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**Report of  
Duff & Phelps Canada  
Restructuring Inc.  
as Proposed CCAA Monitor of  
Tamerlane Ventures Inc. and  
Pine Point Holding Corp.**

August 22, 2013

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**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, C.C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF  
TAMERLANE VENTURES INC. AND PINE POINT HOLDING CORP.**

**REPORT OF  
DUFF & PHELPS CANADA RESTRUCTURING INC.  
AS PROPOSED MONITOR**

**AUGUST 22, 2013**

## **1.0 Introduction**

1. On August 22, 2013 Tamerlane Ventures Inc. ("Tamerlane") and Pine Point Holding Corp. ("Tamerlane Pine Point") (Tamerlane and Tamerlane Pine Point are jointly referred to as the "Applicants") filed application materials seeking, *inter alia*, protection under the *Companies' Creditors Arrangement Act* (the "CCAA") and the appointment of Duff & Phelps Canada Restructuring Inc. ("D&P") as the Monitor.
2. D&P has consented to act as Monitor, if appointed by this Honourable Court.
3. D&P is filing this report ("Report") in its capacity as proposed Monitor (the "Proposed Monitor").
4. The Affidavit of Margaret M. Kent, Tamerlane's Executive Chair and Chief Financial Officer and a director of Tamerlane Pine Point, sworn August 22, 2013 (the "Kent Affidavit") and filed in support of the Applicants' application for CCAA protection, provides, *inter alia*, the Applicants' background, including the reasons for the commencement of these proceedings.
5. The principal purpose of these restructuring proceedings is to create a stabilized environment in which to carry out a refinancing, sale and restructuring process for the Applicants' business and assets in order to maximize value for stakeholders.

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6. The Applicants do not have the ability to generate revenue at the present time. Their ability to generate revenue is contingent on developing their properties. The Applicants are only able to repay their obligations by raising new financing or by selling off a portion of their assets. The Applicants do not envisage that a complete sale of all of their assets will be necessary in this process. Rather, they expect to be able to satisfy their secured obligations through some combination of sale and refinancing, through one or more transactions.
  7. The Proposed Monitor understands that the Applicants' secured lender, Global Resource Fund, a fund managed by Renvest Mercantile Bancorp Inc. ("Secured Lender"), supports the within application.

## 1.1 Purposes of this Report

1. The purposes of this Report are to:
  - a) Provide background information about the Applicants and these proceedings;
  - b) Provide D&P's qualifications to act as Monitor;
  - c) Provide the Proposed Monitor's conclusions on the Applicants' cash flow projection, which is appended to the Kent Affidavit;
  - d) Provide the Proposed Monitor's views on the relief sought by the Applicants, including:
    - The scope of the proposed stay of proceedings, which would extend to the Foreign Entities (as defined below);
    - The proposed sale and investor solicitation process;
    - The debtor-in-possession credit facility to be made available pursuant to the term sheet (the "DIP Term Sheet") between, the Applicants, Tamerlane Ventures, USA Inc. ("Tamerlane USA", and together with the Applicants, the "Company") and Global Resource Fund (in such capacity, the "DIP Lender");
    - The proposed Court-ordered charges, being the Administration Charge, the Financial Advisor Charge, the Subordinated Administration Charge, the Directors' Charge and the DIP Lender's Charge (each as defined in the Kent Affidavit);

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- The automatic transition of the CCAA proceedings to a receivership if certain conditions are not met by January 7, 2014 or such later date as may be consented to by the Secured Lender and the Monitor (the “Outside Date”); and
  - Creditor notification of the Initial Order and CCAA proceedings; and
- e) Recommend that this Honourable Court grant the relief sought by the Applicants in the application materials.

## **1.2 Currency**

1. Unless otherwise noted, all currency references in this Report are to Canadian dollars.

## **1.3 Defined Terms**

1. Capitalized terms not defined in this Report have the meanings provided to them in the Kent Affidavit.

## **1.4 Restrictions**

1. In preparing this Report, D&P has relied upon unaudited financial information prepared by the Applicants’ representatives, the Applicants’ books and records, discussions with management and discussions with the Applicants’ advisors. D&P has not performed an audit or other verification of such information. An examination of the Applicants’ cash flows and/or financial forecasts as outlined in the *Canadian Institute of Chartered Accountants Handbook* has not been performed. Future oriented financial information relied upon in this Report is based on the Applicants’ assumptions regarding future events; actual results achieved may vary from this information and these variations may be material.
2. Based on its review of the cash flows and/or financial forecasts, their underlying assumptions and on discussions with management, D&P is of the view that the cash flow projection attached to the Kent Affidavit is reasonable. Any party that wishes to use the cash flow projection and/or the financial forecasts for financial or investment purposes is encouraged to perform its own diligence.

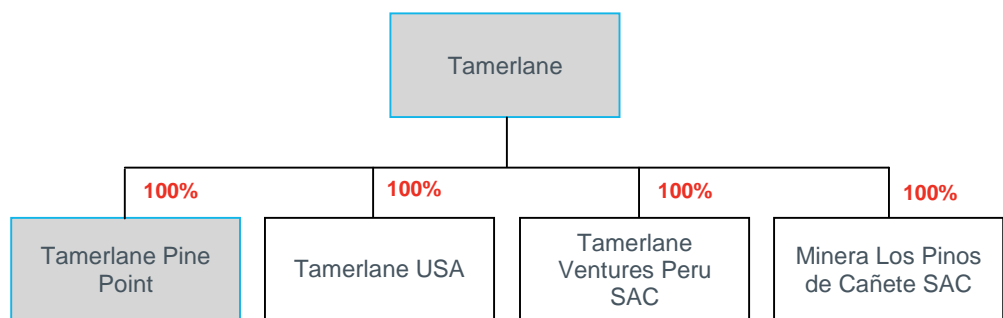
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## 1.5 D&P’s Qualification to Act as Monitor

1. D&P is qualified to act as Monitor of the Applicants. D&P’s qualifications include the following:
  - a) D&P is a trustee within the meaning of subsection 2(1) of *The Bankruptcy and Insolvency Act* (Canada). D&P is not subject to any of the restrictions to act as Monitor set out in Section 11.7(2) of the CCAA; and
  - b) D&P has extensive experience acting as a monitor under the CCAA in a wide variety of industries.
2. D&P has consented to act as Monitor in these proceedings should the Court grant the Initial Order.

## 2.0 Background

1. The shares of Tamerlane are listed on Tier 2 of the TSX Venture Exchange under the symbol "TAM".
2. Tamerlane was originally incorporated in the Province of British Columbia on May 16, 2000, and was continued as a federal corporation under the *Canada Business Corporations Act*, R.S.C., 1985, c. C-44 (the “CBCA”) on July 26, 2010. Tamerlane Pine Point is incorporated under the CBCA. Each of the Applicants’ registered office is located at 181 Bay Street, Suite 4400, Toronto, Ontario.
3. Tamerlane’s corporate chart is provided below<sup>1</sup> (Tamerlane and its subsidiaries are collectively referred to as the “Tamerlane Group”):



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<sup>1</sup> The shaded entities represent the Applicants.

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4. The Tamerlane Group is engaged in the acquisition, exploration and development of base metal projects in Canada and Peru. The Tamerlane Group's flagship property is the Pine Point Property, a project located near Hay River in the South Slave Lake area of the Northwest Territories of Canada. The Pine Point Property is owned by Tamerlane Pine Point. The Tamerlane Group's other significant asset is the Los Pinos mining concessions in the Lima Department, Peru. The Proposed Monitor understands that Tamerlane acquired the Los Pinos assets through Tamerlane Ventures Peru SAC ("Tamerlane Peru") and it holds the Los Pinos mining concessions through Minera Los Pinos de Cañete SAC.
  5. As the Tamerlane Group is an exploration phase mining business, it does not currently generate any revenue.
  6. The Applicants do not employ any individuals. Tamerlane's management team consists of four individuals who are employed by Tamerlane USA. Tamerlane pays a management fee to Tamerlane USA for the services provided by these individuals.
  7. This Report should be read in conjunction with the Kent Affidavit. Certain of the information provided in the Kent Affidavit has not been included herein in order to avoid unnecessary duplication.

## **3.0 Creditors**

### **3.1 Secured Creditor**

1. Tamerlane is indebted on a secured basis to the Secured Lender for approximately US\$13.3 million. The indebtedness is guaranteed by both Tamerlane Pine Point and Tamerlane USA. Each of Tamerlane, Tamerlane Pine Point and Tamerlane USA has executed a general security agreement in favour of the Secured Lender.
2. The only other secured creditors of the Applicants are the Applicants' counsel and the Proposed Monitor and its counsel in respect of accrued and unpaid fees and disbursements owing to each for work performed to prepare for these proceedings.
3. As at August 20, 2013, the Secured Lender, the Applicants' counsel and the Proposed Monitor and its counsel are the only parties that have registrations against the Applicants pursuant to the *Personal Property Security Act* (Ontario) ("PPSA"). The Proposed Monitor is not aware of any other party having security registrations against the Applicants.

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4. In the fall of 2012, the Company failed to make four regularly scheduled monthly interest payments to the Secured Lender, and it failed to repay the principal balance of the secured debt on the maturity date of October 16, 2012. The Company and the Secured Lender subsequently entered into a Forbearance Agreement on December 31, 2012 (as amended from time to time, the “Forbearance Agreement”). Following additional defaults in March and May of 2013, the parties agreed to an amendment to the Forbearance Agreement on June 10, 2013 (the “First Forbearance Agreement Amendment”). The Company defaulted on the First Forbearance Agreement Amendment on July 25, 2013.
  5. On July 26, 2013, the Applicants received from the Secured Lender’s counsel: (i) a Notice of Intention to Enforce Security pursuant to Section 244 of *The Bankruptcy and Insolvency Act* (“Notice”), which was set to expire on August 6, 2013; and (ii) a Notice of Intention to Dispose of Collateral pursuant Section 63 of the PPSA.
  6. Since receiving the Notice, the Applicants have been in negotiations with the Secured Lender in an effort to agree to the terms of a consensual CCAA filing and to avoid the appointment of a receiver. During these discussions, at the request of the Company, the Secured Lender withdrew and reissued the Notice on several occasions. The current Notice is set to expire on August 23, 2013.
  7. The Company and the Secured Lender have ultimately reached agreement on the terms of the Secured Lender’s ongoing forbearance to allow the Applicants to pursue a sale and investment solicitation process within these CCAA proceedings. On August 22, 2013, the Company and the Secured Lender entered into a second amendment to the Forbearance Agreement (the “Second Forbearance Agreement Amendment”) that provides, among other things, that: (i) the Secured Lender will consent to these proceedings on the terms of the proposed Initial Order; (ii) subject to certain conditions and terminating events, the Secured Lender will forbear from exercising its rights under the Credit Agreement until January 7, 2014; (iii) the Secured Lender is entitled to a one-time forbearance fee in the amount of US\$770,000, which has been added to the total amount owing to the Secured Lender; and (iv) the Company has agreed not to impede the sale of certain assets if certain agreed price thresholds are met.<sup>2</sup>

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<sup>2</sup> For clarity, the sale of any assets within the CCAA proceedings would remain subject to the terms of the CCAA and Initial Order, and the Applicants would be required to obtain an Order of the Court approving any sale of assets that exceeds the asset sale limitations established in the Initial Order.



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8. The Proposed Monitor understands that the Applicants determined that entering into the Second Forbearance Agreement was in their best interests and was essential to allowing the Applicants to move forward with the proposed CCAA process and the proposed sale and investment solicitation process with the support of the Secured Lender.

### 3.2 Unsecured Creditors

1. As at August 13, 2013, the Applicants' books and records reflect that its unsecured obligations total approximately \$875,000, plus any unsecured fees of counsel to the Applicants, the Monitor and the Monitor's counsel.
2. The Applicants' unsecured obligations consist mainly of mining exploration costs and amounts due to professional firms. The unsecured obligations also include approximately \$161,000 in debts to parties that are, or were at one time, related to the Tamerlane Group. A summary of the seven largest unsecured creditors is provided in the table below:<sup>3</sup>

Creditor	Amount Owing (\$)	Type
Rescan Environmental Services Ltd.	214,707.16	Exploration costs
Law firm	186,572.32	Professional fees
Loan from formerly related company	111,340.00	Loan
Aurora Geosciences Ltd.	70,786.88	Exploration costs
Financial advisor	50,000.00	Professional fees
Accounting firm	41,385.75	Professional fees
Loan from Tamerlane director/officer	25,000.00	Loan
Loan from Tamerlane director	<u>25,000.00</u>	Loan
Total	724,792.11	

### 4.0 Cash Flow

1. The Applicants have prepared a cash flow projection for the period August 18, 2013 to January 5, 2014, a copy of which is attached to the Kent Affidavit. The Applicants' statutory report on the cash flow pursuant to Section 10(2)(b) of the CCAA is attached as Appendix "A".
2. The cash flow reflects that the Applicants do not presently carry on active business operations, and will not carry on active business during these proceedings.
3. The cash flow reflects that the Applicants are projected to require funding of approximately \$997,500 through to the period ending January 5, 2014.

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<sup>3</sup> The professional firms referred to in the table above do not include the Applicant's counsel, the Proposed Monitor or its counsel.

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4. The cash flow projection assumes that vendor obligations are paid in the normal course.
  5. Based on D&P's review of the cash flow, there are no material assumptions which seem unreasonable in the circumstances. The Proposed Monitor's statutory report on the cash flow is attached as Appendix "B".

## **5.0 Relief Sought**

1. The following sections summarize significant aspects of the relief being sought by the Applicants and D&P's views thereon:

### **5.1 Stay of Proceedings**

1. The Applicants are seeking a stay of proceedings under the CCAA. They are also seeking to extend a limited stay of proceedings to Tamerlane USA and Tamerlane Peru (jointly, the "Foreign Entities") in respect of claims or liabilities that relate to the obligations of the Applicants.
2. The business activities of the Applicants and the Foreign Entities are highly integrated. According to the Kent Affidavit, it would be detrimental to the Applicants' ability to successfully restructure if proceedings were commenced or actions taken against the Foreign Entities.
3. The principal purpose for extending a limited stay of proceedings to cover the Foreign Entities is to avoid any disruption in the Applicants' business and operations during these proceedings as a result of claims against the Foreign Entities that relate to the Applicants. The alternative would be for the Foreign Entities to become applicants in these proceedings, which could result in increased complexities, delays and costs. Accordingly, D&P believes that the relief sought in this regard is reasonable and appears to be in the best interests of the Applicants and their stakeholders.

### **5.2 Sale and Investment Solicitation Process**

1. The Applicants intend to carry out a sale and investment solicitation process for the Tamerlane Group's business and assets (the "SISP") in order to repay the Secured Lender and maximize value for their stakeholders. The Secured Lender have indicated that it is a condition of their support for the Applicants' CCAA proceeding that the Applicants retain a financial advisor and undertake a SISP on terms acceptable to the Secured Lender.

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2. The Applicants and the Secured Lender have engaged in negotiations (with the input of the Proposed Monitor) and have agreed on the terms of the SISP and the retention of a financial advisor. The Applicants, with the support of the Secured Lender, are seeking approval of the terms of the SISP attached to the Kent Affidavit.
  3. The SISP includes the solicitation of potential financiers, purchasers and investors, and provides for the consideration of offers for proposed financing, an investment in the Applicants' business and/or a purchase of some or all of the Applicants' assets. The SISP sets out certain target dates, including:
    - commencement of the marketing process upon Court approval of the SISP;
    - receipt of non-binding letters of intent by October 22, 2013;
    - receipt of formal offers by November 22, 2013;
    - clarification and re-submission of offers from November 22, 2013 to December 6, 2013;
    - execution of binding agreement(s) by December 16, 2013;
    - court approval of transaction(s) as soon as practicable following execution of binding agreement(s); and
    - closing of transaction(s) as soon as possible following Court approval.
  4. The Proposed Monitor is of the view that a robust SISP carried out by an experienced financial advisor, with the oversight of the Proposed Monitor, is in the interests of the Applicants' stakeholders in order to maximize the value of Tamerlane Group's assets. The Proposed Monitor is of the view that the terms of the SISP are reasonable.

### **5.3 DIP Facility**

1. The Applicants presently have minimal cash resources, and they do not have the ability to generate revenue at the present time. Accordingly, absent additional financing, they have no ability to continue paying their ongoing expenses, including the costs of these proceedings.

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2. The DIP Lender has agreed to fund the Applicants during the CCAA proceedings pursuant to the terms of the DIP Term Sheet. The significant terms of the DIP Facility are:
- Committed amount: US\$978,571 less a structuring fee in the amount of US\$30,000 due to the DIP Lender to be deducted from the first advance, resulting in net proceeds to the Applicants of US\$948,571. Pursuant to the terms of the DIP Term Sheet, all advances under the DIP Facility are to be made in US dollars.<sup>4</sup>
  - Maturity date: the earlier of (i) January 7, 2014; and (ii) such earlier date upon which repayment is required due to the occurrence of an Event of Default (as defined below);
  - Interest: 12% per annum, payable on maturity;
  - Mandatory repayments: the Applicants are required to make mandatory repayments of the DIP Facility in certain circumstances, including cash proceeds from: (i) certain extraordinary receipts; (ii) any indebtedness incurred by the Applicants with the consent of the DIP Lender; and (iii) any sale or disposition of assets;
  - Conditions to borrowing include, among others: entry of the Initial Order in a form satisfactory to the DIP Lender; all orders granted in the CCAA proceedings being satisfactory to the DIP Lender; and the absence of defaults under the DIP Facility;
  - Events of default include, among others: entry of Orders in the CCAA proceedings that affect the DIP Lender without their consent; termination of the CCAA proceedings or the CCAA stay of proceedings; material variances from the agreed cash flow projections (excluding permitted variances and funding of professional fees); and breaches of covenants in the DIP Term Sheet; and
  - Remedies: if an event of default occurs, the DIP Lender may, upon three business days' notice, terminate and accelerate the DIP Facility and enforce its security.

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<sup>4</sup> The US dollar to Canadian dollar conversion rate is 1 to 1.05 as at August 22, 2013.

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3. In considering the terms of the DIP Facility, the Proposed Monitor considered, among other things:
- The Company has no liquidity – it is without funding to pay operating expenses. The Company is in default of the Credit Agreement and the Forbearance Agreement and the Secured Lender is in a position to enforce its security thereunder;
  - The Applicants have advised that they have been attempting to source liquidity for a significant period of time. The Proposed Monitor understands that no other party has been identified to provide the full amount of the liquidity projected to be required during these proceedings;
  - The Applicants' only secured creditors are the Secured Lender and the professionals for their pre-filing activities. The amounts owed to the Applicants' unsecured creditors are not substantial in relation to the amounts owed to the Secured Lender. The Secured Lender is, by far, the Company's largest creditor;
  - The Proposed Monitor has been advised by Tamerlane's counsel that Tamerlane's largest shareholder (which holds 19.95% of Tamerlane's common shares) has knowledge of these proceedings and the terms of the DIP Term Sheet and does not object to any of the relief being sought in respect of the DIP Facility or otherwise;
  - The Proposed Monitor is aware that the Tamerlane Group obtained preliminary valuations in May, 2013 and July, 2013 for the Los Pinos and Pine Point properties, respectively (collectively, the "Valuations"). The Valuations have a significant range, being \$42 million to \$250 million in the aggregate for both properties. Further details on the Valuations are provided in the Kent Affidavit. The Proposed Monitor has not had the opportunity to perform due diligence on the Valuations; however, according to the conclusions in these Valuations, the potential realizable value of the Tamerlane Group's business and assets substantially exceeds the amount of the DIP Facility and the corresponding Court-ordered charge;
  - The DIP Term Sheet is the result of extensive arm's-length negotiations between the Applicants and the DIP Lender. The Proposed Monitor understands that the DIP Lender would not be willing to provide the interim financing that will be required to fund these CCAA proceedings other than on the terms and conditions of the DIP Term Sheet; and

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- The Proposed Monitor notes that the effective interest rate on the DIP Facility (which includes the 12% interest rate and the structuring fee) is 20.2% per annum assuming the DIP Facility is repaid on January 7, 2014. Fees and costs on small DIP facilities frequently appear high relative to the size of the amounts made available under the facility. That may result in part from the time and effort required of a DIP lender to monitor the performance of a distressed business in a CCAA process, which time and effort does not necessarily diminish with a smaller facility. In addition, the Proposed Monitor understands that, given the current financial situation of the Applicants (including their lack of availability of alternate financing), the Applicants believe the DIP Facility is the best alternative for the Applicants and its stakeholders in the circumstances.
4. Based on the foregoing, the Proposed Monitor believes that the terms of the DIP Term Sheet are reasonable in the circumstances, and it supports the relief sought by the Applicants in respect of the DIP Facility.

## **5.4 Court-Ordered Charges**

### **5.4.1 Professional Charges**

1. The Applicants are seeking an Administration Charge in the amount of \$300,000. The proposed Administration Charge would have priority over all claims against the Applicants. The beneficiaries of the Administration Charge would be the Applicants' legal counsel, the Monitor and the Monitor's legal counsel. An Administration Charge is a customary provision in an Initial Order in a CCAA proceeding, required by the professionals engaged to assist the debtor company. It protects the professionals for unpaid fees and disbursements in proceedings, which is a particular risk in these proceedings given the Applicants' lack of liquidity.
2. The Applicants are also seeking a Financial Advisor Charge in the amount of \$300,000 to protect the Financial Advisor for unpaid fees and disbursements. The Financial Advisor Charge would have priority to all other charges other than the Administration Charge. The Financial Advisor would be the sole beneficiary of the Financial Advisor Charge.

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3. The Applicants are also seeking a Subordinated Administration Charge, which would have priority to all other charges other than the Administration Charge, the Financial Advisor Charge, the DIP Lender's Charge, the Directors' Charge, as defined below, and the security interest of the Secured Lender (the "Subordinated Administration Charge", and together with the Administration Charge and the Financial Advisor Charge, the "Professional Charges"). The Subordinated Administration Charge is intended to cover professional fees and disbursements to the extent that they are not covered by the Administration Charge and Financial Advisor Charge. The beneficiaries of the Subordinated Administration Charge would be the Applicants' legal counsel, the Monitor and its counsel and the Financial Advisor.
  4. The amounts of the Professional Charges appear reasonable.

#### **5.4.2 Directors' Charge**

1. The proposed Initial Order contemplates a Directors' Charge in the amount of \$45,000 for any liabilities the directors and officers may incur from and after the commencement of the CCAA proceedings. The Proposed Monitor understands that the Applicants are current, and intend to remain current, on all payments for which directors may be personally liable; however, the proposed charge provides a contingency in the event that certain obligations arise during the CCAA proceedings.
2. The Directors' Charge is also a standard provision of orders made in CCAA proceedings in order to maintain the involvement of the directors and officers. The involvement of the directors and officers facilitates the continued and orderly operations of a business during its restructuring proceedings. The Proposed Monitor is of the view the Directors' Charge is reasonable given the potential exposure of the directors and officers in this situation.
3. Tamerlane maintains a director and officer insurance policy. The proposed Initial Order provides that the beneficiaries of the Directors' Charge shall only be entitled to coverage thereunder to the extent that coverage under Tamerlane's directors' and officers' insurance policy is not available or is insufficient.

#### **5.4.3 DIP Lender's Charge**

1. The Applicants require funding to continue to operate during these proceedings, as evidenced by the cash flow projection appended to the Kent Affidavit.

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2. The Proposed Monitor has reviewed the Applicants' cash flow and its underlying assumptions. The activity reflected in the cash flow appears consistent with the Applicants' historical results, adjusted to reflect certain assumptions specific to the impact of these insolvency proceedings. The material terms of the DIP Term Sheet and the Proposed Monitor's views thereon are provided in Section 5.2 of this Report. Based on the foregoing, the Proposed Monitor supports the Applicants' request for the DIP Lender's Charge.

## **5.5 Termination of CCAA Proceedings and Enforcement of Secured Lender's Security**

1. The Proposed Monitor understands that the Secured Lender's consent to the Applicant's CCAA proceedings is conditional upon the inclusion in the Initial Order of a fixed "sunset date" for the CCAA proceeding beyond which extensions to the CCAA proceedings cannot be sought without the Secured Lender's consent, unless the Secured Lender had been repaid in full by that date.
2. The Applicants' counsel has advised the Proposed Monitor that the Applicants are of the view that it is in the best interests of the Tamerlane Group and its stakeholders that these CCAA proceedings move forward with the support of the Secured Lender, on a consensual basis rather than a contested basis. Consequently, as a condition to the Secured Lender's consent to the relief sought by the Applicants, the Applicants have agreed: (a) not to seek or obtain any extension of the stay of proceedings beyond the Outside Date unless they have repaid the Secured Lender in full or received the prior written consent of the Secured Lender and the Monitor; (b) immediately following the Outside Date, the CCAA proceedings will terminate (except for certain protections that will survive); and (c) pursuant to the Initial Order, a receiver will be appointed over the Applicants' assets immediately following the Outside Date and a receivership order will issue immediately upon the Secured Lender filing with the Court a consent of a licensed trustee in bankruptcy to act as receiver. The Proposed Monitor understands that the Applicants, with the assistance of their counsel, have considered these provisions and, in their business discretion, they have consented to including them in the Initial Order.

## **5.6 Creditor Notification**

1. The proposed Initial Order requires the Monitor to:
  - a. publish a notice in *The Globe and Mail* containing the information prescribed under the CCAA without delay; and



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- b. within five days of the issuance of the Initial Order to:
- i. make the Order publicly available in the manner prescribed under the CCAA;
  - ii. send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicants of more than \$1,000 advising them that the order is publicly available; and
  - iii. prepare a list, showing the names and addresses of those creditors, and the estimated amounts of those claims, and make it publicly available in the prescribed manner.
2. If appointed as Monitor, the Proposed Monitor will also post the Initial Order on its website at:
- <http://www.duffandphelps.com/services/restructuring/Pages/RestructuringCases.aspx>.

## 6.0 Conclusion

1. Based on the foregoing, the Proposed Monitor respectfully recommends that this Honourable Court make the Order granting the relief requested by the Applicants.

\* \* \*

All of which is respectfully submitted,

*Duff + Phelps Canada Restructuring Inc.*

**DUFF & PHELPS CANADA RESTRUCTURING INC.  
IN ITS CAPACITY AS PROPOSED CCAA MONITOR OF  
TAMERLANE VENTURES INC. AND PINE POINT HOLDING CORP.,  
AND NOT IN ITS PERSONAL CAPACITY**

## **Appendix “A”**

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF  
TAMERLANE VENTURES INC. AND PINE POINT HOLDING CORP.

MANAGEMENT'S REPORT ON CASH FLOW STATEMENT  
(paragraph 10(2)(b) of the CCAA)

Management and representatives of Tamerlane Ventures Inc. and Pine Point Holding Corp. (the "Applicants") have developed the assumptions and prepared the attached statement of projected cash flow as of the 22<sup>nd</sup> day of August, 2013 for the period August 15, 2013 to January 5, 2014 ("Cash Flow").

The hypothetical assumptions are reasonable and consistent with the purpose of the Cash Flow as described in Note 1 to the Cash Flow. All such assumptions are disclosed in Notes 2 to 11.

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

The Cash Flow has been prepared solely for the purpose outlined in Note 1, using a set of hypothetical assumptions set out in Notes 2 to 11. Consequently, readers are cautioned that the Cash Flow may not be appropriate for other purposes.

Dated at Kona, Hawaii this 22<sup>nd</sup> day of August, 2013.



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Margaret M. Kent

Executive Chair of Tamerlane Ventures Inc.

Director of Pine Point Holding Corp.

## **Appendix “B”**

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ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
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AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF  
TAMERLANE VENTURES INC. AND PINE POINT HOLDING CORP.

**MONITOR'S REPORT ON CASH FLOW STATEMENT**  
(Paragraph 23(1)(b) of the CCAA)

The attached statement of projected cash-flow of Tamerlane Ventures Inc. and Pine Point Holding Corp. (the "Applicants"), as of the 22<sup>rd</sup> day August, 2013, consisting of a weekly projected cash flow statement for the period August 18, 2013 to January 5, 2014 ("Cash Flow") has been prepared by the management of the Applicants for the purpose described in Note 1, using the hypothetical assumptions set out in Notes 2 to 11.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied by the management and representatives of the Applicants. 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 Cash Flow. We have also reviewed the preparation and presentation of the Cash Flow.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects:

- a) the hypothetical assumptions are not consistent with the purpose of the Cash Flow; and
- b) the Cash Flow does not reflect the hypothetical assumptions.

Since the Cash Flow 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. Accordingly, we express no assurance as to whether the Cash Flow will be achieved. We express no opinion or other form of assurance with respect to the accuracy of any financial information presented in this report, or relied upon in preparing this report.

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The Cash Flow 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 22<sup>nd</sup> day of August, 2013.

*Duff + Phelps Canada Restructuring Inc.*

**DUFF & PHELPS CANADA RESTRUCTURING INC.  
IN ITS CAPACITY AS PROPOSED CCAA MONITOR OF  
TAMERLANE VENTURES INC. AND PINE POINT HOLDING CORP.  
AND NOT IN ITS PERSONAL CAPACITY**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF THE PLAN OF COMPROMISE OR ARRANGEMENT  
OF TAMERLANE VENTURES INC. AND PINE POINT HOLDING CORP.**

Court File No. CV-13-10228-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

**COMMERCIAL LIST**

Proceeding commenced at Toronto

**REPORT OF  
DUFF & PHELPS CANADA  
RESTRUCTURING INC.  
AS PROPOSED MONITOR**

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