. Susan King, to review the financial position, state of affairs of the Debtor and to explain the nature and extent of the receivership appointment and various roles and responsibilities;

<sup>&</sup>lt;sup>1</sup> Effective January 28, 2014, the Prior Security Agent, C. Stuart Livingston, James MacLean and 2403177 Ontario Inc. (the "Security Agent") entered into an Assignment Agreement (the "Assignment Agreement") whereby all of the Prior Security Agent's right, title and interest in and to the Loan Agreement and the Security were assigned to the Security Agent.

- Reviewing the books and records and saving a backup of the general ledger and accounting system as maintained and recorded in the QuickBooks accounting system;
- c) Providing immediate notice to the Debtor's banking institutions to confirm the Receiver's appointment and instruction to freeze all accounts:
- d) Obtaining copies of certain agreements and correspondence;
- e) Reviewing the Premises, including storage of iron ore core samples in the basement of the Premises;
- f) Reviewing of certain priority claims;
- g) Attending to completion and mailing of the Receiver's Notice and Statement pursuant to sections 245 and 246 of the BIA:
- h) Liaising with the Ministry of Northern Development and Mines ("MNDM") regarding the Receivership Order and confirming the status of 49 patented freehold claims and three MLOs the Debtor holds. In addition, undertaking review and enquiry with the MNDM to assess the status of certain adjacent claims that the Debtor purportedly had a beneficial interest in;
- Liaising with the Canada Revenue Agency ("CRA") regarding the status of tax returns and potential priority claims;
- j) Liaising with the Ontario Ministry of Finance regarding the status of outstanding property taxes on the Debtor Property;
- k) Liaising with and attending at the office of Sheldon Huxtable Professional Corporation to review the Debtor's minute books and shareholder listings and obtain copies of relevant extracts;
- 1) Reviewing the particulars of the lease for the Premises and current status of same;
- m) Responding to creditor queries including dealing with the Ministry of Labour over unpaid wage claims;

- n) Undertaking discussions on responsibility for funding of the receivership administration costs;
- o) Engaging in discussions with interested parties;
- p) Formulating a SISP process and required supporting documentation; and
- q) Drafting of the First Report.

#### **DEBTOR STATUS AND PRELIMINARY FINDINGS**

- 18. The most recent audited financial statements of the Debtor are for the year ended December 31, 2011, as completed by BDO Canada LLP. The most recently prepared internal financial statements are effective August 31, 2014. The Receiver notes that: (i) the Loans have not been updated for interest charges and costs accrued through 2012, 2013 and 2014 with the liability to the Secured Lenders understated by approximately \$1.3 million; (ii) the current assets show a potential HST refund of \$463,017.89. However, after consultation with CRA and discussions with BLIG's former bookkeeper, the Receiver doubts that there is any refund due to BLIG. Instead, the Receiver believes that a claim for unremitted payroll deductions of \$63,596.83, which is further commented on below, may exist; (iii) there appears to be no near liquid assets or other assets which can be monetized in the near term to fund the costs of administering these proceedings.
- 19. From a financial position perspective, the Debtor has no liquidity and as a consequence any funding of the receivership proceeding is from funds that the Secured Lenders are prepared to advance. Additionally, there is an Administration Charge per paragraph 20 of the Receivership Order, which charge shall not exceed in aggregate the amount \$300,000, as security for the professional fees and disbursement incurred by the Receiver, its legal counsel and the Respondent's legal counsel.
- 20. As the Receiver is not in possession, the Receivership Order grants a charge to protect counsel for the Debtor as there may be legal work for which the Debtor continues to have responsibility (as the Receiver's powers do not extend to managing the Property). The Receiver does want to ensure that legal work in relation to the Debtor is done on the most

efficient basis and that any overlap is reduced to the greatest extent possible. This is even more critical where the only source of funds is the Secured Lenders and the Debtor has no financial ability to pay counsel independently. While the Receiver believes that a protocol can be put in place with counsel to the Debtor to avoid such duplication, and avoid incurring unnecessary expenses, it is possible that the Security Agent, on behalf of the Secured Lenders, may want to amend the Receivership Order to set this out in more detail if a protocol acceptable to the parties cannot be established.

21. The status of BLIG's interest in various mining claims is summarized as follows:

#### Patented Freehold Claims and MLO:

• Effective September 11, 2014, BLIG is the registered owner of 49 patented (freehold) mining claims and three MLO's. A listing of the 49 patented mining claims is attached as Appendix "C". MNDM had provided notices to the Debtor, on June 27, 2014, that unpaid fees of \$5,952.58 had to be paid by December 31, 2014, or such claims/LOC would be forfeited. MNDM has since acknowledged that it is subject to the stay of proceedings under the Receivership Order. However, notwithstanding the stay, in consultation with the Secured Lenders, the Receiver intends to pay the unpaid fees prior to December 31, 2014 to ensure the claims remain in good standing.

#### Adjacent Claims:

• During the recent development phase of the mine, in particular through 2011 and 2012, a series of contiguous unpatented claims were staked and maintained for future mine access and infrastructure purposes. This series of unpatented claims extended northeast from Bending Lake Area into the Revell Lake Area, Raleigh Lake Area, Ilsley Township and Bradshaw Township. Under the Mining Act (Ontario), annual exploration expenditures of \$400 per claim unit must be spent on unpatented mining claims in order to maintain entitlement to the claim.<sup>2</sup> Assessment work paid for by

<sup>&</sup>lt;sup>2</sup> One unit = 16 hectares; the number of units per claim can range as high as 16 units.

BLIG was able to be used and assigned as assessment work on these adjacent claims, in order to maintain them in good standing.

- The unpatented mining claims were staked in the name of Windigo Ridge Resources Inc. ("Windigo") and had been optioned to BLIG. Windigo is a non-arm's length entity in which the directors and management of BLIG have a financial interest. A listing of the contiguous unpatented mining claims held by Windigo for BLIG's beneficial interest is attached as Appendix "D".
- Effective October 31, 2014, many of the Windigo unpatented claims previously in place, and on which BLIG had a beneficial interest (ROFR (defined below) and surface rights), have been forfeited due to the fact that there was no liquidity to continue with the required annual exploration expenditure (assessment work). Effective October 31, 2014, Windigo held 15 unpatented claims. This compares to 93 contiguous unpatented claims held by Windigo as reported in an independent technical report compiled by Fladgate Exploration and Consulting Corporation ("Fladgate"), in the form of National Instrument NI 43-101dated November 8, 2011 (the "NI 43-101 Report").
- In addition, there were also eleven (11) freehold patents which were registered and owned by 1584859 Ontario Incorporated ("1584859"). 1584859 is a non-arm's length party in which the directors and management of BLIG have a financial interest. A listing of 1584859's patented mining claims is attached as Appendix "E".
- 22. BLIG had entered into rights of first refusal agreements ("ROFR") with both Windigo and 1584859. At this time, the Receiver is reviewing the various ROFR and other agreements that the Debtor entered into with Windigo and 1584859 to review their validity and enforceability regarding any rights BLIG may have with respect to claims adjacent to the BLIG Property.

#### POTENTIAL PRIORITY CLAIMS

23. The Receiver has liaised with CRA regarding claims that may take priority over the Loans. At this time, based on a letter from CRA dated October 20, 2014, CRA payroll related

- obligations owing total \$63,596.83, of which \$46,776.04 is indicated as being a deemed trust portion of the claim.
- 24. In addition, CRA wishes to complete a review of HST returns filed by the Debtor. CRA indicates that two returns still need to be filed. At this time, CRA has not notified the Receiver of any indebtedness related to HST, however, an ultimate determination of such indebtedness will be subject to CRA review.
- 25. Since the Appointment Date, the Receiver has been provided notice related to unpaid wages and expenses of two former employees; (i) Mr. A. Raoul owed \$74,355.97; and (ii) Mr. A. Stevens owed \$2,895.23, as a result of a claim filed through the Ministry of Labour. All of these unpaid wages and out of pocket expenses date back to 2013, more than six months prior to the date of the Receivership Order, and thus are not afforded security or priority pursuant section 81.4(1) of the BIA.
- 26. There is \$5,952.58 owing by the Debtor, as set out in paragraph 22 above, with respect to the property taxes and fees owing on patented claims and MLO's.

#### PROPOSED SALES AND INVESTMENT SOLICITATION PROCESS

- 27. In the Receiver's review of previous efforts to secure financing and a recapitalization of the Debtor in order to complete the development of the mine, the Debtor, its management and advisors had made extensive efforts with a large number of parties to try and secure financing. A list of parties reviewed by the Receiver (as provided by directors of BLIG) showed in excess of 20 parties, (including the aforementioned Liberty and Aiwan), which BLIG has approached since 2011 that had expressed an interest in investing in the business and/or had entered into agreements to source additional financing, including the aforementioned Liberty and Aiwan. However, no transaction was able to be finalized.
- 28. In addition, as detailed in the Livingston Affidavit, the Secured Lenders provided extensive time and accommodations in order to provide the Debtor with a reasonable time and opportunity to seek additional financing and/or effect a restructuring of the affairs of the Debtor. However, the Debtor and its management team were unsuccessful at the time.

- 29. Based on its review and enquiries since its appointment, and given the Debtor's efforts in the pre-receivership period to seek additional financing, the Receiver has determined that the market should be canvassed through a court supervised sales process in order to attempt to effect a restructuring or same of the Debtor and its Property. As a result, the Receiver has formulated a sales and investment solicitation process (the "SISP"), for which approval is being sought from this Honourable Court. The SISP is anticipated to be conducted over a four month period, during which time the Receiver will endeavor to secure proposals for investment in the Debtor and/or offers to purchase all of the Property of BLIG, and thereafter enter into a definitive asset purchase agreement or transaction, subject to subsequent Court approval. The principal elements of a SISP are set out below:
  - In order to expose the Property to the market place, the SISP contemplates that the Receiver will canvass the market for interested parties ("Interested Parties") to invest in and/or purchase all or substantially all of the right title and interest in the Property in order to try and complete a timely restructuring of the mine. The proposed SISP timetable is set out on the attached Appendix "F".
  - Compile a list of interested parties through consultation with the Debtor and Farber's network of advisors and investors in both the mining and investment community.
  - Advertise BLIG, the Property and the SISP in the national edition of the Globe &
    Mail and the Northern Miner (the "Advertisements") within 10 business days of
    the issuance of the Court Order approving the SISP.
  - Send an information summary (the "Teaser") and non-disclosure agreement ("NDA") to all parties the Receiver identifies as potentially having an interest in BLIG/or the Property.
  - The investment or purchase opportunity will also be posted on the Receiver's web site.

- Not later than ten business days after the SISP is approved by this Honourable Court, the Receiver shall establish an electronic data room containing information in respect of BLIG and the Property.
- Parties expressing an interest in participating in the SISP (the "Interested Parties")
  will be required to execute the NDA, upon which Interested Parties will receive
  available information in respect of BLIG, including access to the Receiver's data
  room, once established, which will also include a Confidential Information
  Memorandum ("CIM") setting out the investment and/or purchase opportunity.
- The Receiver will arrange site visits with the Debtor to allow Interested Parties the
  opportunity to visit the BLIG Premises in order to assist Interested Parties with their
  due diligence efforts.
- The Receiver will offer the Property for sale on an "as-is, where-is" basis, without representations or warranties with respect to BLIG and/or the Property.
- Prospective Purchasers will have until 4:00 pm Eastern Standard Time, on Friday, February 27, 2015 (the "Bid Deadline") to submit a binding offer and proposals (hereinafter called "Offer"), which must include a cash deposit equal to 10% of the total purchase price/investment for the Debtor and/or the Property subject to the Offer (the "Deposit"). The Deposit will be refunded in the event an Offer, as submitted, is not accepted by the Receiver.
- Offers are to be made using a template form of asset purchase agreement that the
  Receiver will prepare (the "APA") and are to be without conditions, other than a
  condition for court approval. Offers shall remain open for acceptance by the
  Receiver until at least 4:00 pm Eastern Standard Time, Friday March 6, 2015.
- Following the Bid Deadline, the Receiver will review and assess all Offers
  received, if any, including review and consultation on such Offers with the
  Secured Lenders (provided that the Secured Lenders are not making Offers).

- Based on its review of the Offers, the Receiver will determine the most favourable outcome and will proceed to finalize the APA(s) and or transaction, with the successful offering party or parties, subject only to court approval.
- If the Receiver is unable to finalize the APA or transaction with the successful
  offering party or parties, the Receiver shall be at liberty to finalize an APA/
  transaction with such other offering party or parties as it deems appropriate,
  subject to consulting first with the Secured Lenders.
- The Receiver shall have the right to extend the timelines set forth in the SISP as
  described herein for up to 30 days. All other extensions to the SISP shall require
  court approval.
- In the event one or more APAs receive court approval, the Receiver will work with the successful purchaser(s) to close the transaction(s) forthwith thereafter.
- 30. The Receiver is currently in the process of drafting and finalizing a CIM based on information provided by various parties. In addition, a draft NDA document is being completed, while the information to populate a virtual data room, which the Receiver will maintain, is currently being compiled.

#### RECOMMENDATIONS

- 31. The Receiver respectfully requests that this Honourable Court approve:
  - a) the Receiver's activities from the Receivership Date to the date of this Report; and
  - b) the SISP as set out above.

A. Farber & Partners Inc. in its capacity as Court Appointed Receiver of Bending Lake Iron Group Limited and not in its personal or corporate capacity

A Fabora Portuglas.

## Appendix D

#### ONTARIO SUPERIOR COURT OF JUSTICE

BETWEEN:

#### **2403177 ONTARIO INC.**

**Applicant** 

- and -

#### **BENDING LAKE IRON GROUP LIMITED**

Respondent

#### (Sworn January 12, 2015)

- I, Paul Denton, of the Town of Aurora, in the Province of Ontario, MAKE OATH AND SAY AS FOLLOWS:
  - 1. I am a Vice President and licensed Trustee with A. Farber & Partners Inc. ("Farber") and, as such, I have knowledge of the matters to which I hereinafter depose.
  - 2. On September 11, 2014 (the "Receivership Date"), pursuant to an order of this Honourable Court (the "Receivership Order" and the "Court" respectively), A. Farber & Partners Inc. ("Farber") was appointed receiver ("Receiver") of Bending Lake Iron Group Limited ("BLIG" or the "Debtor") pursuant to section 243(1) of the Bankruptcy & Insolvency Act, R.S.C. 1985, c. B-3 (the "BIA") and Section 101 of the Courts of Justice Act, R.S.O. 1990 (the "CJA") over all of the assets, undertakings and properties of BLIG (the "Property"). The Receiver is not in possession and does not have the power to manage the Property

- 3. On November 27, 2014, the Receiver sought and obtained an Order (the "SISP Order") of the Court authorizing the Receiver to conduct a sales and investment solicitation process (the "SISP"). The SISP Order authorizes and directs the Receiver to undertake a sales and investment solicitation process with respect to the assets, undertaking and property ("Property") of BLIG. The SISP is intended to attract interested parties for all or part of the Property at a price which maximizes recovery of proceeds and/or the prospects of restructuring the Company for the benefit of all of the Company's stakeholders. Interested parties will have until 4:00pm Eastern Standard Time, on Friday, February 27, 2015 (the "Bid Deadline") to submit a binding offer and proposals (hereinafter called "Offer").
- 4. The Receiver effective the date of this Affidavit is continuing to undertake the SISP process for the Debtor.
- This affidavit is appended to the Receiver's Second Report which in concert with the First Report dated November 18, 2014 provides a chronology of events to date, and, among other matters, seeks approval of fees, costs and activities of the Receiver.
- 6. The key activities of the Receiver since its appointment in the lead up to and since its appointment on September 11, 2014 through to December 31, 2014 can be summarized as follows:
  - Review of Company background information and motion materials; drafting of proposed Receiver Report, and travel and attendance in Thunder Bay to attend Court hearings on August 14 and September 11, 2014 in order to ultimately accept appointment as Receiver on September 11, 2014;
  - Meeting with Mr. Henry Wetelainen and Ms. Dawn MacKay, along with the former book-keeper, Ms. Susan King, to review the financial position, state of affairs of the Debtor and to explain the nature and extent of the receivership appointment and various roles and responsibilities, attendances of the registered office were undertaken on September 11 and 12, and October 23 and 24, 2014. Reviewing the Premises, including storage of iron ore core samples in the basement of the Premises;
  - Reviewing the books and records and saving a backup of the general ledger and accounting system as maintained and recorded in the QuickBooks accounting

system and obtaining copies of certain agreements and documents; Reviewing of certain priority claims;

- Attending to completion and mailing of the Receiver's Notice and Statement pursuant to sections 245 and 246 of the BIA;
- Liaising with the Ministry of Northern Development and Mines ("MNDM") regarding the Receivership Order and confirming the status of 49 patented freehold claims and three MLOs the Debtor holds. In addition, undertaking review and enquiry with the MNDM to assess the status of certain adjacent claims that the Debtor purportedly had a beneficial interest in; attending to payment of outstanding taxes on claims and MLOs prior to December 31, 2014;
- Liaising with the Canada Revenue Agency ("CRA") regarding the status of tax returns and potential priority claims and coordination of payroll trust audit;
- In advance of and subsequent to the issuance of the SISP Order undertaking the following activities: Compiling a list of interested parties; drafting and finalization of an information summary (teaser); Sending the information summary to interested parties; drafting and finalization of a confidentiality agreement ("CA") and terms and conditions of sale in concert with independent legal counsel; updating the Receiver web site with details of the SISP process; drafting and placing advertisement in the Northern Miner (December 8, 2014) and Globe & Mail (National Edition) December 10, 2014; drafting and finalization of a Confidential Information Summary ("CIM") in concert with independent legal counsel and through consultation with the Debtor and its legal counsel; set up of a virtual data room for interested party access on signing;
- Liaison with interested parties throughout regarding the BLIG opportunity and the SISP process; and
- Liaising with and responding to creditor and shareholder enquiries.
- 7. The Receiver has prepared a Statement of Account in connection with its appointment as Receiver of the Debtor, detailing its services rendered and disbursements for the period from July 8, 2014 to December 31, 2014, which show total fees of \$114,483.50 plus costs of \$8,591.91 plus HST/GST.

- 8. Attached hereto and marked as Exhibit "A" to this my Affidavit is a copy of the summary of the fees and expenses for the period from July 8, 2014 to December 31, 2014. Attached as Exhibit "B" to this Affidavit is a copy of the invoices and time dockets for the period July 8, 2014 to December 31, 2014.
- To the best of my knowledge the rates charged by Farber in connection with acting as Receiver, are comparable to rates charged by other firms for the provision of similar services.
- 10. I make this Affidavit in support of a motion to, inter alia, approve this receipts and disbursements of the Receiver and its accounts.

SWORN before me at the City of Toronto, in the Province of Ontario, on January 22, 2015

A Commissioner for taking affidavits

**PAUL DENTON** 

Annette Chopovick, a Commissioner, etc., Province of Ontario, for A. Farber & Partners Inc. Trustee in Bankruptcy. Expires: April 15, 2016.

### AFFIDAVIT OF PAUL DENTON EXHIBIT "A"

#### This is Exhibit "A" to the Affidavit of

Paul Denton

Sworn before me this  $\cancel{2}$  day of January, 2015

A Commissioner, etc.

Annette Chopowick, a Commissioner, etc., Province of Ontario, for A. Furber & Partners Inc. Trustee in Bankruptcy. Expires: April 15, 2016.

## A. FARBER & PARTNERS INC.

# BENDING LAKE IRON GROUP LIMITED

# SUMMARY OF TIME INCURRED JULY 8, 2014 TO DECEMBER 31, 2014

July 8, 2014 to Sep 13, 2014 to Nov 1, 2014 to Dec 1, 2014 to

	\$450.19						
\$ 114,483.50	per hour	254.30	46.80	53.00	112.30	42.20	lotal
	average rate				- 1		
\$821.50	\$155.00	5.30	5.30				L. Lloyd-Key
\$46.50	\$155.00	0.30	0.10	0.20			G. Lowe
\$1,441.50	\$155.00	9.30	1.30		6.70	1.30	D. Falctone
\$2,495.50	\$155.00	16.10	9.00	6.40			A. Chopowick
\$99.00	\$165.00	0.60	09:0				L. Samoniov
\$25,272.00	\$405.00	62.40		16.70	42.90	2.80	r. Crawley
\$82,582.50	. \$525.00	157.30	33.50	29.20		38.10	P. Denton
\$1,725.00	\$575.00	3.00		0.50	2.50		G. Lifmen
		Hours	Hours	Hours	Hours	Hours	Name
Total Billing	Billing Rate	Total			•		
			Dec 31, 2014	Nov 30, 2014	Oct 31, 2014.	Sep 12, 2014	

Total Fees & Disbursements \$ 123,075.41

14,882.86

137,958.27

### AFFIDAVIT OF PAUL DENTON EXHIBIT "B"

#### This is Exhibit "B" to the Affidavit of

**Paul Denton** 

Sworn before me this 13 day of January, 2015

A Commissioner, etc.

Annette Chopowick, a Commissioner, etc., Province of Ontario, for A. Farber & Partners Inc. Trustee in Bankruptcy. Exptres: April 15, 2016.





September 16, 2014

2403177 Ontario Inc. 133 Cheltenham Avenue Toronto, ON M4N 1RI

Attention: Mr. C. Stuart Livingston

Invoice No. 11315R

#### RE: BENDING LAKE IRON GROUP LIMITED

TO PROFESSIONAL SERVICES RENDERED BY A. FARBER & PARTNERS INC. for the period July 8, 2014 to September 12, 2014.

DATE	SERVICE	STAFF
07/08/2014	Consulting fees - Corporate  Review of draft materials; review and provide background; liaise w	
07/08/2014	Consulting fees - Corporate  Review court appointment documents to P Denton.	Crawley ments and send
07/09/2014	Consulting fees - Corporate Review of emails; liaise with Den times.	Denton tons; review of Cour
07/10/2014	Consulting fees - Corporate  Review and sign Receiver Conser  LLP.	Denton  At; liaise with Denton
07/16/2014	Consulting fees - Corporate  Call with J Salmas; review of mat	Denton ters with P Crawley.
07/17/2014	Consulting fees - Corporate Call with J Salmas; draft propose review and cite BIA; update P Cr.	
07/17/2014	Consulting fees - Corporate Review PowerPoint overview of transportation options for Thund	
07/22/2014	Consulting fees - Corporate Review of emails; liaise with Den	Denton tons re: status of

motion and service of materials.

07/23/2014 Consulting fees - Corporate Denton Review of motion materials; review of matters with J Salmas; update proposed receiver's report to reflect experience and independence; review of matters with G Lifman, P Crawley. 07/24/2014 Consulting fees - Corporate Denton Review of motion materials served; review of updated proposed receiver report; liaise with P Crawley on same. 07/24/2014 Consulting fees - Corporate Crawley Review and edit report of proposed receiver and send to J Salmas. 07/25/2014 Consulting fees - Corporate Denton Review of the final report and supplementary materials. 07/25/2014 Consulting fees - Corporate Crawley Finalize and send court report to J Salmas. 07/30/2014 Consulting fees - Corporate Denton Follow up and review status of hearing date and motion materials; update G Lifman and P Crawley. 07/31/2014 Consulting fees - Corporate Denton Review of emails and status and date of motion. 08/01/2014 Consulting fees - Corporate Crawley Meeting with T Ungar. 08/01/2014 Consulting fees - Corporate Denton Review of Dentons LLP engagement letter; meeting with T Unger re: receivership process and powers. 08/06/2014 Consulting fees - Corporate Denton Review of status of motion; coordinate travel to Thunder Bay. 08/07/2014 Consulting fees - Corporate Denton Confirm travel to Thunder Bay and status of the motion. 08/11/2014 Consulting fees - Corporate Denton Review of emails re: hearing on August 14; confirm travel. 08/12/2014 Consulting fees - Corporate Denton Review of emails; planning for appointment Day 1, 2 matters; follow up local security and locksmiths in case required.

Consulting fees - Corporate Da Silva-Falcione Miscellaneous tasks in anticipation of receivership appointment tomorrow. 08/13/2014 Consulting fees - Corporate Denton Planning and liaison; provided guidelines for communications including the web site and Day 1 matters with D Falcione. 08/13/2014 Consulting fees - Corporate Denton Preparation for and travel to Thunder Bay. 08/14/2014 Consulting fees - Corporate Denton Preparation for and attendance at court (matter ultimately heard at close to noon for an hour); with adjournment to Sept 11 granted, made arrange for flight back instead of staying until Friday. 09/02/2014 Consulting fees - Corporate Denton Review of emails 09/03/2014 Consulting fees - Corporate Denton Review of emails; coordination for Sept 11. 09/04/2014 Consulting fees - Corporate Denton Review of emails. 09/05/2014 Consulting fees - Corporate Denton Review of emails; liaise with Ken Kraft; review travel plans. 09/08/2014 Consulting fees - Corporate Denton Review of emails. 09/09/2014 Consulting fees - Corporate Denton Review of emails; review of affidavit filed by BLIG legal counsel; liaise with Dentons. 09/10/2014 Consulting fees - Corporate Denton : Plan for and travel to Thunder Bay for court attendance; coordination of matters prior to attendance. 09/11/2014 Consulting fees - Corporate Da Silva-Falcione Update website with details of receivership appointment and upload pertinent documentation; draft and fax Order and correspondence to TD Canada Trust and Northern

08/13/2014

Credit Union re: receivership.

O9/11/2014 Consulting fees - Corporate Denton
Attendance at Thunder Bay court for appointment
motion; soon after appointment attendance at BLIG
office around 2:00 to meet Henry W, legal counsel Rob
MacRae, Susan King; coordination of appointment
matters with the Farber office; commence gathering and
review of information.

09/11/2014 Consulting fees - Corporate Crawley
Call to corporate counsel to advise of appointment and request corporate records.

09/12/2014 Consulting fees - Corporate Da Silva-Falcione
Draft initial Notice and Statement of Receiver for
P Denton and P Crawley review and additional
information.

O9/12/2014 Consulting fees - Corporate Denton
In Thunder Bay following court appointment; meet with
former CFO; attendance at BLIG office for most of day
thereafter encompassing collection and review of
information; interviews, discussions with Henry W,
Dawn MacKay, Susan King; back up of Quick Books,
travel back to Toronto.

09/12/2014 Consulting fees - Corporate Crawley
Call from Sheldon Huxtable and send Order along with request for documents.

Total for Services \$ 21,338.00

Expenses: P Denton - Travel Expenses (Aug 14) \$ 826.68 Photocopies, faxes, etc. 253.20

Total for Expenses <u>1,079.88</u>

Subtotal 22,417.88

HST <u>2,773.94</u>

Current Amount Due \$ 25,191.82

HST#136800752RT0001

#### A. FARBER & PARTNERS INC.

#### BENDING LAKE IRON GROUP LIMITED

#### SUMMARY OF TIME INCURRED JULY 8, 2014 TO SEPTEMBER 12, 2014

Name	Total Hours	Rate Per Hour	Billing
P. Denton	- 38.10	\$525.00	\$20,002.50
P. Crawley	2.80	\$405.00	\$1,134.00
D. Falcione	1.30	\$155.00	\$201.50
Total	42.20		\$21,338.00





November 24, 2014

2403177 Ontario Inc. 133 Cheltenham Avenue Toronto, ON M4N 1R1

Attention: Mr. C. Stuart Livingston

Invoice No. 11445

**RE: BENDING LAKE IRON GROUP LIMITED** 

TO PROFESSIONAL SERVICES RENDERED BY A. FARBER & PARTNERS INC. for the period September 13, 2014 to October 31, 2014.

DATE

**SERVICE** 

STAFF

09/13/2014

Consulting fees - Corporate

Denton

Over weekend review of information and notes taken;

provide recap to secureds and legal counsel.

09/15/2014

Consulting fees - Corporate

Da Silva-Falcione

Review/update creditors list; emails with P Denton re:

clarification.

09/15/2014

Consulting fees - Corporate

Denton

Review of information gathered Sept 11 and 12; update

file notes; review of matters with P Crawley and coordinate financial review process; liaise with Susan King regarding the status of the update of the books of account; draft and provide information request to H Wetelainen and legal counsel R MacRae; send off

information request.

09/15/2014

Consulting fees - Corporate

Crawley

Review various emails; met with P Denton to review information obtained and discuss immediate tasks to be completed; review financial statements; transfer

Quickbooks file and review accounting information.

09/15/2014

Consulting fees - Corporate

Chopowick

Preparation of correspondence to CRA with P Denton

and fax same.

09/16/2014

Consulting fees - Corporate

Denton

Follow up status of the update of financials with S King; review of matters with P Crawley re: information to be gathered and reviewed; review of s.245/246 reporting requirements; participate on conference call at 2:30 with

S Livingston and Dentons LLP re: status and the next steps; brief review of updated financials when received.

09/16/2014

Consulting fees - Corporate Crawley
Discuss s245/246 report requirements with P Denton;
review banking files received; conference call with
counsel and S Livingston to discuss receivership
mandate and sales process.

09/16/2014

Consulting fees - Corporate Document preparation.

Chopowick

09/17/2014

Consulting fees - Corporate Denton
Follow up H Wetelainen re: information request;
discussion with interested parties; review and gather
information for SISP process; review of financial position
and information provided by S King; review of the
creditors list; review of matters with P Crawley.

09/18/2014

Consulting fees - Corporate Da Silva-Falcione Set up contact list for engagement and add contacts per P Denton.

09/18/2014

Consulting fees - Corporate Denton
Follow up sales process info; review of power point status (Spring 2014); review of N 43-101; review of matters with P Crawley; review of SL appraisal valuation (Broad Oak Associates) review of reports prepared by J McConnell; follow up with CRA re: payroll and HST claims; discussions with interested parties.

09/18/2014

Consulting fees - Corporate Crawley
Review email from D Sheldon and correspond with
Dentons and P Denton re: same.

09/19/2014

Consulting fees - Corporate Da Silva-Falcione
Review and update creditors list for system import;
update and format creditor list to attach to Notice and
Statement of Receiver; emails with P Crawley.

09/19/2014

Consulting fees - Corporate Denton
Review of email from R MacRae; liaise with legal
counsel on same; review of sales process information;
review of s.245/246 report; call with S Livingston to
provide an update on activities to date; review of cash
transactions Nov 2011 to Dec 2012.

09/19/2014 Consulting fees - Corporate Crawley
Finalize list of creditors and prepare s245/246 Notice
and Statement of Receiver.

09/22/2014 Consulting fees - Corporate Da Silva-Falcione
Review and update creditors list in system per
P Crawley changes; adjust formatting for Notice and
Statement of Receiver; complete mailing of Notice and
Statement of Receiver; update website.

09/22/2014 Consulting fees - Corporate Denton
Review of s.245/246 report; review of information
gathered for SISP process; speak to interested parties;
review of matters with P Crawley; summarize review
of bank statements and cash flow.

09/22/2014 Consulting fees - Corporate Crawley
Finalize Notice and Statement of Receiver and creditor
list; discuss sales process and accounting research with
P Denton.

09/23/2014 Consulting fees - Corporate Denton
Contact the Ministry of Finance; contact the Ministry of
Northern Affairs and Mines; further review of financials
information; call with S Livingston; respond to call from
creditors.

09/24/2014 Consulting fees - Corporate Da Silva-Falcione
Receive Certificate from OR with Estate Number and
update system; complete Affidavit of Mailing re: Notice
and Statement of Receiver; update contact list.

09/24/2014 Consulting fees - Corporate Denton
Liaison with the Ministry of Finance; liaison with the
Ministry of Northern Affairs; call with John Salmas.

09/25/2014 Consulting fees - Corporate Da Silva-Falcione
Review response from TD Bank and forward to
P Denton and P Crawley.

09/25/2014 Consulting fees - Corporate Denton
Call with John Salmas; commence drafting CIM
document; call with interested party; liaise with the
Ministry of Northern Affairs.

09/26/2014 Consulting fees - Corporate Denton
Review of e-mails; review of status of discussions with
R MacRae; call S Livingston to provide an update.

			7 · · · · ·
			·
	09/26/2014	Consulting fees - Corporate Work on Bending Lake CIM doc	Chopowick rument with P Denton.
	09/29/2014	Consulting fees - Corporate	Denton
		Follow up the status of informat	ion requests; review of
		draft CIM	
	09/29/2014	Committing form Comments	Chiamaniniale
	07/27/2014	Consulting fees - Corporate	Chopowick
		Further work on CIM document P Denton.	and forward to
	10/02/2014	Consulting fees - Corporate Update CIM per P Denton.	Da Silva-Falcione
		Oborne Cust bei 1. Déinoir	
	10/02/2014	Consulting fees - Corporate	Dènton
	10/02/2011	CIM Drafting; brief P Crawley re	
		records; call with J Salmas re: rel	
		from BLIG and ongoing discussi	
	10/02/2014	Consulting fees - Corporate	Crawley
		Meet with P Denton to discuss of	
		records review; conduct books as	
		offices of D Sheldon, along with	
	10/03/2014	Consulting fees - Corporate	Denten
		Gather further information for SI matters with J Salmas; provide u	
	10/03/2014	Consulting fees - Corporate	Chopowick
		Revisions to CIM with P Denton.	
	10/03/2014	Consulting fees - Corporate	Crawley
		Prepare draft financial section in	
		P Denton.	
	4010410		
	10/06/2014	Consulting fees - Corporate	Denton
Von		Preparation for and participation and K Kraft; advance CIM.	on call with R MacRae
	10/07/2014	Consulting fees - Corporate	Denton
		Review and respond to enquiries	
		with MNDM; review of matters v	
	10/08/2014	Consulting fees - Cornerate	Denton
	10/08/2014	Consulting fees - Corporate  Respond to call from interest part	Denton

10/09/2014 Consulting fees - Corporate Crawley
Review bank records for Pathfinder Gold investor
deposit; review accounting records for Minister of
Finance account details and respond to J Rabin.

10/10/2014 Consulting fees - Corporate Denton

Coordinate access to the minute books; preparation for and call with Henry Wetelainen.

10/10/2014 Consulting fees - Corporate Crawley
Return call of supplier; forward additional information to
Ministry of Finance to assist in identifying accounts;
discuss travel arrangements with P Denton.

10/14/2014 Consulting fees - Corporate Denton
Review of matters with P Crawley; draft and provide
e-mail to MNDM.

10/14/2014 Consulting fees - Corporate Crawley
Review letter from counsel to D Sheldon; research
transactions with Pathfinder Gold and Pathfinder Metals
in Quickbooks.

10/15/2014 Consulting fees - Corporate Denton
Review of minutes summary; review of Pathfinder'
transactions; call H Wetelainen to arrange a conference
call; meeting with S Livingston to provide a status update.

10/15/2014 Consulting fees - Corporate Crawley
Summarize findings from minute book review; call with
counsel at Dentons; discuss next steps and site visit with
with P Denton; research accounting entries for treatment
of S Livingston's loan proceeds; online research at
MNDM website for mine development process.

10/16/2014 Consulting fees - Corporate Denton
Review of matters with P Crawley; preparation for and
participation on call with Henry W; Dawn MacKay,
Susan King and J Falkin; follow up and have call with
MNDM; call M Shedletsky.

10/16/2014 Consulting fees - Corporate Crawley
MNDM research; call with H Wetelainen, D McKay, Jack
and P Denton; call to MNDM to discuss claims status;
research claims map.

10/17/2014 Consulting fees - Corporate Denton
Call Dawn MacKay and review Windigo Ridge
unpatented claim status; review of information provided

by MNDM; review of matters with G Lifman; call with John Salmas; review of budget provided by H Wetelainen and his management team.

10/17/2014 Consulting fees - Corporate Crawley
Review various emails from P Denton throughout the
day; review P Denton's detailed update.

10/20/2014 Consulting fees - Corporate Denton

Review of emails from D MacKay; call with S Livingston to review status and next steps; liaise with legal counsel.

10/20/2014 Consulting fees - Corporate Crawley
Conference call with J Salmas and K Kraft; review NL

10/21/2014 Consulting fees - Corporate Crawley
Research claims status online and determine claims
cancelled in last 180 days; provide same to P Denton.

10/22/2014 Consulting fees - Corporate Denton

Call with legal counsel; call with H Wetelainen and

D MacKay re: budget; review of information.

10/22/2014 Consulting fees - Corporate Crawley
Call with H Wetelainen and D MacKay; discuss agenda
for site visit with P Denton.

10/23/2014 Consulting fees - Corporate Denton

Full day attendance at BLIG offices to review the proposed receivership sales process, information requirements, interested party list; review of transactions; review of premises lease; review of matters throughout the day with H Wetelainen, D MacKay, Susan King, J Falkins.

10/23/2014 Consulting fees - Corporate Crawley
Attend head office; meet with H Wetelainen, D MacKay
and JF; discuss status of claims, sales process and go
forward vision for ore body; review various agreements;
request MNDM to not cancel any further claims and to
reinstate those that cancelled subsequent to appointment.

10/24/2014 Consulting fees - Corporate Denton
Attendance at BLIG Offices; review of potential sales process and interested parties; review of certain transactions; review of agreements between BLIG and Windigo; review of records; box records for courier; review matters throughout the day with H Wetelainen, D MacKay and S King.

10/24/2014 Consulting fees - Corporate Crawley Attend premises; box books and records and arrange delivery to office; review transaction supporting documentation; meeting with H Wetelainen and D MacKay. 10/26/2014 Consulting fees - Corporate Crawley Review emails from P Denton and respond; summarize key findings and notes from site visit. 10/27/2014 Consulting fees - Corporate Crawley Call with C Bailey; review MNDM claims research. 10/27/2014 Consulting fees - Corporate Denton Review findings from attendance October 23, 24 and draft notes; review of matters with P Crawley; call S Rudofsky, potential interested party; liaise with MNDM; review of information from lodge owners; review status of minutes. 10/28/2014 Consulting fees - Corporate Crawley Review reports received from A Raoul; discuss reporting with P Denton; call to R Schenbein at MNDM. 10/28/2014 Consulting fees - Corporate Review of transactions; review matters with P Crawley; call with C Bailey; call with Allen Raoul; review of unpatented claims and status; liaise with MNDM. 10/29/2014 Consulting fees - Corporate Crawley Discuss info requirements with P Denton; review MNDM for further information on patented claims; call with HW and then R MacRae; prepare Windigo authorization for MNDM; research shareholder loan account details. 10/29/2014 Consulting fees - Corporate Denton Draft status report; review of matters with P Crawley and G Lifman; call H Wetelainen; call R MacRae; call MNDM; review of license agreement; call with J Salmas. 10/30/2014 Consulting fees - Corporate Da Silva-Falcione PPSA search. 10/30/2014 Consulting fees - Corporate Crawley Prepare post Nov 2012 cash transaction summary for P Denton. 10/30/2014 Consulting fees - Corporate Denton Preparation for and attendance at meeting with Stuart

forward strategy.

Livingston, John Salmas re: current status and go

10/30/2014 Consulting fees - Corporate Lifman Prepare for and attend meeting with S Livingston, J Salmas and P Denton re: current status and strategy going forward. 10/31/2014 Consulting fees - Corporate Crawley Return calls to two creditors enquiring about the receivership. 50,086.50 Total for services Expenses: P Denton/P Crawley-Travel (Oct 22-24) \$ 1,200.62 Filing fee 70.00 Courier charges 266.23 Photocopies, faxes, etc. 673.80

Total for expenses 2.210.65

Subtotal 52,297.15

HST 6.511.25

Current amount due \$ 58.808.40

HSTV136800752RT0001

#### A. FARBER & PARTNERS INC

## BENDING LAKE IRON GROUP LIMITED

# SUMMARY OF TIME INCURRED SEPTEMBER 13, 2014 TO OCTOBER 31, 2014

Name	Total Hours	Rate Per Hour	Billing	
G. Lifman	2.50	\$575.00	\$1,437.50	
P. Denton	56.50	\$525.00	\$29,662.50	
P. Crawley	42.90	\$405.00	\$17,374.50	
A. Chopowick	. 3.70	\$155.00	\$573.50	
D. Falcione	6.70	\$155.00	\$1,038.50	
Total	112.30		\$50,086.50	





December 10, 2014

2403177 Ontario Inc. 133 Cheltenham Avenue Toronto, ON M4N 1R1

Attention: Mr. C. Stuart Livingston

Invoice No. 11482

### RE: BENDING LAKE IRON GROUP LIMITED

TO PROFESSIONAL SERVICES RENDERED BY A. FARBER & PARTNERS INC. for the period November 1, 2014 to November 30, 2014.

DATE SERVICE STAFF 11/03/2014 Consulting fees - Corporate Denton Review of correspondence from R MacRae; review with legal counsel; respond to interested party, lake lodge owners. 11/04/2014 Consulting fees - Corporate Crawley Review letter from R.MacRae; begin preparation of an information teaser. 11/05/2014 Consulting fees - Corporate Denton Liaise with MNDM; follow up with R MacRae to coordinate call; call with J Salmas. 11/05/2014 Consulting fees - Corporate Crawley Call with J.Salmas to discuss next steps, the content of R. MacRae's letter; continue with information teaser and identification of assets available for sale by analyzing general ledger details. 11/06/2014 Consulting fees - Corporate Denton Follow up with MacRae re: call and information requests; liaise with the MNDM re: adjacent claims status. 11/07/2014 Consulting fees - Corporate Lifman Week of November 3, 2014, call from S. Livingston with request to call T. Ungar; call with T. Ungar. 11/07/2014 Consulting fees - Corporate Denton

First Court Report drafting; draft letter to S Huxtable;

call J Salmas; call S Livingston; review CIM draft and update.

11/07/2014	Consulting fees - Corporate Chopow Preparation of correspondence to S Huxtable with P Denton.				
11/10/2014	Consulting fees - Corporate Final revisions to correspondence initial drafting of court report with				
11/10/2014	Consulting fees - Corporate Drafting of first court report.	Denton			
11/11/2014	Consulting fees - Corporate Continue drafting of report with I	Chopowick P Denton.			
11/11/2014	Consulting fees - Corporate  Draft first court report; draft outling SISP; review of interested parties.	Denton ne and timetable of			
11/11/2014	Consulting fees - Corporate Review asset general ledger detail asset and equipment schedule; dis P.Denton re: report content, timing	scussion with			
11/12/2014	Consulting fees - Corporate First Report and CIM drafting.	Denton			
11/12/2014	Consulting fees - Corporate Finalize asset and equipment listin agreement from August 2012 and P.Denton; review draft report and edit as required.	discuss with			
11/13/2014	Consulting fees - Corporate Revisions CIM document with P I	Chopowick Denton.			
11/13/2014	Consulting fees - Corporate  First Court Report drafting; call work call with S Livingston; review of mand including draft report, CIM and te	natters with P Crawley			
11/13/2014	Consulting fees - Corporate  Edit first report; online claims sear security details.	Crawley rch for additional			
11/14/2014	Consulting fees - Corporate Revisions to CIM.	Chopowick			

11/14/2014 Consulting fees - Corporate Denton
Review teaser, CIM; call with J Salmas; Liaise with
J Mackie.

11/14/2014 Consulting fees - Corporate Crawley
Update information teaser per P.Denton's comments;
review CIM and add comments, content.

11/17/2014 Consulting fees - Corporate Denton
Review of draft report comments; review of motion
materials; liaise with legal counsel on same; review of
SISP process in detail with legal counsel review of
matters with PKC; turn draft report.

11/17/2014 Consulting fees - Corporate Chopowick
Contact The Northern Miner publication to discuss
options and costs for advertising sales process in their
December 8 issue; discuss same with P Denton.

11/17/2014 Consulting fees - Corporate Crawley
Review agreements received from D.Sheldon;
discussions with P.Denton; review draft order and
motion materials and respond to P.Denton with
comments; call with B.Moran re: FROR agreements and
missing schedules; call with R.Kennedy and B.Moran re:
report, motion materials and asset agreements.

11/18/2014 Consulting fees - Corporate Denton
Finalize First Court Report; review of fees/costs; call
with S Livingston; call with legal counsel; review of matters with
PKC.

11/18/2014 Consulting fees - Corporate Chopowick Revisions to court report with P Denton.

11/18/2014 Consulting fees - Corporate Crawley
Assemble and send claim schedules to P. Denton for
report; review CIM; prepare confidentiality agreement;
review and discuss latest R. MacRae letter with P.Denton.

11/19/2014 Consulting fees - Corporate Denton
Coordinate and participate on conference call with legal
counsel, HW, DM, R MacRae; review of matters with
PKC; coordinate update of web site for motion materials
and report served November 18.

11/19/2014 Consulting fees - Corporate Chopowick
Update website and attach document link.

11/19/2014 Consulting fees - Corporate Crawley Call with debtors counsel and directors; subsequent call with counsel to discuss next steps in pursuit of the SISP approval order. 11/19/2014 Consulting fees - Corporate Lowe Document preparation. 11/20/2014 Consulting fees - Corporate Denton Call J Mackie; update CIM; review of correspondence from CRA; respond to creditor queries. 11/21/2014 Consulting fees - Corporate Denton Review CIM draft; review of correspondence from R. MacRae; coordinate call from Monday am; work on agenda; review matters with J Salmas 11/24/2014 Consulting fees - Corporate Denton Coordination of conference call; preparation and planning including agenda and call with legal counsel for Receiver and secured lenders; convene and participate on call with debtor, and legal counsel for debtor, receiver and secured. 11/24/2014 Consulting fees - Corporate Crawley Conference call with counsel and debtors to review pending motion to approve SISP. 11/25/2014 Consulting fees - Corporate Denton Calls with J Mackie re: CIM and teaser; review of draft of mine description and review of market conditions; callwith SL re: MacRae correspondence and motion for November 27. 11/26/2014 Consulting fees - Corporate Denton Preparation for and meeting with SL and J Salmas; review of SISP matters and protocol with J Salmas; review of matters; review of final form of court order for SISP process as agreed to by the debtor; review of (Ungar) e-mail; review of e-mails from K Kraft in Thunder Bay in advance of November 27 motion.

11/27/2014 Consulting fees - Corporate Denton

Draft advertisement; update teaser; run the advert and

Consulting fees - Corporate

11/26/2014

Discuss sales teaser with R.Kennedy of Dentons.

Crawley

teaser by legal counsel; participate on call with Dentons and Buset & Partners; review SISP order and coordinate with AC to get posted; review of debtor invoice for services provided September, October and November 2014 (Aboriginal Forestry Training Association); update CIM for J Mackie comments.

11/27/2014

Consulting fees - Corporate

Chopowick

Update wording and post document to website.

11/28/2014

Consulting fees - Corporate

Finalize draft of teaser and advertisement; review,

coordinate with A Chopowick re: Northern Miner; provide copy of

teaser and advertisement to BLIG; review CIM draft updates and send to Dentons LLP for review; coordinate

update of web site for SISP Order.

11/28/2014

Consulting fees - Corporate

Chopowick

Emails and telephone discussion with J Crofts of Northern Miner re ad to be placed in their publication

regarding SISP.

Total for services

23,404.00

Expenses: Parking

74.00

Paul Denton and Peter Crawley Travel,

Hotel, Car Rental and Parking

2.635.08

Photocopies, faxes, etc.

318:00

Total for expenses

3.027.08

Subtotal

26,431.08

**HST** 

3,042,52

Current amount due

29,473,60

HST#136800752RT0001

## A. FARBER & PARTNERS INC.

## **BENDING LAKE IRON GROUP LIMITED**

# SUMMARY OF TIME INCURRED NOVEMBER 1, 2014 TO NOVEMBER 30, 2014

Name	Total Hours	Rate Per Hour	Billing		
G, Lifman	0.50	\$575.00	\$287.50		
P. Denton	29.20	\$525.00	\$15,330.00		
P. Crawley	16.70	\$405.00	\$6,763.50		
A. Chopowick	6.40	\$155.00	\$992.00		
G. Lowe	0.20	\$155.00	\$31.00		
Total	53.00		\$23,404.00		





January 8, 2015

2403177 Ontario Inc. 133 Cheltenham Avenue Toronto, ON M4N 1R1

Attention: Mr. C. Stuart Livingston

Invoice No. 11508

### RE: BENDING LAKE IRON GROUP LIMITED

TO PROFESSIONAL SERVICES RENDERED BY A. FARBER & PARTNERS INC. for the period December 1, 2014 to December 31, 2014.

DATE

**SERVICE** 

STAFF

12/01/2014

Consulting fees - Corporate

Denton

Work on SISP process including adjacent claim

re-staking status, review of agreements, review of CIM document with legal counsel; coordinate NDA and

Terms and Conditions.

12/01/2014

Consulting fees - Corporate

Chopowick

Review proof of ad for Northern Miner; discuss same with P Denton; sign and return insertion order; email to Globe and Mail regarding same ad to be placed in their

publication.

12/02/2014

Consulting fees - Corporate

Denton

Review of draft letter to R MacRae; review/confirm ad for Northern Miner; review of information for data room and

website.

12/03/2014

Consulting fees - Corporate

Denton

Call with Jay Mackie; review legal counsel comments on CIM; turn CIM document; review draft NDA agreement;

draft SISP process for web site; review of CRA

requirement; review with PKC.

12/04/2014

Consulting fees - Corporate

Dentor

Work on the SISP Process including interested party list, Globe & Mail advertisement, call with interested

parties; review of SISP terms and conditions.

12/04/2014

Consulting fees - Corporate

Lowe

Updating CIM.

12/04/2014 Consulting fees - Corporate Chopowick
Discussion with P Denton re drafted proof of ad for
Globe & Mail and costs; further revisions to ad;
preparation of interested parties list with P Denton.

12/05/2014 Consulting fees - Corporate Denton
Working on the SISP process including update of the
CIM and providing copy to HW, DM and RM; call with
DM; work on and coordinate interested parties list; call
with interested parties; assemble documents for virtual
data room including map; review ad for Globe & Mail.

12/05/2014 Consulting fees - Corporate Chopowick
Follow up regarding SISP ad in Globe & Mail; discuss
same with P Denton; revise ad and request new proof
and estimated cost.

12/08/2014 Consulting fees - Corporate Da Silva-Falcione
Update website with SISP details and documents.

12/08/2014 Consulting fees - Corporate Denton
Coordinate interested party lists; review with A Chopowick;
coordinate contacts with mining network with E Klein; call
with J Salmas; call with DM; call with SL; work on data room
with D Falcione.

12/08/2014 Consulting fees - Corporate Chopowick
Continue working on list of potentially interested parties
re sales process; update appendix to CIM; follow up
with Globe and Mail regarding ad to be placed in Dec 10
edition and provide approval.

12/09/2014 Consulting fees - Corporate Denton
Review of contacts and interested parties coordination;
liaise with interested party re Tata Steel contact; meeting
with secured creditor SL; review of Debtor invoice for
fees, charges; call with DM; update of website.

12/10/2014 Consulting fees - Corporate Da Silva-Falcione Draft correspondence per P. Denton; finalize and coordinate courier.

12/10/2014 Consulting fees - Corporate Denton
Provide notice and contact interested parties; review of
HST and payroll audit requirements.

12/10/2014 Consulting fees - Corporate Chopowick

Emails with J Croft of Northern Miner regarding request for copy of paper containing our ad; follow up email to P Denton.

12/11/2014 Consulting fees - Corporate Lloyd-Key
Researched contact names on spreadsheet provided by
company and Mr. Jay Mackie for missing email and
contact address for mailing purposes.

12/11/2014 Consulting fees - Corporate Denton
Review of interested party list; send teaser advice off to contacts; emails with J Falkins; coordinate call for 10:30
Friday for review of the CIM; call with secured creditor SL.

12/12/2014 Consulting fees - Corporate Lloyd-Key
Researched contact information from names on
spreadsheet for missing email and contact address for
mailing purposes.

12/12/2014 Consulting fees - Corporate Denton
Coordinate and participate on call with HW, DM, JK, RM
and JS; review of EA information provided; coordinate
distribution of teaser to interested parties; undertake
some one on one contact with interest parties; review of
costs to date; coordinate data room information.

12/12/2014 Consulting fees - Corporate Chopowick
Scan and forward copies of the SISP ads placed in the
Globe & Mail and the Northern Miner to P Denton;
preparation of email and list of interested parties; email
SISP information to various interested parties.

12/15/2014 Consulting fees - Corporate Denton
Follow up the company re: the CIM comments; review of fees and costs and provide summary to secured creditor SL; calls with interested parties; work on the data room.

12/16/2014 Consulting fees - Corporate Denton
Calls with interested parties; dealing with the draft CIM
with Jack Falkins; updating the data room; review of
email from shareholders re: access to minute books.

12/17/2014 Consulting fees - Corporate Denton
Review of R MacRae letter; call with legal counsel and
the secured creditor's legal counsel re: next steps; brief
review of McRae letter re CIM comments; liaise
with interested parties.

12/18/2014 Consulting fees - Corporate Denton

Review comments from R MacRae and Company on the draft CIM; follow up the Project Description and TOR; review of comments with JS; review draft response to shareholders re; access to minute books.

12/19/2014 Consulting fees - Corporate Denton

Follow up CIM information in particular the project description and terms of reference; provide response to shareholders re; access to minute book; draft email and provide draft CIM to Company and its legal counsel; confirm MNDM taxes payable; meet with SL.

12/22/2014 Consulting fees - Corporate Denton
Coordinate contact with interested parties where no

contact particulars; draft letter/notice for same; provide teaser to five interested parties through the day; coordinate payment of MNDM taxes and draft a

covering letter for same.

12/22/2014 Consulting fees - Corporate Chopowick

Preparation of correspondence to Ministry of Northern

Development and Mines.

12/22/2014 Banking - Corporate Samoilov Banking, posting.

12/23/2014 Consulting fees - Corporate Denton

Liaise with interested parties; review e-mails from legal counsel for BLIG; review of information received from D MacKay re: project description and terms of reference; arrange for information to posted to the data room; update the CIM for this information; provide draft CIM to BLIG

management and its legal counsel.

12/24/2014 Consulting fees - Corporate Da Silva-Falcione

Upload data room documents; request data room

launch.

12/24/2014 Consulting fees - Corporate Denton

Respond to interested parties information requests;

coordinate up date of data room.

12/29/2014 Consulting fees - Corporate Da Silva-Falcione

Draft correspondence to Ministry of Northern

Development and Mines.

12/29/2014 Consulting fees - Corporate Denton
Contact MacRae; draft and provide teaser notice to interested parties confirmed by J Mackie; review of documents required for the data room.

12/30/2014 Consulting fees - Corporate Denton

Liaise with R MacRae re: CIM; review of the data room status; update CIM for final comments, edits; meeting with Frank Smeenk, KWG Resources, and Don Sheldon re: process and potential transaction; liaise with interested parties; send emails to new interested parties identified; liaise with MNDM re: payment of taxes and property

claims in good standing.

12/30/2014 Banking - Corporate Samoilov Banking, posting.

12/31/2014 Consulting fees - Corporate Denton
Attend to finalization of CIM; coordinate finalization of
data room and access to same; provide copy of final
CIM to R MacRae and company; liaise with interested
parties; send emails to two interested parties.

Current amount due

24.484.45

HST#136800752RT0001

## A. FARBER & PARTNERS INC.

## BENDING LAKE IRON GROUP LIMITED

# SUMMARY OF TIME INCURRED DECEMBER 1, 2014 TO DECEMBER 31, 2014

Name	Total Hours	Rate Per Hour	Billing
P. Denton	33,50	\$525.00	\$17,587.50
L. Samoilov	0,60	\$165.00	\$99.00
A. Chopowick	6.00	\$155.00	\$930.00
D. Falcione	1.30	\$155.00	\$201.50
L. Lloyd-Key	5.30	\$155.00	\$821.50
G. Lowe	0.10	\$155.00	<b>\$1</b> 5.50
Total	46.80		\$19,655.00

# Appendix E

# ONTARIO SUPERIOR COURT OF JUSTICE

BETWEEN:

### **2403177 ONTARIO INC.**

**Applicant** 

- and -

### **BENDING LAKE IRON GROUP LIMITED**

Respondent

APPLICATION UNDER SUBSECTION 243(1) OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED AND SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED

# AFFIDAVIT OF JOHN J. SALMAS (Sworn January 20, 2015)

I, John J. Salmas, of the City of Toronto, in the Province of Ontario,

MAKE OATH AND SAY AS FOLLOWS:

I am a Partner with Dentons Canada LLP ("Dentons") counsel to A. Farber & Partners Inc., which was appointed as the receiver (the "Receiver") of the assets, undertaking and property of Bending Lake Iron Group Limited ("BLIG") pursuant to the Order of the Honourable Mister Justice D.C. Shaw, dated September 11, 2014. As such, I have knowledge of the matters to which I hereinafter depose. Unless I indicate to the contrary, the facts herein are within my personal knowledge and are true. Where I have indicated that I have obtained facts from other sources, I believe those facts to be true.

- Attached hereto and marked as Exhibit "A" are detailed invoices rendered by Dentons to the Receiver in these proceedings for the period from July 9, 2014, to December 31, 2014 (the "Invoices"). Also attached to Exhibit "A" are the pre-bills for each of the Invoices showing the amounts written down before the Invoices were prepared.
- Attached hereto and marked as Exhibit "B" is a schedule summarizing the time and value for each invoice in Exhibit "A", and attached hereto and marked as Exhibit "C" is a schedule summarizing the fees, disbursements and taxes per the total fees charged per Invoice. Exhibit "B" calculates the average rates based on the hours worked and the effective realization rates before applying reductions on the Invoices. Exhibit "B" also shows the hourly amounts as reduced on the Invoices.
- 4. The hourly rates charged, after accounting for the amounts written off before the invoices were prepared, represent, on average, over a 30% discount from the standard Dentons hourly rates for those individuals who worked on this matter.
- 5. I make this affidavit in support of a motion by the Receiver for, *inter alia*, approval of the fees and disbursements of Dentons and for no other or improper purpose.

JOHN J. S

SWORN before me at the City of Toronto in the Province of Ontario, this 20th day of January, 2015.

Commissioner for Taking Affidavits

LENNEIN KING

This is Exhibit	er	red to in the	
afficient of Tok	n Sa	mas	
swom before me this	20th	*********	
day of Janu	ary	20.15	
	111		
	A COMMERCO	NERL ETC	



Dentons Canada LLP 77 King Street West, Suite 400 Toronto-Dominion Centre Toronto, ON, Canada M5K 0A1

T 416 863 4511 F 416 863 4592 Salans FMC SNR Denton dentons.com

A. Farber & Partners Inc. 150 York Street Suite 1600 Toronto, ON M5H 3S5 **INVOICE # 3081752** 

GST/HST # R121996078 QST # 1086862448 TQ 0001

Attention: Paul Denton and Gary Lifman

Date September 30, 2014

Matter Number 559456-000001

<u>Lawyer</u> John Salmas

## A. Farber & Partners Inc. Re: Bending Lake Iron Group Limited

Professional Fees

\$ 22,184.00

Disbursements

602.53

HST (13.0%) on \$22,786.53

2,962.25

**Total Amount Due** 

\$ 25,748,78

DENTONS CANADA LLE

Per:

John Samas

1st Canadian Place, Toronto, ON

CAD Funds Bank Account: 0004-324

Swift Code: BOFMCAM2

Bank ID: 001 Transit: 00022

Pa	yment	<b>Options:</b>
		-

heques:

Wire Transfer:

Bank of Montreal

Cheques payable to Dentons Canada LLP and mailed to the above noted address.

Internet Banking:

Accepted at most financial institutions. Your payee is Dentons Canada LLP and

your account number is 559456. Please email us at

Edm.Accounting@dentons.com referencing invoice number and payment

amount.

Credit Card:

Payments are accepted via telephone, email or fax. We accept

Amount:

American Express, MasterCard or Visa (please circle one).

Card No.

Expiry Date:

Cardholder Name:

Signature:

Please email us at <u>Tor.Accounting@dentons.com</u> referencing invoice number and payment amount.

Payment due on receipt. Interest will be charged at the rate of 1.3% per annum on all outstanding amounts over 30 days.

### Invoice Detail

TO PROFESSIONAL SERVICES RENDERED for the period ending September 30, 2014:

Date	ID	Description of Work	Hours
09-Jul-14	CBM	Drafting and emailing the Receiver's consent to act.	0.5
10-Jul-14	СВМ	Email regarding the Receiver's consent to act (.1), revising consent to act (.2) and email to Paul Denton regarding same (.1).	0.4
17-Jul-14	JS	Review and comment on draft Receiver's report.	0.4
22-Jul-14	KK	Review draft report of proposed receiver and discuss comments with John Salmas;	0.3
22-Jul-14	JS	Comments on draft Receiver's report.	0.5
25-Jul-14	JS	Amendments to proposed Receiver's Report.	0.3
29-Jul-14	JS	Discussions regarding timing of Receivership Application.	0.3
01-Aug-14	JS	Discussions with Fabers regarding the matter.	0.2
08-Aug-14	JS	Review Factum and Book of Authorities (.4). Review correspondence regarding matter and court appearance (.2).	0.6
11-Aug-14	KK	Application related e-mails;	0.3
13-Aug-14	KK	Emails related to Bending Lake request for adjournment (.3); travel to Thunder Bay (1.0); review application record and supporting materials (.2);	1.5
14-Aug-14	KK	Meet with Stuart Livingston, Norm Ungar and Paul Denton to prepare for hearing (.5); review issues with Rodi-Lynn Rusnick-Kinisky (.5); attend on receivership motion (3.5);	4.5
02-Sep-14	KK	Telephone call with Michael Strickland to discuss communication with McRae and follow up e-mail exchanges with Stuart Livingston on debtor's position (.3); Paul Denton e-mail exchanges related to costs' submission (.2);	0.5
02-Sep-14	JS	Internal discussions regarding matters and timing of receivership application. Correspondence to and from Farbers regarding receivership application.	0.5
03-Sep-14	KK	Review e-mail from Rob MacRae with respect to proposal to defer receiver's appointment (.2); telephone call with Stuart Livingston to discuss response (.3); e-mails to Buset with respect to views on request from MacRae (.2);	0.7
04-Sep-14	KK	Rodi-Lynn Rusnick-Kinisky update on situation with Rob MacRae;	0.1
05-Sep-14	KK	E-mail exchange with Rodi-Lynn Rusnick-Kinisky in relation to communication from Rob MacRae (.1); forward documentation regarding costs from previous attendance (.1); telephone call with Paul Denton (.1);	0.3
08-Sep-14	KK	E-mails exchanged regarding draft Sinclair affidavit and MacRae request to defer order coming into force (.1); conference call with Stuart Livingston, Paul Denton and Rodi-Lynn Rusnick-Kinisky to discuss	0.7

Date	ID	Description of Work	Hours
		strategy (.4); e-mail from Stuart Livingston with BroadOak valuation letter and review same (.2);	
09-Sep-14	KK	Review Sinclair affidavit and amended affidavit (.5); e-mail exchanges regarding issues with material (.2); discuss with John Salmas strategy and whether any need for supplementary material (.3);	1.0
10-Sep-14	KK	Review application record (.4); e-mail exchanges and telephone call with Rodi-Lynn Rusnick-Kinisky regarding MacRae missing flight and requesting adjournment of tomorrow's application (.4);	0.8
11-Sep-14	KK	Meeting with Stuart Livingston, Paul Denton and Tom Ungar to prepare for hearing (.5); attend at motion to obtain order appointing receiver (3.5); follow up discussions with Rob MacRae and with CRA representatives (.3); discussion with Paul Denton and others about next steps (.5); telephone call with Paul Denton to discuss initial meetings and lease situation (.2);	5.0
11-Sep-14	15	Internal discussions regarding appointment of Receiver (.2). Review correspondence from Farbers regarding meeting with Rob McRae and Henry Wetelainen (.2).	0.4
12-Sep-14	KK	Review Paul Denton update e-mail and exchanges related to status of searches on mine site;	0.3
12-Sep-14	JS	Correspondence to and from Receiver.	0.2
14-Sep-14	KK	Review Paul Denton summary and e-mail to him;	0.3
15-Sep-14	JS	Review reporting email from Farbers (.1). Correspondence from Farbers to Henry Wetelainen (.2).	0.3
16-Sep-14	KK	Conference call with Farbers (Paul Denton, Gary Lifman, Peter Crawley), Stuart Livingston and John Salmas to discuss moving process forward and options in light of information gained over first few days of receivership and what materials may already be available to assist in putting CIM together (.4); e-mail to group with valuation that Stuart had received from Broad Oak (.1);	0.5
16-Sep-14	JS	Discussions with P. Denton (.4). Review allocation report (.3). Correspondence to and from Farbers (.2). Attended telephone conference call with K. Kraft, S. Livingston and Farbers (.4).	1.3
l7-Sep-14	KK	E-mail exchanges with Paul Denton regarding follow up on due diligence requests from Henry and on notices regarding tax arrears;	0.3
8-Sep-14	KK	E-mails exchanged related to review of records and next steps;	0.1
.8-Sep-14	JS	Internal discussions regarding tax documents. Review correspondence from Thunder Bay tax office. Review correspondence from Farbers.	0.1
8-Sep-14	MS	Telephone call and e-mails with receiver re owing tax bills (.2). Review files re same (.2).	0.4
9-Sep-14	KK	Numerous e-mails exchanges regarding access to information and role of Tom Ungar and request to provide valuation;	0.2
9-Sep-14	JS	Review correspondence involving Farbers and counsel to BLIG. Discussions with Farbers.	0.5
3-Sep-14	KK	E-mail exchanges with Paul Denton regarding form of statutory notice	0.3

Re: Bending Lake Iron Group Limited

INVOICE 3081752 Page 4 of 4 Matter # 559456-000001

Date	ID	Description of Work				Hours			
		and on proposed timeline to prepare Si request for undertaking from MacRae books (.1);							
23-Sep-14	JS	Discussions with P. Denton (.5). Mess Appraisal Report (.5).	sages to R	. McRae (.:	2). Review	1.2			
24-Sep-14	15	Review correspondence between Farber and Ministry of Finance (.3). Internal discussions regarding matter (.9). Review correspondence between Farbers and Ministry of Northern Development. Discussion with P. Denton (.3).							
24-Sep-14	MS	Review and respond to e-mails re request for property claims information (.2). Review files re same (.1).							
25-Sep-14	JS	Review correspondence (.1). Discussions with P. Denton (.4). Message to R. McRae (.2). Correspondence to R. McRae following up on information requests (.2).							
26-Sep-14	JS	Messages to and from Receiver (.3). C (.2).	orrespond	ence to BL	IG counsel	0.5			
30-Sep-14	JS	Discussions with R. McRae regardin Receiver (.5). Status discussions with Pa	g delivery	y of information (.4).	mation to	0.9			
		Total				29.9			
TOTAL PRO	FESSION	NAL FEES			\$ 22,184	4.00			
TAXABLE DI	SBURSE	MENTS							
Airfare/	Travel		\$	238.63					
Accomn		••	~	145.00					
		Documents		7.40					
		itle Search		87.00					
Long Dis	tance T	elephone Calls		19.78					
Meals &				50.15					
Transpo	rtation	Costs		54.57	_				
OIAL IAXA	ARFE DIS	BURSEMENTS	\$	602.53					
OTAL DISB	URSEMI	ENTS			602	.53			
OTAL FEES	AND Di	SBURSEMENTS			\$ 22,786	.53			
AXES									
HST (13.0	0%) on F	Professional Fees of \$22,184.00	\$	2,883.92					
HST (13.0	0%) on 1	axable Disbursements of \$602.53		78.33					
OTAL TAXES	5				2.962.	<u>.25</u>			
OTAL AMO	UNT DU	E			\$ 25,748.	78			
					4	كثف			

Today's Date: 02/10/2014 Proforma #:2438698

Matter #:559456-000001 Invoice #:\*\*\*\*\* Page 1 (1)

Generated at 30/09/14 by scooper

Client: A. Farber & Partners Inc. Matter: Bending Lake Iron Group Limited

Matter Bill Lawyer: 8909 John Salmas Matter Resp Lawyer: 8909 John Salmas

Matter Billing Instructions:

Place of Supply(Tax): Ontario

Client: 559456

A. Farber & Partners Inc.

Matter: 559456-000001 Bending Lake Iron Group Limited

Matter Currency:

Paul Denton and Gary Lifman Contact:

Matter Title:

Billing Address:

A. Farber & Partners Inc.

150 York Street

Suite 1600

Toronto, ON M5H 3S5

Bill Format: T7-S0

Client Title:

Policy/Claim:

DOL:

Other Ref.:

Header Ref 1:

Header Ref 2:

Bill Ref 3:

Bill Ref 4:

		TIME	EEPER SUMMARY					Fees fr	om 01/01	/00 to 30	/09/14	
Loc	Tkpr #	Title	Name	Last Time	Work	Work		Work	Billed	Adjust	Bill	% Adj
				Batry	Rate	Hours	v	alue	Value		Amount	
0 1	5389	Associate	Moran, Christopher I	31a13/88/14	360.00	4.00	1,4	40.00	1,440.00			0.0
<b>O</b> 1	6937	Student	Augustinovic, Danije	1 15/08/14	240.00	4.00	9	60.00	960.00			0.0
01	8908	Partner	Kraft, Kenneth	24/09/14	800.00	27.30	21,8	40.00 2	1,840.00			0.0
01	8909	Partner	Salmas, John	30/09/14	700.00	13.90	9,7	30.00	9,450.00			(3.0)
01	8913	Associate	Shedletsky, Michael	24/09/14	400.00	0.70	2	80.00	280.00			0.0
			TOT	PAL PAL		49.90	34,2	50.00 3	3,970.00			(1.0)
			Adj	ustment Up(	Down)				0.00			0.0
			TO	AL FEES				3	3,970.00			(1.0)
			DISBURSEMENT SUMMARY				D:	isbursemen	ts from	01/01/00 t	:0 30/09/14	
Code	Desci	ription			Qty	Wor	k Amt	Adj Work	Amt	Adjust	Bill Am	Ŀ
202	Bir	nding Books	/ Documents		1		7.40		7.40			
218		ser Printing			820	2	05.00	20	5.00		PV	
246	eCa	rswell Onli	ne Search		1	2	74.00	27	4.00			<b>L</b> ,
254	Con	puterized T	itle Search		3		87.00	8	7.00			/
30	Air	fare			1	2	38.63	23	B.63			/
406	Mea	ls and Bever	rages		2		50.15	5	0.15			₩
6	Acc	commodations			2	2	89.61	28	9.61		145	
642	Tax	i Charges			2		54.57	5				
645	Lon	g Distance 1	Selephone Calls		11		19.78	1	9.78			***
				TOTAL		1,2	26.14	1,22	5.14			
Add	'Antici	pated Disbur	sements:	TOTAL DI	SB			1,22	5.14			
Code [	escrip	tion	•		Qty							
					4-,							

WARNING: Excluded disbursements exist for this matter

TOTAL FEES, DISB & TAX

TOTAL DISB

TOTAL of Anticipated Disb

39.771.64

oday's Date: 02/10/2014 Proforma #:2438698 enerated at 30/09/14 by scooper

Matter #:559456-000001 Invoice #:\*\*\*\*\* Page 2 (2)

Client: A. Farber & Partners Inc.

Matter: Bending Lake Iron Group Limited

ode Description

Qty

Work Amt Adi Work Amt

Adjust

Bill Amt

econd Lawyer Signature

when required - see next page)

Billing

John Sal

Today's Date: 02/10/2014 Proforma #:2438698
Generated at 30/09/14 by scooper

Matter #:559456-000001 Invoice #:\*\*\*\*\* Page 3 (3)

Client: A. Farber & Partners Inc.

Matter: Bending Lake Iron Group Limited

### Approval Criteria:

- 1) All Billing instruction forms require approval of the Matter Billing Lawyer
- 2) A second lawyer approval is required when time adjustments exceed \$1,000 and/or disbursement adjustments exceed \$250:
  - if fees adjusted by <= \$5,000 then require approval of the Department Manager
  - if fees adjusted by > \$5,000 then require approval of Managing Partner

Note: Up to 25% of student time may be written off/adjusted without allocation to other timekeepers. All other adjustments must be prorated across invoice timekeepers.

J) Time and/or disbursements transferred from 'billable' to 'non-billable' status must be approved by the Controller, Director of Finance, or Accounting Manager

Billing History			Accounts Re	Accounts Receivable			Write-Up(Down) - Lifetime		
Last Bill:			Last Payment:			WIP	AR		
	Year-to-Date	Lifetime	0-30 days	0.00					
ees	0.00	0.00	31-60 days	0.00	Pees	0.00	0.00		
osts	0.00	0.00	61-90 days	0.00	Costs	0.00	0.00		
axes	0.00	0.00	91+ days	0.00	Taxes	0.00	0.00		
Total	0.00	0.00	Total	0.00	Total	0.00	0.00		

Proforma Fee Summary by Location	Worked Hours	Worked Amount	Billed Hours	Billed Amount	% (by Billed Hrs)
01 Toronto	49.90	34,250.00	49.50	33,970.00	100 %
Total	49.90	34,250.00	49.50	33,970.00	100 %

MST Transition Period - t of Fees < = > July 1/2010 (refer to 90% tax fee rule)

			Billed Amt		
fees •	<= June	30/2010	0.00	0.0	
rees >	> July	1/2010	33,970.00	00.0	8
Total			33,970.00	0.0	

Proforma Tax Detail	Taxable Amount	GST/HST	GST/HST Rate	PST/OST	PST/OST Rate	and the same of the same and the same	
Fees Taxable - ONF	33,970.00			-	F317Q31 Kace		
Cooks as All some	33,7.0.00	4,416.10	13.0 %	.00	•		
Costs Taxable - ONC	1,226.14	159.40	13.0 %	.00	•		
Total	35,196.14			.00	•		
	33,130.19	4,575.50	4,575.50				

Tax Codes in matter setup:

ees - ONF

losts - ONC

'lace of Supply(Tax): Ontario

datter Budgets Budget Hrs Budget Value LTD Bours LTD Value Variance Hrs Variance Value

rust Summary - as of 14:11 02/10/2014

otal Trust for the Matter

\*Today's Date: 02/10/2014 Proforma #:2438698
Generated at 30/09/14 by scooper

Matter #:559456-000001 Invoice #:\*\*\*\* Page 4 (4)

Client: A. Farber & Partners Inc.

Matter: Bending Lake Iron Group Limited

Time Detail	ls:												
Index	Date	Description	of Professional	Services		Tkpr	# Name		Worked	Worked	Billed	Tax	Task/
									Hours	Value	Value	Code	Act
23667987 0	9/07/14	D t		·	Ł	5389	Moran,	Christopher	B1 0/50	180.00	180.00	OFF	
23667865 1	0/07/14	e a 'P			727	5389	Moran,	Christopher	B1 9/60	144.00	144.00	ONF	
23679077 1	7/07/14	R r			920	8909	Salmas	, John	0.60	420.00	280.00	ONF	
23645879 2.	2/07/14	F ***			ż	8908	Kraft,	Kenneth	0.30	240.00	240.00	ONF	
23679080 2	2/07/14	•				8909	Salmas	, John	0.50	350.00	350.00	ONF	
23 <del>679083</del> **2:		1				8909	Salmas	, John	-0:30	21 <del>0</del> .00	<del>2100</del> 0-	~*******	<del>-</del>
23679086-24	<del>1/07/14</del>	4				- 89.09.	. Salmao,	John	10.0	280.00	140:00	~- <del></del>	<del>- }</del> -
23679091 25	5/07/14	i				8909	Salmas,	John	0:30	210.00	210.00	ONF	('
23679095 29		I 1			.p	8909	Salmas,	John	0.30	210.00	210.00	ONF	
23765686 01	/08/14	ſ			ŗ.	8909	Salmas,	John	0.40	280.00	280.00	ONF	
2 <del>0097447 0</del> 5		I			£	8908	Kraft,	Kenneth · ·	·	··· <b>4</b> 9999	4.00.00	ONE	
237 <del>10262 06</del>	/08/14	i				5389	Moran,	Christopher	<del>Bl21</del> 40	864.00	864.00-	ONF.	
237 <del>22651-06</del>	. 1				,	6937	Augusti	novic, Danije	s <del>l 2.90</del>	696.00	696.00	ONE	+
Ren	ب				<u>L</u>								
237 (0430 07	/08/14					5389	Mogan, (	Christopher E	31 0.50	180.00	160:00	ONF	1
23765695 08/	/08/14				,	8909	Salmas,	John	0.60	420.00	420.00	On <del>je</del>	
23777419 11/	/08/14			:		3908	Kraft, F	enneth	0.30	240.00	240.00	ONF	

the second and an area

'Roday's Date: 02/10/2014 Proforma #:2438698 Renerated at 30/09/14 by scooper

Matter #:559456-000001 Invoice #:\*\*\*\*\* Page 5 (5)

Client: A. Farber & Partners Inc.

Matter: Bending Lake Iron Group Limited

Index Date	Description of Professional Services	Tkpr	# Name	Worked Hours	Worked Value	Billed Value	1	sk/ ct
2 <u>3777382-12/08/14</u>	<b>⊣</b>	. <del>89</del> 08	'Kraf <del>u, Ke</del> nneth''''	0:50	400.00	400.00	UN	
23 <del>753032-13/08/1</del> 4		5.389	. Moran, Christ <u>op</u> her,	.B1 0 . 2°0'	72.00	72:00		-
23777354 13/08/14	E e	. · . 8908	Krāft, Kenneth	1.5	2,800.00	2,800.00		. ^
 23754295 14/08/14			Augustinovic, Danij	/, N	194.00	144.00	ON	
23777120 14/08/14	•		143012-13	g gargett i ta tarri.	5,600.00	5,600.00	ONF /	
			e e e e e e e e e e e e e e e e e e e	9,5	din 114 ste helt artalise beganne			
23754218 15/08/14	-		Augustinovic, Danij	~ /	120.00	120.00	ONF	
23788975 02/09/14	<del>.</del>	8908	Kraft, Kenneth	0.50	400.00	400.00	ONF	
	1 4	8					ā	
23875077 02/09/14		8909	Salmas, John	0.50	350.00	350.00	ONF	
23794237 03/09/14		8908	Kraft, Kenneth	0.70	560.00	560.00	ONF	
		1 10					:	
23798593 04/09/14		8908	Kraft, Kenneth	******	240.00	240.00	ONF	
23802592 05/09/14		8908 an	Kraft, Kenneth	0.30	240.00	240.00	ONE	

roday's Date: 02/10/2014 Proforma #:2438698 enerated at 30/09/14 by scooper

Matter #:559456-000001 Invoice #:\*\*\*\*\* Page 6 (6)

Client: A. Farber & Partners Inc.

Matter: Bending Lake Iron Group Limited

Index Date Description of Professional Services	Tkpr	f Name	Worked Hours	Worked Value	Billed Value	Tax Task
23844405 08/09/14	r 8908 er	Kraft, Kennéth	0.70	560.00	560.00	ONF
	/nn ll					
	•					
23825 <del>081 08/09/14</del>	ē	Salmas, John	<del>0:30</del>	210:00	·····210:00·	011
23814380 09/09/14		Kraft, Kenneth	1.00	800.00	800.00	ONF
	}\$	£				
2 2875088 09/09/14.	·· ~8909	Salmas, Johnson		560.00	560.00	ONF
). I	85)					
23844364 10/09/1	8908	Kraft, Kenneth	.8	1,840.00	1,840.00	ONF
₩4 ( ₩ M	d a					
a						
2 3.8.7.5.0.9.5	``8909	Salmas, Jöhn 🤭	0.70	490.00	490.00	ONF
rı	¥		5.0			
23832683 11/09/14 Me an at	8908	Kraft, Kenneth	<del>4+50</del>	5,200.00	5,200.00	ONE
re // Ro. (•						e de la companya de l
Pai les	81					
Λtx.						
23875142 11/09/14 Int of	8909	Salmas, John	0.40	280.00	280.00	ONF

ì

Matter #:559456-000001 Invoice #:\*\*\*\*\* Page 7 (7)

Client: A. Farber & Partners Inc.

Matter: Bending Lake Iron Group Limited

Index Date	Description of Professional Services	Tkpr # Name	Worked Hours	Worked Value	Billed Value	Tax Tas
		nd				
3826284 12/09/14		. 8908 Kraft, Kennet	h . 0.30	240.00	240.00	ONE
3875103 12/09/10	· ·	8909 Salmas, John	0.20	140.00	140.00	ONF
3830708 14/09/1	ı	:m; 8908 Kraft, Kennet	n 0.30	240.00	240.00	ONE
3832877_15/00/1	<b>⊢</b>	##	0.28	150.00	160.00	ONE
3875176 15/09/1	ı ·	8909 Salmas, John	0.30	210.00	210.00	ONF
3841653 16/09/14	; <b>(</b>	8908 Kraft, Kennet	n 0.50	400.00	400.00	ONF
	1 1 3 r	3				
	b t v e **					
875183 16/09/14	a f	8909 Salmas, John	1.30	910.00	910.00	ОИЕ
1844410 17/09/14	C F. E.	8908 Kraft, Kennetl	n 0.30	240.00	240.00	ONF
	£,	×i				
.876 1 <del>90-17/0</del> 9/14	टर	8909 Salmas, John	0.20	140.00	140.06	011
845348 18/09/14		· 8913 Shedletsky, Mi	ichael 0.40	160.00	160.00	ONF
855029 18/09/14	E- re	8908 Kraft, Kenneth	ه م	240.00	240.00	ONF
875199 18/09/14	In do	8909 Salmas, John	0.30	210.00	210.00	ONE

Today's Date: 02/10/2014 Proforma #:2438698

Generated at 30/09/14 by scooper

Matter #:559456-000001 Invoice #:\*\*\*\*\* Page 9 (9)

Client: A. Farber & Partners Inc.

Matter: Bending Lake Iron Group Limited

Index	Date	AP Voucher	Disb Code	Tkpr	Qty	Worked Amount	Adj Worked Amount	Description	Tax Code
								A Comment	
	97 16/07/14		645	5389	1	3.22	3.22	Telephone; 18076267100; Thunder ON; 4495	ON
	98 22/07/14		645	5389	1	7.82	7.82	Telephone; 18076232500; Thunder ON; 4495	ON
	99 24/07/14		645	5389	1	2.30	2.30	Telephone; 18076232500; Thunder ON; 4495	ON
	51 29/07/14		246	5363	1	274.00	274.00	"eCarswell Online Search/MORAN, BLAKE"	ON
	00 29/07/14 01 29/07/14		645	5389	1	0.46	0.46		i ON
	02 30/07/14		645	5389	1	2.30	2.30	Telephone; 18076232500; Thunder ON; 4495	ON
	03 30/07/14		645	5389	1	0.46	0.46	The state of the s	ON
	79 05/08/14		645	5389	1	0.46	0.46	Telephone; 18076232500; Thunder ON; 4495	ON
	80 06/08/14		218 218	5389	12	3.00	3.00	Laser Copy; Christopher Blake Mo	ON
	81 06/08/14		218	6937 3698	59	14.75	14.75	Laser Copy; Augustinovic, Danije	ON
	04 06/08/14		645	5389	11	2.75	2.75	Laser Copy; CHUNG G	ON
	05 06/08/14		645	5389	1	0.46	0.46	Telephone; 18076232500; Thunder ON; 4495 Telephone; 18076232500; Thunder ON; 4495	ON
	82 07/08/14		218	4102	1		0.46		ON
	06 07/08/14		645	5389	1	0.25 1.38	0.25	Laser Copy; SorbaraS Telephone; 18076232500; Thunder ON; 4495	ON
	83 08/08/14		218	5479	404	101.00	1.38	Laser Copy; Erandio, N.	ON
	84 08/08/14		218	4102	1	0.25	0.25	Laser Copy;SorbaraS	ON
	50 08/08/14		218	8908	8	2.00	2.00		ON
	80 08/08/14		202	8913	1	7.40	7.40	Laser Copy;Krarft, Kenneth  Tabs / Cerlox / Clear Cover	ON
	07 13/08/14		645	5389	1	0.46	0.46	Telephone; 18076232500; Thunder ON; 4495	ł ONG
	45 18/08/14		254	5991	1	55.00	55.00	Computerized Title Search	ON
	46 18/08/14		254	5991	1	28.00	28.00	Computerized Title Search	ON
	47 18/08/14		254	5991	1	4.00	4.00	Computerized Title Search	ON
	98 31/08/14		218	8908	2	0.50	0.50	Laser Copy; Krarft, Kenneth	ONG
678172	99 02/09/14		218	8908	7	1.75	1.75	Laser Copy; Krarft, Kenneth	ONG
677763	82 03/09/14	1145512		8908	1	166.50	166.50	Hotel - Valhalla Inn, Thunder Bay, Ontario;	ONG
					-	100.50	100.30	2014-8-14	02.10
677763	83 03/09/14	1145512	642	8908	1	29.77	29.77		ONG
677763	84 03/09/14	1145512	406	8908	1	7.03	7.03	Meal - Thunder Bay Airport; 2014-8-14	ONG
677763	88 03/09/14	1145512	642	8908	1	24.80	24.80	Taxi - Airport to home; 2014-8-14	ONG
678389	27 03/09/14		218	8908	4	1.00	1.00	Laser Copy; Krarft, Kenneth	ONG
678389	28 05/09/14		218	8908	1	0.25	0.25	Laser Copy; Krarft, Kenneth	ONG
678389	29 08/09/14		218	8908	15	3.75	3.75	Laser Copy; Krarft, Kenneth	, ONG
678529	22 09/09/14		218	8908	11	2.75	2.75	Laser Copy; Krarft, Kenneth	ONO
679422	48 16/09/14		218	5479	218	54.50	54.50	Laser Copy; Erandio, N.	ONG
679795	10 19/09/14	1148114	6	8908	1	123.11		.Hotel - Valhalla Inn - Thunder Bay - September	ONO
								11, 2014 (half); 2014-9-11	
679795	14 19/09/14	1148114	406	8908	1	43.12	43.12	Meal - Timbers - Valhalla Inn; 2014-9-11	ONO
679795	15 19/09/14	1148114	30	8908	1	238.63		Flight - Air Canada - return Toronto to Thunder	ONG
								Bay - September 11, 2014 (half); 2014-9-11	
680412	45 25/09/14		218	8919	66	16.50	16.50	Laser Copy;Cooper, Sandra	ONO
				TOTAL		1,226.14	1,226.14	- <del></del>	1

END OF PROFORMA



Dentons Canada LLP 77 King Street West, Suite 400 · **Toronto-Dominion Centre** Toronto, ON, Canada M5K 0A1

T 416 863 4511 F 416 863 4592

Salans FMC SNR Denton dentons.com

A. Farber & Partners Inc. 150 York Street **Suite 1600** 

Toronto, ON M5H 3S5

**INVOICE # 3090720** 

GST/HST # R121996078 QST # 1086862448 TQ 0001

Attention: Paul Denton and Gary Lifman

Date November 25, 2014 **Matter Number** 559456-000001

Lawyer **John Salmas** 

### A. Farber & Partners Inc. Re: Bending Lake Iron Group Limited

**Professional Fees** 

16,744.00

**Disbursements** 

439.94

HST (13.0%) on \$17,183.94

2,233.91

**Total Amount Due** 

19.417.85

**DENTONS** 

Per:

John Salmad

Pay	ment	Optiv	ns:

Wire Transfer:

Cheques payable to Dentons Canada LLP
Cheques payable to Dentons Canada LLP and mailed to the above noted address.

**Internet Banking:** 

Accepted at most financial institutions. Your payee is Dentons Canada LLP and

your account number is 559456. Please email us at

Edm.Accounting@dentons.com referencing invoice number and payment

Payments are accepted via telephone, email or fax. We accept

Amount:

amount.

Credit Card:

Bank of Montreal 1st Canadian Place, Toronto, ON

Swift Code: BOFMCAM2 Bank ID: 001 Transit: 00022

CAD Funds Bank Account: 0004-324

American Express, MasterCard or Visa (please circle one).

Card No. Expiry Date:

Cardholder Name: Signature:

Please email us at Tor.Accounting@dentons.com referencing invoice number and payment amount. Payment due on receipt. Interest will be charged at the rate of 1.3% per annum on all outstanding amounts over 30 days.

### Invoice Detail

TO PROFESSIONAL SERVICES RENDERED in connection with the above noted matter:

Date	ID	Description of Work	Hours
01-Oct-14	JS	Review correspondence from Robert McRae (.5). Correspondence to Paul Denton (.2).	0.7
02-Oct-14	СВМ	Attend offices of Sheldon Huxtable Professional Corporation to review minute books of Bending Lake Iron Corporation and collect important/relevant documents.	3.0
02-Oct-14	JS	Correspondence from Robert McRae (.3). Correspondence to and from Paul Denton (.2). Internal discussions and reporting from Blake Moran regarding review of BLIG corporate records (.2). Discussions with Paul Denton (.2).	0.9
03-Oct-14	JS	Review correspondence from Buset & Partners (.3). Correspondence to and messages from Rob McRae (.4). Correspondence from and discussions with Paul Denton (.2).	0.9
06-Oct-14	KK	E-mail exchanges on information requests (.3); conference call with Paul Denton and Rob MacRae to discuss debtor's concerns over information requests (.7);	1.0
07-Oct-14	KK	Paul Denton e-mail and issues regarding forensic audit and Pathfinder relationship to BLIG (.2); update John Salmas on discussions yesterday with Rob MacRae (.1);	0.3
08-Oct-14	KK	John Salmas and Paul Denton e-mail exchanges and telephone call with Paul to discuss Tom Ungar information requests and follow up to Henry Wetalainen regarding information flow;	0.3
08-Oct-14	JS	Internal discussions regarding BLIG issues.	0.3
09-Oct-14	KK	E-mail exchanges with Paul Denton regarding information requested by Tom Ungar, access to corporate records in possession of Sheldon Huxtable and information requests from Henry Wetalainen and Rob MacRae;	0.3
09-Oct-14	JS	Correspondence to and from Paul Denton.	0.4
10-Oct-14	СВМ	Emails regarding delivery of minute books (.2). Draft letter to Sheldon Huxtable regarding minute books (.4).	0.6
10-Oct-14	KK	E-mail exchanges with Paul Denton and Blake Moran regarding following up to obtain records and contacting Henry Wetalainen to obtain information;	0.3
10-Oct-14	JS	Review correspondence to and from Receiver regarding corporate record books (.1). Correspondence to and from Farbers regarding appointment order (.2).	0.3
11-Oct-14	KK	Review draft letter related to retrieving corporate records;	0.2
14-Oct-14	СВМ	Update letter regarding delivery of minute books (.2). Email letter and organize delivery of same (.2).	0.4

Date	ID	Description of Work	Hours
15-Oct-14	4 MS	Telephone call with Paul Denton re chronology of loan agreement amendments, extensions and forbearances and negative covenants related to funds received by debtor.	0.3
17-Oct-14	СВМ	Follow up email (.1) and phone call with Don Sheldon regarding minute books (.4).	0.5
17-Oct-14	l IS	Update discussion with Paul Denton (.6). Review correspondence to DNDM (.4).	1.0
17-Oct-14	MS	Review loan documents and e-mail Paul Denton re covenants and obligations to disclose or make payments.	8.0
20-Oct-14	k KK	Review Paul Denton e-mails on SISP and general information update and questions regarding mining claims for Bending Lake and related companies that may have lapsed (.3); conference call with Paul Denton and Peter Crawley to consider options ahead of meetings Farbers will have with debtor in Thunder Bay later this week (.6); follow on discussion with John Salmas (.1); additional Paul Denton e-mail with relevant agreements (.2);	1.2
20-Oct-14	JS	Review Receiver reporting on status of BLIG efforts (.6) and proposed budget. Internal discussions regarding matter (.2). Attended telephone conference call with Ken Kraft and Paul Denton, Peter Crawley and Gary Lifman (.6). Correspondence from Receiver regarding Property claims (.4).	1.8
21-Oct-14	JS	Review correspondence regarding ROFR for Bending Lake. Review N143-101(.7). Review Spring 2014 Investor Presentation (.2). Internal discussions with Michael Shedletsky and James McVicar regarding mining claims rights (.3). Discussions with Farbers (.2).	1.4
21-Oct-14	MS	Review and respond to e-mail from John Salmas re non-arm's lengthy party rights and claims.	0.4
22-Oct-14	СВМ	Call with Paul Denton regarding minute books (.1). Follow up call with Don Sheldon (.2).	0.3
22-Oct-14	JS	Review correspondence from Farbers (.2). Discussions with James McVicar regarding mining claims (.3). Discussions with Paul Denton (.4).	0.9
3-Oct-14	JS	Review correspondence from A. Farber to Ministry regarding BLIG and Windigo mining claims (.3). Review chart of amended mining claims (.3). Discussions with Paul Denton (.3). Review correspondence from Farbers (.2).	1.1
4-Oct-14	JS	Review correspondence from Farbers (.1). Review various BLIG contracts (.6). Instructions to Blake Moran regarding document review (.1).	0.8
6-Oct-14	JM	Review Bending Lake agreements and advise on options.	1.0
7-Oct-14	KK	Paul Denton e-mail exchanges;	0.2
8-Oct-14	СВМ	Call with Paul Denton regarding minute books.	0.4
3-Oct-14	KK	Review Paul Denton update e-mail;	0.1
)-Oct-14	JS	Review correspondence from Fabers (.2). Review draft reporting from	1.3

# DENTONS CANADA LLP

A. Farber & Partners Inc.

Re: Bending Lake Iron Group Limited

INVOICE 3090720 Page 4 of 4 Matter # 559456-000001

Date	ID	Description of Work					Hours
		Fabers site visit (.6). Discussions with I	Paul Denton	(.5).			
30-Oct-14	JS ·	Review reporting memorandum (1. Review correspondence from BLIG Co.		g with Rec	eive	er (.7).	2.0
30-Oct-14	MS	Review letter from Rob MacRae (.4). re same (.4).	Telephone	call with Jo	hn :	Salmas	8.0
31-Oct-14	СВМ	Review and summerize documents rel	ated to real	property.			1.2
		Total					27.4
TOTAL PRO	FESSION	IAL FEES			\$	16,744	3.00
TAXABLE D	ISBURSE	MENTS					
Airfare/			\$	425.25			
	nce Call			10.94			
	& Delive			3.75			
TOTAL TAX	ABLE DIS	BURSEMENTS	\$	439.94	•		
TOTAL DISB	URSEM	ENTS				439	.94
TOTAL FEES	AND DIS	SBURSEMENTS			\$	17,183.	.94
TAXES							
HST (13.	0%) on P	Professional Fees of \$16,744.00	Ś	2 476 72			
HST (13.	0%) on T	axable Disbursements of \$439.94	Þ	2,176.72			
TOTAL TAXE		3433.34	-	57.19			
O THE TAKE	3					2,233.	<u>91</u>
TOTAL AMO	UNT DU	E		ä	•	19.417.	)E
					-	_12.41/.	冠

Today's Date: 24/11/2014 Proforms #:2455956 by scooper General at 31/10/14

Matter #:559456-000001 Invoice #:\*\*\*\*\* Page 1 (1) Client: A. Farber & Partners Inc.

Matter: Bending Lake Iron Group Limited

Matter Billing Instructions:

Matter Bill Lawyer: 8909 John Salmas Matter Resp Lawyer: 8909 John Salmas

Place of Supply(Tax): Ontario 9 Bill Format: T7-S0 Matter Currency: Client Title: Policy/Claim: Header Ref 1: Header Ref 2: Bill Ref 3: Bill Ref 4: Other Ref.: A. Farber & Partners Inc. Bending Lake Iron Group Limited Paul Denton and Gary Lifman A. Farber & Partners Inc. Toronto, ON MSH 3S5 150 York Street Matter: 559456-000001 Suite 1600 Billing Address: Client: 559456 Matter Title: Contact:

0.000 0.0 0.0 & Adj Imount Bill Fees from 01/01/00 to 31/10/14 Ad just 20,002.00 144.00 3,384.00 4,400.00 10,150.00 920.00 20,002.00 0.00 264.00 740.00 Billed Value 144.00 4,400.00 3,384.00 740.00 264.00 Work 920.00 20,002.00 Value Hours 34.20 800.00 700.00 360.00 360.00 740.00 Rate Mork Adjustment Up(Down) 30/10/14 24/09/14 Last Time 26/10/14 Moran, Christopher Bla31/10/14 Augustinovic, Danijel 15/08/14 28/10/14 Entry WARNING: Excluded timecards exist for this matter Shedletsky, Michael Kraft, Kenneth McVicar, James Maynard, Ryan Salmas, John TIMEKEEPER SUMMARY Associate Associate 8913 Associate Student 8890 Partner 8908 Partner 8909 Partner Title Tkpr # 5386 5389 6937 5 5 5 5 5 5 5 5 ş

Bill Amt Disbursements from 01/01/00 to 31/10/14 Adjust 597.94 597.94 425.25 3.75 10.94 Adj Work Amt 158.00 23,277.93 158.00 425.25 10.94 3.75 **Work Amt** 597.94 TOTAL of Anticipated Disb TOTAL PEES, DISB & TAX Pty 632 Qt, TOTAL DISB TOTAL DISB TOTAL WARNING: Excluded disbursements exist for this matter DISBURSEMENT SUPPLARY Conference Call charges Add/Anticipated Disbursements: Laser Printing Description Courier Airfare Code Description

1552 DIIIta

Today's Date: 24/11/2014 Proforma 4:2455956 Generated at 31/10/14 by scooper

Matter #:559456-000001 Invoice #:\*\*\*\*\* Page 2 (2) Client: A. Parber & Partners Inc. Matter: Bending Lake Iron Group Limited

145

Work Amt

Qty

Billing John Sal

Second Lawyer Signature (when required - see next

Description

Code

Adjust

Bill Amt

Today's Date: 24/11/2014 Proforma #:2455956 by scooper Generated at 31/10/14

Matter #:559456-000001 Invoice #:\*\*\*\* Page 3 (3) Client: A. Parber & Partners Inc. Matter: Bending Lake Iron Group Limited

Approval Criteria:

All Billing instruction forms require approval of the Matter Billing Lawyer
 A second lawyer approval is required when time adjustments exceed \$1,000 and/or disbursement adjustments exceed \$250:

 if fees adjusted by <= \$5,000 then require approval of the Department Manager</li>

- if fees adjusted by > \$5,000 then require approval of Managing Partner

Note: Up to 25% of student time may be written off/adjusted without allocation to other timekeepers. All other adjustments must

be provated across invoice timekeepers. 3) Time and/or disbursements transferred from 'billable' to 'non-billable' status must be approved by the Controller, Director of Finance, or Accounting Manager

	Ballang History	Ċ	-	Accounts Receivable	eceivable		*	Write-Up(Down) - Lifetime	- Lifetime
<b>-</b>	Last Bill: 30/09/14	9/14	E.S.	Last Payment:	**			MIN	88
	Year-to-Date	Lifetime	0-30	0-30 days	0.00	00			
Fees	22,184.00	22,184.00		31-60 days	25,748.78		Fees	(11,802.00)	0.00
Costs	602.53	602.53		days	0.00	_	osts	(623.61)	0.00
Taxes	0.00	2,962.25		91+ days	0.00	•	Taxes	0.00	0.00
Total	25,748.78	25,748.78		Total	25,748.78		Total	(12,425.61)	0.00
Proforma	Proforms Fee Summary by Location		Worked Hours	Worked	Amount B	Worked Amount Billed Hours	Bill	ed Amount	Billed Amount & (by Billed Hrs)
01 1	01 Toronto		34.20	7	20,002.00	34.20		20,002.00	100 4
	Total		34.20	7	20,002.00	34.20		20,002.00	100 \$

MST Transition Period - % of Fees < = > July 1/2010 (refer to 90% tax fee rule)

				GST/HST Rate PST/QST PST/QST Rate	13.0 % .00	13.0 % .00	00.
**	\$ 0.0	100.0 \$	100.01	GST/HST GST	2,600.26	77.73	2,677.99
Billed Amt	0.00	20,002.00	20,002.00	Taxable Amount	20,002.00	597.94	20,599.94
	Fees <= June 30/2010	Fees >= July 1/2010	Total	Proforma Tax Detail	Fees Taxable - ONF	Costs Taxable - ONC	Total

Tax Codes in matter setup:

Fees - ONF Costs - ONC Place of Supply(Tax): Ontario

Matter Budgets	Budget Hrs	Budget Hrs Budget Value	LTD Hours	LTD Value	LTD Value Variance Hrs	Variance Value
					•	

Trust Summary - as of 12:22 24/11/2014 Total Trust for the Matter

0.00

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Today's Date: 24/11/2014 Proforma 4:2455956 Generated at 31/10/14 by scooper

Natter #:559456-000001 Invoice #:\*\*\*\* Page 5 (5)
Client: A. Farber & Partners Inc.
Matter: Bending Lake Iron Group Limited

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Today's Date: 24/11/2014 Proforma #:2455956 Generated at 31/10/14 by scooper

Matter #:559456-000001 Invoice #:\*\*\*\* Page 6 (6)
Client: A. Farber 6 Partners Inc.
Matter: Bending Lake Iron Group Limited

Task/ Code Act 320.00 ONF 160.00 ONF 980.00 ONF 120.00 ONF 700.00 ONF 180.00 ONF 960.00 ONF 1.80 1,260.00 1,260.00 ONF 240.00 ORZ Billed Value 120.00 160.00 700.00 Worked 180.90 980.00 320.00 960.00 0.30 0.80 1.40 1.20 Worked 1.00 5389 Moran, Christopher Bl 0.50 0.40 8913 Shedletsky, Michael 8913 Shedletsky, Michael 8913 Shedletsky, Michael 8908 Kraft, Kenneth 8908 Kraft, Kenneth 8909 Salmas, John 8909 Salmas, John 8909 Salmas, John Tkpr # Name Description of Professional Services 23948118 15/10/14 ' 23956531 17/10/14 23980478 17/10/14 24004720 17/10/14 23963685 20/10/14 23980485 20/10/14 24009333 17/10/14 13967756 21/10/11 Date 23980495 21/10/1 Index

Today's Date: 24/11/2014 Proforma #:2455956 Generated at 31/10/14 by scooper

Natter #:559456-000001 Invoice #:\*\*\*\*\* Page 7 (7) Client: A. Farber & Partners Inc. Matter: Bending Lake Iron Group Limited

432.00 ONF 7 LAST 15 M.D. Tax Task/ 770.00 ONF 630.00 ONF 108.00 ONF 560.00 ONP 740.00 ONF 240.00 ONF 240.00 ONF 144.00 ONF ONF 320.00 ONF 1,400.00 ONF 910.00 34.20 20,002.00 20,002.00 Billed Value 432.00 240.00 240.00 1,400.00 108.00 770.00 560.00 Worked 630.00 740.00 144.00 910.00 320.00 Value 0.30 2° 30. 30 2.00 1.00 Worked Hours 0.00 5389 Moran, Christopher Bl 0.30 1.10 0.80 1-1.30 08.0 . 5389 Moran, Christopher Bl 0.40 5389 Moran, Christopher B1 (1.20) 8913 Shedletsky, Michael 8908 Kraft, Kenneth 8890 McVicar, James 8908 Kraft, Kenneth 8908 Krafty Kennech 8909 Salmas, John 8909 Salmas, John 8909 Salmas, John 8909 Salmas, John Salmas, John 8909 Description of Professional Services 23980496 22/10/14 24004796 22/10/14 23986489 23/10/14 23990091 24/10/14 23096381 23/10/14 24028915 26/10/14 23995154 27/10/14 23994286 28/10/14 24005058 28/10/14 24003826 30/10/14 24006353 30/10/14 24006336 29/10/14 24008763 31/10/14 Date Index

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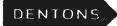
Index

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Today's Date: 24/11/2014 Proforma #:2455956 Generated at 31/10/14 by scooper

Matter #:559456-000001 Invoice #:\*\*\*\* Page 8 (8) Client: A. Farber & Partners Inc.
Matter: Bending Lake Iron Group Limited

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			TOTAL		597.94	597.94		



Dentons Canada LLP 77 King Street West, Suite 400 Toronto-Dominion Centre Toronto, ON, Canada M5K 0A1 Salans FMC SNR Denton dentons.com

T 416 863 4611 F 416 863 4592

A. Farber & Partners Inc. 150 York Street Suite 1600 Toronto, ON M5H 3S5

**INVOICE # 3093988** 

GST/HST # R121996078 QST # 1086862448 TQ 0001

Attention: Paul Denton and Gary Lifman

Date
December 5, 2014

Matter Number 559456-000001

<u>Lawver</u> John Salmas

# A. Farber & Partners Inc. Re: Bending Lake Iron Group Limited

**Professional Fees** 

29,616.00

Disbursements

873.25

HST (13.0%) on \$30,489.25

3,963.60

**Total Amount Due** 

\$ 34,452,85

DENTONS CANADA LLI

Per

John Salmas

Payment Options:

heaves:

Cheques sayable to Dentons Canada LLP and mailed to the above noted address.

Internet Banking:

Accepted at most financial institutions. Your payee is Dentons Canada LLP and

your account number is 559456. Please email us at

Edm.Accounting@dentons.com referencing invoice number and payment

Payments are accepted via telephone, email or fax. We accept

American Express, MasterCard or Visa (please circle one).

amount. Credit Card:

Wire Transfer: Bank of Montreal

1st Canadian Place, Toronto, ON Swift Code: BOFMCAM2

Bank ID: 001 Transit: 00022 CAD Funds Bank Account: 0004-324 Card No. \_\_\_ Expiry Date:

Expiry Date: \_\_\_\_\_\_ Amount: \_\_\_\_\_ Amount: \_\_\_\_\_

Signature:

Please email us at <u>Tor.Accounting@dentons.com</u> referencing invoice number and payment amount.

Payment due on receipt. Interest will be charged at the rate of 1.3% per annum on all outstanding amounts over 30 days.

## **Invoice Detail**

TO PROFESSIONAL SERVICES RENDERED for the period ending November 30, 2014:

Date	ID	Description of Work	Hours
03-Nov-14	JS	Correspondence to and from Fabers.	0.3
04-Nov-14	JS	Discussions with Paul Denton regarding next steps in sales process (.6). Review correspondence to and from R. McRae (.3).	0.9
06-Nov-14	JS	Discussion with Paul Denton (.4). Review correspondence from R. McRae (.5).	0.9
07-Nov-14	CBM	Revise summary of contracts between BLIG and Windigo and 1584859 Ontario Inc. (.6) Email and telephone correspondence with Buset Partners regarding timing of SISP motion and scheduling of same (.3).	0.9
07-Nov-14	KK	E-mails related to SISP motion timing;	0.1
07-Nov-14	JS	Review correspondence from R. McRae (.2). Discussions with Ken Kraft and Blake Moran (.1). Review Receivership Order and Receivership Application (.2).	0.5
10-Nov-14	СВМ	Review and revise summary of contracts with Windigo and 1584859 Ontario Inc.	0.4
10-Nov-14	KK	Paul Denton update e-mail and briefly review relevant agreements;	0.1
10-Nov-14	JS	Review BLG contracts. Discussions with Paul Denton. Review correspondence to and from R. McRae.	1.3
11-Nov-14	KK	Discuss motion issues with John Salmas (.1); e-mail exchange with Mike Strickland (.2);	0.3
11-Nov-14	JS	Internal discussions regarding matter (.2). Telephone conversation with Paul Denton (.2).	0.4
12-Nov-14	CBM	Drafting motion materials for SISP order.	0.4
12-Nov-14	JS.	Correspondence to and from R. McRae.	0.3
13-Nov-14	CBM	Preparing draft motion materials for SISP order.	1.7
13-Nov-14	KK	John Salmas e-mail exchanges and telephone call to review matters (.3); meet with Mike Strickland and Rodi-Lynn Rusnick-Kinisky to review issues and potential need to amend receivership order (.4); SISP related e-mails (.1);	0.8
13-Nov-14	JS	Correspondence to and from Fabers (.2). Discussions with Paul Denton (.2). Messages to Ken Kraft (.1). Attended conference call with Paul Denton and R. McRae (.4). Telephone discussion with Stuart Livingston (.4).	1.3
14-Nov-14	СВМ	Review and revise motion materials with respect to SISP order (1.0). Prepare comments on first report (.5).	1.5
14-Nov-14	KK	Working on draft report (1.0); discuss motion issues with John Salmas (.3);	1.3
14-Nov-14	JS	Correspondence to and from Farbers and R. McRae regarding next	1.3

Date	ID	Description of Work	Hours
		steps (.3). Reviewed and commented on draft Receiver's Report (.5). Review and comment on draft Notice of Motion and Order regarding SISP (.3). Internal discussions regarding matter (.2).	
16-Nov-14	KK	Working on first report and e-mail to Paul Denton;	2.0
17-Nov-14	СВМ	Revising SISP order motion materials (1.2). Review and comment on report (.2). Email to receiver regarding materials (.1). Review of agreement with owners of surrounding areas (.6). Call with Peter Crawley regarding agreements (.3). Correspondence with Buset & Partners regarding service and filing of materials (.2). Email to Don Sheldon regarding outstanding items (.2). Conference call regarding issues to have motion materials finalized (.4).	3.2
17-Nov-14	RJK	Review draft Receiver's Report (.2). Review comments. Conference with Blake Moran regarding application materials (.1). Review file. Conversation with Ken Kraft regarding application materials and SISP (.2). Work on application materials (1.5). Various conversation with Paul Denton, Peter Crawley regarding application materials and issues (.5).	2.5
17-Nov-14	KK	Work on SISP motion materials and related e-mail exchanges and telephone call with Rob Kennedy;	0.8
18-Nov-14	СВМ	Reviewing and revising SISP motion materials (.2). Assembling motion record (.6). Reviewing accounts (.1). Correspondence with Buset & Partners regarding timing of filing (.1). Preparing service list, revising affidavit of service (.3). Service and filing of same (.2).	1.5
18-Nov-14	RJK	Review and revise application materials (2.0). Conversation with Paul Denton (.2). Conference with Ken Kraft regarding application (x2) (.2). Review and revise Receiver's Report (.5). Conversation with Paul Denton (.5). Conference with Blake Moran regarding service matters and motion record (.1). Conversation with Ken Kraft (.2). Review correspondence from Ken Kraft. Review correspondence from Rob McRae (.1). Consider solicitation process issues (.1). Review correspondence from Blake Moran regarding service of motion record (.1).	3.5
18-Nov-14	KK	Reviewing revisions to report and related motion materials for SISP; review MacRae letter and consider response;	1.2
19-Nov-14	KK	Conference call with Rob MacRae and Bending Lake representatives to discuss receivership issues and moving forward (.5); follow up call with Paul Denton and John Salmas (.3); related e-mails (.2);	1.0
21-Nov-14	KK	E-mail to Mike Strickland and Rodi-Lynn Rusnick-Kinisky (.1); telephone call with Mike Strickland to review MacRae conversation and to discuss Monday's call and proceeding with SISP call (.2); review MacRae letter and related e-mail exchanges and discussion with John Salmas on revisions to proposed order to delete reference to paragraph 20 of first report (.3);	0.6
23-Nov-14	KK	E-mail from Paul Denton and review and consider proposed agenda for tomorrow's call with key stakeholders;	0.1

Date	ID	Description of Work	Hours
24-Nov-14	KK	Review MacRae letter (.2); pre-conference call with John Salmas, Paul Denton, Rodi-Lynn Rusnick-Kinisky (.3); conference call with Rob MacRae, Henry Wetalainen, Dawn MacKay, John Salmas, Paul Denton, and Rodi-Lynn Rusnick-Kinisky to discuss issues related to Thursday's motion and the SISP process (.3); telephone call with Paul Denton to discuss who should attend on Thursday (.1); e-mail exchange with Rodi-Lynn Rusnick-Kinisky on whether she needs to attend motion on Thursday (.1); prepare revised form of order and circulate (.3); prepare motion confirmation form (.1); e-mail exchanges with Rodi-Lynn Rusnick-Kinisky and Paul Denton regarding follow up with both Rob MacRae and Stewart Livingston (.2); emails related to draft order (.1);	1.7
25-Nov-14	RJK	Review correspondence from Peter Crawley (.1). Voicemail left with Peter Crawley. Review draft teaser (.1). Conference with John Salmas regarding application issues and teaser (.1).	0.3
25-Nov-14	KK	E-mail from Rodi-Lynn Rusnick-Kinisky and to Rob MacRae regarding form of order (.2); follow up voice mail for Rob MacRae (.1); e-mail exchanges regarding time period to assess MacRae's account and review relevant provisions of Solicitors Act (.4); organize motion material for Thursday's motion and prepare revised draft order (.5);	1.2
26-Nov-14	RJK	Voicemail received from Peter Crawley (.1). Conversation with Peter Crawley regarding Teaser (.2). Review and revise Teaser (.1). Conference with John Salmas regarding Teaser and application (.1). prepare blackline. Correspondence to Peter Crawley (.1).	0.6
26-Nov-14	KK	E-mails related to MacRae's proposed revisions to order and revise same (.5); review motion material to prepare for tomorrow' hearing (.6); meet with Rodi-Lynn Rusnick-Kinisky to discuss issues in addressing accounts and process to move forward (.5);	1.6
26-Nov-14	JS	Review file (.2). Discussions with Paul Denton (.2). Attend meeting with Paul Denton and Stuart Livingston (1.6). Review and comment on BLIG teaser document (.3).	2.3
27-Nov-14	RJK	Review correspondence from Paul Denton (.1). REview draft SISP materials (.2). Correspondence to Paul Denton (.1). Conversation with Paul Denton re: SISP materials (.2). conference with Blake Moran (.2).	0.8
27-Nov-14	KK	E-mails (.1); attend motion before Madam Justice Pierce to obtain approval of SISP order and arrange for distribution of issued and entered order (1.5); conference call with Paul Denton, Mike Strickland, Rodi-Lynn Rusnick-Kinisky and John Salmas to discuss response to MacRae account (.7); starting to work on letter to MacRae (.4);	2.7
27-Nov-14	JS	Telephone conference conversation with Paul Denton, Mike Strickland, Rodi-Lynn Rusnick-Kinisky and Ken Kraft.	0.6
28-Nov-14	СВМ	Preparation of non-disclosure agreement (.8). Review sample CIM (.1). Emails and office conferences with John Salmas (.1).	1.0
28-Nov-14	RJK	Review correspondence from Paul Denton (.1). Review draft SISP materials regarding CIM and advertisements (.5). Review correspondence from John Salmas (.1).	0.7

Date	ID	Description of Work				Hours
28-Nov-14	KK	Review draft notices (.3); discuss respons (.2); work on draft letter (.4); CIM e-mails		Rae with Jol	nn S	almas 1.0
28-Nov-14	JS	Review and comment on draft NDA and (	CIM.			1.6
		Total				47.2
TOTAL PRO	FESSIO	NAL FEES			\$	29,616.00
TAXABLE D	ISBURS	SEMENTS				
Airfare/	/Travel		\$	557.25		
Accomr				175.50		
Meals 8				33.47		
Transpo				107.03		
TOTAL TAX	ABLE D	ISBURSEMENTS	\$	873.25		
TOTAL DISE	BURSEN	MENTS				873.25
TOTAL FEES	AND I	DISBURSEMENTS			\$	30,489.25
TAXES						
HST (13	.0%) or	Professional Fees of \$29,616.00	\$	3,850.08		
HST (13	.0%) or	Taxable Disbursements of \$873.25		113.52		
TOTAL TAX	ES					3,963.60
TOTAL AMO	DUNT D	DUE			\$	34,452,85

Tolisy s Date: 02/12/2014 Proforma #:2459147 Generated at 30/11/14 by scooper

Matter 4:559456-000001 Invoice \$: \*\*\*\*\* Page 1 (1) Client: A. Farber & Partners Inc.

Matter: Bending Lake Iron Group Limited

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the Billed Adjust Bi Adjust Place of Supply(Tax): Ontario Adjust Matter Billing Instructions: 20,640.00 43,852.00 0.00 6,930.00 43,852.00 9,730.00 Value Bill Format: T7-S0 Adj 105k (354) (35 175.50 49.56 1,647.30 1,647.30 51,381.19 33.47 Matter Currency: Client Title: Header Ref lr Header Ref 2: Policy/Claim: Other Ref.: Bill Ref 3: Bill Ref 4: 20,640.00 6,552.00 9,730.00 6,930.00 43,852.00 Mork Value 86.25 49.56 175.50 557.25 33.47 ,647.30 254.00 FOTAL of Anticipated Disb TOTAL FEES, DISB & TAX 25.80 71.10 Hours 18.20 Work 800.00 700.00 525.00 360.00 Rate Qt/ Adjustment Up(Down) TOTAL DISB TOTAL DISB Moran, Christopher Bla28/11/14 28/11/14 28/11/14 27/11/14 Last Time WARHING: Inter-office time, review interprovincial taxes. Entry A. Farber & Partners Inc. Bending Lake Iron Group Limited TOTAL FRES TOTAL WARNING: Excluded timecards exist for this matter Kraft, Kenneth D Salmas, John Kennedy, Robert DISBURSEMENT SUMMARY Paul Denton and Gary Lifman Matter Bill Lawyer: 8909 John Salmas Matter Resp Lawyer: 8909 John Salmas TINEREFER SUBCARY A. Farber & Partners Inc. Add/Anticipated Disbursements: Agency Registration\* Automobile Expenses Meals and Beverages Agent Fees/Account Toronto, ON M5H 3S5 Accommodations Laser Printing 150 York Street Matter: 559456-000001 5389 Associate 8908 Partner 8909 Partner 7711 Partner Tkpr # Title Description Suite 1600 Parking Billing Address: Airfare Code Description Client: 559456 Matter Title: Contact: 27 30 406 477 81

Today's Date: 02/12/2014 Proforma #:2459147 Generated at 30/11/14 by scooper

Matter #:559456-000001 Invoice #:\*\*\*\* Page 2 (2) Client: A. Farber & Partners Inc.
Matter: Bending Lake Iron Group Limited

Work Amt Adj Work Amt

Qty

Bill Amt Adjust

Code Description

Second Lawyer Signature (when required - see next page

Billing Lawyer Signature John Salmas

Today's Date: 02/12/2014 Proforma #:2459147 Generated at 30/11/14 by scooper

Marter #:559456-000001 Involce #:\*\*\*\* Page 3 (3) Client: A. Parber & Partners Inc. Matter: Bending Lake Iron Group Limited

# Approval Criteria:

1) All Billing instruction forms require approval of the Matter Billing Lawyer

2) A second lawyer approval is required when time adjustments exceed \$1,000 and/or disbursement adjustments exceed \$250: - if fees adjusted by <= \$5,000 then require approval of the Department Manager</p>

- if fees adjusted by > \$5,000 then require approval of Managing Partner

Note: Up to 25% of student time may be written off/adjusted without allocation to other timekeepers. All other adjustments must be prorated across invoice timekeepers.

3) Time and/or disbursements transferred from 'billable' to 'non-billable' status must be approved by the Controller, Director of Finance, or Accounting Manager

	Billing History	יבץ		Accounts Receivable	sceivable	m		Write-Up (Does	Write-Up(Down) - Lifetime
•	Last Bill: 25/11/14	1/14	Las	Last Payment:				MIP	AR
	Year-to-Date	Lifetime	0-30	0-30 days	19,417.85	585		!	•
Fees	38,928.00	.,		11-60 days	0.0	00	Pees	(15,060,00)	00.00
Costs	1,042.47		•	1-90 days	25.748.78	.78	Costs	(781-61)	
Taxes	0.00	5,196.16		Jays	0.00	00	Taxes	00.0	
Total	45,166.63	45,166.63		Total	45,166.63	.63	Total	(15,841.61)	00.0
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	rec commert of	MACALTON	MOTKED HOURS	Worked	Amount	Worked Amount Billed Hours		led Amount	Billed Amount & (by Billed Hrs)
01	01 Toronto		57.90	36	36,922.00	57.90		36,922.00	81 4
03	03 Calgary		13.20	<b>9</b>	6,930.00	13.20	02	6,930.00	3 61

HST Transition Period - % of Fees < = > July 1/2010 (refer to 90% tax fee rule)

100

6,930.00

13.20

6,930.00

13.20

Total

	BALLEG AME	-			
Fees <= June 30/2010	00.0	0.0			
Fees >= July 1/2010	43,852.00	100.0 \$			
Total	43,852.00	100.001			
Proforma Tax Detail	Taxable Amount	GST/HST	GST/HST GST/HST Rate	PST/QST	PST/OST Rate
Fees Taxable - ONF	43,852.00	5,700.76	13.0 %	00.	_
Costs Taxable - 0	254.00	00.	.0	00.	0.
Costs Taxable - ONC	1,393.30	181.13	13.0 %	00.	-
Total	45,499.30	5,881.89		00.	

Tax Codes in matter setup:

Fees - ONF Costs - ONC

Place of Supply(Tax): Ontario

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Matter B	

Trust Summary - as of 09:46 02/12/2014 Total Trust for the Matter

Today's Date: 02/12/2014 Proforma #:2459147 Generated at 30/11/14 by scooper

Matter #:559456-000001 Invoice #:\*\*\*\* Page 4 (4) Client: A. Farber 6 Partners Inc. Matter: Bending Lake Iron Group Limited

80.00 ONF P.N. Billed Tax Task/ Value Code Act 280.00 ONF 144.00 ONF 240.00 ONE 420.00 ONF 144.00 ONF 210.00 ONF 770.00 ONF 630.00 ONP 910.00 ONF 1,400.00 ONF 540.00 ONF 240.00 ONE 240.00 630.00 00.000 X 280.00 144.00 Worked 144.00 240.00 210.00 910.00 5389 Moran, Christopher Bl VI 86 V 0.40 0.30 0.30 06.0 Hours 5389 Moran, Christopher Bl 0.40 5389 Moran, Christopher Bl 8908 Kraft, Kenneth 8908 Kraft, Kenneth 8908 Kraft, Kenneth Fr 8908 Kraft, Kenneth 8909 Saimas, John 8909 Salmas, John . 8909 Salmas, John 8909 Salmas, John 8909 Salmas, John 8909 Salmas, John . 8909 Salmas, John Tkpr # Name Description of Professional Services 2405709; 12/11/14 24076950 12/11/:4 241.6579 12/11/14 24043539 07/11/14 24076943 11/11/14 24074560 03/11/14 24074564 04/11/14 24052234 11/11/14 24076921 06/11/14 24045451 07/11/14 24076932 07/11/14 24052255 10/11/14 24076937 10/11/14 24112744 10/11/14 Date 24033960 06/11/14 Time Details: Index

Today's Date: 02/12/2014 Proforma f:2459147 Generated at 30/11/14 by scooper

Malter (:559456-00000) Invoice 4:..... Page 5 (5) Client: A. Farber & Partners Inc.
Matter: Bending Lake Iron Group Limited

Index	Date	Description of Professional Services	Tkpr	-	Worked	Worked	Billed	Tax 7	Task/
24061569 13/11/14	13/11/14		8068	8908 Kraft, Kenneth	0.80	640.00	640.00	ONE	
24093254 13/11/14	13/11/14		8909	Salmas, John	1.30	910.00	910.00	ONF	
24118674 13/11/14	3/11/14		5389	Moran, Christopher Bl	1.70	612.00	612.00	ONF	
24064679 14/11/14	14/11/14	- d 10.5	8908	Kraft, Kenneth	1.30	1,040.00	1,040.00	ONF	
24093362 14/11/14			8909	Salmas, John	13.3	7,050.00	1,050.00	ONF	<u>53</u>
24118683 14/11/14	4/11/14		5389	Moran, Christopher Bl	1.50	540.00	540.00	ONF	
24066028 36/11/14	6/11/14		8908	Kraft, Kenneth	1000	3000.00	2,000.00	ONE	
24070055 17/11/14	17/11/14		8068	Kraft, Kenneth	0.80	640.00	640.00	ONF	
24075834 17/11/14	17/11/14	a a	1111	Kennedy, Robert	16	2,7\$2.50	2,782.50	ONF	
		7			) v.	<b>\</b>			
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24116713 17/11/14

Today's Date: 02/12/2014 Proforma #:2459147 Gamerated at 30/11/14 by scooper

Matter #:559456-000001 Invoice #:\*\*\*\* Page 6 (6) Client: A. Farber & Partners Inc. Matter: Bending Lake Iron Group Limited

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Task/	•				*	6.	£.
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Worked	960.00	2.17.58	*	1,980.00	800.00	480.00	, o o o
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9 8 8 8	Kraft, Kenneth	7711 Kennedy, Robert		Moran, Christopher Bl	Kraft, Kenneth	8908 Kraft, Kenneth	8908 Kraft, Kenneth
<b>.</b>	Z	¥			Ä	Ä	ž
Thpr & Name	8908 Kı	7711 Ke		5389 MOI	8068	8908 Kr	8068 Kr
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of Professional Services	24074125 18/11/14 . 8908 K.	24074250 18/11/14 : 7711 Ke	***	5389	8068		255 44

Today's Date: 02/12/2014 Proforms #:2459147 Generated at 30/11/14 by scooper

Matter #:559456-000001 Invoice #:\*\*\*\* Page 7 (7) Client: A. Farber & Partners inc. Matter: Bending Lake Iron Group Limited

Tax Task/ Code Act 1.70 1,360.00 1,360.00 ONF 315.00 ONF 157.50 ONF 72.00 ONF 960.00 ONF Billed Value 157.50 Worked Value 72.00 960.00 Worked Hours 1.20 5389 Moran, Christopher Bl 7711 Kennedy, Robert 7711 Kennedy, Robert 7711 Kennedy, Robert 8908 Kraft, Kenneth o 8908 Kraft, Kenneth Tkpr # Name Description of Professional Services 24091473 24/11/14 8 24095630 24/11/14 24103637 25/11/14 24104123 26/11/14 24119746 24/11/14 24097061 25/11/14 Date Index

577.50 ONF

er

# DENTONS

Dentons Canada LLP 77 King Street West, Suite 400 **Toronto-Dominion Centre** Toronto, ON, Canada M5K 0A1

T 416 863 4511 F 416 863 4592

Salans FMC SNR Denton dentons.com

A. Farber & Partners Inc. 150 York Street **Suite 1600** Toronto, ON M5H 3S5

**INVOICE # 3098829** 

GST/HST # R121996078 QST # 1086862448 TQ 0001

Attention: Paul Denton and Gary Lifman

Date December 31, 2014

**Matter Number** 559456-000001

Lawver **John Salmas** 

## A. Farber & Partners Inc. Re: Bending Lake Iron Group Limited

**Professional Fees** 

16,340.00

**Disbursements** 

228.45

HST (13.0%) on \$16,568.45

2,153.90

**Total Amount Due** 

18.722.35

DENTONS WADA LLP

PB	whit	Opt	uons:	
-	77			

Cheques payable to Dentons Canada LLP and mailed to the above noted address.

Internet Banking:

Accepted at most financial institutions. Your payee is Dentons Canada LLP and

your account number is 559456. Please email us at

Edm.Accounting@dentons.com referencing invoice number and payment

Wire Transfer: Credit Card:

Bank of Montreal 1st Canadian Place, Toronto, ON

Swift Code: BOFMCAM2

Bank ID: 001 Transit: 00022

CAD Funds Bank Account: 0004-324

amount.

Payments are accepted via telephone, email or fax. We accept American Express, MasterCard or Visa (please circle one).

**Expiry Date:** Amount:

Cardholder Name: \_

Signature:

Please email us at <a href="mailto:Ior.Accounting@dentons.com">Ior.Accounting@dentons.com</a> referencing invoice number and payment amount. Payment due on receipt. Interest will be charged at the rate of 1.3% per annum on all outstanding amounts over 30 days.

### **Invoice Detail**

TO PROFESSIONAL SERVICES RENDERED for the period ending December 31, 2014:

Date	ID	Description of Work	Hours
07-Nov-14	СВМ	Review receivership order and drafts thereof (.2). Office conference with John Salmas regarding same (.1).	0.3
01-Dec-14	CBM	Prepare confidentiality agreement.	1.9
01-Dec-14	RJK	Conversation with Paul Denton regarding SISP materials (.3). Conference with John Salmas (.1).	0.4
01-Dec-14	KK	Work on letter to Rob MacRae (1.2); discuss comments with John Salmas (.2); e-mails from Rodi-Lynn Rusnick-Kinisky (.1); telephone call with Paul Denton (.1); revise letter to incorporate comments (.3); discuss CIM review with John Salmas (.1); finalize letter to Rob MacRae (.2);	2.2
01-Dec-14	JS	Discussions and comments regarding correspondence to Rob MacRae (.3). Review correspondence from Paul Denton (.2). review and comment on draft Confidential Information Memorandum (.5). Telephone conversation with Paul Denton regarding draft Confidential Information Memorandum (.3).	1.3
02-Dec-14	CBM	Revising non-disclosure letter and preparation of terms and conditions.	2.5
02-Dec-14	KK	Discuss CIM issues and NDA terms with John Salmas (.3);	0.3
02-Dec-14	JS	Internal discussions regarding form of non-disclosure agreement (.3). Comments on draft form NDA (.2). Amendments to draft Confidential information Memorandum (.7). Internal discussions regarding SISP terms and conditions (.3).	1.5
03-Dec-14	CBM	Preparing terms and conditions for CIM.	3.7
03-Dec-14	KK	Review draft Buset letter to Rob MacRae regarding issues in my December 1, 2014 letter and related e-mail exchanges;	0.3
03-Dec-14	JS	Amendments to draft Confidential Information Memorandum (.4). Correspondence to and from Receiver and secured creditors (.2). Review and comment on Buset correspondence (.1). Review and comment on SISP terms and conditions (.4).	1.1
04-Dec-14	СВМ	Review and finalize confidentiality agreement (.8). Drafting terms and conditions for SISP (1.3). Review and revise SISP advertising materials (.3). Correspondence with Paul Denton and John Salmas regarding same (.4).	2.8
04-Dec-14	JS	Review and comment on SISP terms and conditions (.5). Discussions with and correspondence from Paul Denton regarding SISP terms and conditions (.4).	0.9
05-Dec-14	KK	Numerous e-mails related to finalizing draft of confidential offering memorandum and briefly review same;	0.3
05-Dec-14	IS	Messages to and from Paul Denton regarding amendments to Confidential Information Memorandum (.4). Internal discussions	0.7

Date	ID	Description of Work	Hours
		regarding SISP terms and conditions (.3).	
08-Dec-14	СВМ	Review, revise and finalize terms and conditions (.4). Email with Paul Denton regarding same (.2).	0.6
08-Dec-14	JS	Review and finalized teaser and correspondence from Paul Denton.	0.5
10-Dec-14	СВМ	Call with Paul Denton regarding company agreements.	0.2
10-Dec-14	JS	Correspondence from Paul Denton regarding SISP process.	0.6
12-Dec-14	KK	Paul Denton update e-mail on finalizing CIM and review teaser (.2); John Salmas update on discussion with MacRae and anticipated response to letter regarding fees and other issues (.1);	0.3
12-Dec-14	JS	Discussions with Paul Denton (.6). Attended telephone conference conversation with Debtor's representatives and Debtor's counsel (.6).	1.2
16-Dec-14	СВМ	Pulling correspondence regarding minute books (.8). Conference call with Paul Denton and John Salmas (.5). Drafting email regarding minute books and audit (.2).	1.5
16-Dec-14	KK	Tom Ungar related e-mails on shareholder concerns (.1); follow up letter to Rob MacRae (.3); discuss fee application timing and issues with John Salmas (.1); receive and review letter from Rob MacRae (.4); initial discussion regarding response with John Salmas (.1); e-mail from Rob MacRae's office (.1); discuss with John Salmas confidential information memorandum timing issues (.1);	1.2
7-Dec-14	KK	Discuss with John Salmas response to MacRae letter (.1); conference call with Rodi-Lynn Rusnick Kinisky, Paul Denton and John Salmas regarding response to MacRae letter and strategy moving forward (.8); MacRae letter on CIM issues (.1); discuss with John Salmas preparing materials on motion to approve fees and disbursements and start working on same (.4); Rodi-Lynn Rusnick-Kinisky follow up e-mail regarding instructions from secured creditor (.1);	1.5
8-Dec-14	KK	Discuss with John Salmas issues around revisions to CIM requested related to aboriginal issues and on whether MacRae's letters are really "without prejudice" (.3); Paul Denton e-mail with revised CIM and briefly review changes (.2);	0.5
9-Dec-14	KK	E-mails related to CIM (.1); Rodi-Lynn draft letter to Rob MacRae (.1);	0.2
2-Dec-14	KK	Follow up letter from Rob MacRae regarding hearing dates;	0.1
3-Dec-14	KK	Review Rodi-Lynn Rusnick-Kinisky letter to Rob MacRae (.2); e-mails exchanges with Dawn MacRae, Paul Denton and Rob MacRae over finalizing CIM and related Appendices (.2);	0.5
3-Dec-14	IS	Review correspondence regarding draft CIM (.3). Review correspondence from Buset (.2).	0.5
9-Dec-14	KK	CIM related e-mails (.1); working on response letter to Rob MacRae (.4);	0.5

Review e-mails from Paul Denton and Rob MacRae and consider issues;

Total

31-Dec-14 KK

0.3

30.4

# DENTONS CANADA LLP A. Farber & Partners Inc. Re: Bending Lake Iron Group Limited

INVOICE 3098829 Page 4 of 4 Matter # 559456-000001

Less: Discount			_+	(1.100.00)
NET PROFESSIONAL FEES			\$	16,340.00
TAXABLE DISBURSEMENTS				
Agent Fees/Account	\$	228.45		
TOTAL TAXABLE DISBURSEMENTS	\$	228.45		
TOTAL DISBURSEMENTS				228.45
TOTAL FEES AND DISBURSEMENTS			\$	16,568.45
TAXES				
HST (13.0%) on Professional Fees of \$16,340.00	\$	2,124.20	)	
HST (13.0%) on Taxable Disbursements of \$228.45	•	29.70		
TOTAL TAXES				2.153.90
TOTAL AMOUNT DUE			<u>s_</u>	18,722,35

Proforma #:2470030 Generated at 31/12/14 by scooper Today's Date: 06/01/2015

Matter 4:559456-000001 Invoice 4:\*\*\*\* Page 1 (1) Client: A. Farber & Partners Inc. Matter: Bending Lake Iron Group Limited

Matter Billing Instructions:

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Matter Bill Lawyer: 8909 John Salmas Matter Resp Lawyer: 8909 John Salmas

Client: 559456

Matter: 559456-000001

Place of Supply(Tax): Ontario A. Farber & Partners Inc. Bending Lake Iron Group Limited

8 T7-S0 Matter Currency: Client Title: Header Ref 1: Header Ref 2: Bill Format: Policy/Claim: Other Ref.: Bill Ref 3: Bill Ref 4: DOL: Paul Denton and Gary Lifman A. Parber & Partners Inc. Toronto, ON MSH 3SS 150 York Street **Suite 1600** Billing Address: Matter Title: Contacti

0.0 1 Adj B111 Pees from 01/01/00 to 31/12/14 20, 130. SO Q Billed 20,130.50 5,688.00 7,040.00 7,140.00 262.50 5,688.00 7,040.00 20,130.50 7,140.00 262.50 Value Work 10.20 35.30 Rours 15.80 8.80 Kork 700.00 360.00 800.00 Work Rate Adjustment Up(Down) Entry : 81a17/12/14 31/12/14 01/12/14 23/12/14 Last Time WARMING: Inter-office time, review interprovincial taxes. TOTAL FRES WARNING: Excluded timecards exist for this matter Moran, Christopher Kennedy, Robert Kraft, Kenneth Salmas, John TIMEREPER SUPORRY 5389 Associate 8908 Partner 8909 Partner 7711 Partner Thpr # Title

01 01 03

Bill Am Disbursements from 01/01/00 to 31/12/14 188.00 Adj Work Ant 188.00 DEY 747 DISBURSEMENT SUBCARY Agent Fees/Account Laser Printing Description 218 27

228.45 1.86 114.00 532.31 532.31 114.00 228.45 1.86 ot y 114 TOTAL DISB TOTAL Conference Call charges Add/Anticipated Disbursements: Color Laser Printing Code Description 647

TOTAL of Anticipated Disb TOTAL PRES, DISB & TAX TOTAL DISB

23,348.98

Signature

Bi11118

Second Lawyer Signature

.. .

Adjust Watter #:559456-000001 Invoice #:\*\*\*\* Page 2 (2) Client: A. Farber & Partners Inc. Matter: Bending Lake Iron Group Limited Work Amt Adj Work Amt John Salmas Qt.y (when required - see next page) Code Description

Matter #:559456-000001 Invoice #:\*\*\*\* Page 3 (3) Client: A. Parber & Partners Inc. Matter: Bending Lake Iron Group Limited

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# Approval Criteria:

1) All Billing instruction forms require approval of the Matter Billing Lawyer

2) A second lawyer approval is required when time adjustments exceed \$1,000 and/or disbursement adjustments exceed \$250:

- if fees adjusted by <= \$5,000 then require approval of the Department Manager

- if fees adjusted by > \$5,000 then require approval of Managing Partner

Note: Up to 25% of student time may be written off/adjusted without allocation to other timekeepers. All other adjustments must

be prorated across invoice timekeepers.

3) Time and/or disbursements transferred from 'billable' to 'non-billable' status must be approved by the Controller, Director of Finance, or Accounting Manager

1	Today Farmer	<b>2</b> 1	ACCOUNT	Accounts Receivable		Write-DolDown) - Lifetime	- Lifetime
-	Last Bill: 05/12	1/14	Last Payment:	nt:		6178	2
	Year-to-Date	Lifetime	0-30 days	34,565.36			į
Fees	68,544.00	68,544.00	31-60 days	19,417.85	Fees	(29,663.50)	0.00
Costs	2,015.28	2,015.28	61-90 days	0.00	Costs		0.00
Taxes	0.00	9,172.71	91+ days	25,748.78	Taxes		00.0
Total	79,731.99	79,731.99	Total	79,731.99	10(	Total (30,445.11)	0.00
Proforma	Proforma Fee Summary by	Location	Worked Bours Work	Worked Amount Billed Hours	ed Hours	Billed Amount	1 (by Billed Hrs)
10	01 Toronto		34.80	19,868.00	34.80		\$ 66
03 C	03 Calgary		0.50	262.50	.50	262.50	
	Total		35.30	20,130.50	35,30	20,130.50	1001
IST Trans	MST Transition Period -	-	of Fees < = > July 1/2010 (refer to 90% tax fee rule)	to 90% tax fee	rule)		
		Billed Amt	<b>م</b> دد				
Fees <= .	Fees <- June 30/2010	0.00					
Fees >= .	Fees >= July 1/2010	20,130.50	100.0 \$				
Total		20,130.50					
Proforma	Proforma Tax Detail	Taxable Amount	GST/HST	T GST/BST Rate	e PST/QST	PST/QST Rate	
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Tax Codes in matter setup:

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13.0 %

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20,130.50 20,662.81 532.31

Fees Taxable - ONF Costs Taxable - ONC

Fees - ONF Costs - ONC

Place of Supply(Tax): Ontario

Variance Value
 Variance Brs
LTD Value
LTD Hours
Budget Value
 Budget Hrs
Matter Budgets

Trust Summary - as of 09:01 06/01/2015

Total Trust for the Matter

Matter #:559456-000001 Invoice #:\*\*\*\* Page 4 (4) Client: A. Farber & Partners Inc. Matter: Bending Lake Iron Group Limited

Billed Tax Task/ Value Code Act 144.00 ONF ONF 1,760.00 ONP 684.00 ONF 1,120.00 ONF 240.00 ONF OMP Š 240.00 ONF 1,332.00 ONF 262.50 900.006 1,260.00 Worked Value 5389 Moran, Christopher Bl 940 🎢 144.00 262.50 2.20 1,760.00 1.60 1,120.00 1.80 1,260.00 900.00 240.00 1,332.00 0.50 0.30 5389 Moran, Christopher Bl 150 5389 Moran, Christopher Bl 2:50 5389 Moran, Christopher Bl 3,00 7711 Kennedy, Robert 8908 Kraft, Kenneth 8908 Kraft, Kenneth 8908 Kraft, Kenneth 8909 Salmas, John P8909 Salmas, John 8909 Salmas, John Tkpr # Mame Description of Professional Services 24187787 01/12/14 24120442 01/12/14 Date 24043522 07/11/14 24125751 01/12/14 24141918 01/12/14 24133515 02/12/14 24141907 03/12/14 24187909 03/12/14 24141911 02/12/14 24140631 03/12/14 24187798 02/12/14 Time Details: Index

980.00 ONF

980.00

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Index

Matter #:559456-000001 Invoice #:\*\*\*\* Page 5 (5) Client: A. Farber & Partners Inc.
Matter: Bending Lake Iron Group Limited

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Tar Task/ Code Act

5389 Moran, Christopher 81 344 1,260.00 1,260.00 ONF Billed Value 770.00 Worked Value 240.00 560.00 252.00 72.00 350.00 Worked Bours Z(w) (÷ 0.30 0.80 5389 Moran, Christopher Bl 5389 Moran, Christopher Bl 8908 Kraft, Renneth 8908 Kraft, Kenneth 8909 Salmas, John 8909 Salmas, John 8909 Salmas, John Tkpr # Name (P) Description of Professional Services 24164496 05/12/14 24 MOSE DINEMA 24187927 04/12/14 24162126 04/12/14 24160888 08/12/14 24187934 05/12/14 24187938 08/12/14 24175421 10/12/14 Date

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24187948 12/12/14

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8909 Salmas, John

24187943 10/12/14

24184401 12/12/14

240.00 240.00

0.30

8908 Kraft, Kenneth

SN.

Index

Matter #:559456-000001 Invoice #:\*\*\*\*\* Page 6 (6) Client: A. Farber & Partners Inc. Matter: Bending Lake Iron Group Limited

Tax Task/ Code Act 960.00 ONF 684.00 ONF 1.50 1,200.00 1,200.00 ONF 240.00 ONF 400.00 ONE Billed Value 960.00 240.00 684.00 400.00 3 5389 Moran, Christopher B1 1450 Worked Bours 1.20 5389 Mosan, Cherstopher By 0.60 0.30 0.50 8908 Kraft, Kenneth 8908 Kraft, Kenneth 8908 Kraft, Kenneth 8908 Kraft, Kenneth Tkpr # Name Description of Professional Services 24185193 16/12/14 24210515 19/12/14 24221191 16/12/14 24191132 17/12/14 2428227 17/12/14 24193645 18/12/14 Date

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8908 Kraft, Kenneth

24211297 22/12/14

24224541 2312/18

6909 Salmas, John

210.00

Matter #:559456-000001 Invoice #:\*\*\*\* Page 7 (7) Client: A. Farber & Partners Inc. Matter: Bending Lake Iron Group Limited

Index	Date	Description of Professional Services	4	Tkpr # Name	2	Worked	Worked	Billed	Tax Task/	Task/
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24220966 31/12/14	1/12/14		80	08 Krai	8908 Kraft, Kenneth	0.30	240.00	240.00	ONE	
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Index Date AP	Disb	Tkpr	Qty	Worked	Adj Worked	Description	Tex
	•			AMOUNT	Amount		Code
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68928368 16/12/14	218	8908	•	2.25	_		ONC
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This is Exhibit B1	to in the
amdavit of John Salm	as
sworn before me this	······································
day of January	20.19
A COMMISSION	EA, ETC

EXHIBIT "B"

# Dentons Canada LLP

# Summary of Time and Value For the period July 9, 2014 to completion of the Estate

Value	36,960.00	31,080.00	4,620.00	740.00	1,200.00		11,304.00		85,904,00
fective Hourly Rate	548.37	592.00	334.78	740.00	400.00		238.48	•	
Effect	49	49	69	<del>()</del>	<del>()</del>	69	69	<b>69</b>	
Actual Time Hours	67.4	52.5	13.8	1.0	3.0	4.0	47.4	5.1	190.6
Billed Hours	46.2	4.4	8.8	***	က	0	31.4	0	
Position	Partner	Partner	Partner	Partner	Associate	Associate	Associate	Student	per Work in Process
Name	Kraft, Kenneth	Salmas, John	Kennedy, Robert	McVicar, Jaime	Shedletsky, Michael	Maynard, Ryan	Moran, Blake	Augustinovic, Danijel	Total Time and Value as per Work in Process

Blended Rate

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This is Exhibit	
emound John Salmas	
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and Takulun 2015	
A COMMISSIONER, ETC	10

# ЕХНІВІТ "С"

# Dentons Canada LLP Bending Lake Iron Group Limited Summary of Invoices for the period July 9, 2014, to December 31, 2014

Period	Date	Fee3	Disbursements	HST	Total
July 9, 2014 to September 30, 2014	07-0ct-14	22,184.00		2,962.25	25,748.78
October 1, 2014 to November 3, 2014	25-Nov-14 16,744.00	16,744.00		2,233.91	19,417.85
November 3, 2014 to November 28, 2014	5-Dec-14	29,616.00		3,963.60	34,452.85
December 1, 2014 to December 31, 2014	31-Dec-14	16,340.00		2,153.90	18,722.35
Total		84,884.00	2,144.17	11,313.66	98,341.83

2403177 ONTARIO INC.

BENDING LAKE IRON GROUP

LIMITED

Court File No: CV14-274

and Applicant

Respondent

# SUPERIOR COURT OF JUSTICE -ONTARIO

Proceeding commenced at Thunder Bay

## AFFIDAVIT OF JOHN J. SALMAS (Sworn January 20, 2015)

# Dentons Canada LLP

Suite 400

77 King Street West, TD Centre Toronto, ON M5K 0A1

Kenneth D. Kraft LSUC#: 31919P

Tel: 416.863.4374

Fax: 416.863.4592

Email: Kenneth.Kraft@dentons.com

Lawyers for A. Farber & Partners Inc., in its capacity as receiver of Bending Lake Iron Group Limited, and not in its personal capacity

### Appendix F

### O'Neill DeLorenzi Mendes

Barristers & Solicitors 116 Spring Street Sault Ste. Marie, Ontario P6A 3A1

### **Statement of Account**

October 29, 2014

File No.:20140518

ATTN: Mr. Paul J. Denton A Faber & Partners Inc. 150 York Street, Suite 1600 Toronto, ON M5H 3S5

Invoice No.:29651 H.ST. No.:122665573

RE: RECEIVERSHIP

For Professional	Services 1	rendered through	October 29, 2014
Jul-24-14	RM	AND TO RECEIPT	ESPONDENCE FROM MS. RUSNICK-KINISKY; AND REVIEW OF APPLICATION RECORD AND OF SAME TO CLIENTS;
Jul-25-14	RM	RUSNICK-KINISKY SUPPLEMENTARY	ESPONDENCE EXCHANGE WITH MS. Y; AND TO RECEIPT AND REVIEW OF Y APPLICATION RECORD RETURNABLE IN THUNDER BAY, ON;
Jul-29-14	RM	TO TELEPHONE A MCKAY AND MR. APPLICATION;	TTENDANCE WITH MR. WETELAINEN, MS. SHELDON WITH RESPECT TO RECEIVERSHIP
Jul-31-14	RM	MCKAY TO DISCU	ITENDANCE WITH MR. WETELAINEN AND MS. SS RECEIVERSHIP APPLICATION AND RESPECT TO SAME;
Jul-31-14	RM	AND TO RECEIPT A AUTHORED BY MI PENDING, 2014 AN	SPONDENCE FROM MS. RUSNICK-KINISKY; AND REVIEW OF CORRESPONDENCE R. STRICKLAND DATED JULY DISBURSEMENT D CONFIRMATION OF APPLICATION; AND TO AND TO FORWARDING SAME TO CLIENT;
Aug-06-14	RM	TO E-MAIL CORRE RESPECT TO CASE	SPONDENCE FROM MR. FALKINS WITH LAW AND AFFIDAVIT DOCUMENTATION;
Aug-07-14	RM		REVIEW OF FACTUM AND BOOK OF M MS. RUSNICK-KINISKY WITH RESPECT TO PLICATION;
Aug-08-14	RM	TO REVIEW OF LEG APPLICATION;	GAL DESCRIPTION WITH RESPECT TO

			2
, Aug-09-14	RM	TO TELEPHONE ATTENDANCE WITH MR. WETELAINEN REGARDING RECEIVERSHIP APPLICATION AND ISSUES REGARDING SAME;	•
Aug-09-14	RM	TO LEGAL RESEARCH AND REVIEW OF CASE LAW REGARDING RECEIVERSHIP APPLICATION;	Z.
Aug-09-14	RM	TO E-MAIL CORRESPONDENCE FROM MR. FALKINS; AND TO RECEIPT AND REVIEW OF CASE LAW WITH RESPECT TO ISSUES OF RECEIVERSHIP APPLICATION;	
Aug-09-14	RM	TO E-MAIL CORRESPONDENCE FROM MR. FALKINS; AND TO REVIEW OF ATTACHED CASE LAW;	
Aug-11-14	RM .	TO E-MAIL CORRESPONDENCE FROM MS. RUSNICK-KINISKY; AND TO RECEIPT AND REVIEW OF CONFIRMATION OF APPLICATION DATED AUGUST 11, 2014;	
Aug-12-14	RM	TO E-MAIL CORRESPONDENCE FROM MR. FALKINS ENCLOSING AFFIDAVIT OF MR. FALKINS; AND TO REVIEW OF SAME;	
Aug-12-14	RM	TO TELEPHONE ATTENDANCE WITH MS. RUSNICK-KINISKY AND TO DIFFICULTIES WITH RESPECT TO SAME; AND TO E-MAIL CORRESPONDENCE FROM MS. RUSNICK-KINISKY;	
Aug-12-14	RM	TO RECEIPT OF FACSIMILE FROM MS. RUSNICK-KINISKY AND APPLICATION FOR 2403177 ONTARIO INC. AND BENDING LAKE IRON GROUP;	41
Aug-12-14	RM	TO ADDITIONAL REVIEW OF MATERIAL AND CASE LAW; AND TO PREPARATION FOR COURT ATTENDANCE ON AUGUST 14, 2014;	76.1
Aug-13-14	RM	TO TRAVEL FROM SAULT STE. MARIE TO THUNDER BAY;	
Aug-13-14	RM	TO ATTENDANCE WITH CLIENTS IN PREPARATION FOR COURT ATTENDANCE ON AUGUST 14, 2014;	
Aug-14-14	RM	TO TRAVEL FROM THUNDER BAY TO SAULT STE. MARIE;	
Aug-14-14	RM	TO ATTENDANCE AT THE COURT HOUSE FOR HEARING OF MATTER;	8 ¥.
Aug-14-14	ŘM	TO ATTENDANCE WITH CLIENTS FOLLOWING COURT APPEARANCE TO REVIEW AND DISCUSS COURT RESULT;	2.
Aug-18-14	RM	TO SPEAKING WITH CLIENT AND DISCUSSING RECEIVERSHIP OPTIONS AND TO RESEARCH RE AGREEMENT AND CONDITIONS OF ACCEPTANCE OF RECEIVERSHIP CONDITIONS;	

· Aug-19-14	RM	TO CONDUCTING LEGAL RESEARCH RE TERMS FOR RECEIVERSHIP;
Aug-22-14	RM	TO CONTINUING DRAFTING RESPONSE;
Aug-25-14	RM	TO E-MAIL TO HENRY WETLAINEN AND RETURN;
Aug-25-14	RM	TO TELEPHONE CALL TO MIKE STRICKLAND RE CONSENT TO RECEIVERSHIP;
Sep-03-14	RM	TO CONTINUED PREPARATION OF MATERIAL IN RESPONSE TO APPLICATION;
Sep-03-14	RM	TO PREPARATION OF CORRESPONDENCE TO PLAINTIFF'S COUNSEL;
Sep-03-14	RM	TO REVIEW OF BENNETT ON RECEIVERSHIPS;
Sep-03-14	- RM	TO E-MAIL CORRESPONDENCE TO MS. RUSNICK-KINISKY WITH RESPECT TO HEARING ON SEPTEMBER 11, 2014, FINANCING EFFORTS AND RECEIVERSHIP APPLICATION;
Sep-03-14	RM	TO TELEPHONE ATTENDANCE WITH MR. WETELAINEN, MS. MCKAY AND MR. FALKINS TO DISCUSS RECEIVERSHIP APPLICATION;
Sep-04-14	RM	TO REVIEW OF STATUS OF RECEIVER AND MANAGER REALIZATION;
Sep-04-14	RM	TO E-MAIL CORRESPONDENCE EXCHANGE WITH MS. RUSNICK-KINISKY WITH RESPECT TO REQUEST FOR 30 DAY PERIOD BETWEEN SEPTEMBER 11, 2014 APPEARANCE AND APPOINTING OF RECEIVER;
Sep-07-14	RM	TO PREPARATION FOR HEARING ON SEPTEMBER 11, 2014;
Sep-08-14	RM	TO TELEPHONE CALL TO RODI LYNN;
Sep-08-14	RM	TO E-MAIL TO RODI LYNN;
Sep-08-14	RM	TO PREPARE MATERIAL AND TELEPHONE CALL TO HENRY WEITLAINEN;
Sep-08-14	RM	TO E-MAIL FROM RODI-LYNN AND TELEPHONE CALLS TO CLIENT TO DISCUSS SAME AND E-MAIL TO CLIENT;
Sep-08-14	RM	TO DRAFTING OF NOTICE OF APPEARANCE AND TO INSTRUCTIONS TO CLERK WITH RESPECT TO SERVICE AND FILING OF SAME;

Sep-08-14	RM	TO E-MAIL CORRESPONDENCE FROM MR. FALKINS WITH RESPECT TO AFFIDAVIT OF DAN SINCLAIR; AND TO REVIEW OF SAME AND TO TELEPHONE ATTENDANCE WITH MR. FALKINS WITH RESPECT TO REVISIONS;	
Sep-08-14	RM ·	TO RECEIPT AND REVIEW OF CONFIRMATION OF APPLICATION FROM MS. RUSNICK-KINISKY;	
Sep-09-14	RM	TO E-MAIL CORRESPONDENCE EXCHANGE WITH MR. FELKOFT WITH RESPECT TO MATTER;	
Sep-09-14	LM	TO REVIEW OF MATERIAL WITH RESPECT TO MATTER; TO DRAFTING NOTICE OF APPEARANCE; TO ARRANGING FOR SERVICE ON PARTIES; TO PREPARATION OF AFFIDAVIT OF SERVICE RE: NOTICE OF APPEARANCE; AND TO ARRANGING FOR FILING AT THE LOCAL REGISTRAR'S OFFICE IN THUNDER BAY, ON;	
Sep-10-14	RM	TO TELEPHONE ATTENDANCE WITH CLIENT TO DISCUSS NEGOTITIONS WITH COUNSEL FOR THE RECEIVERSHIP;	
Sep-10-14	RM	TO TELEPHONE ATTENDANCE WITH CLIENT TO DISCUSS TAKEOUT FINANCING;	
Sep-11-14	RM	TO TRAVEL FROM SAULT STE MARIE TO THUNDER BAY;	
Sep-11-14	RM	TO ATTENDANCE WITH COUNSEL FOR PARTIES TO DISCUSS CONTENTS OF THE ORDER;	
Sep-11-14	RM	TO ATTENDANCE AT MOTIONS COURT WITH RESPECT TO HEARING OF MATTER;	
Sep-11-14	RM	TO ATTENDANCE WITH REPRESENTATIVES OF BENDING LAKE IRON GROUP TO ENSURE ACCESS FOR THE RECEIVER;	
Sep-11-14	RM	TO ATTENDANCE WITH RECEIVER TO DISCUSS PROCESS;	
Sep-11-14	RM	TO TRAVEL FROM THUNDER BAY TO SAULT STE MARIE;	
Sep-11-14	RM	TO E-MAIL CORRESPONDENCE FROM MS. PAWLUK AND ENCLOSED RECEIVERSHIP ORDER OF THE HONOURABLE JUSTICE SHAW DATED SEPTEMBER 11, 2014; AND TO REVIEW OF SAME;	
Sep-13-14	RM	TO E-MAIL CORRESPONDENCE FROM MR. FALKINS ENCLOSING APPLICATION RECORD OF 2403177 ONTARIO INC.; AND TO REVIEW OF SAME;	

· Sep-13-14	RM	TO E-MAIL CORRESPONDENCE FROM MR. FALKINS ENCLOSING SUPPLEMENTARY APPLICATION RECORD OF 2403177 ONTARIO INC.; AND TO REVIEW OF SAME;
Sep-15-14	RM	TO RECEIPT OF E-MAIL FROM MR. DENTON WITH RESPECT TO INFORMATION REQUESTED SUCH AS INTERESTED INVESTOR PARTIES, PROPERTIES, SURFACE RIGHTS, RE&ED PROGRAM;
Sep-18-14	RM	TO E-MAIL EXCHANGE WITH RESPECT TO BUDGET INFORMATION AND DUE DILIGENCE;
Sep-19-14	RM	TO TELEPHONE ATTENDANCE WITH MR. WETELAINEN WITH RESPECT TO ISSUES ASSOCIATED WITH RECEIVERSHIP PROCESS;
Sep-19-14	RM	TO E-MAIL CORRESPONDENCE TO MR. DENTON WITH RESPECT TO PROVISION OF INFORMATION REQUESTED, EVALUATION OBTAINED BY MR. LIVINGSTON, ISSUES WITH MR. UNGAR AND SUSTAINABLE DEVELOPMENT AND ABORIGINAL COMMUNITIES;
Sep-19-14	RM	TO E-MAIL CORRESPONDENCE FROM MR. DENTON WITH RESPECT TO NOTIFICATION TO CREDITORS AND FIRST NATION AND METIS COMMUNITIES;
Sep-22-14	RM	TO E-MAIL EXCHANGE BETWEEN MS. MCKAY AND MR. SINCLAIR REGARDING PROVISION OF BUDGET INFORMATION;
Sep-24-14	RM	TO TELEPHONE ATTENDANCE WITH MR. WETELAINEN TO DISCUSS PROVISION OF INFORMATION TO RECEIVER;
Sep-25-14	RM	TO REVIEW OF NOTICE OF APPLICATION RECORD, APPLICATION, SCHEDULES, AFFIDAVITS AND EXHIBITS WITH RESPECT TO SAME;
Sep-25-14	RM	TO LEGAL RESEARCH WITH RESPECT TO RECEIVERSHIP APPLICATION;
Sep-28-14	RM	TO E-MAIL EXCHANGE WITH CLIENT WITH RESPECT TO COURT APPEARANCE ON SEPTEMBER 11, 2014;
Sep-29-14	RM	TO TELEPHONE ATTENDANCE WITH MR. SALMAS RE MATERIAL FILED AND ATTENDANCE;
Sep-29-14	RM	TO TELEPHONE ATTENDANCE WITH MR. DENTON RE TOM UNGAR AND UNDERTAKING NOT TO PROVIDE TOM UNGAR WITH INFORMATION;

· Sep-29-14	RM	TO DRAFT CORRESPONDENCE TO RECEIVER WITH RESPECT TO A HISTORY OF THE DEVELOPMENT OF BLIG AND ABORIGINAL CONSULTATIONS; AND TO FORWARDING OF SAME TO CLIENT FOR APPROVAL;
Sep-30-14	RM	TO TELEPHONE MESSAGE FROM MR. SALMAS WITH RESPECT TO UNDERTAKING AND PROVISION OF INFORMATION; AND TO E-MAIL CORRESPONDENCE TO MR. SALMAS WITH RESPECT TO SAME;
Sep-30-14	RM .	TO TELEPHONE ATTENDANCE WITH MR. WETELAINEN RE RECEIVERSHIP PROCESS;
Oct-01-14	RM	TO E-MAIL CORRESPONDENCE FROM MR. SINCLAIR REGARDING LAND APPRAISAL;
Oct-02-14	LM	TO E-MAIL CORRESPONDENCE EXCHANGE WITH RESPECT TO APPRAISAL REQUEST;
Oct-03-14	RM	TO E-MAIL EXCHANGE WITH MR. SALMAS WITH RESPECT TO RELEASE OF INFORMATION AND MEETING DATE;
Oct-06-14	RM	TO TELEPHONE ATTENDANCE WITH MR. DENTON AND MR. KRAFT REGARDING MATTER;
Oct-06-14	RM	TO E-MAIL FROM MR. KRAFT REGARDING REQUEST FOR AN UNDERTAKING FROM THE RECEIVER;
Oct-08-14	RM	TO TELEPHONE ATTENDANCE WITH CLIENTS TO DISCUSS THE REQUEST FROM MR. DENTON RE CONFERENCE CALL;
Oct-09-14	RM	TO E-MAIL EXCHANGE BETWEEN MR. DENTON, MR. WETELAINEN REGARDING RELEASE OF INFORMATION;
Oct-14-14	RM :	TO E-MAIL EXCHANGE BETWEEN MR. DENTON, MR. SHELDON AND MR. WETELAINEN REGARDING WSIB AND COVERAGE OF SAME; AND TO RECEIPT AND REVIEW OF CORRESPONDENCE AND DOCUMENTATION FROM WSIB;
Oct-15-14	RM	TO E-MAIL CORRESPONDENCE EXCHANGE WITH MR. DENTON REGARDING PROVISION OF INFORMATION;
Oct-22-14	RM	TO TELEPHONE ATTENDANCE WITH MR. WETELELAINEN WITH RESPECT TO VISIT OF THE RECEIVER TO BENDING LAKE IRON GROUP IN THUNDER BAY ON OCTOBER 23, 2014;
Oct-24-14	RM	TO TELEPHONE ATTENDANCE WITH MR. WETELAINEN TO DISCUSS ISSUES REGARDING OUTSTANDING CLAIMS;
Oct-28-14	RM	TO TELEPHONE ATTENDANCE WITH CLIENT TO DISCUSS ISSUES WITH CLAIMS AND OTHER CHANGES IN THE PROCESS;

Oct-28-14	RM	TO DRAFT OF CORRES REVIEW OF SAME WIT	PONDENCE TO RECEIVER; AT H CLIENT;	ND TO	
Oct-29-14	RM	MCKAY TO REVIEW C	DANCE WITH MR. WETELAIN ORRESPONDENCE FROM MR. I DISCUSS RESPONSE TO SAME	DENTON;	
Oct-29-14	RM	TO REVIEW OF MATERIALS FROM THE FILE; AND TO NEGOTIATIONS WITH BENDING LAKE REPRESENTATIVES WITH RESPECT TO RESPONSE TO MR. DENTON; AND TO FINALIZATION OF CORRESPONDENCE TO MR. DENTON;			
Oct-29-14	RM	TO REVIEW OF AGREEMENTS WITH AIWAN TO DETERMINE IF AGREEMENTS WERE SIGNED OR ACTUALLY COMPLETED WITH ALL EXHIBITS BEING FINALIZED;			
Oct-29-14	RM	TO CORRESPONDENCE IN THE FILE BEING SIXTEEN SENT AND TWENTY THREE RECEIVED; TO REPORTING AND GENERALLY ACTING WITH RESPECT TO THIS MATTER;			
	Total Fees HST on Fees	(13%)		\$31,579.25 4,105.30	
Taxable Disl	bursements				
FACSIMILE TRAVEL EXPENSES (AUGUST 13/14, 2014) THUNDER BAY  33.00 300.00					
CAR RENTAL (AUG 13/14) THUNDER BAY HOTEL ACCOMODATIONS (AUG 13/14) THUNDER BAY			104.80 139.00		
Total Taxable Disbursements H.S.T on Disbursements (13%)				\$576.80 74.98	

Exempt Disbursements	(3 <b>.</b> 1)	
AIRPORT PARKING (SEPT 11/14)	10.00	
TRAVEL EXPENSES (SEPTEMBER 11, 2014)	150.00	(20)
THUNDER BAY	130.00	
AIRPORT PARKING (AUG 14/14)	10.00	
CAR RENTAL (SEPT 11/14) THUNDER BAY	65.38	i i
MILEAGE (34.6 KM RETURN AIRPORT) AUG	18.68	*
14/14	10.00	
MILEAGE (34.6 KM RETURN AIRPORT) SEPT	18.68	
11/14		•
Total Exempt Disbursements		\$272.74
	9	Ψ
70 4 1 70 40 40	*	
Total Fees, Disbursements and Taxes		\$36,609.07
TOTAL AMOUNT NOW DUE		
TOTAL AMOUNT NOW DUE		\$36,609.07

PER: ROBERT W. MACRAE
According to Section 33 of the Solicitor's Act
1.3% interest will be charged per annum, one
Month following delivery of this bill. E & O.E.

### Appendix G



MICHALL O'NTHE • BRIAN DELORENZE • HEATHER ANN MENDES SICHARD DELGRENZE • ROBERT MACRAE • JESSE COND • ROSARIO ROMANO

**VIA FAX** 

September 29, 2014

Robert MacRae Law Clerk (Laura MacRae) Ext. 203 Ext. 217

e-mail macrae@eaultlawyers.com

ATTN: Paul Denton, Vice President A. Farber & Partners Inc. 150 York Street, Suite 1600

Toronto ON M5H 3S5

ATTN: Rodi-Lynn Rusnick-Kinisky Buset & Partners Barristers and Solicitors 1121 Barton Street Thunder Bay, ON P7B 5N3

ATTN: John Salmas
Dentons Canada LLP
77 King Street West, Suite 400
Toronto, ON M5K 0A1

Dear Sirs/Madame,

RE: Bending Lake Iron Group Limited ats

2403177 Ontarlo Inc. Our File No.: 20140518

Thank you for your e-mail responding to my earlier questions. I look forward to receiving the information requested and thank you for your assistance in that regard.

Page |2

As counsel for Bending Lake Iron Group Limited (hereinafter referred to as BLIG), as well as Vice President of Sustainable Development, I am writing to you as Receiver to provide Information and background that I believe will be very valuable in the restructuring of this company and moving forward with the development of the iron ore project.

Mr. Livingston has sought the appointment of a Court appointed Receiver. I understand that Mr. Livingston is financing this process. Accordingly, my correspondence is also directed at Mr. Livingston. As a result of this, I am writing to Ms. Rusnick-Kinisky and John Salmas as well.

Mr. Wetelainen asked me to join the BLIG team in 2009. At that time, I was retired and indicated to Mr. Wetelainen that I would wait at least six months until I became involved with BLIG.

In exactly 6 months, Mr. Wetelainen called me again asking me if I would consider joining the BLIG team and assisting in the Aboriginal aspects of the Bending Lake developments. Having specialized in Aboriginal law and having dealt with Mr. Wetelainen for over 20 years, I agreed to become involved with BLIG.

You will note, as you review the payables and the history of the company, the following information:

- 1. I have never involced the company for my work, in that I was committed to providing pro bono services to an Aboriginally controlled corporation. I believed in the project then and I continue to believe in the project.
- 2. I have outstanding disbursements with respect to the project that amount to in excess of \$50,000.00. These are funds that I invested in travel, printing, consultants and law clerks.

When the corporation found itself short of financing the completion of the Project Description for the Federal Government, my law team stepped in and completed the Project Description with the assistance of employees of the corporation. The Project Description was filed with the Federal Government on December 13, 2011. It was accepted by the Federal Government and the Environmental Assessment process is well underway.

Page 13

The 90 day review period during which the Federal Government obtained additional input from Aboriginal communities was completed. I travelled to various Aboriginal communities to begin the consultation process that is an absolute necessity in the development of a natural resource project in Canada. This is the way it should be.

Throughout this period of time, the project has been advancing through various stages of the Environmental Assessment process Federally.

As well, I personally financed the completion of the initial documentation that was provided to the Ontario Government with respect to the Ontario Environmental Assessment in March of 2012.

These documents are available on-line and can be found at:

- ceaa-acee.gc.ca/050/details-eng.cfm?evaluation=66282
- ontario.ca/environment-and-energy/bending-lake-iron-mine

When Mr. Denton and I spoke following the appointment of the receiver, he indicated that he would be notifying the appropriate parties within 10 days of the appointment of the Receiver.

You will recall Mr. Denton that I wrote seeking information with respect to notification to the Aboriginal communities involved in the consultation process.

The purpose of this correspondence is to provide you with my opinion as to the necessity for the receiver to deal with the Aboriginal communities that are involved in this resource development.

Mr. Ungar continually stressed the value of the Aboriginal majority ownership of BLIG. It is very unfortunate that Mr. Ungar chose to undermine Mr. Wetelainen's leadership at a later date. This is particularly unfortunate in that it clearly evidences Mr. Ungar's inability to understand the value and the requirement for Aboriginal representation within the company. The delicate balance that needs to be struck between BLIG and the Aboriginal communities included an Aboriginal preference program with respect to hiring and promotion of within the corporation proper, as well as the development as evidenced in the Project Description. This Aboriginal Preference Program is set out in detail in the Project Description that was filed with the Federal Government. Aboriginal community members have

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reviewed the Project Description, and in my opinion are extremely interested in this aspect of the development continuing.

Mr. Ungar purposely worked to remove Mr. Wetelainen as the President and CEO of BLIG. It is this writer's opinion that Mr. Ungar did so in order to deflect any personal criticism from himself with respect to his actions over the years in obtaining various investments. I ask you also to note the fees that Mr. Ungar charged in relation to the monies advanced by Mr. Livingston. I have been scrupulous in my efforts to ensure that I am not in a position of conflict regarding any of the activities of BLIG at this time. I have accomplished this by not accessing any of the funds that have been raised from shareholders. As above, I have not received any monies whatsoever from BLIG and you will not see an outstanding payable with my name on it.

The reason that I reference Mr. Ungar again in this correspondence is that it is a glaring example of how to proceed in a manner that is guaranteed to negatively impact the relationship between BLIG and members of various aboriginal communities.

While it is fine for the laws of Ontario and Canada to be applied to this debt collection service, it must also be realized that in doing so, the impact on the very core of the thrust of the development is magnified.

It is my respectful opinion that as a receiver you are obligated to continue the consultations with the various Aboriginal communities during this receivership process. The communities have a stake in the development of BLIG, both from an Impact Benefit Agreement perspective, as well as the potential royalties that will be generated from the development.

This isn't a simple resource development project. It is a very complicated interaction between a resource development company that is controlled by Aboriginal individuals and the Aboriginal communities that will be impacted by the development.

I respectfully suggest that continued consultations are mandated by the current state of the law with respect to natural resource development and Aboriginal communities.

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Mr. Ungar could have very easily used his efforts to provide Mr. Wetelainen with professional assistance, if in fact this was Mr. Ungar's underlying and legitimate concern. An experienced "Bay Street" manager can very easily work along side Mr. Wetelainen. I, myself, have worked with Mr. Wetelainen in excess of two decades.

It has been my experience that Mr. Wetelainen seeks consensus wherever possible and has been an exceptional leader in the Aboriginal community. Mr. Wetelainen has worked with many diverse Aboriginal groups, as well as represented many, many Aboriginal communities over the years.

This depth of knowledge with respect to Aboriginal communities, the requirement to consult and the requirement to provide benefits directly to the communities was at the very core of what Mr. Ungar was promoting. Mr. Livingston will recognize this. While I do not have personal knowledge of what Mr. Ungar explained to Mr. Livingston, I expect that Mr. Ungar heavily emphasized the Aboriginal component of BLIG, which in Mr. Ungar's opinion would expedite or at the very least favourably impact the Environmental Assessment process in its entirety. Mr. Livingston will know if I am correct.

i highlight this issue as a means of bringing into sharp relief, the requirement to continue to involve Mr. Wetelainen, and Ms. Dawn McKay in the restructuring process of BLIG. I would be pleased to provide you information with respect to the Aboriginal communities that need to be consulted with respect to the appointment of the receiver and the ultimate direction of the company.

If I can be of assistance, please contact me.

Yours very truly,

Robert MacRae

RM:Im

### Appendix H



Kennath Kraft

kenneth.kraft@dentons.com D +1 416 863 4374 Salans FMC SNR Denton

dentons com

Dentons Canada LLP 77 King Street West, Suite 400 Toronto-Dominion Centre Toronto, ON, Canada M5K 0A1

T+1 416 863 4511 F+1 416 863 4592

December 1, 2014

Delivered via E-mail (rmacrae@saultlawyers.com)

Mr. Robert MacRae O'Neili DeLorenzi Mendes Barristers and Solicitors 116 Spring Street Sault Ste. Marie, ON P6A 3A1

RE:

Bending Lake iron Group Limited ats 2403177 Ontario Inc.

Our File:

559456-1

On behalf of A. Farber & Partners Inc., in its capacity as receiver ("Receiver") of Bending Lake Iron Group Limited ("BLIG" or the "Debtor"), we take this opportunity to address certain issues related to your account, dated October 29, 2014 ("Account"), along with your September 29, 2014, October 29, 2014, and November 17, 2014 letters addressed to the Receiver. The September 29<sup>th</sup> and November 17<sup>th</sup> letters were also addressed to our firm and to Buset & Partners LLP ("Buset"), counsel to 2403177 Ontario Inc. (the "Applicant"). Some of the Issues raised in your letters have been addressed in various telephone conversations over the last month with representatives of our firm and the Receiver. However, we thought it appropriate to set out a comprehensive written response addressing first the Account, and then the remainder of the points. We would expect Buset to address other issues relevant to the Applicant raised in your letters.

The Account was delivered to the Receiver on October 30, 2014, and covers the period July 24 — October 29, 2014. There are a number of difficulties with the Account on its face. To begin with the Account is addressed to the Receiver. However, the Receiver is not your client. More substantively, the Account provides no breakdown of the time spent on matters to which the narrative is related on each date including a particularized break down of time spent on discrete tasks in the narrative. As we are sure you are aware, all disbursements of the Receiver must be assessed by the court as part of the passing of its accounts. Furthermore, all professional fees to which someone may claim a right to access the administration charge ("Administration Charge") under the September 11, 2014 order appointing the Receiver ("Appointment Order") need to be scrutinized by the court as part of the passing of accounts. We acknowledge that the Appointment Order omits reference to the Debtor's accounts being passed by the court. The Receiver does not believe that omission to be material, especially since its disbursements must be approved. Additionally, any party required to pay a legal account is entitled to have that account assessed.

Another issue that arises in relation to the Account, is that it is not entirely clear who the client is that you are working for at various points. While some of the work would appear to be for the Debtor, other entries would appear to be more for the benefit of the shareholders and/or the directors of BLIG. The Receiver does not believe that the Administration Charge extends to work for anyone other than



December 1, 2014 Page 2

BLIG itself. Your own role adds to the confusion as we note that in your September 29, 2014 letter you write both in your role as counsel to BLIG and "... as well as Vice President of Sustainable Development" for BLIG. Therefore, at least some part of the time spent on its face must be in your capacity as an officer of BLIG and not as its legal counsel. The issue also arises in the context of the costs incurred to obtain the Appointment Order set out in the Account as the only change in the draft order originally presented to the court and the Appointment Order related to the deletion of one sub-clause in the Receiver's power. It is difficult to understand the benefit to BLIG of having both the secured creditor and the Debtor incur substantial costs to address what ended up being an unopposed order.

in order for the Receiver to consider what parts of the Account may be subject to the Administration Charge it needs the Account revised so that it is addressed to BLIG, provides particulars of all time entries to which the various narrative tasks are related, and only covers matters for which the work was performed for the benefit of BLIG itself and does not include time spent as an officer of BLIG.

We have also discussed with you issues around coordinating efforts of counsel going forward to make sure that any work that you perform on behalf of BLIG is not duplicative of work that the Receiver is addressing pursuant to the Administration Order. As the Receiver is not in possession pursuant to the Appointment Order, we accept that there is some legal work that BLIG may require that the Receiver is not able to perform and which should be subject to the Administration Charge. However, the Receiver does not accept that the Appointment Order covers any legal work that you may perform on behalf of BLIG's management. It can only cover work that is not within the Receiver's powers (or work which the Receiver expressly requests you perform). We remain willing to discuss a form of protocol to reduce the scope of any confusion in relation to this matter.

Finally, the Receiver is considering attending at court in early to mid-January to address approval of fees and disbursements to date. We understand that the first motion dates available would be January 8 or 15<sup>th</sup>. Can you advise if one or both of those dates are possible from your end and we will arrange to schedule the motion on such date. Depending on your response to the points raised above in relation to the Account, Buset may want to bring a cross-motion with respect to clarifying the issue of legal costs moving forward.

Your September 29, 2014 letter goes into quite a bit of detail around aboriginal consultation and involvement in the process and the continued involvement of Mr. Wetalainen and Ms. MacKay. As you are well aware, the Receiver has recognized that Mr. Wetalainen and Ms. MacKay do have a role to play. However, the Receiver is also cognizant that they likely will be making some type of proposal pursuant to the sales and solicitation investment process ("SISP") that has just been started. The Receiver would hope that both Mr. Wetalainen and Ms. MacKay will be cognizant of their fiduciary responsibilities as directors of BLIG at the same time as they may be pursuing their personal interests pursuant to the SISP process.

We would anticipate that any proposal that ultimately comes out of the SiSP process probably will address issues around aboriginal involvement going forward. The Receiver may well consider that involvement as one of the criteria in terms of deciding what bid(s) should move forward ultimately for court approval. In addition, since the SiSP is a public process any affected party may have standing where appropriate to ensure that any concerns are addressed when the Receiver seeks court approval of any transaction.



December 1, 2014 Page 3

The remaining issue addressed in your November 17, 2014 letter, and set out in more detail in your October 29, 2014 letter, relates to concerns around Mr. Livingston and the relationship with Heenan Blaikie LLP particularly at the time of the proposed Aiwan transaction. Mr. Livingston has received copies of your letters. The Receiver does not view this as a matter with which it should be concerned. Mr. Livingston has his own counsel and can address these matters to the extent he sees any need, separately.

We trust the foregoing summarizes for you and your client the various matters and we look forward to receiving from you a revised Account and confirmation regarding one of the proposed January motion dates.

Yours truly,

**Dentons Canada LLP** 

Kenneth Kraft

SC

cc. Paul J. Denton, A. Farber & Partners Inc. (pdenton@farberfinancial.com)

Mike Strickland, Buset & Partners (mstrickland@buset-partners.com)

Rodi-Lynn Rusinck Kinisky, Buset & Partners (rrusnick@buset-partners.com)

John Salmas (Dentons) Robert Kennedy (Dentons) Blake Moran (Dentons)

## Appendix "F"

Court File No.

### ONTARIO SUPERIOR COURT OF JUSTICE

BETWEEN:

### **2403177 ONTARIO INC.**

Applicant

- and -

### BENDING LAKE IRON GROUP LIMITED

Respondent

APPLICATION UNDER SUBSECTION 243(1) OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED AND SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED

### AFFIDAVIT OF C. STUART LIVINGSTON (sworn July 22, 2014)

- I, C. STUART LIVINGSTON, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY AS FOLLOWS:
- 1. I am the President, Secretary and Sole Director of the applicant, 2403177 Ontario Inc. (the "Security Agent"). C. Stuart Livingston and James MacLean (collectively, the "Secured Lenders") are the secured creditors of Bending Lake Iron Group Limited (the "Debtor"), the respondent herein. As such, I have personal knowledge of the matters to which I hereinafter depose. Where I do not have personal knowledge of the matters set out herein, I have stated the source of my information and, in all such cases, believe it to be true.

### **PURPOSE**

2. I am swearing this affidavit in support of an application by the Security Agent for an order, among other things, appointing A. Farber & Partners Inc. ("Farber") as receiver of all of the assets, undertakings and properties of the Debtor (the "Property").

### DESCRIPTION OF THE DEBTOR

- 3. The Debtor is a corporation formed by amalgamation pursuant to the laws of the Province of Ontario on July 18, 2008. A copy of the Debtor's corporate profile report obtained on June 13, 2014 is attached as **Exhibit "A"** to this Affidavit.
- 4. According to the Debtor's corporate profile report, its registered office is located at the address municipally known as 201 Hardisty Street, Thunder Bay, Ontario P7C 3G8 (the "Premises").
- 5. According to the Debtor's corporate profile report, the directors of the Debtor are Dawn Elaine Mackay-Daynes, Henry Grant Wetelainen ("Henry Grant") and Henry Clayton Wetelainen and the officers of the Debtor are Henry Grant as President and Chief Executive Officer, and J. Chris Bailey as Chief Financial Officer. To the best of my knowledge, based on conversations with the Debtor's management, J. Chris Bailey is no longer an officer of the Debtor.
- 6. The Debtor is an early stage iron ore mine development company whose major asset is a property northwest of Thunder Bay, Ontario in the Kenora Mining Division and the Dryden Ministry of Natural Resources District. The property currently has estimated resources in excess of 335 million tons of iron ore.

- 7. The Debtor is not yet operating an active mine and the Debtor's development of the iron ore mine is not currently progressing due to lack of funds. The Debtor is still in the process of completing its Federal and Provincial Environmental Assessment processes under the Canadian Environmental Assessment Act and the Ontario Environmental Assessment Act. The Debtor has not yet obtained the necessary permits to commence mining activities. To the best of my knowledge, the environmental assessment process was halted by the Debtor in late 2012 or early 2013 due to insufficient funds. The Project Description, which is the first step in the Federal Environmental Assessment process, was submitted in early 2012 but to the best of my knowledge, the Debtor has not completed any additional stages of the Environmental Assessment process.
- 8. To the best of my knowledge, as of the date of this Affidavit, the Debtor employs less than 10 employees, including the current directors and officers of the Debtor, all of whom are non-unionized. To the best of my knowledge, the Debtor does not provide a pension plan to its employees.
- 9. To the best of my knowledge, the Debtor has over 160 shareholders and approximately 33,500,000 shares issued and outstanding. James MacLean holds approximately 576,000 common shares of the Debtor and C. Stuart Livingston holds approximately 700,000 common shares of the Debtor. The directors, officers, management and prior directors and officers of the Debtor (including their affiliates and related parties) hold approximately 19,000,000 shares of the Debtor in the aggregate, representing approximately 57% of the issued and outstanding shares of the Debtor. Inclusive in that figure, Henry Grant and his family (including their affiliates and related parties) hold approximately 16,350,000 shares of the Debtor, representing approximately 49% of the issued and outstanding shares of the Debtor.

### THE SECURED LENDERS' LOANS TO THE DEBTOR

- The Debtor is indebted to the Security Agent pursuant to a credit facility (the "Credit Facility") made available by the Secured Lenders pursuant to and under the terms of a loan agreement made among Arm's Length Holdings Inc. (the "Prior Security Agent"), C. Stuart Livingston and the Debtor dated November 2, 2011, as amended by an Amendment to Loan Agreement dated March 21, 2012, a Second Amendment to Loan Agreement dated July 6, 2012, and a Third Amendment to Loan Agreement dated September 11, 2012, all made among the Prior Security Agent, C. Stuart Livingston and the Debtor (collectively, and as further amended, supplemented, restated or replaced, from time to time, the "Loan Agreement"). A copy of the Loan Agreement is attached as Exhibit "B" to this Affidavit.
- 11. As security for its obligations to the Secured Agent, including, without limitation, its obligations under the Loan Agreement, the Debtor provided security in favour of the Prior Security Agent acting on behalf of the Secured Lenders, including, without limitation:
  - (a) a security agreement dated as of November 2, 2011 granted by the Debtor in favour of the Prior Security Agent (the "Security Agreement"), a copy of which is attached as Exhibit "C" to this Affidavit;
  - (b) a Debenture re: Real Property dated as of November 2, 2011 granted by the Debtor in favour of the Prior Security Agent (the "Debenture re: Lands"), a copy of which is attached as Exhibit "D" to this Affidavit;
  - (c) a Debenture re: Licences of Occupation dated as of November 2, 2011 granted by the Debtor in favour of the Prior Security Agent (the "Debenture re: Licences of Occupation"), a copy of which is attached as Exhibit "E" to this Affidavit; and

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(d) a Supplemental Debenture re: Unpatented Mining Claims dated as of June 8, 2012

granted by the Debtor in favour of the Prior Security Agent (the "Debenture re:

Mining Claims"), a copy of which is attached as Exhibit "F" to this Affidavit.

(collectively, the "Security").

12. Effective January 28, 2014, the Prior Security Agent, C. Stuart Livingston, James

MacLean and the Security Agent entered into an Assignment Agreement (the 'Assignment

Agreement') whereby all of Prior Security Agent's right, title and interest in and to the Loan

Agreement and the Security were assigned to the Security Agent, Attached hereto as Exhibit 'G'

is a true copy of the Assignment Agreement.

13. The Debtor was indebted to the Security Agent, pursuant to the Loan Agreement, for the

following sums for principal and interest (including administrative and forbearance fees, as

applicable) as at June 1, 2014:

Outstanding Loan Principal:

Interest to Date:

microst to Date.

**Total Outstanding Indebtedness:** 

CDN\$2,272,500.00

CDN\$847,659.32

CDN\$3,120,159.32

THE DEBTORS' OTHER SECURED CREDITORS

14. A copy of the Personal Property Security Act (Ontario) ("PPSA") search results for the

Debtor, with currency to June 22, 2014, is attached as Exhibit "H" to this Affidavit.

15. The PPSA search results show no other registrations against the Debtor other than the

registration made in favour of the Security Agent in respect of the Security.

- 16. On June 19, 2014, the Security Agent received a written notice from the Thunder Bay Tax Services Office (the "Notice") indicating that Her Majesty The Queen, Ministry of National Revenue has registered a tax lien on title to 49 Parcel Identification Numbers (the "PINS") owned by the Debtor, which property forms a substantial portion of the Security held by the Security Agent. The Notice indicates that the Security Agent was receiving the information on the basis and understanding that that the Security Agent had also filed a security document against the PINS.
- 17. A subsearch in the land registry office of Kenora Ontario reveals that, the Ministry of National Revenue has registered a tax lien as Instrument No. KN59687 against the property of the Debtor on May 27, 2014 (the "Tax Lien"). The Tax Lien revealed that the Debtor is indebted to the Minister of National Revenue for income taxes and other amounts totalling \$62,938.20. To the best of my knowledge and understanding from earlier discussions with management of the Debtor, "other amounts" may include unpaid HST by the Debtor.
- 18. Pursuant to section 223 of the Income Tax Act, the amount payable was certified and registered in Federal Court of Canada (File Number ITA-5073-14) at which point the certificate was deemed to be a judgment against the Debtor and upon registration created an interest in property of the Debtor.
- 19. A copy of the Tax Lien and a sample parcel register for one of Debtor's properties are attached as **Exhibit "I"** to this Affidavit.
- 20. In addition to the Tax Lien, I have also been informed by the Ministry of Northern Development and Mines (the "MNDM") that certain taxes ("Mining Land Taxes") are outstanding with respect to 49 patented mining claims and mining surface rights held by the

Debtor covering 624.44 hectares of land, against which the Security Agent holds security. I have further been informed by the MNDM that the Mining Land Taxes are significantly overdue and have been outstanding for 2 or more years. In the letter addressed to me and dated as of June 27, 2014, the MNDM stated that as of May 2014 in the amount of \$5703.40 is payable and that if such amount is not paid before December 31, 2014 the rights granted to the Debtor may be subject to forfeiture.

21. A copy of the Letter sent by MNDM is attached as Exhibit "J" to this affidavit.

### FINANCIAL DIFFICULTIES AND DEFAULT

- 22. To the best of my knowledge, the Debtor has been facing severe financial difficulties for quite some time, and has struggled to raise the necessary funds to continue the development of the iron ore mine or complete the environmental assessment and permitting requirements. The financial difficulties faced by the Debtor are the result of a confluence of factors, including, but not limited to:
  - (a) the Debtor being highly leveraged and unable to service its debt given the amount owing;
  - (b) the Debtor failing to complete an investment deal with Liberty Metals and Mining Holdings LLC in the amount of CDN\$20 million, notwithstanding that a majority of the Debtor's Board of Directors and many significant shareholders were in favor of the transaction;
  - (c) the Debtor making numerous unsuccessful attempts, since entering into the Loan

    Agreement, to raise additional funds to repay the Secured Lenders and fund

additional development and exploration to continue the project, including a potential transaction with Aiwan Investment Corporation valued at CDN\$110 million for a combination of secured debt and equity that was never completed; and

- (d) the management and board of the Debtor lacking co-operation in operating the Debtor in an efficient and productive manner.
- 23. The Debtor has been unable to make any payments on account of principal or interest under the Loan Agreement since November 2012, nor has the Debtor complied with various other positive covenants and obligations contained in the Loan Agreement, including without limitation, those with respect to financial reporting, preparation of financial statements and other disclosure requirements.
- 24. The Debtor's financial difficulties first became known to the Secured Lenders in the fall of 2012. Pursuant to the Loan Agreement, the Debtor had the option to extend the original maturity date of the loan from November 30, 2012 (the "Maturity Date") to October 31, 2013 upon providing the Secured Lenders and the Security Agent with 60 days' prior written notice before the Maturity Date. The Debtor failed to provide such written notice to extend the Maturity Date. The Prior Security Agent and/or its counsel delivered letters to the Debtor dated November 2, 2012, December 12, 2012 and December 18, 2012 with respect to the Maturity Date and failure to extend such date pursuant to the Loan Agreement (copies of which are attached as Exhibit "K" of this affidavit). Throughout the remainder of 2012, the Security Agent and the Secured Lenders attempted to work with the principals of the Debtor in order to enter into a forbearance or loan extension agreement (the "First Forbearance Agreement"), a copy of

which is attached as **Exhibit** "L" of this affidavit. The intent was that the First Forbearance Agreement would give the Debtor time to work with potential investors and financiers to raise enough funds to repay the Secured Lenders. At the request of the Debtor, the Secured Lenders permitted the Debtor to title the First Forbearance Agreement as a "Loan Extension Agreement" to attract potential investors and avoid the optics of entering into a forbearance agreement at that stage of development. The arrangements provided for in the First Forbearance Agreement contemplated an extension of the Maturity Date until June 30, 2013 (the "First Extended Maturity Date"), provided that certain fees and interest were paid to the Secured Lenders.

- 25. Following payment of certain nominal interest payments in the aggregate of CDN\$55,000 made by the Debtor to the Prior Security Agent in June 2012, the Debtor ceased making the payments required under the Loan Agreement. Notwithstanding the default, the Prior Security Agent permitted the Debtor to continue to attempt to raise additional funds to repay the Prior Security Agent until the expiry of the First Extended Maturity Date under the First Forbearance Agreement.
- 26. On August 1, 2013, the Prior Security Agent, the Secured Lenders and the Debtor entered into a memorandum of forbearance agreement (the "Second Forbearance Agreement"), a copy of which is attached as Exhibit "M" of this affidavit, whereby the Secured Lenders agreed to provide the Debtor until December 31, 2013 to repay all of its indebtedness, provided that certain fees and interest were paid to the Secured Lenders in accordance with the Second Forbearance Agreement.
- 27. The Debtor failed to make any of the payments required under the Second Forbearance Agreement and the Secured Lenders were not repaid any of the then outstanding indebtedness as

of December 31, 2013. In addition, the Debtor failed to comply with various other positive covenants and obligations contained in the Second Forbearance Agreement, including without limitation, those with respect to financial reporting, preparation of financial statements and other disclosure requirements.

- 28. Through to early 2014, the Security Agent attempted to communicate directly with the Debtor to determine its plans to repay the indebtedness and raise funds, with no success.
- 29. As a direct result, on March 17, 2014, the Security Agent made written demand (the "Demand Letter") on the Debtor for payment of all indebtedness owing by the Debtor to the Secured Lenders. The Demand Letter was accompanied by a Notice of Intention to Enforce Security (the "Notice") addressed to the Debtor and prepared pursuant to subsection 244(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended (the "BIA"). A copy of the Demand Letter and Notice are attached as Exhibit "N" to this Affidavit.
- 30. The Debtor failed to provide the requested waiver and consent to early enforcement waiving the ten day notice period referred to in the Notice.

### ATTEMPTS TO RAISE ADDITIONAL FUNDS

31. To the best of my knowledge since the Maturity Date of the Loan Agreement, management of the Debtor has had discussions with various parties, including certain existing shareholders of the Debtor, to explore opportunities to obtain additional financing for the Debtor. Unfortunately, these discussions remained exploratory in nature and never materialized into offers or agreements to advance funds.

- 32. Tom Ungar, VP of Corporate Development and Investor Relations of the Debtor was involved in multiple discussions with various third parties and existing stakeholders of the Debtor (including, without limitation, 49 North Resource Fund Inc. and HJG Partnership) in order to raise the necessary funds to repay the Security Agent. However, over the course of an approximate two year period, the Debtor has been unable to attract any new investments and the Debtor was unable to organize and clean up its affairs by updating its financial statements and related records, notwithstanding numerous requests by the Secured Lenders and potential investors.
- 33. In the spring of 2014, it became very clear that a refinancing and/or restructuring of the Debtor with the Security Agent was not an option that would be available.
- 34. The Debtor, in discussions with the Secured Lenders, has taken several informal steps to identify strategic purchasers and investors, and at the request of the Security Agent sought to obtain formal binding offers (conditional or otherwise).
- 35. As a result of the foregoing activities, the Debtor received informal expressions of interest from a few potential investors, including Jack Grover (acting on behalf of the Jefferson Group), 49 North Resource Fund Inc., and HJG Partnership, among others (collectively, the "Potential Investors"). The Debtor in consultation with the Secured Lenders and the Security Agent has had continued discussions with each of the Potential Investors. None of the Potential Investors have submitted letters of interest (binding, conditional or otherwise), and no final offers were made and no deal has been structured or completed to date.
- 36. Given the lack of success the Debtor has experienced in attempts to raise funds and failure by the management and the board of directors of the Debtor to co-operate, a sale through

a receivership appears to be the most beneficial outcome to the Security Agent. Furthermore, the value of iron ore is currently decreasing, which will negatively impact the value of the Debtor and its assets.

- 37. To date, the Debtor has failed to sell its business as a going concern or raise additional funds to repay the Security Agent and the Security Agent has lost confidence that it will be able to do so. To the best of my knowledge, the Debtor has not attempted to sell its business as a going concern.
- 38. According to information received by the Security Agent from certain shareholders of the Debtor, discussions are taking place by such shareholders with respect to filing a shareholder oppression claim against the Debtor and its board of directors pursuant to Section 248 of the *Business Corporations Act* (Ontario).
- 39. Given the above background, the Security Agent believes that the appointment of a receiver is necessary and just in order to conduct a sale of the Property or conduct a sale and investor solicitation process ("SISP") for the benefit of all stakeholders. Such a process may include, without limitation:
  - (a) undertaking a solicitation process for potential investors in order to refinance or recapitalize the business of the Debtor for the benefit of all stakeholders;
  - (b) soliciting potential purchasers and engaging in a prompt sale or liquidation of the
     Debtor's business and/or its assets; or
  - (c) undertaking such other actions as deemed advisable by the receiver to obtain the greatest benefit/value to the Debtor's stakeholders.

40. It is my understanding that in the event that the receiver intends to conduct a SISP, the receiver will return before this Honourable Court to have the SISP approved.

### APPOINTMENT OF A RECEIVER

- 41. The Security Agent and the Secured Lenders have, at all times, acted in good faith towards the Debtor. At this time, the Security Agent considers it reasonable and prudent to begin the enforcement of the Security in an effort to recover their outstanding loans to the Debtor and it is within the Secured Lenders' rights to do so.
- 42. The Debtor is insolvent and unable to fulfill its obligations to the Secured Lenders and other stakeholders. To the best of my knowledge, the Debtor currently has unsecured debts valued at greater than CDN\$6 million in the aggregate, approximately two-thirds of which is owing to directors, officers, management and related parties of the Debtor.
- 43. In the circumstances set out above, I believe that it is just and equitable that a receiver be appointed. A receiver is necessary for the protection of the interests of the Secured Lenders and the Debtor's other stakeholders. Further, a receiver would enhance transparency of the Debtor's financial situation by using its powers to access the books and records of the Debtor in order to provide the financial reporting, preparation of financial statements and other disclosure requirements which have been neglected by the Debtors since November 2012.
- 44. The Security Agent and Secured Lenders believe that the appointment of a receiver over the Debtor will enhance the prospect of recovery by the Secured Lenders and protect all stakeholders.
- 45. The Secured Lenders propose that Farber be appointed as receiver of the Debtor.

- 46. Farber is a licensed trustee in bankruptcy and is familiar with the circumstances of the Debtor and its arrangements with the Secured Lenders.
- 47. Farber has consented to act as receiver should the Court so appoint it. A copy of Farber's consent is attached to the Security Agent's Application Record. Farber has also conducted a conflict search, confirmed that it is clear to act as receiver and confirmed that they are not the auditor of the Debtor.
- 48. This Affidavit is made in support of the within application for the appointment of Farber as receiver of the Debtor, and for no other or improper purpose whatsoever.

**SWORN** before me at the City of Toronto, in the Province of Ontario,

this 22<sup>nd</sup> day of July, 2014

Commissioner for taking affidavits, etc.

Christopher Blake Moran

C. STUART LIVINGSTON

9024512 10|NATDOCS

## Appendix "G"

# IN THE MATTER OF THE RECEIVERSHIP OF BENDING LAKE IRON GROUP LIMITED

CREDITOR	AMOUNT (\$CDN)
1584859 Ontario Inc o/a Henry Wetelainen	576,004.34
176724 Canada Limited o/a MTU Investments	385,972.27
1796775 Ontario Corp	3,616.00
Accounting Services	116,862.75
Accutel Inc.	204.08
All Languages Ltd	2,230.06
ATM Corporation	48,271.13
Basic Machining Ltd.	152.55
BDO Dunwoody LLP	162,059.05
Bending Lake Iron Ore Corporation	1,482,155.96
Bone, William	3,013.32
Buset Sarvas Mozzon	109,137.65
Canada Brokerlink (Ontario) Inc.	2,839.00
Carlson Wagonlit/Global Travel	789.02
Chimo Building Centre	9,814.59
Cobra Diamond Drilling Ltd.	1,645.28
Cousineau Brothers	60,000.00
CRA - Canada Revenue Agency	20,190.52
CRC Communications	1,441.65
Dawn McKay Management	496,875.00
Dillon Consulting Limited	91,218.66
DST Consulting Engineers Inc	22,727.14
Eagle Mapping Ltd	14,305.20
Eco Explorations Inc.	52,200.50
Falkins, Robert Jack	38,846.99
Gardner, Leah	1,272.00
Graph-X by Deborah Poole	197.47
Greyhound Courier Express	229.58
J R Mackie and Associates	859,589.83
JouBeh Technologies	398.05
JSS International, Inc. Khan & Associates Inc	175,944.11
	5,916.92 177 704 16
Krech Ojard & Associates, P.A. Lowerys Basics	177,704.16 2,295.24
M P Johnson Const LLC	489,946.39
MacRae, Rob	440,000.00
Mallette Drilling Inc	62,681.73
McKay, Dawn	21,403.21
Minister-of-Finance	500.00
Minister of Finance	5,632.52
Native Thunder Arts	8,000.00
Nebs Business Products Limited	740.10
Ontario Ministry of Labour (re: A Stevens)	2,895.23
P & B Delivery	291.00
Pathfinder Gold Inc.	41,863.51
Pathfinder Metals Inc.	148,481.30
Pine Grove Motel & Camping	68,105.00
Poli Industries	110,000.00
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CREDITOR		AMOUNT (\$CDN)
Rubicon Minerals Corporation		88,000.00
Shaw Cablesystems GP		621.30
Sheldon Huxtable Professional Corporation		540,188.37
Shout Media		400.00
Staples Advantage		545.37
StoneBridge Analytics, LLC		88,417.11
Supreme Cleaners Thunder Bay Ltd		693.34
Thunder Bay Chamber of Commerce		262.95
Thunder Bay Hydro		17.01
Thunder Bay Insurance Services Limited		18,411.84
Thunder Bay Taxes		10,076.49
Thunder Bay Telephone		1,719.43
Thunder Bay Water		712.10
Union Gas		1,835.75
University of Minnesota		113,175.88
Various Shareholders		1,048,337.67
Wabigoon Lake Community Store		10,217.83
Wetelainen, Clayton		8,537.02
Wetelainen, Edeline		765.00
Wetelainen, Henry Jr		9,588.50
Wetelainen, Henry Sr		70,000.00
Wilson's Business Solutions		120.71
Wilson Vukelich LLP		2,420.46
Windigo Ridge Resources Inc		73,867.10
WLON Distribution		3,000.00
WSIB		33,702.20
Xplornet Communications Inc		1,053.18
Zone 14 GeoInfo Solutions		1,159.38
	Total:	\$ 8,454,506.05

# Appendix "H"

#### THIS ASSET PURCHASE AGREEMENT dated November 27, 2015

#### BETWEEN:

A. FARBER & PARTNERS INC., in its capacity as court-appointed receiver of the assets, undertakings and properties of Bending Lake Iron Group Limited, and not in its corporate or personal capacity

(the "Vendor")

- and -

LEGACY HILL RESOURCES LTD., a

corporation incorporated under the laws of England and Wales

(the "Purchaser")

#### **RECITALS:**

- 1. Pursuant to the order of the Ontario Superior Court of Justice (the "Court"), dated September 11, 2014, as may be amended from time to time (the "Receivership Order"), upon the application of 2403177 Ontario Inc., the Vendor was appointed as Receiver of the assets, undertakings and properties of Bending Lake Iron Group Limited (the "Debtor").
- 2. Prior to the Receivership Order, the Debtor carried on the business of iron ore mine development (the "Business").
- 3. The Purchaser wishes to purchase from the Vendor, and the Vendor wishes to sell to the Purchaser substantially all of the property, assets and undertaking of the Debtor upon the terms and conditions of this Agreement.

The parties therefore agree as follows:

#### ARTICLE 1 INTERPRETATION

#### 1.1 Definitions

In this asset purchase agreement (this "Agreement"):

"Approval and Vesting Order" means an Order of the Court providing for, among other things, the approval of this Agreement, the ratification of the Receiver's execution of this Agreement and the vesting in and to the Purchaser or LHR Assignee, as applicable, all of the right, title and interest, if any, of the Vendor and the Debtor in and to the Purchased Assets, free and clear of all liens, charges and encumbrances, except Permitted Encumbrances:

"BIA" means the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended;

"Business" has the meaning set forth in the recitals;

"Business Day" means any day except Saturday, Sunday, any statutory holiday in the Province of Ontario or any other day on which the principal chartered banks in the City of Toronto are closed for business;

"Closing" means the completion of the purchase and sale of the Purchased Assets as contemplated by this Agreement;

"Closing Date" means January 11, 2016, or such other date as the parties may agree;

"Court" has the meaning set forth in the recitals;

"Debtor" has the meaning set forth in the recitals;

"Due Diligence Period" means the period from the date of execution of this Agreement to December 29, 2015, unless otherwise agreed by the parties;

"Excluded Assets" has the meaning set forth in Section 2.2;

"Governmental Authority" means any person, body, department, bureau, agency, board, tribunal, commission, branch or office of any federal, provincial or municipal government having or claiming to have jurisdiction over part or all of the Purchased Assets, the transaction contemplated in this Agreement and/or one or both of the parties hereto and shall include a board or association of insurance underwriters;

"GST/HST" means taxes, interest, penalties and fines imposed under Part IX of the Excise Tax Act (Canada) and the regulations made thereunder;

"GST/HST Legislation" means the Excise Tax Act (Canada) and the regulations made thereunder;

"LHR Assignee" means an affiliate of the Purchaser to which all rights and obligations of the Purchaser hereunder will be assigned on or before Closing;

"Liabilities" of a Person means all indebtedness, obligations and other liabilities of that Person whether absolute, accrued, contingent, fixed or otherwise, or whether due or to become due;

"Permitted Encumbrances" means the liens and encumbrances set forth on Schedule 1.1(a);

"Person" means any natural person, sole proprietorship, partnership, syndicate, trust, joint venture, Governmental Authority, or any incorporated or unincorporated entity or association of any nature;

"Purchase Price" means

"Purchaser" has the meaning set forth in the recitals;

"Purchased Assets" has the meaning set forth in Section 2.1;

"Receivership Order" has the meaning set forth in the recitals;

"Receiver's Certificate" means a certificate duly executed by the Vendor confirming that the conditions to Closing, as set forth herein, have been satisfied or waived and the sale of the Purchased Assets has been completed to the satisfaction of the Vendor;

"Transfer Taxes" has the meaning set forth in Section 2.5(b); and

"Vendor" has the meaning set forth in the recitals.

#### 1.2 Rules of Interpretation

In this Agreement:

- (a) Currency Unless otherwise specified, all dollar amounts in this Agreement, including the symbol "\$", refer to the currency of the United States of America.
- (b) **Headings, etc.** The division of this Agreement into Articles, Sections and other subdivisions and the inclusion of headings are provided for convenience only and do not affect the construction or interpretation of this Agreement.

- (c) Extended Meanings Words importing the singular include the plural and vice versa, words importing gender include all genders.
- (d) **Time** Time is of the essence of this Agreement, and no extension or variation of this Agreement will operate as a waiver of this provision.
- (e) Schedules The following are the Schedules to this Agreement:
  - (i) Schedule 1.1(a) Permitted Encumbrances
  - (ii) Schedule 2.1(f) Mining Claims and Licences
  - (iii) Schedule 2.4 Allocation of Purchase Price
  - (iv) Schedule 8.5 Form of Assignment to LHR Assignee

### ARTICLE 2 PURCHASE AND SALE OF ASSETS

#### 2.1 Purchase and Sale of the Purchased Assets

Subject to the terms and conditions of this Agreement, on the Closing Date, the Vendor shall sell, assign and transfer to the Purchaser, and the Purchaser shall purchase from the Vendor, all of the right, title and interest of the Vendor and the Debtor, if any, in and to all of the property, assets and undertaking of the Debtor, other than the Excluded Assets (collectively, the "Purchased Assets") including, but not limited to:

- (a) all accounts receivable, trade accounts, book debts and insurance claims relating to the Business, recorded as receivable in the books and records and all other amounts due to the Debtor relating to the Business, including refunds, rebates, notes receivable and other rights to receive payments whether current or which may be receivable in the future including the Debtor's rights in and to any security arrangements and collateral securing the repayment and satisfaction of any of the foregoing;
- (b) all deposits and prepaid charges and expenses of the Debtor, including all deposits with any public utility, any Governmental Authority, or with any lessor or licensor;
- (c) all inventory;
- (d) all machinery and equipment, including all computer equipment;

- (e) all furniture, trade fixtures, chattels and other tangible property owned by the Debtor, including those in possession of third parties;
- all mining claims, licences, permits, leases and other interests in land (along with all core samples and test results relating thereto), including but not limited to, the mining licences and claims set out in **Schedule 2.1(f)** and all other licences, permits, authorizations, approvals or other evidence of authority issued or granted to, conferred upon, or otherwise created for, the Debtor by any Governmental Authority;
- (g) all books and records, in electronic form or otherwise, used in connection with the Business, including, without limitation, all books of accounts and other financial information, real property surveys and mining reports;
- (h) all intangible personal property of the Debtor, including, without limitation, the following:
  - (i) business and trade names, corporate names, brand names and slogans;
  - (ii) all mobile applications, servers and related software;
  - (iii) all inventions, patents, patent rights, patent applications, utility models and all equivalent or similar rights anywhere in the world, together with all reissuances, divisions, continuations-in-part, revisions, renewals, extensions and re-examinations:
  - (iv) all registered and unregistered trade-marks (including the goodwill attaching to such trade-marks), service marks, trade names, trade dress, logos, business, corporate and product names and slogans and registrations and applications for trade-marks;
  - (v) all copyrights in copyrightable works, all non-copyrightable works, and all other rights of authorship, worldwide, and all applications, registrations and renewals in connection therewith, along with all moral rights and industrial designs, domestic or foreign; and
  - (vi) all licences (end-user or otherwise) of the intellectual property listed in items (i) to (v) above;
- (i) all software licences:
- the goodwill associated with the Debtor's business, if any, including the exclusive right of the Purchaser to represent itself as carrying on the business in

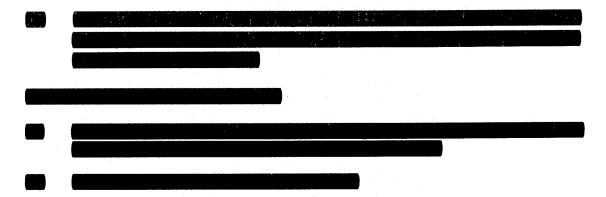
- continuation of and in succession to the Debtor and all rights to use any words indicating that the business is so carried on;
- (k) all claims, rights, actions, causes, or choses in action that the Debtor has or may have, whether or not asserted, against any Person based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the granting of the Receivership Order; and
- (1) all other rights, properties and assets of the Debtor used in the Business (other than the Excluded Assets), of whatever nature or kind and wherever situated.

#### 2.2 Excluded Assets

- (a) The following items (collectively, the "Excluded Assets") shall not form part of the Purchased Assets:
  - (i) all cash and cash equivalents, bank deposits or similar cash items of the Debtor; and
  - (ii) any claim, right or interest of the Debtor and the Vendor in or to any refund, rebate, abatement or other recovery for taxes paid by or on behalf of the Debtor, together with any interest due thereon or penalty rebate arising therefrom, for any tax period (or portion thereof) prior to the date of the Receivership Order.
- (b) The Purchaser shall have the right, until two (2) Business Days prior to the Closing Date, to designate any mining claim or licence to be an Excluded Asset where:
  - (i) the Purchaser discovers during the Due Diligence Period that such mining claim or licence gives rise to, or may give rise to, a post-Closing liability; and/or
  - (ii) the subject mining claim or licence provides that it may not be assigned without the consent of a Governmental Authority or other Person and such consent has not been obtained by such date.

#### 2.3 Amount and Payment of Purchase Price

The consideration payable by the Purchaser to the Vendor for the Purchased Assets is as follows:



#### 2.4 Allocation of Purchase Price

The Purchase Price will be allocated among the Purchased Assets by the parties in accordance in the allocation set out in Schedule 2.4 hereto, and the Vendor and Purchaser shall each file their respective income tax returns in accordance with that allocation.

#### 2.5 Taxes

- (a) The Vendor and the Purchaser shall jointly elect under Subsection 167(1) of GST/HST Legislation in connection with the purchase and sale of the Purchased Assets. The Purchaser shall file that joint election with the relevant government authority in accordance with the requirements of GST/HST Legislation, and the Vendor hereby authorizes the Purchaser and its accountants to file that joint election on behalf of the Vendor.
- (b) The Purchaser will be liable for and shall pay, directly to the relevant government authority, as required, all federal and provincial sales taxes, duties or other similar taxes or charges payable in connection with the conveyance and transfer of the Purchased Assets to the Purchaser, including GST/HST (if applicable) but excluding any income taxes payable by the Vendor, the Debtor or any other person as a result of the completion of the transactions contemplated by this Agreement (collectively, the "Transfer Taxes"), and the Vendor hereby directs the Purchaser to make those payments directly to the relevant government authorities. To the extent any Transfer Taxes are required to be paid by or are imposed upon the Vendor, the Purchaser will reimburse to the Vendor such taxes within five Business Days of payment of such taxes by the Vendor. The Purchaser will indemnify and hold the Vendor harmless in respect of any Transfer Taxes, penalties, interest and other amounts that may be assessed against the Vendor as a result of the sale of the Purchased Assets.

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#### 2.6 Excluded Obligations and Liabilities

The Purchaser is not agreeing to assume and shall not be obliged to pay, perform or discharge any Liabilities of the Vendor or the Debtor which arise or relate to the Business or otherwise. Without limiting the generality of the foregoing, the Purchaser shall have no obligations in respect of any of the following Liabilities:

- (a) Transaction Expenses. All Liabilities of the Vendor or the Debtor for legal, accounting, audit and investment banking fees, brokerage commissions and any other expenses incurred by the Vendor or the Debtor with respect to the transaction contemplated by this Agreement.
- (b) **Financing etc.** All Liabilities of the Vendor or the Debtor to banks, financial institutions or other Persons with respect to borrowed money or otherwise.
- (c) **Contracts, etc.** All Liabilities of the Vendor or the Debtor under any contract, license or lease.
- (d) **Product Liabilities.** All Liabilities in respect of injury to or death of Persons or damage to or destruction of property, including product liability claims and workers' compensation claims arising out of the conduct of the Business prior to the Closing Date, regardless of when any such Liability is asserted, including any Liability for consequential or punitive damages in connection with the foregoing.
- (e) **Taxes.** All Liabilities for taxes (other than Transfer Taxes) payable or remittable by the Vendor or the Debtor.

#### **ARTICLE 3**

#### REPRESENTATIONS AND WARRANTIES

#### 3.1 Representations and Warranties of the Vendor

The Vendor represents and warrants to the Purchaser as follows and acknowledges that the Purchaser is relying on the following representations and warranties in entering into this Agreement and completing the transactions contemplated by it:

- (a) subject to obtaining the Approval and Vesting Order, the Vendor has good and sufficient power, authority and right to enter into and deliver this Agreement and complete the transactions contemplated hereunder;
- (b) this Agreement has been duly and validly executed and delivered by the Vendor and constitutes legal, valid and obligations of the Vendor, enforceable against it in accordance with its terms:
- (c) the execution and delivery by the Vendor of this Agreement and the performance by the Vendor of its obligations under this Agreement will not result in, (i) the

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breach or violation of any terms or conditions of any applicable law, regulation or order, or (ii) the creation of any lien, charge or encumbrance on any of the Purchased Assets;

- (d) the Vendor is not a "non-resident" of Canada for the purpose of Section 116 of the *Income Tax Act* (Canada); and
- (e) the Vendor is registered for purposes of the GST/HST Legislation and its registration number is 813288354 RT0001.

#### 3.2 Representations and Warranties of the Purchaser

The Purchaser represents and warrants to the Vendor as follows and acknowledges that the Vendor is relying on the following representations and warranties in entering into this Agreement and completing the transactions contemplated by it:

- (a) the Purchaser is a corporation incorporated and existing under the laws of England and Wales;
- (b) the Purchaser has the corporate power to enter into and perform its obligations under this Agreement;
- (c) the execution and delivery of, and performance by the Purchaser of this Agreement and the purchase of the Purchased Assets have been duly authorized by all necessary corporate action on behalf of the Purchaser;
- (d) the execution and delivery by the Purchaser of this Agreement and the performance by the Purchaser of its obligations under this Agreement will not result in the breach or violation of any terms or conditions of: (i) the constating documents or by-laws of the Purchaser; or (ii) any applicable law, regulation or order:
- (e) the Purchaser has, or prior to the Closing Date will have or cause LHR Assignee to have, sufficient unencumbered certified funds to pay the Purchase Price and all other amounts payable by the Purchaser in connection with this Agreement and the transactions contemplated hereby; and
- (f) the Purchaser or LHR Assignee is or will be registered for the purposes of the GST/HST Legislation and their registration number will be provided to the Vendor prior to the Closing Date.

#### 3.3 "As Is, Where Is"

Subject to Section 3.1 of this Agreement, the Purchaser acknowledges that (i) it is purchasing the Purchased Assets on an "as is, where is" and "without recourse" basis and on the basis that the Vendor has not guaranteed or will not guarantee title to the Purchased Assets and that the Purchaser has conducted such inspections of title to the Purchased Assets as it deems appropriate and has satisfied itself with regard to these matters and (ii) it has inspected the Purchased Assets and will accept the same on the Closing Date, in their then current state, condition and location. Except as otherwise expressly provided in this Agreement, no representation, warranty or condition whether statutory (including under the Sale of Goods Act (Ontario), the International Sale of Goods Contracts Convention Act (Canada) or any international equivalent act which may be applicable to the subject matter pursuant to the provisions of this Agreement, including, without limitation, the Uniform Commercial Code as enacted in any State or the United Nations Convention on Contracts for the International Sale of Goods), expressed or implied, oral or written, legal, equitable, conventional, collateral or otherwise is or will be given by the Vendor as to title, outstanding liens, description, fitness or purpose, merchantability, quantity, condition, quality, suitability, durability, assignability, or marketability therefor or any other matter or thing whatsoever, and all of the same are expressly excluded. The Purchaser acknowledges and agrees that it has inspected the Purchased Assets and has relied on its own investigations as to the matters set out above and in determining to purchase the Purchased Assets pursuant to this Agreement. The description of the Purchased Assets contained herein is for the purpose of identification only. No representation, warranty or condition has or will be given by the Vendor concerning completeness or accuracy of such description.

## ARTICLE 4 COVENANTS

#### 4.1 Covenants of the Purchaser

- (a) The Purchaser shall, in good faith and with due diligence, carry out all due diligence investigations in respect of the Purchased Assets, the Business and any other matter within the Due Diligence Period.
- (b) The Purchaser will have, prior to Closing, sufficient unencumbered certified funds to pay the Cash Purchase Price and all other amounts payable by the Purchaser in connection with this Agreement and the transactions contemplated hereunder.
- (c) The Purchaser shall cause LHR Assignee, upon the assignment of this Agreement to LHR Assignee, to be bound by the terms of this Agreement and fulfill all obligations of the Purchaser hereunder.

#### 4.2 Covenants of the Vendor

The Vendor shall, so far as reasonably practicable:

- (a) provide the Purchaser and its agents and advisors with access to all information, records, key employees, advisors and operations pertaining to the Business that are in the possession and control of the Vendor; and
- (b) respond to all reasonable due diligence enquiries raised by or on behalf of the Purchaser in respect of the transaction contemplated hereunder as soon as practicable.

## ARTICLE 5 CONDITIONS OF CLOSING

#### 5.1 Conditions for the Benefit of the Purchaser

The sale and purchase of the Purchased Assets is subject to the satisfaction of, or compliance with, at or before the Closing Date, each of the following conditions, each of which is for the exclusive benefit of the Purchaser and may be waived, in whole or in part, by the Purchaser in its sole discretion:

- (a) the Approval and Vesting Order will have been granted by the Court in form and substance acceptable to the Purchaser, and shall not have been stayed, vacated, reversed or varied and no order shall have been issued to restrain or prohibit the completion of the transaction contemplated herein and all appeal periods in respect of such Approval and Vesting Order shall have expired;
- (b) the Vendor shall have provided the Purchaser with drafts of all motion materials that it intends to file with the Court in support of the motion for the Approval and Vesting Order;
- (c) the Vendor shall have filed with the Court and served on all interested Persons (which service list shall have been approved by the Purchaser), the motion materials for the Approval and Vesting Order;
- (d) on or before the end of the Due Diligence Period, the Purchaser shall have completed, and shall in its sole discretion, acting reasonably, be satisfied with its legal, financial and commercial due diligence concerning the Purchased Assets, the Business and such other matters as the Purchaser determines relevant to the transaction contemplated hereunder;
- (e) the Purchaser will have received all third party, regulatory and tax consents or approvals necessary or desirable for the completion of the transaction contemplated herein;
- (f) the Purchaser will have entered into consulting agreements and/or non-competition agreements with Stuart Livingston;

- (g) all representations and warranties of the Vendor contained in this Agreement will have been true and correct in all material respects on the date of this Agreement and will be true and correct in all material respects on the Closing Date with the same force and effect as if those representations and warranties had been made at and as of that time, and the Vendor will have executed and delivered a certificate of an officer of the Vendor to that effect;
- (h) the Vendor will have performed or complied with, in all material respects, all obligations and covenants contained in this Agreement to be performed or complied with by it at or before the Closing Date, and the Vendor will have executed and delivered a certificate of an officer of the Vendor to that effect;
- (i) no contract, licence or financial agreement that is material to the Business will have been terminated or amended by the Vendor without consultation with the Purchaser, in any materially adverse respect from the date of this Agreement to the Closing Date;
- (j) no caution or proceeding will be pending to restrain, enjoin or prohibit the purchase and sale of the Purchased Assets; and
- (k) no material adverse change in the Purchased Assets will have occurred from the date of this Agreement to the Closing Date.

#### 5.2 Conditions for the Benefit of the Vendor

The sale and purchase of the Purchased Assets is subject to the satisfaction of, or compliance with, at or before the Closing Date, each of the following conditions, each of which is for the exclusive benefit of the Vendor and may be waived, in whole or in part, by the Vendor in its sole discretion:

- (a) the Approval and Vesting Order will have been granted by the Court;
- (b) all representations and warranties of the Purchaser contained in this Agreement will have been true and correct in all material respects on the date of this Agreement and will be true and correct in all material respects at the Closing Date with the same force and effect as if those representations and warranties had been made at and as of that time, and the Purchaser will have executed and delivered a certificate of an officer of the Purchaser to that effect;
- (c) the Purchaser will have performed or complied with, in all material respects, all obligations and covenants contained in this Agreement to be performed or complied with by it at or prior to the Closing Date, and the Purchaser will have

executed and delivered a certificate of an officer of the Purchaser to that effect; and

(d) no caution or proceeding will be pending to restrain, enjoin or prohibit the purchase and sale of the Purchased Assets.

#### 5.3 Waiver of Conditions

Either party may waive, in whole or in part, at any time by notice in writing to the other party, any condition in Section 5.1 or Section 5.2 that is for its benefit. No waiver by a party of any condition, in whole or in part, will operate as a waiver of any other condition or of that party's rights of termination in the event of non-fulfilment of any other condition, in whole or in part.

### ARTICLE 6 CLOSING ARRANGEMENTS

#### 6.1 Date, Place and Time of Closing

The closing of the sale and purchase of the Purchased Assets will take place on the Closing Date at the offices of Dentons Canada LLP, 77 King Street West, Suite 400, Toronto, Ontario, or at such other place and on such other date as may be agreed upon by the parties.

#### 6.2 Payments and Deliveries at Closing

On the Closing Date, subject to satisfaction of all the conditions in Article 4 that have not been waived in writing by the Purchaser or the Vendor, as applicable:

- (a) the Vendor shall deliver to the Purchaser the following in form and substance satisfactory to the Purchaser:
  - (i) all deeds, conveyances, bills of sale, assurances, transfers, assignments and other documents to convey the Purchased Assets to the Purchaser as may be reasonably requested by the Purchaser;
  - (ii) a copy of the issued and entered Approval and Vesting Order in form and substance acceptable to the Purchaser;
  - (iii) an acknowledgement dated as of the Closing Date, that each of the conditions precedent in Sections 5.2 of this Agreement have been fulfilled, performed, or waived by the Vendor as of the Closing Date;
  - (iv) the certificates referred to in Section 5.1(g) and 5.1(h);
  - (v) the tax election contemplated by Section 2.5, executed by the Vendor;

- (vi) the Receiver's Certificate; and
- (vii) all other documentation, conveyances, transfers, assignments, instruments and evidence reasonably requested by the Purchaser in order to establish the due authorization and completion of and effectively implement the transactions contemplated by this Agreement;
- (b) the Purchaser shall deliver to the Vendor the following in form and substance satisfactory to the Vendor:
  - (i)
  - (ii) all transfers, assignments and documents delivered under this Agreement on the Closing Date which require execution and delivery by the Purchaser;
  - (iii) an acknowledgement dated as of the Closing Date, that each of the conditions precedent in Sections 5.1 of this Agreement have been fulfilled, performed, or waived by the Purchaser as of the Closing Date
  - (iv) the certificates referred to in Section 5.2(b) and 5.2(c); and
  - (v) the tax election contemplated by Section 2.5, executed by the Purchaser.

#### 6.3 Access Prior to Closing

Upon request by the Purchaser, the Vendor shall make commercially reasonable efforts to grant access to the Purchased Assets located at the Debtor's premises prior to Closing for the purpose of enabling the Purchaser to conduct such inspections of the Purchased Assets on such terms as may be agreed to by the Vendor and the Purchaser.

#### 6.4 Post-Closing Covenants

(a) After the Closing Date, the Vendor shall, if requested by the Purchaser, and at the Purchaser's expense, execute and deliver, or cause to be executed and delivered, all additional conveyances, transfers and other assurances as may be reasonably necessary to carry out the intent of this Agreement and transfer the Purchased Assets to the Purchaser.

### ARTICLE 7 TERMINATION

#### 7.1 Termination Rights

(a) This Agreement may be terminated by notice in writing given to the other party:

- (i) on or before the end of the Due Diligence Period, by the Purchaser if the condition in Section 5.1(d) has not been satisfied;
- (ii) at or prior to the Closing Date, by the Purchaser if any of the conditions in Section 5.1 (other than the condition in Section 5.1(d)) have not been satisfied on the Closing Date, or if it becomes apparent that any such condition cannot be satisfied at or prior to the Closing Date, and the Purchaser has not waived that condition at or prior to the Closing Date; or
- (iii) at or prior to the Closing Date, by the Vendor if any of the conditions in Section 5.2 have not been satisfied on the Closing Date, or if it becomes apparent that any such condition cannot be satisfied at or prior to the Closing Date, and the Vendor has not waived that condition at or prior to the Closing Date.
- (b) This Agreement may be terminated by mutual written agreement of the Vendor and the Purchaser upon the terms of that agreement.

#### 7.2 Effect of Exercise of Termination Rights

If a party exercises its right of termination under Section 7.1(a), immediately upon the party giving notice as required under Section 7.1(a), the parties will be discharged from any further obligations under this Agreement.

### ARTICLE 8 MISCELLANEOUS

#### 8.1 Notices

- (a) Any notice, direction or other communication (a "notice") regarding the matters contemplated by this Agreement must be in writing and must be delivered personally, sent by courier or transmitted by electronic mail, as follows:
  - (i) in the case of the Vendor, at:

A. Farber & Partners Inc.150 York Street, Suite 1600, Toronto, ON M5H 3S6

Attention: Paul Denton

Email: pdenton@farberfinancial.com

with a copy to:

Dentons Canada LLP 77 King Street West, Suite 400, Toronto, ON M5K 0A1

Attention: John Salmas

Email: john.salmas@dentons.com

(ii) in the case of the Purchaser, at

Legacy Hill Resources Ltd.
5, The Porticos; 374-384 Kings Road
London, UK, SW3 5UW
Attention: D. Saradhi Rajan
Email: dsrajan@legacyhillresources.com

(iii) with a copy to:

McMillan LLP Brookfield Place, 181 Bay Street, Suite 4400, Toronto, ON M5J 2T3 Attention: Tushara Weerasooriya Email: tushara.weerasooriya@mcmillan.ca

- (b) A notice is deemed to be delivered and received (i) if delivered personally, on the date of delivery if delivered prior to 5:00 p.m. (recipient's time) on a Business Day and otherwise on the next Business Day; (ii) if sent by same-day courier, on the date of delivery if delivered prior to 5:00 p.m. (recipient's time) on a Business Day and otherwise on the next Business Day; (iii) if sent by overnight courier, on the next Business Day; or (iv) if sent by email, on the next Business Day following transmission.
- (c) A party may change its address for service from time to time by notice given in accordance with the foregoing provisions.

#### 8.2 Further Assurances

Each party shall from time to time, before or after the Closing Date, execute, acknowledge and deliver or cause to be executed, acknowledged and delivered all further acts, documents and instruments as may be reasonably necessary in order to give full effect to this Agreement or any provision of it.

#### 8.3 Costs and Expenses

Unless otherwise specified, each party shall be responsible for all costs and expenses (including the fees and disbursements of legal counsel, accountants, and other advisors) incurred by it in connection with this Agreement and the transactions contemplated by it.

#### 8.4 Waiver of Rights

Any waiver of any of the provisions of this Agreement will be binding only if it is in writing and signed by the party to be bound by it, and only in the specific instance and for the specific purpose for which it has been given. The failure or delay of any party in exercising any right under this Agreement will not operate as a waiver of that right. No single or partial exercise of any right will preclude any other or further exercise of that right or the exercise of any other right, and no waiver of any of the provisions of this Agreement will constitute a waiver of any other provision (whether or not similar).

#### 8.5 Survival

Section 6.4 of this Agreement, along with the representations and warranties of the parties hereto contained in this Agreement, shall survive Closing.

#### 8.6 Assignment

This Agreement may not be assigned by either party without the prior written consent of the other provided, however, the Purchaser may assign its rights and obligations under this Agreement to LHR Assignee, without the Vendor's consent, pursuant to the form of Assignment attached hereto as Schedule 8.6.

#### 8.7 Remedies Cumulative

Unless otherwise specified, the rights and remedies of a party under this Agreement are cumulative and in addition to and without prejudice to any other rights or remedies available to that party at law, in equity or otherwise, and unless otherwise specified, no single or partial exercise by a party of any right or remedy precludes or otherwise affects the exercise of any other right or remedy to which that party may be entitled.

#### 8.8 Severability

If any provision of this Agreement or its application to any party or circumstance is determined by a court of competent jurisdiction to be illegal, invalid or unenforceable, it will be ineffective only to the extent of its illegality, invalidity or unenforceability without affecting the validity or the enforceability of the remaining provisions of this Agreement and without affecting its application to other parties or circumstances.

#### 8.9 Successors and Assigns

This Agreement will enure to the benefit of and be binding upon the parties and their respective successors and assigns.

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#### 8.10 Entire Agreement

This Agreement constitutes the entire agreement between the parties with respect to the transactions contemplated by this Agreement and supersedes all other understandings, agreements, representations (including misrepresentations, negligent or otherwise), negotiations, communications and discussions, written or oral, made by the parties with respect thereto. There are no representations, warranties, terms, conditions, covenants or other understandings, express or implied, collateral, statutory or otherwise, between the parties, except as expressly stated in this Agreement. The parties have not relied and are not relying on any other information, discussion or understanding in entering into and completing the transactions contemplated by this Agreement.

#### 8.11 Governing Law; Attornment

This Agreement will be construed, interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. Each party irrevocably attorns and submits to the exclusive jurisdiction of the courts of Ontario and irrevocably waives objection to the venue of any proceeding in those courts or that those courts provide an inconvenient forum.

#### 8.12 Counterparts and Electronic Delivery

This Agreement may be executed in any number of counterparts (including counterparts by email), each of which will be deemed to be an original and all of which taken together will be deemed to constitute one and the same instrument. Delivery by facsimile or electronic transmission of an executed counterpart of this Agreement is as effective as delivery of an originally executed counterpart of this Agreement.

#### 8.13 English Language

The parties confirm that it is their wish that this Agreement and any other documents delivered or given under this Agreement, including notices, have been and will be in the English language only. Les parties aux présentes confirment leur volonté que cette convention ainsi que tous les documents s'y rattachant, y compris les avis, soient rédigés dans la langue anglaise seulement.

[SIGNATURE PAGE FOLLOWS]

THIS AGREEMENT has been executed by the parties as of the date first above written.

A. FARBER & PARTNERS INC.,

in its capacity as court-appointed receiver of the assets, undertakings and properties of Bending Lake Iron Group Limited, and not in its corporate or personal capacity

Name: PAUL DENTON
Title: VICE POETIBENT

LEGACY HILL RESOURCES LTD.

By:

Name: Title:

I have authority to bind the Corporation

THIS AGREEMENT has been executed by the parties as of the date first above written.

#### A. FARBER & PARTNERS INC.,

in its capacity as court-appointed receiver of the assets, undertakings and properties of Bending Lake Iron Group Limited, and not in its corporate or personal capacity

By: Name: Title:

LEGACY HILL RESOURCES LTD.

Name: DURAISLAMY

CARADHI

Title: DIRECTOR

I have authority to bind the Corporation

# Schedule "1.1(a)" Permitted Encumbrances

Nil.

# Schedule "2.1(f)" Mining Claims and Licences

#### **Patented Claims**

#### LEGAL DESCRIPTION

#### Kenora Registry Office

lten	Property Description inc. Parcel No and Claim No.	PIN	Comments
1	PCL 6308 SEC DKF: Mining Claim K183 Unsurveyed Territory, District of Kenora,	42184-0048 (LT)	<ul> <li>Patented Mining</li> <li>Claim</li> <li>Mining and serface</li> <li>rights</li> </ul>
2	PCL 6309 SEC DKF; Mining Claim K184 Unsurveyed Territory. District of Kenora	42184-0044 (LT)	<ul> <li>Patented Mining Claim</li> <li>Mining and surface rights</li> </ul>
3	PCL 6310 SEC DKF; Mining Claim K185 Unsurveyed Territory.  District of Kenora	42184-0045 (LT)	<ul> <li>Patented Mining</li> <li>Claim</li> <li>Mining and surface</li> <li>rights</li> </ul>
4	PCL 6311 SEC DKF; Mining Claim K186 Unsurveyed Territory Being Land and Land Covered with the Water of Self Lake; District of Kenora	42184-0046 (LT)	<ul> <li>Patented Mining Claim</li> <li>Mining and surface rights</li> </ul>
\$	PCL 21091 SEC DKF; Pt Mining Claim K17531 Unsurveyed Territory Not Covered by the Waters of Bending Lake as in PA14705, District of Kenora	42184-0058 (LT)	<ul> <li>Patented Mining</li> <li>Claim</li> <li>Mining and surface</li> <li>rights</li> </ul>
6	PCL 21092 SEC DKF; Pt Mining Claim K17532 Unsurveyed Territory Not Covered by the Waters of Page Lake as in PA14706; District of Kenora	42184-0057 (LT)	- Patented Mining Claim - Mining and surface rights - Patented Mining and surface rights - Patented Mining and Surface - Patented Mining Mini
7	PCL 21093 SEC DKF: Mining Claim K17533 Unsurveyed Territory Not Covered by the Waters of Page Lake as in PA14707; District of Kenora	42184-0056 (LT)	<ul> <li>Patented Mining Claim</li> <li>Mining and surface rights</li> </ul>
Š	PCL 21094 SEC DKF; Pt Mining Claim K17534 Unsurveyed Territory Not Covered by the Waters of Page Lake as in PA14708, District of Kenora	42184-0060 (LT)	<ul> <li>Patented Mining</li> <li>Claim</li> <li>Mining and surface</li> <li>rights</li> </ul>
9	PCL 21095 SEC DKP; PT Mining Claim K17535 Unsurveyed Territory Not Covered by the Waters of Bonding Lake as in PA14709; District of Konora	42184-0061 (LT)	Patented Mining Claim Mining and surface rights
10	PCL 21096 SEC DKF; PT Mining Claim K17536 Unsurveyed Territory Not Covered by the Waters of Bending Lake as in PA14710: District of Kenora	42184-0062 (LT)	Patented Mining Claim Mining and surface rights

lter	n Property Description inc. Parcel No and Claim No.	<u>PIN</u>	Comments
1 1	PCL 21068 SEC DKF; Mining Claim K17537 Unsurveyed Territor Being Land and Land under the Water of Part of Self Lake within the Limits of this Mining Claim; District of Kenora	y 42184-0043 (LT	) - Patented Mining Claim - Mining and surface rights
12	PCL 21087 SEC DKF; Mining Claim K17538 Unsurveyed Territory: District of Kenora	42184-0042 (LT)	<ul> <li>Patented Mining         Claim         <ul> <li>Mining and surface</li> <li>rights</li> </ul> </li> </ul>
13	PCL 21077 SEC DKF; Mining Claim K17539 Unsurveyed Territory: District of Kenom	42184-0041 (LT)	<ul> <li>Patented Mining Claim</li> <li>Mining and surface rights</li> </ul>
[4	PCL 21078 SEC DKF; Mining Claim K17540 Unsurveyed Territory; District of Kenora	42184-0939 (LT)	<ul> <li>Patented Mining</li> <li>Claim</li> <li>Mining and surface</li> <li>rights</li> </ul>
15	PCL 21079 SEC DKF; Mining Claim K17541 Unsurveyed Territory; District of Kenora	42184-0038 (LT)	<ul> <li>Patented Mining Claim</li> <li>Mining and surface rights</li> </ul>
16	PCL 21080 SEC DKF; Mining Claim K17542 Unsurveyed Territory Excepting the SRO On and Over a Strip of Land Along the Shores of an Unnamed lake and Which Said Strip of Land is Bounded by the High Water Mark of an Unnamed Lake and by a Line, Every Point of which is Distant 400 Ft from the Nearest Point in the Said High Water Mark; District of Kenora	42184-0036 (LT)	<ul> <li>Potented Mining Claim</li> <li>Mining and surface rights</li> </ul>
<b>‡7</b>	PCL 21081 SEC OKF; Mining Claim K17543 Unsurveyed Territory Excepting the SRO On and Over a Strip of Land Along the Shores of an Unnamed lake and Which Said Strip of Land is Bounded by the High Water Mark of an Unnamed Lake and by a Line, Every Point of which is Distant 400 Ft from the Nearest Point in the Said High Water Mark; District of Kenora	42184-0035 (LT)	<ul> <li>Patented Mining Claim</li> <li>Mining and surface rights</li> </ul>
18	PCL 21097 SEC DKF; PT Mining Claim K17544 Unsurveyed Territory Not Covered by the Waters of an Unnamed take as in PA14711; District of Kenora	42184-0033 (LT)	<ul> <li>Patented Mining Claim</li> <li>Mining and surface rights</li> </ul>
19	PCL 21098 SEC DKF; PT Mining Claim K17545 Unsurveyed Territory Not Covered by the Waters of Bending lake as in PA14712; District of Kenora	42184-0063 (LT)	Patented Mining Claim     Mining and surface rights
20	PCL 21099 SEC DKF; PT Mining Claim K17546 Unsurveyed Territory Not Covered by the Waters of Bending Lake as in PA14713; District of Kenora	42184-0065 (LT)	Patented Mining     Claim     Mining and surface     rights
21	PCL 21100 SEC DKF; PT Mining Claim K17547 Unsurveyed Territory Not Covered by the Waters of Bending Lake as in PA14714; District of Kenora	42184-0066 (LT)	Patenied Mining Claim Mining and surface rights
22	PCL 21101 SEC DKF; PT Mining Claim K17548 Unsurveyed Territory Not Covered by the Waters of Bending Lake as in	42184-0068 (LT) -	Patented Mining Claim

ller	Property Description inc. Parcel No and Claim No. PA14715: District of Kenora	PIN	Comments - Mining and surface
	THIS CITY, DISSIDE OF PURPOSE		rights
23	PCL 21102 SEC DKF: PT Mining Claim K17549 Unsurveyed Territory Not Covered by the Waters of Bending Lake as in PA14716; District of Kenora	42184-0069 (LT	) - Patented Mining Clains - Mining and surflice rights
24	PCL 21069 SEC DKF; Mining Claim K 17550 Unsurveyed Territory Being Land and Land Under the Water of part of a Small Pond within the Limits of this Mining Claim; District of Kenera	42184-0067 (LT)	- Patented Mining Claim - Mining and surface rights - Patented Mining - Patented Mi
25	PCL 21070 SEC DKF; Mining Claim K17551 Unsurveyed Territory Excepting the SRO On and Over a Strip of Land Along the Shores of Bending Lake and Which Said Strip of Land is Bounded by the High Water Mark of Bending Lake and by a Line, Every Point of which is Distant 400 Ft from the Nearest Point in the Said High Water Mark; District of Kenora		<ul> <li>Patented Mining Claim</li> <li>Mining and surface rights</li> </ul>
26	PCL 21082 SEC DKF; PT Mining Claim K17552 Unsurveyed Territory Not Covered by the Waters of Bending Lake as in PA14691; District of Kenora	42184-0072 (LT)	<ul> <li>Patented Mining Claim</li> <li>Mining and surface rights</li> </ul>
27	PCL 21071 SEC DKP; Mining Claim K17553 Unsurveyed Territory Being Land and Lend Under the Water of a Small Pond within the Limits of this Mining Claim; Excepting the SRO On and Over a Strip of Land Along the Shores of Bending Lake and Which Said Strip of Land is Bounded by the High Water Mark of Bending Lake and by a Line, Every Point of which is Distant 400 Pt from the Nearest Point in the Said High Water Mark; District of Kenora	42184-0064 (LT)	Patented Mining Claim     Mining and surface rights
28	PCL 21103 SEC DKF; Mining Claim K17555 Unsurveyed Territory Being Land and Land Under the Water of Part of Self Lake within the Limits of this Mining Claim; District of Kenora	42184-0647 (LT)	<ul> <li>Patented Mining         Claim         Mining and surface rights     </li> </ul>
29	PCL 21104 SEC DKF; Mining Claim K17556 Unsurveyed Territory, District of Kenora	42184-0050 (LT)	<ul> <li>Parented Mining</li> <li>Claim</li> <li>Mining and surface</li> <li>rights</li> </ul>
30	PCL 21105 SEC DKF; PT Mining Claim K17557 Unsurveyed Territory Not Covered by the Waters of Bending Lake as in PA14719, District of Kenora	42184-0051 (LT)	<ul> <li>Potented Mining Claim</li> <li>Mining and surface rights</li> </ul>
31	PCL 21106 SEC DKF; Mining Claim K17558 Unsurveyed Tetritory, District of Kenora	42184-0049 (LT)	<ul> <li>Patented Mining</li> <li>Claim</li> <li>Mining and surface</li> <li>rights</li> </ul>
32	PCL 21107 SEC DKF; PT Mining Claim K17559 Unsurveyed Territory Not Covered by the Waters of Page Lake as in PA14721. District of Kenora		<ul> <li>Patented Mining Claim</li> <li>Mining and surface rights</li> </ul>
33	PCL 21072 SEC DKF; Mining Claim K17560 Unsurveyed Territory, Excepting the SRO On and Over a Strip of Land Along the Shores of Page Lake and Which Said Strip of Land is Bounded	02184-0053 (LT)	Patented Mining Claim Mining and surface

Ite	m Property Description inc. Parcel No. and Claim No.	PIN	Comments
J 2 Mg. P	by the High Water Mark of Page Lake and by a Line, Every Point which is Distant 400 Ft from the Nearest Point in the Said High Water Mark; District of Kenora		rights
34	PCL 21073 SEC DKP; PT Mining Claim K17561 Unsurveyed Territory Not Covered by the Waters of Bending Lake as in PA14677, District of Kenora	421 <b>8</b> 4-0054 (LT)	<ul> <li>Patented Mining Claim</li> <li>Mining and surface rights</li> </ul>
35	PCL 21074 SEC DKF; PT Mining Claim K17562 Unsurveyed Territory Not Covered by the Waters of Bending Lake as in PA14678, District of Kenora	42184-005\$ (LT)	- Patented Mining Claim - Mining and surface rights - Patented Mining - Patented Mi
36	PCL 21075 SEC DKF; PT Mining Claim K17563 Unsurveyed Territory Not Covered by the Waters of Bending Lake as in PA14679, District of Kenora	42184-0059 (ET)	<ul> <li>Patented Mining Claim</li> <li>Mining and surface rights</li> </ul>
37	PCL.21108 SEC DKF; PT Mining Claim K17878 Unsurveyed Territory Not Covered by the Waters of Turtle River as in PA14722 District of Kenora	42184-0075 (LT)	<ul> <li>Patented Mining Claim</li> <li>Mining and surface rights</li> </ul>
38	PCL 21109 SEC DKF; PT Mining Claim K17879 Unsurveyed Territory Not Covered by the Waters of the Turtle River as in PA14723, District of Kenora	42184-0076 (LT)	<ul> <li>Patented Mining Claim</li> <li>Mining and surface rights</li> </ul>
39	PCL 21110 SEC DKF; PT Mining Claim K17880 Unsurveyed Territory Not Covered by the Waters of the Turtle River as in PA14724, District of Kenora	42184-0077 (LT)	<ul> <li>Patented Mining Claim</li> <li>Mining and surface rights</li> </ul>
40	PCL 21112 SEC DKF; Mining Claim K17882 Unsurveyed Territory Situate in the Bending Lake Area Excepting the SRO On and Over a Strip of Land Along the Shores of Turtle River and Which Said Strip of Land is Bounded by the High Water Mark of the Turtle River and by a Line, Every Point of which is Distant 400 Ft from the Nearest Point in the Said High Water Mark; District of Kenora	42184-0078 (LT)	<ul> <li>Patented Mining Claim</li> <li>Mining and surface rights</li> </ul>
4]	PCL 21076 SEC DKF; Mining Claim K17883 Unsurveyed Territory Being Land and Land under the Water of part of a small Pond within the Limits of this Mining Claim; Excepting the SRO On and Over a Strip of Land Along the Shores of the Turtle River and Which Said Strip of Land is Bounded by the High Water Mark of Turtle River and by a Line, Every Point of which is Distant 400 Ft from the Rearest Point in the Said High Water Mark; District of Kenora	42184-0074 (LT)	<ul> <li>Potented Mining Claim</li> <li>Mining and surface rights</li> </ul>
42	PCL 21113 SEC DKF; Mining Claim K17884 Unsurveyed Territory Being Land and Land Under the Water of a small Pond within the Limits of this Mining Claim; District of Kenora		<ul> <li>Patented Mining</li> <li>Claim</li> <li>Mining and surface</li> <li>rights</li> </ul>
43	PCL 21114 SEC DKF; Mining Claim K17885 Unsurveyed Territory; District of Kenora	42184-0070 (LT)	Patented Mining Claim Mining and surface rights
44	PCL 21089 SEC DKF; PT Mining Claim K17887 Unsurveyed Territory Not Covored by the Waters of an Unnamed Lake as in	42184-0029 (LT) -	Patented Mining Claim

ltem	Property Description Inc. Parcel No and Claim No.	<u>PIN</u>	Comments .
	PA14698. District of Kenora		<ul> <li>Mining and surface rights</li> </ul>
45	PCL 21090 SEC DKF; PT Mining Claim K17888 Unsurveyed Territory Not Covered by the Waters of an Unsamed Lake as in PA14699, Except PT1, 23R10164; District of Kenora	42184-0028 (LT)	<ul> <li>Parented Mining</li> <li>Claim</li> <li>Mining and surface</li> <li>rights</li> </ul>
46	PCL 21083 SEC DKF; PT Mining Claim K17889 Unsurveyed Territory Not Covered by the Water of an Unnamed Lake as in PA14692. District of Kenora	42184-0032 (LT)	<ul> <li>Potented Mining</li> <li>Claim</li> <li>Mining and surface</li> <li>rights</li> </ul>
47	PCL 21084 SEC DKF; Mining Claim K17890 Unsurveyed Territory; District of Kenora	42 (84-0037 (LT)	<ul> <li>Patented Mining Claim</li> <li>Mining and surface rights</li> </ul>
48	PCL 21085 SEC DKF; Mining Claim K17891 Unsurveyed Territory Excepting the SRO On and Over a Strip of Land Along the Shores of an Unnamed Lake and Which Said Strip of Land is Bounded by the High Water Mark of an Unnamed Lake and by a Line, Every Point of which is Distant 400 Ft from the Nearest Point in the Said High Water Mark; District of Kenora	42184-0034 (LT)	Patented Mining Claim     Mining and surface rights
49	PCL 21086 SEC DKP; Mining Claim K17892 Unsurveyed Ferritory: District of Kenna	42184-0040 (LT)	<ul> <li>Patented Mining</li> <li>Claim</li> <li>Mining and surface</li> <li>rights</li> </ul>

#### LICENCES OF OCCUPATION

#### ONTARIO MINISTRY OF NORTHERN DEVELOPMENT AND MINES

#### DISTRICT OF KENORA

- Projekt	Licence: Description:	12767 K17878-8) Pt of Mining Claims K17878 to K17881, consisting of land under the water of the Turtle River
2.	Licence: Description:	12766 K17534 ET AL Pt of Mining Claims K17531 to K17536, K17545 to K17549, K17552. K17557, K17559, K17561 to K17563, consisting of land under the waters of Page Lake and Bending Lake
3.	Licence: Description:	12768 K17544, K17886-89 Pt of M g Claims K17886 to K17889, K17544, consisting of land under the water of an unnamed lake

# Schedule "2.4" Allocation of Purchase Price

[To be delivered at closing]

# Schedule "8.6" Form of Assignment to LHR Assignee

#### ASSIGNMENT AND ASSUMPTION AGREEMENT

This Agreement is made as of • between

LEGACY HILL RESOURCES LTD., a corporation incorporated under the laws of England and Wales (the "Assignor")

and

[•]., a corporation incorporated under the laws of British Columbia (the "Assignee")

#### RECITALS

- A. The Assignor entered into an asset purchase agreement made as of ●, 2015 with A. Farber & Partners Inc., in its capacity as court-appointed receiver of the assets, undertakings and properties of Bending Lake Iron Group Limited, and not in its corporate or personal capacity (the "Asset Purchase Agreement").
- B. Pursuant to Section 8.6 of the Asset Purchase Agreement, the Assignor is permitted to assign all of its rights and obligations under the Asset Purchase Agreement to an affiliate of the Assignor provided that such assignment is made on or before Closing.
- C. The Assignee is an affiliate of the Assignor and the date hereof is or is prior to the date of Closing.
- D. The Assignor desires to assign to the Assignee all of the rights and obligations of the Assignor under the Asset Purchase Agreement and the Assignee desires to assume all of the rights and obligations of the Assignor under the Asset Purchase Agreement.
- E. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Asset Purchase Agreement.

#### FOR VALUE RECEIVED, the parties agree as follows:

1. **Assignment**. Effective as of the date hereof, the Assignor hereby assigns, transfers and sets over unto the Assignee all of its rights in, to and under the Asset Purchase Agreement contained therein for the benefit of the Assignor, and the Assignee hereby accepts such assignment as of the date hereof.

- 2. **Assumption of Liabilities.** The Assignee hereby assumes all obligations of the Assignor under the Asset Purchase Agreement and hereby agrees to discharge, pay, perform and fulfill such obligations in accordance with their terms from and after the date hereof.
- 3. Governing Law. This Agreement shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.
- 4. Further Assurances. The parties agree to execute and deliver such further and other documents and perform and cause to be performed such further and other acts and things as may be necessary from time to time in order to give full effect to this Agreement.
- 5. Survivorship. This Agreement shall enure to the benefit of, and be binding upon, the parties hereto and their respective successors and assigns.
- 6. Counterparts. This Agreement may be signed and delivered by facsimile or other electronic transmission and in any number of counterparts, each of which shall be deemed to be an original but all of which taken together shall constitute one Agreement.

-- signature page follows --

IN WITNESS WHEREOF the parties have executed this Agreement on the date first above written.

By:				
·	Name: Title:		anning and a second	 
[•]				
Ву:				
	Name:			

LEGACY HILL RESOURCES LTD.

# Appendix "I"

# IN THE MATTER OF THE RECEIVERSHIP OF BENDING LAKE IRON GROUP LIMITED INTERIM STATEMENT OF RECEIPTS & DISBURSEMENTS

As at October 31, 2015

#### Receipts

Funding provided by Secured Lenders	287,276.64
Total Receipts	287,276.64
Disbursements	
MNDM claims and license taxes paid	6,532.50
Record preservation and Compilation of Information	20,820.85
Receivers Fees and Costs	124,544.85
Legal Fees (Receiver legal counsel)	104,267.44
Legal Fees (Secured Lenders' legal counsel)	37,643.50
Total Disbursements	287,276.64
Gross Receipts over Disbursements	\$ -

## TAB 3

### ONTARIO SUPERIOR COURT OF JUSTICE

BETWEEN:

#### **2403177 ONTARIO INC.**

Applicant

- and -

#### BENDING LAKE IRON GROUP LIMITED

Respondent

### AFFIDAVIT OF PAUL DENTON (Sworn November 30, 2015)

- I, Paul Denton, of the Town of Aurora, in the Province of Ontario, MAKE OATH AND SAY AS FOLLOWS:
  - 1. I am a Vice President and licensed Trustee with A. Farber & Partners Inc. ("Farber") and, as such, I have knowledge of the matters to which I hereinafter depose.
  - 2. On September 11, 2014 (the "Receivership Date"), pursuant to an order of this Honourable Court (the "Receivership Order" and the "Court" respectively), A. Farber & Partners Inc. ("Farber") was appointed receiver ("Receiver") of Bending Lake Iron Group Limited ("BLIG" or the "Debtor") pursuant to section 243(1) of the Bankruptcy & Insolvency Act, R.S.C. 1985, c. B-3 (the "BIA") and Section 101 of the Courts of Justice Act, R.S.O. 1990 (the "CJA") over all of the assets, undertakings and properties of BLIG (the "Property"). The Receiver is not in possession and does not have the power to manage the Property.

- 3. On November 27, 2014, the Receiver sought and obtained an Order (the "SISP Order") of the Court authorizing the Receiver to conduct a sales and investment solicitation process (the "SISP"). The SISP Order authorizes and directs the Receiver to undertake a sales and investment solicitation process with respect to the assets, undertaking and property ("Property") of BLIG. The SISP is intended to attract interested parties for all or part of the Property at a price which maximizes recovery of proceeds and/or the prospects of restructuring the Company for the benefit of all of the Company's stakeholders. Interested parties will have until 4:00pm Eastern Standard Time, on Friday, February 27, 2015 (the "Bid Deadline") to submit a binding offer and proposals (hereinafter called "Offer").
- 4. The SISP process was extended to March 27, 2015 (the "Extended Deadline") which was within the discretion of the Receiver under the SISP Order.
- 5. Effective the date of this Affidavit, as a result of the SISP Process and ongoing discussions with interested parties, the Receiver has entered into a Sales Agreement with a purchaser on which Court approval is now sought.
- 6. This affidavit is appended to the Receiver's Third Report which in concert with the First Report dated November 18, 2014 and Second Report dated January 20, 2015 provides a chronology of events to date, and, among other matters, seeks approval of fees, costs and activities of the Receiver.
- 7. The key activities of the Receiver since its appointment in the lead up to and since its appointment on September 11, 2014 through to October 31, 2015 can be summarized as follows:
  - Review of Company background information and motion materials; drafting of proposed Receiver Report, and travel and attendance in Thunder Bay to attend Court hearings on August 14 and September 11, 2014 in order to ultimately accept appointment as Receiver on September 11, 2014;
  - Meeting with Mr. Henry Wetelainen and Ms. Dawn MacKay, along with the former book-keeper, Ms. Susan King, to review the financial position, state of affairs of the Debtor and to explain the nature and extent of the receivership appointment and various roles and responsibilities; attendances of the registered office were undertaken on September 11 and 12, and October 23 and 24, 2014.

Reviewing the Premises, including storage of iron ore core samples in the basement of the Premises;

- Reviewing the books and records and saving a backup of the general ledger and accounting system as maintained and recorded in the QuickBooks accounting system and obtaining copies of certain agreements and documents; Reviewing of certain priority claims;
- Attending to completion and mailing of the Receiver's Notice and Statement pursuant to sections 245 and 246 of the BIA;
- Liaising with the Ministry of Northern Development and Mines ("MNDM") regarding the Receivership Order and confirming the status of 49 patented freehold claims and three MLOs the Debtor holds. In addition, undertaking review and enquiry with the MNDM to assess the status of certain adjacent claims that the Debtor purportedly had a beneficial interest in; attending to payment of outstanding taxes on claims and MLOs prior to December 31, 2014; thereafter liaising with the MNDM to seek assistance for interested party due diligence.
- Liaising with the Canada Revenue Agency ("CRA") regarding the status of tax returns and potential priority claims and coordination of payroll and HST audits;
- In advance of and subsequent to the issuance of the SISP Order undertaking the following activities: Compiling a list of interested parties; drafting and finalization of an information summary (teaser); Sending the information summary to interested parties; drafting and finalization of a confidentiality agreement ("CA") and terms and conditions of sale in concert with independent legal counsel; updating the Receiver web site with details of the SISP process; drafting and placing advertisement in the Northern Miner (December 8, 2014) and Globe & Mail (National Edition) December 10, 2014; drafting and finalization of a Confidential Information Summary ("CIM") in concert with independent legal counsel and through consultation with the Debtor and its legal counsel; set up of a virtual data room for interested party access on signing;
- Liaison with interested parties throughout regarding the BLIG opportunity during and after the SISP process; including, providing access to the virtual data room and providing additional information as appropriate;

- In concert with legal counsel and the secured lenders negotiating a definitive Sales
   Agreement with the Purchaser; and,
- Liaising with and responding to creditor and shareholder enquiries.
- 8. The Receiver has prepared a Statement of Account in connection with its appointment as Receiver of the Debtor, detailing its services rendered and disbursements for the period from July 8, 2014 to October 31, 2015, which show total fees of 217,431.05 plus costs of \$13,549.89 plus HST/GST.
- 9. Attached hereto and marked as Exhibit "A" to this my Affidavit is a copy of the summary of the fees and expenses for the period from July 8, 2014 to October 31, 2015. Attached as Exhibit "B" to this Affidavit is a copy of the invoices and time dockets for the period July 8, 2014 to October 31, 2015.
- 10. To the best of my knowledge the rates charged by Farber in connection with acting as Receiver, are comparable to rates charged by other firms for the provision of similar services.
- 11. I make this Affidavit in support of a motion to, inter alia, approve this receipts and disbursements of the Receiver and its accounts.

SWORN before me at the City of Toronto, in the Province of Ontario, on

November 30, 2015

A Commissioner for taking affidavits

PAUL DENTON

Annette Chopowick, a Commissioner, etc., Province of Ontario, for A. Farber & Partners Inc. Trustee in Bankruptcy.

Expires: April 15, 2016.

#### AFFIDAVIT OF PAUL DENTON

#### EXHIBIT "A"

#### This is Exhibit "A" to the Affidavit of

#### Paul Denton

Sworn before me this 30th day of November, 2015

A Commissioner, etc.

Annette Chopowick, a Commissioner, etc.,
Province of Ontario, for A. Farber & Partners Inc.
Trustee in Bankrupicy.
Expires: April 15, 2016.

## A. FARBER & PARTNERS INC.

# BENDING LAKE IRON GROUP LIMITED

## SUMMARY OF TIME INCURRED

## JULY 8, 2014 TO OCTOBER 31, 2015

	Total Billing	\$1,725.00	\$162,382.50	\$25,272.00	\$20,655.00	\$280.50	\$3,348.00	\$1,441.50	\$46.50	\$945.50	\$1,226.05	\$108.50	\$217,431.05	
	Billing Rate	\$575.00	\$525.00	\$405.00	\$425.00	\$165.00	\$155.00	\$155.00	\$155.00	\$155.00	\$155.00	\$155.00	average rate per hour	\$461.73
	Total Hours	3.00	309.30	62.40	48.60	1.70	21.60	9.30	0:30	6.10	7.91	0.70	470.91	
Sep 1, 2015 to Oct 31, 2015	Hours		16.10		3.10		0.50					0.70	20,40	
Jul 1, 2015 to Aug 31, 2015	Hours		8.90		2,80				<b></b>		1.50		13,20	
Apr 1, 2015 to Jun 30, 2015	Hours		52.50		42.50	0:30	0:30				4.51		100,11	
Mar 1, 2015 to Mar 31, 2015	Hours		17.90							08:0			18.70	
Peb 1, 2015 to Feb 28, 2015	Hours		29.40		0.20	0.50	2.10				1.90		34.10	
Jan 1, 2015 to Jan 31, 2015	Hours		27.20			0.30	2.60						30,10	
Dec 1, 2014 to Dec 31, 2014	Hours		33.50			09'0	90.9	1.30	0.10	5.30			46.80	
Nov 1, 2014 to Nov 30, 2014	Hours	0.50	29.20	16.70			6.40	,	0.20				53.00	
Sep 13, 2014 to Nov 1, 2014 to Oct 31, 2014 Nov 30, 2014	Hours	2.50	26.50	42.90			3.70	02.9					112.30	
Jul 8, 2014 to Sep 12, 2014	Hours		38.10	2.80				1.30					42.20	
	Name	G. Lifman	P. Denton	P. Crawley	P. Crawley*	L. Samoilov	A. Chopowick	D. Falcione	G. Lowe	L. Lloyd-Key	A. Palmer	T. Psek	Total	

Expenses

\* Rate change for this individual during the billing period

Total Fees & Disbursements \$230,980.94

653.15

HST 28,831.89

\$259,812.83

#### AFFIDAVIT OF PAUL DENTON

#### EXHIBIT "B"

#### This is Exhibit "B" to the Affidavit of

#### Paul Denton

Sworn before me this 30th day of November, 2015

A Commissioner, etc.

Annette Chopowick, a Commissioner, etc., Province of Ontario, for A. Farber & Partners Inc. Trustee in Bankruptcy. Expires: April 15, 2016.



150 York Street Suite 1600 Toronto, ON M5H 3S5 Canada Office 416.497.0150 Fax 416.496.3839

www.farberfinancial.com

September 16, 2014

2403177 Ontario Inc. 133 Cheltenham Avenue Toronto, ON M4N 1R1

Attention: Mr. C. Stuart Livingston

Invoice No. 11315R

#### RE: BENDING LAKE IRON GROUP LIMITED

TO PROFESSIONAL SERVICES RENDERED BY A. FARBER & PARTNERS INC. for the period July 8, 2014 to September 12, 2014.

DATE	SERVICE	STAFF
07/08/2014	Consulting fees - Corporate Review of draft materials; review and provide background; liaise v	
07/08/2014	Consulting fees - Corporate Review court appointment documents to P Denton.	Crawley ments and send
07/09/2014	Consulting fees - Corporate Review of emails; liaise with Der times.	Denton atons; review of Court
07/10/2014	Consulting fees - Corporate Review and sign Receiver Conser LLP.	Denton nt; liaise with Dentons
07/16/2014	Consulting fees - Corporate Call with J Salmas; review of mat	Denton ters with P Crawley.
07/17/201 <del>4</del>	Consulting fees - Corporate Call with J Salmas; draft propose review and cite BIA; update P Cr	
07/17/2014	Consulting fees - Corporate Review PowerPoint overview of transportation options for Thund	
07/22/2014	Consulting fees - Corporate Review of emails; liaise with Den motion and service of materials.	Denton tons re: status of

07/23/2014	Consulting fees - Corporate Denton Review of motion materials; review of matters with J Salmas; update proposed receiver's report to reflect experience and independence; review of matters with G Lifman, P Crawley.
07/24/2014	Consulting fees - Corporate Denton Review of motion materials served; review of updated proposed receiver report; liaise with P Crawley on same.
07/24/2014	Consulting fees - Corporate Crawley Review and edit report of proposed receiver and send to J Salmas.
07/25/2014	Consulting fees - Corporate Denton  Review of the final report and supplementary materials.
07/25/2014	Consulting fees - Corporate Crawley Finalize and send court report to J Salmas.
07/30/2014	Consulting fees - Corporate Denton Follow up and review status of hearing date and motion materials; update G Lifman and P Crawley.
07/31/2014	Consulting fees - Corporate Denton Review of emails and status and date of motion.
08/01/2014	Consulting fees - Corporate Crawley  Meeting with T Ungar.
08/01/2014	Consulting fees - Corporate Denton Review of Dentons LLP engagement letter; meeting with T Unger re: receivership process and powers.
08/06/2014	Consulting fees - Corporate Denton Review of status of motion; coordinate travel to Thunder Bay.
08/07/2014	Consulting fees - Corporate Denton  Confirm travel to Thunder Bay and status of the motion.
08/11/2014	Consulting fees - Corporate Denton Review of emails re: hearing on August 14; confirm travel.
08/12/2014	Consulting fees - Corporate Denton  Review of emails; planning for appointment Day 1, 2  matters; follow up local security and locksmiths in case required.

08/13/2014 Consulting fees - Corporate Da Silva-Falcione Miscellaneous tasks in anticipation of receivership appointment tomorrow. 08/13/2014 Consulting fees - Corporate Denton Planning and liaison; provided guidelines for communications including the web site and Day 1 matters with D Falcione. 08/13/2014 Consulting fees - Corporate Denton Preparation for and travel to Thunder Bay. 08/14/2014 Consulting fees - Corporate Denton Preparation for and attendance at court (matter ultimately heard at close to noon for an hour); with adjournment to Sept 11 granted, made arrange for flight back instead of staying until Friday. 09/02/2014 Consulting fees - Corporate Denton Review of emails 09/03/2014 Consulting fees - Corporate Denton Review of emails; coordination for Sept 11. 09/04/2014 Consulting fees - Corporate Denton · Review of emails. 09/05/2014 Consulting fees - Corporate Denton Review of emails; liaise with Ken Kraft; review travel plans. 09/08/2014 Consulting fees - Corporate Denton Review of emails. 09/09/2014 Consulting fees - Corporate Denton Review of emails; review of affidavit filed by BLIG legal counsel; liaise with Dentons. 09/10/2014 Consulting fees - Corporate Denton Plan for and travel to Thunder Bay for court attendance; coordination of matters prior to attendance. 09/11/2014 Consulting fees - Corporate Da Silva-Falcione Update website with details of receivership appointment and upload pertinent documentation; draft and fax Order and correspondence to TD Canada Trust and Northern

Credit Union re: receivership.

O9/11/2014 Consulting fees - Corporate Denton
Attendance at Thunder Bay court for appointment
motion; soon after appointment attendance at BLIG
office around 2:00 to meet Henry W, legal counsel Rob
MacRae, Susan King; coordination of appointment
matters with the Farber office; commence gathering and
review of information.

09/11/2014 Consulting fees - Corporate Crawley
Call to corporate counsel to advise of appointment and request corporate records.

09/12/2014 Consulting fees - Corporate Da Silva-Falcione
Draft initial Notice and Statement of Receiver for
P Denton and P Crawley review and additional
information.

09/12/2014 Consulting fees - Corporate Denton
In Thunder Bay following court appointment; meet with
former CFO; attendance at BLIG office for most of day
thereafter encompassing collection and review of
information; interviews, discussions with Henry W,
Dawn MacKay, Susan King; back up of Quick Books;
travel back to Toronto.

09/12/2014 Consulting fees - Corporate Crawley
Call from Sheldon Huxtable and send Order along with
request for documents.

Current Amount Due

25,191,82

HST#136800752RT0001

#### A. FARBER & PARTNERS INC.

#### BENDING LAKE IRON GROUP LIMITED

## SUMMARY OF TIME INCURRED JULY 8, 2014 TO SEPTEMBER 12, 2014

Name	Total Hours	Rate Per Hour	Billing
P. Denton	. 38.10	\$525.00	\$20,002.50
P. Crawley	. 2.80	\$405.00	\$1,134:00
D. Falcione	1.30	\$155.00	\$201.50
Total	42.20		\$21,338.00



150 York Street Suite 1600 Toronto, ON M5H 3S5 Canada Office 416.497.0150 Fax 416.496.3839 www.farberfinancial.com November 24, 2014

2403177 Ontario Inc. 133 Cheltenham Avenue Toronto, ON M4N 1R1

Attention: Mr. C. Stuart Livingston

Invoice No. 11445

#### RE: BENDING LAKE IRON GROUP LIMITED

TO PROFESSIONAL SERVICES RENDERED BY A. FARBER & PARTNERS INC. for the period September 13, 2014 to October 31, 2014.

DATE	SERVICE	STAFF
09/13/2014	Consulting fees - Corporate  Over weekend review of information provide recap to secureds and legal co	,
09/15/2014	Consulting fees - Corporate Review/update creditors list; emails w clarification.	Da Silva-Falcione vith P Denton re:
09/15/2014	Consulting fees - Corporate Review of information gathered Sept file notes; review of matters with P Cr coordinate financial review process; li King regarding the status of the upda account; draft and provide informatio H Wetelainen and legal counsel R Ma information request.	awley and aise with Susan te of the books of nequest to
09/15/2014	Consulting fees - Corporate Review various emails; met with P De information obtained and discuss imm completed; review financial statement Quickbooks file and review accounting	nediate tasks to be ts; transfer
09/15/2014	Consulting fees - Corporate Preparation of correspondence to CRA and fax same.	Chopowick A with P Denton
09/16/2014	Consulting fees - Corporate Follow up status of the update of fina review of matters with P Crawley re: gathered and reviewed; review of s.24 requirements; participate on conferen	information to be 15/246 reporting

S Livingston and Dentons LLP re: status and the next steps; brief review of updated financials when received.

09/16/2014 Consulting fees - Corporate Crawley

Discuss s245/246 report requirements with P Denton; review banking files received; conference call with counsel and S Livingston to discuss receivership mandate and sales process.

09/16/2014 Consulting fees - Corporate Chopowick

Document preparation.

09/17/2014 Consulting fees - Corporate Denton
Follow up H Wetelainen re: information request;
discussion with interested parties; review and gather

information for SISP process; review of financial position and information provided by S King; review of the creditors list; review of matters with P Crawley.

09/18/2014 Consulting fees - Corporate Da Silva-Falcione

Set up contact list for engagement and add contacts per

P Denton.

09/18/2014 Consulting fees - Corporate Denton

Follow up sales process info; review of power point status (Spring 2014); review of N 43-101; request information from T Ungar; review of matters with P Crawley; review of SL appraisal valuation (Broad Oak Associates) review of reports prepared by J McConnell; follow up with CRA re: payroll and HST claims;

discussions with interested parties.

09/18/2014 Consulting fees - Corporate Crawley

Review email from D Sheldon and correspond with

Dentons and P Denton re: same.

09/19/2014 Consulting fees - Corporate Da Silva-Falcione

Review and update creditors list for system import; update and format creditor list to attach to Notice and

Statement of Receiver; emails with P Crawley.

09/19/2014 Consulting fees - Corporate Denton

Review of email from R MacRae; liaise with legal counsel on same; review of sales process information; review of s.245/246 report; call with S Livingston to provide an update on activities to date; review of cash transactions Nov 2011 to Dec 2012; follow up with Tom Ungar to request further information for sales process.

09/19/2014 Consulting fees - Corporate Crawley Finalize list of creditors and prepare s245/246 Notice and Statement of Receiver. 09/22/2014 Consulting fees - Corporate Da Silva-Falcione Review and update creditors list in system per P Crawley changes; adjust formatting for Notice and Statement of Receiver; complete mailing of Notice and Statement of Receiver; update website. 09/22/2014 Consulting fees - Corporate Denton Review of s.245/246 report; review of information gathered for SISP process; speak to interested parties; review of matters with P Crawley; summarize review of bank statements and cash flow. 09/22/2014 Consulting fees - Corporate Crawley Finalize Notice and Statement of Receiver and creditor list; discuss sales process and accounting research with P Denton. 09/23/2014 Consulting fees - Corporate Denton Contact the Ministry of Finance; contact the Ministry of Northern Affairs and Mines; further review of financials information; call with S Livingston; respond to call from creditors. 09/24/2014 Consulting fees - Corporate Da Silva-Falcione Receive Certificate from OR with Estate Number and update system; complete Affidavit of Mailing re: Notice and Statement of Receiver; update contact list. 09/24/2014 Consulting fees - Corporate Denton Liaison with the Ministry of Finance; liaison with the Ministry of Northern Affairs; call with John Salmas. 09/25/2014 Consulting fees - Corporate Da Silva-Falcione Review response from TD Bank and forward to P Denton and P Crawley. 09/25/2014 Consulting fees - Corporate Denton Call with John Salmas; commence drafting CIM document; call with interested party; liaise with the Ministry of Northern Affairs. 09/26/2014 Consulting fees - Corporate Denton Review of e-mails; review of status of discussions with R MacRae; call S Livingston to provide an update.

09/26/2014	Consulting fees - Corporate Work on Bending Lake CIM document	Chopowick t with P Denton.
09/29/2014	Consulting fees - Corporate Follow up the status of information red draft CIM	Denton quests; review of
09/29/2014	Consulting fees - Corporate Further work on CIM document and for P Denton.	Chopowick orward to
10/02/2014	Consulting fees - Corporate Update CIM per P Denton.	Da Silva-Falcione
10/02/2014	Consulting fees - Corporate  CIM Drafting; brief P Crawley re: revier records; call with J Salmas re: release of from BLIG and ongoing discussions with the second	f information
10/02/2014	Consulting fees - Corporate  Meet with P Denton to discuss objective records review; conduct books are recording of D Sheldon, along with B Mor	ords review at
10/03/2014	Consulting fees - Corporate Gather further information for SISP promatters with J Salmas; provide update	
10/03/2014	Consulting fees - Corporate Revisions to CIM with P Denton.	Chopowick
10/03/2014	Consulting fees - Corporate Prepare draft financial section in CIM; P Denton.	Crawley discuss with
10/06/2014	Consulting fees - Corporate Preparation for and participation on ca and K Kraft; advance CIM.	Denton all with R MacRae
10/07/2014	Consulting fees - Corporate Review and respond to enquiries from with MNDM; review of matters with F	
10/08/2014	Consulting fees - Corporate Respond to call from interest party; rev provide follow up e-mail to R MacRae.	

10/09/2014 Consulting fees - Corporate Crawley Review bank records for Pathfinder Gold investor deposit; review accounting records for Minister of Finance account details and respond to J Rabin. 10/10/2014 Consulting fees - Corporate Denton Coordinate access to the minute books; preparation for and call with Henry Wetelainen. 10/10/2014 Consulting fees - Corporate Crawley Return call of supplier; forward additional information to Ministry of Finance to assist in identifying accounts; discuss travel arrangements with P Denton. 10/14/2014 Consulting fees - Corporate Denton Review of matters with P Crawley; draft and provide e-mail to MNDM. 10/14/2014 Consulting fees - Corporate Crawley Review letter from counsel to D Sheldon; research transactions with Pathfinder Gold and Pathfinder Metals in Quickbooks. 10/15/2014 Consulting fees - Corporate Denton Review of minutes summary; review of Pathfinder transactions; call H Wetelainen to arrange a conference call; meeting with S Livingston to provide a status update. 10/15/2014 Consulting fees - Corporate Crawley Summarize findings from minute book review; call with counsel at Dentons; discuss next steps and site visit with with P Denton; research accounting entries for treatment of S Livingston's loan proceeds; online research at MNDM website for mine development process. 10/16/2014 Consulting fees - Corporate Denton Review of matters with P Crawley; preparation for and participation on call with Henry W; Dawn MacKay, Susan King and J Falkin; follow up and have call with MNDM; call M Shedletsky. 10/16/2014 Consulting fees - Corporate Crawley MNDM research; call with H Wetelainen, D McKay, Jack and P Denton; call to MNDM to discuss claims status; research claims map. 10/17/2014 Consulting fees - Corporate Denton Call Dawn MacKay and review Windigo Ridge unpatented claim status; review of information provided

by MNDM; review of matters with G Lifman; call with John Salmas; review of budget provided by H Wetelainen and his management team.

10/17/2014 Consulting fees - Corporate Crawley
Review various emails from P Denton throughout the day; review P Denton's detailed update.

10/20/2014 Consulting fees - Corporate Denton
Review of emails from D MacKay; call with S Livingston to review status and next steps; liaise with legal counsel.

10/20/2014 Consulting fees - Corporate Crawley

Conference call with J Salmas and K Kraft; review NI.

10/21/2014 Consulting fees - Corporate Crawley
Research claims status online and determine claims
cancelled in last 180 days; provide same to P Denton.

10/22/2014 Consulting fees - Corporate Denton
Call with legal counsel; call with H Wetelainen and
D MacKay re: budget; review of information; liaise
with C Bailey.

10/22/2014 Consulting fees - Corporate Crawley
Call with H Wetelainen and D MacKay; discuss agenda
for site visit with P Denton.

10/23/2014 Consulting fees - Corporate Denton

Full day attendance at BLIG offices to review the proposed receivership sales process, information requirements, interested party list; review of transactions; review of premises lease; review of matters throughout the day with H Wetelainen, D MacKay, Susan King, J Kaplin.

10/23/2014 Consulting fees - Corporate Crawley
Attend head office; meet with H Wetelainen, D MacKay
and JF; discuss status of claims, sales process and go
forward vision for ore body; review various agreements;
request MNDM to not cancel any further claims and to
reinstate those that cancelled subsequent to appointment.

10/24/2014 Consulting fees - Corporate Denton
Attendance at BLIG Offices; review of potential sales process and interested parties; review of certain transactions; review of agreements between BLIG and Windigo; review of records; box records for courier; review matters throughout the day with H Wetelainen, D MacKay and S King.

10/24/2014	Consulting fees - Corporate  Attend premises; box books and record delivery to office; review transaction s documentation; meeting with H Wetel	upporting
10/26/2014	Consulting fees - Corporate Review emails from P Denton and resp key findings and notes from site visit.	Crawley cond; summarize
10/27/2014	Consulting fees - Corporate Call with C Bailey; review MNDM clai	Crawley ims research.
10/27/2014	Consulting fees - Corporate Review findings from attendance Octo notes; review of matters with P Crawle liaise with MNDM; review of informat (B Haynes); review status of minutes.	ey; call S Rudofsky;
10/28/2014	Consulting fees - Corporate Review reports received from A Raoul reporting with P Denton; call to R Sche	
10/28/2014	Consulting fees - Corporate Review of transactions; review matters with C Bailey; call with Allen Raoul; re claims and status; liaise with MNDM.	
10/29/2014	Consulting fees - Corporate Discuss info requirements with P Dent for further information on patented cla and then R MacRae; prepare Windigo MNDM; research shareholder loan acc	aims; call with HW authorization for
10/29/2014	Consulting fees - Corporate Draft status report; review of matters of G Lifman; call H Wetelainen; call R Mareview of license agreement; call with	acRae; call MNDM;
10/30/2014	Consulting fees - Corporate PPSA search.	Da Silva-Falcione
10/30/2014	Consulting fees - Corporate Prepare post Nov 2012 cash transaction P Denton.	Crawley n summary for
10/30/2014	Consulting fees - Corporate Preparation for and attendance at mee	Denton ting with Stuart

Livingston, John Salmas re: current status and go forward strategy.

10/30/2014

Consulting fees - Corporate

Lifman

Prepare for and attend meeting with S Livingston, J Salmas and P Denton re: current status and strategy

going forward.

10/31/2014

Consulting fees - Corporate

Crawley

Return calls to two creditors enquiring about the

receivership.

Total for services

50,086.50

Expenses: P Denton/P Crawley-Travel (Oct 22-24) \$ 1,200.62

Filing fee

70.00

266.23

Photocopies, faxes, etc.

Courier charges

673.80

Total for expenses 2,210.65

Subtotal

52,297.15

**HST** 

6,511.25

Current amount due

58,808.40

HST#136800752RT0001

#### A. FARBER & PARTNERS INC.

#### BENDING LAKE IRON GROUP LIMITED

## SUMMARY OF TIME INCURRED SEPTEMBER 13, 2014 TO OCTOBER 31, 2014

Name	Total Hours	Rate Per Hour	Billing
G. Lifman	2.50	\$575.00	\$1,437.50
P. Denton	56.50	\$525.00	\$29,662.50
P. Crawley	42.90	\$405.00	\$1 <i>7,</i> 3 <i>7</i> <b>4</b> .50
A. Chopowick	3.70	\$155.00	\$573.50
D. Falcione	6.70	\$155.00	\$1,038.50
Total	112.30	·	\$50,086.50



150 York Street
Suite 1600
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Office 416.497.0150
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www.farberfinancial.com

December 10, 2014

2403177 Ontario Inc. 133 Cheltenham Avenue Toronto, ON M4N 1R1

Attention: Mr. C. Stuart Livingston

Invoice No. 11482

#### RE: BENDING LAKE IRON GROUP LIMITED

TO PROFESSIONAL SERVICES RENDERED BY A. FARBER & PARTNERS INC. for the period November 1, 2014 to November 30, 2014.

DATE	SERVICE	STAFF
11/03/2014	Consulting fees - Corporate Review of correspondence from R Mac legal counsel; respond to interested pa- owners.	
11/04/2014	Consulting fees - Corporate Review letter from R.MacRae; begin pr information teaser.	Crawley eparation of an
11/05/2014	Consulting fees - Corporate Liaise with MNDM; follow up with R Ma call with J Salmas.	Denton cRae to coordinate call;
11/05/2014	Consulting fees - Corporate Call with J.Salmas to discuss next step R. MacRae's letter; continue with infom identification of assets available for sale general ledger details.	nation teaser and
11/06/2014	Consulting fees - Corporate Follow up with MacRae re: call and info liaise with the MNDM re: adjacent claim	
11/07/2014	Consulting fees - Corporate Week of November 3, 2014, call from S request to call T. Unger; call with T. Un	
11/07/2014	Consulting fees - Corporate First Court Report drafting; draft letter to call J Salmas; call S Livingston; review	
11/07/2014	Consulting fees - Corporate Preparation of correspondence to S Hu with P Denton.	Chopowick xtable
11/10/2014	Consulting fees - Corporate Final revisions to correspondence to S initial drafting of court report with P Der	

11/10/2014	Consulting fees - Corporate Drafting of first court report.	Denton
11/11/2014	Consulting fees - Corporate Continue drafting of report with P Dente	Chopowick on.
11/11/2014	Consulting fees - Corporate Draft first court report; draft outline and SISP; review of interested parties.	Denton timetable of
11/11/2014	Consulting fees - Corporate Review asset general ledger details an asset and equipment schedule; discuss P.Denton re: report content, timing and	sion with
11/12/2014	Consulting fees - Corporate First Report and CIM drafting.	Denton
11/12/2014	Consulting fees - Corporate Finalize asset and equipment listing; re agreement from August 2012 and discu P.Denton; review draft report and SISP edit as required.	uss with
11/13/2014	Consulting fees - Corporate Revisions CIM document with P Dento	Chopowick n.
11/13/2014	Consulting fees - Corporate First Court Report drafting; call with J S call with S Livingston; review of matters including draft report, CIM and teaser.	
11/13/2014	Consulting fees - Corporate Edit first report; online claims search fo security details.	Crawley r additional
11/14/2014	Consulting fees - Corporate Revisions to CIM.	Chopowick
11/14/2014	Consulting fees - Corporate Review teaser, CIM; call with J Salmas J Mackie.	Denton ; Liaise with
11/14/2014	Consulting fees - Corporate Update information teaser per P.Dento review CIM and add comments, conter	Crawley n's comments; it.
11/17/2014	Consulting fees - Corporate Review of draft report comments; revie materials; liaise with legal counsel on s SISP process in detail with legal couns matters with PKC; turn draft report.	ame; review of
11/17/2014	Consulting fees - Corporate Contact The Northern Miner publication options and costs for advertising sales	

December 8 issue; discuss same with P Denton.

11/17/2014 Consulting fees - Corporate Review agreements received from D.Sheldon: discussions with P.Denton: review draft order and motion materials and respond to P.Denton with comments; call with B.Moran re: FROR agreements and missing schedules; call with R.Kennedy and B.Moran re: report, motion materials and asset agreements. 11/18/2014 Consulting fees - Corporate Denton Finalize First Court Report; review of fees/costs; call with S Livingston; call with legal counsel; review of matters with PKC. 11/18/2014 Consulting fees - Corporate Chopowick Revisions to court report with P Denton. 11/18/2014 Consulting fees - Corporate Crawley Assemble and send claim schedules to P. Denton for report; review CIM; prepare confidentiality agreement: review and discuss latest R. MacRae letter with P.Denton. 11/19/2014 Consulting fees - Corporate Denton Coordinate and participate on conference call with legal counsel, HW, DM, R MacRae; review of matters with PKC; coordinate update of web site for motion materials and report served November 18. 11/19/2014 Consulting fees - Corporate Chopowick Update website and attach document link. 11/19/2014 Consulting fees - Corporate Crawley Call with debtors counsel and directors; subsequent call with counsel to discuss next steps in pursuit of the SISP approval order. 11/19/2014 Consulting fees - Corporate Lowe Document preparation. 11/20/2014 Consulting fees - Corporate Denton Call J Mackie; update CIM; review of correspondence from CRA; respond to creditor gueries. 11/21/2014 Consulting fees - Corporate Denton Review CIM draft; review of correspondence from R. MacRae; coordinate call from Monday am; work on agenda; review matters with J Salmas 11/24/2014 Consulting fees - Corporate Denton Coordination of conference call; preparation and planning including agenda and call with legal counsel for Receiver and secured lenders; convene and participate on call with debtor, and legal counsel for debtor, receiver and secured.

11/24/2014 Consulting fees - Corporate Crawley
Conference call with counsel and debtors to review pending motion to approve SISP.

11/25/2014 Consulting fees - Corporate Denton
Calls with J Mackie re: CIM and teaser; review of draft
of mine description and review of market conditions; call
with SL re: MacRae correspondence and motion
for November 27.

11/26/2014 Consulting fees - Corporate Denton
Preparation for and meeting with SL and J Salmas; review of
SISP matters and protocol with J Salmas; review of matters;
review of final form of court order for SISP process as
agreed to by the debtor; review of Ungar S/H e-mail;
review of e-mails from K Kraft in Thunder Bay in
advance of November 27 motion.

11/26/2014 Consulting fees - Corporate Crawley
Discuss sales teaser with R.Kennedy of Dentons.

11/27/2014 Consulting fees - Corporate Denton
Draft advertisement; update teaser; run the advert and teaser by legal counsel; participate on call with Dentons and Buset & Partners; review SISP order and coordinate with AC to get posted; review of debtor invoice for services provided September, October and November 2014 (Aboriginal Forestry Training Association); update CIM for J Mackie comments.

11/27/2014 Consulting fees - Corporate Chopowick Update wording and post document to website.

11/28/2014 Consulting fees - Corporate Denton
Finalize draft of teaser and advertisement; review,
coordinate with A Chopowick re: Northern Miner; provide copy of
teaser and advertisement to BLIG; review CIM draft
updates and send to Dentons LLP for review; coordinate
update of web site for SISP Order.

11/28/2014 Consulting fees - Corporate Chopowick
Emails and telephone discussion with J Crofts of
Northern Miner re ad to be placed in their publication
regarding SISP.

	Total for services	\$	23,404.00
Expenses: Parking Paul Denton and Peter Crawley Travel, Hotel, Car Rental and Parking	2,635.08		
Photocopies, faxes, etc.	<u>318.00</u>		
	Total for expenses		3,027.08
	Subtotal		26,431.08
	HST	***	3,042,52
	Current amount due	<u>\$</u>	<u>29,473.60</u>

HST#136800752RT0001

#### A. FARBER & PARTNERS INC.

#### BENDING LAKE IRON GROUP LIMITED

## SUMMARY OF TIME INCURRED NOVEMBER 1, 2014 TO NOVEMBER 30, 2014

Name	Total Hours	Rate Per Hour	Billing
G. Lifman	0.50	\$575.00	\$287.50
P. Denton	29.20	\$525.00	\$15,330.00
P. Crawley	16.70	\$405.00	\$6 <i>,</i> 763.50
A. Chopowick	6.40	\$155.00	\$992.00
G. Lowe	0.20	\$155.00	\$31.00
Total	53.00		\$23,404.00



150 York Street
Suite 1600
Toronto, ON M5H 3SS
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Office 416.497.0150
Fax 416.496.3839
www.farberfinancial.com

January 8, 2015

2403177 Ontario Inc. 133 Cheltenham Avenue Toronto, ON M4N 1R1

Attention: Mr. C. Stuart Livingston

Invoice No. 11508

#### RE: BENDING LAKE IRON GROUP LIMITED

TO PROFESSIONAL SERVICES RENDERED BY A. FARBER & PARTNERS INC. for the period December 1, 2014 to December 31, 2014.

DATE	SERVICE	STAFF
12/01/2014	Consulting fees - Corporate Work on SISP process including adjaces re-staking status, review of agreements document with legal counsel; coordinat Terms and Conditions.	, review of CIM
12/01/2014	Consulting fees - Corporate Review proof of ad for Northern Miner with P Denton; sign and return insertio Globe and Mail regarding same ad to b publication.	n order; email to
12/02/2014	Consulting fees - Corporate Review of draft letter to R MacRae; revi Northern Miner; review of information website.	
12/03/2014	Consulting fees - Corporate Call with Jay Mackie; review legal cour CIM; turn CIM document; review draft draft SISP process for web site; review or requirement; review with PKC.	NDA agreement;
12/04/2014	Consulting fees - Corporate  Work on the SISP Process including intelest, Globe & Mail advertisement, call we parties; review of SISP terms and conditions.	rith interested
12/04/2014	Consulting fees - Corporate Updating CIM.	Lowe

12/04/2014 Consulting fees - Corporate Chopowick Discussion with P Denton re drafted proof of ad for Globe & Mail and costs; further revisions to ad; preparation of interested parties list with P Denton. 12/05/2014 Consulting fees - Corporate Denton Working on the SISP process including update of the CIM and providing copy to HW, DM and RM; call with DM; work on and coordinate interested parties list; call with interested parties; assemble documents for virtual data room including map; review ad for Globe & Mail. 12/05/2014 Consulting fees - Corporate Chopowick Follow up regarding SISP ad in Globe & Mail; discuss same with P Denton; revise ad and request new proof and estimated cost. 12/08/2014 Consulting fees - Corporate Da Silva-Falcione Update website with SISP details and documents. 12/08/2014 Consulting fees - Corporate Denton Coordinate interested party lists; review with A Chopowick; coordinate contacts with mining network with E Klein; call with J Salmas; call with DM; call with SL; work on data room with D Falcione. 12/08/2014 Consulting fees - Corporate Chopowick Continue working on list of potentially interested parties re sales process; update appendix to CIM; follow up with Globe and Mail regarding ad to be placed in Dec 10 edition and provide approval. 12/09/2014 Consulting fees - Corporate Denton Review of contacts and interested parties coordination; liaise with interested party re Tata Steel contact; meeting with secured creditor SL; review of Debtor invoice for fees, charges; call with DM; update of website. 12/10/2014 Consulting fees - Corporate Da Silva-Falcione Draft correspondence per P. Denton; finalize and coordinate courier. 12/10/2014 Consulting fees - Corporate Denton Provide notice and contact interested parties; review of HST and payroll audit requirements.

12/10/2014 Consulting fees - Corporate Chopowick Emails with J Croft of Northern Miner regarding request for copy of paper containing our ad; follow up email to P Denton. 12/11/2014 Consulting fees - Corporate Lloyd-Key Researched contact names on spreadsheet provided by company and Mr. Jay Mackie for missing email and contact address for mailing purposes. 12/11/2014 Consulting fees - Corporate Denton Review of interested party list; send teaser advice off to contacts; emails with J Falkins; coordinate call for 10:30 Friday for review of the CIM; call with secured creditor SL. 12/12/2014 Consulting fees - Corporate Lloyd-Key Researched contact information from names on spreadsheet for missing email and contact address for mailing purposes. 12/12/2014 Consulting fees - Corporate Denton Coordinate and participate on call with HW, DM, JK, RM and JS; review of EA information provided; coordinate distribution of teaser to interested parties; undertake some one on one contact with interest parties; review of costs to date; coordinate data room information. 12/12/2014 Consulting fees - Corporate Scan and forward copies of the SISP ads placed in the Globe & Mail and the Northern Miner to P Denton; preparation of email and list of interested parties; email SISP information to various interested parties. 12/15/2014 Consulting fees - Corporate Denton Follow up the company re: the CIM comments; review of fees and costs and provide summary to secured creditor SL; calls with interested parties; work on the data room. 12/16/2014 Consulting fees - Corporate Denton Calls with interested parties; dealing with the draft CIM with Jack Falkins; updating the data room; review of email from shareholders re: access to minute books.

Review of R MacLeod letter; call with legal counsel and the secured creditor's legal counsel re: next steps; brief review of McLeod letter re CIM comments; liaise

Denton

Consulting fees - Corporate

with interested parties.

12/17/2014

12/18/2014 Consulting fees - Corporate Denton

Review comments from R MacLeod and Company on the draft CIM; follow up the Project Description and TOR; review of comments with JS; review draft response to shareholders re: access to minute books.

12/19/2014 Consulting fees - Corporate Denton
Follow up CIM information in particular the project

description and terms of reference; provide response to shareholders re: access to minute book; draft email and provide draft CIM to Company and its legal counsel; confirm MNDM taxes payable; meet with SL.

12/22/2014 Consulting fees - Corporate Denton

Coordinate contact with interested parties where no contact particulars; draft letter/notice for same; provide teaser to five interested parties through the day; coordinate payment of MNDM taxes and draft a covering letter for same.

12/22/2014 Consulting fees - Corporate Chopowick
Preparation of correspondence to Ministry of Northern
Development and Mines.

12/22/2014 Banking - Corporate Samoilov Banking, posting.

12/23/2014 Consulting fees - Corporate Denton

Liaise with interested parties; review e-mails from legal counsel for BLIG; review of information received from D MacKay re: project description and terms of reference; arrange for information to posted to the data room; update the CIM for this information; provide draft CIM to BLIG management and its legal counsel.

12/24/2014 Consulting fees - Corporate Da Silva-Falcione
Upload data room documents; request data room
launch.

12/24/2014 Consulting fees - Corporate Denton
Respond to interested parties information requests;
coordinate up date of data room.

12/29/2014 Consulting fees - Corporate Da Silva-Falcione
Draft correspondence to Ministry of Northern
Development and Mines.

12/29/2014 Consulting fees - Corporate Denton
Contact MacRae; draft and provide teaser notice to
interested parties confirmed by J Mackie; review of
documents required for the data room.

12/30/2014 Consulting fees - Corporate Denton
Liaise with R MacRae re: CIM; review of the data room
status; update CIM for final comments, edits; meeting
with Frank Smeenk, KWG Resources, and Don Sheldon
re: process and potential transaction; liaise with interested
parties; send emails to new interested parties identified;
liaise with MNDM re: payment of taxes and property
claims in good standing.

12/30/2014 Banking - Corporate Samoilov Banking, posting.

12/31/2014 Consulting fees - Corporate Denton
Attend to finalization of CIM; coordinate finalization of data room and access to same; provide copy of final CIM to R MacRae and company; liaise with interested parties; send emails to two interested parties.

HST#136800752RT0001

#### A. FARBER & PARTNERS INC.

#### BENDING LAKE IRON GROUP LIMITED

## SUMMARY OF TIME INCURRED DECEMBER 1, 2014 TO DECEMBER 31, 2014

Name	Total Hours	Rate Per Hour	Billing
P. Denton	33.50	\$525.00	\$17,587.50
L. Samoilov	0.60	\$165.00	\$99.00
A. Chopowick	6.00	\$155.00	\$930.00
D. Falcione	1.30	\$155.00	\$201.50
L. Lloyd-Key	5.30	\$155.00	\$821.50
G. Lowe	0.10	\$155.00	\$15.50
Total	46.80		\$19,655.00



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February 27, 2015

2403177 Ontario Inc. 133 Cheltenham Avenue Toronto, ON M4N 1R1

Attention: Mr. C. Stuart Livingston

Invoice No. 11593

#### RE: BENDING LAKE IRON GROUP LIMITED

TO PROFESSIONAL SERVICES RENDERED BY A. FARBER & PARTNERS INC. for the period January 1, 2015 to January 31, 2015.

DATE	SERVICE	STAFF
01/05/2015	Consulting fees - Corporate  Call with interested party G. Glenn; ga call CRA; call company office to reques speak to SL; review feed back from D.  MNDM and provide statement of according to the company of the compan	st information; Levitt; review
01/06/2015	Consulting fees - Corporate Draft Court Report and fee affidavit; co fee update; liaise with interested partie	
01/07/2015	Consulting fees - Corporate Denton Review of e-mail from Jay Mackie; follow up and respond to information requests and queries from G. Glenn; liaise with CRA re: payroll trust audit; review of matters with legal counsel including license agreement; provide e-mail to Debtor re: clarification of information requests made earlier in the week; further drafting of 2nd report and affidavit.	
01/07/2015	Consulting fees - Corporate  Document preparation.	Chopowick
01/08/2015	Consulting fees - Corporate Update draft of the 2nd court report; reinterested party re: next step; coordina with A. Chopowick.	
01/08/2015	Consulting fees - Corporate  Document preparation and discussion	Chopowick with P. Denton.

01/09/2015 Consulting fees - Corporate Denton Review of correspondence to Debtor counsel from Dentons LLP; review and update fee affidavit; review of December invoice; review with A. Chopowick; call SL and provide fee Summary. 01/09/2015 Consulting fees - Corporate Chopowick Revise affidavit and prepare schedule. 01/12/2015 Consulting fees - Corporate Denton Review draft comments from Dentons on 2nd Court Report; follow up and contact 15 interested parties re: review of queries; review of draft fee affidavit. 01/12/2015 Consulting fees - Corporate Chopowick Revisions to Affidavit of P. Denton and Court Report. 01/13/2015 Consulting fees - Corporate Denton Preparation for and call with R. MacRae with J. Salmas; review of subsequent correspondence from MacRae; follow up with interested parties. 01/14/2015 Consulting fees - Corporate Denton Call with interested parties; call with Geoff Carter; review 2nd report drafting; call with creditor; call with G. Clarke re: interested parties. 01/15/2015 Consulting fees - Corporate Denton Liaise with interested parties; call with G. Glenn; review of affidavit materials for 2nd report to court. 01/16/2015 Consulting fees - Corporate Denton Attendance to meet with J. Salmas and SL at Dentons; provide recap of status; provide information/ teaser to C. Walker Crosbie & Co; review of materials and e-mails provided over the weekend. 01/19/2015 Consulting fees - Corporate Denton Finalize 2nd Court Report; review of Buset & Partners materials. 01/20/2015 Consulting fees - Corporate Denton Follow up with interested parties of BLIG; review of final materials served. Provide further information to interested party. 01/21/2015 Consulting fees - Corporate Denton Update web site; review of payroll information.

01/22/2015	Consulting fees - Corporate Set up access to data room for two update website data and upload o	<del>-</del>		
01/22/2015	Consulting fees - Corporate Provide information to interested coordinate call with Bluestone; re information in preparation for pay other interested parties.	view of payroll	th	
01/22/2015	Banking - Corporate Deal with banking.	Samoilov		
01/23/2015	Consulting fees - Corporate Provide information to interested counsel; gather further information			
01/26/2015	Consulting fees - Corporate Follow up of interested parties an information; review of e-mail and MacRae re: Jan 29 hearing.			
01/27/2015	Consulting fees - Corporate Provide access to interested party	Chopowick to data room.		
01/28/2015	Consulting fees - Corporate Preparation for and call with Blue and Cris Li; provide further follow up other interested parties; prepar	v up information; follow		
01/29/2015	Consulting fees - Corporate  Deal with CRA Auditor examinative: HST returns; call HW re: SISP pre: further information requests for	process; e-mail D. McKay	7	
		Total for services	Φ	14 500 50
-	orthern Miner Ad re SISP \$ 1,073.50 notocopies, faxes, etc. <u>180.60</u>	Total for services	\$	14,732.50
		Total for expenses		1,254.10
		Subtotal		15,986.60
		HST		1,915.23
	(	Current amount due	<u>\$</u>	17.901.8 <u>3</u>

HST#136800752RT0001

# A. FARBER & PARTNERS INC.

# BENDING LAKE IRON GROUP LIMITED

# SUMMARY OF TIME INCURRED JANUARY 1, 2015 TO JANUARY 31, 2015

Name	Total Hours	Rate Per Hour	Billing
P. Denton	27.20	\$525.00	\$14,280.00
L. Samoilov	0.30	\$165.00	\$49.50
A. Chopowick	2.60	\$155.00	\$403.00
Total	30.10		\$14,732.50



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www.farberfinancial.com

March 17, 2015

2403177 Ontario Inc. 133 Cheltenham Avenue Toronto, ON M4N 1R1

Attention: Mr. C. Stuart Livingston

Invoice No. 11665

#### RE: BENDING LAKE IRON GROUP LIMITED

TO PROFESSIONAL SERVICES RENDERED BY A. FARBER & PARTNERS INC. for the period February 1, 2015 to February 28, 2015.

DATE	SERVICE	STAFF
02/02/2015	Consulting fees - Corporate Review of e-mails; call with HW re: stare: offer; reviewed basis of release of a valuation; provided NDA; followed up EY US; call with interested party BH.	ppraisal/
02/02/2015	Consulting fees - Corporate Update website.	Chopowick
02/03/2015	Consulting fees - Corporate Discussion with interested parties; pro /valuation to HW on receipt of NDA; or re: next steps.	
02/03/2015	Consulting fees - Corporate Update interested parties contact sheet	Chopowick t.
02/04/2015	Consulting fees - Corporate Review and follow up with interested matter with CRA; coordinate provision interested parties who had signed an N	n of appraisal to
02/05/2015	Consulting fees - Corporate Call with CRA; follow up HST returns follow up interested party information	
02/06/2015	Consulting fees - Corporate  Calls with interested parties including with Don Sheldon re: minute books.	Denton Rockex; follow up
02/09/2015	Consulting fees - Corporate	Denton

Liaise with CRA re: HST audit; follow up of interested parties; call with A Raoul and J Mackie re: core location pre 1997, 2008 and 2011; review of 2011 drill report regarding same.

02/09/2015 Consulting fees - Corporate Chopowick
Email to interested party providing CA and Terms and
Conditions as requested.

02/10/2015 Consulting fees - Corporate Denton
Follow up of interested parties including Vera Capital
which acts for Chinese SOEs; liaise with Rockex; call

02/10/2015 Consulting fees - Corporate Chopowick
Set up access to interested party to data room.

with CRA.

02/11/2015 Consulting fees - Corporate Denton
Preparation for and attend offices of D Sheldon at
Dickinson Wright to review the corporate minute books;
compile notes; follow up interested parties; provide
e-mail to BLIG re: access; respond to TU e-mail.

02/11/2015 Consulting fees - Corporate Crawley
Discuss sales process with C.Gryba and send CA and teaser.

02/12/2015 Consulting fees - Corporate Denton
Follow up interested parties including Bank of China
contact; review of correspondence from MacRae; review
of e-mail from D McKay; call with legal counsel;
preparation for and meeting with SL.

02/13/2015

Banking - Corporate

Call with Riaan Meyer of the Bank of China re: Chinese SOE interest; follow up interested parties control list; liaise with legal counsel; liaise with SL re: 30 day extension.

02/17/2015 Consulting fees - Corporate Denton
Respond to company e-mails on HST; coordinate CRA
audit; draft and coordinate e-mail notice re: extension of
the SISP process; review of matters with AC; send
e-mail notices to interested parties re: the extension.

02/17/2015 Consulting fees - Corporate Chopowick Update sales process control sheet.

02/18/2015 Consulting fees - Corporate Denton

Coordinate update of web site re: extension; provide e-mails to interested parties re: extension including Bank of China; call with SL.

02/18/2015 Consulting fees - Corporate Chopowick Update website and upload files.

02/19/2015 Consulting fees - Corporate Denton Follow up of interested parties.

02/20/2015 Consulting fees - Corporate Denton
Preparation for and call with D Mackay re: expenses;
call/e-mail with Susan King; call with PCK re:
Quickbooks and HST returns; follow up of interested
parties; call with J Salmas.

02/23/2015 Consulting fees - Corporate Chopowick
Review and update interested party contact listing;
prepare and send email to interested parties regarding
extension of deadline to submit an offer.

O2/23/2015 Consulting fees - Corporate Denton
Review of e-mail notice to all other interested parties
with AC; call with legal counsel re: fee settlement with
MacRae; review of costs as invoiced by Wetelainen and
MacKay through AFTA; review of matter with SL; draft
of e-mail response; review of broadcast message of
extension of SIPS process with AC; call and follow up
interested parties re: extension.

02/24/2015 Consulting fees - Corporate Denton
Review of the status of the MacRae settlement offer and consent; review of matters with K Kraft; coordinate completion of HST returns with PKC and LS; follow up of interested parties; update draft of e-mail response to AFTA re: expenses December, January and February.

02/24/2015 Banking - Corporate Samoilov
Review GL reports re. HST ITC for Feb 01 - Sept
11,2014. Fill the HST return forms for April 30, 2014,
July 31, 2014, and September 11, 2014.

02/25/2015 Consulting fees - Corporate Denton
Coordinate completion of CRA audit of HST; call and follow up with interested parties including K Leber parties introduced (3).

02/25/2015 Consulting fees - Corporate Palmer Document preparation.

02/26/2015	Consulting fees - Corporate  Call with interested parties; provice review of control schedule; review		
02/26/2015	Consulting fees - Corporate  Document preparation - finalizing	Palmer	
02/27/2015	Consulting fees - Corporate Review and follow up interested p teaser information.	Denton arties (4); provide	
02/27/2015	Consulting fees - Corporate  Document preparation - finalize.	Palmer	
Expenses:	Photocopies, faxes, etc. 204.60	Total for services	\$ 16,222.50
	-	Total for expenses	 204.60
		Subtotal	16,427.10
		HST	 2,108.93
		Current amount due	\$ 18,536.03

HST#136800752RT0001

## A. FARBER & PARTNERS INC.

# BENDING LAKE IRON GROUP LIMITED

# SUMMARY OF TIME INCURRED FEBRUARY 1, 2015 TO FEBRUARY 28, 2015

Name	Total Hours	Rate Per Hour	Billing
P. Denton	29.40	\$525.00	\$15,435.00
P. Crawley	0.20	\$425.00	\$85.00
L. Samoilov	0.50	\$165.00	\$82.50
A. Chopowick	2.10	\$155.00	\$325.50
A. Palmer	1.90	\$155.00	\$294.50
Total	34.10		\$16,222.50





May 4, 2015

2403177 Ontario Inc. 133 Cheltenham Avenue Toronto, ON M4N 1R1

Attention: Mr. C. Stuart Livingston

Invoice No. 11747

#### RE: BENDING LAKE IRON GROUP LIMITED

TO PROFESSIONAL SERVICES RENDERED BY A. FARBER & PARTNERS INC. for the period March 1, 2015 to March 31, 2015.

DATE	SERVICE	STAFF
	Follow up HST; liaise with intereview of draft response to D I contribution costs; meet furthe town for PDAC.	Mckay re: shared

03/03/2015	Consulting tees - Corporate	Denton
	Provide teaser to interested parti	ies identified at PDAC;
	review of HST matter; review of	updated costs
	background and due diligence o	osts provided by
	D McKay; coordinate meeting w	ith HW from March 4.

03/04/2015	Consulting fees - Corporate	Denton
	Review of shared costs invoiced	by AFTA on behalf of
	HW and DM; preparation for and meeting wi	
	sending teaser out to interested p	parties through PDAC
	contact; call with Susan King re:	ongoing accounting
	and HST returns.	0 0 0

03/06/2015	Consulting fees - Corporate	Lloyd-Key
	Pick up of two minute books as re	equested by P
	Denton.	

03/06/2015	Consulting fees - Corporate	Denton
	Coordinate retrieval of minute bo	oks from Don Sheldon;
	es (2); review of HST	
	returns information as provided l	oy Susan King.
03/09/2015	Consulting fees - Corporate	Denton

Consulting fees - Corporate Denton

Call and provide update to SL; review and follow up

with parties contacted at PDAC; speak to Harry Barr PNW

Capital re: BLIG opportunity.

03/11/2015	Consulting fees - Corporate Respond to CRA re: HST audit; review provided by the company with respect	
03/12/2015	Consulting fees - Corporate Liaise with HW on scheduling a meeting lenders; review and follow up interested	
03/13/2015	Consulting fees - Corporate  Contact interested parties who have be due diligence to review status and requealls with two interested parties; contact	ıest feedback;
03/16/2015	Consulting fees - Corporate E-mail to HW and DM re: scheduled re update SL; call with interested party; for interested parties; review and coordinate prepare e-mail to SL; call CRA re: HST coordinating attendance.	ollow up ate fees and
03/19/2015	Consulting fees - Corporate Follow up discussion with P Gagne Ro with Atacama Gold.	Denton ckex; follow up
03/23/2015	Consulting fees - Corporate Call with HW; call with JS; call with SI minutes.	Denton ;; review of
03/25/2015	Consulting fees - Corporate Call Bluestone; follow up with F Smeen	Denton nk KWG.
03/26/2015	Consulting fees - Corporate Follow up with Bluestone and Bank of	Denton China; call SL.
03/27/2015	Consulting fees - Corporate Review matters with PC; follow up wit coordinate meeting; review of matters	
03/30/2015	Consulting fees - Corporate Review of e-mails; follow up with interincluding Rockex and Bluestone.	Denton rested parties
03/31/2015	Consulting fees - Corporate Follow up of interested parties; completed of notable interested parties; call with I Rockex; draft discussion points/ agend April 1 including Rio Tinto Canada and Resources.	Pierre Gagne of a for meeting on

Expenses:
Photocopies, faxes, etc.

Total for services \$ 9,521.50

Total for expenses 112.20

Subtotal 9,633.70

HST 1,237.80

Current amount due \$ 10,871.50

HST#136800752RT0001

## A. FARBER & PARTNERS INC.

## BENDING LAKE IRON GROUP LIMITED

# SUMMARY OF TIME INCURRED MARCH 1, 2015 TO MARCH 31, 2015

Name	Total Hours	Rate Per Hour	Billing
P. Denton	17.90	\$525.00	\$9,397.50
L. Lloyd-Key	0.80	\$155.00	\$124.00
Total	18.70		\$9,521.50



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July 15, 2015

2403177 Ontario Inc. 133 Cheltenham Avenue Toronto, ON M4N 1R1

Attention: Mr. C. Stuart Livingston

Invoice No. 11890

#### RE: BENDING LAKE IRON GROUP LIMITED

TO PROFESSIONAL SERVICES RENDERED BY A. FARBER & PARTNERS INC. for the period April 1, 2015 to June 30, 2015.

DATE	SERVICE	STAFF
04/01/2015	Consulting fees - Corporate Prepare update report for SL and legal with SL to review next steps including with J Salmas; follow up contact with i including Legacy Hill.	conference call
04/02/2015	Consulting fees - Corporate Provide follow up information to J Salr call with Legacy Hill Resources; gather provide to Legacy Hill Resources (And	information and
04/07/2015	Consulting fees - Corporate Conference call with P Denton and pro discuss process, due diligence and site	
04/07/2015	Consulting fees - Corporate Preparation for and undertake conference Legacy Hills Resources; coordinate according for Legacy Hill with A Chopowid requests; coordinate call with the lodge representative regarding their previous opinion; calls with CRA.	ess to the data ck; follow up information e owners
04/08/2015	Consulting fees - Corporate Follow up and obtain information related follow letter of intent; exchange of e-m Malim.	
04/09/2015	Consulting fees - Corporate Review of Legacy e-mails; call with loc	Denton Ige owners

representative; call with Greg Prince of PWC re: clients

with iron ore focus.

04/10/2015 Consulting fees - Corporate Denton Call with John Salmas; update SL; review of Legacy Hill e-mails liaise with Legacy Hill through Friday and Saturday re: information requirements; call HW; reach out to Jay Mackie. 04/13/2015 Consulting fees - Corporate Denton Coordinate provision of information to Legacy; arrange access to the data room. 04/14/2015 Consulting fees - Corporate Chopowick Set up user access to data room. 04/14/2015 Consulting fees - Corporate Denton Preparation for and participation in conference call with Legacy Hill; liaison with J Mackie re: assistance with Legacy Hill due diligence and provision of information. 04/15/2015 Consulting fees - Corporate Denton Liaise with Legacy Hill; draft and provide update e-mail to SL and legal counsel; call with H Wetelainen to review Legacy Hill interest and status; update P Crawley. 04/16/2015 Consulting fees - Corporate Denton Call with H Wetelainen re: Legacy Hill due diligence and planned attendance; e-mail information to Legacy Hill. 04/17/2015 Banking - Corporate Samoilov Prepare and forward to CRA RC59 Form. 04/20/2015 Consulting fees - Corporate Crawley Conference call with Legacy Hill and J Mackie to observe due diligence progress. 04/23/2015 Consulting fees - Corporate Denton Liaison with JM; liaison with HW; call with legal counsel J Salmas to update on developments; liaise with Legacy Hill; call with Devin Cranston at the MNDM; draft and provide confirmatory e-mail; update SM. 04/24/2015 Consulting fees - Corporate Denton Liaise with Legacy; update P Crawley; review and prepare for the third report. 04/27/2015 Consulting fees - Corporate Denton Liaise with Legacy on due diligence information requests; liaise with J Mackie; review of matters with P Crawley.

04/28/2015	Consulting fees - Corporate Liaise with Legacy on due diligence q steps; coordinate conference call for A	-
04/28/2015	Consulting fees - Corporate Apply edits to report.	Palmer
04/29/2015	Consulting fees - Corporate Prepare documents and accounting reaudit.	Crawley eports for HST
04/29/2015	Consulting fees - Corporate Follow up matters with Legacy; reviewith P Crawly; provide e-mail update Cranston at MNDM.	
04/29/2015	Consulting fees - Corporate Add Court Report updates.	Palmer
04/30/2015	Consulting fees - Corporate Attend to HST auditor enquiries; conf HW and Legacy.	Crawley erence call with
04/30/2015	Consulting fees - Corporate  Coordinate and participate on call wit follow up with Legacy Hill; provide e recap of the call and current status; dreport.	-mail report and
04/30/2015	Consulting fees - Corporate Court report update; document prepa	Palmer tration.
05/01/2015	Consulting fees - Corporate Drafting of the third report; coordinate and J Salmas; review of matters with I	
05/04/2015	Consulting fees - Corporate  Drafting of the third court report; following company of Canada and PWC regard Client.	<del></del>
05/04/2015	Consulting fees - Corporate Work on draft revised bill; affidavit o and update schedule.	Palmer f fees - add edits
05/05/2015	Consulting fees - Corporate Drafting of third report; draft fee affice from T Ungar; liaise with Legacy Hill	

05/05/2015 Consulting fees - Corporate Palmer Affidavit of fees - add revisions and update schedule; revisions to report. 05/06/2015 Consulting fees - Corporate Denton Call and e-mails to Legacy; draft and provide an e-mail response to T Ungar; finalize affidavit of fees; review of matters with P Crawley; review Dentons draft edits of third report; provide update to SL. 05/06/2015 Consulting fees - Corporate Crawley Call with P Denton and S Livingstone; call with A Malim; review email from A Malim; review Receiver's Third Report; discussions with P Denton. 05/07/2015 Consulting fees - Corporate Denton Review of third report draft comments with legal counsel; review of matters with P Crawley. 05/07/2015 Consulting fees - Corporate Crawley Call with J Salmas and P Denton to discuss next steps and report; respond to A Malim request to speak to Fladgate directly. 05/19/2015 Consulting fees - Corporate Denton Review of e-mails; call with S Livingston re: status; follow up Ministry of Labour ("MOL") statement of claim and action against the directors; draft and provide a letter to MOL regarding same; review of matters with P Crawley. 05/20/2015 Consulting fees - Corporate Denton Call with T Ungar; review of MOL claim; liaise with Legacy Hill to coordinate call for May 22; liaise with legal counsel. 05/21/2015 Consulting fees - Corporate Denton Coordinate a conference call with Legacy Hill; review of e-mails; discussions with P Crawley and J Salmas. 05/22/2015 Consulting fees - Corporate Denton Preparation for and participate on call with Legacy Hill; review of matters after call with legal counsel I Salmas; liaise further with A Malim of Legacy Hill; liaise with and update SL; liaise with H Wetelainen and J Mackie on scheduled visit. 05/22/2015 Consulting fees - Corporate Crawley

Conference call with prospective purchaser.

05/22/2015 Consulting fees - Corporate Chopowick Set up J Salmas with access to data room. 05/25/2015 Consulting fees - Corporate Denton Follow up Legacy Hill; direct access to data room to Dentons LLP. 05/26/2015 Consulting fees - Corporate Denton Update SL; follow up Legacy re: LOI; review of draft term sheet; review of matters with J Salmas and P Crawley; update HW and JM. 05/27/2015 Consulting fees - Corporate Denton Preparation for and coordinate call with Legacy Hill to review and discuss draft term sheet; follow up and review with J Salmas and P Crawley. 05/27/2015 Consulting fees - Corporate Crawley Calls with S Rajan and then J Salmas to discuss Head of Terms document. 05/28/2015 Consulting fees - Corporate Denton Follow up A Malim re: schedule and attendance in Toronto and Thunder Bay; update SL, J Salmas and HW. 05/29/2015 Consulting fees - Corporate Denton Follow up Legacy Hill and attendance in Toronto and Thunder Bay; review of matters with P Crawley; liaise with SL; liaise with HW. 05/31/2015 Consulting fees - Corporate Denton Coordination of attendance of Legacy Hill team in Toronto and Thunder Bay. 06/01/2015 Consulting fees - Corporate Denton Review of e-mails; coordination of Legacy Hill attendance for due diligence June 2 - 5, 2015 in concert with P Crawley; review of correspondence from R MacRae regarding CEAA environmental assessment extension; forward to J Salmas for review and discussion. 06/01/2015 Consulting fees - Corporate Crawley Call with D Craig, geologist; make travel arrangements for site visit to Thunder Bay; discuss receiver's role in due diligence process with P Denton.

06/02/2015 Consulting fees - Corporate Denton Review planning and logistics matters with P Crawley for Legacy Hill visit; preparation for and meeting with Legacy Hill representatives A Malim and S Rajah. 06/02/2015 Consulting fees - Corporate Crawley Discussions with P Denton re: due diligence mandate; meet with S Rajan and A Malim; travel to Thunder Bay with D Craig. 06/03/2015 Consulting fees - Corporate Denton Preparation for and attendance at meetings with SL, and then Legacy hill representatives A Malim and S Rajan; coordinate follow up meeting with J Salmas with Legacy Hill representatives in the afternoon; liaise with P Crawley throughout the day; review of P Crawley Day 1 recap. 06/03/2015 Consulting fees - Corporate Crawley Attend meetings with H Wetelainen; MNDM, Fladgate, tour port with D Craig. 06/04/2015 Consulting fees - Corporate Denton Review of letter from R MacRae regarding the BLIG Environmental Assessment from the CEAA; review with I Salmas; provide response to R MacRae and the CEAA; liaise with P Crawley throughout the day; call and provide update to SL. 06/04/2015 Consulting fees - Corporate Crawley Accompany A Malim and D Craig to Wabigoon core sheds and mine site, with H Wetelainen; total hours were 12 including travel time core shed and mine site, actually charged 8 hours. 06/05/2015 Consulting fees - Corporate Denton Liaise with P Crawley throughout day; review of recap of events on Friday in Thunder Bay and meetings with BLIG management, Fladgate and MNDM; provide e-mail to Legacy Hill re: next week and need for conference call. 06/05/2015 Consulting fees - Corporate Attend meetings with H Wetelainen, D MacKay, MNDM, Neil Pettigrew with A Malim; total hours including travel were 11.5, actually charged 8 hours. 06/06/2015 Consulting fees - Corporate Crawley Prepare and send daily update to P Denton for June 5th

onsite meetings.

06/08/2015 Consulting fees - Corporate Denton Follow up A Malim/Legacy Hill; review of matters with P Crawley re: site visit June 3 to 5; liaise with SL and provide an update; review HST audit status. 06/08/2015 Consulting fees - Corporate Crawley Site visit debrief with P Denton. 06/09/2015 Consulting fees - Corporate Denton Follow up Legacy Hill for update of visit June 2 to 5 and coordination of call Wednesday; respond to shareholder query. 06/10/2015 Denton Consulting fees - Corporate Coordinate conference call at 3:00 EST with Legacy Hill and secured creditors; review of report provided by Legacy Hill and attendance at Toronto, Thunder Bay and mine June 2 to June 5; review of HST matter and correspondence from CRA; review of matters with SL. 06/10/2015 Consulting fees - Corporate Crawley Review Rocklore report on site visit; site visit follow-up conference call with Legacy, secured creditors and counsel. 06/11/2015 Consulting fees - Corporate Denton Confirm receipt of T Ungar offer; review of T Ungar offer; review of status of HST audit with PC. 06/11/2015 Consulting fees - Corporate Crawley Calls with R Sharma at CRA to discuss HST reassessment and time needed to investigate; confirm that most recent refund filings have not been paid. 06/12/2015 Consulting fees - Corporate Denton Call and provide update to SL re: T Ungar proposal; liaise with T Ungar re: the need for the level and certainly of funding available; review of the HST matter with CRA. 06/15/2015 Consulting fees - Corporate Denton Review of T Ungar information requests regarding his offer; review of the HST matter; draft and provide response to T Ungar on information requests.

06/16/2015 Consulting fees - Corporate Denton Review of HST status with PC; review draft response to company on same; follow up with Legacy Hill; draft e-mail response to T Ungar. 06/17/2015 Consulting fees - Corporate Crawley Prepare and send email to directors alerting them to the CRA HST reassessment; respond to T Unger's query. 06/18/2015 Consulting fees - Corporate Denton Liaise with SL; draft and provide response to T Ungar re: HST and other claims; review of matters with P Crawley. 06/22/2015 Consulting fees - Corporate Denton Follow up with Legacy Hill; update SL and legal counsel; review and respond to T Ungar e-mails and disclosure. 06/22/2015 Consulting fees - Corporate Crawley Review and summarize double-entry of BLIOC liabilities. 06/25/2015 Consulting fees - Corporate Denton Provide update and liaise with SL on current status; call T Ungar on proposal. 06/26/2015 Consulting fees - Corporate Denton Review e-mails from Legacy; review and provide update to SL and JS. 06/30/2015 Consulting fees - Corporate Crawley Review update from A Malim and relay to H Wetelainen. 06/30/2015 Consulting fees - Corporate Denton Review of Legacy Hill e-mails re second trip for due diligence; liaise with legal counsel on same. Total for services 46,420.05 Expenses: Data Room Site 619.56 Travel 1,434.51 Photocopies, faxes, travel etc. 2,654.73 Total for expenses 2,654.73 Subtotal 49,074.78 **HST** 6,034.61 Current amount due 55,109,39

## A. FARBER & PARTNERS INC.

# BENDING LAKE IRON GROUP LIMITED

# SUMMARY OF TIME INCURRED APRIL 1, 2015 TO JUNE 30, 2015

Name	Total Hours	Rate Per Hour	Billing
P. Denton	52.50	\$525.00	\$27,562.50
P. Crawley	42.50	\$425.00	\$18,062.50
L. Samoilov	0.30	\$165.00	\$49.50
A. Chopowick	0.30	\$155.00	\$46.50
A. Palmer	4.51	\$155.00	\$699.05
Total	100.11		\$46,420.05





150 York Street Suite 1600 Toronto, ON M5H 355 Canada Office 416.497.0150 Fax 416.496.3839 www.farberfinancial.com

September 29, 2015

2403177 Ontario Inc. 133 Cheltenham Avenue Toronto, ON M4N 1R1

Attention: Mr. C. Stuart Livingston

Invoice No. 12000

## RE: BENDING LAKE IRON GROUP LIMITED

TO PROFESSIONAL SERVICES RENDERED BY A. FARBER & PARTNERS INC. for the period July 1, 2015 to August 31, 2015.

DATE	SERVICE	STAFF
07/03/2015	Consulting fees - Corporate Review of matters with P Crawley; rev status of Legacy Hill negotiations and call HW; provide update to SL.	
07/07/2015	Consulting fees - Corporate Liaise with Andrew Malim of Legacy I provide email to HW and Legacy Hill I trip; call Jay Mackie.	
07/13/2015	Consulting fees - Corporate Follow up J Mackie, Andrew Malim; ca party in BC.	Denton all from interested
07/14/2015	Consulting fees - Corporate  Document preparation.	Palmer
07/15/2015	Consulting fees - Corporate Call with Jay Mackie; draft and provid Malim of Legacy Hill and Jay Mackie.	Denton e e-mail to Andrew
07/16/2015	Consulting fees - Corporate Prepare list of invoices where payment email to L Samoilov as advised by P Do the retainer balance amount applied to of practitioner.	enton to confirm
07/20/2015	Consulting fees - Corporate Review of the update status from Lega	Denton cy Hill.

07/21/2015	Consulting fees - Corporate Liaise with A Malim re: timing of next update J Salmas; provide update to H	
07/28/2015	Consulting fees - Corporate Review message from CRA re: pendin assessment and relay to directors.	Crawley g HST
07/30/2015	Consulting fees - Corporate  Provide update to SL; call with J Salma schedule for Legacy attendance the wedraft schedule of fees, costs and priori	eek of Aug 10-14;
07/30/2015	Consulting fees - Corporate Call with P Denton and J Salmas to dis	Crawley scuss sales process.
07/31/2015	Consulting fees - Corporate Review of the fee and priority claims a draft and provide e-mail A Malim; up	
08/10/2015	Consulting fees - Corporate Review of e-mails; follow up with A M	Denton Ialim.
08/11/2015	Consulting fees - Corporate Call with SL; follow up Andrew Malin Ungar; provide update to HW and JM	
08/12/2015	Consulting fees - Corporate Preparation for and meeting with Tom e-mail; call with A Malim; provide ER with Ungar permission.	
08/13/2015	Consulting fees - Corporate Review of e-mails form A Malim.	Denton
08/17/2015	Consulting fees - Corporate Review of offers, e-mails received in p with SL; call from A Malim Legacy coo with SL.	
08/17/2015	Consulting fees - Corporate Review offer to secured and discuss w with J.Salmas.	Crawley ith P.Denton; call
08/18/2015	Consulting fees - Corporate Liaise with SL; review of Legacy proportion including review with legal counsel; or meeting with SL along with JS and PC next steps in response.	oordinate and have

08/18/2015 Consulting fees - Corporate Crawley Meeting with S Livingston, J Salmas, P Denton to review offer and discuss next steps. 08/20/2015 Consulting fees - Corporate Denton Review and update fees, costs and claims schedule for SL; draft response; review with JS and PC; provide draft to SL; call with SL on same. 08/20/2015 Consulting fees - Corporate Crawley Review S.L's clarifying questions in response to offer. 08/21/2015 Consulting fees - Corporate Denton Follow up SL re: response to Legacy Hill. 08/21/2015 Consulting fees - Corporate Crawley Discuss CRA information request with P.Denton and appropriate response. Total for services 6,095.00 Expenses: Photocopies, faxes, travel etc. Total for expenses 79.20

Subtotal

Current amount due

**HST** 

6,174.20

792.35

6,966.55

# HST#136800752RT0001

#### A. FARBER & PARTNERS INC.

#### BENDING LAKE IRON GROUP LIMITED

# SUMMARY OF TIME INCURRED JULY 1, 2015 TO AUGUST 31, 2015

Name	Total Hours	Rate Per Hour	Billing
P. Denton	8.90	\$525.00	\$4,672.50
P. Crawley	2.80	\$425.00	\$1,190.00
A. Palmer	1.50	\$155.00	\$232.50
Total	13.20		\$6,095.00





150 York Street Suite 1600 Toronto, ON M5H 3S5 Canada Office 416.497.0150 Fax 416.496.3839 www.farberfinancial.com

November 5, 2015

2403177 Ontario Inc. 133 Cheltenham Avenue Toronto, ON M4N 1R1

Attention: Mr. C. Stuart Livingston

Invoice No. 12092

#### **RE: BENDING LAKE IRON GROUP LIMITED**

TO PROFESSIONAL SERVICES RENDERED BY A. FARBER & PARTNERS INC. for the period September 1, 2015 to October 31, 2015.

DATE	SERVICE	STAFF
09/03/2015	Consulting fees - Corporate Review Canada Revenue Agency ("CR with proposed HST reassessment, verif of outstanding refunds in amount, and principals at BLIG for comment.	y inclusion
09/04/2015	Consulting fees - Corporate Discussion with K Lieske of CRA re: re funding.	Crawley lated company
09/09/2015	Consulting fees - Corporate Review correspondence between A Ma creditors; consider response to CRA re: Wetelainens and McKay.	
09/10/2015	Consulting fees - Corporate Review the more detailed replies from call with J Salmas and P Denton; draft a CRA's enquiries about HW, DM and C and claims in the receivership.	a response to
09/11/2015	Consulting fees - Corporate Follow up of Legacy Hill proposal/offe same with JS through Thursday, Friday	
09/14/2015	Consulting fees - Corporate Work on draft e-mail response to Legac review with J Salmas.	Denton cy on SL behalf;
09/14/2015	Consulting fees - Corporate Finalize and send response to CRA's que principals.	Crawley alery about the

09/24/2015 Consulting fees - Corporate Psek Document preparation. 09/24/2015 Consulting fees - Corporate Denton Preparation for and participate on conference call with Legacy; review of matters with SL and JS. 09/25/2015 Consulting fees - Corporate Denton Review of Heads of Terms agreement; follow and review of points with J Salmas. 09/28/2015 Consulting fees - Corporate Denton Review of Heads of Terms proposal with SL; call with A Malim re: Heads of Terms agreement; draft and provide e-mail to A Malim of Legacy; review of responding points from Legacy Hill; review with IS; coordinate meeting times for Sept 30 with Legacy, SL and JS. 09/29/2015 Consulting fees - Corporate Denton Summarize the fee, cost and claim position effective August 31, 2015; provide to SL and review and discuss with him; attend to coordination of meeting with Legacy Hill for Sept 30 including liaison with legal counsel and SL. 09/29/2015 Consulting fees - Corporate Chopowick Document preparation. 09/30/2015 Consulting fees - Corporate Denton Preparation for and attendance at meeting with SL, J Salmas and Legacy Hill representatives A Malim and S Rajan to negotiate and finalize a Heads of Term Agreement; attend to changes to draft document; finalize and execute. 10/02/2015 Consulting fees - Corporate Denton Review of e-mails during the day re: Legacy discussions with MNDM. 10/05/2015 Consulting fees - Corporate Denton Exchanges of E-mails with A Malim on FN negotiations and work with MNDM; review of next steps re: communication to company. 10/07/2015 Consulting fees - Corporate Denton Follow up with A Malim to confirm status of negotiations with MNDM and next steps re: communications with the company.

10/08/2015	Consulting fees - Corporate Denton Liaise with A Malim on status of discussions with MNDM; review of draft APA to be provided to Legacy Hill; call with legal counsel to review same; review of mining claims and licenses; exchanges of E-mails with legal counsel on APA.
10/09/2015	Consulting fees - Corporate Denton Review of draft APA; draft e-mail and provide to the Legacy Hill representatives.
10/14/2015	Consulting fees - Corporate Denton Review and follow up e-mails with Legacy re: APS provided on October 9.
10/20/2015	Consulting fees - Corporate Denton Follow up Legacy Hill re: APA agreement.
10/22/2015	Consulting fees - Corporate Denton Follow up Legacy.
10/23/2015	Consulting fees - Corporate Denton Call with J Salmas; provide information to McMillan regarding sales process (CIM); commence drafting of 3rd court report.
10/26/2015	Consulting fees - Corporate Denton Follow up Legacy Hill; review of background information for 3rd court report.
10/27/2015	Consulting fees - Corporate Denton Review of e-mails from McMillan LLP re: APA; liaise with Dentons LLP on same and review with PC; follow up with Legacy Hill information requests and business plan outline.
10/28/2015	Consulting fees - Corporate Denton Review of e-mails from McMillan LLP; review of matters with PC; review of e-mails from Dentons LLP; review of premises leases; draft and provide e-mail to Dentons; send e-mail to PC re: lease status.
10/28/2015	Consulting fees - Corporate Crawley Review leases on file and forward with evaluation to Dentons.
10/29/2015	Consulting fees - Corporate Crawley Respond to creditor query Eagle mapping.

## A. FARBER & PARTNERS INC.

## BENDING LAKE IRON GROUP LIMITED

# SUMMARY OF TIME INCURRED SEPTEMBER 1, 2015 TO OCTOBER 31, 2015

Name	Total Hours	Rate Per Hour	Billing
P. Denton	16.10	\$525.00	\$8,452.50
P. Crawley	3.10	\$425.00	\$1,317.50
A. Chopowick	0.50	\$155.00	\$77.50
T. Psek	0.70	\$155.00	\$108.50
Total	20.40		\$9,956.00

# TAB 4

# ONTARIO SUPERIOR COURT OF JUSTICE

**BETWEEN:** 

#### **2403177 ONTARIO INC.**

**Applicant** 

- and -

## **BENDING LAKE IRON GROUP LIMITED**

Respondent

APPLICATION UNDER SUBSECTION 243(1) OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED AND SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED

# AFFIDAVIT OF JOHN J. SALMAS (Sworn January 20, 2015)

I, John J. Salmas, of the City of Toronto, in the Province of Ontario,

#### MAKE OATH AND SAY AS FOLLOWS:

I am a Partner with Dentons Canada LLP ("Dentons") counsel to A. Farber & Partners Inc., which was appointed as the receiver (the "Receiver") of the assets, undertaking and property of Bending Lake Iron Group Limited ("BLIG") pursuant to the Order of the Honourable Mister Justice D.C. Shaw, dated September 11, 2014. As such, I have knowledge of the matters to which I hereinafter depose. Unless I indicate to the contrary, the facts herein are within my personal knowledge and are true. Where I have indicated that I have obtained facts from other sources, I believe those facts to be true.

- Attached hereto and marked as Exhibit "A" are detailed invoices rendered by Dentons to the Receiver in these proceedings for the period from July 9, 2014, to December 31, 2014 (the "Invoices"). Also attached to Exhibit "A" are the pre-bills for each of the Invoices showing the amounts written down before the Invoices were prepared.
- 3. Attached hereto and marked as Exhibit "B" is a schedule summarizing the time and value for each invoice in Exhibit "A", and attached hereto and marked as Exhibit "C" is a schedule summarizing the fees, disbursements and taxes per the total fees charged per Invoice. Exhibit "B" calculates the average rates based on the hours worked and the effective realization rates before applying reductions on the Invoices. Exhibit "B" also shows the hourly amounts as reduced on the Invoices.
- 4. The hourly rates charged, after accounting for the amounts written off before the invoices were prepared, represent, on average, over a 30% discount from the standard Dentons hourly rates for those individuals who worked on this matter.
- 5. I make this affidavit in support of a motion by the Receiver for, *inter alia*, approval of the fees and disbursements of Dentons and for no other or improper purpose.

JOHN J. SALMAS

SWORN before me at the City of Toronto in the Province of Ontario, this 20th day of January, 2015.

Commissioner for Taking Affidavits

KENNETH KEATS

This is Transport	
This is Exhibit referred to in the	
affidavit of John Salmas	
swom before me this 20 12	
day of Tanuary 20.15	
A COMMISSIONER, ETC	

DENTONS

Dentons Canada LLP 77 King Street West, Suite 400 Toronto-Dominion Centre Toronto, ON, Canada M5K 0A1

T 416 863 4511 F 416 863 4592 Salans FMC SNR Denton dentons.com

A. Farber & Partners Inc. 150 York Street Suite 1600 Toronto, ON M5H 3S5 **INVOICE # 3081752** 

GST/HST # R121996078 QST # 1086862448 TQ 0001

Attention: Paul Denton and Gary Lifman

<u>Date</u>	<b>Matter Number</b>	<u>Lawyer</u>
September 30, 2014	559456-000001	John Salmas

# A. Farber & Partners Inc. Re: Bending Lake Iron Group Limited

 Professional Fees
 \$ 22,184.00

 Disbursements
 602.53

 HST (13.0%) on \$22,786.53
 2,962.25

 Total Amount Due
 \$ 25,748.78

DENTONS CAMADA LLI

Per:

John Salmas

Payment Options:	
Cheques: Cheques payable to Dentons Canada LLP and mailed to the above noted address.	Internet Banking:  Accepted at most financial institutions. Your payee is Dentons Canada LLP and your account number is 559456. Please email us at <a href="mailto:Edm.Accounting@dentons.com">Edm.Accounting@dentons.com</a> referencing invoice number and payment

amount.

Wire Transfer: Bank of Montreal

1st Canadian Place, Toronto, ON Swift Code: BOFMCAM2 Bank ID: 001 Transit: 00022 CAD Funds Bank Account: 0004-324 Credit Card:

Payments are accepted via telephone, email or fax. We accept

American Express, MasterCard or Visa (please circle one).

Card No.

Expiry Date: \_\_\_\_\_ Amount: \_\_\_\_\_

Cardholder Name:
Signature:

Please email us at <u>Tor.Accounting@dentons.com</u> referencing invoice number and payment amount.

Payment due on receipt. Interest will be charged at the rate of 1.3% per annum on all outstanding amounts over 30 days.

INVOICE 3081752 Page 2 of 4 Matter # 559456-000001

#### **Invoice Detail**

TO PROFESSIONAL SERVICES RENDERED for the period ending September 30, 2014:

Date	ID	Description of Work			
09-Jul-14	СВМ	M Drafting and emailing the Receiver's consent to act.			
10-Jul-14	СВМ	Email regarding the Receiver's consent to act (.1), revising consent to act (.2) and email to Paul Denton regarding same (.1).	0.4		
17-Jul-14	JS	Review and comment on draft Receiver's report.	0.4		
22-Jul-14	KK	Review draft report of proposed receiver and discuss comments with John Salmas;	0.3		
22-Jul-14	JS	Comments on draft Receiver's report.	0.5		
25-Jul-14	JS	Amendments to proposed Receiver's Report.	0.3		
29-Jul-14	JS	Discussions regarding timing of Receivership Application.	0.3		
01-Aug-14	JS	Discussions with Fabers regarding the matter.	0.2		
08-Aug-14	JS	Review Factum and Book of Authorities (.4). Review correspondence regarding matter and court appearance (.2).	0.6		
11-Aug-14	KK	Application related e-mails;	0.3		
13-Aug-14	KK	Emails related to Bending Lake request for adjournment (.3); travel to Thunder Bay (1.0); review application record and supporting materials (.2);	1.5		
14-Aug-14	KK	Meet with Stuart Livingston, Norm Ungar and Paul Denton to prepare for hearing (.5); review issues with Rodi-Lynn Rusnick-Kinisky (.5); attend on receivership motion (3.5);	4.5		
02-Sep-14	KK	Telephone call with Michael Strickland to discuss communication with McRae and follow up e-mail exchanges with Stuart Livingston on debtor's position (.3); Paul Denton e-mail exchanges related to costs' submission (.2);	0.5		
02-Sep-14	JS	Internal discussions regarding matters and timing of receivership application. Correspondence to and from Farbers regarding receivership application.	0.5		
03-Sep-14	KK	Review e-mail from Rob MacRae with respect to proposal to defer receiver's appointment (.2); telephone call with Stuart Livingston to discuss response (.3); e-mails to Buset with respect to views on request from MacRae (.2);	0.7		
04-Sep-14	KK	Rodi-Lynn Rusnick-Kinisky update on situation with Rob MacRae;	0.1		
05-Sep-14	KK	E-mail exchange with Rodi-Lynn Rusnick-Kinisky in relation to communication from Rob MacRae (.1); forward documentation regarding costs from previous attendance (.1); telephone call with Paul Denton (.1);	0.3		
08-Sep-14	KK	E-mails exchanged regarding draft Sinclair affidavit and MacRae request to defer order coming into force (.1); conference call with Stuart Livingston, Paul Denton and Rodi-Lynn Rusnick-Kinisky to discuss	0.7		

Date	ID	Description of Work	Hours			
		strategy (.4); e-mail from Stuart Livingston with BroadOak valuation letter and review same (.2);				
09-Sep-14	KK	Review Sinclair affidavit and amended affidavit (.5); e-mail exchanges regarding issues with material (.2); discuss with John Salmas strategy and whether any need for supplementary material (.3);				
10-Sep-14	KK	Review application record (.4); e-mail exchanges and telephone call with Rodi-Lynn Rusnick-Kinisky regarding MacRae missing flight and requesting adjournment of tomorrow's application (.4);				
11-Sep-14	KK	Meeting with Stuart Livingston, Paul Denton and Tom Ungar to prepare for hearing (.5); attend at motion to obtain order appointing receiver (3.5); follow up discussions with Rob MacRae and with CRA representatives (.3); discussion with Paul Denton and others about next steps (.5); telephone call with Paul Denton to discuss initial meetings and lease situation (.2);	5.0			
11-Sep-14	JS	Internal discussions regarding appointment of Receiver (.2). Review correspondence from Farbers regarding meeting with Rob McRae and Henry Wetelainen (.2).	0.4			
12-Sep-14	KK	Review Paul Denton update e-mail and exchanges related to status of searches on mine site;	0.3			
12-Sep-14	JS	Correspondence to and from Receiver.				
14-Sep-14	KK	Review Paul Denton summary and e-mail to him;	0.3			
15-Sep-14	JS	Review reporting email from Farbers (.1). Correspondence from Farbers to Henry Wetelainen (.2).	0.3			
16-Sep-14	KK	Conference call with Farbers (Paul Denton, Gary Lifman, Peter Crawley), Stuart Livingston and John Salmas to discuss moving process forward and options in light of information gained over first few days of receivership and what materials may already be available to assist in putting CIM together (.4); e-mail to group with valuation that Stuart had received from Broad Oak (.1);	0.5			
16-Sep-14	JS	Discussions with P. Denton (.4). Review allocation report (.3). Correspondence to and from Farbers (.2). Attended telephone conference call with K. Kraft, S. Livingston and Farbers (.4).	1.3			
17-Sep-14	KK	E-mail exchanges with Paul Denton regarding follow up on due diligence requests from Henry and on notices regarding tax arrears;	0.3			
.8-Sep-14	KK	E-mails exchanged related to review of records and next steps;	0.1			
8-Sep-14	JS	Internal discussions regarding tax documents. Review correspondence from Thunder Bay tax office. Review correspondence from Farbers.	0.1			
8-Sep-14	MS	Telephone call and e-mails with receiver re owing tax bills (.2). Review files re same (.2).	0.4			
9-Sep-14	KK	Numerous e-mails exchanges regarding access to information and role of Tom Ungar and request to provide valuation;	0.2			
9-Sep-14	JS	Review correspondence involving Farbers and counsel to BLIG. Discussions with Farbers.	0.5			
3-Sep-14	KK	E-mail exchanges with Paul Denton regarding form of statutory notice	0.3			

INVOICE 3081752 Page 4 of 4 Matter # 559456-000001

Date	Pate ID Description of Work						
		and on proposed timeline to prepare request for undertaking from MacRabooks (.1);					
23-Sep-14	JS	Discussions with P. Denton (.5). Messages to R. McRae (.2). Review Appraisal Report (.5).					
24-Sep-14	JS	Review correspondence between Farber and Ministry of Finance (.3). Internal discussions regarding matter (.9). Review correspondence between Farbers and Ministry of Northern Development. Discussion with P. Denton (.3).					
24-Sep-14	MS	Review and respond to e-mails re request for property claims information (.2). Review files re same (.1).					
25-Sep-14	JS	Review correspondence (.1). Discussions with P. Denton (.4). Message to R. McRae (.2). Correspondence to R. McRae following up on information requests (.2).					
26-Sep-14	JS	Messages to and from Receiver (.3). Correspondence to BLIG counsel (.2).					
30-Sep-14	JS	Discussions with R. McRae regarding delivery of information to Receiver (.5). Status discussions with Paul Denton (.4).				0.9	
		Total		<b>,</b> ,		29.9	
TOTAL PRO	FESSION	NAL FEES			\$ 22,18	4.00	
TAXABLE DI	SBURSE	EMENTS					
Airfare/			\$	238.63			
Accomm				145.00	1		
		Documents		7.40			
		itle Search elephone Calls		87.00			
Meals &				19.78			
Transpor		<del>-</del>		50.15 54.57			
•		BURSEMENTS	\$	602.53	_		
OTAL DISBI	JRSEMI	ENTS			602	.53	
TOTAL FEES AND DISBURSEMENTS \$ 22,75						.53	
AXES							
HST (13.0	)%) on F	Professional Fees of \$22,184.00	\$	2,883.92			
HST (13.0	)%) on 7	Caxable Disbursements of \$602.53		78.33			
OTAL TAXES	5				2,962	.25	
OTAL AMOUNT DUE \$ 25,0							

Today's Date: 02/10/2014 Proforma #:2438698 Generated at 30/09/14 by scooper

Matter #:559456-000001 Invoice #:\*\*\*\*\* Page 1 (1)

Client: A. Farber & Partners Inc.

Matter: Bending Lake Iron Group Limited

Matter Bill Lawyer: 8909 John Salmas Matter Resp Lawyer: 8909 John Salmas Matter Billing Instructions:

Place of Supply(Tax): Ontario

Please South Kenfort Sections

Client: 559456

A. Farber & Partners Inc.

Matter: 559456-000001 Bending Lake Iron Group Limited

Matter Currency: CDN

Contact: Paul Denton and Gary Lifman

Matter Title: Billing Address:

A. Farber & Partners Inc.

150 York Street Suite 1600

Toronto, ON M5H 3S5

Bill Format: T7-S0

Client Title:

Policy/Claim:

DOL:

Other Ref.:

Header Ref 1:

Header Ref 2: Bill Ref 3:

Bill Ref 4:

		TIMEKE	EPER SUMMARY				Fees	from 01/01/	00 to 30/	09/14	
oc	Tkpr #	Title	Name	Last Time	Work	Work	Work	Billed	Adjust	Bill	% Adj
			/	Entry	Rate	Hours	Value	Value		Amount	
01	5389	Associate	Moran, Christopher B	la13/ <b>8</b> 8/14	360.00	4.00	1,440.00	1,440.00			0.0
01	6937	Student	Augustinovic, Danije	1 15/08/14	240.00	4.00	960.00	960.00			0.
0 1	8908	Partner	Kraft, Kenneth	24/09/14	800.00	27.30	21,840.00	21,840.00			0.
01	8909	Partner	Salmas, John	30/09/14	700.00	13.90	9,730.00	9,450.00			(3.
0.1	8913	Associate	Shedletsky, Michael	24/09/14	400.00	0.70	280.00	280.00		had not detailed the first the print district.	0.
			тот	AL		49.90	34,250.00	33,970.00			(1.0
			Adj	stment Up(	Down)			0.00			0.0
			тоти	AL FEES				33,970.00			(1.0

	DISBURSEMENT SUMMARY		D	isbursements fro	m 01/01/00	to 30/09/14
Code	Description	Qty	Work Amt	Adj Work Amt	Adjust	Bill Amt
202	Binding Books / Documents	1	7.40	7.40		
218	Laser Printing	820	205.00	205.00		pv
246	eCarswell Online Search	1	274.00	274.00	w de conseguinte distribution de la conseguinte della conseguinte	0./
254	Computerized Title Search	3	87.00	87.00		
30	Airfare	1	238.63	238.63		/
406	Meals and Beverages	2	50.15	50.15		·
6	Accommodations	2	289.61	289.61		145
642	Taxi Charges	2	54.57	54.57		
645	Long Distance Telephone Calls	11	19.78	19.78		and the period has dell to been assessed to be the
		TOTAL	1,226.14	1,226.14		
Add/	Anticipated Disbursements:	TOTAL DISB		1,226.14		
Code D	escription	Qty				
						A death for a supplementary of the second of
		TOTAL of Anticipa	ated Disb			
		TOTAL DISB				

WARNING: Excluded disbursements exist for this matter

TOTAL FEES, DISB & TAX

39,771.64

96

oday's Date: 02/10/2014 Proforma #:2438698

enerated at 30/09/14 by scooper

Matter #:559456-000001 Invoice #:\*\*\*\*\* Page 2 (2)

Client: A. Farber & Partners Inc.

Matter: Bending Lake Iron Group Limited

ode Description Qty Work Amt Adj Work Amt Adjust Bill Amt

econd Lawyer Signature

when required - see next page)

Billing Lawry

John Sa

Today's Date: 02/10/2014 Proforma #:2438698

Generated at 30/09/14 by scooper

Matter #:559456-000001 Invoice #:\*\*\*\*\* Page 3 (3)

Client: A. Farber & Partners Inc.

Matter: Bending Lake Iron Group Limited

#### Approval Criteria:

- 1) All Billing instruction forms require approval of the Matter Billing Lawyer
- 2) A second lawyer approval is required when time adjustments exceed \$1,000 and/or disbursement adjustments exceed \$250:
  - if fees adjusted by <= \$5,000 then require approval of the Department Manager
  - if fees adjusted by > \$5,000 then require approval of Managing Partner

Note: Up to 25% of student time may be written off/adjusted without allocation to other timekeepers. All other adjustments must be prorated across invoice timekeepers.

3) Time and/or disbursements transferred from 'billable' to 'non-billable' status must be approved by the Controller, Director

of Finance, or Accounting Manager

	Billing Histor	У	Accounts Re	ceivable	WI	rite-Up(Down) -	Lifetime
1	ast Bill:		Last Payment:			WIP	AR
	Year-to-Date	Lifetime	0-30 days	0.00			
ees	0.00	0.00	31-60 days	0.00	Fees	0.00	0.00
Costs	0.00	0.00	61-90 days	0.00	Costs	0.00	0.00
`axes	0.00	0.00	91+ days	0.00	Taxes	0.00	0.00
Total	0.00	0.00	Total	0.00	Total	0.00	0.00

Proforma Fee Summary by Location	Worked Hours	Worked Amount		Billed Amount	% (by Billed Hrs)
01 Toronto	49.90	34,250.00	49.50	33,970.00	100 %
Total	49.90	34,250.00	49.50	33,970.00	100 %

HST Transition Period - % of Fees < = > July 1/2010 (refer to 90% tax fee rule)

	Billed Amt	*	
Fees <= June 30/2010	0.00	0.0	8
Fees >= July 1/2010	33,970.00	100.0	8
rotal	33,970.00	100.0	ş.

						man (m. c)
Proforma Tax Detail	Taxable Amount	GST/HST	GST/HST Rate	PST/QST	PST/QST Rate	
Fees Taxable - ONF	33,970.00	4,416.10	13.0 %	.00	*	
Costs Taxable - ONC	1,226.14	159.40	13.0 %	.00	8	
Total	35,196.14	4,575.50		. 00		

Tax Codes in matter setup:

ees - ONF

losts - ONC

'lace of Supply(Tax): Ontario

latter Budgets	Budget Hrs	Budget Value	LTD Hours	LTD Value	Variance Hrs	Variance Value	

?rust Summary - as of 14:11 02/10/2014

otal Trust for the Matter

\*Today's Date: 02/10/2014 Proforma #:2438698 Matter #:559456-000001 Invoice #:\*\*\*\*\* Page 4 (4) Generated at 30/09/14 by scooper

Client: A. Farber & Partners Inc.

Matter: Bending Lake Iron Group Limited

Time Details: Index Date	Description of Professional Service	es T	kpr # Name	Worked	Worked	Billed Tax	Task/
			• " ' '	Hours	Value	Value Code	Act
23667987 09/07/14	D t	t 5	389 Moran, Christ	copher #1 0.50	180.00	180.00 OFF	
23667865 10/07/14	E a P	5.	389 Moran, Christ	copher B1 940	144.00	144.00 ONF	
23679077 17/07/14	R r	. 89	909 Salmas, John	0.60	420.00	280.00 ONF	
23645879 22/07/14	F	28 £	908 Kraft, Kennet	h 0.30	240.00	240.00 ONF	
23679080 22/07/14	(	. 89	909 Salmas, John	0.50	350.00	350.00 ONF	
2367 <del>9083 23/07/14</del>	7	` 89	309 Salmas, John"	-0:30	210.00	2107.00O <del>NE</del> -	1
2367 <del>9086-24/07/14</del>	4	8.9 سه دسه	909. Salma <del>o,</del> Jo <del>hn</del>	9/40-0	280.00	140:00 ONE	<del>*</del>
23679091 25/07/14	i	89	09 Salmas, John	0.30	210.00	210.00 ONF	•
23679095 29/07/14	! !	.p 89	09 Salmas, John	0.30	210.00	210.00 ONF	
23765686 01/08/14	ī	r. 89	09 Salmas, John	0.40	280.00	280.00 ONF	
2 <del>0097447</del> 05/08/14	1	f 8-9	08 Kraft, Kenneth	g - 1 / 2000 - 200 - 25 (0 + 200 - 2	40000	400.00 ONF	
237 <del>10262</del> 06/08/14	i	53	89 Moran, Christo	opher Bl 2:40	864.00	864.00 ONE	
237 <del>22651-06/08/14-1</del>		69	37 Augustinovic,	Danijel 2.90	696.00	696.00 ONE	
por.		<u> </u>					
23710430 07/08/14		538	99 Mogan, Christo	pher Bl 0.50	180.00	180.00 ONF	
23765695 08/08/14		890	9 Salmas, John	0.60	420.00	420.00 ONF	
23777419 11/08/14		890	8 Kraft, Kenneth	0.30	240.00	240.00 ONF	

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'loday's Date: 02/10/2014 Proforma #:2438698 Matter #:559456-000001 Invoice #:\*\*\*\*\* Page 5 (5)

Client: A. Farber & Partners Inc. Matter: Bending Lake Iron Group Limited

Index	Date	Description of Professional Services	Tk	pr # Name		Worked Hours	Worked Value	Billed Value	Tax Task
23777382	<del>-12/08/14</del>	<b>⊣</b>	89	08 Kraft, Ke	enneth	·····0°.50	400.00	400.00	ON
23 <del>753022</del>	13/08/14		5.3	89. Moran, Ch	nrist <u>op</u> her l	B1 0 . 2'0'	72.00	72:00	
23777354	13/08/14	E &	89	08 Kraft, Ke	enneth	1.5	2,800.00	2,800.00	
 23754295	14/08/14			37 Augustino		1, 1	144.00	144.00	ON
		•	C	J430	12-12	8 t	The second secon	المعتون ومهويات مسيست الإيادات الم	
23777120	14/08/14		. 890	08 Kraft, K•€	inneth	4.5	5,600.00	5,600.00	ONF
23754218	15/08/14				_		120.00	120.00	ONF
23788975	02/09/14			)8 Kraft, Ke		0.50	400.00	400.00	ONF
		•	√ √		nneen /	0.30	400.00	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
23875077	02/09/14		890 1g	9 Salmas, J	ohn	0.50	350.00	350.00	ONF
23794237	03/09/14		٠	8 Kraft, Ke	nneth	0.70	560.00	560.00	ONF
			i '						ı
			1e						
23798593	04/09/14		890	8 Kraft, Ke	nneth	<del>+ 5</del> 0	240.00	240.00	ONF
23802592	05/09/14		890 nc	8 Kraft, Kei	ineth	0.30	240.00	240.00	ONF

enerated at 30/09/14 by scooper

oday's Date: 02/10/2014 Proforma #:2438698 Matter #:559456-00001 Invoice #:\*\*\*\*\* Page 6 (6)

Client: A. Farber & Partners Inc.

Matter: Bending Lake Iron Group Limited

Index Date	Description of Professional Services	<b>S</b>	Tkpr	# Name	Worked Hours	Worked Value	Billed Value	Tax Code	Task e Act
23844405 08/09/14		t 91	8908	Kraft, Kenneth	0.70	560.00	560.00	ON	,
		γnn il							
2.38.7.50 <del>81</del> 0 <del>8/0</del> 9 <del>/1</del> 4	-	φ <b>-</b>	8909	Salmās, John	~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~		<del>√~~2</del> 10.00	-ON	
23814380 09/09/14		? <b>s</b>	8908	Kraft, Kenneth	1.00	800.00	800.00	ONE	
2 2875088 09/09/14	•		~8909	Salmas, John		560.00	560.00	ONF	
23844364 10/09/1	Γ Γ ξ ( w M	d	8908	Kraft, Kenneth	. F	1,840.00	1,840.00	ONF	
2 3.8.7.5.0.8.5 <del>. 10/09/1</del> 4	a D: Cc	· .	8909	Salmas, Jöhn "	0.70	490.00	490.00	ONF	••
23832683 11/09/14			8908	Kraft, Kenneth	5.0 <del>6.50</del>	5,200.00	5,200.00	02	
\-	(. ab: Pa: le:								
23875142 11/09/14	Int		8909	Salmas, John	0.40	280.00	280.00	ONE	

Generated at 30/09/14 by scooper

Today's Date: 02/10/2014 Proforma #:2438698 Matter #:559456-000001 Invoice #:\*\*\*\*\* Page 7 (7)

Client: A. Farber & Partners Inc.

Matter: Bending Lake Iron Group Limited

Index Date	Description of Professional Services	т	kpr	# Name	Worked Hours	Worked Value		Tax	Task/ Act
		nd							
23826284 12/09/14		. 8	908	Kraft, Kenneth	0.30	240.00	240.00	ONF	
23875103 12/09/14	· I	8	1909	Salmas, John	0.20	140.00	140.00	ONF	
23830708 14/09/14	ı	:m; 8	908	Kraft, Kenneth	0.30	240.00	240.00	ONE	
23832577_15/09/1	<del>u</del>	<del>418-</del>	<del>-9</del> 08 <del></del>	<del>₭₠₴₤₠</del> ₩₽₦₦₽₽	020	1,60,00	160.00	ONE	-
23875176 15/09/1	<b>1</b> ·	: 8	909	Salmas, John	0.30	210.00	210.00	ONF	
						400.00	400.00		
23841653 16/09/14	( ( ( ( ( ( ( ( ( ( ( ( ( ( ( ( ( ( (	8	908	Kraft, Kenneth	0.50	400.00	400.00	OIVE	
	1	3						ļ	
	E								
	r								
	b								
	t								
	v e								
	E								
23875183 16/09/14	D	8	909	Salmas, John	1.30	910.00	910.00	ONE	
	a								
	f c	3							
	F.								
22044410 17/00/14		_			0.30	240.00	240.00	ONE	
23844410 17/09/14	f,	. 81	908	Kraft, Kenneth	0.30	240.00	2,0.00		
	Hi								
2 3 8.7-5 1 <del>90 - 17 /</del> 0 9 / 1 4		8	909	Salmas, John	0.20	140.00	140:00	ONE	
23845348 18/09/14	Te	0.6	017	Shedletsky, Michael	0.40	160.00	160.00	ONF	
23073370 10/03/14	04	. 6:	713	Shedrecaky, michael	5.40	**			
					, 1	240.00	240.00	ONE	
23855029 18/09/14	E- re	. 85	908	Kraft, Kenneth	<del></del> 0	240.00	240.00	CIVE	
	•								
23875199 18/09/14	In .	89	909	Salmas, John	0.30	210.00	210.00	ONF	
	do mb								
	Th							f	

Today's-Date: 02/10/2014 Proforma #:2438698 Matter #:559456-000001 Invoice #:\*\*\*\*\* Page 9 (9)

Generated at 30/09/14 by scooper

Client: A. Farber & Partners Inc. Matter: Bending Lake Iron Group Limited

ndex	Date	AP	Disb	Tkpr	Qty	Worked	Adj Worked	Description	тах
		Voucher	Code			Amount	Amount		Code
								00.4405	ONC
	97 16/07/14		645	5389	1	3.22	3.22	Telephone; 18076267100; Thunder ON; 4495	ONC
	098 22/07/14		645	5389	1	7.82	7.82	Telephone; 18076232500; Thunder ON; 4495	ONC
	)99 24/07/14		645	5389	1	2.30	2.30	Telephone; 18076232500; Thunder ON; 4495	ONC
	351 29/07/14		246	5363	1	274.00	274.00	"eCarswell Online Search/MORAN,BLAKE"	ONC
	.00 29/07/14		645	5389	1	0.46	0.46	Telephone; 18076232500; Thunder ON; 4495	
	01 29/07/14		645	5389	1	2.30	2.30	Telephone; 18076232500; Thunder ON; 4495	ONC
	.02 30/07/14		645	5389	1	0.46	0.46	Telephone; 18076232500; Thunder ON; 4495	ONC
	03 30/07/14		645	5389	1	0.46	0.46	Telephone;18076232500;Thunder ON;4495	ONC
	379 05/08/14		218	5389	12	3.00	3.00	Laser Copy;Christopher Blake Mo	ONC
67571	880 06/08/14		218	6937	59	14.75	14.75	Laser Copy; Augustinovic, Danije	ONC
67571	881 06/08/14		218	3698	11	2.75	2.75	Laser Copy; CHUNG G	ONC
67729	.04 06/08/14		645	5389	1	0.46	0.46	Telephone; 18076232500; Thunder ON; 4495	ONC
67729	05 06/08/14		645	5389	1	0.46	0.46	Telephone; 18076232500; Thunder ON; 4495	ONC
67571	382 07/08/14		218	4102	1	0.25	0.25	Laser Copy; SorbaraS	ONC
67729	.06 07/08/14		645	5389	1	1.38	1.38	Telephone; 18076232500; Thunder ON; 4495	ONC
67571	883 08/08/14		218	5479	404	101.00	101.00	Laser Copy; Erandio, N.	ONC
67571	884 08/08/14		218	4102	1	0.25	0.25	Laser Copy;SorbaraS	ONC
67571	50 08/08/14		218	8908	8	2.00	2.00	Laser Copy;Krarft, Kenneth	ONC
675719	80 08/08/14		202	8913	1	7.40	7.40	Tabs / Cerlox / Clear Cover	ONC
67729	.07 13/08/14		645	5389	1	0.46	0.46	Telephone; 18076232500; Thunder ON; 4495	ONC
677490	45 18/08/14		254	5991	1	55.00	55.00	Computerized Title Search	ONC
677490	46 18/08/14		254	5991	1	28.00	28.00	Computerized Title Search	ONC
677490	147 18/08/14		254	5991	1	4.00	4.00	Computerized Title Search	ONC
678172	98 31/08/14		218	8908	2	0.50	0.50	Laser Copy; Krarft, Kenneth	ONC
678172	99 02/09/14		218	8908	7	1.75	1.75	Laser Copy; Krarft, Kenneth	ONC
67776	882 03/09/14	1145512	6	8908	1	166.50	166.50	Hotel - Valhalla Inn, Thunder Bay, Ontario; 2014-8-14	ONC
677763	83 03/09/14	1145512	642	8908	1	29.77	29.77	Taxi - Office to Airport; 2014-8-13	ONC
677763	84 03/09/14	1145512	406	8908	1	7.03	7.03	Meal - Thunder Bay Airport; 2014-8-14	ONC
677763	88 03/09/14	1145512	642	8908	1	24.80	24.80	Taxi - Airport to home; 2014-8-14	ONC
678389	27 03/09/14		218	8908	4	1.00	1.00	Laser Copy; Krarft, Kenneth	ONC
678389	28 05/09/14		218	8908	1	0.25	0.25	Laser Copy; Krarft, Kenneth	ONC
678389	29 08/09/14		218	8908	15	3.75	3.75	Laser Copy; Krarft, Kenneth	, ONC
678529	22 09/09/14		218	8908	11	2.75		Laser Copy; Krarft, Kenneth	ONC
679422	48 16/09/14		218	5479	218	54.50	54.50	Laser Copy; Erandio, N.	ONC
679795	10 19/09/14	1148114	6	8908	1	123.11	123.11	.Hotel - Valhalla Inn - Thunder Bay - September 11, 2014 (half); 2014-9-11	ONC
679799	14 19/09/14	1148114	406	8908	1	43.12	43.12	Meal - Timbers - Valhalla Inn; 2014-9-11	ONC
	15 19/09/14			8908	1	238.63		Flight - Air Canada - return Toronto to Thunder	ONC
					_			Bay - September 11, 2014 (half); 2014-9-11	
680412	45 25/09/14		218	8919	66	16.50	16.50	Laser Copy; Cooper, Sandra	ONC
				TOTAL		1,226.14	1,226.14		

END OF PROFORMA



Dentons Canada LLP 77 King Street West, Suite 400 **Toronto-Dominion Centre** Toronto, ON, Canada M5K 0A1

T 416 863 4511 F 416 863 4592

Salans FMC SNR Denton dentons.com

**INVOICE # 3090720** 

GST/HST # R121996078 OST # 1086862448 TO 0001

A. Farber & Partners Inc. 150 York Street **Suite 1600** Toronto, ON M5H 3S5

Attention: Paul Denton and Gary Lifman

<u>Date</u>	<b>Matter Number</b>	<u>Lawyer</u>
November 25, 2014	559456-000001	John Salmas

## A. Farber & Partners Inc. Re: Bending Lake Iron Group Limited

**Professional Fees** 16,744.00 **Disbursements** 439.94 HST (13.0%) on \$17,183.94 2,233.91 **Total Amount Due** 19.417.85

**DENTONS** 

Per:

Wire Transfer:

John Salma

r symetic Optibils:	
Cheques: Cheques payable to Dentons Canada LLP and mailed to the above noted address.	Internet Banking: Accepted at most financial institutions. Your payee is Dentons Canada LLP and your account number is 559456. Please email us at

Edm.Accounting@dentons.com referencing invoice number and payment amount. **Credit Card:** 

Bank of Montreal Payments are accepted via telephone, email or fax. We accept 1st Canadian Place, Toronto, ON American Express, MasterCard or Visa (please circle one). Swift Code: BOFMCAM2 Card No. Bank ID: 001 Transit: 00022 **Expiry Date:** \_\_ Amount:

CAD Funds Bank Account: 0004-324 Cardholder Name: \_ Signature:

Please email us at <u>Tor.Accounting@dentons.com</u> referencing involce number and payment amount. Payment due on receipt. Interest will be charged at the rate of 1.3% per annum on all outstanding amounts over 30 days.

INVOICE 3090720 Page 2 of 4 Matter # 559456-000001

## **Invoice Detail**

TO PROFESSIONAL SERVICES RENDERED in connection with the above noted matter:

Date	ID	Description of Work	Hours
01-Oct-14	JS	Review correspondence from Robert McRae (.5). Correspondence to Paul Denton (.2).	0.7
02-Oct-14	СВМ	Attend offices of Sheldon Huxtable Professional Corporation to review minute books of Bending Lake Iron Corporation and collect important/relevant documents.	3.0
02-Oct-14	JS	Correspondence from Robert McRae (.3). Correspondence to and from Paul Denton (.2). Internal discussions and reporting from Blake Moran regarding review of BLIG corporate records (.2). Discussions with Paul Denton (.2).	0.9
03-Oct-14	JS	Review correspondence from Buset & Partners (.3). Correspondence to and messages from Rob McRae (.4). Correspondence from and discussions with Paul Denton (.2).	0.9
06-Oct-14	KK	E-mail exchanges on information requests (.3); conference call with Paul Denton and Rob MacRae to discuss debtor's concerns over information requests (.7);	1.0
07-Oct-14	KK	Paul Denton e-mail and issues regarding forensic audit and Pathfinder relationship to BLIG (.2); update John Salmas on discussions yesterday with Rob MacRae (.1);	0.3
08-Oct-14	KK	John Salmas and Paul Denton e-mail exchanges and telephone call with Paul to discuss Tom Ungar information requests and follow up to Henry Wetalainen regarding information flow;	0.3
08-Oct-14	JS	Internal discussions regarding BLIG issues.	0.3
09-Oct-14	KK	E-mail exchanges with Paul Denton regarding information requested by Tom Ungar, access to corporate records in possession of Sheldon Huxtable and information requests from Henry Wetalainen and Rob MacRae;	0.3
09-Oct-14	JS	Correspondence to and from Paul Denton.	0.4
10-Oct-14	CBM	Emails regarding delivery of minute books (.2). Draft letter to Sheldon Huxtable regarding minute books (.4).	0.6
10-Oct-14	KK	E-mail exchanges with Paul Denton and Blake Moran regarding following up to obtain records and contacting Henry Wetalainen to obtain information;	0.3
10-Oct-14	JS	Review correspondence to and from Receiver regarding corporate record books (.1). Correspondence to and from Farbers regarding appointment order (.2).	0.3
11-Oct-14	KK	Review draft letter related to retrieving corporate records;	0.2
14-Oct-14	СВМ	Update letter regarding delivery of minute books (.2). Email letter and organize delivery of same (.2).	0.4

Date	ID	Description of Work	Hours
15-Oct-14	MS	Telephone call with Paul Denton re chronology of loan agreement amendments, extensions and forbearances and negative covenants related to funds received by debtor.	0.3
17-Oct-14	СВМ	Follow up email (.1) and phone call with Don Sheldon regarding minute books (.4).	0.5
17-Oct-14	JS	Update discussion with Paul Denton (.6). Review correspondence to DNDM (.4).	1.0
17-Oct-14	MS	Review loan documents and e-mail Paul Denton re covenants and obligations to disclose or make payments.	8.0
20-Oct-14	KK	Review Paul Denton e-mails on SISP and general information update and questions regarding mining claims for Bending Lake and related companies that may have lapsed (.3); conference call with Paul Denton and Peter Crawley to consider options ahead of meetings Farbers will have with debtor in Thunder Bay later this week (.6); follow on discussion with John Salmas (.1); additional Paul Denton e-mail with relevant agreements (.2);	1.2
20-Oct-14	JS	Review Receiver reporting on status of BLIG efforts (.6) and proposed budget. Internal discussions regarding matter (.2). Attended telephone conference call with Ken Kraft and Paul Denton, Peter Crawley and Gary Lifman (.6). Correspondence from Receiver regarding Property claims (.4).	1.8
21-Oct-14	JS	Review correspondence regarding ROFR for Bending Lake. Review N143-101(.7). Review Spring 2014 Investor Presentation (.2). Internal discussions with Michael Shedletsky and James McVicar regarding mining claims rights (.3). Discussions with Farbers (.2).	1.4
21-Oct-14	MS	Review and respond to e-mail from John Salmas re non-arm's lengthy party rights and claims.	0.4
22-Oct-14	CBM	Call with Paul Denton regarding minute books (.1). Follow up call with Don Sheldon (.2).	0.3
22-Oct-14	JS	Review correspondence from Farbers (.2). Discussions with James McVicar regarding mining claims (.3). Discussions with Paul Denton (.4).	0.9
?3-Oct-14	JS	Review correspondence from A. Farber to Ministry regarding BLIG and Windigo mining claims (.3). Review chart of amended mining claims (.3). Discussions with Paul Denton (.3). Review correspondence from Farbers (.2).	1.1
4-Oct-14	JS	Review correspondence from Farbers (.1). Review various BLIG contracts (.6). Instructions to Blake Moran regarding document review (.1).	0.8
6-Oct-14	JM	Review Bending Lake agreements and advise on options.	1.0
7-Oct-14	KK	Paul Denton e-mail exchanges;	0.2
3-Oct-14	СВМ	Call with Paul Denton regarding minute books.	0.4
3-Oct-14	KK	Review Paul Denton update e-mail;	0.1
9-Oct-14	JS	Review correspondence from Fabers (.2). Review draft reporting from	1.3

INVOICE 3090720 Page 4 of 4 Matter # 559456-000001

Re: Bending Lake Iron Group Limited

Date	ID	Description of Work					Hours
		Fabers site visit (.6). Discussions with Paul I	Denton	(.5).			
30-Oct-14	JS ·	Review reporting memorandum (1.0). Review correspondence from BLIG Counsel		g with Red	eive	er (.7).	2.0
30-Oct-14	MS	Review letter from Rob MacRae (.4). Tele re same (.4).	phone	call with Jo	hn	Salmas	8.0
31-Oct-14	СВМ	Review and summerize documents related	to real	property.			1.2
		Total					27.4
TOTAL PRO	FESSION	AL FEES			\$	16,744	.00
TAXABLE D	ISBURSE	MENTS					
Airfare/			\$	425.25	;		
	nce Call	<del>-</del>		10.94			
	& Delive	•		3.75	_		
TOTAL TAX	ABLE DIS	BURSEMENTS	\$	439.94		-	
TOTAL DISB	URSEME	ENTS				439.	<u>94</u>
TOTAL FEES	AND DIS	BURSEMENTS			\$	17,183.	94
AXES							
HST (13.	0%) on P	rofessional Fees of \$16,744.00	\$	2,176.72			
		axable Disbursements of \$439.94	*	57.19			
OTAL TAXE		,		37.13		2,233.9	11
						2,233.3	<u>'-</u>
OTAL AMO	UNT DU	E			\$	19.417.8	15

Today's Date: 24/11/2014 Proforma #:2455956 Generated at 31/10/14 by scooper

Matter #:559456-000001 Invoice #:\*\*\*\*\* Page 1 (1) Client: A. Farber & Partners Inc.
Matter: Bending Lake Iron Group Limited

Matter Billing Instructions:

Matter Bill Lawyer: 8909 John Salmas Matter Resp Lawyer: 8909 John Salmas

Place of Supply(Tax): Ontario CDN Bill Format: T7-S0 Matter Currency: Other Ref.: Header Ref 1: Header Ref 2: Client Title: Policy/Claim: Bill Ref 3: Bill Ref 4: DOL: A. Farber & Partners Inc. Bending Lake Iron Group Limited Paul Denton and Gary Lifman A. Farber & Partners Inc. 150 York Street Toronto, ON M5H 3S5 Matter: 559456-000001 Suite 1600 Billing Address: Client: 559456 Matter Title: Contact:

		TIMEKEEPER	PER SUMMARY				Fees	Fees from 01/01/00 to 31/10/14	00 to 31/1	10/14	
roc	Tkpr # Title	Title	Name	Last Time	Work	Work	Work	Billed Adjust	Adjust	Bill	% Adi
				Entry	Rate	Hours	Value	Value		Amount	
0	5386	5386 Associate	Maynard, Ryan	24/09/14	360.00	0.40	144.00	144.00			
0	5389	5389 Associate	Moran, Christopher Bla31/10/14	Bla31/10/14	360.00	9.40	3.384.00	3 384.00			
0	6937	Student	Augustinovic, Danijel 15/08/14	el 15/08/14	240.00	1.10	264.00	00.196			0.0
0	8890	8890 Partner	McVicar, James	26/10/14	740.00	00.1	740.00	00.402			0.0
0	8068	Partner	Kraft, Kenneth	28/10/14	800.00	2 5	00.04	00.04			0.0
.0	6068	Partner	Salmas, John	30/10/14	700.00	0 2 0 7	00.001.01	00.004,4			0.0
0.1	~	3913 Associate	Shedletsky Michael		00.007	00.00	00.000	00.001,01			0.0
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				TOTAL FEES				20,002.00			
WAR	ING: EXC	WARNING: Excluded timecards	is exist for this matter	er							?

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	DISBURSEMENT SUMMARY		jū	Disbursements from 01/01/00 to 31/10/14	# 01/01/00 ±	11/01/15	
Code	Code Description	044	Work Amt	adi Mork amt		11/10/14 11/10/14	
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2		<b>-</b>	425.25	425.25	ر	•	
647	Conference Call charges	4	10.94	10.94		119 01	
		TOTAL	597.94	597.94		7	
Add/	Add/Anticipated Disbursements:	TOTAL DISB		10.103			
		TOTAL PASS		#K./KC			
Code	Code Description	Qty					
_							

TOTAL of Anticipated Disb WARNING: Excluded disbursements exist for this matter

TOTAL FEES, DISB & TAX

23,277.93

Proforma #:2455956 Matter #:559456-000001 Invoice #:**** Page 2 (2) by scooper Client: A. Farber & Partners Inc. Matter: Bending Lake Iron Group Limited	Oty Work Amt Add Work Amt Adjust Bill Amt	Billing in Mer Signature John Salmas
Today's Date: 24/11/2014 Proforma #:2455956 Generated at 31/10/14 by scooper	Code Description	Second Lawyer Signature (when required - see next page)

109

Matter #:559456-000001 Invoice #:\*\*\*\*\* Page 3 (3) Client: A. Farber & Partners Inc. Today's Date: 24/11/2014 Proforma #:2455956 Generated at 31/10/14 by scooper

Matter: Bending Lake Iron Group Limited

# Approval Criteria:

1) All Billing instruction forms require approval of the Matter Billing Lawyer

2) A second lawyer approval is required when time adjustments exceed \$1,000 and/or disbursement adjustments exceed \$250:

- if fees adjusted by <= \$5,000 then require approval of the Department Manager

- if fees adjusted by > 55,000 then require approval of Managing Partner

Up to 25% of student time may be written off/adjusted without allocation to other timekeepers. All other adjustments must Note: Up to 25% of student time may be be prorated across invoice timekeepers.

3) Time and/or disbursements transferred from 'billable' to 'non-billable' status must be approved by the Controller, Director of Finance, or Accounting Manager

	billing mistory	Ţ.	Accounts	Accounts Receivable	_	Write-Up(Down) - Lifetime	- Lifetime
Ä	Last Bill: 30/09/14	1/14	Last Payment:	ıt:		WIP	AR
	Year-to-Date	Lifetime	0-30 days	00.0			
Fees	22,184.00	22,184.00	31-60 days	25,748.78	Fees	(11,802.00)	0.00
Costs	602.53	602.53	61-90 days	00.0	Costs	(623.61)	0.00
Taxes	00.00	2,962.25	91+ days	00.0	Taxes	00.0	0.00
Total	25,748.78	25,748.78	Total	25,748.78	Total	(12,425.61)	0.00

HST Transition Period - % of Fees < = > July 1/2010 (refer to 90% tax fee rule)

100

20,002.00

34.20 34.20

20,002.00

34.20

Toronto

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	DITTED WILL	γο				
Fees <= June 30/2010	00.0	8 0.0				
Fees >= July 1/2010	20,002.00	100.0 %				
Total	20,002.00	100.0 %				
Proforma Tax Detail	Taxable Amount	GST/HST	GST/HST Rate	PST/QST	PST/QST Rate	
Fees Taxable - ONF	20,002.00	2,600.26	13.0 %	00.	фb	
Costs Taxable - ONC	597.94	77.73	13.0 %	00.	op.	
Total	20,599.94	2,677.99		00.		

Tax Codes in matter setup:

Fees - ONF

Costs - ONC

Place of Supply(Tax): Ontario

Variance Value	
 Variance Hrs	
LTD Value	
LTD Hours	
 Budget Value	
Budget Hrs	
Matter Budgets	

Trust Summary - as of 12:22 24/11/2014

Total Trust for the Matter

0.00

Today's Date: 24/11/2014 Proforma #:2455956 Ma Gemerated at 31/10/14 by scooper C1	Matter #:559456-000001 Client: A. Farber & P. Matter: Bending Lake I:	Matter #:559456-000001 Invoice #:****** Client: A. Farber & Partners Inc. Matter: Bending Lake Iron Group Limited	Page 4 (4)			(02)
	And the state of t					Joseph John John John John John John John Joh
Time Details: Index Date Description of Professional Services		Tkpr # Name	Worked	Worked Value	Billed Tax Task/ Value Code Act	L'ACTION TO THE PROPERTY OF TH
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23881849 25/09/14	5389	39 Moran, Christopher Bl	11 0.20	72.00	72.00 ONF	
23880531 26/09/14	5389	39 Moran, Christopher Bl	12 mg	360.00	360.00 ONF	3 whop 13 A., J.
23980369 01/10/14	6068	19 Salmas, John	0.70	490.00	490.00 ONF	
23918951 02/10/14	5389	39 Moran, Christopher Bl	3.00	1,080.00	1,080.00 ONF	
23980378 02/10/14	6068	09 Salmas, John	06.0	630.00	630.00 ONF	
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::559456-000001 Invoice #:***** A. Farber & Partners Inc. Bending Lake Iron Group Limited	Tkpr # Name	Kraft, Kenneth	Kraft, Kenneth	Kraft, Kenneth	Kraft, Kenneth	Salmas, John	Kraft, Kenneth	Salmas, John	Kraft, Kenneth	Salmas, John	Moran, Christopher Bl	Kraft, Kenneth	Moran, Christopher Bl
Matter #:559 <b>456</b> -000001 Client: A. Farber & Pa Matter: Bending Lake I)		8068	8068	8068	8068	6068	8068	 6068	8068	6068	. 5389	8068	5389
Today's Date: 24/11/2014 Proforma #:2455956 Generated at 31/10/14 by scooper	lex Date Description of Professional Services	24011636 000+10/14	24011579 06/10/14 :	23926712 07/10/14	23929951 08/10/14	23980454 08/10/14	23941906 09/10/14	23980456 09/10/14	23939721 10/10/14 :	23980477 10/10/14	24004677 10/10/14	23939716 11/10/14	24004611 14/10/14
Today	Index	2	2401	23920	23925	2398(	2394	2398	2393	2398	2400	2393	2400

	Billed Tax Task/ Value Code Act	120.00 ONF		320.00 ONF	700.00 ONF	180.00 ONF	246.00 ONF	960.00 ONF		1,260.00 ONF		160.00 ONF	980.00 ONF
	Worked Billed Value Value	120.00 12		320.00 32	700.00	180.00 18	240.00	960.00		1,260.00 1,26		160.00 16	36 00.086
. Page 6 (6)	Worked Bours	0.30		0.80	1.00	B1 0.50	de or o	1.20		1.80 1,		0.40	1.40
Matter #:559456-000001 Invoice #:***** Client: A. Farber & Partners Inc. Matter: Bending Lake Iron Group Limited	TKpr * Name	8913 Shedletsky, Michael		8913 Shedletsky, Michael	8909 Salmas, John	5389 Moran, Christopher Bl	8908 Kraft, Kenneth	8908 Kraft, Kenneth		8909 Salmas, John		8913 Shedletsky, Michael	8909 Salmas, John
Proforma #:2455956 by scooper	Description of Professional Services	. 41	Allenande	the state of the s	Andrew Way of September 1885	47	( . **** ×	91		<b>9</b> 1	1 .		
Today's Date: 24/11/2014 Generated at 31/10/14 b	Index Date	23948118 15/10/14		23956531 17/10/14	23980478 17/10/14	24004720 17/10/14	24009333 17/10/14	23963685 20/10/14		23980485 20/10/14		23967756 21/10/1	23980495 21/10/1

Proforma #:2455956 Matter # scooper Client: Matter:	:559456-00000 A. Farber & Bending Lake	001 Invoice #:***** Partners Inc. ! Iron Group Limited	<b>I</b>	(1)			
Index Date Description of Professional Services	Tkpr	* Кате	Worked	Worked	Billed	Tax Te Code 1	Task/ Act
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23096381 25770/14	8908	Kraft, Kenneth	0.30	240.00	240,00	4.0	1
23990091 24/10/14	8909	Salmas, John	0.80	560.00	560.00	ONF	
24028915 26/10/14	8890	McVicar, James	1.00	740.00	740.00	ONF	
23995154 27/10/14	8068	Kraft, Kenneth	39.	240.00	240.00	ONF	
23994286 28/10/14	8908	Kraft, Kenneth	- 1 7	240.00	240.00	ONF	
24005058 28/10/14	. 5389	Moran, Christopher Bl	1 0.40	144.00	144.00	ONF	
24006336 29/10/14	8908	Salmas, John	1.30	910.00	910.00	ONF	
24003826 30/10/14	8913	Shedletsky, Michael	0.80	320.00	320.00	ONF	
24006353 30/10/14	6068	Salmas, John	2.00	1,400.00	1,400.00	ONF	
24008763 31/10/14	5389	Moran, Christopher Bl	11.20	432.00	432.00	ONF	~

5389 Moran, Christopher B1 (1.20) 432.00 432.00 ONF 7 LAO 15 M.S. 34.20 20,002.00 20,002.00

Disbursement Detai Index Date

Matter #:559456-000001 Invoice #:\*\*\*\*\* Page 8 (8) Client: A. Farber & Partners Inc.
Matter: Bending Lake Iron Group Limited Today's Date: 24/11/2014 Proforma #:2455956 Generated at 31/10/14 by scooper

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Adj Worked Amount		2.25	118.25	2.34	2.78	2.05	3.77.	425.25	1.25	6.25	24.00	1.75	597.94
Worked	3.75	2.25	118.25	2.34	2.78	2.05		425,25	1.25	6.25	24.00	1.75	597.94
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Index	3.5	089	9	989	989	989	ğ(	V 681	683	683	684	684	

END OF PROFORMA

DENTONS

Dentons Canada LLP 77 King Street West, Suite 400 Toronto-Dominion Centre Toronto, ON, Canada M5K 0A1 Salans FMC SNR Denton dentons.com

T 416 863 4511 F 416 863 4592

A. Farber & Partners Inc. 150 York Street Suite 1600 Toronto, ON M5H 3S5 **INVOICE # 3093988** 

GST/HST # R121996078 QST # 1086862448 TQ 0001

Attention: Paul Denton and Gary Lifman

<u>Date</u>	<u>Matter Number</u>	<u>Lawyer</u>
December 5, 2014	559456-000001	John Salmas

## A. Farber & Partners Inc. Re: Bending Lake Iron Group Limited

 Professional Fees
 \$ 29,616.00

 Disbursements
 873.25

 HST (13.0%) on \$30,489.25
 3,963.60

 Total Amount Due
 \$ 34,452.85

DENTONS CANADA LLP

Per:

John Salmas

Payment Options:	
Cheques: Cheques payable to Dentons Canada LLP	Internet Banking: Accepted at most financial institutions. Your payee is Dentons Canada LLP and
and mailed to the above noted address.	your account number is 559456. Please email us at
	Edm.Accounting@dentons.com referencing invoice number and payment
	amount.
Wire Transfer:	Credit Card:
Bank of Montreal	Payments are accepted via telephone, email or fax. We accept
1st Canadian Place, Toronto, ON	American Express, MasterCard or Visa (please circle one).
Swift Code: BOFMCAM2	Card No.

Please email us at <u>Tor.Accounting@dentons.com</u> referencing invoice number and payment amount.

Payment due on receipt. Interest will be charged at the rate of 1.3% per annum on all outstanding amounts over 30 days.

## **Invoice Detail**

TO PROFESSIONAL SERVICES RENDERED for the period ending November 30, 2014:

Date	ID	Description of Work	Hours
03-Nov-14	JS	Correspondence to and from Fabers.	0.3
04-Nov-14	JS	Discussions with Paul Denton regarding next steps in sales process (.6). Review correspondence to and from R. McRae (.3).	0.9
06-Nov-14	JS	Discussion with Paul Denton (.4). Review correspondence from R. McRae (.5).	0.9
07-Nov-14	СВМ	Revise summary of contracts between BLIG and Windigo and 1584859 Ontario Inc. (.6) Email and telephone correspondence with Buset Partners regarding timing of SISP motion and scheduling of same (.3).	0.9
07-Nov-14	KK	E-mails related to SISP motion timing;	0.1
07-Nov-14	JS	Review correspondence from R. McRae (.2). Discussions with Ken Kraft and Blake Moran (.1). Review Receivership Order and Receivership Application (.2).	0.5
10-Nov-14	СВМ	Review and revise summary of contracts with Windigo and 1584859 Ontario Inc.	0.4
10-Nov-14	KK	Paul Denton update e-mail and briefly review relevant agreements;	0.1
10-Nov-14	JS	Review BLG contracts. Discussions with Paul Denton. Review correspondence to and from R. McRae.	1.3
11-Nov-14	KK	Discuss motion issues with John Salmas (.1); e-mail exchange with Mike Strickland (.2);	0.3
11-Nov-14	JS	Internal discussions regarding matter (.2). Telephone conversation with Paul Denton (.2).	0.4
12-Nov-14	CBM	Drafting motion materials for SISP order.	0.4
12-Nov-14	JS	Correspondence to and from R. McRae.	0.3
13-Nov-14	CBM	Preparing draft motion materials for SISP order.	1.7
13-Nov-14	KK	John Salmas e-mail exchanges and telephone call to review matters (.3); meet with Mike Strickland and Rodi-Lynn Rusnick-Kinisky to review issues and potential need to amend receivership order (.4); SISP related e-mails (.1);	0.8
13-Nov-14	JS	Correspondence to and from Fabers (.2). Discussions with Paul Denton (.2). Messages to Ken Kraft (.1). Attended conference call with Paul Denton and R. McRae (.4). Telephone discussion with Stuart Livingston (.4).	1.3
14-Nov-14	СВМ	Review and revise motion materials with respect to SISP order (1.0). Prepare comments on first report (.5).	1.5
14-Nov-14	KK	Working on draft report (1.0); discuss motion issues with John Salmas (.3);	1.3
14-Nov-14	JS	Correspondence to and from Farbers and R. McRae regarding next	1.3

Date	ID	Description of Work	Hours
		steps (.3). Reviewed and commented on draft Receiver's Report (.5). Review and comment on draft Notice of Motion and Order regarding SISP (.3). Internal discussions regarding matter (.2).	
16-Nov-14	KK	Working on first report and e-mail to Paul Denton;	2.0
17-Nov-14	СВМ	Revising SISP order motion materials (1.2). Review and comment on report (.2). Email to receiver regarding materials (.1). Review of agreement with owners of surrounding areas (.6). Call with Peter Crawley regarding agreements (.3). Correspondence with Buset & Partners regarding service and filing of materials (.2). Email to Don Sheldon regarding outstanding items (.2). Conference call regarding issues to have motion materials finalized (.4).	3.2
17-Nov-14	RJK	Review draft Receiver's Report (.2). Review comments. Conference with Blake Moran regarding application materials (.1). Review file. Conversation with Ken Kraft regarding application materials and SISP (.2). Work on application materials (1.5). Various conversation with Paul Denton, Peter Crawley regarding application materials and issues (.5).	2.5
17-Nov-14	KK	Work on SISP motion materials and related e-mail exchanges and telephone call with Rob Kennedy;	8.0
18-Nov-14	СВМ	Reviewing and revising SISP motion materials (.2). Assembling motion record (.6). Reviewing accounts (.1). Correspondence with Buset & Partners regarding timing of filing (.1). Preparing service list, revising affidavit of service (.3). Service and filing of same (.2).	1.5
18-Nov-14	RJK	Review and revise application materials (2.0). Conversation with Paul Denton (.2). Conference with Ken Kraft regarding application (x2) (.2). Review and revise Receiver's Report (.5). Conversation with Paul Denton (.5). Conference with Blake Moran regarding service matters and motion record (.1). Conversation with Ken Kraft (.2). Review correspondence from Ken Kraft. Review correspondence from Rob McRae (.1). Consider solicitation process issues (.1). Review correspondence from Blake Moran regarding service of motion record (.1).	3.5
18-Nov-14	KK	Reviewing revisions to report and related motion materials for SISP; review MacRae letter and consider response;	1.2
19-Nov-14	KK	Conference call with Rob MacRae and Bending Lake representatives to discuss receivership issues and moving forward (.5); follow up call with Paul Denton and John Salmas (.3); related e-mails (.2);	1.0
21-Nov-14	KK	E-mail to Mike Strickland and Rodi-Lynn Rusnick-Kinisky (.1); telephone call with Mike Strickland to review MacRae conversation and to discuss Monday's call and proceeding with SISP call (.2); review MacRae letter and related e-mail exchanges and discussion with John Salmas on revisions to proposed order to delete reference to paragraph 20 of first report (.3);	0.6
23-Nov-14	KK	E-mail from Paul Denton and review and consider proposed agenda for tomorrow's call with key stakeholders;	0.1

Re: Bending Lake Iron Group Limited

Date	ID	Description of Work	Hours
24-Nov-14	KK	Review MacRae letter (.2); pre-conference call with John Salmas, Paul Denton, Rodi-Lynn Rusnick-Kinisky (.3); conference call with Rob MacRae, Henry Wetalainen, Dawn MacKay, John Salmas, Paul Denton, and Rodi-Lynn Rusnick-Kinisky to discuss issues related to Thursday's motion and the SISP process (.3); telephone call with Paul Denton to discuss who should attend on Thursday (.1); e-mail exchange with Rodi-Lynn Rusnick-Kinisky on whether she needs to attend motion on Thursday (.1); prepare revised form of order and circulate (.3); prepare motion confirmation form (.1); e-mail exchanges with Rodi-Lynn Rusnick-Kinisky and Paul Denton regarding follow up with both Rob MacRae and Stewart Livingston (.2); emails related to draft order (.1);	1.7
25-Nov-14	RJK	Review correspondence from Peter Crawley (.1). Voicemail left with Peter Crawley. Review draft teaser (.1). Conference with John Salmas regarding application issues and teaser (.1).	0.3
25-Nov-14	KK	E-mail from Rodi-Lynn Rusnick-Kinisky and to Rob MacRae regarding form of order (.2); follow up voice mail for Rob MacRae (.1); e-mail exchanges regarding time period to assess MacRae's account and review relevant provisions of Solicitors Act (.4); organize motion material for Thursday's motion and prepare revised draft order (.5);	1.2
26-Nov-14	RJK	Voicemail received from Peter Crawley (.1). Conversation with Peter Crawley regarding Teaser (.2). Review and revise Teaser (.1). Conference with John Salmas regarding Teaser and application (.1). prepare blackline. Correspondence to Peter Crawley (.1).	0.6
26-Nov-14	KK	E-mails related to MacRae's proposed revisions to order and revise same (.5); review motion material to prepare for tomorrow' hearing (.6); meet with Rodi-Lynn Rusnick-Kinisky to discuss issues in addressing accounts and process to move forward (.5);	1.6
26-Nov-14	JS	Review file (.2). Discussions with Paul Denton (.2). Attend meeting with Paul Denton and Stuart Livingston (1.6). Review and comment on BLIG teaser document (.3).	2.3
27-Nov-14	RJK	Review correspondence from Paul Denton (.1). REview draft SISP materials (.2). Correspondence to Paul Denton (.1). Conversation with Paul Denton re: SISP materials (.2). conference with Blake Moran (.2).	8.0
27-Nov-14	KK	E-mails (.1); attend motion before Madam Justice Pierce to obtain approval of SISP order and arrange for distribution of issued and entered order (1.5); conference call with Paul Denton, Mike Strickland, Rodi-Lynn Rusnick-Kinisky and John Salmas to discuss response to MacRae account (.7); starting to work on letter to MacRae (.4);	2.7
27-Nov-14	JS	Telephone conference conversation with Paul Denton, Mike Strickland, Rodi-Lynn Rusnick-Kinisky and Ken Kraft.	0.6
28-Nov-14	СВМ	Preparation of non-disclosure agreement (.8). Review sample CIM (.1). Emails and office conferences with John Salmas (.1).	1.0
28-Nov-14	RJK	Review correspondence from Paul Denton (.1). Review draft SISP materials regarding CIM and advertisements (.5). Review correspondence from John Salmas (.1).	0.7

## DENTONS CANADA LLP A. Farber & Partners Inc. Re: Bending Lake Iron Group Limited

INVOICE 3093988 Page 5 of 5 Matter # 559456-000001

Date	ID	Description of Work			Hours
28-Nov-14	KK	Review draft notices (.3); discuss response to (.2); work on draft letter (.4); CIM e-mails (.1);	Rae with Jo	hn S	Salmas 1.0
28-Nov-14	JS	Review and comment on draft NDA and CIM.			1.6
		Total			47.2
TOTAL PRO	FESSIO	NAL FEES		\$	29,616.00
TAXABLE D	ISBURSI	EMENTS			
Airfare/	Travel		\$ 557.25		
Accomn	nodatio	ns	175.50		
Meals 8	k Bevera	ages	33.47		
Transpo	rtation	Costs	107.03		
TOTAL TAX	ABLE DI	SBURSEMENTS	\$ 873.25	-	
TOTAL DISB	URSEM	ENTS			873.25
TOTAL FEES	AND D	ISBURSEMENTS		\$	30,489.25
TAXES					
HST (13	.0%) on	Professional Fees of \$29,616.00	\$ 3,850.08		
HST (13	.0%) on	Taxable Disbursements of \$873.25	113.52	-	
TOTAL TAX	ES				3,963.60
TOTAL AMO	DUNT D	UE		<u>\$</u>	34,452.85

Then expected this and 1-105 bs 201-1 check as might by Missionic Exect as might be midmin Bill Amt Disbursements from 01/01/00 to 30/11/14 Amount Bi11 Fees from 01/Q1/00 to 30/11/14 Adjust Place of Supply(Tax): Ontario Adjust Matter Billing Instructions: 20,640.00 43,852.00 6,930.00 0.00 9,730.00 43,852.00 9 Billed Value 175.50 1,647.30 433.8 557.25 33.47 49.56 57.47 1,647.30 51,381.19 Adj Work Amt Matter Currency: Bill Format: Header Ref 1: Header Ref 2: Client Title: Policy/Claim: Bill Ref 3: Bill Ref 4: Other Ref.: 6,552.00 9,730.00 43,852.00 Work Value DOL: 86.25 433.80 557.25 49.56 175.50 Work Amt 254.00 33.47 1,647.30 TOTAL of Anticipated Disb TOTAL FEES, DISB & TAX 18.20 25.80 71.10 13.90 13.20 Hours Work 360.00 800.00 700.00 525.00 Rate 340 Adjustment Up(Down) TOTAL DISB TOTAL DISB Last Time Moran, Christopher Bla28/11/14 28/11/14 28/11/14 27/11/14 WARNING: Inter-office time, review interprovincial taxes. Entry A. Farber & Partners Inc. Bending Lake Iron Group Limited TOTAL FEES TOTAL WARNING: Excluded timecards exist for this matter Kraft, Kenneth D Kennedy, Robert DISBURSEMENT SUMMARY Paul Denton and Gary Lifman Salmas, John Matter Bill Lawyer: 8909 John Salmas Matter Resp Lawyer: 8909 John Salmas TIMEREEPER SUMMARY A. Farber & Partners Inc. Add/Anticipated Disbursements: Agency Registration\* Automobile Expenses Meals and Beverages Agent Fees/Account Toronto, ON M5H 3S5 Accommodations Laser Printing 150 York Street Matter: 559456-000001 5389 Associate 8909 Partner 8908 Partner 7711 Partner Tkpr # Title Description Suite 1600 Parking Airfare Code Description Billing Address: Client: 559456 Matter Title: Contact: Code 205 27 30 406 218 477 2 2 2 2 roc

Involce #:\*\*\*\* Page 1 (1)

Matter: Bending Lake Iron Group Limited

Client: A. Farber & Partners Inc.

Matter #:559456-000001

Today s Date: 02/12/2014 Proforma #:2459147

Generated at 30/11/14 by scooper

Today's Date: 02/12/2014 Proforma #:2459147 Generated at 30/11/14 by scooper

Qty

Work Amt Adj Work Amt

Adjust

Bill Amt

Billing Lawyer Signature John Salmas

Matter #:559456-000001 Invoice #:\*\*\*\*\* Page 2 (2) Client: A. Farber & Partners Inc.
Matter: Bending Lake Iron Group Limited

Code Description

Second Lawyer Signature (when reguired - see next page)

Proforma #:2459147 Generated at 30/11/14 by scooper Today's Date: 02/12/2014

Matter #:559456~00001 Involce #:\*\*\*\*\* Page 3 (3) Client: A. Farber & Partners Inc.

Matter: Bending Lake Iron Group Limited

Approval Criteria:

1) All Billing instruction forms require approval of the Matter Billing Lawyer

2) A second lawyer approval is required when time adjustments exceed \$1,000 and/or disbursement adjustments exceed \$250:

- if fees adjusted by <= \$5,000 then require approval of the Department Manager

- if fees adjusted by > \$5,000 then require approval of Managing Partner

Note: Up to 25% of student time may be written off/adjusted without allocation to other tinekeepers. All other adjustments must

be prorated across invoice timekeepers. 3) Time and/or disbursements transferred from 'billable' to 'non-billable' status must be approved by the Controller, Director of Finance, or Accounting Manager

	DITITUD BISCOLD		ÄČ	Accounts Receivable	TABDIE		3	Write-Up(Down) - Lifetime	) - Lifetime
i	Last Bill: 25/11/14	1/14	Last	Last Payment:				WIP	AR
	Year-to-Date	Lifetime	0-30 days		19,417.85				
Fees	38,928.00	38,928.00			0.00	Fees	S	(15,060,00)	0.00
Costs	1,042.47	1,042.47			25,748.78	Cos	Costs	(781.61)	00.0
Taxes	00.00	5,196.16			0.00	Tax	Taxes	00.0	00.0
Total	45,166.63	45,166.63			45,166.63		Total	(15,841.61)	00.0
Proforma	Proforma Fee Summary by Location	Ì	Worked Hours	Worked Am	Worked Amount Billed Hours	ed Hours	Bille	ed Amount	Billed Amount % (by Billed Hrs)
01 Toronto	oronto		57.90	36,9	36,922.00	57.90		36,922.00	. 83
03 C.	03 Calgary		13.20	6'9	6,930.00	13.20		6,930.00	19 %
	Total		71.10	43,8	43,852.00	71.10		43,852.00	100 %

	Billed Amt	ο/Ω			
Fees <= June 30/2010	0.00	8 0.0			
Fees >= July 1/2010	43,852.00	100.0 %			
Total	43,852.00	100.0 %			
Proforma Tax Detail	Taxable Amount	GST/HST	GST/HST GST/HST Rate	PST/QST	PST/OST Rate
Fees Taxable - ONF	43,852.00	5,700.76	13.0 %	00.	eso t
Costs Taxable - 0	254.00	00.	* 0.	00.	
Costs Taxable - ONC	1,393.30	181.13	13.0 %	00.	مین
Total	45,499.30	5,881.89		00.	

Tax Codes in matter setup:

Fees - ONF

Costs - ONC

Place of Supply(Tax): Ontario

LTD Hours LTD Value Variance Hrs Variance Value	
Budget Va	
Budget Hrs	
Matter Budgets	

Trust Summary - as of 09:46 02/12/2014

Total Trust for the Matter

0.00

ne Worked Horked Billed Tax Task/ Bours Value Value Code Act	Salmas, John 0.30 210.00 210.00 ONF	Salmas, John 1.10 00.00 770.00 ONF	Komreth	Salmas, John 0.90 630.00 630.00 ONF	Moran, Christopher Bl Visto V540.00 540.00 ONF		Kraft, Kenneth (	Salmas, John 1.30 910.00 910.00 ONF	X. 5:	Kraft, Kenneth (1 0.30 )240.00 240.00 ONF	Salmas, John 200 1,400.00 1,400.00 ONF	Moran, Christopher Bl 0.40 144.00 144.00 ONF	Kraft, Kenneth 0.30 240.00 240.00 ONF	Salmas, John 2,60 420.00 420.00 ONF	Kraft, Kenneth Octor 80.00 80.00 ONF 9 V	Saimās, John (280.00 280.00 ONF	ANO 30 pt 00 00 is reducting acrow
Description of Professional Services Tkpr # Name	8909 Salma	8909 Salma	8908 KTAN.	. 8909 Salma	5389	· -	. 8908 Kraft	. 8909 Salma		f.* 8908 Kraft	8909 Salma	. 5389 Moran	8908 Kraff	8909 Saim	8908 Kraf	8909 Saim	5389 Mora
Time Details: Index Date D	24074560 03/11/14	24074564 04/11/14	240333960 06/11/14	24076921 06/11/14	24043539 07/11/14		24045451 07/11/14	24076932 07/11/14		24052255 10/11/14	24076937 10/11/14	24112744 10/11/14	24052234 11/11/14	24076943 11/11/14	24057091 12/11/14.	24076950 12/11/:4	241.6579 12/11/14

Matter #:559456-000001 Involce #:\*\*\*\*\* Page 4 (4) Client: A. Farber 6 Partners Inc. Matter: Bending Lake Iron Group Limited

Today's Date: 02/12/2014 Proforma #:2459147 Generated at 30/11/14 by scooper

24061569 13/11/14 8908 Kra 24093254 13/11/14 8909 Sal 24118674 13/11/14 5389 Mor	Kraft, Kenneth Salmas, John	08.0		Value	Tax	Task/ Act
89068	oalmas, John		640.00	640.00	ONF	
5389		1.30	910.00	910.00	ONF	
8068	Moran, Christopher Bl	1.70	612.00	612.00	ONF	
	Kraft, Kenneth	1.30	1,040.00	1,040.00	ONF	
24093362 14/11/14 r	Salmas, John	5.3	7,050.00	1,050.00	ONF	
24118683 14/11/14 5389 MOF	Moran, Christopher Bl	1.50	540.00	540.00	ONF	
24066028 16/11/14 · 8908 Kra	Kraft, Kenneth	1000	2,000.00	2,000.00	ONE	
24070055 17/11/14 8908 Kra	Kraft, Kenneth	8°. 8°.	640.00	640.00	ONF	
24075834 17/11/14 T11/14 Fen	Kennedy, Robert	1000	2,782.50	2,782.50	ONF	

Generated at 30/11/14 by scooper Cliv	Client: A. Farber & Partners Inc. Matter: Bending Lake Iron Group Limited		
Index Date Description of Professional Services	s Tkpr # Name	Morked Morked Hours Value	Billed Tax Task/ Value Code Act.
24074125 18/11/14 .	8908 Kraft, Kenneth	1.20 960.00	960.00 ONF
24074250 18/11/14 : i	7711 Kennedy, Robert	2,677.56	2,677.50 ONF
24118784 18/11/14 1	5389 Moran, Christopher 81	11,980.00	1,980.00 ONF
24095189 19/11/14 (	8908 Kraft, Kenneth	1.00 800.00	800.00 ONF
24085317 21/11/14	8908 Kraft, Kenneth	0.60 480.00	480.00 ONF
: 24032424 23/1:/14	8908 Kraft, Kenneth		240.00 ONF

Index Date Description of Professional Services 24091473 24/11/14 } 6 6 6 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7	fessional Services						:
		Tkpr # Name		Worked	Worked Value	Billed Value	Tax Task/ Code Act
		8908 Kraft,	Kraft, Kenneth	1.70	1,360.00	1,360.00 ONF	ONF
24095630 24/11/14							
		7711 Kennedy	Kennedy, Robert	100	157.50	157.50	ONF
24119746 24/11/14		5389 Moran,	Moran, Christopher Bl		72.00	72.00	ONF
24097061 25/11/14		8068	Kraft, Kenneth	1.20	00.096	960.00	ONF
		·					
24103637 25/11/14		7711 Kennedy	Kennedy, Robert	Mal	315.00	315.00	FNO
24104123 26/11/14		7711 Kenned	Kennedy, Robert	7	577.50	577.50	ONF
		Je.		<b>&gt;</b>			

DENTONS

Dentons Canada LLP 77 King Street West, Suite 400 Toronto-Dominion Centre Toronto, ON, Canada M5K 0A1

T 416 863 4511 F 416 863 4592 Salans FMC SNR Denton dentons.com

A. Farber & Partners Inc. 150 York Street Suite 1600 Toronto, ON M5H 3S5

**INVOICE # 3098829** 

GST/HST # R121996078 QST # 1086862448 TQ 0001

Attention: Paul Denton and Gary Lifman

<u>Date</u>	<b>Matter Number</b>	<u>Lawyer</u>
December 31, 2014	559456-000001	John Salmas

## A. Farber & Partners Inc. Re: Bending Lake Iron Group Limited

 Professional Fees
 \$ 16,340.00

 Disbursements
 228.45

 HST (13.0%) on \$16,568.45
 2,153.90

 Total Amount Due
 \$ 18,722.35

DENTONS CAMADA LLP

Per:

John Salmas

Cheques: Cheques payable to Dentons Canada LLP and mailed to the above noted address.	Internet Banking: Accepted at most financial institutions. Your payee is Dentons Canada LLP and your account number is 559456. Please email us at
Wire Transfer: Bank of Montreal 1st Canadian Place, Toronto, ON Swift Code: BOFMCAM2	Edm.Accounting@dentons.com referencing invoice number and payment amount.  Credit Card: Payments are accepted via telephone, email or fax. We accept American Express, MasterCard or Visa (please circle one).  Card No
Bank ID: 001 Transit: 00022 CAD Funds Bank Account : 0004-324	Expiry Date: Amount: Cardholder Name: Signature:
Please email us at <u>Tor.Accou</u> Payment due on receipt. Interest will h	nting@dentons.com referencing invoice number and payment amount. e charged at the rate of 1.3% per annum on all outstanding amounts over 30 days.

#### **Invoice Detail**

TO PROFESSIONAL SERVICES RENDERED for the period ending December 31, 2014:

Date	ID	Description of Work	Hours
07-Nov-14	СВМ	Review receivership order and drafts thereof (.2). Office conference with John Salmas regarding same (.1).	0.3
01-Dec-14	CBM	Prepare confidentiality agreement.	1.9
01-Dec-14	RJK	Conversation with Paul Denton regarding SISP materials (.3). Conference with John Salmas (.1).	0.4
01-Dec-14	KK	Work on letter to Rob MacRae (1.2); discuss comments with John Salmas (.2); e-mails from Rodi-Lynn Rusnick-Kinisky (.1); telephone call with Paul Denton (.1); revise letter to incorporate comments (.3); discuss CIM review with John Salmas (.1); finalize letter to Rob MacRae (.2);	2.2
01-Dec-14	IS	Discussions and comments regarding correspondence to Rob MacRae (.3). Review correspondence from Paul Denton (.2). review and comment on draft Confidential Information Memorandum (.5). Telephone conversation with Paul Denton regarding draft Confidential Information Memorandum (.3).	1.3
02-Dec-14	CBM	Revising non-disclosure letter and preparation of terms and conditions.	2.5
02-Dec-14	KK	Discuss CIM issues and NDA terms with John Salmas (.3);	0.3
02-Dec-14	JS	Internal discussions regarding form of non-disclosure agreement (.3). Comments on draft form NDA (.2). Amendments to draft Confidential information Memorandum (.7). Internal discussions regarding SISP terms and conditions (.3).	1.5
03-Dec-14	CBM	Preparing terms and conditions for CIM.	3.7
03-Dec-14	KK	Review draft Buset letter to Rob MacRae regarding issues in my December 1, 2014 letter and related e-mail exchanges;	0.3
03-Dec-14	JS	Amendments to draft Confidential Information Memorandum (.4). Correspondence to and from Receiver and secured creditors (.2). Review and comment on Buset correspondence (.1). Review and comment on SISP terms and conditions (.4).	1.1
04-Dec-14	СВМ	Review and finalize confidentiality agreement (.8). Drafting terms and conditions for SISP (1.3). Review and revise SISP advertising materials (.3). Correspondence with Paul Denton and John Salmas regarding same (.4).	2.8
04-Dec-14	JS	Review and comment on SISP terms and conditions (.5). Discussions with and correspondence from Paul Denton regarding SISP terms and conditions (.4).	0.9
05-Dec-14	KK	Numerous e-mails related to finalizing draft of confidential offering memorandum and briefly review same;	0.3
05-Dec-14	JS	Messages to and from Paul Denton regarding amendments to Confidential Information Memorandum (.4). Internal discussions	0.7

INVOICE 3098829 Page 3 of 4 Matter # 559456-000001

Date	ID	Description of Work	Hours
		regarding SISP terms and conditions (.3).	
08-Dec-14	СВМ	Review, revise and finalize terms and conditions (.4). Email with Paul Denton regarding same (.2).	0.6
08-Dec-14	JS	Review and finalized teaser and correspondence from Paul Denton.	0.5
10-Dec-14	CBM	Call with Paul Denton regarding company agreements.	0.2
10-Dec-14	JS	Correspondence from Paul Denton regarding SISP process.	0.6
12-Dec-14	KK	Paul Denton update e-mail on finalizing CIM and review teaser (.2); John Salmas update on discussion with MacRae and anticipated response to letter regarding fees and other issues (.1);	0.3
12-Dec-14	JS	Discussions with Paul Denton (.6). Attended telephone conference conversation with Debtor's representatives and Debtor's counsel (.6).	1.2
16-Dec-14	CBM	Pulling correspondence regarding minute books (.8). Conference call with Paul Denton and John Salmas (.5). Drafting email regarding minute books and audit (.2).	1.5
16-Dec-14	KK	Tom Ungar related e-mails on shareholder concerns (.1); follow up letter to Rob MacRae (.3); discuss fee application timing and issues with John Salmas (.1); receive and review letter from Rob MacRae (.4); initial discussion regarding response with John Salmas (.1); e-mail from Rob MacRae's office (.1); discuss with John Salmas confidential information memorandum timing issues (.1);	1.2
17-Dec-14	KK	Discuss with John Salmas response to MacRae letter (.1); conference call with Rodi-Lynn Rusnick Kinisky, Paul Denton and John Salmas regarding response to MacRae letter and strategy moving forward (.8); MacRae letter on CIM issues (.1); discuss with John Salmas preparing materials on motion to approve fees and disbursements and start working on same (.4); Rodi-Lynn Rusnick-Kinisky follow up e-mail regarding instructions from secured creditor (.1);	1.5
18-Dec-14	KK	Discuss with John Salmas issues around revisions to CIM requested related to aboriginal issues and on whether MacRae's letters are really "without prejudice" (.3); Paul Denton e-mail with revised CIM and briefly review changes (.2);	0.5
19-Dec-14	KK	E-mails related to CIM (.1); Rodi-Lynn draft letter to Rob MacRae (.1);	0.2
22-Dec-14	KK	Follow up letter from Rob MacRae regarding hearing dates;	0.1
23-Dec-14	KK	Review Rodi-Lynn Rusnick-Kinisky letter to Rob MacRae (.2); e-mails exchanges with Dawn MacRae, Paul Denton and Rob MacRae over finalizing CIM and related Appendices (.2);	0.5
23-Dec-14	JS	Review correspondence regarding draft CIM (.3). Review correspondence from Buset (.2).	0.5
29-Dec-14	KK	CIM related e-mails (.1); working on response letter to Rob MacRae (.4);	0.5
31-Dec-14	KK	Review e-mails from Paul Denton and Rob MacRae and consider issues;	0.3
		Total	30.4

INVOICE 3098829 Page 4 of 4 Matter # 559456-000001

Less: Discount				(1,100.00)
NET PROFESSIONAL FEES			\$	16,340.00
TAXABLE DISBURSEMENTS				
Agent Fees/Account	\$	228.45		
TOTAL TAXABLE DISBURSEMENTS	\$	228.45	_	
TOTAL DISBURSEMENTS			*****	228.45
TOTAL FEES AND DISBURSEMENTS			\$	16,568.45
TAXES				
HST (13.0%) on Professional Fees of \$16,340.00	\$	2,124.20		
HST (13.0%) on Taxable Disbursements of \$228.45	•	29.70		
TOTAL TAXES				2,153.90
TOTAL AMOUNT DUE			Ś	18.722.35

	en thought	Chit	Cot of the	
Matter Billing Instructions:	Place of Supply(Tax): Ontario Matter Currency: CDN	Bill Format: T7-S0 Client Title: Policy/Claim: DoL: Other Ref.: Header Ref 1: Header Ref 2: Bill Ref 3: Bill Ref 4: Fees from 01/01/00 to 31/12/14	Value Value Value 7,040. 7,140. 262. 20,130. 20,130. 31. 31.	
Matter Bill Lawyer: 8909 John Salmas Matter Resp Lawyer: 8909 John Salmas	Client: 559456 A. Farber & Partners Inc. Matter: 559456-000001 Bending Lake Iron Group Limited	tact: ter Title: ling Addre A. Far 150 Yc Suite Toront	Last Time   Work   Work	

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Matter #:559456-000001 Invoice #:\*\*\*\*\* Page 1 (1) Client: A. Farber & Partners Inc.
Matter: Bending Lake Iron Group Limited

Today's Date: 06/01/2015 Proforma #:2470030 Generated at 31/12/14 by scooper

	Adjust Bill Amt		
<pre>Matter #:559456-000001 Invoice #:***** Page 2 (2) Client: A. Farber &amp; Partners Inc. Matter: Bending Lake Iron Group Limited</pre>	Work Amt Adj Work Amt Adji John Salmas	At the site of the	4 43
	Qty	Single Si	
06/01/2015 Proforma #:2470030 81/12/14 by scooper	otion 1 - see next page)	3/ 4 3/ K	

Today's Date: 06 Generated at 31/

Code Descripti

(when required

Today's Date: 06/01/2015 Proforma #:2470030 Generated at 31/12/14 by scooper

Matter #:559456-000001 Invoice #:\*\*\*\*\* Page 3 (3) Client: A. Farber & Partners Inc.

Matter: Bending Lake Iron Group Limited

Approval Criteria:

1) All Billing instruction forms require approval of the Matter Billing Lawyer
2) A second lawyer approval is required when time adjustments exceed \$1,000 and/or disbursement adjustments exceed \$250:
- if fees adjusted by <= \$5,000 then require approval of the Department Manager
- if fees adjusted by > \$5,000 then require approval of Managing Partner

Note: Up to 25% of student time may be written off/adjusted without allocation to other timekeepers. All other adjustments must be prorated across invoice timekeepers.

3) Time and/or disbursements transferred from 'billable' to 'non-billable' status must be approved by the Controller, Director

of Finance, or Accounting Manager

	Billing History	¥	Á	ccounts &	Accounts Receivable		į.	rite-Up (Down	Write-Up(Down) - Lifetime
	Last Bill: 05/12/14	/14	Las	Last Payment:	:: ذر			WIP	AR
	Year-to-Date	Lifetime		days	34,565.36	9			
Fees	68,544.00	68,544.00		31-60 days	19,417.85	2	Fees	(29,663,50)	
Costs	2,015.28	2,015.28		days	0.00	0	Costs	(781.61)	
Taxes	00.0	9,172.71		ays	25,748.78	80	Taxes	00.0	
Total	79,731.99	79,731.99		Total	79,731.99	6	Total	(30,445.11)	00.00
Proforma	Proforma Fee Summary by Locat	Location	Worked Hours	Worked	Worked Amount B	Billed Hours		ed Amount	Billed Amount % (by Billed Hrs)
01	01 Toronto		34.80	ī	19,868.00	34.80		19,868.00	66
03	Calgary		05.0		262.50	• 50	_	262.50	
	Total		35.30	,,	20,130.50	35.30	_	20,130.50	100 %

HST Transition Period - $\$$ of Fees $< = > July 1/2010$ (refer to 90 $\$$ tax fee rule)	of Fees < = > July 1	/2010 (reier to 90%)	tax fee rule)
	Billed Amt	αζe	
Fees <= June 30/2010	0.00	\$ 0.0	
Fees >= July 1/2010	20,130.50	100.0 %	
Total	20,130.50	100.0 %	

GST/HST Rate 13.0 % 2,616.97 69.20 2,686.17 GST/HST Taxable Amount 532.31 **20,662.81** 20,130.50 Costs Taxable - ONC Fees Taxable - ONF Proforma Tax Detail

PST/QST Rate

PST/QST

8. 8.

Tax Codes in matter setup:

Fees - ONF Costs - ONC

Place of Supply(Tax): Ontario

budget his budget value tith Hours tith Maine Variance Hrs Mariance Value	arter buagets Buag
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Trust Summary - as of 09:01 06/01/2015 Total Trust for the Matter

0.00

Page 4 (4)		
Matter #:559456-000001 Invoice #:***** Page 4 (4)	Client: A. Farber & Partners Inc. Matter: Bending Lake Iron Group Limited	
Proforma #:2470030 Ma		
Today's Date: 06/01/2015 Proforma #:2470030	Generated at 31/12/14 by scooper	

Time Details:     Index	Tkpr # Name Hours  5389 Moran, Christopher Bl 040  7711 Kennedy, Robert 0.50  8908 Kraft, Kenneth 2.20  8908 Kraft, Kenneth 0.30  5389 Moran, Christopher Bl 150  8908 Kraft, Kenneth 0.30  5389 Moran, Christopher Bl 150  5389 Moran, Christopher Bl 150  5389 Moran, Christopher Bl 150  5389 Moran, Christopher Bl 150	Morked Bours 1. 50 . 5. 5. 5. 5. 5. 5. 5. 5. 5. 5. 5. 5. 5	Morked value 1,760.00 1,760.00 1,120.00 1,260.00		Code ONF ONF ONF ONF ONF	Task/Act
24141907 03/12/14	8908 Kraft, Kenneth 0.30 5389 Moran, Christopher Bl 370 8909 Salmas, John 1.40	0.30 0.30	1,332.00	1,332.00	ONF ONF	
		7.40	980.00	980.00 ONF	ONF	

Tax Task/ Code Act 2.3 2.3 560.00 ONF ONF 770.00 ONF 240.00 ONF 252.00 ONF 350.00 ONF ONF 240.00 ONF 1,050.00 1,050.00 ONF 72.00 420.00 Billed Value 770.00 Worked Value 240.00 560.00 252.00 350.00 72.00 420.00 240.00 Matter #:559456-000001 Invoice #:\*\*\*\*\* Page 5 (5) Client: A. Farber & Partners Inc. Matter: Bending Lake Iron Group Limited 4/2 Worked Bours 0.30 0.80 (; (; 09.0 0.30 5389 Moran, Christopher Bl 5389 Moran, Christopher Bl Moran, Christopher Bl 8908 Kraft, Remneth 8908 Kraft, Kenneth 8908 Kraft, Kenneth 8909 Salmas, John Tkpr # Name 5389 (P) Description of Professional Services Today's Date: 06/01/2015 Proforma #:2470030 Generated at 31/12/14 by scooper 24187927 04/12/14 24164496 05/12/14 24 MBSE DUNIUA 24187948 12/12/14 24162126 04/12/14 24187934 05/12/14 24160888 08/12/14 24187938 08/12/14 24175421 10/12/14 24187943 10/12/14 24184401 12/12/14 Date Index

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.70030 Matter #:559456-000001 Invoice #:***** Page 6 (6) Client: A. Farber & Partners Inc. Matter: Bending Lake Iron Group Limited	sional Services Tkpr # Name Worked Worked Billed Tax Task/ Bours Value Code Act	8908 Kraft, Kenneth 1.20 960.00 960.00 ONF	1.00   1.00	8908 Kraft, Kenneth 1.50 1,200.00 1,200.00 ONF	5389 Moxan, Charistopher Bt 0.60 216.00 als no ONF 8908 Kraft, Kenneth 0.50 400.00 400.00 ONF	8908 Kraft, Kenneth 0.30 240.00 240.00 ONF 8908 Kraft, Kenneth ' 0.30 240.00 240.00 ONF
Proforma #:2470030 Matter scooper Client:	Description of Professional Services	<b>,</b>	~			
Today's Date: 06/01/2015 Generated at 31/12/14 by	Index Date Descript	24185193 16/12/14	24221191 16/12/14	24191132 17/12/14	242 <b>3</b> 2272 17/1 <b>3</b> (14) 24193645 18/12/14	24210515 19/12/14 24211297 22/12/14 24224541 22/12/14

Today's Date: 06/01/2015 Proforma #:2470030 Matter #:559456-000001 Invoice Generated at 31/12/14 by scooper Client: A. Farber & Partners I

. Page 7 (7)		
* * * *	Client: A. Farber & Partners Inc.	Matter: Bending Lake Iron Group Limited
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			•					Hours		Value	Value	Code Act
24210488 23/12/14					E	8908 K	Kraft, Kenneth	eth 0.50		400.00	400.00	
24224591 23/12/14						6068	Salmas, John	09:0		420.00	420.00	ONF
24215869 29/12/14						8908 K	Kraft, Kenneth	eth 0.50		400.00	400.00	ONF
24220966 31/12/14						8908 Kı	Kraft, Kenneth	eth 0.30		240.00	240.00	ONF
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URII
This is Exhibit referred to in the
affidevit of John Salmas
sworn before me this
day of January 20.15
A COMMISSIONER, ETC

EXHIBIT "B"

Dentons Canada LLP

Summary of Time and Value For the period July 9, 2014 to completion of the Estate

Name	Position	Billed Hours	Actual Time	Effective	Effective Hourly Rate	Value
			Hours			45
Kraft, Kenneth	Partner	46.2	67.4	↔	548.37	36,960.00
Salmas, John	Partner	44.4	52.5	↔	592.00	31,080.00
Kennedy, Robert	Partner	8.8	13.8	↔	334.78	4,620.00
car, Jaime	Partner	+	1.0	ઝ	740.00	740.00
Shedletsky, Michael	Associate	ო	3.0	↔	400.00	1,200.00
ard, Ryan	Associate	0	0.4	₩	•	1
Moran, Blake	Associate	31.4	47.4	↔	238.48	11,304.00
Augustinovic, Danijel	Student	0	5.1	<del>⇔</del>	,	•
Time and Value as	Total Time and Value as per Work in Process		- 190.6		1 11	85,904.00

**Blended Rate** 

10	
This is Exhibit	referred to in the
This is Exhibit	Salmas
sworn before me this	
day of Janua	
	1///
***************************************	och observations

### EXHIBIT "C"

Dentons Canada LLP
Bending Lake Iron Group Limited
Summary of Invoices
for the period July 9, 2014, to December 31, 2014

Period	Date	Fees	Disbursements	HST	Total
July 9, 2014 to September 30, 2014	07-Oct-14	22,184.00		2,962.25	25,748.78
October 1, 2014 to November 3, 2014	25-Nov-14	16,744.00	439.94	2,233.91	19,417.85
November 3, 2014 to November 28, 2014	5-Dec-14	29,616.00		3,963.60	34,452.85
December 1, 2014 to December 31, 2014	31-Dec-14 16,340.00	16,340.00		2,153.90	18,722.35
Total	I	84,884.00	2,144.17	11,313.66	98,341.83

2403177 ONTARIO INC.

BENDING LAKE IRON GROUP LIMITED

and

Respondent

Applicant

# Court File No: CV14-274

## SUPERIOR COURT OF JUSTICE -ONTARIO

Proceeding commenced at Thunder Bay

### AFFIDAVIT OF JOHN J. SALMAS (Sworn January 20, 2015)

# Dentons Canada LLP

Suite 400

77 King Street West, TD Centre Toronto, ON M5K 0A1

Kenneth D. Kraft LSUC#: 31919P

Tel: 416.863.4374

Fax: 416.863.4592

Email: Kenneth.Kraft@dentons.com

receiver of Bending Lake Iron Group Limited, and not in its Lawyers for A. Farber & Partners Inc., in its capacity as personal capacity

### TAB 5

### ONTARIO SUPERIOR COURT OF JUSTICE

BETWEEN:

### **2403177 ONTARIO INC.**

**Applicant** 

- and -

### BENDING LAKE IRON GROUP LIMITED

Respondent

APPLICATION UNDER SUBSECTION 243(1) OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED AND SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED

### AFFIDAVIT OF JOHN J. SALMAS (Sworn November 27, 2015)

I, John J. Salmas, of the City of Toronto, in the Province of Ontario,

### MAKE OATH AND SAY AS FOLLOWS:

I am a Partner with Dentons Canada LLP ("**Dentons**") counsel to A. Farber & Partners Inc., appointed as the receiver (the "**Receiver**") of the assets, undertakings and properties of Bending Lake Iron Group Limited pursuant to the Order of the Honourable Justice D.C. Shaw, dated September 11, 2014. As such, I have knowledge of the matters to which I hereinafter depose. Unless I indicate to the contrary, the facts herein are within my personal knowledge and are true. Where I have indicated that I have obtained facts from other sources, I believe those facts to be true.

- 2. I previously swore an affidavit in these proceeding setting out the fees and disbursements billed by Dentons for the period July 9, 2014 to December 31, 2014.
- 3. Attached hereto and marked as Exhibit "A" are detailed invoices (the "Invoices"). rendered by Dentons to the Receiver in these proceedings for the period from January 1, 2015, to October 31, 2015 (the "Fee Period").
- Throughout the proceedings Dentons has voluntarily discounted its fees. The amount of each discount is reflected on the face of each invoice, with the exception of the invoice dated January 31, 2015 and the invoice dated April 30, 2015 (invoice # 3126715). Accordingly, also attached as Exhibit "A" are the prebills for the invoices dated January 31, 2015 and April 30, 2015 (invoice # 3126715), showing the amounts written down before the invoices were prepared. The fees set out in the invoices dated April 30, 2015 (invoice # 3126027) and July 31, 2015 were not discounted.
- 5. Attached hereto and marked as Exhibit "B" is a schedule summarizing each invoice in Exhibit "A", the total billable hours charged per invoice, the total fees charged per invoice (both prior to and after the application of the applicable discount) along with the average hourly rate charged per invoice. Exhibit "B" calculates the average rates based on the hours worked after applying reductions on the Invoices.
- 6. Attached hereto as Exhibit "C" is a schedule summarizing the respective years of call and standard billing rates (before discount) of each of the solicitors at Dentons who acted for the Receiver.

- 7. For the Fee Period, Dentons discounted the fees charged on the Invoices by an average of 24%.
- 8. I make this affidavit in support of a motion by the Receiver for, *inter alia*, approval of the fees and disbursements of Dentons and for no other or improper purpose.

SWORN before me at the City of Toronto in the Province of Ontario, this 27<sup>th</sup> day of November, 2015.

Commissioner for Taking Affidavits

DANITEL AUGUSTINOVIC

JOHN/J./SALMAS

Exhibit "A" to the Affidavit of John J. Salmas affirmed before me this 27th day of November, 2015.

Commissioner for Taking Affidavits, etc.



Dentons Canada LLP 77 King Street West, Suite 400 Toronto-Dominion Centre Toronto, ON, Canada M5K 0A1

T 416 863 4511 F 416 863 4592 Salans FMC SNR Denton dentons.com

**INVOICE # 3107986** 

GST/HST # R121996078 QST # 1086862448 TQ 0001

A. Farber & Partners Inc. 150 York Street Suite 1600 Toronto, ON M5H 3S5

Attention: Paul Denton and Gary Lifman

**Date** January 31, 2015 **Matter Number** 559456-000001

Lawyer John Salmas

### A. Farber & Partners Inc. Re: Bending Lake Iron Group Limited

**Professional Fees** Disbursements

12,807.50

HST (13.0%) on \$12,864.46

1,672.38

56.96

**Total Amount Due** 

14.536.84

CANADA LLP

John Salmas

Payment Options:

**Cheques:** Cheques payable to Dentons Canada LLP and mailed to the above noted address.

Internet Banking:

Accepted at most financial institutions. Your payee is Dentons Canada LLP and

your account number is 559456. Please email us at

Edm. Accounting@dentons.com referencing invoice number and payment

amount.

Wire Transfer: Bank of Montreal

1st Canadian Place, Toronto, ON Swift Code: BOFMCAM2

Bank ID: 001 Transit: 00022

CAD Funds Bank Account: 0004-324

Credit Card: Payments are accepted via telephone, email or fax. We accept

American Express, MasterCard or Visa (please circle one). Card No.

Expiry Date:

Cardholder Name: Signature:

Please email us at Tor. Accounting Odentons.com referencing invoice number and payment amount. Payment due on receipt. Interest will be charged at the rate of 1.3% per annum on all outstanding amounts over 30 days.

### Invoice Detail

TO PROFESSIONAL SERVICES RENDERED for the period ending January 31, 2015:

Date	ID	Description of Work	Hours
04-Jan-15	KK	Paul Denton and John Salmas e-mail exchanges on matters to move forward;	0.1
05-Jan-15	KK	Discussion with John Salmas and telephone call with Paul Denton regarding drafting report and proceeding with approval motion for activities to date and fees and disbursements and to seek clarification around scope of charge and potential secured creditor motion; start outlining letter back to MacRae and consider motion material.	1.0
05-Jan-15	JS	Discussions with Paul Denton (.4). Review correspondence from Farbers (.5).	0.9
06-Jan-15	KK	Telephone call with Rodi-Lynn Rusnick-Kinisky on motion to vary receivership order and follow up e-mail to her (.2).	0.2
06-Jan-15	JS	Correspondence with Farbers. Review license agreement. Discussions regarding due diligence materials.	1.3
07-Jan-15	KK	Working on letter to Rob MacRae (.3); starting on motion material (.5); Paul Denton e-mail exchange on time period to be included in fee affidavits (.1).	0.9
08-Jan-15	KK	Start reviewing draft second report (.3); e-mail from Rob MacRae on issues related to varying receivership order (.1).	0.4
09-Jan-15	KK	Revise draft of second report and related e-mail exchange with Paul Denton (.3); letter to Rob MacRae (.2).	0.5
11-Jan-15	KK	Working on additional parts of second report and e-mail to Paul Denton.	0.4
12-Jan-15	KK	Working on motion materials related to second report, fee affidavit and supporting materials.	1.0
13-Jan-15	KK	Review letter from Rob MacRae and discuss with John Salmas.	0.1
13-Jan-15	JS .	Discussions with Rob MacRae (.8). Discussions with Fabers (.5). Review correspondence from Rob MacRae (.4). Correspondence to Rodi-Lynn Rusnick of Buset & Partners (.1).	1.8
14-Jan-15	KK	Conference call with Rodi-Lynn Rusnick-Kinisky on dealing with upcoming motion records and addressing issues with Rob MacRae between Receiver and Applicant to avoid duplication (.3).	0.3
4-Jan-15	JS	Discussions with Buset regarding upcoming motions.	0.5
6-Jan-15	KK	Meet with Stuart Livingston and Paul Denton to review matters (.2); discussion with John Salmas about adding relief to Receiver's motion to address license agreements and corporate records (.1),	0.3
6-Jan-15	JS	Update meeting with Paul Denton and Stuart Livingston.	1.0
7-Jan-15	KK	John Salmas e-mail exchanges related to additional documentation from Dawn MacKay;	0.1

### DENTONS CANADA LLP

A. Farber & Partners Inc.

Re: Bending Lake Iron Group Limited

INVOICE 3107986 Page 3 of 3 Matter # 559456-000001

Date	ID	Description of Work					Hours			
18-Jan-15	KK	Follow up exchange with John Salmas on reports (.1); working on second report and related motion material (.4).								
19-Jan-15	KK	Working on motion materials and r	elated e-mails	and discu	ssions.		1.6			
19-Jan-15	JS	Review BLIG documents (3). Rev disclosure agreement (2). Discussion	•	· ·	arding	non-	0.6			
20-Jan-15	KK	Finalizing motion record related to to clarifying relief in notice of motion	•	(1.5); e-n	nails re	elated	1.6			
20-Jan-15	JŚ	Assist in finalization of Farber motion	on record.				0.3			
21-Jan-15	KK	Telephone call with Rodi-Lynn Ru reaching out to Rob MacRae for F Applicant's factum on motion to va	ebruary dates	(.2); initia			0.4			
22-Jan-15	KK	E-mail exchange with Rodi-Lynn R dates and arrangements for Buset Receiver.	· ·				0.1			
23-Jan-15	KK	Rodi-Lynn Rusnick-Kinisky e-mail MacRae;	on status of	motion	from	Rob	0.1			
26-Jan-15	KK	E-mails exchanged to confirm adjo whether motion is to be considered		earing to F	eb 26	and	0.1			
28-Jan-15	LT	Obtaining cheque from Farber Finan	cial.				0.0			
30-Jan-15	KK	Meet with Alessandro Bozzelli to c Feb. 26 motion requesting directions		o be rese	arched	d for	0.3			
		Total					16.3			
OTAL PROI	ESSION	IAL FEES			\$	12,807.	50			
AXABLE DI	SBURSE	MENTS								
Library C	ompute	er Research	\$	40.00						
Courier 8			*	8.00						
Transpor				8.96	Name .					
OTAL TAXA	BLE DIS	BURSEMENTS	\$	56.96						
OTAL DISBL	JRSEME	NTS				56.9	<u> 16</u>			
OTAL FEES	AND DIS	BURSEMENTS			\$	12,864.4	16			
AXES										
HST (13.0	%) on P	rofessional Fees of \$12,807.50	\$	1,664.98						
HST (13.0	%) on T	axable Disbursements of \$56.96		7.40						
TAL TAXES	•					1,672.3	<u>8</u>			

Generated at 31/01/15 by scooper Today's Date: 03/02/2015 Proforma #:2486717

Matter #:559456-000001 Invoice #:\*\*\*\*\* Client: A. Farber & Partners Inc. Page 1 (1)

Matter: Bending Lake Iron Group Limited

Matter Bill Lawyer: 8909 John Salmas Matter Resp Lawyer: 8909 John Salmas

Matter: 559456-000001 Client: 559456 Bending Lake Iron Group Limited A. Farber & Partners Inc.

Contact:

Paul Denton and Gary Lifman

Billing Address: Matter Title:

A. Farber & Partners Inc.

Suite 1600

Toronto, ON M5H 3SS 150 York Street

Matter Billing Instructions:

Place of Supply(Tax): Ontario

Matter Currency: CDN

Bill Ref 4: Bill Ref 3: Header Ref 1: Header Ref 2: Other Ref.; DOL: Policy/Claim: Client Title: Bill Format: T7-S0

WARNING:	Loc Tkpi 01 69 01 89 01 89
Excluded timeca	TKpr # Title  6945 Student 8908 Partner 8909 Partner
TOTAL Adju- TOTAL TOTAL TOTAL TOTAL WARNING: Excluded timecards exist for this matter	Name  t  Tan, Lisa  Kraft, Kenneth  Salmas, John
TOTAL Adjustment Up(Down TOTAL FEES matter	Last Time Entry 28/01/15 30/01/15 20/01/15
	Work I Rate I 250.00 825.00 725.00
23.00	Work Hours 0.70 14.50 7.80
17,792.50	Fees Work Value 175.00 11,962.50 5,655.00
17,792.50 0.00 17,792.50 4985 /2	Fees from 01/01/00 to 31/0 k Billed Adjust e Value 00 175.00 / 7 5 50 11,962.50 3775 00 5,655.00 /0/5
28.5	/00 to 31/0 Adjust 175 3795
0.0 0.0 0.0 0.0	8/13 Bill Amount 1/15
as	\$ Adj

	Code 211 218 246 492 642 Add/ Code D
	Code Description  211 Courier  218 Laser Printing  246 eCarswell Online Search  492 Photocopy & Printing Charges  642 Taxi Charges  Add/Anticipated Disbursements:  Code Description
TOTAL of Anticipated Disb	Oty Work Amt 1 8.00 1.2,238 559.50 1 40.00 4 1.00 4 1.00 1 8.96 TOTAL DISB Oty
	sbursements from Adj Work Amt 8.00 -559.50 -40.00 1.00 8.96 617.46 617.46
	01/01/00 to 31/01/15 Adjust Bill Amt 8-96

Second Lawyer Signature

(when required - see next page)

excluded amount for \$ 559.

Lawyer Signature

Ang to laser printed, 2) \$ 1 he photocopying and 3 but keep \$ 26.55 he taxi for next account

Matter #:559456-000001 Invoice #:\*\*\*\* Page 2 (2) Matter: Bending Lake Iron Group Limited Client: A. Farber & Partners Inc.

### Approval Criteria:

- 1) All Billing instruction forms require approval of the Matter Billing Lawyer
- 2) A second lawyer approval is required when time adjustments exceed \$1,000 and/or disbursement adjustments exceed \$250: - if fees adjusted by <= \$5,000 then require approval of the Department Manager - if fees adjusted by > \$5,000 then require approval of Managing Partner

of Finance, or Accounting Manager Note: Up to 25% of student time may be written off/adjusted without allocation to other timekeepers. All other adjustments must 3) Time and/or disbursements transferred from 'billable' to 'non-billable' status must be approved by the Controller, Director

Proforma Tax Detail Fees Taxable - ONF Costs Taxable - ONC Total	Fees <= June 30/2010 Fees >= July 1/2010 Total	HST Transition Period - % of Fees < = > July 1/2010 (refer to 90% tax fee rule)	01 Toronto Total	Billing History  Last Bill: 31/12/14  Vear-to-Date Lifeti  Fees 0.00 84/88  Costs 1,101.70 2,14  Taxes 11,313.66 11,31  Total 0.00 98,34
Taxable Amount 17,792.50 617.46 18,409.96	Billed Amt 0.00 17,792.50 17,792.50	s of Fees < = > July	Worked Hours 23.0	me 4.00 4.17 3.66 1.83
GST/HST 2,313.03 80.27 2,393.30	0.0 % 100.0 %	1/2010 (refer to	Jours Worked Amount 23.00 17,792.50 17,792.50	Accounts Receivable Last Payment: 30/01/15 0-30 days 31-60 days 61-90 days 91+ days 91+ days 0.0
GST/HST Rate 13.0 % 13.0 %		90% tax fee ru	2d Amount Billed Hours 17,792.50 23.00 17,792.50 23.00	ceivable 30/01/15 0.00 0.00 0.00 0.00
PST/QST PS .00 .00		le)	rs 00	Fees Costs Taxes
PST/QST Rate			Billed Amount & 17,792.50 17,792.50	Write-Up(Down) WIP (33,454.00) (1,128.07) 0.00 (34,582.07)
		100	(by Billed Hrs)	- Lifetime AR 0.00 0.00 0.00 0.00

Tax Codes in matter setup:

Costs - ONC Fees - ONF

Place of Supply(Tax): Ontario

Total Trust for the Matter Trust Summary - as of 08:26 03/02/2015 Matter Budgets Budget Hrs Budget Value LTD Hours LTD Value Variance Hrs Variance Value

Today's Date: 03/02/2015 Proforma #:2486717
Generated at 31/01/15 by scooper

Matter #:559456-000001 Invoice #:\*\*\*\*\* Page 3 (3) Client: A. Farber & Partners Inc.
Matter: Bending Lake Iron Group Limited

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L/15 R	u s M 51/1	1/15 W	1/15 R e 1			1/15 C		1/15 [	# 0 0 0 m			
24321849 13/01/15 Review letter from Rob MacRae and discuss with John Salmas;	<pre>24317710 12/01/15 Working on motion materials related to</pre>	4317438 11/01/15 Working on additional parts of second report and e-mail to Paul Denton;	ft of second report and related hange with Paul Denton ( );	Start reviewing draft second report (.3); e-mail from Rob MacRae on issues related to varying receivership order (.1);	Working on letter to Rob MacRae (.3); starting on motion material (.5); Paul Denton e-mail exchange on time period to be included in fee affidavits (.1);	Correspondence with Farbers. Review license agreement. Discussions regarding due diligence materials.(.5)	related to missing IP reports (.2); telephone call with Rodi-Lynn Rusnick-Kinisky on motion to vary receivership order and follow up e-mail to her (.2);	24334928 05/01/15 Discussions with Paul Denton. Review Correspondence from Farbers (S)	with e and seek ce and t outl	Discussion with John Salmas and telephone call with Paul Denton regarding drafting	Paul Denton and John Salmas e-mail exchanges on matters to move forward;	Description of Professional Services
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Kraft,	Kraft,	Kraft,	Kraft,	Kraft,	Kraft,	Salma	Kraft,	Salmas,		Kraft,	Kraft,	# Name
Kenneth	Kenneth	Kenneth	Kenneth	Kenneth	Kraft, Kenneth	Salmas, John	, Kenneth	s, John		, Kenneth	Kenneth	
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3	0 7 20 0	7000	<i>§</i> ,	0.40	0.90	1.30	QU I	0.90		1.00	\$	Worked
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247.50	1,237.50	495.00	660.00	330.00	742.50	942.50	330.00	652.50		825.00	247.50	Bílled Value
ONF	ONF	ONF	ONF	ONF	ONF	ONF	ONF	ONF		ONF		Tax
											ACC	

Matter #:559456-000001 Invoice #:\*\*\*\*\* Page 4 (4) Client: A. Farber & Partners Inc.
Matter: Bending Lake Iron Group Limited

	ONF	330.00	330.00	0.40		Kenneth	Kraft,	8908	24293878 21/01/15 Telephone call with Rodi-Lynn Rusnick-Kinisky on motion timing and reaching out to Rob MacRae for February dates (.2); initial review of Applicant's
	ONF	362.50	3/2.50	1 3	10	Joba	Salmas,	8909	$24334952\ 20/01/15$ Assist in finalization of Farber motion record.
	ONF	1,980.00	1,980.00	j j	2	Kenneth	Kraft,	8908	24285845 20/01/15 Finalizing motion record related to second report (200); e-mails related to clarifying relief in notice of motion (.1);
	ONF	725.00	725.00	j	6	, John	Salmas, John	8909	24334950 19/01/15 Review BLIG documents. Review correspondence regarding non-disclosure agreement. Discussions with Farbers (**)
	ONF	1,980.00	1,980.00	Ė		Kenneth	Kraft,	8908	24279280 19/01/15 Working on motion materials and related e-mails and discussions;
	ONF	412.50	412.50	<i>\$</i>	7	Kenneth	Kraft,	8908	24279132 i8/01/15 Follow up exchange with John Salmas on reports (.1); working on second report and related motion material (. $\overline{\mathbf{z}}$ ;
	ONF	247.50	247.50	$\mathfrak{Z}$	<u>.</u>	Kenneth	Kraft,	8908	24278223 17/01/15 John Salmas e-mail exchanges related to additional documentation from Dawn MacKay;
	ONF	412.50	412.50		'n	Kenneth	Kraft,	8908	24340261 16/01/15 Meet with Stuart Livingston and Paul Denton to review matters (-); discussion with John Salmas about adding relief to Receiver's motion to address license agreements and corporate records (-1);
	ONF	870.00	870.00	\$	1.0	John	Salmas,	8909	24334948 16/01/15 Update meeting with Paul Denton and Stuart Livingston.
	ONF	580.00	580.00	2		, John	Salmas,	8909	24334946 14/01/15 Discussions with Buset regarding upcoming motions.
	ONF	412.50	412.50	1	h	Kraft, Kenneth	Kraft,	8908	24332952 14/01/15 Conference call with Rodi-Lynn Rusnick-Kinisky on dealing with upcoming motion records and addressing issues with Rob MacRae between Receiver and Applicant to avoid duplication (.3); internal discussion with John Salmas on next steps (.2);
	ONF	1,522.50	1,522.50	₽	`A	John	Salmas, John	6068	24334936 13/01/15 Discussions with Rob MacRae. Review correspondence from Rob MacRae. (.4) Correspondence to Rodi-Lynn Rusnick of Buset & Partners.
Task/	Tax '	Billed Value	Worked Value	Worked Hours		37 60 34	Tkpr # Name	Tkpr	Index Date Description of Professional Services
		(.s)			P	oup Limi	Iron G	ng Lake	Matter: Bending Lake Iron Group Limited

Today's Date: 03/02/2015 Proforma #:2486717 Generated at 31/01/15 by scooper

Matter #:559456-000001 Invoice #:\*\*\*\*\* Page 5 (5) Client: A. Farber & Partners Inc.
Matter: Bending Lake Iron Group Limited

20/01/15 218 4174 303 75.75 75.75 Laser Copy; MEDINA I 20/01/15 492 6957 1 0.25 Photocopy; Lucido, E 20/01/15 492 6957 1 0.25 Photocopy; Lucido, E	7.50 7.50 Laser Copy; Cooper, 21.50 21.50 Laser Copy; Krarft, 200.50 Laser Copy. Tarrido	19/01/15 218 8919 45 11.25 11.25 Laser Copy; Cooper, 19/01/15 218 8908 43 10.75 10.75 Laser Copy; Krarff	121.00 Laser Copy;Cooper,	13/01/15 218 8908 15 3.75 3.75 Laser Copy; Krarft,	Copy;Cooper,	09/01/15 218 8908 10 2.50 2.50 Laser Copy;Krarft,	09/01/15 218 8919 9 2.25 2.25 Laser Copy: Copper	08/01/15 218 8908 12 3.00 3.00 Taser Copy; Cooper,	29 7.25 7.25 Laser Copy;Krarft,	05/01/15 218 8908 55 13.75 13.75 Laser Copy; Krarft,	29/12/14 218 8908 39 9.75 9.75 Laser Converter:	2014-10-2	5389 1 8.96	68200867 24/09/14 246 5363 1 40.00 40.00 "eCarswell Online Sear		Disbursement Details:  Index Date AP Disb Tkpr Qty Worked Adj Worked Description	TOTAL 23.1	24331622 30/01/15 Meet with Alessandro Bozzelli to discuss 8908 Kraft, Kenneth , 3.0-01/15 Meet with Alessandro Bozzelli to discuss 8908 Kraft, Kenneth , 3.0-01/15 Meet with Alessandro Bozzelli to discuss 8908 Kraft, Kenneth , 3.0-01/15 Meet with Alessandro Bozzelli to discuss 8908 Kraft, Kenneth , 3.0-01/15 Meet with Alessandro Bozzelli to discuss 8908 Kraft, Kenneth , 3.0-01/15 Meet with Alessandro Bozzelli to discuss 8908 Kraft, Kenneth , 3.0-01/15 Meet with Alessandro Bozzelli to discuss 8908 Kraft, Kenneth , 3.0-01/15 Meet with Alessandro Bozzelli to discuss 8908 Kraft, Kenneth , 3.0-01/15 Meet with Alessandro Bozzelli to discuss 8908 Kraft, Kenneth , 3.0-01/15 Meet with Alessandro Bozzelli to discuss 8908 Kraft, Kenneth , 3.0-01/15 Meet with Alessandro Bozzelli to discuss 8908 Kraft, Kenneth , 3.0-01/15 Meet with Alessandro Bozzelli to discuss 8908 Kraft, Kenneth , 3.0-01/15 Meet with Alessandro Bozzelli to discuss 8908 Kraft, Kenneth , 3.0-01/15 Meet with Alessandro Bozzelli to discuss 8908 Kraft, Kenneth , 3.0-01/15 Meet with Alessandro Bozzelli to discuss 8908 Kraft, Kenneth , 3.0-01/15 Meet with Alessandro Bozzelli to discuss 8908 Kraft, Kenneth , 3.0-01/15 Meet with Alessandro Bozzelli to discuss 8908 Kraft, Kenneth , 3.0-01/15 Meet with Alessandro Bozzelli to discuss 8908 Kraft, Kenneth , 3.0-01/15 Meet with Alessandro Bozzelli to discuss 8908 Kraft, Kenneth , 3.0-01/15 Meet with Alessandro Bozzelli to discuss 8908 Kraft, Kenneth , 3.0-01/15 Meet with Alessandro Bozzelli to discuss 8908 Kraft, Kenneth , 3.0-01/15 Meet with Alessandro Bozzelli to discuss 8908 Kraft, Kenneth , 3.0-01/15 Meet with Alessandro Bozzelli to discuss 8908 Kraft, Kenneth , 3.0-01/15 Meet with Alessandro Bozzelli to discuss 8908 Kraft, Kenneth , 3.0-01/15 Meet with Alessandro Bozzelli to discuss 8908 Kraft, Kenneth , 3.0-01/15 Meet with Alessandro Bozzelli to discuss 8908 Kraft, Meet with Alessandro Bozzelli to discuss 8908 Kraft, Meet with Alessandro Bozzelli to discuss 8908 Kraft, Meet with Alessandro Bozzelli to discuss 890	Obtaining cheque from Farber Financial. 6945 Tan, Lisa	24310748 26/01/15 E-mails exchanged to confirm adjournment of 8908 Kraft, Kenneth , }	24306244 23/01/15 Rodi-Lynn Rusnick-Kinisky e-mail on status 8908 Kraft, Kenneth 0.	24301092 22/01/15 E-mail exchange with Rodi-Lynn 8908 Kraft, Kenneth , ) arrangements for Buset to file motion confirmation form for Receiver;	factum on motion to vary admin charge (.2);	Index Date Description of Professional Services Tkpr # Name Work
Cido, Evernelia DINA L ido, Evernelia ido, Evernelia		arit, Kenneth Oper, Sandra arft. Kenneth		oper, sandra arft, Kenneth			oper Sandra			arft, Kenneth	1801		re	line search/wo			23.00 17	i de la companya de l	3/0/20	- B &	0.10	=		Worked Hours
Ω.											DAS STREET WEST		minute book review.				17,792.50 17,792.50	412.50 412.50	175.00 175.00	330.00 330.00	82.50 82.50	247.50 247.50		Worked Billed Value Value
ONC ONC	ONC	ONC	ONC	ONC	ONC	ONC	ONC	ONC	ONC	ONC	ONC		e. ONC	000	Tax	A PARTY OF THE PAR		ONF	ONF	ONF	ONF	ONF		Tax Task/

Today's Date: 03/02/2015 Proforma #:2486717 Matter #:559456-000001 Generated at 31/01/15 by scooper Client: A. Farber & Pa

Matter #:559456-000001 Invoice #:\*\*\*\*\* Page 6 (6) Client: A. Farber & Partners Inc.
Matter: Bending Lake Iron Group Limited

	69177471 21/01/15 69177472 21/01/15 69179472 23/01/15 69229321 23/01/15 69303367 30/01/15	Index Date
	21/01/15 21/01/15 23/01/15 30/01/15	
		AP Disb Voucher Code
	218 492 218 218	Disb Code
TOTAL	4174 6957 8919 8908	Tkpr
	114 2 54	Qty
617.46	28.50 0.50 13.50 2.50	Worked Amount
_	28.50 0.50 13.50 2.50	Adj Worked Amount
	28.50 Laser Copy; MEDINA L 0.50 Photocopy; Lucido, Evernelia 13.50 Laser Copy; Cooper, Sandra 2.50 Laser Copy: Krarft, Kenneth	Description
	ONC ONC	Tax Code

### DENTONS

Dentons Canada LLP 77 King Street West, Suite 400 Toronto-Dominion Centre Toronto, ON, Canada M5K 0A1

T 416 863 4511 F 416 863 4592 Salans FMC SNR Denton dentons.com

INVOICE # 3114061

GST/HST # R121996078 QST # 1086862448 TQ 0001

A. Farber & Partners Inc. 150 York Street Suite 1600 Toronto, ON M5H 3S5

Attention: Paul Denton and Gary Lifman

<u>Date</u>	Matter Number	<u>Lawyer</u>
February 28, 2015	559456-000001	John Salmas

### A. Farber & Partners Inc. Re: Bending Lake Iron Group Limited

Total Amount Due	\$ 5,534.28
HST (13.0%) on \$4,897.59	 636.69
Disbursements	487.09
Net Professional Fees	\$ 4,410.50
Less: Discount	 (2,164.50)
Professional Fees	\$ 6,575.00

DENTONS CANADA LLE

Per:

John Salmas

Payment Options:	
Cheques:	Internet Banking:
Cheques payable to Dentons Canada LLP	Accepted at most financial institutions. Your payee is Dentons Canada LLP and
and mailed to the above noted address.	your account number is 559456. Please email us at
	Edm.Accounting@dentons.com referencing invoice number and payment
	amount.
Wire Transfer:	Credit Card:
Bank of Montreal	Payments are accepted via telephone, email or fax. We accept
1st Canadian Place, Toronto, ON	American Express, MasterCard or Visa (please circle one).
Swift Code: BOFMCAM2	Card No.
Bank ID: 001 Transit: 00022	Expiry Date: Amount:
CAD Funds Bank Account : 0004-324	Cardholder Name:
	Signature:
	ting@dentons.com referencing invoice number and payment amount.
Payment due on receipt. Interest will be	charged at the rate of 1.3% per annum on all outstanding amounts over 30 days.

### **Invoice Detail**

TO PROFESSIONAL SERVICES RENDERED in connection with the above noted matter:

Date	ID	Description of Work	Hours
02-Feb-15	KK	Review Rodi-Lynn Rusnick-Kinisky letter to Rob MacRae regarding timing of relief for motion to vary receivership order (.3):	0.3
02-Feb-15	JS	Review Buset correspondence (.1). Review correspondence regarding confidentiality agreement form (.1). Correspondence to and from Farbers (.2).	0.4
04-Feb-15	KK	Meet with Alessandro Bozzelli to discuss research results on issues for upcoming motion for directions.	0.3
09-Feb-15	KK	Memorandum from Alessandro Bozzelli on issues for upcoming motion.	0.3
10-Feb-15	KK	Review MacRae proposal to Applicant (.2). E-mail exchanges in regard to removal of corporate records (.1). Start to review memo from Alessandro Bozzelli on issues for Feb 26 motion (.2).	0.5
10-Feb-15	JS	Correspondence to and from Farbers.	0.2
11-Feb-15	KK	Telephone call with Rodi-Lynn Rusnick-Kinisky and Mike Strickland to discuss MacRae letter (.3). John Salmas e-mail exchange (.1).	0.4
12-Feb-15	KK	Review Rodi-Lynn Rusnick-Kinisky letter to Rob MacRae on settlement (.1). Telephone call with Paul Denton to discuss removal of corporate records and status of sale process (.2).	0.3
12-Feb-15	JS	Revise correspondence from Buset.	0.3
13-Feb-15	KK	E-mail exchange with Paul Denton on sales timeline extension, payment of certain overhead expenses at Dawn MacKay's request, corporate records being returned to BLIG and updating secured creditors on status.	0.3
17-Feb-15	KK	Reviewing legal research memo and starting to outline factum to address issues related to scope of admin charge (1.0). E-mails related to potential extension of time to submit offers and overview of those who have submitted NDAs to date (.3).	1.3
17-Feb-15	JS	Correspondence from Paul Denton (1). Telephone conversation with Paul Denton regarding SISP(1). Review status report regarding BLIG SISP (1).	0.3
19-Feb-15	KK	E-mail and voice mail from Rodi-Lynn Rusnick-Kinisky to on MacRae settlement and telephone call with her to review and consider whether to move to adjourn Receiver's outstanding motion.	0.3
20-Feb-15	KK	Review draft consent order and related e-mail exchanges with Rodi- Lynn Rusnick-Kinisky.	0.3
20-Feb-15	JS	Review Buset correspondence regarding proposed settlement (.2). Internal discussions regarding settlement (.2).	0.4
23-Feb-15	KK	Execute consent to draft order and related e-mail exchanges with Rodi- Lynn Rusnick-Kinisky and Rob MacRae and over adjournment of	0.3

Date	ID	Description of Work				Hours
		Receiver's motion (.3).				
24-Feb-15	KK	Numerous e-mail exchanges related Telephone call with Rodi-Lynn Rusnick-H Rodi-Lynn Rusnick-Kinisky and Rob M Follow on e-mails to confirm terms of co	(inisky (.2). acRae to r	Conferen	ce cal	l with
25-Feb-15	KK	E-mails related to finalizing approval of admin charge and motion confirmation		ing with r	evisio	ns to 0.3
25-Feb-15	JS	Review correspondence regarding settle	ement.			0.3
26-Feb-15	KK	Update from Rodi-Lynn Rusnick-Kinisky	in regard to	today's m	otion	is. 0.3
27-Feb-15	KK	Review e-mail with issued and entered charge.	d order to	amend p	rofess	sional 0.1
		Total				8.2
TOTAL PRO Less: Discou NET PROFE	unt				\$	6,575.00 (2,164.50) 4,410.50
TAXABLE D	ISBURSI	EMENTS				
Agent F	ees/Acc	count	\$	448.35		
Courier		•		38.74		
TOTAL TAX	ABLE DI	SBURSEMENTS	\$	487.09	,	
TOTAL DISE	BURSEM	IENTS				487.09
TOTAL FEES	AND D	ISBURSEMENTS			\$	4,897.59
TAXES						
,	•	Professional Fees of \$4,410.50	\$	573.37		
HST (13	.0%) on	Taxable Disbursements of \$487.09		63.32	-	
TOTAL TAXE	ES					636.69
TOTAL AMO	DUNT DI	UE			<u>\$</u>	5,534.28



Dentons Canada LLP 77 King Street West, Suite 400 Toronto-Dominion Centre Toronto, ON, Canada M5K 0A1

T 416 863 4511 F 416 863 4592 Salans FMC SNR Denton dentons.com

A. Farber & Partners Inc. 150 York Street **Suite 1600** Toronto, ON M5H 3S5

**INVOICE #3126027** 

GST/HST # R121996078 QST # 1086862448 TQ 0001

Attention: Paul Denton and Gary Lifman

**Date** April 30, 2015 **Matter Number** 559456-000001

<u>Lawyer</u> John Salmas

A. Farber & Partners Inc. Re: Bending Lake Iron Group Limited

**Professional Fees** 

1,055.00

\$

HST (13.0%) on \$1,055.00

137.15

**Total Amount Due** 

1,192,15

DENTONS CANADA LLP

Per:

John Salmas

1st Canadian Place, Toronto, ON

CAD Funds Bank Account: 0004-324

Swift Code: BOFMCAM2

Bank ID: 001 Transit: 00022

Payment Options:

Cheques:

Cheques payable to Dentons Canada LLP

and mailed to the above noted address.

Internet Banking:

Accepted at most financial institutions. Your payee is Dentons Canada LLP and

your account number is 559456. Please email us at

Edm.Accounting@dentons.com referencing invoice number and payment

amount.

Credit Card:

Wire Transfer: Payments are accepted via telephone, email or fax. We accept Bank of Montreal

American Express, MasterCard or Visa (please circle one).

\_Amount:

Card No.

Expiry Date:

Cardholder Name: \_\_

Signature:

Please email us at <a href="mailto:Tor.Accounting@dentons.com">Tor.Accounting@dentons.com</a> referencing invoice number and payment amount. Payment due on receipt. Interest will be charged at the rate of 1.3% per annum on all outstanding amounts over 30 days.

INVOICE 3126027 Page 2 of 2 Matter # 559456-000001

### **Invoice Detail**

TO PROFESSIONAL SERVICES RENDERED for the period ending March 31, 2015:

Date	ID	Description of Work					Hours
02-Mar-15	KK	E-mail from Stacey Pawluk.					0.1
03-Mar-15	KK	Paul Denton e-mails regarding invoimeeting with him.	ces from Hei	nry Wetal	ainen	and	0.1
23-Mar-15	JS	Telephone conversation with Paul Der	nton.				0.5
27-Mar-15	JS	Correspondence to and from Paul Der	nton regarding	BLIG SISP	٠.		0.5
30-Mar-15	KK	Discuss with John Salmas strategy giv assets.	ven no offer r	eceived to	puro	chase	0.2
		Total					1.4
TOTAL PRO	FESSIO	NAL FEES			\$	1,05	5.00
TAXES HST (13	s.0%) or	n Professional Fees of \$1,055.00	\$	137.15	<u> </u>		
TOTAL TAX						13	<u>7.15</u>
TOTAL AM	OUNT D	DUE			<u>\$</u>	1,19	<u>2.15</u>



Dentons Canada LLP 77 King Street West, Suite 400 Toronto-Dominion Centre Toronto, ON, Canada M5K 0A1

T 416 863 4511 F 416 863 4592 Salans FMC SNR Denton dentons.com

A. Farber & Partners Inc. 150 York Street Suite 1600 Toronto, ON M5H 3S5 **INVOICE # 3126715** 

GST/HST # R121996078 QST # 1086862448 TQ 0001

Attention: Paul Denton and Gary Lifman

<u>Date</u>			
April	30,	2015	

Matter Number 559456-000001

<u>Lawyer</u> John Salmas

### A. Farber & Partners Inc. Re: Bending Lake Iron Group Limited

 Professional Fees
 \$ 4,157.50

 Disbursements
 31.40

 HST (13.0%) on \$4,188.90
 544.56

Total Amount Due \$ 4,733.46

DENTONS CANADA LLP

Per:

John Salmas

and mailed to the above noted address.	your account number is 559456. Please email us at Edm.Accounting@dentons.com referencing invoice number and payment amount.
1st Canadian Place, Toronto, ON Swift Code: BOFMCAM2 Bank ID: 001 Transit: 00022 CAD Funds Bank Account: 0004-324	Credit Card:  Payments are accepted via telephone, email or fax. We accept  American Express, MasterCard or Visa (please circle one).  Card No.  Expiry Date: Amount:  Cardholder Name: Signature:  entons.com referencing invoice number and payment amount.  d at the rate of 1.3% per annum on all outstanding amounts over 30 days.

Re: Bending Lake Iron Group Limited

INVOICE 3126715 Page 2 of 3 Matter # 559456-000001

### Invoice Detail

TO PROFESSIONAL SERVICES RENDERED for the period ending April 30, 2015:

Date	ID	Description of Work	Hours
02-Apr-15	JS	Review correspondence from Paul Denton to Stuart Livingston regarding discussions with Legacy Hill.	0.3
03-Apr-15	KK	Review Paul Denton update.	0.1
04-Apr-15	JS	Review correspondence from Legacy Hill. Correspondence to Farbers regarding Legacy Hill correspondence.	0.4
09-Apr-15	KK	Paul Denton e-mails and review LHR letter of interest.	0.2
09-Apr-15	JS	Review correspondence from Legacy Hill/RDP United. Review correspondence from Farbers regarding Legacy Hill/RDP Offer. Discussions with Paul Denton.	0.5
10-Apr-15	KK	Various e-mails.	0.3
10-Apr-15	JS	Review of Letter of Intent from Legacy Hill/RDP Limited. Telephone conference call with Paul Denton to consider Legal Hill offer. Review Legacy Hill due diligence requests.	0.7
13-Apr-15	KK	Discussion with John Salmas on status of LOI and timing issues for proceeding with a court attendance and possible position of Applicant in connection with assets.	0.3
16-Apr-15	KK	Review Paul Denton update e-mail.	0.1
16-Apr-15	JS	Review correspondence from A. Farbers regarding expressions of interest with respect to Bending Lake Iron Group Limited.	0.8
23-Apr-15	KK	Paul Denton update e-mails on party conducting due diligence and discussions with MNDM.	0.2
23-Apr-15	JS	Review correspondence from A. Farbers to lender regarding status of sales process. Telephone conversation with Paul Denton regarding sales process reporting issues.	0.6
29-Apr-15	KK	Review Paul Denton update e-mail and discuss with John Salmas overall status.	0.2
30-Apr-15	KK	Update e-mails on Legacy Hill.	0.3
30-Apr-15	JS	Review correspondence from A. Farber & Partners. Correspondence to and from A. Farber & Partners and Stuart Livingston.	0.5
		Total	5.5

TOTAL PROFESSIONAL FEES

4,157.50

TAXABLE DISBURSEMENTS

Agent Fees/Account
TOTAL TAXABLE DISBURSEMENTS

\$ 31.40 \$ 31.40

**TOTAL DISBURSEMENTS** 

31.40

DENTONS CANADA LLP
A. Farber & Partners Inc.
Re: Bending Lake Iron Group Limited

INVOICE 3126715 Page 3 of 3 Matter # 559456-000001

TOTAL FEES AND DISBURSEMENTS	\$	4,188.90	
TAXES  HST (13.0%) on Professional Fees of \$4,157.50  HST (13.0%) on Taxable Disbursements of \$31.40	\$ 540.48 4.08		
TOTAL TAXES		<u>544.56</u>	
TOTAL AMOUNT DUE	<u>\$</u>	4,733.46	

Generated at 30/04/15 by scooper Today's Date: 05/05/2015 Proforma #:2521095 Matter: Bending Lake Iron Group Limited

Matter #:559456-000001 Invoice #:\*\*\*\*\* Page 1 (1) Client: A. Farber & Partners Inc.

Matter Bill Lawyer: 8909 John Salmas Matter Resp Lawyer: 8909 John Salmas

Matter Billing Instructions:

Client: 559456 A. Farber & Partners Inc. Matter: 559456-000001 Bending Lake Iron Group Limited

Place of Supply(Tax): Ontario

Matter Currency: CDN

DEFE FORMAC. FILOS	71-00			
Client Title:				
Policy/Claim:				
DOL:				
Other Ref.:				
Header Ref 1:				
Header Ref 2:				
Bill Ref 3:				
Bill Ref 4:				
Fees f	rom 01/01/	00 to 30/0	4/15	THE PERSON NAMED IN COLUMN TWO IS NOT THE OWNER.
Work	Billed	Adjust	Bill	% Adj
Value	Value		Amount	
1,980.00	1,402.50			(29.0)
2,755.00	2,755.00			0.0
4,735.00	4,157.50			(12.0)
	0.00			0.0
	4,157.50	***************************************		_ (12.0)
Work Hours 2.40 3.80	Client Policy/ DOL: Other R Header Header Bill Re Bill Re Valu 1,980 2,755	Client Policy/ DOL: Other R Header Header Bill Re Bill Re Bill Re 7 Valu 1,980 2,755	Client Policy/ DOL: Other R Header Header Bill Re Bill Re Bill Re 7 Valu 1,980 2,755	Policy/Claim: DOL: Other Ref.: Header Ref 1: Header Ref 2: Bill Ref 4: Bill Ref 4: Value 1,980.00 2,755.00 4,735.00

		John Salmas	John		(when required - see next page)
	ature	Billing Lawyer Signature	Bill		Second Lawyer Signature
				ı	
	7		A CALL MANAGEMENT OF THE PROPERTY OF THE PROPE		
		/ A, 733.48	& TAX	TOTAL FEES, DISB & TAX	
		>		TOTAL DISB	
			ated Disb	TOTAL of Anticipated Disb	
				Qty	Code Description
		31.40		TOTAL DISB	Add/Anticipated Disbursements:
		31.40	31.40	TOTAL	
entransferyndentransferste material de de de la general per et et e		31.40	31.40	·	27 Agent Fees/Account
Bill Amt	Adjust	Adj Work Amt	Work Amt	Qty	Code Description
to 30/04/15	om 01/01/00 t	Disbursements from 01/01/00 to 30/04/15	פֿ		DISBURSEMENT SUMMARY

Matter: Bending Lake Iron Group Limited

### Approval Criteria:

- All Billing instruction forms require approval of the Matter Billing Lawyer
   A second lawyer approval is required when time adjustments exceed \$1,000 and/or disbursement adjustments exceed \$250:
   - if fees adjusted by <= \$5,000 then require approval of the Department Manager</li>

- if fees adjusted by > \$5,000 then require approval of Managing Partner Note: Up to 25% of student time may be written off/adjusted without allocation to other timekeepers. All other adjustments must be prorated across invoice timekeepers.
- of Finance, or Accounting Manager 3) Time and/or disbursements transferred from 'billable' to 'non-billable' status must be approved by the Controller, Director

	Billing History	Y	Accour	Accounts Receivable		Write-Up(Down)	- Lifetime
La	Last Bill: 30/04/15	/15	Last Pay	Last Payment: 30/01/15		AIM	
	Year-to-Date	Lifetime	0-30 days	1,192.15			
Fees	18,273.00	103,157.00	31-60 days	OJ.	Fees	(40,603.50)	0.00
Costs	1,645.75	2.688.22	61-90 days	20		(1 721 62)	
						( * ; * ; * ; * ; * ; * ; * ; * ; * ; *	
Taxes	11,313.66	13,759.88	91+ days	0.00	Taxes	0.00	0.00
Total	21,263.27	119,605.10	Total	21,263.27	Total	1 (42,325.12)	0.00
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01 Toronto	oronto		6.20	4,735.00	5.50	4,157.50	100 %
	rotal		6.20	4,735.00	5 50	4,157.50	100 %

Tax Codes in matter setup:

Costs - ONC

Place of Supply(Tax): Ontario

Matter Budgets Budget Hrs Budget Value LTD Hours LTD Value Variance Hrs Variance Value

Trust Summary - as of 15:22 05/05/2015

Total Trust for the Matter

# Today's Date: 05/05/2015 Proforma #:2521095 Generated at 30/04/15 by scooper Matter #:559456-000001 Invoice #:\*\*\*\*\* Page 3 (3) Client: A. Farber & Partners Inc. Matter: Bending Lake Iron Group Limited

24620458 13/04/15 Discussion with John Salmas on status of LOI 8908 Kraft, Kenneth and timing issues for proceeding with a court attendance and possible position of Applicant in connection with assets.  24629668 16/04/15 Review Paul Denton update e-mail.  24676046 16/04/15 Review correspondence from A. Farbers regarding expressions of interest with respect to Bending Lake Iron Group Limited.  24658843 23/04/15 Paul Denton update e-mails on party conducting due diligence and discussions  8908 Kraft, Kenneth 0.30 247.50 ONF	24630480 09/04/15 Review correspondence from Legacy Hill/RDP 8909 Salmas, John 0.50 362.50 ONF United. Review correspondence from Farbers regarding Legacy Hill/RDP Offer.  Discussions with Paul Denton.  24615714 10/04/15 Various e-mails.  8908 Kraft, Kenneth 0.30 247.50 ONF Hill/RDP Limited. Telephone conference call with Paul Denton to consider Legal Hill offer. Review Legacy Hill due diligence requests.	24594387 03/04/15 Review Paul Denton update.  24630472 04/04/15 Review correspondence from Legacy Hill.  Correspondence to Farbers regarding Legacy Hill correspondence.  24607987 09/04/15 Paul Denton e-mails and review LHR letter of 8908 Kraft, Kenneth 0.30 247.50 0NF interest.	Time Details:  Index Date Description of Professional Services Tkpr # Name Worked Billed Tax Task/ Hours Value Value Code Act  24630469 02/04/15 Review correspondence from Paul Denton to 8909 Salmas, John 0.30 217.50 ONF Stuart Livingston regarding discussions with Legacy Hill.
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Generated at 30/04/15 by	Today's Date: 05/05/2015
scooper	Proforma
	#:2521095
Client:	Matter

Matter #:559456-000001 Invoice #:\*\*\*\*\* Page 4 (4) Client: A. Farber & Partners Inc.
Matter: Bending Lake Iron Group Limited

Index Date Description of Professional Services	Tkpr # Name	Worked Hours	Worked Value	Billed '	Tax Task/ Code Act
with John Salmas overall status.					
24685593 30/04/15 Update e-mails on Legacy Hill.	8908 Kraft, Kenneth	0.30	247.50	247.50	ONF
24691895 30/04/15 Review correspondence from A. Farber & Partners. Correspondence to and from A. Farber & Partners and Stuart Livingston.	8909 Salmas, John	0.50	362.50	362.50	ONF
TOTAL		6.20	4,735.00 4,157.50	4,157.50	
Disbursement Details: Index Date AP Disb Tkpr Qty Worked Voucher Code Amount	Adj Worked Description Amount				Tax Code
70080566 15/04/15 1179223 27 8909 1 31.40	31.40 Agent Fees/Account - Buset &	unt - Bus	et & Partners LLP	cs LLP	ONC
TOTAL 31.40	31.40				



T 416 863 4511 F 416 863 4592 Salans FMC SNR Denton dentons.com

A. Farber & Partners Inc. 150 York Street Suite 1600 Toronto, ON M5H 3S5 **INVOICE # 3131178** 

GST/HST # R121996078 QST # 1086862448 TQ 0001

Attention: Paul Denton and Gary Lifman

Date	Matter Number	<u>Lawyer</u>
Date	559456-000001	John Salmas
May 31, 2015	333430-000001	

## A. Farber & Partners Inc. Re: Bending Lake Iron Group Limited

Total Amount Due	\$	10,626.64
HST (13.0%) on \$9,404.10	industrial particular and the control of the contro	1,222.54
Disbursements		29.75
Net Professional Fees	\$	9,374.35
Less: Discount		(4,680.15)
Professional Fees	\$	14,054.50

DENTONS CANADA LLP

Per:

John Salmas

Payment Options:	
Cheques:	Internet Banking:
Cheques payable to Dentons Canada LLP	Accepted at most financial institutions. Your payee is Dentons Canada LLP and
and mailed to the above noted address.	your account number is 559456. Please email us at
	Edm. Accounting@dentons.com referencing invoice number and payment
	amount.
Wire Transfer:	Credit Card:
Bank of Montreal	Payments are accepted via telephone, email or fax. We accept
1st Canadian Place, Toronto, ON	American Express, MasterCard or Visa (please circle one).
Swift Code: BOFMCAM2	Card No.
Bank ID: 001 Transit: 00022	Expiry Date: Amount:
CAD Funds Bank Account : 0004-324	Cardholder Name:
	Signature:
Please email us at Tor.Accounting@	dentons.com referencing invoice number and payment amount.
Payment due on receipt. Interest will be charg	ed at the rate of 1.3% per annum on all outstanding amounts over 30 days.

## Invoice Detail

Date	ID	Description of Work	Hours
01-May-15	JS	Discussions with Paul Denton regarding BLIG. Attended telephone conference conversation with Paul Denton and Stuart Livingston regarding sales process. Correspondence to and from Buset & Partners regarding court orders.	1.3
04-May-15	KK	Telephone call with Paul Denton on report issue. Update John Salmas.	0.2
05-May-15	KK	E-mails related to Stuart Livingston and Tom Ungar and request of Tom Ungar to meet with prospective interested party. Discuss with John Salmas fee timing periods for report and timeline for next court appearance.	0.2
05-May-15	JS	Review draft of Receiver's 3rd Report. Telephone conversation with Farbers regarding Receiver's 3rd Report. Amendments to draft of Receiver's 3rd Report. Review correspondence form Tom Unger. Review PMI Statement of Claim. Discussions with Paul Denton.	2.2
06-May-15	KK	Brief review of revisions to draft of 3rd report. Paul Denton update on prospective purchaser's interest and next steps.	0.4
06-May-15	JS	Review correspondence from Paul Denton. Review correspondence form Legacy Hill regarding potential site visit. Amendments to draft 3rd Receiver's Report. Correspondence to Stuart Livingston regarding Legacy Hill update.	1.6
07-May-15	ĶК	E-mail to John Salmas regarding summary of thoughts in relation to draft of third report. Discuss motion timing with him and service of materials.	0.4
07-May-15	JS	Internal discussions regarding draft 3rd Report. Amendments to draft 3rd Report.	0.9
12-May-15	JS	Review correspondence from Peter Crawley regarding Legacy Hill and Tom Unger.	0.3
13-May-15	JS	Correspondence to and from Peter Crawley regarding Legacy Hill correspondence and potential offer.	0.4
14-May-15	JS	Discussions with Peter Crawley. Correspondence to and from Stuart Livingston regarding Legacy Hill.	0.3
20-May-15	JS	Review correspondence from Legacy Hill. Discussions with Paul Denton regarding Legacy Hill.	0.8
22-May-15	SV	Receive instructions from John Salmas regarding sales process status and due diligence review of agreements, permits and licenses.	0.5
22-May-15	KK	Discuss with John Salmas due diligence status and request for exclusivity and potential related relief needed for next court attendance.	0.3
22-May-15	JS	Review file. Discussions with Paul Denton. Attended telephone conference conversation with Farbers and Legacy Hill. Review data	1.7

A. Farber & Partners Inc.
Re: Bending Lake Iron Group Limited

INVOICE 3131178 Page 3 of 3 Matter # 559456-000001

Date	ID	Description of Work			Hours
		site. Discussions with Sara Van Allan regarding contractual assi Confirmed with Ken Kraft	gnm	ents.	
25-May-15	SV	Review and respond to email from John Salmas regarding dand email to Peter Crawley regarding same.	ata	room	0.2
25-May-15	JS	Discussions regarding Legacy Hill offer with Stuart Livingston.			0.8
26-May-15	SV	Preliminary review of documents posted to data room. Re summarize License Agreement and Consent to Disposition of Rights. Review letter of intent.			2.0
26-May-15	KK	Review draft heads of terms.			0.3
26-May-15	JS	Review correspondence and draft Legacy Hill offer. Discuss Paul Denton. Review correspondence to Legacy Hill.	ions	with	0.9
27-May-15	SV	Continue review and summaries of data room documents.			2.5
27-May-15	JS	Attend telephone conversation with Legacy Hill and Discussions with Farbers regarding Legacy Hill Offer.	Fai	bers.	1.5
28-May-15	JS	Discussions with Paul Denton.			0.3
29-May-15	JS	Correspondence to and from Legacy Hill. Attended to conversation with Paul Denton and Stuart Livingston regarding Hill due diligence visit.	elep ng Le	hone egacy	0.5
		Total			20.5
TOTAL PRO	FESSIO	NAL FEES	\$	14,05	
Less: Discou		AL FEES	\$	(4,68 9,37	
TAXABLE DI	ISBURS	EMENTS			
Photoco	ру & Р	rinting Charges \$ 29.75 ISBURSEMENTS \$ 29.75			
TOTAL TAX	ABLE D	ISBURSEMENTS \$ 29.75			
TOTAL DISB	URSEN	MENTS		2	9.7 <u>5</u>
TOTAL FEES	AND D	DISBURSEMENTS	\$	9,40	4.10
TAXES					
,	•	Professional Fees of \$9,374.35 \$ 1,218.67			
HST (13.	.0%) on	Taxable Disbursements of \$29.75			
TOTAL TAXE	ES			1,22	<u>2.54</u>
TOTAL AMO	DUNT D	DUE	\$	10,62	<u>6.64</u>



T 416 863 4511 F 416 863 4592 Salans FMC SNR Denton dentons.com

A. Farber & Partners Inc. 150 York Street Suite 1600 Toronto, ON M5H 3S5 **INVOICE # 3137316** 

GST/HST # R121996078 QST # 1086862448 TQ 0001

Attention: Paul Denton and Gary Lifman

Date	Matter Number	<u>Lawyer</u>
Date		John Salmas
June 30, 2015	559456-000001	JUIII Jaiiila
June 50, 2025		

## A. Farber & Partners Inc. Re: Bending Lake Iron Group Limited

Total Amount Due	\$ 6,880.06
HST (13.0%) on \$6,088.54	791.52
Disbursements	3.50
Net Professional Fees	\$ 6,085.04
Less: Discount	 (3,037.96)
Professional Fees	\$ 9,123.00

DENTONS CAMADA LLE

Per:

John Salmas

Payment Options:	
Cheques: Cheques payable to Dentons Canada LLP and mailed to the above noted address.	Internet Banking: Accepted at most financial institutions. Your payee is Dentons Canada LLP and your account number is 559456. Please email us at <a href="mailto:Edm.Accounting@dentons.com">Edm.Accounting@dentons.com</a> referencing invoice number and payment amount.
Wire Transfer: Bank of Montreal 1st Canadian Place, Toronto, ON Swift Code: BOFMCAM2	<u>Credit Card:</u> Payments are accepted via telephone, email or fax. We accept  American Express, MasterCard or Visa (please circle one).  Card No.
Bank ID: 001 Transit: 00022 CAD Funds Bank Account: 0004-324	Expiry Date: Amount: Cardholder Name: Signature:
Please email us at <u>Tor.Accounting@</u> Payment due on receipt. Interest will be charg	dentons.com referencing invoice number and payment amount. red at the rate of 1.3% per annum on all outstanding amounts over 30 days.

## Invoice Detail

Date	ID	Description of Work	Hours
01-Jun-15	SV	Receive instructions from John Salmas regarding letter in respect of environmental extension.	0.2
01-Jun-15	KK .	Discuss status and timelines with John Salmas.	0.3
01-Jun-15	JS	Review correspondence involving Farbers and prospective purchase. Review correspondence from Robert MacRae regarding Canadian Environmental Assessment Agency correspondence. Discussions with Paul Denton.	1.3
02-Jun-15	JS	Discussions with Farbers regarding Legacy Hill meeting.  Correspondence from McMillan's.	0.8
03-Jun-15	JS	Discussions with Farbers. Attended meeting at McMillan's offices with Legacy Hill and Farbers.	2.3
04-Jun-15	SV .	Review letter from Canadian Environmental Assessment Agency and responding letter from BLIG. Draft letter to Canadian Environmental Assessment Agency and forward to Paul Denton.	0.6
04-Jun-15	KK	Discuss timing of next motion and meetings yesterday with interested party. Telephone call with Rodi-Lynn Rusnick-Kinisky to determine court availability regarding motion.	0.4
04-Jun-15	JS	Discussions with Sara Van Allen regarding responses to Canadian Environmental Assessment Agency. Review Day 2 Update regarding Legacy Hill.	0.8
05-Jun-15	KK	Stacey Pawluk note regarding court availability for July 2 and 16.	0.1
05-Jun-15	JS	Telephone conference conversation with Stuart Livingston and Paul Denton.	0.5
06-Jun-15	JS	Review Day 3 update re Legacy Hill meetings.	0.8
08-Jun-15	JS	Correspondence to and from Legacy Hill. Review reporting email from Legacy Hill.	0.4
09-Jun-15	KK	Discuss file with John Salmas.	0.3
10-Jun-15	JS	Correspondence to and from Legacy Hill. Discussions with Farbers. Attended telephone conference conversation with Farbers, secured creditors and Legacy Hill. Review BLIG Notes. Discussions with BDO. Review Tom Ungar correspondence.	2.2
15-Jun-15	JS	Discussion with Paul Denton regarding Tom Ungar correspondence.	0.4
22-Jun-15	JS	Review CRA documents and correspondence regarding HST. Review correspondence from Tom Ungar. Review correspondence from Legacy Hill.	0.6
23-Jun-15	KK	Discuss how to move matters forward and whether any need to move before court at present.	0.3
29-Jun-15	JS	Discussions with Paul Denton regarding SISP and court reporting.	0.3

DENTONS CANADA LLP A. Farber & Partners Inc.

Re: Bending Lake Iron Group Limited

INVOICE 3137316 Page 3 of 3 Matter # 559456-000001

D-4-	ID	Description of Work				Hours
Date	IU	Total				12.6
Less: Di	PROFESSIO scount DFESSION			\$ - \$		9,123.00 (3,037.96) 6,085.04
Pho		SEMENTS Printing Charges DISBURSEMENTS	\$ <b>\$</b>	3.50 <b>3.50</b>		
TOTAL	DISBURSE	MENTS		_		3.50
TOTAL	FEES AND	DISBURSEMENTS		\$	•	6,088.54
		n Professional Fees of \$6,085.04 n Taxable Disbursements of \$3.50	\$	791.06 0.46		
TOTAL				-		791.52
TOTAL	AMOUNT	DUE		<u>\$</u>	<u> </u>	6,880.06



T 416 863 4511 F 416 863 4592

Salans FMC SNR Denton dentons.com

A. Farber & Partners Inc. 150 York Street **Suite 1600** Toronto, ON M5H 3S5

**INVOICE #3143931** 

GST/HST # R121996078 QST # 1086862448 TQ 0001

Attention: Paul Denton and Gary Lifman

Date July 31, 2015 Matter Number 559456-000001

Lawyer John Salmas

A. Farber & Partners Inc. Re: Bending Lake Iron Group Limited

**Professional Fees** 

1,170.00

HST (13.0%) on \$1,170.00

152.10

**Total Amount Due** 

1,322,10

DENTONS

John Salmas

Payfi	ient	Opt	ions:
Chea	ues:		

Cheques payable to Dentons Canada LLP and mailed to the above noted address.

Internet Banking:

Accepted at most financial institutions. Your payee is Dentons Canada LLP and

your account number is 559456. Please email us at

Edm.Accounting@dentons.com referencing invoice number and payment

amount.

Wire Transfer:

Bank of Montreal 1st Canadian Place, Toronto, ON Swift Code: BOFMCAM2 Bank ID: 001 Transit: 00022

CAD Funds Bank Account : 0004-324

Credit Card:

Payments are accepted via telephone, email or fax. We accept American Express, MasterCard or Visa (please circle one).

Card No.

\_\_\_ Amount: Expiry Date: Cardholder Name:

Signature: \_ Please email us at <u>Tor.Accounting@dentons.com</u> referencing invoice number and payment amount.

Payment due on receipt. Interest will be charged at the rate of 1.3% per annum on all outstanding amounts over 30 days.

INVOICE 3143931 Page 2 of 2 Matter # 559456-000001

## Invoice Detail

Date			Hours
	ID	Description of Work	
27-Jul-15	JS	Correspondence to and from Paul Denton regarding Legacy Hill diligence.	0.3
28-Jul-15	JS	Review correspondence from Tom Ungar.	0.2
30-Jul-15	JS	Review correspondence from Paul Denton and Andrew Malim regarding Legacy Hill visit. Telephone conference conference with Paul Denton and Peter Crawley.	1.0
31-Jul-15	KK	Telephone call with Paul Denton on extent of MacRae charge.	0.1
31 74, 13		Total	1.6
TOTAL PRO	FESSIO	NAL FEES \$ 1,17	70.00
TAXES HST (13	.0%) or	Professional Fees of \$1,170.00 \$ 152.10	
TOTAL TAX			<u>52.10</u>
TOTAL ABA	ם דמטכ	S 1,32	22.10



T 416 863 4511 F 416 863 4592 Salans FMC SNR Denton dentons.com

**INVOICE # 3149763** 

GST/HST # R121996078 QST # 1086862448 TQ 0001

A. Farber & Partners Inc. 150 York Street Suite 1600 Toronto, ON M5H 3S5

Attention: Paul Denton and Gary Lifman

		Lauwer
<b>.</b>	Matter Number	Lawyer
<u>Date</u>	TVIOLEGI. TVIOLITIES	Labor Calmac
	559456-000001	John Salmas
August 31, 2015	339436-000001	
/ tugust = /		

## A. Farber & Partners Inc. Re: Bending Lake Iron Group Limited

Total Amount Due	<u>\$</u>	4,178,75
HST (13.0%) on \$3,698.00		480.75
Disbursements		0.50
Net Professional Fees	\$	3,697.50
Less: Discount		(652.50)
Professional Fees	\$	4,350.00

DENTONS CANADA LLP

Per:

John Salmas

Payment Options:			
Cheores: Cheques payable to Dentons Canada LLP and mailed to the above noted address.	Internet Banking: Accepted at most financial institutions. Your payee is Dentons Canada LLP and your account number is 559456. Please email us at <a href="mailto:Edm.Accounting@dentons.com">Edm.Accounting@dentons.com</a> referencing invoice number and payment amount.		
Wire Transfer: Bank of Montreal 1st Canadian Place, Toronto, ON Swift Code: BOFMCAM2	Credit Card: Payments are accepted via telephone, email or fax. We accept American Express, MasterCard or Visa (please circle one). Card No.		
Bank ID: 001 Transit: 00022	Expiry Date: Amount:		
CAD Funds Bank Account : 0004-324	Cardholder Name:Signature:		
Please email us at <u>Tor.Accounti</u>	ng@dentons.com referencing invoice number and payment amount.		
Payment due on receipt. Interest will be o	harged at the rate of 1.3% per annum on all outstanding amounts over 30 days.		

## **Invoice Detail**

<b></b>	10	Description of Work	Hours
Date 10-Aug-15	JS	Review correspondence from Legacy Hill and A. Farber regarding Legacy Hill offer. Review Priority Fees, Costs and Claims spreadsheet. Discussion with Paul Denton.	1.1
17-Aug-15	JS	Review correspondence from Legacy Hill. Review correspondence from A. Farber. Review updated Priority, Fees, Costs and Claims spreadsheet.	2.3
18-Aug-15	18-Aug-15 JS Attended meeting with Peter Crawley, Paul Denton and Stuart Livingston regarding "state of affairs" meeting. Review correspondence from Stuart Livingston.		
19-Aug-15	Lill arranged Correspondence from		
20-Aug-15	JS	Review and comment on Legacy Hill proposal. Discussions with Paul Denton. Correspondence to and from A. Farbers.	0.6
		Total	6.0
TOTAL PRO Less: Discou NET PROFE	unt	(652 c 3 697	.50)
TAXABLE D	ISBURSE	MENTS	
	• •	inting Charges \$ 0.50 SBURSEMENTS \$ 0.50	
TOTAL DISE	BURSEME	ENTS0	<u>.50</u>
TOTAL FEES	SBURSEMENTS \$ 3,698	.00	
•	,	Professional Fees of \$3,697.50 \$ 480.68  Taxable Disbursements of \$0.500.07	
TOTAL TAXES 480.			
TOTAL AMOUNT DUE			.75



T 416 863 4511 F 416 863 4592 Salans FMC SNR Denton dentons.com

A. Farber & Partners Inc. 150 York Street Suite 1600 Toronto, ON M5H 3S5 **INVOICE # 3156049** 

GST/HST # R121996078 QST # 1086862448 TQ 0001

Attention: Paul Denton and Gary Lifman

		<u>Lawyer</u>
Data	Matter Number	
<u>Date</u>		John Salmas
C	559456-000001	John James
September 30, 2015	333,33	
•		

## A. Farber & Partners Inc. Re: Bending Lake Iron Group Limited

Total Amount Due	\$ 9,818.71
HST (13.0%) on \$8,689.12	 1,129.59
Net Professional Fees	\$ 8,689.12
Less: Discount	 (1,533.38)
Professional Fees	\$ 10,222.50

DENTONS CANADA LLP

Per:

John Salmas

Payment Options:			
Cheques: Cheques payable to Dentons Canada LLP and mailed to the above noted address.	Internet Banking: Accepted at most financial institutions. Your payee is Dentons Canada LLP and your account number is 559456. Please email us at <a href="mailto:Edm.Accounting@dentons.com">Edm.Accounting@dentons.com</a> referencing invoice number and payment amount.		
Wire Transfer: Bank of Montreal 1st Canadian Place, Toronto, ON Swift Code: BOFMCAM2	<u>Credit Card:</u> Payments are accepted via telephone, email or fax. We accept American Express, MasterCard or Visa (please circle one). Card No.		
Bank ID: 001 Transit: 00022 CAD Funds Bank Account : 0004-324	Expiry Date: Amount: Cardholder Name: Signature:		
Please email us at <u>Tor.Accounting</u> Payment due on receipt. Interest will be cha	<u>@dentons.com</u> referencing invoice number and payment amount. arged at the rate of 1.3% per annum on all outstanding amounts over 30 days.		

## **Invoice Detail**

Date	ID	Description of Work	Hours
09-Sep-15	JS	Review correspondence from Stuart Livingston. Review LHR response regarding BLIG transaction structure. Correspondence to and for Farbers. Review BLIG Fees, Costs and Claims spreadsheet. Discuss with Farbers re BLIG Service List.	ions
11-Sep-15	JS	correspondence to Stuart Livingston. Telephone conference conversation with Stuart Livingston and Paul Denton regarding Offer.	LHR
14-Sep-15	JS	Review and comment on draft response to LHR regarding LHR o Review correspondence from Paul Denton to Stuart Living regarding LHR offer.	ston
15-Sep-15	JS	Reviewed correspondence from LHR to Stuart Livingston. Reviewed correspondence regarding timing of LHR visit to Toronto.	view 0.5
23-Sep-15	JS	Correspondence from LHR regarding structuring issues.	0.3
24-Sep-15	JS	Email update from Paul Denton. Attended telephone confere conversation with Paul Denton and Stuart Livingston.	ence 1.1
25-Sep-15	JS	Review LHR Heads of Terms document. Discussion with Paul Der regarding Heads of Terms document.	nton 2.3
28-Sep-15	JS	Review correspondence from Paul Denton regarding LHR visit Heads of Terms document.	and 0.8
30-Sep-15	JS	Review LHR Heads of Terms document. Attended lengthy meetin Farbers involving Stuart Livingston, Paul Denton, Peter Crav Andrew Malim and Saradhi Rajan of LHR. Amendments to finalization of Heads of Terms document.	vley,
		Total	14.1
TOTAL PRO		NAL FEES \$	10,222.50 (1,533.38)
Less: Disco NET PROFE		L FEES \$	8,689.12
TAXES			
HST (13	8.0%) on	Professional Fees of \$8,689.12 \$ 1,129.59	
TOTAL TAX	ES		1,129.59
TOTAL AM	OUNT D	oue \$	9,818.71



Salans FMC SNR Denton dentons.com

T 416 863 4511 F 416 863 4592

A. Farber & Partners Inc. 150 York Street Suite 1600 Toronto, ON M5H 3S5 **INVOICE #3162705** 

GST/HST # R121996078 QST # 1086862448 TQ 0001

Attention: Paul Denton and Gary Lifman

Date
October 31, 2015

Matter Number 559456-000001

<u>Lawyer</u> John Salmas

## A. Farber & Partners Inc. Re: Bending Lake Iron Group Limited

Total Amount Due	\$	14,492.35
HST (13.0%) on \$12,825.08	***	1,667.27
Disbursements		228.50
Net Professional Fees	\$	12,596.58
Less: Discount		(2,222.92)
Professional Fees	\$	14,819.50

DENTONS CANADA LLP

Per: John Salmas

Payme	nt Options:
Cheaus	>5'

Internet Banking:

Cheques payable to Dentons Canada LLP and mailed to the above noted address.

Accepted at most financial institutions. Your payee is Dentons Canada LLP and

your account number is 559456. Please email us at

Edm.Accounting@dentons.com referencing invoice number and payment

amount.

Wire Transfer:

Bank of Montreal

1st Canadian Place, Toronto, ON Swift Code: BOFMCAM2

Bank ID: 001 Transit: 00022 CAD Funds Bank Account: 0004-324 Credit Card:

Payments are accepted via telephone, email or fax. We accept American Express, MasterCard or Visa (please circle one).

Card No. \_\_\_\_\_\_\_ Amount: \_\_\_\_\_\_

Cardholder Name:
Signature:

Please email us at <a href="mailto:Tor.Accounting@dentons.com">Tor.Accounting@dentons.com</a> referencing invoice number and payment amount.

Payment due on receipt. Interest will be charged at the rate of 1.3% per annum on all outstanding amounts over 30 days.

### **Invoice Detail**

Date	ID	Description of Work	Hours
01-Oct-15	SV	Receive instructions from John Salmas regarding drafting asset purchase agreement. Review letter of intent. Draft asset purchase agreement.	2.9
01-Oct-15	JS	Received correspondence involving Farber & Legacy Hill. Internal discussions regarding Legacy Hill "Heads of Terms" document.	8.0
02-Oct-15	SV	Continue drafting asset purchase agreement.	3.5
02-Oct-15	JS .	Received correspondence involving Farber and Legacy Hill. Reviewed Heads of Terms document. Internal discussions regarding draft Agreement of Purchase and Sale.	1.3
07-Oct-15	SV	Review comments on draft asset purchase agreement from John Salmas and revise same.	2.5
07-Oct-15	JS	Reviewed correspondence involving Farber and Legacy Hill. Discussions with Paul Denton regarding court motion and stakeholder communication of Legacy Hill transaction. Reviewed and commented on draft agreement of purchase and sale. Correspondence to Farbers regarding draft purchase agreement.	1.8
08-Oct-15	SV	Review email chain from Legacy Hill and Paul Denton regarding consultation process. Call with Paul Denton regarding consultation process and asset purchase agreement. Revise asset purchase agreement and forward to Paul Denton. Locate list of mining claims and licenses and forward to Paul Denton. Draft form of assignment agreement. Review and respond to emails from Paul Denton regarding asset purchase agreement.	2.6
08-Oct-15	JS	Correspondence from and discussion with Paul Denton regarding Legacy Hill transaction. Reviewed correspondence from Legacy Hill. Revisions to form APA. Reviewed correspondence from Farbers.	1.1
09-Oct-15	SV	Review and respond to email from Paul Denton regarding asset purchase agreement. Discussion with Mark Jadd regarding HST election. Review assignment agreement.	0.8
09-Oct-15	JS	Communication to Legacy Hill regarding draft APA.	0.3
22-Oct-15	JS	Reviewed correspondence involving Farbers to Legacy Hill.	0.2
23-Oct-15	JS	Reviewed correspondence from McMillan regarding draft APA. Telephone conversation with McMillan regarding transaction structure. Telephone conversation with Paul Denton. Reviewed CIM.	1.9
27-Oct-15	SV	Review email from Tushara Weerasooriya and email to Paul Denton regarding same.	0.3
27-Oct-15	JS	Received correspondence from Legacy Hill. Reviewed correspondence from McMillan. Internal discussion regarding McMillan email.	1.1

A. Farber & Partners Inc.

Re: Bending Lake Iron Group Limited

INVOICE 3162705 Page 3 of 3 Matter # 559456-000001

Date	ID	Description of Work		Hours
28-Oct-15	SV	Review email from Paul Denton regarding questions from Draft email to Tushara Weerasooriya regarding asset agreement questions. Review email from Peter Crawley leases and email to Tushara Weerasooriya regarding leases.	puro	chase
28-Oct-15	JS	Reviewed correspondence form Stuart Livingston. correspondence from Paul Denton. Review correspondence McMillan.		ewed 0.6 from
29-Oct-15	JS	Telephone messages to McMillan regarding mining claims.		0.4
30-Oct-15	30-Oct-15 JS Reviewed correspondence from McMillan. Received Legacy Hill amendments to agreement of purchase and sale. Correspondence to Farbers.			
		Total		23.9
TOTAL PRO Less: Disco NET PROFE	unt		\$ <del>\$</del>	14,819.50 (2,222.92) 12,596.58
TAXABLE D	ISBURSE	MENTS		
Photoco	opy & Pri	nting Charges \$ 228.50		
TOTAL TAX	ABLE DIS	BURSEMENTS \$ 228.50	)	
TOTAL DISE	BURSEME	ENTS		228.50
TOTAL FEES	S AND DI	SBURSEMENTS	\$	12,825.08
TAXES				
		Professional Fees of \$12,596.58 \$ 1,637.56		
HST (13	.0%) on [	Taxable Disbursements of \$228.50 29.71	-	
TOTAL TAX	ES			1,667.27
TOTAL AMO	DUNT DU	E	\$	14,492.35

Exhibit "**B**" to the Affidavit of John J. Salmas affirmed before me this 27th day of November, 2015.

Commissioner for Taking Affidavits, etc.

EXHIBIT "B"

# Summary of Invoices and Calculation of Average Hourly Billing Rates of Dentons Canada LLP

# The Period January 1, 2015 to October 31, 2015

\$73,315.34	\$581.68	110.1	\$8,434.55	\$837.70	\$64,043.09	\$83,896.50   \$19,853.41	\$83,896.50		TOTALS:
\$14,492.35	\$527.05	23.9	\$1,667.27	\$228.50	\$12,596.58	\$2,222.92	\$14,819.50	3162705	October 31, 2015
\$9,818.71	\$616.25	14.1	\$1,129.59	\$0.00	\$8,689.12	\$1,532.88	\$10,222.00	3156049	September 30, 2015
\$4,178.75	\$616.25	9	\$480.75	\$0.50	\$3,697.50	\$652.50	\$4,350.00	3149763	August 31, 2015
\$1,322.10	\$731.25	1.6	\$152.10	\$0.00	\$1,170.00	\$0.00	\$1,170.00	3143931	July 31, 2015
\$6,880.06	\$482.94	12.6	\$791.52	\$3.50	\$6,085.04	\$3,037.96	\$9,123.00	3137316	June 30, 205
\$10,626.64	\$457.29	20.5	\$1,222.54	\$29.75	\$9,374.35	\$4,680.15	\$14,054.50	31321178	May 31, 2015
\$4,733.46	\$755.91	5.5	\$544.56	\$31.40	\$4,157.50	\$577.50	\$4,735.00	3126715	April 30, 2015
\$1,192.15	\$753.57	1.4	\$137.15	\$0.00	\$1,055.00	\$0.00	\$1,055.00	3126027	April 30, 2015 (for March time)
\$5,534.28	\$537.87	8.2	\$636.69	\$487.09	\$4,410.50	\$2,164.50	\$6,575.00	3114061	February 28, 2015
\$14,536.84	\$785.74	16.3	\$1,672.38	\$56.96	\$12,807.50	\$4,985.00	\$17,792.50	3107986	January 31, 2015
Total	Average Rate After Discount	Hours	Taxes(HST)	Disbursements	Fees After Discount	Discount	Fees Before Discount	Invoice No.	Date

Exhibit "C" to the Affidavit of John J. Salmas affirmed before me this 27th day of November, 2015.

Commissioner for Taking Affidavits, etc.

## EXHIBIT "C"

## Standard Billing Rates of Dentons Canada LLP (before discount)

For the period January 1, 2015 to October 31, 2015

	Rate	Year of Call
Kenneth Kraft	\$825.00	1991
John Salmas	\$725.00	1999
Sara-Ann Van Allen	\$535.00	2008

2403177 ONTARIO INC.

BENDING LAKE IRON GROUP

LIMITED

Respondent

Applicant

Court File No: CV14-274

## SUPERIOR COURT OF JUSTICE -ONTARIO

Proceeding commenced at Thunder Bay

## AFFIDAVIT OF JOHN J. SALMAS (Sworn November 27, 2015)

## Dentons Canada LLP

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Lawyers for A. Farber & Partners Inc.

## **TAB 6**

## ONTARIO SUPERIOR COURT OF JUSTICE

THE HONOURABLE	)	THURSDAY, THE 10 <sup>th</sup>
HIGDIOE	)	DAY OF DECEMBED 2015
JUSTICE	)	DAY OF DECEMBER, 2015

BETWEEN:

### **2403177 ONTARIO INC.**

**Applicant** 

- and -

## BENDING LAKE IRON GROUP LIMITED

Respondent

## APPROVAL AND VESTING ORDER

THIS MOTION, made by A. Farber & Partners Inc. in its capacity as the Court-appointed receiver (the "Receiver") of the assets, undertakings and properties of Bending Lake Iron Group Limited (the "Debtor") for an order approving the sale transaction (the "Transaction") contemplated by an asset purchase agreement dated November 27, 2015 (the "Sale Agreement") between the Receiver and Legacy Hill Resources Ltd. ("Legacy Hill"), as assigned by Legacy Hill to 1053895 B.C. Ltd. (the "Purchaser") and appended to the Third Report of the Receiver dated November 30, 2015 (the "Third Report"), and vesting in the Purchaser the Debtor's and Receiver's right, title and interest, if any, in and to the assets described in the Sale Agreement (the "Purchased Assets"), was heard this day at 125 Brodie St N, Thunder Bay, Ontario.

**ON READING** the Notice of Motion, dated November 30, 2015, the Third Report and the affidavits of the Receiver and its counsel as to fees (the "Fee Affidavits") and on hearing the

submissions of counsel for the Receiver, [the Applicant, the Debtor and the Purchaser], no one appearing for any other person on the service list, although properly served as appears from the affidavit of [NAME] sworn [DATE] filed:

- 1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.
- 2. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby ratified. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser, including executing any transfer forms or other documentation required by the Ministry of Northern Development and Mines (Ontario) to transfer ownership of the Purchased Assets.
- 3. THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "Receiver's Certificate"), all of the Debtor's and Receiver's right, title and interest, if any, in and to the Purchased Assets described in the Sale Agreement, including the assets listed on Schedule B hereto, shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice D.C. Shaw dated September 11, 2014; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property* Security Act (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule C hereto (all of which are collectively referred to as the "Encumbrances"), and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

- 4. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the Land Titles Division of Kenora (No. 23) of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in Schedule B hereto (the "**Real Property**") in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule C hereto.
- 5. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.
- 6. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.
- 7. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Debtor's records pertaining to the Debtor's past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.

## 8. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the Bankruptcy and Insolvency Act (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made in respect of the Debtor;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance or transfer at undervalue under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

- 9. **THIS COURT ORDERS AND DECLARES** that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).
- 10. **THIS COURT ORDERS** that the Receiver is hereby authorized, but not obligated, to file an assignment in bankruptcy on behalf of the Debtor.
- 11. **THIS COURT ORDERS** that paragraph 20 of the First Report of the Receiver, dated November 18, 2014, and the activities of the Receiver described therein be and are hereby approved.
- 12. **THIS COURT ORDERS** that the Second Report of the Receiver, dated January 20, 2015, and the Third Report, and the activities of the Receiver described therein be and are hereby approved.
- 13. **THIS COURT ORDERS** that the fees and disbursements of the Receiver and its counsel, as set out in the Third Report and the Fee Affidavits, are hereby approved and the Receiver is hereby authorized to pay any unpaid fees and disbursements herein approved.
- 14. **THIS COURT ORDERS** that the Receiver is hereby authorized, *nunc pro tunc*, to redact from the version of the Third Report served on any party other than this Honourable Court, (a) the commercially sensitive information contained therein, and (b) the unredacted version of the Sale Agreement, attached as Confidential Appendix "1".

- 15. **THIS COURT ORDERS** that the unredacted version of the Third Report filed with this Honourable Court be sealed from the public record until the closing of the Transaction, or further order of this Court.
- 16. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, 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.

## Schedule A – Form of Receiver's Certificate

Court File No. CV-14-274

## ONTARIO SUPERIOR COURT OF JUSTICE

BETWEEN:

### **2403177 ONTARIO INC.**

**Applicant** 

- and -

## BENDING LAKE IRON GROUP LIMITED

Respondent

## **RECEIVER'S CERTIFICATE**

## **RECITALS**

- A. Pursuant to an Order of the Honourable Justice D.C. Shaw of the Ontario Superior Court of Justice (the "Court") dated September 11, 2014, A. Farber & Partners Inc. was appointed as the receiver (the "Receiver") of the assets, undertakings and properties of Bending Lake Iron Group Limited (the "Debtor").
- B. Pursuant to an Order of the Court dated December 10, 2015, the Court approved the asset purchase agreement made as of November 27, 2015 (the "Sale Agreement") between the Receiver and Legacy Hill Resources Ltd., as assigned to 1053895 B.C. Ltd. (the "Purchaser") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in Article 5 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C.	Unless otherwise indicated herein, terms with	initial capitals have the meanings set out in
the Sal	ale Agreement.	
THE R	RECEIVER CERTIFIES the following:	
1.	The Purchaser has paid and the Receiver	has received the Purchase Price for the
Purcha	nased Assets payable on the Closing Date pursua	nt to the Sale Agreement;
2. satisfie	The conditions to Closing as set out in Ar ied or waived by the Receiver and the Purchaser	C
3.	The Transaction has been completed to the sat	isfaction of the Receiver.
4.	This Certificate was delivered by the Receiver	at [TIME] on [DATE].
	capac under LAK	ARBER & PARTNERS INC. in its city as Receiver of the assets, rtakings and properties of BENDING E IRON GROUP LIMITED and not in rsonal capacity

Title:

## Schedule B – Real Property

## **Patented Claims**

## LEGAL DESCRIPTION

## **Kenora Registry Office**

Item	Property Description inc. Parcel No and Claim No.	PIN	Comments
1	PCL 6308 SEC DKF; Mining Claim K183 Unsurveyed Territory, District of Kenora,	42184-0048 (LT)	Patented Mining Claim Mining and surface rights
2	PCL 6309 SEC DKF; Mining Claim K184 Unsurveyed Territory. District of Kenora	42184-0044 (LT)	Patented Mining Claim Mining and surface rights
3	PCL 6310 SEC DKF; Mining Claim K185 Unsurveyed Territory, District of Kenora	42184-0045 (LT)	Patented Mining Claim Mining and surface rights
4	PCL 6311 SEC DKF; Mining Claim K186 Unsurveyed Territory Being Land and Land Covered with the Water of Self Lake; District of Kenora	42184-0046 (LT)	Patented Mining Claim Mining and surface rights
5	PCL 21091 SEC DKF; Pt Mining Claim K17531 Unsurveyed Territory Not Covered by the Waters of Bending Lake as in PA14705, District of Kenora	42184-0058 (LT)	Patented Mining Claim Mining and surface rights
6	PCL 21092 SEC DKF; Pt Mining Claim K17532 Unsurveyed Territory Not Covered by the Waters of Page Lake as in PA14706; District of Kenora	42184-0057 (LT)	Patented Mining Claim Mining and surface rights
7	PCL 21093 SEC DKF; Mining Claim K 17533 Unsurveyed Territory Not Covered by the Waters of Page Lake as in PA14707; District of Kenora	42184-0056 (LT)	Patented Mining Claim Mining and surface rights
8	PCL 21094 SEC DKF; Pt Mining Claim K17534 Unsurveyed Territory Not Covered by the Waters of Page Lake as in PA 14708, District of Kenora	42184-0060 (LT)	Patented Mining Claim Mining and surface rights
9	PCL 21095 SEC DKF; PT Mining Claim K17535 Unsurveyed Territory Not Covered	42184-0061	Patented Mining Claim Mining and

Item	Property Description inc. Parcel No and Claim No.	PIN	Comments
	by the Waters of Bending Lake as in PA14709; District of Kenora	(LT)	surface rights
10	PCL 21096 SEC DKF; PT Mining Claim K17536 Unsurveyed Territory Not Covered by the Waters of Bending Lake as in PA14710; District of Kenora	42184-0062 (LT)	Patented Mining Claim Mining and surface rights
11	PCL 21068 SEC DKF; Mining Claim K17537 Unsurveyed Territory Being Land and Land under the Water of Part of Self Lake within the Limits of this Mining Claim; District of Kenora	42184-0043 (LT)	Patented Mining Claim Mining and surface rights
12	PCL 21087 SEC DKF; Mining Claim K17538 Unsurveyed Territory; District of Kenora	42184-0042 (LT)	Patented Mining Claim Mining and surface rights
13	PCL 21077 SEC DKF; Mining Claim K17539 Unsurveyed Territory; District of Kenora	42184-0041 (LT)	Patented Mining Claim Mining and surface rights
14	PCL 21078 SEC DKF; Mining Claim K17540 Unsurveyed Territory; District of Kenora	42184-0039 (LT)	Patented Mining Claim Mining and surface rights
15	PCL 21079 SEC DKF; Mining Claim K17541 Unsurveyed Territory; District of Kenora	42184-0038 (LT)	Patented Mining Claim Mining and surface rights
16	PCL 21080 SEC DKF; Mining Claim K17542 Unsurveyed Territory Excepting the SRO On and Over a Strip of Land Along the Shores of an Unnamed lake and Which Said Strip of Land is Bounded by the High Water Mark of an Unnamed Lake and by a Line, Every Point of which is Distant 400 Ft from the Nearest Point in the Said High Water Mark; District of Kenora	42184-0036 (LT)	Patented Mining Claim Mining and surface rights
17	PCL 21081 SEC DKF; Mining Claim K17543 Unsurveyed Territory Excepting the SRO On and Over a Strip of Land Along the Shores of an Unnamed lake and Which Said Strip of Land is Bounded by the High Water Mark of an Unnamed Lake and by a Line, Every Point of which is Distant 400 Ft from the Nearest Point in the Said High Water	42184-0035 (LT)	Patented Mining Claim Mining and surface rights

Item	Property Description inc. Parcel No and Claim No.	PIN	Comments
	Mark; District of Kenora		
18	PCL 21097 SEC DKF; PT Mining Claim K17544 Unsurveyed Territory Not Covered by the Waters of an Unnamed lake as in PA14711; District of Kenora	42184-0033 (LT)	Patented Mining Claim Mining and surface rights
19	PCL 21098 SEC DKF; PT Mining Claim K17545 Unsurveyed Territory Not Covered by the Waters of Bending lake as in PA14712; District of Kenora	42184-0063 (LT)	Patented Mining Claim Mining and surface rights
20	PCL 21099 SEC DKF; PT Mining Claim K17546 Unsurveyed Territory Not Covered by the Waters of Bending Lake as in PA14713; District of Kenora	42184-0065 (LT)	Patented Mining Claim Mining and surface rights
21	PCL 21100 SEC DKF; PT Mining Claim K17547 Unsurveyed Territory Not Covered by the Waters of Bending Lake as in PA 14714; District of Kenora	42184-0066 (LT)	Patented Mining Claim Mining and surface rights
22	PCL 21101 SEC DKF; PT Mining Claim K17548 Unsurveyed Territory Not Covered by the Waters of Bending Lake as in PA14715; District of Kenora	42184-0068 (LT)	Patented Mining Claim Mining and surface rights
23	PCL 21102 SEC DKF; PT Mining Claim K17549 Unsurveyed Territory Not Covered by the Waters of Bending Lake as in PA147I6; District of Kenora	42184-0069 (LT)	Patented Mining Claim Mining and surface rights
24	PCL 21069 SEC DKF; Mining Claim K17550 Unsurveyed Territory Being Land and Land Under the Water of part of a Small Pond within the Limits of this Mining Claim; District of Kenora	42184-0067 (LT)	Patented Mining Claim Mining and surface rights
25	PCL 21070 SEC DKF; Mining Claim K17551 Unsurveyed Territory Excepting the SRO On and Over a Strip of Land Along the Shores of Bending Lake and Which Said Strip of Land is Bounded by the High Water Mark of Bending Lake and by a Line, Every Point of which is Distant 400 Ft from the Nearest Point in the Said High Water Mark; District of Kenora	42184-0071 (LT)	Patented Mining Claim Mining and surface rights

Item	Property Description inc. Parcel No and Claim No.	PIN	Comments
26	PCL 21082 SEC DKF; PT Mining Claim K17552 Unsurveyed Territory Not Covered by the Waters of Bending Lake as in PA14691; District of Kenora	42184-0072 (LT)	Patented Mining Claim Mining and surface rights
27	PCL 21071 SEC DKF; Mining Claim K17553 Unsurveyed Territory Being Land and Land Under the Water of a Small Pond within the Limits of this Mining Claim; Excepting the SRO On and Over a Strip of Land Along the Shores of Bending Lake and Which Said Strip of Land is Bounded by the High Water Mark of Bending Lake and by a Line, Every Point of which is Distant 400 Ft from the Nearest Point in the Said High Water Mark; District of Kenora	42184-0064 (LT)	Patented Mining Claim Mining and surface rights
28	PCL 21103 SEC DKF; Mining Claim K17555 Unsurveyed Territory Being Land and Land Under the Water of Part of Self Lake within the Limits of this Mining Claim; District of Kenora	42184-0047 (LT)	Patented Mining Claim Mining and surface rights
29	PCL 21104 SEC DKF; Mining Claim K17556 Unsurveyed Territory, District of Kenora	42184-0050 (LT)	Patented Mining Claim Mining and surface rights
30	PCL 21105 SEC DKF; PT Mining Claim K17557 Unsurveyed Territory Not Covered by the Waters of Bending Lake as in PA 14719, District of Kenora	42184-0051 (LT)	Patented Mining Claim Mining and surface rights
31	PCL 21106 SEC DKF; Mining Claim K17558 Unsurveyed Territory, District of Kenora	42184-0049 (LT)	Patented Mining Claim Mining and surface rights
32	PCL 21107 SEC DKF; PT Mining Claim K17559 Unsurveyed Territory Not Covered by the Waters of Page Lake as in PA 14721 District of Kenora.	42184-0052 (LT)	Patented Mining Claim Mining and surface rights
33	PCL 21072 SEC DKF; Mining Claim K17560 Unsurveyed Territory, Excepting the SRO On and Over a Strip of Land Along the Shores of Page Lake and Which Said Strip of Land is Bounded by the High Water Mark of Page Lake and by a Line, Every Point of which is Distant 400 Ft from the Nearest	42184-0053 (LT)	Patented Mining Claim Mining and surface rights

Item	Property Description inc. Parcel No and Claim No.	PIN	Comments
	Point in the Said High Water Mark; District of Kenora		
34	PCL 21073 SEC DKF; PT Mining Claim K17561 Unsurveyed Territory Not Covered by the Waters of Bending Lake as in PA14677. District of Kenora	42184-0054 (LT)	Patented Mining Claim Mining and surface rights
35	PCL 21074 SEC DKF; PT Mining Claim K17562 Unsurveyed Territory Not Covered by the Waters of Bending Lake as in PA 14678. District of Kenora	42184-0055 (LT)	Patented Mining Claim Mining and surface rights
36	PCL 21075 SEC DKF; PT Mining Claim K17563 Unsurveyed Territory Not Covered by the Waters of Bending Lake as in PA14679, District of Kenora	42184-0059 (LT)	Patented Mining Claim Mining and surface rights
37	PCL 21108 SEC DKF; PT Mining Claim K17878 Unsurveyed Territory Not Covered by the Waters of Turtle River as in PA14722, District of Kenora	42184-0075 (LT)	Patented Mining Claim Mining and surface rights
38	PCL 21109 SEC DKF; PT Mining Claim K17879 Unsurveyed Territory Not Covered by the Waters of the Turtle River as in PA 14723, District of Kenora	42184-0076 (LT)	Patented Mining Claim Mining and surface rights
39	PCL 21110 SEC DKF; PT Mining Claim K17880 Unsurveyed Territory Not Covered by the Waters of the Turtle River as in PA14724, District of Kenora	42184-0077 (LT)	Patented Mining Claim Mining and surface rights
40	PCL 21112 SEC DKF; Mining Claim K17882 Unsurveyed Territory Situate in the Bending Lake Area Excepting the SRO On and Over a Strip of Land Along the Shores of Turtle River and Which Said Strip of Land is Bounded by the High Water Mark of the Turtle River and by a Line. Every Point of which is Distant 400 Ft from the Nearest Point in the Said High Water Mark; District of Kenora	42184-0078 (LT)	Patented Mining Claim Mining and surface rights
41	PCL 21076 SEC DKF; Mining Claim K17883 Unsurveyed Territory Being Land and Land under the Water of part of a small Pond within the Limits of this Mining Claim;	42184-0074 (LT)	Patented Mining Claim Mining and surface rights

Item	Property Description inc. Parcel No and Claim No.	PIN	Comments
	Excepting the SRO On and Over a Strip of Land Along the Shores of the Turtle River and Which Said Strip of Land is Bounded by the High Water Mark of Turtle River and by a Line, Every Point of which is Distant 400 Ft from the Nearest Point in the Said High Water Mark; District of Kenora		
42	PCL 21113 SEC DKF; Mining Claim K17884 Unsurveyed Territory Being Land and Land Under the Water of a small Pond within the Limits of this Mining Claim; District of Kenora	42184-0073 (LT)	Patented Mining Claim Mining and surface rights
43	PCL 21114 SEC DKF; Mining Claim K17885 Unsurveyed Territory; District of Kenora	42184-0070 (LT)	Patented Mining Claim Mining and surface rights
44	PCL 21089 SEC DKF; PT Mining Claim K17887 Unsurveyed Territory Not Covered by the Waters of an Unnamed Lake as in PA 14698, District of Kenora	42184-0029 (LT)	Patented Mining Claim Mining and surface rights
45	PCL 21090 SEC DKF; PT Mining Claim K 17888 Unsurveyed Territory Not Covered by the Waters of an Unnamed Lake as in PA14699, Except PT1, 23R10164; District of Kenora	42184-0028(LT)	Patented Mining Claim Mining and surface rights
46	PCL 21083 SEC DKF; PT Mining Claim K17889 Unsurveyed Territory Not Covered by the Water of an Unnamed Lake as in PA14692, District of Kenora	42184-0032 (LT)	Patented Mining Claim Mining and surface rights
47	PCL 21084 SEC DKF; Mining Claim K17890 Unsurveyed Territory; District of Kenora	42184-0037 (LT)	Patented Mining Claim Mining and surface rights
48	PCL 21085 SEC DKF; Mining Claim K17891 Unsurveyed Territory Excepting the SRO On and Over a Strip of Land Along the Shores of an Unnamed Lake and Which Said Strip of Land is Bounded by the High Water Mark of an Unnamed Lake and by a Line, Every Point of which is Distant 400 Ft from the Nearest Point in the Said High Water Mark; District of Kenora	42184-0034 (LT)	Patented Mining Claim Mining and surface rights

Item	Property Description inc. Parcel No and Claim No.	PIN	Comments
49	PCL 21086 SEC DKF; Mining Claim K17892 Unsurveyed Territory; District of Kenora		Patented Mining Claim Mining and surface rights

# LICENCES OF OCCUPATION

# ONTARIO MINISTRY OF NORTHERN DEVELOPMENT AND MINES

# DISTRICT OF KENORA

1.	Licence:	12767
	Description:	K17878-81 Pt of Mining Claims K17878 to K17881, consisting of land under the water of the Turtle River
2.	Licence:	12766
		K17534 ET AL
	<b>Description:</b>	Pt of Mining Claims K17531 to KI7536, K17545 to K17549, K17552, K17557, K17559, K17561 to K17563, consisting of land under the waters of Page Lake and Bending Lake
3.	Licence:	12768
	Description:	K17544, K17886-89 Pt of Mining Claims K17886 to K17889, K 17544, consisting of land under the water of an unnamed lake

# Schedule C – Claims to be deleted and expunged from title to Real Property

- 1. Instrument No. KN43504 registered November 2, 2011 being a Charge between BENDING LAKE IRON GROUP LIMITED and ARM'S LENGTH HOLDINGS INC.
- 2. Instrument No. KN58175 registered January 30, 2014 being a Transfer of Charge between ARM'S LENGTH HOLDINGS INC. and 2403177 ONTARIO INC.
- 3. Instrument No. KN59687 registered May 27, 2014 being a Lien in favour of HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE

**Applicant** 

# BENDING LAKE IRON GROUP LIMITED

Respondent

# ONTARIO SUPERIOR COURT OF JUSTICE

Proceeding commenced at THUNDER BAY

# APPROVAL AND VESTING ORDER

### **DENTONS CANADA LLP**

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Lawyers for A. Farber & Partners Inc.

# **TAB 7**

Court File No. ——<u>CV-14-274</u>

# ONTARIO SUPERIOR COURT OF JUSTICE

### **COMMERCIAL LIST**

THE HONOURABLE —	) WEEKDAYTHURSDAY, THE #10th
JUSTICE ——	) DAY OF MONTH DECEMBER, 20YR 2015
BETWEEN:	
	PLAINTIFF
	Plaintiff
	2403177 ONTARIO INC.
	Applicant
	<u> </u>
	DEFENDANT

# BENDING LAKE IRON GROUP LIMITED

Respondent

**Defendant** 

### APPROVAL AND VESTING ORDER

THIS MOTION, made by [RECEIVER'S NAME]A. Farber & Partners Inc. in its capacity as the Court-appointed receiver (the "Receiver") of the undertaking, property and assets of [DEBTOR] (the "assets undertakings and properties of Bending Lake Iron Group Limited (the "Debtor") for an order approving the sale transaction (the "Transaction") contemplated by an agreement of asset purchase and sale agreement dated November 27, 2015

(the "Sale Agreement") between the Receiver and [NAME OF PURCHASER] (the "Purchaser") dated [DATE]Legacy Hill Resources Ltd. ("Legacy Hill"), as assigned by Legacy Hill to 1053895 B.C. Ltd. (the "Purchaser") and appended to the Third Report of the Receiver dated [DATE]November 30, 2015 (the "Third Report"), and vesting in the Purchaser the Debtor's and Receiver's right, title and interest if any, in and to the assets described in the Sale Agreement (the "Purchased Assets"), was heard this day at 330 University Avenue, Toronto 125 Brodie St N. Thunder Bay, Ontario.

ON READING the Report Notice of Motion, dated November 30, 2015, the Third Report and the affidavits of the Receiver and its counsel as to fees (the "Fee Affidavits") and on hearing the submissions of counsel for the Receiver, [NAMES OF OTHER PARTIES APPEARING the Applicant, the Debtor and the Purchaser], no one appearing for any other person on the service list, although properly served as appears from the affidavit of [NAME] sworn [DATE] filed\*:

- 1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.
- 2. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved,<sup>2</sup> and the execution of the Sale Agreement by the Receiver<sup>3</sup> is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary ratified. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser, including executing any transfer forms or other documentation required by the Ministry of Northern Development and Mines (Ontario) to transfer ownership of the Purchased Assets.

This model order assumes that the time for service does not need to be abridged. The motion seeking a vesting order should be served on all persons having an economic interest in the Purchased Assets, unless circumstances warrant a different approach. Counsel should consider attaching the affidavit of service to this Order.

<sup>&</sup>lt;sup>2</sup> In some cases, notably where this Order may be relied upon for proceedings in the United States, a finding that the Transaction is commercially reasonable and in the best interests of the Debtor and its stakeholders may be necessary. Evidence should be filed to support such a finding, which finding may then be included in the Court's endorsement.

<sup>&</sup>lt;sup>3</sup> In some cases, the Debtor will be the vendor under the Sale Agreement, or otherwise actively involved in the Transaction. In those cases, care should be taken to ensure that this Order authorizes either or both of the Debtor and the Receiver to execute and deliver documents, and take other steps.

- 3. 2. THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the ""Receiver's Certificate""), all of the Debtor's and Receiver's right, title and interest, if any, in and to the Purchased Assets described in the Sale Agreement-fand, including the assets listed on Schedule B hereto \( \frac{4}{\circ} \) shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the ""Claims"") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice [NAME]D.C. Shaw dated [DATE]September 11. 2014; (ii) all charges, security interests or claims evidenced by registrations pursuant to the Personal Property Security Act (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule C hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule D)"Encumbrances"), and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.
- 4. 3. THIS COURT ORDERS that upon the registration in the Land Registry Office for the [Registry Division of {LOCATION} of a Transfer/Deed of Land in the form prescribed by the Land Registration Reform Act duly executed by the Receiver] [Land Titles Division of {LOCATION} Kenora (No. 23) of an Application for Vesting Order in the form prescribed by the Land Titles Act and/or the Land Registration Reform Act] 6, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in Schedule B hereto (the "Real Property") in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule C hereto.

<sup>4</sup> To allow this Order to be free standing (and not require reference to the Court record and/or the Sale Agreement), it may be preferable that the Purchased Assets be specifically described in a Schedule.

<sup>&</sup>lt;sup>5</sup> The "Claims" being vested out may, in some cases, include ownership claims, where ownership is disputed and the dispute is brought to the attention of the Court. Such ownership claims would, in that case, still continue as against the net proceeds from the sale of the claimed asset. Similarly, other rights, titles or interests could also be vested out, if the Court is advised what rights are being affected, and the appropriate persons are served. It is the Subcommittee's view that a non-specific vesting out of "rights, titles and interests" is vague and therefore undesirable.

<sup>&</sup>lt;sup>6</sup> Elect the language appropriate to the land registry system (Registry vs. Land Titles).

- 5. 4.-THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds<sup>7</sup> from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale<sup>8</sup>, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.
- <u>6.</u> 5.-THIS COURT ORDERS AND DIRECTS the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.
- Information Protection and Electronic Documents Act, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Company Debtor's records pertaining to the Debtor's past and current employees, including personal information of those employees listed on Schedule "•" to the Sale Agreement. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.

# **8.** 7. THIS COURT ORDERS that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the Bankruptcy and Insolvency Act (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor;

<sup>7</sup> The Report should identify the disposition costs and any other costs which should be paid from the gross sale proceeds, to arrive at "net proceeds".

This provision crystallizes the date as of which the Claims will be determined. If a sale occurs early in the insolvency process, or potentially secured claimants may not have had the time or the ability to register or perfect proper claims prior to the sale, this provision may not be appropriate, and should be amended to remove this crystallization concept.

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, or transfer at undervalue, or other reviewable transaction under the Bankruptcy and Insolvency Act (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

- <u>9.</u> 8. THIS COURT ORDERS AND DECLARES that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).
- 10. THIS COURT ORDERS that the Receiver is hereby authorized, but not obligated, to file an assignment in bankruptcy on behalf of the Debtor.
- 11. THIS COURT ORDERS that paragraph 20 of the First Report of the Receiver dated November 18, 2014, and the activities of the Receiver described therein be and are hereby approved.
- 12. THIS COURT ORDERS that the Second Report of the Receiver, dated January 20.
  2015, and the Third Report, and the activities of the Receiver described therein be and are hereby approved.
- 13. THIS COURT ORDERS that the fees and disbursements of the Receiver and its counsel, as set out in the Third Report and the Fee Affidavits, are hereby approved and the Receiver is hereby authorized to pay any unpaid fees and disbursements herein approved.
- THIS COURT ORDERS that the Receiver is hereby authorized. nunc pro tunc, to redact from the version of the Third Report served on any party other than this Honourable Court. (a) the commercially sensitive information contained therein, and (b) the unredacted version of the Sale Agreement, attached as Confidential Appendix "1".
- 15. THIS COURT ORDERS that the unredacted version of the Third Report filed with this Honourable Court be sealed from the public record until the closing of the Transaction, or further order of this Court.

16. 9. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, 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.

### Schedule A - Form of Receiver's Certificate

Court	File	No.	 -CY	<b>/</b> -1	4-27	72
Court	LHE	MO.	<u>-7 7</u>		4-2	Ì

# ONTARIO SUPERIOR COURT OF JUSTICE

#### **COMMERCIAL LIST**

BETWEEN:

### PLAINTIFF

**Plaintiff** 

# **2403177 ONTARIO INC.**

**Applicant** 

- and -

#### DEFENDANT

**Defendant** 

# BENDING LAKE IRON GROUP LIMITED

Respondent

#### **RECEIVER'S CERTIFICATE**

#### **RECITALS**

- A. Pursuant to an Order of the Honourable [NAME OF JUDGE] Justice D.C. Shaw of the Ontario Superior Court of Justice (the "Court") dated [DATE OF ORDER], [NAME OF RECEIVER] "Court") dated September 11. 2014. A. Farber & Partners Inc. was appointed as the receiver (the "Receiver") of the undertaking, property and assets of [DEBTOR] assets. undertakings and properties of Bending Lake Iron Group Limited (the "Debtor").
- B. Pursuant to an Order of the Court dated [DATE], December 10, 2015, the Court approved the agreement of asset purchase and sale agreement made as of [DATE OF

AGREEMENT] November 27, 2015 (the "Sale Agreement") between the Receiver [Debtor] and [NAME OF PURCHASER] (the "Purchaser" and Legacy Hill Resources Ltd., as assigned to 1053895 B.C. Ltd. (the "Purchaser") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in section Article 5 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

# THE RECEIVER CERTIFIES the following:

- 1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
- 2. The conditions to Closing as set out in section Article 5 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
- 3. The Transaction has been completed to the satisfaction of the Receiver.
- 4. This Certificate was delivered by the Receiver at \_\_\_\_\_[TIME] on \_\_\_\_\_[DATE]

[NAME OF RECEIVER], A. FARBER & PARTNERS INC. in its capacity as Receiver of the undertaking, property and assets of [DEBTOR], assets, undertakings and properties of BENDING LAKE IRON GROUP LIMITED and not in its personal capacity

Per:					
	Name:		 		

Title:

# $Schedule \ B-\underline{Purchased-Assets}\underline{Real\ Property}$

# **Patented Claims**

# LEGAL DESCRIPTION

# Kenora Registry Office

Item	Property Description inc. Parcel No and Claim No.	PIN	Comments
1	PCL 6308 SEC DKE: Mining Claim K183. Unsurveyed Territory, District of Kenora.	#2184-0048 (LT)	Patented Mining Claim Mining and surface rights
2	PCL 6309 SEC DKF: Mining Claim K184 Unsurveyed Territory. District of Kenora.	42184-0044 (LT)	Patented Mining Claim Mining and surface rights
3	PCL 6310 SEC DKF: Mining Claim K185 Unsurveyed Territory, District of Kenora	42184-0045 (LT)	Patented Mining and Surface rights
4	PCL 6311 SEC DKF; Mining Claim K186 Unsurveyed Territory Being Land and Land Covered with the Water of Self Lake; District of Kenera	42184-0046 (LT)	Patented Mining Claim Mining and surface rights
5	PCL 21091 SEC DKP: Pt Mining Claim K17531 Unsurveyed Territory Not. Covered by the Waters of Bending Lake as in PA14705. District of Kenora	42184-0058 (LT)	Patented Mining Claim Mining and surface rights
<u>6</u>	PCL 21092 SEC DKF: Pt Mining Claim K17532 Unsurveyed Territory Not Covered by the Waters of Page Lake as in PA14706: District of Kenora	42184-0057 (LT)	Patented Mining Claim Mining and surface rights
2	PCL 21093 SEC DKF: Mining Claim K 17533 Unsurveyed Territory Not Covered by the Waters of Page Lake as in PA14707: District of Kenora	42184-0056 (LT)	Patented Mining Claim Mining and surface rights
8	PCL 21094 SEC DKF, Pt Mining Claim K17534 Unsurveyed Territory Not Covered by the Waters of Page Lake as in PA 14708, District of Kenora	42184-0060 (LT)	Patented Mining Claim Mining and surface rights

Item	Property Description inc. Parcel No and Claim No.	PIN	Comments
9	PCL 21095 SEC DKF: PT Mining Claim K17535 Unsurveyed Territory Not Covered by the Waters of Bending Lake as in PA14709: District of Kenora	42184-0061 (LT)	Patented Mining Claim Mining and Surface rights
<u>10</u>	PCL 21096 SEC DKF: PT Mining Claim K17536 Unsurveyed Territory Not Covered by the Waters of Bending Lake as in PA14710: District of Kenora	42184-0062 (LT).	Patented Mining Claim Mining and surface rights
<u>11</u>	PCL 21068 SEC DKF: Mining Claim K17537 Unsurveyed Territory Being Land and Land under the Water of Part of Self Lake within the Limits of this Mining Claim: District of Kenora	42184-0043 (LT)	Patented Mining Claim Mining and surface rights
12	PCL 21087 SEC DKF: Mining Claim K17538 Unsurveyed Territory: District of Kenura	42184-0042 <i>(</i> LT)	Patented Mining and Claim Mining and surface rights
13	PCL 21077 SEC DKF: Mining Claim, K17539 Unsurveyed Territory: District of Kenota	42184-0041 (LT)	Patented Mining Claim Mining and surface rights
14	PCL 21078 SEC DKF: Mining Claim K17540 Unsurveyed Territory: District of Kenora	42184-0039 (LT)	Patented Mining Chaim Mining and surface rights
<u>15</u>	PCL 21079 SEC DKF; Mining Claim K17541 Unsurveyed Territory: District of Kenora	42184-0038 (LT)	Patented Mining Claim Mining and surface rights
16	PCL 21080 SEC DKF: Mining Claim K17542 Unsurveyed Territory Excepting the SRO On and Over a Strip of Land Along the Shores of an Unnamed lake and Which Said Strip of Land is Bounded by the High Water Mark of an Unnamed Lake and by a Line, Every Point of which is Distant 400 Ft from the Nearest Point in the Said High Water Mark District of Kenora	42184-0036 (LT)	Patented Mining Claim Mining and surface rights
17	PCL 21081 SEC DKF: Mining Claim, K17543 Unsurveyed Territory Excepting the SKO On and Over a Strip of Land Along the Shores of an Unnamed lake and Which Said Strip of Land is Hounded by	42184-0035 (LT)	Patented Mining Claim Mining and surface rights

<u>Item</u>	Property Description inc. Parcel No and Claim No.	PIN	Comments
	the High Water Mark of an Unnamed Lake, and by a Line. Every Point of which is Distant 400 Ft from the Nearest Point in the Said High Water Mark: District of Kenora		
18.	PCL 21097 SFC DKF: PT Mining Claim. K17544 Unsurveyed Territory Not Covered by the Waters of an Unnamed lake as in PA14711; District of Kenora	42184-0033 (LT)	Patented Mining Claim Mining and surface rights
19	PCL 21098 SEC DKF: PT Mining Claim K17545 Unsurveyed Territory Not Covered by the Waters of Banding lake as in PA14712: District of Kenora	42184-0063.(LT)	Patented Mining Claim Mining and surface rights
20,	PCL 21099 SEC DKF: PT Mining Claim K17546 Unsurveyed Territory Not Covered by the Waters of Bending Lake as in PA14713: District of Kenora	42184-0065 (J.T)	Patented Mining Claim Mining and surface rights
21	RCL 21100 SEC DKE: PT Mining Claim K17547 Unsurveyed Territory Not Covered by the Waters of Bending Lake as in PA 14714: District of Kenora	42184-0066 (LT)	Patented Mining Claim Mining and surface rights
22	PCL 21101 SBC DKF; PT Mining Claim K17548 Unsurveyed Territory Not Covered by the Waters of Bending Lake as in PA14715; District of Kenora	42184-0068 (LT)	Patented Mining Claim Mining and surface rights
23	PCL 21102 SEC DKE: PT Mining Claim K17549 Unsurveyed Territory Not Covered by the Waters of Hending Lake as in FA14716; District of Kenons	42184-0069 (LT)	Patented Mining Claim Mining and surface rights
24	PCL 21069 SEC DKF: Mining Claim K17550 Unsurveyed Territory Being Land and Land Under the Water of part of a Small Pond within the Limits of this Mining Claim: District of Kenora	42184-0067 (LT)	Patented Mining Claim Mining and surface rights
<b>25</b>	PCL 21070 SEC DKF: Mining Claim K17551 Unsurveyed Territory Excepting the SRO On and Over a Strip of Land Along the Shores of Bending Lake and Which Said Strip of Land is Bounded by the High Water Mark of Bending Lake and	42184-0071.(LT)	Patented Mining Chaim Mining and surface rights

ltein	Property Description inc, Parcel No and Claim No.	PIN	Comments
	by a Line. Every Point of which is Distant. 400 Ft from the Nearest Point in the Said High Water Mark: District of Kenora		
<u>26</u>	PCL 21082 SEC DKF: PT Mining Claim. K17552 Unsurveyed Territory Not Covered by the Waters of Bending Lake as in PA14691: District of Kenora	42184-0072-(LT)	Patented Mining Claim Mining and surface rights
27	PCL 21071 SEC DKF: Mining Claim K17553 Unsurveyed Territory Being Land and Land Under the Water of a Small Pond within the Limits of this Mining Claim; Excepting the SRO On and Over a Strip of Land Along the Shores of Bending Lake and Which Said Strip of Land is Bounded by the High Water Mark of Bending Lake and by a Line, Every Point of which is Distant 400 Ft from the Nearest Point in the Said High Water Mark: District of Kenora	42184-0064 (LT)	Patented Mining Claim Mining and surface rights
28	PCL 21103 SEC DKF: Mining Claim K17555 Unsurveyed Territory Being Land and Land Under the Water of Part of Self Lake within the Limits of this Mining Claim; District of Kenora	42184-0047 (1.7)	Patented Mining Claim Mining and surface rights
29	PCL 21104 SEC DKF, Mining Claim K17556 Unsurveyed Territory, District of Kenora	42184-0050 (LT)	Patented Mining Claim Mining and surface rights
<u>30</u>	PCL 21405 SEC DKF: PT Mining Claim. K17557 Unsurveyed Tentitory Not Covered by the Waters of Bending Lake as In PA 14719. District of Kenora	42184-0051 (1.17)	Patented Mining Claim Mining and stuface rights
31	PCI 21106 SEC DKF: Mining Claim K17558 Unsurveyed Territory, District of Kenora	42184-0049 (1.77)	Patented Mining Claim Mining and surface rights
32	PCL 21107 SEC DKF: PT Mining Claim K17559 Unsurveyed Territory Not Covered by the Waters of Page Lake as in PA 14721 District of Kenora.		Patented Mining. Claim Mining and stream relates
33	PCL 21072 SEC DKF: Mining Claim K17560 Unsurveyed Territory Excepting	<u>42184-0053 (LT)</u>	Patented Mining Chim Wining and

Item	Property Description inc. Parcel No and Claim No.	PIN	Comments
	the SRO On and Over a Strip of Land Along the Shores of Page Lake and Which Said Strip of Land is Bounded by the High Water Mark of Page Lake and by a Line, Every Point of which is Distant 400 Ft from the Nearest Point in the Said High Water Mark: District of Kenora		surface rights
34	PCL 21073 SEC DKF: PT Mining Claim K17561 Unsurveyed Territory Not Covered by the Waters of Bending Lake as in PA14677. District of Kenora	Santiagana area and a service of the	Patented Mining Claim Mining and surface tights
<u>35</u>	PCL 21074 SEC DKF: PT Mining Claim K17562 Unsurveyed Territory Not Covered by the Waters of Bonding Lake as in PA 14678. District of Kenora	42184-0055 (LT)	Patented Mining Claim Mining and surface rights
<b>36</b>	PCL 21075 SEC DKF: PT Mining Claim K17563 Unsurveyed Territory Not. Covered by the Waters of Bending Lake as in PA14679. District of Kenora	42184-0059 (LT)	Patented Mining Claim Mining and surface tights
37	PCL 21108 SEC DKF: PT Mining Claim: K17878 Unsurveyed Territory Not Covered by the Waters of Turtle River as in PA14722, District of Kenora	42184-0075 (LT)	Potented Mining Claim Mining and surface rights
38	PCL 21109 SEC DKF: PT Mining Claim K17879 Unsurveyed Territory Not Covered by the Waters of the Turtle River as in PA 14723. District of Kenora	42184-0076 (3.75)	Patemed Mining Claim Mining and surface rights
<u>39</u>	PCL 21110 SEC DKE, PT Mining Claim K17880 Unsurveyed Territory Not Covered by the Waters of the Turtle River as in PA14724. District of Kenota	The train care attention research westigned to a train the angel for	Patented Mining Claim Mining and surface rights
40	PCL 21112 SFC DKF: Mining Claim K17882 Unsurveyed Territory Situate in the Bending Lake Area Excepting the SRO On and Over a Strip of Land Along the Shores of Turtle River and Which Said Strip of Land is Bounded by the High Water Mark of the Turtle River and by a Line. Every Point of which is Distant 400 Ft from the Nearest Point in the Said High	42184-0078 (LT)	Patemed Mining Claim Mining and surface rights

Item	Property Description inc. Parcel No and Claim No.	PIN	Comments
	Water Mark: District of Kenora		ATTENDED TO THE TOTAL TO THE TOTAL TOTAL TO THE TOTAL TOTAL TO THE TOTAL TOTA
41	PCL 21076 SEC DKF: Mining Claim K17883 Unsurveyed Territory Being Land and Land under the Water of part of a small Pond within the Limits of this Mining Claim; Excepting the SRO On and Over a Strip of Land Along the Shores of the Turtle River and Which Said Strip of Land is Bounded by the High Water Mark of Turtle River and by a Line, Every Point of which is Distant 400 Ft from the Nearest Point in the Said High Water Mark. District of Kenera	42184-0074 (LT)	Patented Mining Claim Mining and surface rights
42.	PCL 21113 SEC DKF: Mining Claim K17884 Unsurveyed Territory Being Land and Land Under the Water of a small Pond within the Limits of this Mining Claim: District of Kenora	42184-0073 (LT)	Patented Mining Claim Mining and sprface rights
43	PCL 21114 SEC DKF: Mining Claim K17885 Unsurveyed Territory: District of Kenora	42184-0070 (LT)	Patented Mining Claim Mining and surface rights
44	PCI. 21089 SEC DKF: PT Mining Claim K17887. Unsurveyed Territory Not Covered by the Waters of an Unnamed Lake as in PA 14698. District of Kenora	<u>42184-0029 (1.11)</u>	Patented Mining Claim Mining and surface fights
45	PCI 21090 SEC DKF: PT Mining Claim K. 17888 Unsurveyed Territory Not. Covered by the Waters of an Unnamed Lake as in PA14699, Except PTL 23R10164 District of Kenora		Parented Mining Claim Mining and surface rights
46.	PCL 21083 SEC DKF PT Mining Claim. K17889. Unsurveyed Territory Not Covered by the Water of an Unnamed Lake as in PA14692. District of Kenora	( Differential первиден разультация и падсельно полицы с нед (	Patented Mining Claim Mining and surface rights
<u>47</u>	PCL 21084 SEC DKF: Mining Claim K17890 Unsurveyed Territory: District of Kenofi	The experience is the experience of the contract of the contra	Patented Mining and Surface rights
48	PCL 21085 SFC DKF: Mining Claim K17891 Unsurveyed Tentiony Excepting the SRO On and Over a Suite of Land	Commission of the second secon	Patented Mining Claim Mining and surface rights

Item	Property Description inc. Parcel No and PIN Claim No.	Comments
	Along the Shores of an Unnamed Lake and Which Said Strip of Land is Bounded by the High Water Mark of an Unnamed Lake and by a Line. Every Point of which is Distant 400 Ft from the Nearest Point in the Said High Water Mark: District of Kenora	
49	PCL 21086 SEC DKF: Mining Claim 42184-0040/LT K17892 Unsurveyed Territory: District of Kenora	Patented Mining Claim Mining and surface rights

# LICENCES OF OCCUPATION

# ONTARIO MINISTRY OF NORTHERN DEVELOPMENT AND MINES

# DISTRICT OF KENORA

L Licence:	12767 K17878-81
Descriptions	Pt of Mining Claims K17878 to K17881, consisting of land under the water of the Turde River
2. Licence:	12766 K17534 ET AL
<u>Description:</u>	Pt of Mining Claims K17531 to K17536, K17545 to K17549, K17552, K17557, K17559, K17561 to K17563, consisting of land under the waters of Page Lake and Bending Lake
3. Licence:	12768 K17544, K17886-89
Description:	Pt of Mining Claims K17886 to K17889. K 17544, consisting of land under the water of an unnamed lake.

Schedule C - Claims to be deleted and expunged from title to Real Property

# Schedule D - Permitted Encumbrances, Easements and Restrictive Covenants related to the Real Property

# (unaffected by the Vesting Order)

- 1. Instrument No. KN43504 registered November 2, 2011 being a Charge between BENDING LAKE IRON GROUP LIMITED and ARM'S LENGTH HOLDINGS INC.
- 2. Instrument No. KN58175 registered January 30, 2014 being a Transfer of Charge between ARM'S LENGTH HOLDINGS INC. and 2403177 ONTARIO INC.
- 3. Instrument No. KN59687 registered May 27, 2014 being a Lien in favour of HER MAJESTY THE OUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE

Sylved French

# SUPERIOR COURT OF JUSTICE ONTARIO

Proceeding commenced at THUNDER BAY

# APPROVAL AND VESTING ORDER

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**Applicant** 

# BENDING LAKE IRON GROUP LIMITED

Respondent

# **ONTARIO** SUPERIOR COURT OF JUSTICE

Proceeding commenced at THUNDER BAY

# MOTION RECORD (Returnable December 10, 2015)

### **DENTONS CANADA LLP**

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