

December 14/16

M. Starnino for the Applicants

M. Wagner for the Monitor

J. Salinas for Mining Development LLC.

The applicants seek a final sanction order of the court pursuant to section 6 of the CCAA. The three-part requirements for such an order have been set out in Conwert Global Communications Corp., 2010 ONSC 4209 at para. 14.

I am satisfied that there was strict compliance with all statutory requirements, including, in particular, the qualification of the applicants for relief under the CCAA, the classification of the creditors in respect of the two classes of creditors, the constitution and conduct of the meeting and approval by the requisite majority of creditors of the Plan of Arrangement.

Second, the applicants have acted in good faith and due diligence in complying with all court orders in this proceeding. There is no evidence of any unauthorized steps having been taken under the CCAA.

Lastly, I am satisfied that the Plan of Arrangement is fair and reasonable as that term is understood for the purposes of section 6 of the CCAA. In this regard I rely on the following. No objection was taken with respect to the classification of creditors and ~~the~~ creditors ^{allowed} all of the creditors, with one exception holding an interest of 0.02% of the claims ~~allowed~~, have approved the Plan. The Monitor has advised that, in its opinion, recoveries under the Plan are well in excess of those that would have been received

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on a liquidation basis or ~~any other~~ under any other potential procedure realization proceeding involving foreclosure of the property. The Plan is the only alternative to bankruptcy and, in the view of the Monitor, represents the best alternative for creditors in light of all relevant circumstances. There is no suggestion that the Plan is oppressive of any creditors and no apparent unfairness to the shareholders of the applicants, given that the Affiliated Creditors ^{or other than the Convenience Creditors,} are receiving no payment of their claims. Lastly, the plan's intent strongly favours the preservation of the economic opportunity in the event of an improvement in the market.

In addition, the scope of the release is not overly broad given the purpose of the restructuring, which is to provide a fresh start for the applicants if market conditions improve. The scope of the release was fully disclosed to the creditor and no objections were renewed in respect thereof.

Lastly, I note that the ~~one~~ applicants and the one disputing party, the Naskapi Nation, have agreed to a process for the resolution of the status of the Naskapi claim.

The applicants have advised that, in the interests of reducing costs, they will be distributing the share certificates rather than a transfer agent as originally contemplated.

A. M. M. J.