

Court File No.: 35-2193939

Estate No.: 35-2193939

**ONTARIO
SUPERIOR COURT OF JUSTICE
(BANKRUPTCY AND INSOLVENCY)**

**IN THE MATTER OF THE PROPOSAL OF
STRIKE MINERALS INC.,
OF THE CITY OF LONDON
IN THE PROVINCE OF ONTARIO**

**SECOND REPORT OF PROPOSAL TRUSTEE
A. FARBER & PARTNERS INC.**

February 6, 2016

AIRD & BERLIS LLP

Barristers & Solicitors

Brookfield Place, 181 Bay Street, Suite 1800

Toronto, Ontario M5J 2T9

D. Robb English (LSUC # 19862F)

Tel: (416) 865-4748

Fax: (416) 863-1515

Email: renglish@airdberlis.com

Kyle B. Plunkett (LSUC #61044N)

Tel: (416) 865-3406

Fax: (416) 863-1515

Email: kplunkett@airdberlis.com

*Lawyers for A. Farber & Partners Inc., in its
capacity as Proposal Trustee of Strike Minerals Inc.*

INDEX

Court File No.: 35-2193939
Estate No.: 35-2193939

**ONTARIO
SUPERIOR COURT OF JUSTICE
(BANKRUPTCY AND INSOLVENCY)**

IN THE MATTER OF THE PROPOSAL OF
STRIKE MINERALS INC.,
OF THE CITY OF LONDON
IN THE PROVINCE OF ONTARIO

TABLE OF CONTENTS

	<u>TAB NO.</u>
Second Report of Proposal Trustee	1
Appendices to First Report	
APPENDIX A: First Report of Proposal Trustee	A
APPENDIX B: Sales Process Approval Order Dec. 13, 2016	B
APPENDIX C: Statement of Receipts & Disbursements	C
APPENDIX D: Cashflow Projection to Mar. 24, 2017	D
APPENDIX E: Affidavit of P. Crawley	E
APPENDIX F: Affidavit of Aaron Collins	F

TAB 1

Court File No. 35-2193939

Estate No. 35-2193939

**ONTARIO
SUPERIOR COURT OF JUSTICE
(BANKRUPTCY AND INSOLVENCY)**

**IN THE MATTER OF THE PROPOSAL
OF STRIKE MINERALS INC.**

**A. FARBER & PARTNERS INC.
SECOND REPORT OF THE PROPOSAL TRUSTEE**

February 6, 2017

APPENDICES

- APPENDIX A: FIRST REPORT OF PROPOSAL TRUSTEE**
- APPENDIX B: SALES PROCESS APPROVAL ORDER DEC. 13, 2016**
- APPENDIX C: STATEMENT OF RECEIPTS & DISBURSEMENTS**
- APPENDIX D: CASHFLOW PROJECTION TO MAR. 24, 2017**
- APPENDIX E: FEE AFFIDAVIT OF PETER CRAWLEY**
- APPENDIX F: FEE AFFIDAVIT OF AARON COLLINS**

INTRODUCTION

1. On November 29, 2016, Strike Minerals Inc. ("**Strike**" or the "**Company**") filed a Notice of Intention to Make a Proposal (an "**NOI**") under Section 50.4 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**"), and A. Farber & Partners Inc. ("**Farber**") was appointed as proposal trustee in the Company's NOI proceedings (in such capacity, the "**Proposal Trustee**").
2. On December 8, 2016, Farber filed its first report (the "**First Report**") with the Court in support of Strike's motion returnable December 13, 2016 to obtain Court approval of, *inter alia*:
 - i) the bidding procedures with respect to a stalking horse sales and marketing process (the "**Bidding Procedures**");
 - ii) a DIP Charge; and
 - iii) an Administration Charge (as defined therein).

A copy of the First Report, without appendices, is attached hereto as **Appendix "A"**.

3. On December 13, 2016, The Honourable Mr. Justice Penny issued an Order (the "**Sales Process Approval Order**") wherein the Court approved:
 - i) the Bidding Procedures;
 - ii) the DIP Charge in favour of the DIP Lender in an aggregate amount of \$588,000;
 - iii) the Administration Charge to an aggregate amount of \$300,000; and
 - iv) an extension of the time period for filing a proposal with the Official Receiver to and including February 10, 2017.

The Sales Process Approval Order is attached hereto as **Appendix "B"**.

PURPOSE OF THIS REPORT

4. The purposes of this second report of the Proposal Trustee (the **"Second Report"**) are to:
- a) report to the Court on the Proposal Trustee's activities since the First Report; and
 - b) provide the Proposal Trustee's support for an Order as requested by Strike:
 - i) approving a proposed 45 day extension to March 27, 2017 for the filing of Strike's Proposal pursuant to the BIA;
 - ii) approving this Second Report and the activities of the Proposal Trustee set out herein;
 - iii) approving the fees and disbursements of the Proposal Trustee and its legal counsel, Aird & Berlis LLP (**"A&B"**), as set out in the Affidavit of Peter Crawley of Farber sworn on February 2, 2017 (the **"Crawley Affidavit"**) and the Affidavit of Aaron Collins of A&B sworn on January 31, 2017 (the **"Collins Affidavit"**); and
 - iv) such other relief as this Honourable Court deems appropriate.

DISCLAIMER

5. The Proposal Trustee has relied upon the financial records and information provided by the Company. The Proposal Trustee has not independently audited, reviewed, or otherwise attempted to verify the accuracy or completeness of such information. Accordingly, the Proposal Trustee expresses no opinion or other form of assurance with respect to the information contained in this Second Report. The Proposal Trustee assumes no responsibility or liability for any loss or damage incurred by or caused to any person or entity as a result of the circulation, publication, re-production or use of or reliance upon this Second Report or for any use which any person or entity makes of this Second Report, or any reliance on or a decision made based upon this Second Report, other than for the express purposes as set out in this Second Report.

6. Unless otherwise stated herein, all references to dollars are in Canadian currency.
7. Capitalized terms not defined in this report are as defined in either the First Report or the Sales Process Approval Order.
8. Pursuant to the E-Service Protocol of the Commercial List, which the Court has approved the Company to adopt in these NOI proceedings, a copy of this Second Report and all other Court materials, Orders and Endorsements issued in these proceedings are, and will be, available on the Proposal Trustee's website at: <http://www.farberfinancial.com/insolvency-engagements/strike-minerals-inc>.

ACTIVITIES OF THE PROPSAL TRUSTEE

9. Upon issuance of the Sales Process Approval Order the Proposal Trustee began marketing the assets, properties and undertakings of Strike for sale by:
 - i) Preparing a non-confidential information teaser and a confidential information memorandum, each of which were reviewed and approved by Strike's management;
 - ii) Placing an advertisement in the National Post (appearing in the December 16, 2016 edition);
 - iii) Posting the information teaser, confidentiality agreement, Bidding Procedures and the Stalking Horse APA on its website;
 - iv) Emailing the information teaser to fifty-five (55) people across forty-nine (49) organizations in the mining industry;
 - v) Establishing a secure online virtual data room and providing access to those interested parties that provided a signed confidentiality agreement to conduct due diligence on Strike and its assets; and

- vi) Placing an on-line advertisement with Northern Miner for a two week period from January 11th to 26th, appearing on the www.NortherMiner.ca webpage and in Northern Miner's daily and weekly e-newsletters over that period.
- 10. On January 16, 2017, the Proposal Trustee sent follow-up emails to thirty-nine (39) of the prospective purchasers, who had not responded to the initial notification, to invite them to participate in the sales process.
- 11. From the date of the Sales Process Approval Order the Proposal Trustee has facilitated the negotiation and finalization of confidentiality agreements and provided access to the secure online data room to those parties that provided signed copies of same to the Proposal Trustee.
- 12. The Proposal Trustee has maintained a list of those parties contacted to date and their respective responses.
- 13. The Proposal Trustee has been reporting to various key stakeholders as required throughout the Sales Process.
- 14. The Proposal Trustee assisted Strike with opening a new bank account at the Canadian Imperial Bank of Commerce ("CIBC") in order to receive and disburse the DIP Funds, as discussed below.
- 15. The Proposal Trustee has monitored Strike's cash position and disbursements.

EXTENSION OF STAY OF PROCEEDINGS

- 16. The initial stay of proceedings expired on December 29, 2016. The Bid Deadline as set out in the Bidding Procedures is February 16, 2017. The Court extended the stay of proceedings by an additional 45 days to February 10, 2017 pursuant to the Sales Process Approval Order to allow Strike and the Proposal Trustee to conduct a substantial portion of the Sales Process before returning to Court to seek an additional extension of the stay of proceedings.

17. A further 45 day extension to the stay of proceedings to March 27, 2017 (the **"Extension Period"**) is required to allow Strike and the Proposal Trustee to complete the Sales Process. The timetable for the Sales Process contemplated having a sale closed by March 17, 2017. The requested extension to the Extension Period will provide a one week cushion to close a sale.
18. The Proposal Trustee is not aware of any creditors who would be materially prejudiced by the granting of the requested extension to the Extension Period.
19. Strike has acted in good faith and with due diligence in these NOI proceeding to date.
20. In the circumstances, the Proposal Trustee continues to believe that this is the most appropriate strategy to maximize recovery for the benefit of all stakeholders.

RECEIPTS AND DISBURSEMENTS

21. Strike obtained Court approval to obtain DIP Funds of up to \$588,000, as per the terms of the Sales Process Approval Order. As of the date of this Second Report, Strike has obtained on advance of \$156,000 from Waterton, the DIP Lender. Attached as **Appendix "C"** is the Interim Statement of Receipts and Disbursements as at January 31, 2017.
22. The Proposal Trustee has been monitoring the activity in Strike's bank account against Strike's 15 Week Cashflow as found in the First Report. There have not been any material adverse changes in Strike's situation.
23. As reported in the First Report, the Proposal Trustee was aware of certain outstanding judgements against Strike and considered the need to establish its own trust account for the specific purpose of administering Strike's DIP Funds as an alternative cash management solution. However, CIBC provided the Proposal Trustee with assurances that it recognized the stay of proceedings and, therefore, an alternate cash management solution was not required.

CASHFLOW

24. Attached as **Appendix "D"** is Strike's updated cashflow projection to the end of the Extension Period.
25. The DIP Charge amount of \$588,000 remains appropriate and no change to this amount is being requested at this time.

FEES AND DISBURSEMENTS OF THE PROPOSAL TRUSTEE AND ITS LEGAL COUNSEL

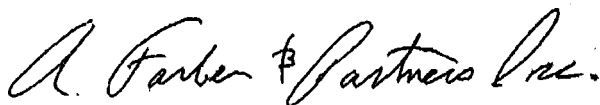
26. As set out in the Crawley Affidavit attached as **Appendix "E"**, for the period July 4, 2016 to December 31, 2016 the Proposal Trustee has expended 175.8 hours, amounting to fees of \$80,733.00 and disbursements of \$1,054.80 (before H.S.T.).
27. As set out in the Collins Affidavit, attached as **Appendix "F"**, for the period July 14, 2016, to January 18, 2017, A&B, independent legal counsel for the Proposal Trustee, has expended 98.0 hours, amounting to fees and disbursements of \$59,383.06 (including H.S.T.).

RECOMMENDATIONS

28. The Proposal Trustee recommends, for those reasons herein stated, that this Honourable Court grant the relief requested herein at paragraph 4(b).

All of which is respectfully submitted this 6th day of February, 2017.

**A. FARBER & PARTNERS INC. IN ITS CAPACITY AS TRUSTEE
IN RE THE PROPOSAL OF STRIKE MINERALS INC.**



Tab A

Court File No. 35-2193939

Estate No. 35-2193939

**ONTARIO
SUPERIOR COURT OF JUSTICE
(BANKRUPTCY AND INSOLVENCY)**

**IN THE MATTER OF THE PROPOSAL OF STRIKE
MINERALS INC.**

**A. FARBER & PARTNERS INC.
FIRST REPORT OF THE PROPOSAL TRUSTEE**

December 8, 2016

APPENDICES

- APPENDIX A: CERTIFICATE OF FILING NOTICE OF INTENTION TO
MAKE A PROPOSAL DATED NOVEMBER 29, 2016**
- APPENDIX B: ORDER OF J.VARPIO OCTOBER 21, 2014**
- APPENDIX C: STALKING HORSE ASSET PURCHASE AGREEMENT**
- APPENDIX D: STALKING HORSE BIDDING PROCEDURES**
- APPENDIX E: SALES PROCESS TIMETABLE**
- APPENDIX F: PROJECTED CASHFLOW TO MARCH 17, 2017**
- APPENDIX G: NOTICE TO CREDITORS OF NOI**
- APPENDIX H: CASHFLOW FILED WITH OFFICIAL RECEIVER**

INTRODUCTION

1. On November 29, 2016, Strike Minerals Inc. ("**Strike**" or the "**Company**") filed a Notice of Intention to Make a Proposal (an "**NOI**") under Section 50.4 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**"), and A. Farber & Partners Inc. ("**Farber**") was appointed as proposal trustee in the Company's NOI proceedings (in such capacity, the "**Proposal Trustee**"). A copy of the Certificate of Filing of a Notice of Intention to Make a Proposal is attached hereto as **Appendix "A"**.

PURPOSE OF THIS REPORT

2. The purpose of this first report of the Proposal Trustee (the "**First Report**") is to report on and seek Court approval for the proposed stalking horse sales and marketing process and the terms contemplated in the Stalking Horse APA (as defined below) that has been negotiated by Strike. This First Report also addresses other matters relating to these NOI proceedings including, among other things, (i) the proposed interim financing to be provided by the Company's senior secured creditor for operating expenses; and (ii) the creation of an Administrative Charge (as defined below) for professional fees incurred by the Company, the Proposal Trustee and their respective counsel in connection with these NOI proceedings.

DISCLAIMER

3. The Proposal Trustee has relied upon the financial records and information provided by the Company. The Proposal Trustee has not independently audited, reviewed, or otherwise attempted to verify the accuracy or completeness of such information. Accordingly, the Proposal Trustee expresses no opinion or other form of assurance with respect to the information contained in this First Report. The Proposal Trustee assumes no responsibility or liability for any loss or damage incurred by or caused to any person or entity as a result of the circulation, publication, re-production or use of or reliance upon this First Report or for any use which any person or entity makes of this First

Report, or any reliance on or a decision made based upon this First Report, other than for the express purposes as set out in this First Report.

4. Unless otherwise stated herein, all references to dollars are in Canadian currency.
5. Pursuant to the E-Service Protocol of the Commercial List, which the Company will seek to adopt in these NOI proceedings, subject to Court approval, a copy of this First Report and all other Court materials, Orders and Endorsements issued in these proceedings are, and will be, available on the Proposal Trustee's website at: <http://www.farberfinancial.com/insolvency-engagements/strike-minerals-inc>.

BACKGROUND

6. Strike was incorporated on May 21, 1987, and exists under the laws of the Province of Ontario. The Company is a publicly listed company on the TSX Venture Exchange, and its registered head office is located in London, Ontario.
7. On August 28, 2014, the Director of the Central Production and Verification Services Branch of the Ministry of Government Services canceled Strike's certificate of incorporation for non-compliance with certain filing requirements. The Company was revived on July 25, 2016. The Proposal Trustee understands that Strike's head office was located in Toronto prior to the Company's revival.
8. The Company carries on business as a junior mineral exploration company engaged in the acquisition, exploration and development of properties for the mining of precious metals, with an emphasis on gold.
9. Further details relating to the Company and its operations are set out in the Affidavit of Denis Crane, Chairman of the Board of Strike, sworn December 6, 2016 (the "**Crane Affidavit**"), which was filed by the Company in these NOI proceedings.

ASSETS

10. Strike's assets consist of the following mineral properties, all located in the Province of Ontario:

Primary sites:

- i) The Edwards Mine ("**Edwards**") in Jacobsen Township, comprised of three (3) mining claim units;
- ii) The Hemlo West properties ("**Hemlo**") near Schreiber in Priske Township, comprised of seven (7) patented claims and seven (7) staked claims (made up of 22 units); and
- iii) The Ronda property ("**Ronda**") near Shining Tree, in the townships of McMurchy and Churchill, comprised of two (2) claims.

Other interests and properties include:

- iv) A single mining claim in Jacobsen Township located between the Cline property and Prodigy Gold;
- v) The Clement property block consisting of a four-unit claim in western Jacobsen Township; and
- vi) The Funk #2 property, comprised of a one-unit claim in north-central Jacobsen Township.

Edwards

11. Strike acquired Edwards in 2002 from River Gold Mines. From 1996 to 2001 Edwards produced some 144,000 ounces of gold. At the time of the purchase from River Gold Mines, Edwards had onsite infrastructure including ramp access and underground development to 281 meters, work camp, shop, roads and an electrical substation. Following the acquisition of Edwards, Strike conducted further exploration on the site, identifying five new high grade vein structures. Strike has conducted approximately 40,000 feet of drilling on Edwards. Strike intended to resume production at Edwards pending the raising of sufficient working capital.

Hemlo

12. Hemlo covers a number of former producing mines and gold occurrences including the Harkness-Hays, Morley and Afric zone extension. The Company has conducted further exploration on the property to prove depth continuity of gold occurrence.

Ronda

13. Ronda has two shafts and underground development to 650 feet. Mining on the property has not occurred since the 1930s. A drill-hole program was conducted in 1996 but there has been no further significant exploration since then.

CREDITORS

Secured Creditors

14. Strike's primary secured lender is Waterton Global Value, L.P. ("**Waterton**"). Waterton and the Company, as borrower, are parties to a certain loan facility agreement dated February 21, 2012 (the "**Waterton Loan Agreement**"), pursuant to which Waterton Global Value (Luxembourg) S.A.R.L. ("**Waterton Lux**") made available certain credit facilities to the Company subject to the terms and conditions contained therein. Further details regarding the Waterton Loan Agreement are set out in the Crane Affidavit, and copy of same is attached to the Crane Affidavit as Exhibit "G" thereto. The Crane Affidavit also sets out the historical relationship between Strike and Waterton and certain related entities. The initial funding arrangement was between Strike and Waterton Lux. As per an Assignment of Loan and Security Agreement dated March 7, 2014, Waterton Lux assigned all of the indebtedness owed by the Company and the related security to and in favour of Waterton. Waterton is currently owed approximately \$3.9 million by the Company under the Waterton Loan Agreement as of the date hereof. The quantum of the Waterton debt figures will be updated and provided to any potential bidders participating in the Sales Process (as defined below).

15. Waterton Lux filed a Notice of Intention to Enforce Security pursuant to section 244 of the BIA on April 4, 2013. Waterton Lux and Strike subsequently negotiated forbearance terms and entered into a formal forbearance agreement that expired on May 22, 2013.
16. The Proposal Trustee engaged its counsel, Aird & Berlis LLP ("A&B"), to conduct a review of Waterton's security package and related documents delivered in connection with the Waterton Loan Agreement. A&B has advised the Proposal Trustee that based on its review of the aforementioned security, it is of the view that, subject to standard assumptions and qualifications, Waterton has valid, properly perfected security interests in the property and assets of the Company, which has been properly registered under the *Personal Property Security Act* (Ontario) (the "PPSA") and the applicable land registries.
17. Waterton's first ranking security interest is also subject to a court-ordered charge in favour of Whelan (as defined below) pursuant to the terms of the October Order (as defined below). The October Order further entitled Waterton to a secured charge over Edwards.
18. Based on a review of the PPSA search results conducted by A&B there are also two subsequent registrations against the Company in favour of: i) Xerox Canada Ltd., which appears to relate to certain office equipment that is being financed by the Company, and ii) Buck Island Bay Investments Inc. which appears to relate to a leased air compressor.

Unsecured Creditors

19. Strike has informed the Proposal Trustee that it has approximately \$5,465,555 in unsecured liabilities as of the date hereof.
20. 161229 Canada Inc., carrying on business as Whelan Mining Contractors ("Whelan"), registered a lien on March 18, 2013 against Edwards under the *Construction Lien Act* (Ontario) in respect of \$1,451,834 that it was owed for dewatering work at Edwards (the "Whelan Construction Lien"). On March 19,

2013, Whelan commenced a construction lien action in the Ontario Superior Court of Justice in respect of the Whelan Construction Lien against, among others, Strike and Waterton Lux (the “**Whelan Lien Action**”).

21. On October 21, 2014, Whelan, on consent, obtained a judgment (the “**October Order**”) from the Honourable Justice Varpio (“**Justice Varpio**”) of the Ontario Superior Court of Justice against Strike in the Whelan Lien Action in the amount of \$1,632,399.18, of which \$160,000 was declared by Justice Varpio to rank in priority to any security interests in favour of Waterton Lux, and the balance was found to rank subsequent in priority. Of the total amount, \$1,472,399.18 is included in the aforementioned total unsecured liabilities. A copy of the October Order is attached hereto as **Appendix “B”**.

CAUSES OF INSOLVENCY

22. The causes of the financial difficulties and current financial position of Strike are more fully set out in the Crane Affidavit. However, based on the Proposal Trustee’s preliminary review of the Company’s books and records and the Crane Affidavit, Strike was not generating any revenue, and had not done so for many years. The Company relied on debt and equity financing to fund exploration activities and operations. Strike’s ability to raise the additional funding necessary to continue its development of its mining properties was further frustrated by a difficult economic climate.
23. As previously mentioned above, Waterton Lux had previously entered into a forbearance agreement with Strike, following the issuance of a Notice of Intention to Enforce, in order to provide the Company with an opportunity to refinance and payout its indebtedness to Waterton. However, with the passage of time and continued liquidity issues, Waterton has indicated that it is unwilling to continue to support the status quo. Those financial difficulties culminated in the need to file the NOI on November 29, 2016, in order to provide Strike with the additional time to conduct a sale process for substantially all of its assets.

PRE-FILING EFFORTS TO RESTRUCTURE AND SELL THE COMPANY'S ASSETS

24. As outlined in the Crane Affidavit, Strike engaged the services of Phoenix Advisors Inc. ("**Phoenix**") in 2015 to canvass and invite interested parties to acquire Strike's assets, including Edwards (the "**2015 Sales Process**"). Edwards was offered for sale in conjunction with an adjacent gold mine owned by Cline Mining Corporation ("**Cline**") in hopes that a larger operation would attract a strategic buyer for this high-grade unique opportunity.
25. The 2015 Sales Process spanned from February to April of 2015. Various parties were contacted by Phoenix, including potential equity investors and other mineral companies. The 2015 Sales Process had an initial bid deadline of April 6, 2015, which was subsequently extended to April 20, 2015.
26. Phoenix prepared an information teaser and published a data room containing detailed information about the mine sites and exploration results at Edwards and Cline. Phoenix has provided the Proposal Trustee with an electronic copy of sales documents and due diligence documents that it made available to prospective purchasers during the 2015 Sales Process. The Proposal Trustee will update the data as it relates to Edwards and intends to share it with qualified bidders who have signed a confidentiality agreement.
27. Phoenix advised the Proposal Trustee that it had contacted thirty-one (31) prospective purchasers during the 2015 Sales Process which resulted in six (6) proposals or expressions of interest being received. However, only one of those proposals became an offer and that offer was unacceptable to both Strike and Waterton, as it offered very little upfront cash.

STALKING HORSE ASSET PURCHASE AGREEMENT

28. As a result of extensive discussions over the period August to November 2016, the Company has been successful in negotiating a form of asset purchase agreement with 2548304 Ontario Inc. ("**254co**" or the "**Purchaser**"), a company incorporated by Waterton. This form of asset purchase agreement is structured as a "Stalking Horse"

asset purchase agreement, which is subject to Court approval. This Stalking Horse APA, as further defined below, will stand as the opening bid in a Court-approved marketing and sales process (the “**Sales Process**”), to be conducted by the Proposal Trustee on behalf of and in consultation with Strike. Both the Stalking Horse APA and Sales Process are more fully described below.

29. By agreement dated as of December 6, 2016, the Purchaser submitted to Strike an offer to purchase substantially all of the right, title and interest in Strike’s assets, properties and undertakings in the form of an asset purchase agreement and assumption of the obligations owing under the Waterton Loan Agreement, defined herein as the “**Stalking Horse APA**”. A copy of the Stalking Horse APA is attached hereto as **Appendix “C”**.
30. The Stalking Horse APA and underlying bid, remains subject to Court approval and a better offer being received through the Sales Process and, if necessary, a potential auction, as further described in the Bidding Procedures (defined below).
31. A summary of the key terms of the transaction contemplated by the Stalking Horse APA includes:
 - The Purchaser will acquire, on an “as is, where is” basis, substantially all of the Company’s business and assets for the sum of (A) an amount equal to the obligations and liabilities of the Company under the Waterton Loan Agreement as at Closing, which is estimated to be \$3.9 million, *plus* (B) the value of all Priority Payables (as defined therein), which is estimated to be \$748,000 *plus* (C) all Cure Costs (as defined therein);
 - 254co’s bid will be satisfied by way of assumption of the liabilities owed under the Waterton Loan Agreement and cash on closing to satisfy Priority Payables and Cure Costs. All competing bidders will be required to pay the Purchase Price in full in cash on the Closing Date; and
 - The transaction contemplated thereunder is subject to the approval of the Court and contemplates a Court Order vesting free and clear title to the

Purchaser, subject only to permitted encumbrances, as identified in the Stalking Horse APA.

32. The Proposal Trustee believes the process leading to the Stalking Horse APA was reasonable given the circumstances, in particular because it establishes a floor value that is substantially higher than the values reflected by the robust sales process conducted by the Company and Phoenix prior to the filing of the NOI.

STALKING HORSE SALES PROCESS

33. As market conditions have improved since the time of the 2015 Sales Process the Company is proposing to now go back to the market with Stalking Horse APA as the base bid for Strike's assets.

34. The Proposal Trustee has reviewed the proposed Sales Process and the Bidding Procedures as outlined in the Crane Affidavit and believes that the Sales Process is appropriate under the circumstances. A copy of the Bidding Procedures is attached hereto as **Appendix "D"**.

35. The definition of a "Qualified Bid" is found in the Bidding Procedures at Section 7 and specifies, *inter alia*, that a qualified bid must:

- i) be accompanied by a Good Faith Deposit (as defined therein) equal to at least 10% of the offered Purchase Price;
- ii) include a minimum purchase price, payable in cash, in an amount to satisfy:
 - the obligations owing under the Waterton Loan Agreement accruing through to the Closing Date;
 - the obligations owing under the DIP Financing Agreement (discussed below) accruing through to the Closing Date;
 - all Priority Payables;
 - all Cure Costs for any assumed contracts;

- the Break Fee (as defined therein); and
- a Minimum Overbid Increment (as defined therein) of at least \$50,000,

and assume at least the same contracts, Permitted Liens and other obligations assumed by the Stalking Horse Bidder in the Stalking Horse APA (other than the Waterton Loan Agreement and the DIP Financing Agreement, and the liens created pursuant to them, all of which may only be assumed by the Stalking Horse Bidder and must be paid and satisfied in full from the proceeds of the Purchase Price for any other Bid).

36. The Break Fee is specified in the Stalking Horse APA as the fixed amount of \$150,000. This fee equates to approximately 3.2% of the Purchase Price (defined as the sum of Priority Payables, Cure Costs and the obligations owing by Strike under the Waterton Loan Agreement) being offered by 254co in the Stalking Horse APA. Waterton and 254co have incurred significant effort and expense in preparing the Staking Horse APA, and liaising with the Company and Proposal Trustee to develop the Sales Process.
37. The Proposal Trustee believes that the quantum of the Good Faith Deposit, Minimum Overbid Increment and Break Fee are reasonable under the circumstances.
38. A timeline of events in the Sales Process is attached hereto as **Appendix "E"**.
39. This Sales Process is transparent and will be administered by the Proposal Trustee, in consultation with the Company. The Proposal Trustee agrees that the proposed Sales Process is an efficient means to broadly canvass the market once again. The Sales Process provides a forum and deadline to permit and encourage any serious alternative bidders to come forward with improved offers, which may provide the basis for formulation and filing of a Proposal.

INTERIM FINANCING

40. Strike has depleted all of its cash reserves. The Company requires operating funds to pay for the costs of these NOI proceedings and support the Proposal Trustee during the Sales Process.
41. Waterton, as the major secured creditor holding the largest economic interest in the outcome of these NOI proceedings, has entered into a debtor-in-possession term sheet (the “**DIP Financing Agreement**”) with the Company in the amount of \$588,000 (the “**DIP Funds**”) to fund the professional fees and other operating expenses related to the proposed restructuring process.
42. Waterton requires a priority charge against the assets of Strike in order to advance any DIP Funds under the DIP Financing Agreement (the “**DIP Charge**”).
43. The Proposal Trustee is advised that Strike is attempting to open a new bank account at Canadian Imperial Bank of Commerce (“**CIBC**”) to enable it to administer the DIP Funds. However, CIBC is aware of certain outstanding judgements against Strike. As a precautionary measure, should Strike not be able to safely administer the DIP Funds, wording in respect of an alternative cash management solution has been included at paragraph 14 of the draft Order, included at Tab 3 of the Company’s Motion Record, empowering, but not obligating the Proposal Trustee to administer the DIP Funds on behalf of Strike through a separate trust account(s) to be established by the Proposal Trustee.

CASH FLOW PROJECTION

44. Strike has prepared a projected weekly cashflow statement for the period from December 2, 2016 to the week ending March 17, 2017 (the “**15 Week Cashflow**”), attached hereto as **Appendix “F”**. The 15 Week Cashflow indicates that Strike is projected to have sufficient liquidity through to the conclusion of the Sales Process to continue operating, provided it has access to the DIP Funds.

45. The Proposal Trustee has reviewed the underlying assumptions on which the 15 Week Cashflow projection is based and believes them to be reasonable.

EXTENSION OF STAY OF PROCEEDINGS

46. The initial stay of proceedings will expire on December 29, 2016. The Bid Deadline as set out in the Bidding Procedures is February 16, 2017. Extending the stay of proceedings by an additional 45 days to February 10, 2017 will allow Strike and the Proposal Trustee to conduct a substantial portion of the Sales Process before returning to Court to seek an additional extension of the stay of proceedings.
47. The Proposal Trustee notes that Denis Crane has suggested that a 70-day extension be granted at paragraph 56 of the Crane Affidavit. The Proposal Trustee is advised that as a result of discussions between Strike and Waterton that occurred subsequent to the swearing of the Crane Affidavit, the proposed draft Order at Tab 3 of Strike's Motion Record seeks a 45-day extension.
48. Given the amount of time that has transpired during which creditors have remain unpaid and Strike has remained inactive, the Proposal Trustee is not aware of any creditors who would be materially prejudiced by the granting of the requested extension to the stay of proceedings. It would be cost effective for the Court to grant this first extension now concurrent with the approval of the Sales Process so that the parties do not have incur the additional expense of coming back to court in thirty days to obtain approval of an extension.
49. Strike has acted in good faith and with due diligence in these NOI proceeding to date and in its efforts to negotiate the Stalking Horse APA and Sales Process.
50. In the circumstances, the Proposal Trustee believes it is the most appropriate strategy to maximize recovery for the benefit of all stakeholders.

PRIORITY CHARGES

51. Strike is also seeking court approval of two separate priority charges against the property and assets of Strike, as follows:

- i. The DIP Charge in the amount of \$588,000 to provide the funding necessary for Strike's operations and payment of professional fees during these NOI proceedings; and
- ii. The Administration Charge in the amount of \$300,000 in favour of the Proposal Trustee, the Company and their respective counsel as security for the professional fees and disbursements incurred by each in connection with these NOI proceedings.

(together referred to as the "**Priority Charges**")

52. The Company is seeking an Administration Charge in the amount of \$300,000, which would have priority over all claims against the Company (including the DIP Charge). The beneficiaries of the Administration Charge would be the Proposal Trustee (including in its capacity as trustee in bankruptcy, if applicable), the Proposal Trustee's legal counsel (including as counsel to the trustee in bankruptcy, if applicable), A&B and the Company's legal counsel, Thornton Grout Finnegan LLP. For added clarity, the Company also seeks to extend the Administration Charge to secure the fees and disbursements of Farber as Trustee in Bankruptcy, if applicable, of the Company.
53. Each of the Priority Charges are common in restructuring proceedings such as this and is, in the Proposal Trustee's view, appropriate in the present case given the Company's lack of liquidity. The professionals involved in these NOI proceedings require the benefit of a Court-ordered first ranking charge on the Company's business and assets to secure payment of their fees and expenses.
54. In addition, the Administration Charge is supported by Waterton as the existing senior secured lender and the proposed DIP Lender.

OTHER ACTIVITIES OF THE PROPOSAL TRUSTEE

55. On December 5, 2016, the Proposal Trustee mailed notice of the NOI to Strike's creditors. A copy of the notice as attached as **Appendix "G"**.

56. On December 6, 2016, the Proposal Trustee e-filed the statutory cashflow with the Official Receiver in accordance with section 50.4(2) of the BIA. A copy of the cashflow package is attached as **Appendix "H"**.

RECOMMENDATIONS

57. The Proposal Trustee respectfully recommends that this Honourable Court approve:

- (i) the Company entering into the Stalking Horse APA for the purpose of the Sales Process, and the terms of the transaction contemplated therein;
- (ii) the terms of the Sales Process;
- (iii) the requested extension to extend the time within which to file a proposal with the Official Receiver by Strike under section 62(1) of the BIA to February 10, 2017; and
- (iv) the approval of the proposed Priority Charges.

All of which is respectfully submitted this 8th day of December, 2016.

A. FARBER & PARTNERS INC. IN ITS CAPACITY AS TRUSTEE

IN RE THE PROPOSAL OF STRIKE MINERALS INC.

A. Farber & Partners Inc.

Tab B

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)

THE HONOURABLE *Mr.*

) TUESDAY, THE 13TH

JUSTICE *Penny*

) DAY OF DECEMBER, 2016

IN THE MATTER OF THE PROPOSAL OF
STRIKE MINERALS INC.,
OF THE CITY OF LONDON
IN THE PROVINCE OF ONTARIO

ORDER

**(Re: Stalking Horse Agreement, Bidding Procedures, DIP Facility,
Priority Charges and Stay Extension)**

THIS MOTION, made by Strike Minerals Inc. (the "**Debtor**"), pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the Affidavit of Denis Crane sworn on December 6, 2016 and the Exhibits thereto (the "**Crane Affidavit**") and the First Report of A. Farber & Partners Inc., in its capacity as Proposal Trustee (in such capacity, the "**Proposal Trustee**") of the Debtor dated December 8, 2016 (the "**First Report**") and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for Debtor, counsel for the Proposal Trustee and all other parties listed on the Counsel Slip, no one appearing for any other person, although duly served as it appears from the Affidavits of Service of Roxana G. Manea sworn December 9, 2016 and December 12, 2016;

SERVICE

1. **THIS COURT ORDERS** that the time for service of this Motion, the Motion Record herein and the First Report is abridged and service is validated such that this Motion is properly returnable today and hereby dispenses with further service thereof.

2. **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 appears on the Commercial List website at the following link: <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05 of the *Rules of Civil Procedure* (the “Rules”), this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules. Subject to Rule 3.01(d) of the Rules and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission.

3. **THIS COURT ORDERS** that the E-Service List Keeper (as defined in the Protocol) for the purpose of this proceeding shall be the Proposal Trustee.

STALKING HORSE AGREEMENT

4. **THIS COURT ORDERS** that the Debtor is hereby authorized to execute, *nunc pro tunc*, the Stalking Horse Agreement with 2548304 Ontario Inc, as purchaser (the “**Stalking Horse Purchaser**”), provided that nothing herein approves the sale and the vesting of the assets to the Stalking Horse Purchaser pursuant to the Stalking Horse Agreement and that the approval of the sale and vesting of such assets shall be considered by this Court on a subsequent motion made to

this Court following completion of the sale process pursuant to the terms of the Bidding Procedures (defined below).

BIDDING PROCEDURES

5. **THIS COURT ORDERS** that the bidding procedures including the auction procedures in the form attached hereto as Schedule "A" (the "**Bidding Procedures**") are approved. The Debtor and the Proposal Trustee are authorized to administer the Bidding Procedures and auction, if determined necessary, and to perform each of their obligations thereunder.

6. **THIS COURT ORDERS** that, in the event the Stalking Horse Purchaser is not the Successful Bidder (as defined in the Bidding Procedures), the Debtor is authorized and directed to pay the Stalking Horse Purchaser the Break Fee in the amount of \$150,000.00 in accordance with the Stalking Horse Agreement and Bidding Procedures, such amount to be paid out of the sales proceeds derived from and upon completion of the Successful Bid (as defined in the Bidding Procedures).

DIP FINANCING

7. **THIS COURT ORDERS** that the Debtor is hereby authorized and empowered to obtain and borrow under one or more credit facilities (collectively, the "**DIP Facility**") granted by Waterton Global Value, L.P. (in such capacity, the "**DIP Lender**") to be used for the purposes described in the DIP term sheet attached as Exhibit "S" to the Crane Affidavit (the "**DIP Term Sheet**"), provided that the borrowings under the DIP Facility shall not exceed the amount specified in the DIP Term Sheet, unless permitted by further Order of this Court.

8. **THIS COURT ORDERS** that the DIP Facility shall be on the terms and subject to the conditions set forth in the DIP Term Sheet.

9. **THIS COURT ORDERS** that the Debtor is authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the "**Definitive Documents**"), as are contemplated by the DIP Term Sheet or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Debtor is hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the DIP Term Sheet and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

10. **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "**DIP Charge**"), which shall not exceed an aggregate amount of \$588,000.00 on the Debtor's current and future properties, assets and undertakings of every nature and kind whatsoever and wherever situated, including all proceeds thereof, including any real property of the Debtor (collectively, the "**Property**"). The DIP Charge shall not secure an obligation that exists before this Order is made. The DIP Charge shall have the priority set out in paragraph 17, below.

11. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order or the BIA (including sections 69 and 69.1):

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Charge or any of the Definitive Documents;

(b) upon the occurrence of an event of default under the DIP Term Sheet or the Definitive Documents, the DIP Lender, upon three (3) business days' notice to the Debtor and to the Proposal Trustee, may exercise any and all of its rights and remedies against the Debtor or the Property under or pursuant to the DIP Term Sheet, the Definitive Documents and the DIP Charge, including, without limitation, to cease making advances to the Debtor and set off and/or consolidate any amounts owing by the DIP Lender to the Debtor against the obligations of the Debtor to the DIP Lender under the DIP Term Sheet, the Definitive Documents or the DIP Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Debtor and for the appointment of a trustee in bankruptcy of the Debtor; and

(c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Debtor or the Property.

12. **THIS COURT ORDERS AND DECLARES** that that the DIP Lender shall be treated as unaffected in any proposal filed by the Debtor under the BIA with respect to any advances made pursuant to the DIP Term Sheet or the Definitive Documents.

13. **THIS COURT ORDERS** that: (a) pending expiry of the time for filing a notice of appeal or application for leave to appeal in respect of this Order and the disposition of any motions to review, rescind or vary this Order, applications for leave to appeal or appeals from this Order (collectively, "**Challenges**"), the Debtor is authorized to borrow funds under the DIP Facility in accordance with the DIP Term Sheet; (b) irrespective of the disposition of any

Challenges, the DIP Lender shall have the benefit of the DIP Charge and all other provisions of this Order in respect of all amounts so advanced; and (c) this Order is subject to provisional execution to the extent necessary to give effect to the foregoing.

CASH MANAGEMENT

14. **THIS COURT ORDERS** that the Proposal Trustee is hereby expressly empowered and authorized, but not obligated, to do the following where the Proposal Trustee considers it necessary or desirable:

(a) to take possession of and exercise control over any and all proceeds and receipts of the Debtor, including, but not limited to, any advances made under the DIP Facility for and on behalf of the Debtor; and

(b) to pay expenses and make disbursements for and on behalf of the Debtor from the receipts held for and on behalf the Debtor, including any payments on account of the Charges (defined below), and repayments on account of the DIP Facility,

and, in each case where the Proposal Trustee takes any such action or steps, it shall be authorized and empowered to do so for and on behalf of the Debtor and subject to the direction of the Debtor or further Order of the Court.

15. **THIS COURT ORDERS** that no proceeding or enforcement process in any Court or Tribunal shall be commenced or continued against the Proposal Trustee except with the written consent of the Proposal Trustee or with leave of this Court.

16. **THIS COURT ORDERS** that all funds, monies, cheques, instruments and other forms of payments received or collected by the Proposal Trustee from and after the making of this Order from any source whatsoever, including without limitation any funds arising from the DIP Facility, the Stalking Horse Agreement or the Bidding Procedure, shall be deposited into one or more new accounts to be opened by the Proposal Trustee (the "**Post Filing Accounts**") and the money standing to the credit of such Post Filing Accounts from time to time, net of any disbursements provided for herein, shall be held by the Proposal Trustee to be paid in accordance with the terms of this Order or any further Order of this Court.

17. **THIS COURT ORDERS** that the Proposal Trustee shall incur no liability or obligation as a result of carrying out the provisions of this Order, save and except for any gross negligence or willful 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 Act*. Nothing in this Order shall derogate from the protections afforded by Section 14.06 of the BIA or any other applicable legislation.

ADMINISTRATION CHARGE

18. **THIS COURT ORDERS** that counsel to the Debtor, the Proposal Trustee and counsel to the Proposal Trustee shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Debtor as part of the costs of these proceedings. The Debtor is authorized and directed to pay the accounts of counsel for the Debtor, the Proposal Trustee and counsel for the Proposal Trustee.

19. **THIS COURT ORDERS** that the Proposal Trustee and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Proposal Trustee and its

legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

20. **THIS COURT ORDERS** that the Proposal Trustee (including in its capacity as trustee in bankruptcy, if applicable), counsel to the Proposal Trustee (including in its capacity counsel to as trustee in bankruptcy, if applicable) and counsel to the Debtor shall be entitled to the benefit of and are granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$300,000.00, as security for their professional fees and disbursements incurred at their standard rates and charges, both before and after the Debtor filing its NOI under the BIA and the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraph 17 below.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

21. **THIS COURT ORDERS** that the priorities of the DIP Charge and the Administration Charge (collectively, the "**Charges**"), as among them, shall be as follows:

- (a) First – the Administration Charge (to the maximum amount of \$300,000.00); and
- (b) Second – the DIP Charge (to the maximum amount of \$588,000.00).

22. **THIS COURT ORDERS** that the filing, registration or perfection of the Charges shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

23. **THIS COURT ORDERS** that each of the Charges shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances and claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**"), in favour of any individual, firm, corporation, governmental body or agency (except statutory deemed trusts that, at law, rank in priority to all other charges), or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**").

24. **THIS COURT ORDERS** that, except as otherwise expressly provided for herein or as may be approved by this Court, the Debtor shall not grant any Encumbrances over any Property that ranks in priority to, or *pari passu* with, any of the Charges, unless the Debtor also obtains the prior written consent of the Proposal Trustee, the DIP Lender and the beneficiaries of the Administration Charge, or further Order of this Court.

25. **THIS COURT ORDERS** that the Charges, the DIP Term Sheet and the Definitive Documents shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") and/or the DIP Lender thereunder shall not otherwise be limited or impaired in any way by: (i) the pendency of these proceedings and the declarations of insolvency made herein; (ii) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (iii) the filing or deemed filing of any assignments for the general benefit of creditors made pursuant to the BIA; (iv) the provisions of any federal or provincial statutes; or (v) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease,

sublease, offer to lease or other agreement (collectively, an "Agreement") which binds the Debtor, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Term Sheet, or the Definitive Documents shall create or be deemed to constitute a breach by the Debtor of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Debtor entering into the DIP Term Sheet, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and
- (c) the payments made by the Debtor pursuant to this Order, the DIP Term Sheet or the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

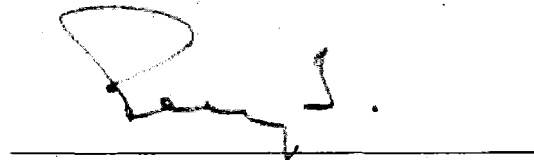
EXTENSION OF PROPOSAL PERIOD

26. **THIS COURT ORDERS** that, pursuant to subsection 50.4(9) of the BIA, the time for filing a proposal with the Official Receiver in the proceedings of the Debtor, including the stay of proceedings, is extended to and including February 10, 2017.

GENERAL


27. **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 Debtor, the Proposal Trustee 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 Debtor and to the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Proposal Trustee in any foreign proceeding, or to assist the Debtor and the Proposal Trustee and their respective agents in carrying out the terms of this Order.

28. **THIS COURT ORDERS** that each of the Debtor and the Proposal Trustee be at liberty and is 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 Proposal Trustee 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.



ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

DEC 13 2016

PER / PAR: 

SCHEDULE "A"
BIDDING PROCEDURES

NAP

BIDDING PROCEDURES

WHEREAS A. Farber & Partners Inc. ("**Farber**" or the "**Proposal Trustee**"), as proposal trustee to Strike Minerals Inc. ("**Strike**"), in consultation with Strike, has commenced a sales process (the "**Sales Process**") with the goal of selling all or substantially all of the property, assets and undertakings of Strike (collectively, the "**Purchased Assets**") and the consummation of a transaction for the sale of the Purchased Assets, the "**Sale**") in the context of Strike's proposal proceedings under the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c B-3 (the "**BIA**");

AND WHEREAS Strike has filed a Notice of Intention to Make a Proposal pursuant to section 50.4 of the BIA and Farber was appointed as Proposal Trustee;

AND WHEREAS Strike has entered into an asset purchase agreement for the Purchased Assets with 2548304 Ontario Inc. (the "**Stalking Horse Bidder**") dated December ●, 2016 (the "**Stalking Horse Agreement**");

AND WHEREAS the parties to the Stalking Horse Agreement have agreed therein to comply with these bidding procedures;

AND WHEREAS Farber together with its advisors, in consultation with Strike and its advisors, have established these bidding procedures for the solicitation of competing offers or proposals (each a "**Bid**") for the acquisition of the Purchased Assets;

AND WHEREAS by order dated [December 13], 2016, the Honourable ● Justice ● of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") issued an order, among other things, approving and accepting, (a) these bidding procedures (these "**Bidding Procedures**"); and (b) the Stalking Horse Agreement (the "**Bidding Procedures Order**").

NOW THEREFORE, these Bidding Procedures shall govern the proposed Sale pursuant to a Bid and the Sales Process relating to all Bids for the Purchased Assets, including the Bid contemplated by the Stalking Horse Agreement.

1. Any reference to the actions to be taken by Strike or Farber, shall be permitted to be in consultation with their respective counsel and advisors.

2. Assets for Sale

Farber, with the assistance of Strike, is soliciting competing offers for all of the Purchased Assets.

Any party that wishes to submit a proposal pursuant to the BIA or otherwise structure a sale of assets as a proposal (a "**Proposal**") may do so, provided such Proposal provides for the Minimum Payments provided for in section 7(i) hereof.

3. Bidding Deadlines

All Bids must be submitted in accordance with the terms of these Bidding Procedures so that they are actually received no later than 5:00 p.m. (Toronto time) on February 16, 2017 (the "**Bid Deadline**") to the following address:

Strike Minerals Inc.
c/o A. Farber & Partners Inc.
150 York Street
Suite 1600
Toronto, ON M5H 3S5

Tel: 416-496-0150
Fax: 415-496-3839

Attn.: Paul J. Denton
Tel: 416-496-3773
Email: pdenton@farberfinancial.com

Subject to section 19 below, a Bid received after the Bid Deadline shall not constitute a Qualified Bid (as defined below).

4. Defined Terms

As used in these Bidding Procedures, capitalized terms not otherwise defined in these Bidding Procedures have the corresponding meanings given to them in the Stalking Horse Agreement. In addition to the terms defined elsewhere in these Bidding Procedures, as used in these Bidding Procedures, the following terms have the corresponding meanings given to them:

"Break Fee" means \$150,000.

"Cure Costs" means, in respect of any Assumed Contract which is not assignable in whole or in part without the consent, approval or waiver of the party or parties thereto (other than Strike), all amounts owing as at the closing of the Sale by Strike pursuant to such Assumed Contract and all amounts required to be paid to cure any monetary defaults thereunder, if any, required to effect an assignment thereof from Strike to the Successful Bidder (as defined below), together with any fee or other monetary concession approved by the Successful Bidder and granted in connection with obtaining any assignment order of the Ontario Superior Court of Justice (Commercial List) for such Assumed Contract, including all administrative fees and counsel fees of the counterparties required to be paid to obtain such assignment order.

"DIP Financing Agreement" means an agreement to be entered into between Waterton Global Value, L.P., as lender, ("**Waterton Global**") and Strike, as borrower, and approved by a Court authorizing a super-priority credit facility provided to Strike by Waterton Global.

"Priority Payables" means any and all amounts and claims which rank in priority to the interest of Waterton Global pursuant to the Waterton Credit Agreement as listed in Schedule 8.2(c)(v) of the Stalking Horse Agreement.

"Waterton Credit Agreement" means the senior secured gold stream credit agreement dated February 21, 2012 between Strike, as borrower, the guarantors from time to time party thereto, as guarantors, and Waterton Global Value (Luxembourg) S.A.R.L., as lender, as such agreement was assigned by Waterton Global Value (Luxembourg) S.A.R.L. to Waterton Global Value, L.P.

5. Confidentiality

Bids may only be made if an interested party has executed a non-disclosure agreement (an "NDA") in form and substance acceptable to Farber. Interested bidders requesting information about the qualification and due diligence process, including a copy of the NDA, should contact Farber, Attn: Paul Denton at telephone (416) 496-3773 or email at pdenton@farberfinancial.com.

6. Access to Due Diligence Materials

Only bidders that have executed an NDA are eligible to receive access to due-diligence materials and additional non-public information. Strike and Farber will establish a virtual data room containing information relevant to the Sales Process and will make representatives available to respond to additional information requests from bidders who have signed an NDA. The data room will contain a copy of the Stalking Horse Agreement. Strike and Farber and their counsel and advisors are not responsible for, and bear no liability with respect to, any information obtained by any bidder in connection with the Sales Process, whether contained in the data room or otherwise.

A bidder's access to the virtual data room and eligibility to receive due diligence materials and other non-public information shall terminate upon the earliest of the following events to occur: (a) such bidder does not submit a Bid by the Bid Deadline; (b) such bidder is determined by Farber, in consultation with Strike, not to be a Qualified Bidder; (c) such bidder does not participate in the Auction (as defined below); or (d) at the conclusion of the Auction. Notwithstanding that a bidder's access to such information may continue until the end of the Auction, neither Strike nor Farber shall be obligated to furnish any further due diligence materials or non-public information after the Bid Deadline. Without limiting any term or condition of the NDA, upon termination of access to the virtual data room and eligibility to receive due diligence materials, each bidder must return to Farber or permanently delete or destroy any and all copies of the due diligence materials and other non-public information and any and all presentations, summaries, documents or other materials that contain or are based upon or derived from such due diligence materials and other non-public information, without retaining any copies thereof.

7. Determination of Qualified Bids

To participate in the Auction a bidder must submit a Bid prior to the Bid Deadline, which Bid must satisfy each of the following conditions (as determined by Farber, in

consultation with Strike, a "Qualified Bid" and each entity that has submitted a Qualified Bid being, a "Qualified Bidder");

- (a) Identification of Bidder. The bidder and the representatives thereof who are authorized to appear and act on behalf of the bidder for all purposes regarding the Sale have been identified in the Bid.
- (b) Written Submission of Modified APA and Commitment to Close. The Bid must include an executed form of the Stalking Horse Agreement with such changes to the Stalking Horse Agreement as are requested by the bidder (each, a "Modified APA") together with a blackline of the Modified APA against the Stalking Horse Agreement and a written and binding commitment to consummate the transaction on the terms and conditions set forth therein. A template including footnotes detailing changes to the form of the Stalking Horse Agreement required to be made by the bidder for purposes of the Modified APA will be made available to each bidder.
- (c) Irrevocable. The Bid must be irrevocable until:
 - (i) if such Bid is not selected as the Successful Bid (as herein defined), the day following the completion of the Auction; and
 - (ii) if such Bid is selected as the Successful Bid, March 15, 2017.
- (d) Contingencies. Neither the Bid nor the Modified APA shall contain any conditions relating to obtaining financing, any board, shareholder or other internal approval, material adverse effects or the outcome of any due diligence investigations.
- (e) Proof of Financial Ability to Perform. The Bid identifies the actual bidder and its owners (including beneficial owners, if any) and ultimate parent company and contains written evidence upon which Farber and Strike may reasonably conclude that the bidder has the necessary financial ability to close the contemplated transaction and provide adequate assurance of performance of all obligations to be assumed in such contemplated transaction. Such information shall include, among other things, financial statements for the most recently completed fiscal period of the bidder and its owners, provided, however, that Farber and Strike may determine, in their reasonable discretion, whether written evidence of such financial wherewithal other than current financial statements is reasonably acceptable, and shall not unreasonably withhold acceptance of such other evidence.
- (f) Proof of Authorization. The Bid provides proof of necessary board, shareholder or other necessary corporate authorizations approving the Bid.
- (g) No Fees Payable to Qualified Bidder. The Bid does not request or require, nor shall it be conditional upon, payment of any break or termination fee,

expense reimbursement, or similar type of payment other than the Break Fee due to the Stalking Horse Bidder pursuant to the Stalking Horse Agreement.

- (h) Good Faith Deposit. The Bid is accompanied by a cash deposit (the "**Good Faith Deposit**") in an amount equal to at least 10% of the Purchase Price, which shall be paid to counsel for Farber, at or before the Bid Deadline, which Good Faith Deposit shall be held in trust in accordance with these Bidding Procedures.
- (i) Minimum Bid. The Modified APA shall provide that the bidder would:
 - (a) include a minimum purchase price (the "**Purchase Price**"), payable in cash in an amount necessary to satisfy the following:
 - (i) the obligations owing under the Waterton Credit Agreement accruing through to the Closing Date;
 - (ii) the obligations owing under the DIP Financing Agreement accruing through to the Closing Date;
 - (iii) all Priority Payables;
 - (iv) Cure Costs for any Assumed Contracts;
 - (v) the Break Fee; and
 - (vi) Minimum Overbid Increment of at least \$50,000; and
 - (b) assume at least the same contracts, Permitted Liens and other obligations assumed by the Stalking Horse Bidder in the Stalking Horse Agreement (other than the Waterton Credit Agreement and the DIP Financing Agreement, and the liens created pursuant to them, all of which may only be assumed by the Stalking Horse Bidder and must be paid and satisfied in full from the proceeds of the Purchase Price for any other Bid), or provide equivalent FMV in respect of the assumption of such contracts, Permitted Liens and other obligations, as determined by the Proposal Trustee applying standard valuation techniques.

8. Due Diligence from Bidders

Each bidder shall comply with all reasonable requests for additional information by Farber regarding such bidder and its contemplated transaction and to seek clarification in respect of any Bids which are submitted. Failure by a bidder to comply with requests for additional information will be a basis for Farber to determine that the bidder is not a Qualified Bidder.

9. Stalking Horse Bidder

For greater certainty, the Stalking Horse Bidder is and is deemed to be a Qualified Bidder and the Stalking Horse Agreement is and is deemed to be a Qualified Bid for all purposes in connection with these Bidding Procedures, the Auction and the Sale. The Stalking Horse Bidder shall have access to the virtual data room as contemplated in section 6.

10. Determination of Qualified Bidder

Farber shall, in consultation with Strike, review all Bids submitted in accordance with these Bidding Procedures and shall notify all bidders with respect to whether they are a Qualified Bidder as soon as practicable after the Bid Deadline. The identity of all bidders and Qualified Bidders (other than the Stalking Horse Bidder) will be kept confidential by Farber and Strike until two (2) days prior to the commencement of the Auction, at which time the identity of all Qualified Bidders participating in the Auction will be revealed to all other Qualified Bidders. At such time, copies of all Bids determined to be Qualified Bids shall be provided to each of the Qualified Bidders, including for greater certainty, the Stalking Horse Bidder.

11. Bidding Procedures

Farber and Strike shall: (a) coordinate the efforts of bidders in conducting their due-diligence investigations; (b) receive Bids and determine whether a bidder is a Qualified Bidder in accordance with these Bidding Procedures; and (c) seek clarification of and negotiate Bids made in accordance with these Bidding Procedures to purchase the Purchased Assets.

12. Auction

If at least one Bid (other than the Stalking Horse Bid) is received by the Bid Deadline and is determined to be a Qualified Bid, Farber shall conduct an auction (the "Auction") to determine the highest and/or best Bid with respect to the Purchased Assets.

If no Bid is received by the Bid Deadline (other than the Stalking Horse Bid), or if no Bid received by the Bid Deadline is determined to be a Qualified Bid, then no Auction shall take place, the Stalking Horse Bidder shall be declared the Successful Bidder (as defined below), and the Proposal Trustee shall promptly seek an order of the Court (the "Approval and Vesting Order") approving the Sale transaction and vesting the Purchased Assets in the Stalking Horse Bidder.

If it takes place, the Auction shall be conducted according to the following procedures:

- (a) Commencement. The Auction shall commence on February 21, 2017, at 11:00 a.m. (Toronto Time) at the offices of Farber. Farber shall direct and preside over the Auction.

- (b) Qualified Bidders Only. Only a Qualified Bidder that has submitted a Qualified Bid, its representatives and advisors are eligible to participate at the Auction. For greater certainty, the Stalking Horse Bidder is a Qualified Bidder and eligible to participate at the Auction.
- (c) Negotiating Authority. All representatives of the Qualified Bidders shall represent to Farber that they have authority to submit and negotiate binding Bids at the Auction.
- (d) Opening Bid. During the Auction, the bidding shall begin with the highest and/or best Qualified Bid (the "**Opening Bid**") and each subsequent round of bidding shall continue in minimum increments of at least the Minimum Overbid Increment (as defined below).
- (e) Cash. All Bids (other than the Stalking Horse Bid) and Overbids (as defined below) shall be on a cash basis only.
- (f) Determination of Opening Bid. The determination of which Qualified Bid constitutes the Opening Bid shall be undertaken by Farber, acting reasonably, in its sole capacity.
- (g) Open Bidding. All Overbids shall be fully disclosed to all other Qualified Bidders that are participating in the Auction.
- (h) Record of Auction. Farber shall maintain a record of the Opening Bid and all Overbids made and announced at the Auction.
- (i) Overbids. An "Overbid" is any Bid made at the Auction subsequent to Farber's announcement of the Opening Bid. To submit an Overbid, in any round of the Auction, a Qualified Bidder must comply with the following conditions:
 - i. *Minimum Overbid Increment.* Any Overbid shall be made in cash increments of at least \$50,000 or such lower amount as Farber may determine in order to facilitate the Auction (the "**Minimum Overbid Increment**").
 - ii. *Remaining terms are the same as for Qualified Bids.* Except as modified herein, an Overbid must comply with the conditions for a Qualified Bid set forth above, provided, however, that the Bid Deadline shall not apply. Only the Successful Bidder from the Auction will be required to pay an additional Good Faith Deposit equal to 10% of the difference between the initial Qualified Bid and the increased Purchase Price after the completion of the Auction.
- (j) Break Fee. Farber shall credit the amount of the Break Fee provided in the Stalking Horse Agreement to each and every Overbid submitted by the Stalking Horse Bidder at the Auction, meaning that if the Stalking Horse

Bidder's subsequent Overbid is the then highest and/or best Overbid at the Auction, any subsequent Overbid must exceed the Stalking Horse Bidder's Overbid by the amount of the Break Fee plus the Minimum Overbid Increment.

- (k) Financial Comfort. To the extent not previously provided, a Qualified Bidder submitting an Overbid must, at the request of Farber submit, as part of its Overbid, written evidence (in the form of financial disclosure or credit quality support information or enhancement acceptable to Farber in their reasonable business judgment) demonstrating such Qualified Bidder's ability to close the transaction proposed by such Overbid.
- (l) Announcing Overbids. At the end of each round of bidding, Farber shall announce the identity of the leading Qualified Bidder and provide details of the material terms of the then highest and/or best Overbid.
- (m) Consideration of Overbids. Farber shall have the right, in its reasonable business judgment, to make one or more adjournments in the Auction to, among other things, (i) facilitate discussions with individual Qualified Bidders, (ii) allow individual Qualified Bidders to consider how they wish to proceed, and (iii) consider and determine the current highest and/or best Overbid at any given time during the Auction.
- (n) Failure to Bid. If at the end of any round of bidding a Qualified Bidder fails to submit an Overbid for that round of bidding, then such Qualified Bidder shall not be entitled to continue to participate in the next round of the Auction.
- (o) Additional Procedures. Farber may adopt other procedural rules for the conduct of the Auction at or prior to the Auction that will better promote the goals of the Auction and that are not inconsistent with any of the provisions of these Bidding Procedures, provided that all such other rules are communicated to each Qualified Bidder simultaneously and as soon as practicable and that no such other procedural rules shall (i) change the requirement that all Qualified Bidders (that have not failed to make an Overbid in a prior round of bidding) shall be entitled to be present for all bidding, or (ii) waive the requirement that all Bids and Qualified Bids must comply with the requirements of section 7 in order to become or remain a Qualified Bid.
- (p) Closing the Auction. Upon conclusion of the bidding, Farber, in consultation with Strike, shall (i) immediately review the final Overbid of each Qualified Bidder on the basis of financial and contractual terms and the factors relevant to the Sale Process, including those factors affecting the speed and certainty of consummating the proposed Sale, and (ii) identify the highest and/or best Overbid or Opening Bid (the "Successful Bid" and the entity or entities submitting such Successful Bid, the "Successful Bidder"), and advise the Qualified Bidders of such determination.

13. Sale/Proposal hearing

A hearing to approve the Sale or a Proposal to the Successful Bidder shall be conducted by the Court within seven business days following the selection of the Successful Bidder, subject to Court availability.

14. Acceptance of Successful Bid

Strike (with the assistance of the Proposal Trustee) shall complete the Sale transaction with the Successful Bidder following the issuance of the Approval and Vesting Order by the Court. Strike and the Proposal Trustee will be deemed to have accepted a Successful Bid only when the Successful Bid has been approved by the Court.

15. Break Fee

In the event the Stalking Horse Bidder is not the Successful Bidder, in accordance with the terms of the Stalking Horse Agreement, the Stalking Horse Agreement shall not be consummated but the Break Fee shall be paid to the Stalking Horse Bidder from the proceeds received upon closing the Successful Bid. No other expense shall be paid to the Stalking Horse Bidder.

16. "As Is, Where Is"

The Sale pursuant to these Bidding Procedures shall be on an "as is, where is" basis and without representations or warranties of any kind, nature, or description by Strike or Farber save and except to the extent set forth in the Stalking Horse Agreement or the purchase agreement of the Successful Bidder. Each Qualified Bidder shall be deemed to acknowledge and represent that it has had an opportunity to conduct any and all due diligence regarding the Purchased Assets prior to making its Bid, that it has relied solely on its own independent review, investigation, and/or inspection of any documents and/or the Purchased Assets in making its Bid, and that it did not rely on any written or oral statements, representations, promises, warranties, conditions or guaranties whatsoever, whether express, implied, by operation of law or otherwise, regarding the Purchased Assets, or the completeness of any information provided in connection therewith or at the Auction, except as expressly stated in these Bidding Procedures or (a) as to the Stalking Horse Bidder, the terms of the Sale shall be set forth in the Stalking Horse Agreement, or (b) as to the Successful Bidder (if not the Stalking Horse Bidder), the terms of the Sale shall be set forth in the purchase agreement of the Successful Bidder.

17. Free Of Any And All Encumbrances

Except as otherwise provided pursuant to the purchase agreement of the Successful Bidder accepted by Strike, all of Strike's right, title, and interest in and to the Purchased Assets subject thereto shall be sold free and clear of all Liens (as defined in Stalking Horse Agreement), other than any permitted encumbrances set forth in such purchase agreement other than as provided for in the Approval and Vesting Order.

18. Return or Application of Good Faith Deposit

Good Faith Deposits of all bidders shall be held by Farber's counsel in trust in a separate non-interest bearing account or escrow. Good Faith Deposits of all bidders who are determined not to be Qualified Bidders shall be returned to such bidders as soon as practicable following such determination. Good Faith Deposits of all Qualified Bidders, other than the Successful Bidder, shall be returned to such Qualified Bidders as soon as practical after the selection of the Successful Bidder. The Good Faith Deposit of the Successful Bidder shall be held by Farber and applied to the purchase price of such transaction at Closing or otherwise dealt with in accordance with the terms of the purchase agreement with the Successful Bidder.

19. Modifications and Reservations

Other than as provided for in section 12(o), these Bidding Procedures may only be modified or amended with the express written consent of the Proposal Trustee and the Stalking Horse Bidder.

20. Currency

All references to currency in these Bidding Procedures are references to Canadian dollars.

IN THE MATTER OF THE PROPOSAL OF STRIKE MINERALS INC., OF THE CITY OF LONDON, IN THE PROVINCE OF ONTARIO

Court File No.: 35-2193939
Estate No.: 35-2193939

ONTARIO

**SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)**

Proceedings commenced at London; transferred to Toronto

ORDER

**(Re: Stalking Horse Agreement, Bidding Procedures,
DIP Facility, Priority Charges and Stay Extension)**

Thornton Grout Finnigan LLP

Barristers & Solicitors

Suite 3200, TD West Tower

100 Wellington Street West

P.O. Box 329, Toronto-Dominion Centre

Toronto, ON M5K 1K7

D.J. Miller (LSUC# 34393P)

Email: djmiller@tgf.ca

Tel: (416) 304-0559

Asim Iqbal (LSUC# 61884B)

Email: aiqbal@tgf.ca

Tel: (416) 304-0595

Fax: (416) 304-1313

Lawyers for Strike Minerals Inc.

Tab C

**In the Matter of the Proposal of
Strike Minerals Inc.
Interim Statement of Receipts and Disbursements
For the Period from December 1, 2016 to January 31, 2017**

Cash Receipts

Funds from secured creditor	\$	156,000
Advance from Bankruptcy Retainer		1,000

Total Receipts		<u>157,000</u>
-----------------------	--	----------------

Cash Disbursements

Proposal Trustee fees	28,477
Geologist Support	2,000
HST Paid	17,905
Bankruptcy Retainer	25,000
Legal Fees	82,593
Bank and Service Charges	202

Total Disbursements	<u>156,177</u>
----------------------------	----------------

Ending Cash Balance	<u>\$</u>	<u>823</u>
----------------------------	-----------	------------

Tab D

Strike Minerals Inc.
Projected Weekly Cash Flow Statement
For the 9 Week Period Ending March 31, 2017

Week Ending	3-Feb	10-Feb	17-Feb	24-Feb	3-Mar	10-Mar	17-Mar	24-Mar	31-Mar	Forecast Total
Operating Disbursements										
Onsite supervision/security/site visits (ii)	\$ 1,800	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ -	\$ -	\$ 3,000
Geologist/site visits	8,828	500	500	-	-	-	-	-	-	9,828
Other (v)	5,798	500	1,000	-	-	-	-	-	-	7,298
Total Operating Disbursements	16,426	1,200	1,700	200	200	200	200	-	-	20,126
Professional Fees (incl. H.S.T.) (iii)										
Proposal Trustee	114,721	28,250			11,300				28,250	182,521
Proposal Trustee's Legal Counsel	10,334			11,300					11,300	32,934
Company Legal Counsel	15,031								11,300	26,331
Secured Creditor Legal Counsel	113,000		28,250						28,250	169,500
Bankruptcy Retainer	1,000									1,000
Total Professional Fees	254,085	28,250	28,250	11,300	11,300	-	-	-	79,100	412,285
Net Cash Flow before DIP Funding	270,511	29,450	29,950	11,500	11,500	200	200	-	79,100	432,411
Opening Cash	823	-	-	-	-	-	-	-	-	823
DIP Loan Interim Financing Advances / (Repayments)	269,688	29,450	29,950	11,500	11,500	200	200	-	79,100	431,588
Closing Cash (iv)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Opening balance:

DIP Loan Balance	156,000	425,688	455,138	485,088	496,588	508,088	508,288	508,488	508,488	587,588
------------------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------

This Statement of Projected Cash Flow, prepared in accordance with s.s.50(6) and/or s.s.50.4(7)(b)(ii) of the Bankruptcy and Insolvency Act, should be read in conjunction with the Trustee's report on the reasonableness of the cash flow statement.

A. Farber & Partners Inc.

Strike Minerals Inc.



Per: Peter Crawley, MBA, CPA, CA, CIRP, LIT

Per: Denis Crane

Strike Minerals Inc.
Projected Weekly Cash Flow Statement
For the 9 Week Period Ending March 31, 2017

Week Ending	3-Feb	10-Feb	17-Feb	24-Feb	3-Mar	10-Mar	17-Mar	24-Mar	31-Mar	Forecast Total
Operating Disbursements										
Onsite supervision/security/site visits (ii)	\$ 1,800	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ -	\$ -	\$ 3,000
Geologist/site visits	8,828	500	500	-	-	-	-	-	-	9,828
Other (v)	5,798	500	1,000	-	-	-	-	-	-	7,298
Total Operating Disbursements	16,426	1,200	1,700	200	200	200	200	-	-	20,126
Professional Fees (Incl. H.S.T.) (iii)										
Proposal Trustee	114,721	28,250			11,300				28,250	182,521
Proposal Trustee's Legal Counsel	10,334			11,300					11,300	32,934
Company Legal Counsel	15,031								11,300	26,331
Secured Creditor Legal Counsel	113,000		28,250						28,250	169,500
Bankruptcy Retainer	1,000									1,000
Total Professional Fees	254,085	28,250	28,250	11,300	11,300	-	-	-	79,100	412,285
Net Cash Flow before DIP Funding	270,511	29,450	29,950	11,500	11,500	200	200	-	79,100	432,411
Opening Cash	823	-	-	-	-	-	-	-	-	823
DIP Loan Interim Financing Advances / (Repayments)	269,688	29,450	29,950	11,500	11,500	200	200	-	79,100	431,588
Closing Cash (iv)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Opening balance:

DIP Loan Balance	156,000	425,688	455,138	485,088	496,588	508,088	508,288	508,488	508,488	587,588
------------------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------

This Statement of Projected Cash Flow, prepared in accordance with s.s.50(6) and/or s.s.50.4(7)(b)(ii) of the Bankruptcy and Insolvency Act, should be read in conjunction with the Trustee's report on the reasonableness of the cash flow statement.

A. Farber & Partners Inc.

Strike Minerals Inc.

Per: Peter Crawley, MBA, CPA, CA, CIRP, LIT

Per: Denis Crane

STRIKE MINERALS INC.

NOTES TO AND ASSUMPTIONS UNDERLYING THE STATEMENT OF PROJECTED CASH FLOW FOR THE WEEKS ENDING FEBRUARY 3, 2017 TO MARCH 31, 2017.

NOTES

- NOTE 1.** The purpose of the statement of projected cash flow for the weeks ending February 3, 2017 to March 31, 2017 is to comply with the provisions of the *Bankruptcy and Insolvency Act*.

HYPOTHETICAL ASSUMPTIONS

An assumption that assumes a set of economic conditions or courses of action that are not necessarily the most probable in the insolvent person's judgment, but are consistent with the purpose of the cash-flow projection;

1. None

PROBABLE ASSUMPTIONS

An assumption that the insolvent person believes reflects the most probable set of economic conditions and planned courses of action; they are suitably supported, consistent with the plans of the insolvent person and provide a reasonable basis for the cash-flow statement;

1. No revenue is projected to be generated during the period.
2. The mine will remain dormant during the period.
3. Direct expenses will relate to preserving and protecting the assets and facilitating due diligence by prospective purchasers as part of a Court approved sales process. Services are provided by subcontractors and there are no employees.
4. It is assumed that the majority of on-going provision of goods and services will be paid on a COD basis as intra weekly cash collections permit, with some short term credit provided by some suppliers, including utilities.
5. Expenses include the professional fees of the Proposal Trustee, its legal counsel and the legal fees of counsel to the Company.
6. All expenses are assumed to be funded by a Court approved debtor-in-possession credit facility which obtained Court approval on December 13, 2016.

This Statement of Projected Cash Flow of Strike Minerals Inc. prepared in accordance with s.s. 50.4(2) and/or s.s. 50.4(7)(b)(ii) of the Bankruptcy and Insolvency Act should be read in conjunction with the Trustee's report on the reasonableness of the cash flow statement.

DATED AT TORONTO this 2nd day of February, 2017.

A. FARBER & PARTNERS INC.
IN ITS CAPACITY AS TRUSTEE *IN RE* THE PROPOSAL OF
STRIKE MINERALS INC.

A handwritten signature in black ink, appearing to be 'Peter Crawley', written over a horizontal line.

Per: Peter Crawley, MBA, CPA, CA, CIRP, LIT

STRIKE MINERALS INC.


Per: Denis Crane, President & Chairman

DATED AT TORONTO this 2nd day of February, 2017.

**A. FARBER & PARTNERS INC.
IN ITS CAPACITY AS TRUSTEE *IN RE* THE PROPOSAL OF
STRIKE MINERALS INC.**

Per: Peter Crawley, MBA, CPA, CA, CIRP, LIT

STRIKE MINERALS INC.

A handwritten signature in black ink, appearing to read 'D. Crane', is written over a horizontal line.

Per: Denis Crane, President & Chairman

**IN THE MATTER OF THE PROPOSAL OF STRIKE MINERALS INC.
A COMPANY DULY INCORPORATED PURSUANT TO THE LAWS
OF THE PROVINCE OF ONTARIO WITH A HEAD OFFICE
IN THE CITY OF LONDON, IN THE PROVINCE OF ONTARIO**

TRUSTEE'S REPORT ON CASH-FLOW STATEMENT

(Paragraphs 50(6)(b) and 50.4(7)(b)(ii) of the Bankruptcy and Insolvency Act)

The attached statement of projected cash flow of **Strike Minerals Inc.**, as of the 2nd day of February, 2017, consisting of the statement of projected cash flow for the weeks-ending February 3, 2017 to March 31, 2017 and the notes and assumptions underlying the statement of projected cash flow, has been prepared by the insolvent person for the purpose described in Note 1, using the probable and hypothetical assumptions as set out in the notes to and assumptions underlying the statement of projected cash flow.

Our review consisted of enquiries, analytical procedures and discussion related to information supplied to us by the insolvent person. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided for the probable assumptions and the preparation and presentation of the projection.

Based on our review, we believe that, in all material respects,

- (a) the hypothetical assumptions are consistent with the purpose of the projection;
- (b) as at the date of this report, the probable assumptions developed are suitably supported and consistent with the plans of the insolvent person or provide a reasonable basis for the projection, given the hypothetical assumptions; or
- (c) the projection reflects the probable and hypothetical assumptions.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material.

The projection has been prepared solely for the purpose described in Note 1 and readers are cautioned that it may not be appropriate for other purposes.

DATED AT TORONTO this 2nd day of February, 2017

**A. FARBER & PARTNERS INC.
IN ITS CAPACITY AS TRUSTEE *IN RE* THE PROPOSAL OF
STRIKE MINERALS INC.**



Per: Peter Crawley, MBA, CPA, CA, CIRP, LIT

**IN THE MATTER OF THE PROPOSAL OF STRIKE MINERALS INC.
A COMPANY DULY INCORPORATED PURSUANT TO THE LAWS
OF THE PROVINCE OF ONTARIO WITH A HEAD OFFICE
IN THE CITY OF LONDON, IN THE PROVINCE OF ONTARIO**

**REPORT ON CASH-FLOW STATEMENT BY THE PERSON
MAKING THE PROPOSAL**

(Paragraphs 50(6)(c) and 50.4(7)(b)(ii) of the Bankruptcy and Insolvency Act)

Strike Minerals Inc. has developed the assumptions and prepared the attached statement of projected cash flow of the insolvent person, as of the 2nd day of February, 2017, consisting of the statement of projected cash flow for the weeks-ending February 3, 2017 to March 31, 2017 and the notes and assumptions underlying the statement of projected cash flow.

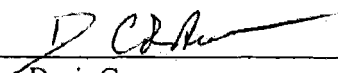
The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in Note 1, and the probable assumptions are suitably supported and consistent with the plans of the insolvent person and provide a reasonable basis for the projection. All such assumptions are disclosed in the notes to and assumptions underlying the statement of projected cash flow.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projection has been prepared solely for the purpose described in Note 1, using a set of probable and hypothetical assumptions set out in the notes to and assumptions underlying the statement of projected cash flow. Consequently, readers are cautioned that it may not be appropriate for other purposes.

DATED AT LONDON, ONTARIO this 2nd day of February, 2017.

STRIKE MINERALS INC.


Per: Denis Crane
President & Chairman

Tab E

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF THE PROPOSAL OF
STRIKE MINERALS INC.

AFFIDAVIT OF PETER CRAWLEY

I, Peter Crawley, of the City of Burlington, in the Province of Ontario, MAKE OATH
AND STATE AS FOLLOWS:

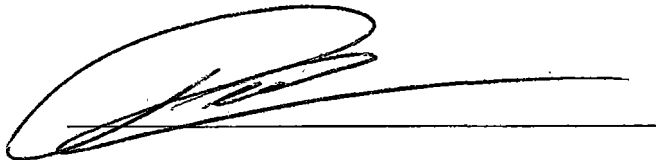
1. I am a Trustee at A. Farber & Partners Inc. and, as such, have knowledge of the matters to which I hereinafter depose.
1. On November 29, 2016, Strike Minerals Inc. ("**Strike**" or the "**Company**") filed a Notice of Intention to Make a Proposal (an "**NOI**") under Section 50.4 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**"), and A. Farber & Partners Inc. ("**Farber**") was appointed as proposal trustee in the Company's NOI proceedings (in such capacity, the "**Proposal Trustee**").
2. The Proposal Trustee has rendered 2 invoices in this matter, being invoices for the periods ending November 30, 2016 and December 31, 2016 in the total amounts of \$54,778.98 and \$37,504.11, respectively. A summary of time is attached herewith as Exhibit 1. Copies of the 2 invoices rendered to date are attached as Exhibits 2 and 3.

3. The total Trustee's fees as outlined in Exhibit 1 is \$80,733.00 together with disbursements of \$1,054.80 and H.S.T. of \$10,495.29, the sum of which equals \$92,283.09. The average hourly rate in respect of time as outlined in Appendix 1 is \$459.23.
4. The Trustee has not received, or expects to receive, nor has the Trustee been promised any remuneration or consideration other than the amount claimed and declared herein.
5. To the best of my knowledge the rates charged by Farber in connection with acting as Trustee, are comparable to rates charged by other firms for the provision of similar services.
6. This Affidavit is made in support of a motion to, *inter alia*, seek approval of the foregoing fees and disbursements as fair and reasonable.

SWORN BEFORE ME at the
City of Toronto, in the
Province of Ontario,
this 2nd day of February, 2017



Commissioner for Taking Affidavits



Diane Da Silva-Falcione, A Commissioner, etc.,
Province of Ontario, for A. Farber & Partners Inc.
Trustee in Bankruptcy.
Expires: January 16, 2018.

EXHIBIT 1

**THIS IS EXHIBIT "1" TO
THE AFFIDAVIT OF PETER CRAWLEY
SWORN BEFORE ME THIS 2nd
DAY OF FEBRUARY, 2017**



A Commissioner Etc.

**Diane Da Silva-Falcione, A Commissioner, etc.,
Province of Ontario, for A. Farber & Partners Inc.
Trustee in Bankruptcy.
Expires: January 16, 2018.**

EXHIBIT 1

A. FARBER & PARTNERS INC.
 STRIKE MINERALS INC.
 SUMMARY OF RECEIVER'S FEES
 JULY 4, 2016 to DECEMBER 31, 2016

JUL 4, 2016 TO NOV 30, 2016 DEC 1, 2016 TO DEC 31, 2016

Name	Rate Per Hour	Hours	Total	Hours	Total	Total Hours	Total Fees
A. Nackan	\$575.00	22.30	\$ 12,822.50	7.90	\$ 4,542.50	30.20	\$ 17,365.00
P. Denton	\$525.00	30.80	\$ 16,170.00	21.40	\$ 11,235.00	52.20	\$ 27,405.00
P. Crawley	\$425.00	43.20	\$ 18,360.00	-	\$ -	43.20	\$ 18,360.00
P. Crawley	\$495.00	-	\$ -	27.50	\$ 13,612.50	27.50	\$ 13,612.50
M. Litwack	\$375.00	-	\$ -	1.90	\$ 712.50	1.90	\$ 712.50
M. Castillo	\$175.00	1.00	\$ 175.00	-	\$ -	1.00	\$ 175.00
S. Samoilov	\$165.00	-	\$ -	3.40	\$ 561.00	3.40	\$ 561.00
D. Falcione	\$155.00	2.70	\$ 418.50	13.30	\$ 2,061.50	16.00	\$ 2,480.00
A. Palmer	\$155.00	-	\$ -	0.40	\$ 62.00	0.40	\$ 62.00
Total		100.00	\$ 47,946.00	75.80	\$ 32,787.00	175.80	\$ 80,733.00

Expenses:		\$ 600.00	\$ 454.80	Average hourly rate \$ 459.23

GST:				\$ -
------	--	--	--	------

HST:		\$ 6,232.98	\$ 4,262.31	\$ 10,495.29
------	--	-------------	-------------	--------------

Totals:		\$ 54,778.98	\$ 37,504.11	\$ 92,283.09
---------	--	--------------	--------------	--------------

EXHIBIT 2

**THIS IS EXHIBIT "2" TO
THE AFFIDAVIT OF PETER CRAWLEY
SWORN BEFORE ME THIS 2nd
DAY OF FEBRUARY, 2017**



A Commissioner Etc.

Diane Da Silva-Falcione, A Commissioner of the
Province of Ontario, for A. Farber & Partners Inc.
Trustee in Bankruptcy.
Expires: January 16, 2018.

150 York Street
Suite 1600
Toronto, ON M5H 3S5
Canada
Office 416.497.0150
Fax 416.496.3839
www.farberfinancial.com

December 12, 2016

Strike Minerals Inc.
c/o Waterton
Commerce Court West
199 Bay Street, Suite 5050
Toronto, ON M5L 1E2

Invoice No. 12978

TO PROFESSIONAL SERVICES RENDERED BY A. FARBER & PARTNERS INC. for the
period ended November 30, 2016:

DATE	SERVICE	STAFF
2016-07-04	Consulting fees - Corporate Review of draft memo from Stikeman Elliott; share comments with A Nackan.	Denton
2016-07-04	Consulting fees - Corporate Review and comment of Stikeman's memo re next steps and timetable.	Nackan
2016-07-05	Consulting fees - Corporate Call with with Katherine Esaw of Stikemans.	Nackan
2016-07-07	Consulting fees - Corporate Review of final memo from Stikeman provided to Waterton; draft financial advisor engagement letter	Denton
2016-07-07	Consulting fees - Corporate Review final memo from Stikemans re next steps; e-mail to L Pillion and K Esaw.	Nackan
2016-07-08	Consulting fees - Corporate Review Stikeman memo to Waterton.	Crawley
2016-07-08	Accounting Account Setup	Castillo
2016-07-11	Consulting fees - Corporate Discuss next steps with P Denton and prepare for upcoming meeting.	Nackan
2016-07-11	Consulting fees - Corporate draft financial advisor letter; review of matters with A Nackan	Denton

2016-07-12	Consulting fees - Corporate Preparation for and participate on call with Waterton and legal counsel	Denton
2016-07-12	Consulting fees - Corporate Call with K Esaw and Waterton re planning of next steps.	Nackan
2016-07-13	Consulting fees - Corporate Review email from L Pillon to Waterton re suggested legal counsel; various related email correspondence; review email from L Pillon to DJ Miller at TGF.	Nackan
2016-07-14	Consulting fees - Corporate Call and email to R English regarding independent counsel for Trustee and conflict check; review emails between L Pillon and DJ Miller of TGF.	Nackan
2016-07-15	Consulting fees - Corporate Communication with R English of Aird & Berlis and DJ Miller re next steps.	Nackan
2016-07-19	Consulting fees - Corporate Participate on conference call with legal counsels	Denton
2016-07-19	Consulting fees - Corporate Compile list of next steps and responsibilities; call with L Pillon, K Esaw, DJ Miller, P Denton re: next steps; email from L Pillon with info on status of directors.	Nackan
2016-08-02	Consulting fees - Corporate Email correspondence with K Esaw.	Nackan
2016-08-04	Consulting fees - Corporate Call with K Esaw re status; E-mail to K Toor re Phoenix and other items on work plan; e-mail with G Fernandez of Phoenix re prior sale process; e-mails from DJ Miller.	Nackan
2016-08-05	Consulting fees - Corporate Preparation for and participate on conference call with the company, TGF and Stikeman Elliot re introductions and explanation of the process	Denton

2016-08-08	Consulting fees - Corporate E-mails L Pillon and R English re call to discuss next steps.	Nackan
2016-08-10	Consulting fees - Corporate Call R English, L Pillon and K Esaw to coordinate plans; review marketing materials sent by Phoenix Advisors; meeting at Waterton with G Fernandes of Phoenix Advisors, A Wolochaituk and R Wells of Waterton and P Denton to review prior marketing process.	Nackan
2016-08-10	Consulting fees - Corporate Review of information provided by G Fernandes re: 2015 sales process in advance of meeting with G Fernandes and Waterton and 2:00; attend meeting at Waterton at 2:00	Denton
2016-08-11	Consulting fees - Corporate Review updated timeline; e-mail to K Esaw and others re updated timeline; review contents of USB from R Wells; review update email from P Denton on prior marketing process.	Nackan
2016-08-11	Consulting fees - Corporate Review sales process documents provided by Waterton with a view to developing a teaser and CIM.	Crawley
2016-08-11	Consulting fees - Corporate Review of update timetable provided by Stikeman Elliott; provide recap of meeting with G Fernandes and Waterton; brief P Crawley and provide information to on prior sales process	Denton
2016-08-12	Consulting fees - Corporate Review documents provided by client and begin preparing an information teaser for the Edwards mine; notify two prospects of sales process and begin interest party control sheet.	Crawley
2016-08-12	Consulting fees - Corporate E-mail from R Wells re MTU purchase interest; e-mail re purchaser interest Pat Dubreuil.	Nackan

2016-08-15	Consulting fees - Corporate	Crawley
	Review permit documents for mine site; prepare draft newspaper advertisement for SISP.	
2016-08-15	Consulting fees - Corporate	Nackan
	Emails with P Crawley re materials for sales process; review updated timeline circulated by TGF.	
2016-08-16	Consulting fees - Corporate	Nackan
	Emails with J Dietrich of Cassels Brock re MTU purchase interest.	
2016-08-17	Consulting fees - Corporate	Nackan
	Call with J Dietrich re purchaser interest.	
2016-08-23	Consulting fees - Corporate	Denton
	Reach out to D Crane; review of matters with P Crawley	
2016-08-25	Consulting fees - Corporate	Denton
	Review of e-mails; review of matters with P Crawley; call Asim Iqbal TGF; call D Crane to review various matters including update of cash flow and obtain AP data, key contacts from mine site and accounting particulars	
2016-08-25	Consulting fees - Corporate	Crawley
	Call with Dennis Crane; begin preparation of cash flow projection template.	
2016-08-26	Consulting fees - Corporate	Denton
	Review of matters with P Crawley; follow up legal counsel	
2016-08-30	Consulting fees - Corporate	Denton
	Review of matters with P Crawley; liaise with legal counsel re: fee estimates for cash flow	
2016-08-30	Consulting fees - Corporate	Crawley
	Calls with B. Edgar and D. Silverman re: available information, site tours, expenses and status of accounting.	
2016-08-30	Consulting fees - Corporate	Nackan
	Review email from P Denton to TGF, representing the company.	

2016-08-31	Consulting fees - Corporate	Denton
	Review of matters with P Crawley; meeting with A Nackan and P Crawley re: action items and next steps	
2016-08-31	Consulting fees - Corporate	Crawley
	Update meeting with A.Nackan and P.Denton re: cash flow projection and timetable; prepare draft cash flow; discussion with JP Germain.	
2016-08-31	Consulting fees - Corporate	Da Silva-Falcione
	Prepare Engagement letter, Responsibility Letter, Directors Resolution and NOI per P. Crawley.	
2016-08-31	Consulting fees - Corporate	Nackan
	Meet with P Denton and P Crawley to discuss budget and related.	
2016-09-01	Consulting fees - Corporate	Crawley
	Revise cash flow per A.Nackan and P.Denton comments; discuss cash flow with A.Nackan.	
2016-09-06	Consulting fees - Corporate	Nackan
	Liaise with P Denton re cash flow and other matters.	
2016-09-06	Consulting fees - Corporate	Denton
	Review of update cash flow forecast and funding needs; review of matters with P Crawley; review of NOI filing documents; review of D Crane e-mail; review of the sales process materials for 2015, those in draft and current status of the mine and various claims	
2016-09-07	Consulting fees - Corporate	Denton
	Review of sales process information; review of matters with P Crawley; call with B Edgar; review of memo from B Edgar vis-a-vis claims; meeting with G Fernandes to further review the 2015 sales process	
2016-09-07	Consulting fees - Corporate	Crawley
	Discuss with P.Denton; call with B.Edgar; claims search in other jurisdictions on MNDM website.	

2016-09-07	Consulting fees - Corporate Call K Esaw and P Denton re cash flow, mining claims and matters related to filing	Nackan
2016-09-08	Consulting fees - Corporate Call with Stikeman re: status and timing of document preparation; review of matters with P Crawley	Denton
2016-09-08	Consulting fees - Corporate Call with K.Esaw, L.Pillon and P.Denton re: cash flow forecast, DIP requirement and claims status; correspond with B.Edgar and D.Crane on various operational matters.	Crawley
2016-09-08	Consulting fees - Corporate Review email from P Crawley re status of mining claims; Various emails with counsel re revised timelines	Nackan
2016-09-09	Consulting fees - Corporate Review of e-mails re: filing status and Stikeman timing for Waterton review of documents	Denton
2016-09-09	Consulting fees - Corporate Review, edit and circulate NOI filing documents to TGF.	Crawley
2016-09-11	Consulting fees - Corporate Respond to A.Iqbal queries.	Crawley
2016-09-12	Consulting fees - Corporate Emails re timetable, forum etc.	Nackan
2016-09-13	Consulting fees - Corporate Email to L Pillon and K Esaw re cash flows and related.	Nackan
2016-09-15	Consulting fees - Corporate Email with L Pillon re cash flows	Nackan
2016-09-16	Consulting fees - Corporate Review of e-mails through the week; coordinate update of cash flow through PKC	Denton
2016-09-19	Consulting fees - Corporate Revise cash flow; emails to D.Crane and A.Iqbal.	Crawley

2016-09-19	Consulting fees - Corporate Emails from counsel re cash flow projections, retainers etc.	Nackan
2016-09-20	Consulting fees - Corporate Review of the updated cash flow forecast; provide comments to P Crawley	Denton
2016-09-20	Consulting fees - Corporate Discuss projected cash flow with P.Denton and modify; received voicemail from past president; call with JP Germain re: site conditions, visits and snow plowing; amend cash flow projection.	Crawley
2016-09-21	Consulting fees - Corporate Review cash flows and discuss with P Denton.	Nackan
2016-09-23	Consulting fees - Corporate Call from B.Hennessey; update P.Denton.	Crawley
2016-09-26	Consulting fees - Corporate Review of e-mails from Stikemans re: cash flow and status of preparations	Denton
2016-09-26	Consulting fees - Corporate Liaise with P Denton re status and cash flows; Email correspondence to/from L Pillon re timing of filing, cash flows and related matters	Nackan
2016-09-27	Consulting fees - Corporate Call with Liz Pillon, Kathryn Esaw re: projected cash flow; review and update cash flow; review with PC; send back to Stikeman for review and distribution to Waterton; review of legal counsel e-mails; commence review of draft documents stalking horse APA and bidding procedures	Denton
2016-09-27	Consulting fees - Corporate Discuss cash flow modifications with P.Denton and review calculations.	Crawley
2016-09-27	Consulting fees - Corporate Emails with R English of Aird & Berlis re: APA, Dip term sheet, status	Nackan

2016-09-28	Consulting fees - Corporate Receipt and review of draft documents including stalking horse APA, bidding procedures, and DIP term sheet; call with interest party	Denton
2016-09-30	Consulting fees - Corporate Further review of draft documents; review with R English; review of A&B draft comments over the weekend	Denton
2016-10-03	Consulting fees - Corporate Review of draft documents for DIP terms sheet, Stalking Horse Process and APA; review of A&B comments; provide feedback to A&B	Denton
2016-10-11	Consulting fees - Corporate Liaise with Aird & Berlis; reach out to Stikeman; field call from G Fernandes	Denton
2016-10-17	Consulting fees - Corporate Call with L Pillon re status of APA, break fee and related matters; email to L Pillon re appropriateness of break fee; update to P Denton.	Nackan
2016-10-19	Consulting fees - Corporate Review email comments from R English re structure of sales process and call to discuss same; review email from P Denton re priority payable and monitoring of forecasts.	Nackan
2016-10-19	Consulting fees - Corporate Review of e-mail from Liz Pillon re: a Strike APS and sales process status; review of matters with R English; coordinate response to Liz Pillon	Denton
2016-10-25	Consulting fees - Corporate Preparation of draft CIM; review of numerous documents received from Phoenix to determine which are relevant to a CIM; review docs available on Sedar.	Crawley
2016-10-26	Consulting fees - Corporate CIM writing.	Crawley

2016-10-27	Consulting fees - Corporate Discussions with P Denton on APA and related; review P Denton's email to L Pillon re APA and related.	Nackan
2016-10-27	Consulting fees - Corporate Review of updated APS, stalking horse process and DIP Term sheet as provided by E Pillon; Review of matters with R English; update A Nackan, P Crawley; provide comments by e-mail to E Pillon	Denton
2016-10-27	Consulting fees - Corporate CIM writing.	Crawley
2016-11-01	Consulting fees - Corporate Discuss next steps with P.Denton; need to coordinate document submissions with counsel; review due diligence documents provided and refine list to be provided to interested parties; prepare NDA; review stalking horse approval court report precedent.	Crawley
2016-11-02	Consulting fees - Corporate Conference call with Aird & Berlis re: planning, next steps for filing; review of report outlines	Denton
2016-11-02	Consulting fees - Corporate Call with counsel to discuss preparation of required filing materials.	Crawley
2016-11-03	Consulting fees - Corporate Review of e-mails; review of Phoenix agreement re: 2015 sales process; review of report precedents	Denton
2016-11-03	Consulting fees - Corporate Begin First Report.	Crawley
2016-11-08	Consulting fees - Corporate First Report preparation	Crawley
2016-11-09	Consulting fees - Corporate First Report drafting; researching public disclosures on prior activity.	Crawley
2016-11-10	Consulting fees - Corporate Call with Aird & Berlis on filing status,	Denton

comments on stalking horse process; review
with A Nakan and P Crawley

2016-11-10	Consulting fees - Corporate First report; SISP; update discussion with A.Nakan and P.Denton.	Crawley
2016-11-10	Consulting fees - Corporate Emails from P Crawley re report status; discussion with P Denton and P Crawley re D Crane and progress and timing; Message to R English.	Nakan
2016-11-11	Consulting fees - Corporate Call with R English re status and matters relating to lead up to filing; Discuss status with P Denton and left message for L Pillon.	Nakan
2016-11-15	Consulting fees - Corporate Call with E Pillon; review of documents status	Denton
2016-11-15	Consulting fees - Corporate Email correspondence to/from Aird & Berlis.	Nakan
2016-11-15	Consulting fees - Corporate Review emails on timing updates from counsel and P.Denton; provide documents to be signed to file NOI.	Crawley
2016-11-16	Consulting fees - Corporate Participate on conference call with legal counsel Stikeman, Aird & Berlis and TGF; revisit cash flow with P Crawley	Denton
2016-11-16	Consulting fees - Corporate Discuss winter access with JP Germain and call to Kate Spencer, snow plow contractor.	Crawley
2016-11-17	Consulting fees - Corporate Review of e-mails and updated draft documents; review of matters with P Crawley; canvass professionals for updated fee position	Denton
2016-11-17	Consulting fees - Corporate Revisit/update cash flow projection; attempt to call K.Spencer; discuss with P.Denton.	Crawley

2016-11-18	Consulting fees - Corporate Review of updated cash flow with P Crawley, A Nackan; send updated cash flow with E Pillon; review of draft documents including stalking horse APA, bidding procedures and DIP term sheet; review of 2015 sales process; call with Aird & Berlis	Denton
2016-11-18	Consulting fees - Corporate Review status and professional fee projections with P Denton.	Nackan
2016-11-18	Consulting fees - Corporate Review and provide historic timeline to P.Denton.	Crawley
2016-11-21	Consulting fees - Corporate Liaise with P Denton; email correspondence with Stikemans.	Nackan
2016-11-21	Consulting fees - Corporate Review of various e-mails from Liz Pillon re: Strike Minerals materials; review and prepare updated creditors list	Denton
2016-11-21	Consulting fees - Corporate Discuss Phoenix due diligence/SISP materials received.	Crawley
2016-11-22	Consulting fees - Corporate Review draft Affidavit of Denis Crane and share comments with P Denton; review email correspondence among lawyers re court proceedings, service list etc.	Nackan
2016-11-22	Consulting fees - Corporate Review of draft affidavit, service list; review of draft documents including stalking horse APA, DIP term sheet and bidding procedures	Denton
2016-11-23	Consulting fees - Corporate Discuss my comments on Crane affidavit with P Denton.	Nackan
2016-11-23	Consulting fees - Corporate Read various emails received.	Crawley

2016-11-24	Consulting fees - Corporate	Denton
	Review of e-mails and updated documents including the stalking horse APA, DIP term sheet and Bidding procedures; liaise with legal counsels on same	
2016-11-24	Consulting fees - Corporate	Crawley
	Email D.Crane re: opening bank account; modify engagement and NOI debtor representation letters and send to D.Crane.	
2016-11-25	Consulting fees - Corporate	Denton
	Review of e-mails through Friday	
2016-11-26	Consulting fees - Corporate	Crawley
	Edit first report and prepare sales process timetable.	
2016-11-27	Consulting fees - Corporate	Denton
	Review and provide comments on draft Proposal Trustee report; further review of draft affidavit and 2015 sales process materials to inform comments on draft Proposal Trustee report; review of matters with PKC; review of e-mail from Stikeman late evening Sunday re: penultimate draft documents	
2016-11-27	Consulting fees - Corporate	Nackan
	Review First Report of Proposal Trustee and provide detailed comments; email correspondence with P Denton and P Crawley re filing and court appearance.	
2016-11-27	Consulting fees - Corporate	Crawley
	Review emails and suggested edits to First Report from P.Denton and A.Nackan.	
2016-11-28	Consulting fees - Corporate	Nackan
	Review various draft documents; liaise with P Denton and P Crawley re Trustee's report; review and comment on public disclosure notice; review resolutions to file NOI; review updated draft of Trustee's First Report.	
2016-11-28	Consulting fees - Corporate	Crawley
	Further edit and report writing; discuss edits with P.Denton; provide draft report to counsel; review amended DIP term sheet and stalking horse bid; review draft NOI filing	

document; review list of creditors.

2016-11-28	Consulting fees - Corporate	Denton
	Review of report draft; review latest stalking horse APA, DIP term sheet and Bidding procedures circulated in the weekend; call with Stikeman	
2016-11-28	Consulting fees - Corporate	Da Silva-Falcione
	Format creditors list re: NOI filing; send draft NOI and creditors list to P. Crawley for review and list creditors with missing addresses.	
2016-11-29	Consulting fees - Corporate	Crawley
	Review Northern Miner advertising rates and publications; review counsel's edits to First Report and further modify; receipt of NOI filing documents and engagement letter follow up from D.Crane.	
2016-11-29	Consulting fees - Corporate	Nackan
	Various emails re filing of NOI and court report.	
2016-11-29	Consulting fees - Corporate	Denton
	Liaison with legal counsels; review of draft reports; instruct filing of NOI	
2016-11-29	Consulting fees - Corporate	Da Silva-Falcione
	Run PPSA search; save signed Trustee's Consent and Directors Resolution to system and finalize NOI with creditors list; efile NOI.	
2016-11-30	Consulting fees - Corporate	Crawley
	Edit First Report based on revised APA and other updated information; discuss jurisdiction with K.Plunkett; further revisions to report and appendices.	
2016-11-30	Consulting fees - Corporate	Denton
	Review of Proposal Trustee draft report; review of e-mails; confirmation of NOI filing	
2016-11-30	Consulting fees - Corporate	Da Silva-Falcione
	Receive NOI Certificate of Filing; diarize pertinent dates for cash flow and Proposal; draft Notice to Creditors; update P. Crawley and P. Denton.	

2016-11-30 Consulting fees - Corporate Nackan
Review final version of Trustee's Report.

	Total for Services	\$ 47,946.00
Expenses: Photocopies, faxes, etc.	Total for Expenses	<u>600.00</u>
	Subtotal	48,546.00
	HST	<u>6,232.98</u>
	Subtotal	\$ 54,778.98
	Less: Retainer	<u>(22,600.00)</u>
	Current Amount Due	<u>\$ 32,178.98</u>

HST#136800752RT0001

A. FARBER & PARTNERS INC.

STRIKE MINERALS INC.

SUMMARY OF TIME INCURRED
JULY 4, 2016 TO NOVEMBER 30, 2016

Name	Total Hours	Rate Per Hour	Billing
A. Nackan	22.30	\$575.00	\$12,822.50
P. Denton	30.80	\$525.00	\$16,170.00
P. Crawley	43.20	\$425.00	\$18,360.00
M. Castillo	1.00	\$175.00	\$175.00
D. Falcione	2.70	\$155.00	\$418.50
Total	100.00		\$47,946.00

EXHIBIT 3

**THIS IS EXHIBIT "3" TO
THE AFFIDAVIT OF PETER CRAWLEY
SWORN BEFORE ME THIS 2nd
DAY OF FEBRUARY, 2017**



A Commissioner Etc.

*Diane Da Silva-Falcione, A Commissioner, etc.,
Province of Ontario, for A. Farber & Partners Inc.
Trustee in Bankruptcy.
Expires: January 16, 2018.*

150 York Street
Suite 1600
Toronto, ON M5H 3S5
Canada
Office 416.497.0150
Fax 416.496.3839
www.farberfinancial.com

January 24, 2017

Strike Minerals Inc.
c/o Waterton
Commerce Court West
199 Bay Street, Suite 5050
Toronto, ON M5L 1E2

Invoice No. 13058

TO PROFESSIONAL SERVICES RENDERED BY A. FARBER & PARTNERS INC. for the period ended December 31, 2016:

DATE	SERVICE	STAFF
12/01/2016	Consulting fees - Corporate Review of legal counsel emails.	Denton
12/01/2016	Consulting fees - Corporate Update with P Denton and K Plunkett re court hearing and venue; email from K Plunkett re venue.	Nackan
12/02/2016	Consulting fees - Corporate Send draft notice to creditors to P Crawley for review/approval and reminder re cash flow due date; update website.	Da Silva-Falcione
12/02/2016	Consulting fees - Corporate Review of emails; review of draft agreements circulated; update website; liaison with legal counsels through Friday and weekend.	Denton
12/02/2016	Consulting fees - Corporate Various emails with legal team and P Denton; review security opinion prepared by Aird & Berlis; emails with R English and P Denton re Trustee's report; review Strike press release; review email from P Crawley confirming NOI filed.	Nackan
12/04/2016	Consulting fees - Corporate Prepare draft reports on the cash flow projection along with schedule of notes and assumptions.	Crawley
12/05/2016	Consulting fees - Corporate Complete NOI Creditors Package and mailing to creditors.	Da Silva-Falcione

12/05/2016	Consulting fees - Corporate	Denton	Review of extensive emails re finalization of motion materials and provide responses as appropriate; review of draft Preliminary Report.
12/05/2016	Consulting fees - Corporate		Amend cash flow projection with updated timelines; review SISP timeline schedule to match Bidding Procedures and Stalking Horse APA documents; send to D Crane for signature.
12/06/2016	Consulting fees - Corporate	Nackan	Email correspondence various; review revisions to Order to include cash management provisions; review cash flows signed by Company.
12/06/2016	Consulting fees - Corporate	Da Silva-Falcione	E-file cash flow projection and related reports with the Office of the Superintendent of Bankruptcy (OSB).
12/06/2016	Consulting fees - Corporate	Denton	Review of final motion materials; review of various emails including dealing with bank account opening for the debtor; liaise with Aird & Berlis on matters.
12/06/2016	Consulting fees - Corporate	Crawley	Review signed cash flow filing materials received from D Crane and arrange to have e-filed; review draft court order and provide comments thereon.
12/07/2016	Consulting fees - Corporate	Nackan	Review postings on website; email to P Crawley re eService requirements; review various emails re sale and NOI process.
12/07/2016	Consulting fees - Corporate	Da Silva-Falcione	Update website wording and post Motion Record returnable December 13, 2016 and NOI Package to Creditors.
12/07/2016	Consulting fees - Corporate	Denton	Review of full motion materials; coordinate posting to website and preamble; review of matters with PKC; review of draft Proposal Trustee Report.

12/07/2016	Consulting fees - Corporate	Crawley	Call from D Crane re MTU interest in altering the process; communicate same to A Nackan; edit First Report; amend schedules thereto; review signed Crane Affidavit for up-to-date information; lengthy call with R. Murphy of MTU to explain process.
12/08/2016	Consulting fees - Corporate	Nackan	Update from P Denton; various email correspondence; review posted materials.
12/08/2016	Consulting fees - Corporate	Da Silva-Falcione	Update website with First Report of Proposal Trustee and Service List; coordinate courier of First Report of Proposal Trustee to K Plunkett at Aird & Berlis; respond to creditor inquiry.
12/08/2016	Consulting fees - Corporate	Denton	Review of emails throughout the day and final version of First report.
12/08/2016	Consulting fees - Corporate	Crawley	Review suggested edits from TGF and Stikeman and finalize First Report as required; call from lawyer for unsecured creditor to discuss process; update interested party contact list; review emails from D Crane re more interested parties; discussions with P Denton.
12/09/2016	Consulting fees - Corporate	Denton	Review of sales process information; review of draft teaser; review of CIM outline; review of matters with PKC.
12/09/2016	Consulting fees - Corporate	Crawley	Meet with P Denton to review SISP action items; call to C Glasgow at CIBC; update counsel on CIBC's needs to reopen bank account; update teaser; update and send CA to counsel for review.
12/09/2016	Consulting fees - Corporate	Nackan	Provide comments and suggestions on Teaser to P Crawley; review final version of Trustee's First Report to service list; various related to filing of NOI.
12/11/2016	Consulting fees - Corporate	Crawley	Revise teaser and send to GNSM 490471 and SM490470 were combined into 1 item in Denis' sworn affidavit D Crane and B Edgar for comment; correspond with A Mazzerole and A Nackan re content/structure of

12/12/2016	Consulting fees - Corporate	Nackan	Various discussions and emails with Farber team re objection by Whelan, Teaser, court documents; sales process; advertisement.
12/12/2016	Consulting fees - Corporate	Crawley	CIM preparation; finalize teaser, confidentiality agreement and newspaper ad.
12/12/2016	Consulting fees - Corporate	Da Silva-Falcione	Document preparation; review returned mail and attempt to locate updated address for creditor without success; email to P Crawley re returned mail from Loudon Hill Inc. and email to director requesting new address; prepare locked/fillable version of Confidentiality Agreement; emails with National Post re reserving Ad space for Friday re sales process.
12/12/2016	Consulting fees - Corporate	Denton	Review of emails in advance of December 13 motion; review of Phelan opposition; review of the Gold Silver supply agreement terms in the Bidding Procedures; calls with legal counsel.
12/13/2016	Consulting fees - Corporate	Nackan	Attend in court for approval of sales process and related.
12/13/2016	Consulting fees - Corporate	Crawley	CIM preparation.
12/13/2016	Consulting fees - Corporate	Da Silva-Falcione	Update website with December 13, 2016 Order and Endorsement and updated Service List.
12/13/2016	Consulting fees - Corporate	Denton	Preparation for and attend court; return to office and coordinate update of the website.
12/14/2016	Consulting fees - Corporate	Crawley	Review issued Order and approved Bidding Procedures; ensure online version has up-to-date wording; instruct D Falcione in setup of confidential data room; correspond with B Edgar re content of data room and content of CIM; edit form of offer per K Plunkett's comments.
12/14/2016	Consulting fees - Corporate	Da Silva-Falcione	Update website with Sales Process documents; process returned mail.

12/14/2016	Consulting fees - Corporate	Denton	Review of sales process documents status with P Crawley, including CIM, interested parties and APA template.
12/15/2016	Consulting fees - Corporate	Da Silva-Falcione	Create/populate Data Room; email blast to interested parties with Teaser.
12/15/2016	Consulting fees - Corporate	Denton	Work on the interested parties list; review and drafting of CIM and APA template; work on data room documents; liaise with B Edgar on CIM comments.
12/15/2016	Consulting fees - Corporate	Palmer	Update and assist to reformat interested party control sheet.
12/15/2016	Consulting fees - Corporate	Litwack, M	CapitalIQ and online searches for personnel and contact information.
12/16/2016	Consulting fees - Corporate	Da Silva-Falcione	Update interested party control sheet; email to P Denton with list of interested parties where Teaser email sent yesterday bounced back; work to update CIM and APA under P Denton direction; update website with Form of Offer.
12/16/2016	Consulting fees - Corporate	Denton	Finalization of the CIM including review D Crane comments; review and coordinate data room set up with D Falcione; liaison with CIBC re bank account; finalization of the APA template.
12/16/2016	Consulting fees - Corporate	Litwack, M	Research to update email addresses that were Incorrect.
12/18/2016	Consulting fees - Corporate	Nackan	Email to F Tenaille re assets for sale; email to BTG Global Advisory partners to canvass interest in assets of Strike Minerals.
12/19/2016	Consulting fees - Corporate	Da Silva-Falcione	Process returned mail and email to P Denton re updated creditor addresses; update Data Site with CIM; re-send Teaser to potential interested party; e-file Order extending time to file a Proposal.

12/19/2016	Consulting fees - Corporate	Litwack, M
	Research on emails for interested party contact particulars.	
12/20/2016	Consulting fees - Corporate	Da Silva-Falcione
	Email to Insolvency Insider with link to website blog for publication; provide access to data room for interested party.	
12/20/2016	Consulting fees - Corporate	Denton
	Calls with interested parties; follow up the opening of bank accounts.	
12/21/2016	Consulting fees - Corporate	Da Silva-Falcione
	Respond to interested party inquiry.	
12/21/2016	Consulting fees - Corporate	Denton
	Calls with interested parties; review and follow up bank Account.	
12/22/2016	Consulting fees - Corporate	Da Silva-Falcione
	Update CIBC Banking Forms per P Denton; provide link and information to interested party.	
12/22/2016	Consulting fees - Corporate	Denton
	Calls with interested parties; follow up CIBC bank account opening; prepare and provide update to the company and legal counsel on sales process; liaise with E Pillon on the DIP terms sheet and final executed copy.	
12/22/2016	Banking - Corporate	Samoilov
	Assist P Denton with preparation documents for a new bank account.	
12/23/2016	Consulting fees - Corporate	Da Silva-Falcione
	Update creditors list.	
12/23/2016	Consulting fees - Corporate	Denton
	Review of matters with PKC; liaise with E Pillon; revisit, review DIP term sheet; review of pending fee, cost payments including B Edgar; liaison with D Crane on interested parties and bank accounting opening.	
12/23/2016	Consulting fees - Corporate	Crawley
	Review DIP term sheet for mechanics to obtain funding; review and sign CIBC bank account opening documents; email alternate contact at Northern Miner to request advertising information.	

12/23/2016	Banking - Corporate Banking.	Samoilov
12/28/2016	Banking - Corporate Banking.	Samoilov
12/29/2016	Consulting fees - Corporate Liaison with Stikemans re execution of the DIP Term Sheet; review of TGF invoices; liaise with Colin Glasgow CIBC London; review of matters with PKC.	Denton
12/29/2016	Banking - Corporate Banking.	Samoilov
12/30/2016	Consulting fees - Corporate Follow UP and get company sign off on the DIP Term Sheet; review matters with PKC including professional fees invoiced to date; liaison with CIBC London; review of emails through the day.	Denton
12/30/2016	Consulting fees - Corporate Prepare initial DIP advance request; correspond with A Iqbal re retainer treatment; discussions with P Denton; discuss status of company with unsecured creditor; review and approve incoming wire instruction and send to L Pillon for DIP funding.	Crawley
12/30/2016	Banking - Corporate Banking.	Samoilov

	Total for Services	\$ 32,787.00
Expenses: Photocopies, faxes, etc.	Total for Expenses	<u>454.80</u>
	Subtotal	33,241.80
	HST	<u>4,262.31</u>
	Current Amount Due	<u>\$ 37,504.11</u>

HST#136800752RT0001

A. FARBER & PARTNERS INC.

STRIKE MINERALS INC.

**SUMMARY OF TIME INCURRED
DECEMBER 1, 2016 TO DECEMBER 31, 2016**

Name	Total Hours	Rate Per Hour	Billing
A. Nackan	7.90	\$575.00	\$4,542.50
P. Denton	21.40	\$525.00	\$11,235.00
P. Crawley	27.50	\$495.00	\$13,612.50
M. Litwack	1.90	\$375.00	\$712.50
L. Samoilov	3.40	\$165.00	\$561.00
D. Falcione	13.30	\$155.00	\$2,061.50
A. Palmer	0.40	\$155.00	\$62.00
Total	75.80		\$32,787.00

Tab F

ONTARIO
SUPERIOR COURT OF JUSTICE
(BANKRUPTCY AND INSOLVENCY)

IN THE MATTER OF THE PROPOSAL OF
STRIKE MINERALS INC.,
OF THE CITY OF LONDON
IN THE PROVINCE OF ONTARIO

AFFIDAVIT OF AARON COLLINS
(Sworn January 31, 2017)

I, AARON COLLINS, of the City of Toronto, in the Province of Ontario, MAKE OATH
AND SAY AS FOLLOWS:

1. I am a partner at Aird & Berlis LLP and, as such, I have knowledge of the matters to which I hereinafter depose. Aird & Berlis LLP has acted as counsel for A. Farber & Partners Inc. ("**Farber**"), in its capacity as proposal trustee of Strike Minerals Inc. and continues to do so.

2. Aird & Berlis LLP has prepared Statements of Account in connection with its mandate as counsel to Farber, namely,

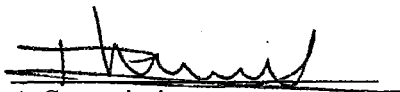
(a) an account dated November 30, 2016 in the amount of \$34,866.26 in respect of the period from July 14, 2016 to November 30, 2016. Attached hereto and marked as **Exhibit "A"** to this my affidavit is a copy of the Statement of Account. The average hourly rate of Aird & Berlis LLP is \$520.39; and

(b) an account dated January 19, 2017 in the amount of \$24,516.80 in respect of the period from December 1, 2016 to January 18, 2017. Attached hereto and marked as **Exhibit "B"**

to this my affidavit is a copy of the Statement of Account. The average hourly rate of Aird & Berlis LLP is \$549.46.

3. This Affidavit is made in support of a motion to, *inter alia*, approve the attached account of Aird & Berlis LLP and the fees and disbursements detailed therein and for no improper purpose.

SWORN before me at the City of)
Toronto, in the Province of Ontario)
this 31st day of January, 2017)


A Commissioner, etc.
Kyle B. Plunkett


AARON COLLINS

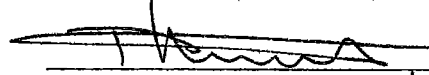
Attached is Exhibit "A"

Referred to in the

AFFIDAVIT OF AARON COLLINS

Sworn before me

This 31st day of January, 2017



Kyle B. Plunkett

Commissioner for taking Affidavits, etc

A. FARBER & PARTNERS INC.

In its capacity as Proposal Trustee of Strike Minerals Inc.

November 30, 2016 Account

Lawyer	Call to Bar	2016 average/hr	Total Time	Value
D.R. English	1980	790.00	19.20	15,264.00
Kyle Plunkett	2011	395.00	36.40	14,378.00
Matthew Liberatore	2011	375.00	1.30	487.50
Banking Clerk				
Shannon Morris		340.00	0.50	170.00
Anita Purushotham		180.00	0.40	72.00
Real Estate Clerk				
K. Connell		295.00	1.30	383.50

IN ACCOUNT WITH:

AIRD & BERLIS LLP

Barristers and Solicitors

Brookfield Place, 181 Bay Street
Suite 1800, Box 754, Toronto, ON M5J 2T9 Canada
T 416.863.1500 F 416.863.1515
www.airdberlis.com

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

Attention: Mr. Allan Nackan

Account No.: 551692

PLEASE WRITE ACCOUNT NUMBERS
ON THE BACK OF ALL CHEQUES

File No.: 13885/133583

November 30, 2016

Re: Strike Minerals Inc.

FOR PROFESSIONAL SERVICES RENDERED on your behalf throughout the period ended November 30, 2016:

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
DRE	14/07/16	\$795.00	0.50	\$397.50	Telephone call with A. Nackan; Conflict check and letter
DRE	15/07/16	\$795.00	0.20	\$159.00	Telephone call with A. Nackan re process
DRE	18/07/16	\$795.00	0.30	\$238.50	Review on-line info; Order searches
AP	18/07/16	\$180.00	0.20	\$36.00	Conducted prelim, corporate profile and certified PPSA search against Strike Minerals Inc.; attended toe electronic filing, reviewed and reported same
DRE	19/07/16	\$795.00	0.20	\$159.00	Review PPSA search
AP	19/07/16	\$180.00	0.20	\$36.00	Attended to electronic filing of certified PPSA search against Strike Minerals Inc.; Reviewed and reported same
DRE	20/07/16	\$795.00	0.20	\$159.00	Review search results
DRE	28/07/16	\$795.00	0.20	\$159.00	Telephone call with and letter to A. Nackan
DRE	09/08/16	\$795.00	0.30	\$238.50	Arrange and set up conference call; Discussion with A. Nackan

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
DRE	10/08/16	\$795.00	0.50	\$397.50	Conference call with Farber and Stikeman
DRE	11/08/16	\$795.00	0.30	\$238.50	Review time line; Review prior sales process; Letter to Farber
DRE	18/08/16	\$795.00	0.20	\$159.00	Letter to P. Denton
DRE	22/08/16	\$795.00	0.40	\$318.00	Draft retainer letter
DRE	23/08/16	\$795.00	0.20	\$159.00	Revise letter; Letter to Farbers
DRE	25/08/16	\$795.00	0.40	\$318.00	Letter to K. Esaw; Letter to P. Denton; Review timeline; Letter to Farbers
DRE	06/09/16	\$795.00	0.10	\$79.50	[A107] Communicate/Other Outside Counsel - letter to counsel
DRE	08/09/16	\$795.00	0.20	\$159.00	Letter to counsel and client; Instruct Kyle Plunkett
DRE	08/09/16	\$795.00	0.30	\$238.50	Letter to other counsel; Review status
DRE	08/09/16	\$795.00	0.10	\$79.50	Instruct K. Plunkett
KBP	08/09/16	\$395.00	1.10	\$434.50	Review and consider email from R. English regarding proposed stalking horse bid and transaction; review and consider various emails from working group regarding same; attend call with A. Iqbal regarding proposed timing.
DRE	09/09/16	\$795.00	0.60	\$477.00	Letter to Thornton Grout; Meeting and instruct Kyle Plunkett; Review location of filing issues; Letter to Farber; Letter to Thornton Grout
KBP	09/09/16	\$395.00	1.00	\$395.00	Review and consider various email exchanges with working group regarding status and timelines; review and consider draft timelines; attend call with A. Iqbal regarding same.
DRE	12/09/16	\$795.00	0.20	\$159.00	Letter to Thornton Grout; Review corporate documents
DRE	21/09/16	\$795.00	0.30	\$238.50	Review stalking horse orders, etc.
DRE	22/09/16	\$795.00	0.40	\$318.00	Review forms of stalking horse orders;

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
					Meeting and instruct K. Plunkett
DRE	27/09/16	\$795.00	0.10	\$79.50	Letter to client re timing
DRE	27/09/16	\$795.00	0.20	\$159.00	Letter to A. Nackan
DRE	27/09/16	\$795.00	0.20	\$159.00	Received materials; Instruct K. Plunkett
KBP	28/09/16	\$395.00	2.20	\$869.00	Review and consider draft Bidding Procedure; review and consider draft DIP Term Sheet; provide comments to R. English.
KBP	29/09/16	\$395.00	1.20	\$474.00	Review and consider form of stalking horse purchase agreement.
DRE	30/09/16	\$795.00	1.00	\$795.00	Review APA and sale documents; Consult with K. Plunkett; Telephone call with P. Denton; Telephone call with L. Pillon, etc.
DRE	30/09/16	\$795.00	0.80	\$636.00	Discussion with L. Pillon and Farber re sale process; Review APA form; Instruct K. Plunkett; Letters to Farber
KBP	30/09/16	\$395.00	2.80	\$1,106.00	Review and revise draft Bidding Procedure; revise form of APA; review and revise DIP Term Sheet; circulate comments to Farber group.
KBP	02/10/16	\$395.00	2.10	\$829.50	Revise and incorporate comments from R. English into Stalking Horse documents.
DRE	03/10/16	\$795.00	1.00	\$795.00	Review and revise APA and Bid terms, etc.; Instruct K. Plunkett; Letters with Farber
KBP	03/10/16	\$395.00	1.60	\$632.00	Review and respond to emails from P. Denton and A. Nackan; revise and update draft materials accordingly; circulate comments to Stikemans.
DRE	11/10/16	\$795.00	0.20	\$159.00	Letter - Update for Stikemans, etc.
DRE	14/10/16	\$795.00	0.40	\$318.00	Review Thornton Grout Finnigan comments

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
DRE	17/10/16	\$795.00	0.10	\$79.50	Letter to A. Nackan
DRE	19/10/16	\$795.00	0.60	\$477.00	Letter to and telephone call with L. Pillon; Telephone call with P. Denton; Letter to L. Pillon; Telephone call with A. Nackan; Instruct K. Plunkett
KBP	19/10/16	\$395.00	1.00	\$395.00	Review and consider email from E. Pillon regarding materials and timing; review and respond to emails from working group; review and respond to emails from E. Pillon.
KBP	26/10/16	\$395.00	2.00	\$790.00	Review and consider email from E. Pillon; review and consider revised stalking horse materials.
DRE	27/10/16	\$795.00	0.30	\$238.50	Review documents from Strike; Instruct K. Plunkett; Letter to L. Pillon
DRE	27/10/16	\$795.00	0.20	\$159.00	Telephone call with P. Denton
KBP	27/10/16	\$395.00	1.90	\$750.50	Review and consider various emails from working group regarding revised materials; review and consider revised materials; discuss same with R. English.
DRE	31/10/16	\$795.00	0.10	\$79.50	Receive revised documents
KBP	31/10/16	\$395.00	1.30	\$513.50	Review and consider mark up of stalking horse materials; provide comments to R. English regarding same.
DRE	01/11/16	\$795.00	0.30	\$238.50	Review changes to offer; Instruct K. Plunkett
DRE	02/11/16	\$795.00	0.20	\$159.00	Instruct K. Plunkett
DRE	02/11/16	\$795.00	0.30	\$238.50	Conference call with Farber and K. Plunkett; Send sample to P. Crawley
DRE	02/11/16	\$795.00	0.20	\$159.00	Forward sample report on stalking horse
SRM	02/11/16	\$340.00	0.10	\$34.00	Order updated certified PPSA search against Strike Mineral Inc.
KBP	02/11/16	\$395.00	1.60	\$632.00	Prepare and attend call with client to

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
					discuss court materials and next steps; review and consider email from TGF; attend call with TGF to discuss timing.
DRE	03/11/16	\$795.00	0.30	\$238.50	Meeting with K. Plunkett; Letter to Farber; Consult
DRE	03/11/16	\$795.00	0.20	\$159.00	Instruct K. Plunkett
SRM	03/11/16	\$340.00	0.10	\$34.00	Review certified PPSA search for Strike Minerals Inc. and report on same
KBP	03/11/16	\$395.00	0.30	\$118.50	Review and respond to emails from the group; discussions with A. Iqbal regarding timing of sale process.
DRE	10/11/16	\$795.00	0.30	\$238.50	Discussion with K. Plunkett re issues raised by debtor
DRE	10/11/16	\$795.00	0.20	\$159.00	Discussion with P. Denton
DRE	15/11/16	\$795.00	0.60	\$477.00	Letter from Stikeman's; Update with Farber; Update fee status and discuss time table
KBP	15/11/16	\$395.00	1.00	\$395.00	Review and respond to various emails from working group; review and consider emails from Stikemans and TGF regarding timeline and motion; review and respond to emails from R. English.
DRE	16/11/16	\$795.00	0.20	\$159.00	Instruct K. Plunkett
KBP	16/11/16	\$395.00	1.60	\$632.00	Review and respond to various emails from working group; attend call with P. Denton to discuss timeline and outstanding issues; attend update call with Stikemans team and TGF to discuss next steps and timing.
DRE	17/11/16	\$795.00	0.50	\$397.50	Approve final time schedule; Telephone call with K. Plunkett and instruct
KBP	17/11/16	\$395.00	1.30	\$513.50	Various email exchange with working group regarding timeline; review and consider revised stalking horse materials; attend call with Farbers

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
					team;
DRE	18/11/16	\$795.00	0.40	\$318.00	Instruct K. Plunkett; Letters with counsel; Telephone call from P. Denton re fee estimate (now \$60K)
DRE	21/11/16	\$795.00	0.30	\$238.50	Review Thornton Grout drafts; Instruct K. Plunkett
DRE	22/11/16	\$795.00	0.30	\$238.50	Receive and review comments on sale documents; Letters with Farber; Instruct K. Plunkett
KBP	22/11/16	\$395.00	1.60	\$632.00	Review and respond to emails from working group; review and consider revised affidavit; review and consider revised stalking horse materials.
DRE	23/11/16	\$795.00	0.40	\$318.00	Review changes to documents and issues on MNR
DRE	24/11/16	\$795.00	0.40	\$318.00	Review revised documents; Letter to Farber
KBP	24/11/16	\$395.00	1.60	\$632.00	Review and consider various emails from working group regarding materials; review and respond to emails from Farbers team; review and consider ministry notices; discuss same with R. English.
DRE	25/11/16	\$795.00	0.30	\$238.50	Final comments and sign off on filing
DRE	28/11/16	\$795.00	0.60	\$477.00	Review draft report; Review security documents; Instruct K. Plunkett
DRE	28/11/16	\$795.00	0.30	\$238.50	Deal with securities issues and conflicts; Review report
KBP	28/11/16	\$395.00	2.80	\$1,106.00	Review and respond to various emails regarding securities disclosure; review and provide comments on first report; review and respond to emails from P. Denton regarding various NOI materials; email exchange with R. English regarding same.
DRE	29/11/16	\$795.00	1.00	\$795.00	Review and revise proposal trustee report; Review draft order; Instruct K. Plunkett; Review agreement and status

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
					re Whelan
SRM	29/11/16	\$340.00	0.30	\$102.00	Order updated certified PPSA search against Strike Minerals Inc.; Review debentures and order parcel pages
KBP	29/11/16	\$395.00	3.30	\$1,303.50	Various email exchanges with Farber team to discuss report and court materials; review and provide comments on report; discussions with P. Crawley regarding same; review and respond to various emails from A. Iqbal regarding court materials; review and start draft security opinion.
KC	30/11/16	\$295.00	1.30	\$383.50	Subsearch title to multiple properties; search mining claim registrations
DRE	30/11/16	\$795.00	0.20	\$159.00	Instruct K. Plunkett; Review Affidavit
DRE	30/11/16	\$795.00	0.40	\$318.00	Telephone call with E. Pillon; Consult with K. Plunkett
MVL	30/11/16	\$375.00	1.30	\$487.50	Securities Disclosure Obligation guidance; Emails regarding the same
KBP	30/11/16	\$395.00	3.10	\$1,224.50	Review and provide comments on revised report; review and consider updated affidavit; review and respond to emails from A. Iqbal regarding securities disclosure and motion materials; attend call with E. Pillon to discuss filing.
TOTAL:			59.10	\$30,755.00	

OUR FEE	\$30,755.00
HST at 13%	\$3,998.15

DISBURSEMENTS

COST INCURRED ON YOUR BEHALF AS AN AGENT

Search Under P.P.S.A.	\$24.00
Due Diligence	\$8.00

Total Agency Costs \$32.00

Subject to HST

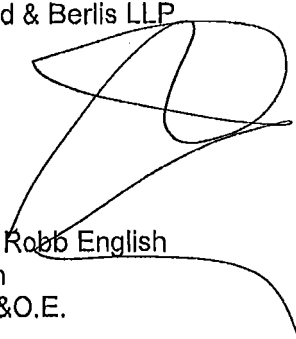
Service Provider Fee	\$13.50
Due Diligence	\$12.00
Photocopies - Local	\$44.00
Long Distance Charges	\$2.28

Total Disbursements	\$71.78
HST at 13%	\$9.33

AMOUNT NOW DUE

\$34,866.26

THIS IS OUR ACCOUNT HEREIN
Aird & Berlis LLP


D. Robb English
/ph
E.&O.E.

PAYMENT OF THIS ACCOUNT IS DUE ON RECEIPT

IN ACCORDANCE WITH THE SOLICITORS ACT, ONTARIO, INTEREST WILL BE CHARGED AT THE RATE OF 0.8% PER ANNUM ON UNPAID AMOUNTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS ACCOUNT IS DELIVERED.

GST / HST Registration # 12184 6539 RT0001

NOTE: This account may be paid by wire transfer in Canadian funds to our account at The Toronto-Dominion Bank, TD Centre, 55 King Street West, Toronto, Ontario, M5K 1A2. Account number 5221521, Transit number 10202, Swift Code TDOMCATTTOR. Please include the account number as reference.

27868108.1


Attached is Exhibit "B"

Referred to in the

AFFIDAVIT OF AARON COLLINS

Sworn before me

This 31st day of January, 2017



Kyle B. Plunkett

Commissioner for taking Affidavits, etc

A. FARBER & PARTNERS INC.

In its capacity as Proposal Trustee of Strike Minerals Inc.

January 19, 2017 Account

Lawyer	Call to Bar	2016/2017/hr	Total Time	Value
D.R. English	1980	796.37	15.30	12,184.50
Kyle Plunkett	2011	395.00	22.40	8,848.00
Banking Clerk				
Shannon Morris		340.00	0.50	170.00
Articling Student				
Timothy. Jones		245.00	0.70	171.50

28333228.1

IN ACCOUNT WITH:

AIRD & BERLIS LLP

Barristers and Solicitors

Brookfield Place, 181 Bay Street
Suite 1800, Box 754, Toronto, ON M5J 2T9 Canada
T 416.863.1600 F 416.863.1515
www.airdberlis.com

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

Attention: Mr. Allan Nackan

Account No.: 554628

PLEASE WRITE ACCOUNT NUMBERS
ON THE BACK OF ALL CHEQUES

File No.: 13885/133583

January 19, 2017

Re: Strike Minerals Inc.

FOR PROFESSIONAL SERVICES RENDERED on your behalf throughout the period ended January 18, 2017:

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
DRE	01/12/16	\$795.00	0.30	\$238.50	Discuss filing locale and change of local; Instruct re interim bill
DRE	01/12/16	\$795.00	0.20	\$159.00	Deal with issues on hearing date and scope of changes
KBP	01/12/16	\$395.00	1.00	\$395.00	Review and respond to various emails from A. Iqbal regarding court materials and timing; attend call with A. Nackan and P. Denton regarding same; email to Farbers team regarding timing and return motion for approval of sales process; discussions with R. English regarding same.
DRE	02/12/16	\$795.00	0.10	\$79.50	Review and update report
DRE	02/12/16	\$795.00	0.30	\$238.50	Letter re report and solicitor opinion on security; Letter re cash flows
SRM	02/12/16	\$340.00	0.50	\$170.00	Review and revise security opinion
KBP	02/12/16	\$395.00	1.60	\$632.00	Draft and finalize security review opinion regarding Waterton security.

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
DRE	05/12/16	\$795.00	0.40	\$318.00	Receive cash flows and review; Letter to P. Denton
DRE	05/12/16	\$795.00	0.40	\$318.00	Letter to and deal with issue re CIBC and garnishment
KBP	05/12/16	\$395.00	0.30	\$118.50	Review and respond to various emails from working group regarding materials and bank account issues.
DRE	06/12/16	\$795.00	0.50	\$397.50	Review standard receiver order vs control of R&D; Letter to and telephone call with P. Denton and D. Pillon
DRE	06/12/16	\$795.00	0.50	\$397.50	Draft revised order
DRE	06/12/16	\$795.00	0.20	\$159.00	Revise draft Order
DRE	06/12/16	\$795.00	0.60	\$477.00	Letter to re order and revisions; Receive motion record
KBP	06/12/16	\$395.00	2.30	\$908.50	Review and revise Order; various email exchanges with working; review and consider motion record;
DRE	07/12/16	\$795.00	0.70	\$556.50	Letters and telephone calls; Instruct re revision to draft report; Review motion record
DRE	07/12/16	\$795.00	0.30	\$238.50	Instruct K. Plunkett re service issues and report; Letter to E. Pillon
DRE	07/12/16	\$795.00	0.50	\$397.50	Letter to and review changes to draft order and report
KBP	07/12/16	\$395.00	2.10	\$829.50	Various email exchanges with A. Iqbal; email exchange with E. Pillon to discuss same; review and provide comments on report; review and consider comments from E. Pillon on report; review and consider comments from A. Iqbal.
DRE	08/12/16	\$795.00	0.80	\$636.00	Revise and settle report; Deal with banking issues and 3rd party interest issues
KBP	08/12/16	\$395.00	2.10	\$829.50	Revise and finalize report for service; serve first report; various email exchanges with P. Crawley regarding

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
					comments to report; attend various calls with A. Iqbal to discuss third party bid; revise and circulate order to include bankruptcy charge.
DRE	09/12/16	\$795.00	0.20	\$159.00	Letter to Farber re CIBC issue
DRE	09/12/16	\$795.00	0.20	\$159.00	Letter to and instruct K. Plunkett
TSJ	09/12/16	\$245.00	0.70	\$171.50	Attend to filing of materials at Commercial List
KBP	09/12/16	\$395.00	1.00	\$395.00	Email exchange with A. Iqbal regarding motion returnable December 13, 2016; review and consider emails from P. Crawley.
DRE	12/12/16	\$795.00	1.00	\$795.00	Letter to Aubrey Kaufman; Conference call with K. Plunkett and A. Iqbal; Letter to Farber; Conference call with E. Pillon; Instruct K. Plunkett and review
DRE	12/12/16	\$795.00	0.70	\$556.50	Telephone call with P. Denton; Review Whelan submissions and court materials
DRE	12/12/16	\$795.00	0.50	\$397.50	Letter to E. Pillon dealing with issues on bid terms
KBP	12/12/16	\$395.00	4.10	\$1,619.50	Review and consider notice of objection from Faskens; various emails between working group to discuss same; revise and provide comments on Bidding Procedures and Order; prepare for motion returnable December 12, 2106; various discussions with R. English regarding same; attend calls with E. Pillon and A. Iqbal to discuss objections and issues raised by Whelan; review and provide comments on draft stalking horse sales process materials.
DRE	13/12/16	\$795.00	4.50	\$3,577.50	Prepare and attend before Penny J.
KBP	13/12/16	\$395.00	1.50	\$592.50	Prepare and attend sale approval motion.
DRE	14/12/16	\$795.00	0.50	\$397.50	Letter to and deal with bank accounts

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
					and DIP
KBP	14/12/16	\$395.00	2.10	\$829.50	Review and provide comments on form of APA for data room; review and respond to emails from Farber team regarding sales process materials; review and consider emails from E. Pillon regarding bank accounts.
DRE	15/12/16	\$795.00	0.20	\$159.00	Issues on banking arrangements
KBP	15/12/16	\$395.00	1.90	\$750.50	Review and provide comments on CIM; various email exchanges with P. Denton regarding sales process materials; review and respond to emails from E. Pillon and A. Iqbal.
DRE	16/12/16	\$795.00	0.30	\$238.50	Letters re setting up post order accounts and initial data room materials
KBP	16/12/16	\$395.00	1.20	\$474.00	Review and provide comments on form of APA for data room; review and respond to various emails from P. Denton regarding same and status of sales process.
KBP	03/01/17	\$395.00	0.20	\$79.00	Review and respond to emails from P. Crawley.
DRE	04/01/17	\$810.00	0.40	\$324.00	Review file status and indication of interest received
DRE	09/01/17	\$810.00	0.10	\$81.00	Update from Farber
DRE	12/01/17	\$810.00	0.30	\$243.00	Meeting with K. Plunkett; Review status of bids
DRE	18/01/17	\$810.00	0.50	\$405.00	Meeting with K. Plunkett; Review Kinross changes to NDA; Telephone call with P. Denton
DRE	18/01/17	\$810.00	0.10	\$81.00	Telephone call with P. Denton
KBP	18/01/17	\$395.00	1.00	\$395.00	Review and respond to emails from P. Crawley regarding NDA and Kinross; revise and circulate update NDA for Kinross.
TOTAL:			38.90	\$21,374.00	

Name	Year of Call	Hours	Rate	Value
D. R. English (DRE)	01/01/80	15.30	\$796.37	\$12,184.50
Kyle B. Plunkett (KBP)	30/07/11	22.40	\$395.00	\$8,848.00
Shannon R. Morris (SRM)		0.50	\$340.00	\$170.00
Timothy S. Jones (TSJ)		0.70	\$245.00	\$171.50

OUR FEE	\$21,374.00
HST at 13%	\$2,778.62

DISBURSEMENTS

Subject to HST

Teraview Search	\$68.30
Imaging/Scanning	\$40.50
Photocopies - Local	\$151.50
Binding and Tabs	\$25.25
Photocopies	\$25.00
Taxi	\$11.73

Total Disbursements	\$322.28
HST at 13%	\$41.90

AMOUNT NOW DUE

\$24,516.80

THIS IS OUR ACCOUNT HEREIN
Aird & Berlis LLP

D. Robb English
/ph
E.&O.E.

PAYMENT OF THIS ACCOUNT IS DUE ON RECEIPT

IN ACCORDANCE WITH THE SOLICITORS ACT, ONTARIO, INTEREST WILL BE CHARGED AT THE RATE OF 0.8% PER ANNUM ON UNPAID AMOUNTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS ACCOUNT IS DELIVERED.

GST / HST Registration # 12184 6539 RT0001

NOTE: This account may be paid by wire transfer in Canadian funds to our account at The Toronto-Dominion Bank, TD Centre, 55 King Street West, Toronto, Ontario, M5K 1A2, Account number 5221521, Transit number 10202, Swift Code TDOMCATTOR. Please include the account number as reference.

IN THE MATTER OF THE PROPOSAL OF STRIKE MINERALS INC., OF THE CITY OF LONDON, IN THE PROVINCE OF ONTARIO

(Short title of proceeding)

Court File No. 35-2193939

ONTARIO
SUPERIOR COURT OF JUSTICE
(BANKRUPTCY AND INSOLVENCY)
Proceeding commenced at Toronto

AFFIDAVIT OF FEES

AIRD & BERLIS LLP
Barristers and Solicitors
Brookfield Place
Suite 1800, Box 754
181 Bay Street
Toronto, Ontario
M5J 2T9
Tel: 416.863.1500
Fax: 416.863.1515

D. Robb English (LSUC # 19862F)
Kyle Plunkett (LSUC # 61044N)

Lawyers for A. Farber & Partners Inc.

IN THE MATTER OF THE PROPOSAL OF STRIKE MINERALS INC. OF THE CITY OF LONDON, IN THE PROVINCE OF ONTARIO

Court File No. 35-2193939

(Short title of proceeding)

ONTARIO
SUPERIOR COURT OF JUSTICE
Proceedings commenced at Toronto

SECOND REPORT OF THE PROPOSAL TRUSTEE

AIRD & BERLIS LLP
Barristers and Solicitors
Brookfield Place
Suite 1800, Box 754
181 Bay Street
Toronto, ON M5J 2T9

D. Robb English (LSUC#19862F)
Kyle Plunkett (LSUC#61044N)

Tel: 416.863.1500
Fax: 416.863.1515

Lawyers for A. Farber & Partners Inc.