

**RICHTER**

RESSOURCES DIANOR INC. / DIANOR RESOURCES INC.

THIRD REPORT OF RICHTER ADVISORY GROUP INC.,  
IN ITS CAPACITY AS THE COURT-APPOINTED RECEIVER OF  
RESSOURCES DIANOR INC. / DIANOR RESOURCES INC.

May 8, 2026

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

BETWEEN:

THIRD EYE CAPITAL CORPORATION

Applicant

- and -

RESSOURCES DIANOR INC. / DIANOR RESOURCES INC.

Respondent

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

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TABLE OF CONTENTS

I. INTRODUCTION..... 1

II. PURPOSE OF REPORT..... 3

III. QUALIFICATIONS ..... 4

IV. **RECEIVER’S ACTIVITIES** ..... 5

V. **RECEIVER’S FINAL STATEMENT OF RECEIPTS AND DISBURSMENTS** ..... 6

VI. REMAINING MATTERS ..... 7

VII. PROFESSIONAL FEES AND DISBURSEMENTS ..... 7

VIII. CHARGES..... 8

IX. REQUESTED RELIEF..... 9

APPENDICES

- APPENDIX “A”** – Receivership Order dated August 20, 2015
- APPENDIX “B”** – Bid Process Order dated October 7, 2015
- APPENDIX “C”** – Sale Approval Order dated September 27, 2016 (released October 5, 2016)
- APPENDIX “D”** – Reasons of the Court of Appeal dated March 15, 2018
- APPENDIX “E”** – Reasons of the Court of Appeal dated June 19, 2019
- APPENDIX “F”** – Receiver’s First Report dated October 1, 2015
- APPENDIX “G”** – Receiver’s Second Report dated August 8, 2016
- APPENDIX “H”** – Receiver’s Supplementary Second Report dated February 10, 2017
- APPENDIX “I”** – Affidavit of Adam Sherman, sworn May 8, 2026
- APPENDIX “J”** – Affidavit of Dylan Chochla, sworn May 11, 2026

I. INTRODUCTION

1. On August 20, 2015 (the **"Appointment Date"**), pursuant to an order (the **"Receivership Order"**) of the Ontario Superior Court of Justice (Commercial List) (the **"Court"**) made in Court File No. CV-15-11080-00CL, Richter Inc. (formerly, Richter Advisory Group Inc., **"Richter"**) was appointed as receiver (in such capacity, the **"Receiver"**), without security, over all the assets, undertakings and properties (the "Property") of Ressources Dianor Inc. / Dianor Resources Inc. ("Dianor" or the "Company") to exercise the powers and duties set out in the Receivership Order, pursuant to section 243(1) of *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the **"BIA"**), and section 101 of the *Courts of Justice Act*, R.S.O. 1990 c. C.43, as amended.
2. The Receivership Order, a copy of which is attached hereto as **Appendix "A"**, was granted pursuant to an application made by Third Eye Capital Corporation (**"Third Eye"** or the **"Lender"**) pursuant to security held by the Lenders in the Property of the Company.
3. On October 7, 2015, the Court made an Order (the **"Bid Process Order"**) which, among other things, approved a sale process (the **"Bid Process"**) for the Property to be carried out by the Receiver and authorized the Receiver to take such steps as it deemed necessary to carry out the Bid Process. A copy of the Bid Process Order is attached hereto as **Appendix "B"**.
4. On September 27, 2016, the Receiver sought an Order (the **"Sale Approval Order"**) of the Court approving, among other things, the sale of substantially all the Property (other than certain excluded assets) (the **"Transaction"**) to Third Eye (in such capacity, the **"Purchaser"**). On October 5, 2016, the Court released its decision, approving the Transaction and granting other ancillary relief sought by the Receiver. A copy of the Sale Approval Order is attached hereto as **Appendix "C"**.
5. The aggregate consideration paid by the Purchaser in respect of the Transaction was \$2.4 million comprised of: (i) a credit bid of \$2 million, and (ii) a cash payment of \$400,000.00 to be allocated and distributed to the holders of royalty interests in certain of the purchased assets. The Purchaser also agreed to pay additional amounts to the Receiver on the closing of the Transaction to satisfy certain professional fees and expenses of the Receiver and its legal counsel, Fasken Martineau DuMoulin LLP (**"Fasken"**). The consideration, however, was insufficient to satisfy, in full, the secured amounts due and owing to Third Eye.

6. The Transaction closed on October 26, 2016. On November 3, 2016 (outside the time period prescribed by rule 31 of the BIA), one of the royalty holders appealed the granting of the Sale Approval Order on the basis that the Court did not have the authority to vest mining claims free and clear of gross overriding royalty (“**GOR**”) rights of third parties (the “**Appeal**”). The primary position of the opposing royalty holder was that its GOR was an interest in land that could not, or should not, be extinguished by a vesting order.
7. The Court of Appeal for Ontario (the “**Court of Appeal**”) released a preliminary decision in March 2018 holding that GOR’s did constitute an interest in land and requested further submissions from the parties. A copy of the reasons issued by the Court of Appeal dated March 15, 2018 are attached hereto as **Appendix “D”**.
8. On June 19, 2019, the Court of Appeal released its decision (the “**Court of Appeal Decision**”) which found, among other things, that given the nature of the opposing royalty holder’s interest and the absence of any agreement subordinating the priority of that interest, the Court erred in granting the Sale Approval Order extinguishing the GOR’s. The Court of Appeal ultimately held, however, that the applicable appeal period was 10 days from the date of the **Court’s** decision (as prescribed by rule 31 of the BIA) and that the opposing royalty holder’s appeal was out of time. The Court of Appeal, therefore, dismissed the Appeal. A copy of the reasons issued by the Court of Appeal are attached hereto as **Appendix “E”**.
9. In accordance with the Receivership Order, the Receiver has established a website (the “**Receiver’s Website**”) for the purposes of these proceedings at <https://www.richter.ca/insolvencycase/dianor-resources-inc>.
10. Copies of the pleadings and other materials filed in these receivership proceedings (other than materials sealed by Order of the Court) and the various Orders issued by the Court and the Court of Appeal are posted to and available for review on **the Receiver’s Website**.

II. PURPOSE OF REPORT

11. The Receiver has previously filed two reports (and, collectively, with one supplementary report, the **“Prior Reports”**) with the Court and Court of Appeal in connection with these receivership proceedings. **The Receiver’s first report dated October 1, 2015 (the “First Report”)**, among other things, provided background information on the Company and its mineral properties and was filed with the Court in support of, *inter alia*, the Bid Process Order. **The Receiver’s second report dated August 8, 2016 (the “Second Report”)**, among other things, provided an update on the Bid Process and the Transaction and was filed with the Court in support of, *inter alia*, the Sale Approval Order. **The Receiver’s supplementary second report dated February 10, 2017 (the “Supplementary Second Report”)** provided certain information in respect of the Transaction that the Receiver considered pertinent to the Appeal. Copies of the First Report, Second Report and Supplementary Second Report, without their appendices, are attached hereto as **Appendix “F”, Appendix “G”, and Appendix “H”**, respectively.
12. This report (the **“Third Report”**) is filed by the Receiver to provide the Court with information regarding:
- a) the activities of the Receiver since the date of the Second Report;
  - b) **the Receiver’s final statement of receipts and disbursements for the period from the Appointment Date to December 31, 2022 (the “Final R&D”)**; and
  - c) **the Receiver’s motion (filed herewith)** for an Order, among other things:
    - (i) approving the Third Report and the Prior Reports, including the actions and activities of the Receiver set out therein;
    - (ii) approving the Final R&D;
    - (iii) approving the professional fees and disbursements of the Receiver and its legal counsel, Fasken, in the amounts set out in this Third Report;

- (iv) terminating the Receivership proceedings and charges created pursuant to Receivership Order (the **“Charges”**), being the Receiver’s Charge and Receiver’s Borrowings Charge (as defined in the Receivership Order), and discharging the Receiver upon the filing of its final statutory report pursuant to subsection 246(3) of the BIA (the **“Final Receiver’s Report”**) and subject to the Receiver filing a certificate (the **“Discharge Certificate”**) evidencing same with the Court; and
- (v) ordering and declaring that upon its discharge as Receiver, Richter is released and discharged from any and all liability that Richter now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of Richter while acting in its capacity as Receiver, save and except for those which arise as a direct result of the gross negligence or willful misconduct of Richter.

### III. QUALIFICATIONS

- 13. In preparing this Third Report, Richter has relied upon unaudited financial information, the Company's limited and incomplete/dated books and records, information provided by the Lender and its legal counsel, and financial information prepared by the Company and discussions with the Lender and its legal counsel (**collectively, the “Information”**).
- 14. In accordance with industry practice, except as otherwise described in this Third Report, Richter has reviewed the Information for reasonableness, internal consistency, and use in the context in which it was provided. However, Richter has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Canadian Auditing Standards (**“CAS”**) under the *Canadian Professional Accountant of Canada Handbook* and, for this reason, Richter expresses no opinion or other form of assurance contemplated under CAS in respect of the Information.
- 15. The Receiver has prepared this Third Report in its capacity as a Court-appointed officer to provide the Court with information in respect of the relief sought by the Receiver. This Third Report may not be used or relied on for any purpose other than for the purposes outlined herein.

16. As detailed in the First Report, as at the Appointment Date, Dianor was not an active company and the Company had no remaining employees, management personnel or board members. As a **consequence, the Receiver has had to rely on the Company's** incomplete and out-of-date books and records that were made available to it by Third Eye, as well as the public filings made by the Company while it was active (copies of which are available on [www.sedar.com](http://www.sedar.com)).
17. Unless otherwise noted, all monetary amounts contained in this Third Report are expressed in Canadian dollars.

#### IV. **RECEIVER'S ACTIVITIES**

18. The actions/activities of the Receiver since the commencement of the Receivership Proceedings to August 18, 2016 are detailed in the First Report and the Second Report. Subsequent to the filing of **the Second Report, the Receiver's activities have included:**
- (i) maintaining and updating, as necessary, **the Receiver's Website;**
  - (ii) **preparing for and attending Court in connection with the Receiver's motion seeking the Sale Approval Order and related relief;**
  - (iii) communicating with the Purchaser and its counsel regarding the closing of the Transaction;
  - (iv) communicating with the holders of royalties related to certain of the purchased assets, including 2350614 Ontario Inc. ("**235Co**"), which ultimately filed the Appeal, and its legal counsel regarding the closing of the Transaction and related matters;
  - (v) dealing with Transaction closing matters, including payment of the \$400,000.00 allocated to the holders of royalty interests in certain of the purchased assets;
  - (vi) communicating with Fasken, the Purchaser, Third Eye and other interested parties in respect of the Appeal;
  - (vii) preparing the Supplementary Second Report;
  - (viii) communicating with Fasken, the Purchaser, Third Eye, and other interested parties in respect of both the preliminary decision of the Court of Appeal and the Court of Appeal Decision;

- (ix) preparing the Final R&D;
  - (x) preparing this Third Report;
  - (xi) **responding to calls and enquiries from the Company's creditors regarding the receivership proceedings, and**
  - (xii) other matters pertaining to the administration of the Dianor receivership proceedings.
19. To the best of its knowledge and belief, as of the date of this Third Report, the Receiver has complied with all of its statutory duties and obligations pursuant to the BIA, the Receivership Order, and any subsequent Orders of the Court.

V. **RECEIVER'S FINAL STATEMENT OF RECEIPTS AND DISBURSEMENTS**

20. Set out below is the Final R&D for the period from the Appointment Date to December 31, 2022:

Receipts		\$ CAN
Cash Sale Proceeds		459,600.92
Third Eye Capital Corporation Advances		208,981.76
Costs Award		40,486.58
Interest		96.66
Total Receipts		<u>709,165.92</u>
Distributions per Approval and Vesting Order		
Essar Steel Algoma Inc.	150,000.00	
2350614 Ontario Inc.	250,000.00	400,000.00
Distributions		
Filing Fee		70.00
Richter Advisory Group Inc.		74,975.13
Fasken Martineau DuMoulin LLP		205,114.45
Claims Renewal		13,138.66
Miscellaneous (photocopies, postage, courier, other)		2,120.91
Bank Charges		53.66
HST Paid		13,693.11
Total Distributions / Disbursements		<u>709,165.92</u>
Cash in Bank		<u>-</u>
<p>Note: certain of the accounts of the Receiver's legal counsel were paid directly by Third Eye. These payments (and the associated receipts) have been included herein for presentation purposes only.</p>		

21. As detailed in the above table, the Receiver had total receipts of approximately \$709,000, the majority of which related to cash proceeds from the Transaction and advances from Third Eye to **fund the Receiver's administration. The Receiver's disbursements include \$400,000 in** Transaction proceeds paid to the holders of royalty interests in certain of the purchased assets, as provided for by the Sale Approval Order.

22. As of the date of this Third Report, the Receiver has no funds on hand in respect of the Dianor receivership proceedings.

#### VI. REMAINING MATTERS

23. If this Court grants the Order requested herein, the Receiver will have completed its duties and obligations as set out in the Appointment Order and subsequent Orders of this Court, save and except for certain administrative matters incidental to these proceedings, including, but not limited to, filing the Final **Receiver's Report** (the "**Remaining Matters**").

24. Upon completion of the Remaining Matters, the Receiver will have realized on the Property and completed its statutory duties as well as those duties set out in the Appointment Order and subsequent Orders. Accordingly, the Receiver is of the view that it is appropriate to seek an Order of the Court discharging the Receiver upon the filing of the Discharge Certificate with this Court certifying that all Remaining Matters have been completed.

#### VII. PROFESSIONAL FEES AND DISBURSEMENTS

25. The Receiver and its legal counsel, Fasken, have maintained detailed records of their professional fees and disbursements prior to and since the Appointment Date to May 31, 2017 and November 28, 2019, respectively.

26. In accordance with the Receivership Order, the Receiver has been authorized to periodically pay its fees and disbursements, and those of its legal counsel, subject to approval by the Court.

27. **The Receiver's professional fees incurred for services rendered** for the period ending May 31, 2017 amount to \$74,975.13 (inclusive of courtesy discounts totaling \$21,113.37), plus disbursements in the amount of \$30,356.52 (all excluding HST). **The Receiver's disbursements include \$15,026.95 in legal fees/disbursements.** These amounts represent professional fees and disbursements not yet **approved by the Court. The time spent by the Receiver's professionals is described in the affidavit of Adam Sherman, sworn May 8, 2026, attached hereto as Appendix "I".** Subsequent to May 31, 2017, the Receiver has incurred further professional fees in connection with the Dianor receivership proceedings, however, **the Receiver is neither seeking the payment of, nor the Court's approval of,** these amounts.
28. The fees of Fasken for services rendered for the period from August 18, 2015 to November 28, 2019 total \$206,542.24, plus disbursements in the amount of \$8,199.04 (all excluding HST). These amounts represent professional fees and disbursements not yet approved by the Court. The time spent by Fasken professionals is described in the affidavit of Dylan Chochla, sworn May 11, 2026, attached hereto as **Appendix "J"**. Subsequent to November 28, 2019, Fasken has incurred further professional fees in connection with the Dianor receivership proceedings, however, Fasken is neither **seeking the payment of, nor the Court's approval of, these** amounts.
29. The Receiver has reviewed the Fasken accounts and confirms that the services reflected therein have been duly authorized and rendered and that, in the Receiver's opinion, the charges are reasonable.

#### VIII. CHARGES

30. The Receivership Order established the following Charges against the Property:
- (i) **Receiver's Charge** – in favour of the Receiver and its legal counsel, as security for the fees and disbursements incurred by the Receiver and Fasken in respect of these receivership proceedings; and
  - (ii) **Receiver's Borrowings Charge** – in favour of the Receiver, as security for the repayment of any monies (including any interest or charges thereon) borrowed by the Receiver.

31. As of the date of this Third Report, neither the Receiver nor its legal counsel are seeking payment of any further amounts in respect of their respective fees and disbursements incurred as part of the Dianor receivership proceedings, nor has the Receiver borrowed any funds.

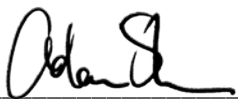
IX. REQUESTED RELIEF

32. For the reasons stated herein and in the attached appendices, the Receiver respectfully requests that the Court make an Order:

- (i) approving the Third Report and the Prior Reports, including the actions, activities and conduct of the Receiver set out therein;
- (ii) approving the Final R&D;
- (iii) approving the fees and disbursements of the Receiver and Fasken in the amounts set out in this Third Report;
- (iv) discharging the Receiver upon the completion/filing **of the Final Receiver's Report, subject** to the Receiver filing a certificate evidencing the completion of all Remaining Matters with the Court; and
- (v) ordering and declaring that, effective upon the discharge of the Receiver, Richter is released and discharged from any and all liability that Richter now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of Richter while acting in its capacity as Receiver, save and except for those which arise as a direct result of the gross negligence or willful misconduct of Richter.

All of which is respectfully submitted on this 8<sup>th</sup> day of May, 2026.

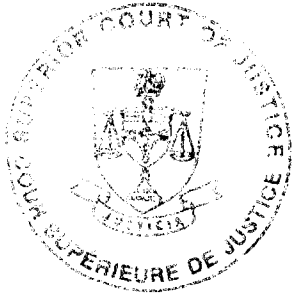
Richter Inc. (formerly Richter Advisory Group Inc.)  
in its capacity as Receiver of  
Ressources Dianor Inc. / Dianor Resources Inc.  
and not in its personal capacity



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Adam Sherman, MBA, CIRP, LIT

# APPENDIX "A"



Court File No. CV15-11080-00CL

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

THE HONOURABLE MR

)

THURSDAY, THE 20<sup>TH</sup>

JUSTICE MEW

)

DAY OF AUGUST, 2015

)

THIRD EYE CAPITAL CORPORATION

Applicant

- and -

RESSOURCES DIANOR INC. / DIANOR RESOURCES INC.

Respondent

ORDER  
(appointing Receiver)

THIS APPLICATION made by Third Eye Capital Corporation ("**Third Eye**") for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") appointing Richter Advisory Group Inc. ("**Richter**") as receiver (in such capacities, the "**Receiver**") without security, of all of the assets, undertakings and properties of Ressources Dianor Inc. / Dianor Resources Inc. (the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Arif N. Bhalwani sworn August 18, 2015 and the Exhibits thereto, and on hearing the submissions of counsel for Third Eye, no one appearing for anyone else although duly served as appears from the affidavit of service of Yannick Katirai sworn August 18, 2015, and on reading the consent of Richter to act as the Receiver,

### **SERVICE**

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

### **APPOINTMENT**

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, Richter is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the “Property”).

### **RECEIVER’S POWERS**

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;

- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;

- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
  - (i) without the approval of this Court in respect of any transaction not exceeding \$100,000, provided that the aggregate consideration for all such transactions does not exceed \$1,000,000; and
  - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, section 31 of the Ontario *Mortgages Act*, or their respective equivalents under the laws of any other Province or Territory, shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (p) to negotiate the termination of any interests encumbering the Property and undertake such actions necessary to maximize the value of the Debtor's assets;

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

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

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

4. THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall

provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

7. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors,

such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days' notice to such landlord and any such secured creditors.

#### **NO PROCEEDINGS AGAINST THE RECEIVER**

8. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

#### **NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY**

9. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

#### **NO EXERCISE OF RIGHTS OR REMEDIES**

10. THIS COURT ORDERS that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

### **NO INTERFERENCE WITH THE RECEIVER**

11. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

### **CONTINUATION OF SERVICES**

12. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

### **RECEIVER TO HOLD FUNDS**

13. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post

Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

## **EMPLOYEES**

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

## **PIPEDA**

15. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

### **LIMITATION ON ENVIRONMENTAL LIABILITIES**

16. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

### **LIMITATION ON THE RECEIVER'S LIABILITY**

17. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

## RECEIVER'S ACCOUNTS

18. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

19. THIS COURT ORDERS that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

20. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

## FUNDING OF THE RECEIVERSHIP

21. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$150,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems

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

22. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

23. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule “A” hereto (the “**Receiver’s Certificates**”) for any amount borrowed by it pursuant to this Order.

24. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver’s Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

#### **SERVICE AND NOTICE**

25. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to

Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL 'http://www.richter.ca/en/folder/insolvency-cases/d/dianor-resources-inc'.

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

#### **GENERAL**

27. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

28. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

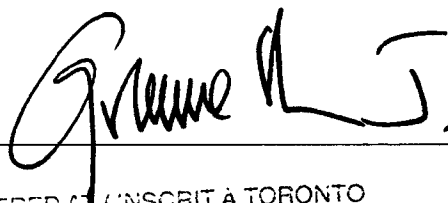
29. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to

provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

30. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

31. THIS COURT ORDERS that the Plaintiff shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

32. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.



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## SCHEDULE "A"

### RECEIVER CERTIFICATE

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_

1. THIS IS TO CERTIFY that Richter Advisory Group Inc., the receiver (the "Receiver") of the assets, undertakings and properties of Ressources Dianor Inc. / Dianor Resources Inc. (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the [20<sup>th</sup>] day of [August], 2015 (the "Order") made in an action having Court file number CV15-11080-00CL, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$●, being part of the total principal sum of \$● which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the ● day of each month] after the date hereof at a notional rate per annum equal to the rate of ●per cent above the prime commercial lending rate of Bank of ● from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

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

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

Richter Advisory Group Inc., solely in its capacity as Receiver of the Property, and not in its personal capacity

Per: \_\_\_\_\_

Name:

Title:

**THIRD EYE CAPITAL  
CORPORATION**

Applicant

and **RESSOURCES DIANOR INC./  
DIANOR RESOURCES INC.**

Respondent

Court File No. CV15-11080-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE -  
COMMERCIAL LIST**

Proceeding commenced at Toronto

**ORDER**

**STIKEMAN ELLIOTT LLP**  
Barristers & Solicitors  
5300 Commerce Court West  
199 Bay Street  
Toronto, Canada M5L 1B9

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Fax: (416) 947-0866

Lawyers for the Applicant

# APPENDIX "B"

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

THE HONOURABLE MR.  
JUSTICE G. HAINES

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)  
)

WEDNESDAY, THE 7<sup>th</sup>  
DAY OF OCTOBER, 2015

BETWEEN:

THIRD EYE CAPITAL CORPORATION

Applicant

- and -

RESSOURCES DIANOR INC. / DIANOR RESOURCES INC.

Respondent

APPLICATION UNDER SECTION 243 OF THE *BANKRUPTCY AND  
INSOLVENCY ACT* AND SECTION 101 OF THE *COURTS OF JUSTICE  
ACT*

ORDER

(APPROVAL OF BID PROCESS)

**THIS MOTION**, made by Richter Advisory Group Inc., in its capacity as the Court-appointed receiver (the “**Receiver**”), without security, of all of the assets, undertakings and properties of Ressources Dianor Inc. / Dianor Resources Inc. (“**Dianor**”) acquired for, or used in relation to a business carried on by Dianor, including all proceeds thereof, for an Order approving, *inter alia*, a sale process to market Dianor’s assets (the “**Bid Process**”), was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the first report of the Receiver dated October 1, 2015, and the schedules thereto (the “**First Report**”), filed; and on hearing the submissions of counsel for the Receiver,

counsel for Third Eye Capital (“**Third Eye**”), and such other parties as were present, no one else appearing although duly served as appears from the Affidavit of service of Tasha Boyd sworn October 2, 2015, filed;

### **SERVICE**

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion Record herein be and is hereby abridged and the service thereof validated so that the Motion is properly returnable today.

### **ACTIVITIES OF THE RECEIVER**

2. THIS COURT ORDERS that the activities of the Receiver as set out in the First Report be and are hereby approved.

### **BID PROCESS**

3. THIS COURT ORDERS that the Bid Process as set out and described in the First Report be and is hereby approved (subject to such non-material amendments as may be agreed to by the Receiver and Third Eye) and the Receiver is hereby authorized and directed to take such steps as it deems necessary or advisable to carry out the Bid Process, subject to prior approval of this Court being obtained before completion of any transaction(s) resulting from the Bid Process.

### **GENERAL**

4. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Receiver in any foreign proceeding, or to assist the Receiver and its agents in carrying out the terms of this Order.

5. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located,

for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

A handwritten signature in cursive script, reading "Hainey J", written over a horizontal line.

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

OCT 7 - 2015

**THIRD EYE CAPITAL CORPORATION**  
Applicant

**RESSOURCES DIANOR INC. / DIANOR  
RESOURCES INC.**  
Respondent

- and -

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

Proceedings commenced in Toronto

**ORDER**  
(Approval of Bid Process)

**FASKEN MARTINEAU DuMOULIN LLP**  
333 Bay Street – Suite 2400  
Bay Adelaide Centre, Box 20  
Toronto, ON M5H 2T6

**Stuart Brotman (LSUC# 43430D)**  
**Dylan Chochla (LSUC# 62137I)**

Tel: 416 366 8381

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[sbrotman@fasken.com](mailto:sbrotman@fasken.com)

[dchochla@fasken.com](mailto:dchochla@fasken.com)

**Lawyers for Richter Advisory Group Inc. in its  
capacity as Court-appointed Receiver of  
Ressources Dianor Inc. / Dianor Resources Inc.**

# APPENDIX "C"

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE MR.  
JUSTICE NEWBOULD

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)  
)

TUESDAY, THE 27<sup>th</sup>  
DAY OF SEPTEMBER, 2016

B E T W E E N:

**THIRD EYE CAPITAL CORPORATION**

Applicant

- and -

**RESSOURCES DIANOR INC. / DIANOR RESOURCES INC.**

Respondent

**APPLICATION UNDER SECTION 243 OF THE *BANKRUPTCY AND  
INSOLVENCY ACT* AND SECTION 101 OF THE *COURTS OF JUSTICE  
ACT***

**APPROVAL AND VESTING ORDER**

THIS MOTION, made by Richter Advisory Group Inc. in its capacity as Court-appointed receiver (the “**Receiver**”) without security, of all of the assets, undertakings and properties of Ressources Dianor Inc. / Dianor Resources Inc. (the “**Debtor**”) acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof, for an order approving, *inter alia*, the sale transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale between the Receiver and Third Eye Capital Corporation (“**TEC**”) dated November 23, 2015 and accepted on December 11, 2015, as amended by an amending agreement (the “**Amending Agreement**”) dated August 4, 2016 (as amended by the Amending Agreement, the

“**Sale Agreement**”), and appended to the second report of the Receiver dated August 8, 2016 (the “**Report**”), as the Sale Agreement is to be assigned by TEC to 2540575 Ontario Inc. (the “**Purchaser**”) in accordance with its terms, and vesting in the Purchaser the Debtor’s right, title and interest in and to the assets described in the Sale Agreement, including without limitation the real property and unpatented mining claims identified in Schedule “B” hereto (the “**Sale Assets**”), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Report and the schedules thereto, and on hearing the submissions of counsel for the Receiver, counsel for the Purchaser, counsel for 2350614 Ontario Inc. and counsel for Ernst & Young LLP, in its capacity as Monitor of Essar Steel Algoma Inc., no one appearing for any other person on the service list, although duly served as appears from the affidavit of Irene Artuso sworn August 9, 2016, filed:

#### **SERVICE**

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion Record herein be and is hereby abridged and the service thereof validated so that the Motion is properly returnable today.

#### **SALE APPROVAL**

2. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved, and the execution of the Sale Agreement (including, for certainty, the Amending Agreement) by the Receiver be and is hereby authorized, ratified and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Sale Assets to the Purchaser.

3. THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver’s certificate to the Purchaser substantially in the form attached as Schedule A hereto (the “**Receiver’s Certificate**”), all of the Debtor’s right, title and interest in and to the Sale Assets described in the Sale Agreement shall vest absolutely and exclusively in and with the Purchaser free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), encumbrances, hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, royalties, profits interests or other

financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the “**Claims**”) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Mr. Justice Mew dated August 20, 2015; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule C hereto (all of which are collectively referred to as the “**Encumbrances**”, which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule D) and, for greater certainty, this Court ORDERS that all of the Encumbrances affecting or relating to the Sale Assets are hereby expunged, radiated, cancelled and discharged as against the Sale Assets.

4. THIS COURT ORDERS that upon the registration of this Vesting Order in the Land Registry Office for the Land Titles Division of Algoma with an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*, the Land Registrar is hereby directed to enter the Purchaser as the owner of the real property identified in Part 1 of Schedule B hereto (the “**Property**”) in fee simple, and is hereby directed to delete and expunge from title to the Property all Claims, including (but not limited to) all of the Claims listed in Schedule C hereto denoted as pertaining to the Property.

4A. THIS COURT ORDERS that upon the filing in the Provincial Recording Office for the Province of Ontario, Ministry of Northern Development and Mines, of a copy of this Vesting Order, the Provincial Mining Recorder is hereby directed to enter the Purchaser as the recorded holder of the mining claims identified in Part 2 of Schedule B hereto (collectively, the “**Unpatented Mining Claims**”) as to a 100% interest, and is hereby directed to delete and expunge from the mining claim abstracts for the Unpatented Mining Claims all Claims, including (but not limited to) all of the Claims listed in Schedule C hereto denoted as pertaining to the Unpatented Mining Claims.

5. THIS COURT ORDERS AND DIRECTS that the Receiver shall pay

(a) \$150,000 to Essar Steel Algoma Inc. (“**Essar**”); and

(b) \$250,000 to 2350614 Ontario Inc. (“**235Co**”),

in full and final satisfaction of any rights or claims that Essar or 235Co may have in the Property or the Unpatented Mining Claims or as against the Debtor (hereinafter referred to as the “**Essar Claims**” and the “**235Co Claims**”, respectively), and, for the purposes of determining the nature and priority of Claims, from and after the delivery of the Receiver’s Certificate, the Essar Claims and the 235Co Claims shall attach only to the payments to Essar and to 235Co described above at subparagraphs 5(a) and (b) and, for greater certainty, the Essar Claims and the 235Co Claims shall not attach to the remainder of the net proceeds from the sale of the Sale Assets.

6. THIS COURT ORDERS that, subject to paragraph 7 of this Order, for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Sale Assets shall stand in the place and stead of the Sale Assets, and that from and after the delivery of the Receiver’s Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Sale Assets with the same priority as they had with respect to the Sale Assets immediately prior to the sale, as if the Sale Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

7. THIS COURT ORDERS AND DIRECTS the Receiver to file with the Court a copy of the Receiver’s Certificate, forthwith after delivery thereof.

8. THIS COURT ORDERS AND DIRECTS that the Purchaser shall, subject to the requirements of the *Mining Act*, be permitted to enter, use and occupy such part or parts of the surface rights corresponding to the Sale Assets as are necessary for the purpose of prospecting and the efficient exploration, development and operation of the mines, minerals and mining rights therein except to sand, peat and gravel.

9. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Company’s records pertaining to the Debtor’s past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.

10. THIS COURT ORDERS that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor;

the vesting of the Sale Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada), or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

11. THIS COURT ORDERS AND DECLARES that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

#### **APPROVAL OF RECEIVER'S REPORT**

12. THIS COURT ORDERS that the Report and the activities of the Receiver referred to therein be and are hereby approved.

#### **SEALING ORDER**

13. THIS COURT ORDERS that Confidential Appendix "1" of the Report, filed separately with the Court, shall be sealed in the Court File pending further Order of the Court.

#### **GENERAL**

14. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this

Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.



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OCT 26 2016

PER / PAR:



**Schedule A – Form of Receiver’s Certificate**

Court File No. CV-15-11080-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**BETWEEN:**

**THIRD EYE CAPITAL CORPORATION**

Applicant

- and -

**RESSOURCES DIANOR INC. / DIANOR RESOURCES INC.**

Respondent

**RECEIVER’S CERTIFICATE**

**RECITALS**

A. Pursuant to an Order of the Honourable Mr. Justice Mew of the Ontario Superior Court of Justice (the “**Court**”) dated August 20, 2015, Richter Advisory Group Inc. was appointed as the receiver (the “**Receiver**”) of the undertaking, property and assets of Ressources Dianor Inc. / Dianor Resources Inc. (the “**Debtor**”).

B. Pursuant to an Order of the Court dated September 27, 2016, the Court approved the agreement of purchase and sale dated November 23, 2015 and accepted on December 11, 2015, as amended by an amending agreement (the “**Amending Agreement**”) on August 4, 2016 (as amended by the Amending Agreement, the “**Sale Agreement**”) between the Receiver and Third Eye Capital Corporation (“**TEC**”), as the Sale Agreement was assigned by TEC to 2540575 Ontario Inc. (the “**Purchaser**”) in accordance with its terms, and provided for the vesting in the Purchaser the Debtor’s right, title and interest in and to the Sale Assets, which vesting is to be effective with respect to the Sale Assets upon the delivery by the Receiver to the Purchaser of a

certificate confirming (i) the payment by or on behalf of the Purchaser of the Purchase Price for the Sale Assets; (ii) that the conditions to Closing as set out in Article 8 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid, or caused to be paid, and the Receiver has received the Purchase Price for the Sale Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in Article 8 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at \_\_\_\_\_ [TIME] on \_\_\_\_\_ [DATE].

**RICHTER ADVISORY GROUP INC.,**  
**in its capacity as Court-appointed Receiver of**  
**the undertaking, property and assets of**  
**Ressources Dianor Inc. / Dianor Resources**  
**Inc., and not in its personal capacity**

Per: \_\_\_\_\_  
Name:  
Title:

## Schedule B – Sale Assets (Real Property)

### PART 1 - PATENTED CLAIMS – Legal description of the Property

1. PIN 31158-0129 (LT) BEING PCL 2393 SEC AWS; PT MINING CLAIM SSM8264 CHABANEL AS IN A4639 RESERVING THE SRO ON AND OVER A STRIP OF LAND ONE CHAIN IN PERPENDICULAR WIDTH ALONG THE SHORES OF THE MAGPIE RIVER; MICHIPICOTEN
2. PIN 31158-0158 (LT) BEING MINERAL RIGHTS ONLY; MINING CLAIM SSM21167 CHABANEL BEING LAND AND LAND UNDER THE WATER OF A SMALL UNNAMED LAKE; MICHIPICOTEN
3. PIN 31158-0160 (LT) BEING MINERAL RIGHTS ONLY; PT MINING CLAIM SSM21169 CHABANEL BEING THAT PT NOT COVERED BY THE WATERS OF LENA LAKE; PT MINING CLAIM SSM21171 CHABANEL BEING THAT PT NOT COVERED BY THE WATERS OF LENA LAKE; MICHIPICOTEN
4. PIN 31158-0162 (LT) BEING MINERAL RIGHTS ONLY; MINING CLAIM SSM21166 CHABANEL; MICHIPICOTEN
5. PIN 31158-0164 (LT) BEING MINERAL RIGHTS ONLY; PT MINING CLAIM SSM21168 CHABANEL BEING THAT PT NOT COVERED BY THE WATERS OF LENA LAKE; MICHIPICOTEN
6. PIN 31158-0166 (LT) BEING MINING RIGHTS ONLY; PCL 38 SEC MICH; MINING CLAIM SSM15445 CHABANEL BEING LAND AND LAND COVERED WITH THE WATER OF PT OF BROOKS LAKE; MICHIPICOTEN
7. PIN 31158-0168 (LT) BEING MINING RIGHTS ONLY; PCL 39 SEC MICH; MINING CLAIM SSM18637 CHABANEL; MICHIPICOTEN
8. PIN 31158-0170 (LT) BEING MINING RIGHTS ONLY; PCL 40 SEC MICH; MINING CLAIM SSM18638 CHABANEL; MICHIPICOTEN
9. PIN 31158-0172 (LT) BEING MINING RIGHTS ONLY; PCL 41 SEC MICH; PT MINING CLAIM SSM18639 CHABANEL BEING THAT PT NOT COVERED BY THE WATERS OF MILDRED LAKE; MICHIPICOTEN
10. PIN 31158-0174 (LT) BEING MINING RIGHTS ONLY; PCL 42 SEC MICH; MINING CLAIM SSM18640 CHABANEL , BEING LAND AND LAND COVERED WITH THE WATER OF PT OF AN UNNAMED LAKE; MICHIPICOTEN
11. PIN 31158-0176 (LT) BEING MINING RIGHTS ONLY; PCL 43 SEC MICH; PT MINING CLAIM SSM18641 CHABANEL BEING THAT PT NOT COVERED BY THE WATERS OF MILDRED LAKE; MICHIPICOTEN
12. PIN 31158-0178 (LT) BEING MINING RIGHTS ONLY; PCL 44 SEC MICH; PT MINING CLAIM SSM18642 CHABANEL BEING THAT PT NOT COVERED BY THE WATERS OF MILDRED LAKE; MICHIPICOTEN
13. PIN 31158-0180 (LT) BEING MINING RIGHTS ONLY; PCL 45 SEC MICH; MINING CLAIM SSM18643 CHABANEL; MICHIPICOTEN

14. PIN 31158-0182 (LT) BEING MINING RIGHTS ONLY; PCL 46 SEC MICH; MINING CLAIM SSM18644 CHABANEL; MICHIPICOTEN
15. PIN 31158-0184 (LT) BEING MINING RIGHTS ONLY; PCL 47 SEC MICH; PT MINING CLAIM SSM18645 CHABANEL AS IN A7369; MICHIPICOTEN
16. PIN 31158-0186 (LT) BEING MINING RIGHTS ONLY; PCL 48 SEC MICH; MINING CLAIM SSM23011 CHABANEL; MICHIPICOTEN
17. PIN 31158-0188 (LT) BEING MINING RIGHTS ONLY; PCL 49 SEC MICH; MINING CLAIM SSM23012 CHABANEL BEING LAND AND LAND COVERED WITH THE WATER OF PT OF AN UNNAMED LAKE; MICHIPICOTEN
18. PIN 31158-0190 (LT) BEING MINING RIGHTS ONLY; PCL 147 SEC MICH; MINING CLAIM SSM23543 CHABANEL; MICHIPICOTEN
19. PIN 31158-0192 (LT) BEING MINING RIGHTS ONLY; PCL 150 SEC MICH; MINING CLAIM SSM22874 CHABANEL; MICHIPICOTEN
20. PIN 31158-0194 (LT) BEING MINING RIGHTS ONLY; PCL 153 SEC MICH; MINING CLAIM SSM13687 CHABANEL; MICHIPICOTEN
21. PIN 31158-0196 (LT) BEING MINING RIGHTS ONLY; PCL 156 SEC MICH; MINING CLAIM SSM23544 CHABANEL; MICHIPICOTEN
22. PIN 31158-0198 (LT) BEING MINING RIGHTS ONLY; PCL 182 SEC MICH; MINING CLAIM SSM22714 CHABANEL; MICHIPICOTEN
23. PIN 31158-0200 (LT) BEING MINING RIGHTS ONLY; PCL 187 SEC MICH; MINING CLAIM SSM13686 CHABANEL; MICHIPICOTEN
24. PIN 31158-0202 (LT) BEING MINING RIGHTS ONLY; PCL 195 SEC MICH; MINING CLAIM SSM22946 CHABANEL; MICHIPICOTEN
25. PIN 31158-0204 (LT) BEING MINING RIGHTS ONLY; PCL 196 SEC MICH; PT MINING CLAIM SSM22945 CHABANEL AS IN A7591; MICHIPICOTEN
26. PIN 31158-0206 (LT) BEING MINING RIGHTS ONLY; PCL 207 SEC MICH; MINING CLAIM SSM22718 CHABANEL; MICHIPICOTEN
27. PIN 31158-0208 (LT) BEING MINING RIGHTS ONLY; PCL 208 SEC MICH; MINING CLAIM SSM22719 CHABANEL; MICHIPICOTEN
28. PIN 31158-0210 (LT) BEING MINING RIGHTS ONLY; PCL 212 SEC MICH; MINING CLAIM SSM22726 CHABANEL; MICHIPICOTEN
29. PIN 31158-0212 (LT) BEING MINING RIGHTS ONLY; PCL 220 SEC MICH; MINING CLAIM SSM22721 CHABANEL; MICHIPICOTEN
30. PIN 31158-0214 (LT) BEING MINING RIGHTS ONLY; PCL 225 SEC MICH; MINING CLAIM SSM22722 CHABANEL; MICHIPICOTEN

31. PIN 31158-0216 (LT) BEING MINING RIGHTS ONLY; PCL 229 SEC MICH; MINING CLAIM SSM13683 CHABANEL EXCEPT THEREOUT AND THEREFROM THE ROW OF THE ALGOMA CENTRAL AND HUDSON BAY RAILWAY CROSSING THE SAID LANDS; MICHIPICOTEN
32. PIN 31158-0218 (LT) BEING MINING RIGHTS ONLY; PCL 12787 SEC AWS; MINING CLAIM SSM17333 CHABANEL BEING LAND AND LAND UNDER THE WATER OF AN UNNAMED POND AS SHOWN ON PL ATTACHED TO PATENT A7045; MINING CLAIM SSM17334 CHABANEL AS SHOWN ON PLAN ATTACHED TO PATENT A7046; MINING CLAIM SSM17335 CHABANEL BEING LAND AND LAND COVERED BY THE WATER OF AN UNNAMED POND AS SHOWN ON PL ATTACHED TO PATENT A7047; MINING CLAIM SSM17336 CHABANEL BEING LAND AND LAND UNDER THE WATER OF AN UNNAMED POND AS SHOWN ON PL ATTACHED TO PATENT A7048; MINING CLAIM SSM17337 CHABANEL BEING LAND AND LAND UNDER THE WATER OF AN UNNAMED POND AS SHOWN ON PL ATTACHED TO PATENT A7049; MINING CLAIM SSM17338 CHABANEL BEING LAND AND LAND UNDER THE WATER OF THE TWO UNNAMED PONDS AS SHOWN ON PL ATTACHED TO PATENT A7050; MINING CLAIM SSM17339 CHABANEL BEING LAND AND LAND UNDER THE WATER OF AN UNNAMED POND AS SHOWN ON PL ATTACHED TO PATENT A7051; MINING CLAIM SSM17340 CHABANEL BEING LAND AND LAND UNDER THE WATER OF AN UNNAMED POND AS SHOWN ON PL ATTACHED TO PATENT A7052; MINING CLAIM SSM17341 CHABANEL AS SHOWN ON PL ATTACHED TO PATENT A7053; MINING CLAIM SSM17342 CHABANEL AS SHOWN ON PL ATTACHED TO PATENT A7054; MINING CLAIM SSM17343 CHABANEL BEING LAND AND LAND UNDER THE WATER OF BROOKS LAKE AS SHOWN ON PL ATTACHED TO PATENT A7055; MICHIPICOTEN
33. PIN 31158-0220 (LT) BEING MINING RIGHTS ONLY; PCL 12788 SEC AWS; PT MINING CLAIM SSM17650 CHABANEL NOT COVERED BY THE WATERS OF LENA LAKE AS SHOWN ON PLAN ATTACHED TO PATENT A-7037; MICHIPICOTEN
34. PIN 31158-0222 (LT) BEING MINING RIGHTS ONLY; PCL 12786 SEC AWS; MINING CLAIM SSM17358 CHABANEL AS OUTLINED IN RED ON PL ATTACHED TO PATENT A7061; MINING CLAIM SSM17359 CHABANEL AS OUTLINED IN RED ON PL ATTACHED TO PATENT A7062; MINING CLAIM SSM17362 CHABANEL BEING LAND AND LAND COVERED BY THE WATER OF AN UNNAMED LAKE AS SHOWN ON PL ATTACHED TO PATENT A7065; MINING CLAIM SSM17363 CHABANEL AS OUTLINED IN RED ON PL ATTACHED TO PATENT A7066; MINING CLAIM SSM17361 CHABANEL AS SHOWN ON PL ATTACHED TO PATENT A 7064; PT MINING CLAIM SSM17360 CHABANEL NOT COVERED BY THE WATER OF LENA LAKE BUT INCLUDING LAND UNDER THE WATER OF AN UNNAMED LAKE WITHIN THE LIMITS OF THIS MINING CLAIM AS SHOWN ON PL ATTACHED TO PATENT A7063; MICHIPICOTEN

**PART 2 - UNPATENTED MINING CLAIMS – List of unpatented mining claims**

<b>Township/Area</b>	<b>Claim Number</b>
CHABANEL	SSM 1235747
CHABANEL	SSM 1235754

CHABANEL	SSM 1235757
CHABANEL	SSM 1243318
CHABANEL	SSM 1243319
CHABANEL	SSM 1243325
CHABANEL	SSM 1243332
CHABANEL	SSM 1243335
CHABANEL	SSM 1243336
CHABANEL	SSM 1243363
CHABANEL	SSM 1243365
CHABANEL	SSM 1243369
CHABANEL	SSM 1243373
CHABANEL	SSM 1243377
CHABANEL	SSM 1243509
CHABANEL	SSM 1243510

**Schedule C**  
**Claims to be expunged, radiated, cancelled and discharged from title to the Property and  
the Unpatented Mining Claims**

**The Property (Land Titles)**

1. A notice registered on March 2, 2005 as Instrument No. LT254680 by Algoma Steel Inc., as applicant.
2. A notice registered on August 20, 2008 as Instrument No. AL40749 by 3814793 Canada Inc., as applicant, to which is attached an agreement dated January 1, 2005 between Joseph John Leadbetter, as assignor, and Diamond Lake Mining Ltd., as assignee.
3. A notice registered on May 15, 2009 as Instrument No. AL53601 by 3814793 Canada Inc. and Paulette A. Mousseau-Leadbetter, as applicants, to which is attached an agreement dated November 27, 2008 among Dianor Resources Inc., 3814793 Canada Inc. and Paulette A. Mousseau-Leadbetter.
4. A notice registered on August 18, 2009 as Instrument No. AL58043 by 1778778 Ontario Inc., as applicant, to which is attached an assignment of agreement dated June 26, 2009 between 3814793 Canada Inc. and Paulette A. Mousseau-Leadbetter, as assignors, and 1778778 Ontario Inc., as assignee.
5. A notice registered on December 4, 2013 as Instrument No. AL126350 by 2350614 Ontario Inc., as applicant, to which is attached an agreement dated January 1, 2013 between 1778778 Ontario Inc., as vendor, and 2350614 Ontario Inc., as purchaser.
6. Execution No. 12-0000339 filed in the office of the Sheriff of the Territorial District of Algoma (Sault Ste. Marie) issued on October 10, 2012 against Dianor Resources Inc. and Resources Dianor Inc. by 1778778 Ontario Inc. (original amount of judgment was \$50,000.00 plus costs etc.).
7. Execution No. 12-0000340 filed in the office of the Sheriff of the Territorial District of Algoma (Sault Ste. Marie) issued on October 10, 2012 against Dianor Resources Inc. and Resources Dianor Inc. by 1778778 Ontario Inc. (original amount of judgment was \$2,652,657.53 plus costs etc.).

**Unpatented Mining Claims**

1. T0850-00474 is an agreement between 3814783 Canada Inc. and Diamond Lake Mining Ltd. Recorded on September 29, 2008. This agreement is an assignment of an Excavation Agreement dated for reference December 16th, 2004 between Joseph John Leadbetter and Dianor Resources Inc. wherein Joseph John Leadbetter was granted the sole and exclusive contract for excavation work in respect of lands in Chabenal Township. Joseph John Leadbetter assigned his interest under the aforesaid Excavation Agreement to Diamond Lake Mining Ltd. pursuant to an Agreement dated January 1, 2005.
2. T0950-00147 is an agreement between Ressources Dianor Inc./Dianor Resources Inc. and 3814793 Canada Inc. recorded on May 25, 2009. This agreement is an assignment by 3814793 Canada Inc. and Paulette A. Mousseau-Leadbetter as assignor in favour of 1778788 Ontario Inc. of the assignor's right, title and interest in and to the Gross Overriding Interest.
3. T1350-00375 recorded on December 4, 2013 being an agreement dated January 1, 2013 between 1778778 Ontario Inc., as vendor, and 2350614 Ontario Inc., as purchaser.

**Schedule D – Permitted Encumbrances, Easements and Restrictive Covenants  
related to the Real Property**

**(unaffected by the Vesting Order)**

- Any lien and encumbrance as relates to any mineral properties of the Debtor and/or the rights in and to such mineral properties in favour of any governmental or regulatory authority, the rights reserved to or for any governmental or regulatory authority thereunder.
- Any registered easements and any registered restrictions or covenants that run with the mineral properties of the Debtor except those listed on Schedule “C” of the Vesting Order.
- Any rights of way for, or reservations or rights of others relating to, sewers, water lines, gas lines, pipelines, electric lines and telephone lines and other similar products or services related to the mineral properties of the Debtor.
- Any zoning by-laws, ordinances or other restrictions as to the use of real property imposed by any governmental or regulatory authority registered against title to the mineral properties of the Debtor.
- Liens in respect of the indebtedness owing from the Debtor to TEC.

**THIRD EYE CAPITAL CORPORATION**  
Applicant

- and -

**RESSOURCES DIANOR INC. / DIANOR RESOURCES INC.**  
Respondent

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**Proceedings commenced in Toronto**

**ORDER**  
(Sale Approval and Vesting)

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**Lawyers for Richter Advisory Group Inc. in its  
capacity as Court-appointed Receiver of  
Resources Dianor Inc. / Dianor Resources Inc.**

# APPENDIX "D"

**Third Eye Capital Corporation v. Dianor Resources Inc.**  
**[Indexed as: Third Eye Capital Corp. v. Dianor Resources Inc.]**

Ontario Reports

Court of Appeal for Ontario,  
Pepall, Lauwers and Huscroft JJ.A.

March 15, 2018

141 O.R. (3d) 192 | 2018 ONCA 253

## Case Summary

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**Mining law — Royalties — Respondent's mineral claims subject to gross overriding royalty ("GORs") — Respondent and grantor of mineral claims clearly intending that GORs would create interest in land and run with land — GORs registered on title — Motion judge erring in finding that GORs did not constitute interest in land and that claims did not continue to be subject to GORs after they were transferred to appellant.**

Dianor was an insolvent company in respect of which the court had appointed a receiver under s. 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 ("*BIA*") and s. 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43 ("*CJA*"). Dianor's main asset was a group of mining claims which it obtained under a Crown land agreement and a patented land agreement made with 381 Inc. The claims were subject to a "gross overriding royalty" ("GORs") in favour of 381 Inc. Both agreements stated that the parties intended the GORs to create an interest in and to run with the land. Notices of the GORs were registered on title. The GORs were subsequently transferred to 235. The supervising judge made an order approving a bid process for the sale of Dianor's mining claims. Third Eye was the successful bidder. At the request of the receiver, the motion judge approved the sale of the mining claims to Third Eye and granted a vesting order that purported to extinguish the GORs. 235 asked that the property vested in Third Eye be subject to the GORs. The motion judge held that the GORs did not run with the land or grant 235 an interest in the lands over which Dianor held the mineral rights. He held that ss. 11(2), 100 and 101 of the *CJA* gave him the jurisdiction to grant a vesting order in the assets to be sold to Third Eye on such terms as were just, including the authority to dispense with the royalty rights. 235 appealed, seeking to set aside the motion judge's order [page193] and to obtain an order that the GORs constituted an interest in land, along with consequential relief. 235 did not seek a stay of the vesting order pending appeal, and the vesting order was registered on title.

**Held**, the GORs constituted an interest in land.

A royalty interest can be an interest in land if (1) the language used in describing the interest is sufficiently precise to show that the parties intended the royalty to be a grant of an interest in land, rather than a contractual right to a portion of the resources recovered from the land; and (2) the interest out of which the royalty is carved is itself an interest in land. Dianor's interests in the claims were working interests or *profits à prendre*, which the common law unquestionably

recognizes as interests in land. The GORs were carved out of Dianor's interests. The Crown land agreement and the patented land agreement expressly stated that the parties intended the GORs to create an interest in and to run with the land. The motion judge erred in finding that the GORs did not constitute interests in land that ran with the land. He made three legal errors in his analysis. The first error was that he did not examine the parties' intentions from the royalty agreements as a whole, along with the surrounding circumstances. The second error was in holding that in order to qualify as an interest in land, the royalty agreements had to give 235 the right to enter the property and explore and extract minerals. The third error was in holding that the interest out of which the royalty was carved was not an interest in land because it was expressed in the agreements as only a right to share in revenues produced from minerals extracted from the lands.

If the motion judge had jurisdiction to vest out the GORs, then 235 was not entitled to a remedy. But if he lacked that jurisdiction, then remedies might be available to 235, including rectification of the register under ss. 159 and 160 of the *Land Titles Act*, R.S.O. 1990, c. L.5. Because the issues of jurisdiction and remedy were not adequately argued by the parties, additional submissions on those issues were required. In particular, further submissions were requested on whether and under what circumstances a Superior Court judge, acting under s. 100 of the *CJA* and s. 243 of the *BIA*, has jurisdiction to extinguish a third party's interest in land using a vesting order.

*Bank of Montreal v. Dynex Petroleum Ltd.*, [2002] 1 S.C.R. 146, [2001] S.C.J. No. 70, 2002 SCC 7, 208 D.L.R. (4th) 155, 281 N.R. 113, J.E. 2002-230, 299 A.R. 1, 19 B.L.R. (3d) 159, 30 C.B.R. (4th) 168, 1 R.P.R. (4th) 1, 111 A.C.W.S. (3d) 156, affg [1999] A.J. No. 1463, 1999 ABCA 363, 182 D.L.R. (4th) 640, [2000] 2 W.W.R. 693, 74 Alta. L.R. (3d) 219, 255 A.R. 116, 2 B.L.R. (3d) 58, 15 C.B.R. (4th) 5, 15 P.P.S.A.C. (2d) 179, 93 A.C.W.S. (3d) 950, **apld**

1565397 *Ontario Inc. (Re)*, [2009] O.J. No. 2596, 54 C.B.R. (5th) 262, 81 R.P.R. (4th) 214, 178 A.C.W.S. (3d) 124 (S.C.J.); *Anglo Pacific Group PLC c. Ernst & Young Inc.*, [2013] Q.J. No. 9084, 2013 QCCA 1323, 2013EXP-2717, J.E. 2013-1467, [2013] R.J.Q. 1264, EYB 2013-225348; *Bank of Montreal v. Dynex Petroleum Ltd.*, [2003] A.J. No. 349, 2003 ABQB 243, 1 C.B.R. (5th) 188, 121 A.C.W.S. (3d) 1160 (Q.B.); *Blue Note Caribou Mines Inc. (Re)*, [2010] N.B.J. No. 252, 2010 NBQB 91, 91 R.P.R. (4th) 86, 356 N.B.R. (2d) 236, 186 A.C.W.S. (3d) 594 [Leave to appeal to N.B.C.A. refused [2010] N.B.J. No. 267, 360 N.B.R. (2d) 67, 69 C.B.R. (5th) 298, 191 A.C.W.S. (3d) 376 (C.A.)]; *Regal Constellation Hotel Ltd. (Re)* (2004), 71 O.R. (3d) 355, [2004] O.J. No. 2744, 242 D.L.R. (4th) 689, 188 O.A.C. 97, 50 C.B.R. (4th) 258, 35 C.L.R. (3d) 31, 23 R.P.R. (4th) 64, 132 A.C.W.S. (3d) 215 (C.A.); *Saskatchewan Minerals v. Keyes*, [1972] S.C.R. 703, [1971] S.C.J. No. 136, 23 D.L.R. (3d) 573, [1972] 2 W.W.R. 108; *St. Andrew Goldfields Ltd. v. Newmont Canada Ltd.*, [2011] O.J. No. 2147, 2011 ONCA 377, 201 A.C.W.S. (3d) 691, 282 O.A.C. 106, affg [2009] O.J. No. 3266, 179 A.C.W.S. (3d) 826 (S.C.J.); [page194] *Vandergriff v. Coseka Resources Ltd.*, [1989] A.J. No. 255, 67 Alta. L.R. (2d) 17, 95 A.R. 372, 15 A.C.W.S. (3d) 36 (Q.B.), **consd**

#### Other cases referred to

*2022177 Ontario Inc. v. Toronto Hanna Properties Ltd.*, [2005] O.J. No. 4527, 203 O.A.C. 220, 17 C.B.R. (5th) 12, 37 R.P.R. (4th) 1, 143 A.C.W.S. (3d) 580 (C.A.); *Blue Note Mining Inc. v. Fern Trust (Trustee of)*, [2009] N.B.J. No. 75, 2009 NBCA 17, 342 N.B.R. (2d) 151, 176 A.C.W.S. (3d) 1017, affg [2008] N.B.J. No. 360, 2008 NBQB 310, 337 N.B.R. (2d) 116, 169 A.C.W.S. (3d) 764; *BTR Global Opportunity Trading Ltd. v. RBC Dexia Investor Services Trust*, [2012] O.J. No. 1530, 2012 ONSC 1868 (S.C.J.); *Canco Oil and Gas Ltd. v. Saskatchewan*, [1991] S.J. No. 22, [1991] 4 W.W.R. 316, 89 Sask. R. 37, 24 A.C.W.S. (3d) 1311 (Q.B.); *Clarkson Co. v. Credit Foncier Franco Canadien*, [1985] S.J. No. 502, 44 Sask. R. 151, 57 C.B.R. (N.S.) 283 (C.A.); *Firm Capital Mortgage Fund Inc. v. 2012241 Ontario Ltd.*, [2012] O.J. No. 4095, 2012 ONSC 4816, 99 C.B.R. (5th) 120, 222 A.C.W.S. (3d) 938 (S.C.J.); *Friedmann Equity Developments Inc. v. Final Note Ltd.*, [2000] 1 S.C.R. 842, [2000] S.C.J. No. 37, 2000 SCC 34, 188 D.L.R. (4th) 269, 255 N.R. 80, J.E. 2000-1445, 134 O.A.C. 280, 7 B.L.R. (3d) 153, 34 R.P.R. (3d) 159, 98 A.C.W.S. (3d) 85; *IFP Technologies (Canada) Inc. v. EnCana Midstream and Marketing*, [2017] A.J. No. 666, 2017 ABCA 157, 53 Alta. L.R. (6th) 96, [2017] 12 W.W.R. 261, 70 B.L.R. (5th) 173, 280 A.C.W.S. (3d) 752 [Leave to appeal to S.C.C. filed [2017] S.C.C.A. No. 303]; *Meridian Credit Union v. 984 Bay Street Inc.*, [2006] O.J. No. 1726 (C.A.), revg [2005] O.J. No. 3707 (S.C.J.); *Meridian Credit Union Ltd. v. 984 Bay Street Inc.*, [2006] O.J. No. 3169, 150 A.C.W.S. (3d) 622 (S.C.J.); *Romspen Investment Corp. v. Woods Property Development Inc.*, [2011] O.J. No. 5871, 2011 ONCA 817, 286 O.A.C. 189, 85 C.B.R. (5th) 21, 346 D.L.R. (4th) 273, 210 A.C.W.S. (3d) 302, 14 R.P.R. (5th) 1, revg [2011] O.J. No. 1163, 2011 ONSC 3648, 4 R.P.R. (5th) 53, 75 C.B.R. (5th) 109, 200 A.C.W.S. (3d) 118 (S.C.J.); *Sattva Capital Corp. v. Creston Moly Corp.*, [2014] 2 S.C.R. 633, [2014] S.C.J. No. 53, 2014 SCC 53, 2014EXP-2369, J.E. 2014-1345, 373 D.L.R. (4th) 393, [2014] 9 W.W.R. 427, 59 B.C.L.R. (5th) 1, 461 N.R. 335, 25 B.L.R. (5th) 1, 358 B.C.A.C. 1, 614 W.A.C. 1, 242 A.C.W.S. (3d) 266; *Scurry-Rainbow Oil Ltd. v. Galloway Estate*, [1994] A.J. No. 669, 1994 ABCA 313, [1995] 1 W.W.R. 316, 23 Alta. L.R. (3d) 193, 157 A.R. 65, 50 A.C.W.S. (3d) 148, affg [1993] A.J. No. 227, [1993] 4 W.W.R. 454, 8 Alta. L.R. (3d) 225, 138 A.R. 321, 39 A.C.W.S. (3d) 373 (Q.B.) [Leave to appeal to S.C.C. refused [1994] S.C.C.A. No. 475]; *Sheard v. Peacock*, [2012] O.J. No. 4304, 2012 ONSC 4237 (S.C.J.); *Trick v. Trick* (2006), 81 O.R. (3d) 241, [2006] O.J. No. 2737, 271 D.L.R. (4th) 700, 213 O.A.C. 105, 54 C.C.P.B. 242, 31 R.F.L. (6th) 237, 149 A.C.W.S. (3d) 843 (C.A.) [Leave to appeal to S.C.C. refused [2006] S.C.C.A. No. 388]

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*Courts of Justice Act*, R.S.O. 1990, c. C.43, ss. 11(2) [as am.], 100, 101 [as am.], 134 [as am.]

*Land Titles Act*, R.S.O. 1990, c. L.5, ss. 71, 159, 160

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APPEAL from the order of Newbould J., [2016] O.J. No. 5200, 2016 ONSC 6086 (S.C.J.).

*Daniel J. Matson and Roderick W. Johansen*, for appellant 2350614 Ontario Inc.

*Shara N. Roy*, for respondent Third Eye Capital Corporation.

*Dylan Chochla*, for receiver of Dianor Resources Inc., Richter Advisory Group Inc.

*Delna Contractor*, for monitor of Essar Steel Algoma Inc., Ernst & Young Inc.

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The judgment of the court was delivered by  
**LAUWERS J.A.:** —

#### A. *The Context of the Appeal*

[1] Dianor Resources Inc. was insolvent. At the request of the respondent, Third Eye Capital Corporation ("Third Eye"), as a lender, the court appointed a receiver under s. 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 ("*BIA*"), and s. 101 of the *Courts of Justice*

Act, R.S.O. 1990, c. C.43 ("CJA"), over the assets, undertakings and property of the debtor, Dianor.<sup>1</sup>

[2] Dianor's main asset was a group of mining claims. The claims with which this appeal is concerned were subject to, among other things, a "gross overriding royalty" ("GOR") in favour of a company from which the appellant, 2350614 Ontario Inc. ("235Co"), had acquired the royalty rights. Notices of the agreements granting the GORs were registered on title to the surface rights and the mining rights. [page196]

[3] The supervising judge made an order approving a bid process for the sale of Dianor's mining claims. It generated two bids, both containing a condition that the GORs be terminated or significantly reduced. Third Eye was the successful bidder.

[4] At the request of the receiver, the motion judge approved the sale of the mining claims to Third Eye and granted a vesting order that purported to extinguish the GORs. 235Co did not oppose the sale but asked that the property vested in Third Eye be subject to the GORs.

[5] The motion judge rejected the appellant's argument that the claims would continue to be subject to the GORs after their transfer to Third Eye. He held, at para. 30, "that the GORs do not run with the land or grant the holder of the GORs an interest in the lands over which Dianor holds the mineral rights". The motion judge also held, at para. 38, that ss. 11(2), 100 and 101 of the CJA gave him "the jurisdiction to grant a vesting order of the assets to be sold to Third Eye on such terms as are just", including the authority to dispense with the royalty rights. He found the expert's valuation of the royalty rights to be fair and added, at para. 39:

In my view, it is appropriate and just that a vesting order in the usual terms be granted to Third Eye on the condition that \$250,000 be paid to 235Co. or whatever entity Mr. Leadbetter directs the payment to be made. That is higher than the mid-point of the range of values determined by Dr. Roscoe.

[6] The receiver paid this amount to 235Co. The funds are being held in trust pending the outcome of this appeal.

[7] 235Co also brought a cross-motion claiming payment for a debt owing under the *Repair and Storage Liens Act*, R.S.O. 1990, c. R.25. The motion judge dismissed the cross-motion.

[8] In this appeal, 235Co seeks to set aside the order of the motion judge and to obtain an order that 235Co's GORs constitute interests in land, along with consequential relief. Third Eye moved for an order quashing 235Co's notice of appeal on the basis that the appeal is moot because 235Co did not seek a stay of the vesting order, which operated to extinguish the GORs when it was registered on title. Furthermore, the variation 235Co seeks to the vesting order is unavailable as the subject transaction was predicated on the elimination of the GORs.

[9] For the reasons that follow, it would be premature to quash the appeal. I would hold that 235Co's GORs constitute an interest in land, but I would require additional submissions on whether the motion judge had jurisdiction to vest out 235Co's GORs in the sale to Third Eye, and if not, whether 235Co is entitled to a remedy. I would dismiss 235Co's appeal with respect to the lien claim. [page197]

## B. Overview of these Reasons

[10] The preliminary issue raised by Third Eye is whether registration of the vesting order on title had the legal effect of rendering the appeal moot.

[11] The central issue in this case is whether the GORs constitute interests in land within the meaning of the law outlined by the Supreme Court in *Bank of Montreal v. Dynex Petroleum Ltd.*, [2002] 1 S.C.R. 146, [2002] S.C.J. No. 70, 2002 SCC 7. I conclude that the GORs are interests in land, contrary to the holding of the motion judge.

[12] This gives rise to the related issue: if the claims are subject to the GORs, did the motion judge have jurisdiction to vest out the GORs?

[13] If the motion judge had jurisdiction to vest out the GORs, then 235Co is not entitled to a remedy. But if he lacked this jurisdiction, then 235Co might be entitled to a remedy, including a possible remedy under the *Land Titles Act*, R.S.O. 1990, c. L.5 ("*LTA*"). Because neither the issue of jurisdiction nor of remedy was adequately argued by the parties in their factums or in oral argument, I would require additional submissions on the issues specified below, especially since they are of considerable importance to the insolvency practice.

[14] Finally, I conclude that 235Co, as the purported owner of the surface rights, is not entitled to a storer's lien in respect of Dianor's surface works. I would dismiss the appeal on the lien claim for the reasons given by the motion judge and will not address it further.

[15] I address, first, Third Eye's motion to quash the appeal and then address the remaining issues in sequence.

### C. *The First Issue: Is the Appeal Moot?*

[16] The appellant did not seek a stay of the vesting order pending appeal before the vesting order was registered on title, although it could have done so on a timely basis. Generally, a vesting order cannot be attacked on appeal unless a stay order has been obtained: Lloyd W. Houlden, Geoffrey B. Morawetz and Janis P. Sarra, *Bankruptcy and Insolvency Law of Canada*, 4th ed. (Toronto: Carswell, 2009), at Part XI, L21.

[17] Third Eye submits that the appeal is moot because the vesting order was "spent" when it was registered, relying in part on *Regal Constellation Hotel Ltd. (Re)* (2004), 71 O.R. (3d) 355, [2004] O.J. No. 2744 (C.A.). In that case, a hotel was placed into receivership. The receiver found a purchaser. [page198] The court approved the sale and granted a vesting order in favour of the purchaser. A few days later, the sole shareholder of the company that operated the hotel discovered information about the identity of the group behind the purchaser. This was relevant because the group had previously entered into agreements to purchase the hotel for more money, but the transactions had failed to close. The sole shareholder sought to set aside the vesting order on the basis that the receiver had failed to disclose the identity of the group behind the purchaser.

[18] This court quashed the appeal in *Regal Constellation* as moot. The conditions attached to the vesting order had been met and the vesting order (and the bank's mortgage) had been registered on title. Justice Blair stated, at para. 39:

Once a vesting order that has not been stayed is registered on title . . . , it is effective as a registered instrument and its characteristics as an order are, in my view, overtaken by its

characteristics as a registered conveyance on title. In a way somewhat analogous to the merger of an agreement of purchase and sale into the deed on the closing of a real estate transaction, the character of a vesting order as an "order" is merged into the instrument of conveyance it becomes on registration. It cannot be attacked except by means that apply to any other instrument transferring absolute title and registered under the land titles system. Those means no longer include an attempt to impeach the vesting order by way of appeal from the order granting it because, as an order, its effect is spent. Any such appeal would accordingly be moot.

[19] Where no stay is obtained and the order has been registered, "innocent third parties are entitled to rely upon that change [in title]", as Blair J.A. noted, at para. 45 of *Regal Constellation*. Accordingly, the respondent argues that this appeal is moot.

[20] It cannot be said that the appeal is moot in the particular circumstances of this case. The order is spent, but the remedy for rectification under the *LTA*, left open by Blair J.A. in *Regal Constellation*, may be available to the appellant, provided that several conditions are met: (1) the motion judge had no jurisdiction to vest out the GORs; (2) no innocent third party has relied on the title to its detriment; and (3) the appellant is otherwise entitled to the remedy.

[21] Additional submissions are required. In particular, because I conclude the GORs are interests in land, does the fact that Third Eye had notice of 235Co's claim affect the application of *Regal Constellation*? Third Eye was aware that 235Co was considering an appeal on the day of (but prior to) the closing of the transaction.

[22] Blair J.A.'s observation in *Regal Constellation*, at para. 49, was: "These matters ought not to be determined on the basis that aether race is to the swiftest". Was it appropriate for the court-appointed receiver to close the transaction before the expiry of [page199] the appeal period, having been advised that an appeal could be launched, and how does this affect the availability of a remedy?

[23] As Blair J.A. recognized, vesting orders have a dual character as both a court order and a conveyance. Once an order is registered on title, it is effective as a registered instrument and has lost its character as an order. However, in my view, this does not mean that 235Co is necessarily without a remedy, if the GORs constitute interests in land. As Blair J.A. noted in *Regal Constellation*, the vesting order "cannot be attacked except by means that apply to any other instrument transferring absolute title and registered under the land titles system": at para. 39. If the GORs are interests in land, then the appellant's remedy is to be found under the *LTA*. In these circumstances, it would be premature to quash the appeal. It is to the issue of the nature of the interest that I now turn.

#### D. *The Second Issue: Are the GORs Interests in Land?*

[24] As noted, I conclude that the GORs are interests in land, contrary to the holding of the motion judge. In this section of the reasons, I first set out the facts relevant to the issue, then discuss the governing legal principles, the motion judge's reasons, and finally, the proper application of the governing principles.

##### (1) *The facts relevant to the GORs*

[25] The facts relevant to this issue are set out in the motion judge's decision, at paras. 4, 5 and 17-22, which I paraphrase. Dianor's assets consisted mainly of certain mining claims in Ontario and Quebec, both patented and unpatented. The asset sale to Third Eye covered only the Ontario assets.

[26] Dianor obtained the mining rights under a Crown land agreement and a patented land agreement made with 3814793 Ontario Inc., a company controlled by Mr. Leadbetter and his wife Paulette A. Mousseau-Leadbetter. The terms of the Crown land agreement and the patented land agreement, both dated August 25, 2008, govern. The relevant terms in each are virtually identical:

Once the Optionee [Dianor] becomes the owner of a one hundred percent (100%) undivided interest in the Mining Claims, the Optionors [now 235Co] shall retain a twenty percent (20%) Gross Overriding Royalty ("GOR") for diamonds and a one and a half percent (1.5%) gross overriding royalty (GOR) for all other metals and minerals as calculated in accordance with Schedule "A". The Optionee shall have the right of first refusal to purchase the Optionors' GOR.

[27] The Crown land agreement and the patented land agreement state that the parties intend the GORs to create an interest in and to run with the land: [page200]

4.1. It is the intent of the parties hereto that the GOR shall constitute a covenant and an interest in land running with the Property and the Mining Claims and all successions thereof or leases or other tenures which may replace them, whether created privately or through governmental action, and including, without limitation, any leasehold interest.

[28] Notices of the GORs were registered on title to the patented lands under s. 71 of the *LTA* and on the unpatented mining claims under the *Mining Act*, R.S.O. 1990, c. M.14. The parties did not treat the fact that 235Co came to hold the GORs as a live issue.

[29] I turn now to the governing legal principles.

(2) *The governing principles*

[30] The ruling precedent is the decision of the Supreme Court of Canada in *Dynex*, which changed the common law to permit a GOR to achieve status as an interest in land. I begin with a review of the common law before *Dynex* and the challenges it posed to mining in Canada, then consider how the court responded to the commercial realities of the mining industry in *Dynex*.

(a) *The common law before Dynex*

[31] At common law, rights in relation to land are divided into corporeal and incorporeal hereditaments: Bruce H. Ziff, *Principles of Property Law*, 6th ed. (Toronto: Carswell, 2014), at p. 76. A corporeal hereditament is an interest in land that is capable of being held in possession, such as a fee simple. An incorporeal hereditament is an interest in land that is non-possessory such as easements, *profits à prendre*, and rent charges. Under each type of incorporeal hereditament, the holder has an interest in land.

[32] Mining rights derived from the owner of the mineral estate are generally treated by the common law as *profits à prendre*, depending on the words of grant. A *profit à prendre* is "a real property interest entitling the holder to acquire some natural resource on land belonging to another": Ziff, at p. 321. More specifically, it is "a right to take something from the land of another. And it must be literally aefrom' the land. The right must be to take . . . part of the land itself, e.g., minerals": Andrew Burrows, ed., *English Private Law*, 3rd ed. (Oxford: Oxford University Press, 2013), at s. 4.96.

[33] To constitute a *profit à prendre*, a party must be granted the right to enter the lands of another and to exploit a natural resource: Ziff, at p. 399. See, also, Alicia K. Quesnel, "Modernizing the Property Laws that Bind Us: Challenging Traditional Property [page201] Law Concepts Unsuitable to the Realities of the Oil and Gas Industry" (2003), 41 Alta. L. Rev. 159, at pp. 172-73.

[34] The Supreme Court stated in *Dynex*, at para. 21: "A royalty which is an interest in land may be created from an incorporeal hereditament such as a working interest or a *profit à prendre* . . . ." A working interest is a *profit à prendre* and is a right given by the fee owner (often the Crown) to a miner to enter the owner's land and extract minerals or resources from the property. The Court of Appeal of Alberta has stated [*IFP Technologies (Canada) Inc. v. EnCana Midstream and Marketing*, [2017] A.J. No. 666, 2017 ABCA 157, 53 Alta. L.R. (6th) 96, at para. 98, leave to appeal to S.C.C. filed [2017] S.C.C.A. No. 303]:

[T]he law is clear that a "working interest" in relation to mineral substances *in situ* is a particular kind of property right or interest in land. When the owner of minerals *in situ* (the Crown in this case) leases the right to extract these minerals . . . , the right to extract is known as a "working interest" . . . . This particular kind of interest in land is also commonly called a "*profit à prendre*", which allows a party to enter land and take a resource for profit.

[Citations omitted]

[35] At common law prior to *Dynex*, if a party did not have the right to enter and to extract a resource from the land, then it did not have a *profit à prendre* and did not have an interest in land -- regardless of the parties' intentions. Moreover, as the Supreme Court noted in *Dynex*, at para. 8: "At common law, an interest in land could issue from a corporeal hereditament but not from an incorporeal hereditament." On this logic, the right to a payment or to profits was not itself a *profit à prendre*, and a royalty right contractually carved out of a working interest could not confer an interest in land. Further, as Quesnel observed, once "the subject-matter of the grant [e.g., minerals]" is extracted from the ground and in possession, it becomes personal property. "The right . . . does not aefun' with the subject-matter of the grant after it has been [extracted] and reduced to possession": at p. 173.

[36] To sum up the common law, the right to take resources from another person's land is a *profit à prendre* and is recognized as an interest in land. However, the right to a payment or to profits alone is not a *profit à prendre* and was not historically recognized as an interest in land.

[37] Because an interest in land could not be granted out of an incorporeal hereditament, the common law posed commercial challenges to holders of working interests who needed to secure financing sources to allow for the exploitation of mining rights: Quesnel, at pp. 173-75.

[page202]

(b) *The practice in mining before Dynex*

[38] Working interests are common in the mining, oil and gas industries of Canada and play an important role in the Canadian economy. Resource extraction is a risky business; ventures in resource extraction "require huge amounts of capital but only a small fraction are successful", as the Court of Appeal of Alberta observed in *Bank of Montreal v. Dynex Petroleum Ltd.*, [1999] A.J. No. 1463, 1999 ABCA 363, [2000] 2 W.W.R. 693, at para. 35.

[39] Royalty agreements are one method used in the industry to provide incentives to key participants such as geological surveyors or drilling companies, or to those selling the claims, as in this case. In granting a GOR, the working interest holder grants royalty rights to a third party. These royalty rights are generally granted out of the lessee's working interest. The royalty amount is not tied to the profitability of the mine. Third parties who obtain royalty rights do not own the working interest or *profit à prendre* and have no independent ownership interest in the land.

[40] As the Court of Appeal of Alberta noted in *Dynex*, it became industry practice to draft contracts with the intention of granting royalty holders an interest in land because it was commercially and practically expedient to do so. Key participants often prefer an interest in land rather than a contractual right against the lessee because this allows "investments in a particular piece of property, not in a particular operator or company. . . . The investment return on a royalty results from the success of the property regardless of who owns or is working the property", as the Court of Appeal of Alberta explained in *Dynex* (at para. 36).

[41] Interests in land provide incentives to key participants, mitigate financial risks and provide better financing terms. As the Alberta Court of Appeal observed in *Dynex*, interests in land provide key participants with exposure to a potentially significant upside if the venture is successful. Granting such an interest as a form of compensation reduces the amount of initial capital necessary to fund a new venture. This allows the working interest holder to reduce its own exposure to loss and thereby spreads risk among key participants. Providing lenders with real property interests protects them in the event of an insolvency and leads to better financing terms for borrowers. The court, endorsing an industry commentator's view, explained, at para. 43:

[T]he law should provide a framework within which unnecessary risks for those who invest or participate in oil and gas operations are removed. The oil and gas industry has created new devices to meet the high risks of the enterprise. Included among the new devices are non-operating interests [page203] which are used to make the sharing of the benefits of mineral ownership definite and certain, minimize taxes, make clear delegation of operating rights and make proper allocation of the risks and rewards of an operation without invoking many objectionable features associated with creating a conventional business association. Non-operating interests include royalty interests, overriding royalty interests, production payments, net profit interests and carried interests.

[42] Consequently, for practical and commercial reasons, even before *Dynex*, parties often drafted royalty agreements with the intention of granting the royalty holder an interest in land

rather than a contractual right against the lessee. See Nigel Bankes, "Private Royalty Issues: A Canadian Viewpoint", Private Oil & Gas Royalties, Rocky Mountain Mineral Law Foundation, February 2003, at p. 21.<sup>2</sup>

[43] In *Dynex*, the Supreme Court quite deliberately changed the common law in response to these commercial realities.

(c) *Dynex and changes to the common law*

[44] In a nutshell, as I will explain more fully below, the Supreme Court in *Dynex* changed the common law of Canada for express policy reasons in order to permit a royalty interest, including a GOR, to become an interest in land, consistent with the industry practice. In this section of the reasons, I set out the facts in *Dynex*, and then review the reasons of the Court of Appeal of Alberta and the Supreme Court.

(i) *The facts in Dynex*

[45] Dynex Petroleum had granted an overriding royalty on the net profit interests from its oil and gas properties to Enchant Resources Ltd. and an individual. The royalty interests were recorded on the title to the oil and gas properties by means of caveat. The Bank of Montreal was a secured creditor and wanted to sell the oil and gas properties free of the royalty interests of Enchant Resources and the individual. The motion judge ruled that the bank could sell the properties free of the royalty interests.

(ii) *The ruling of the Court of Appeal of Alberta in Dynex*

[46] The Court of Appeal of Alberta decided that the royalty interest could be an interest in land despite the common law rule that an incorporeal hereditament could not give rise to an interest [page204] in land.<sup>3</sup> The court adopted the dissenting reasons of Laskin J. (as he then was) in *Saskatchewan Minerals v. Keyes*, [1972] S.C.R. 703, [1971] S.C.J. No. 136, at p. 725 S.C.R., who held that a royalty interest could be an interest in land if the parties so intended. The parties' intent could be inferred from a number of factors, which the court addressed at paras. 84 and 85.

[47] I make two observations. First, the Court of Appeal of Alberta took a practical view, approving the approach taken in two lower court decisions: *Canco Oil and Gas Ltd. v. Saskatchewan*, [1991] S.J. No. 22, 89 Sask. R. 37 (Q.B.); and *Scurry-Rainbow Oil Ltd. v. Galloway Estate*, [1993] A.J. No. 227, [1993] 4 W.W.R. 454 (Q.B.), affd [1994] A.J. No. 669, 1994 ABCA 313, [1995] 1 W.W.R. 316; leave to appeal to S.C.C. refused [1994] S.C.C.A. No. 475. The court [in *Dynex*] noted, at para. 73:

The approach of both Matheson J. in *Canco* and Hunt J. in *Scurry-Rainbow* was to *examine the parties' intentions from the agreement as a whole, along with the surrounding circumstances, as opposed to searching for some magic words*. Matheson J. stated at p. 47:

... The fact that Farmers Mutual did not utilize all of the wording, or type of wording considered by some persons as perhaps essential, can surely not detract from an otherwise clearly manifested intention to create an interest in the lands.

And according to Hunt J. in *Scurry-Rainbow*, *supra*, at p. 474:

There is in my view an unreality about placing too heavy an emphasis upon fine distinctions as the selection of words such as "in" rather than "on". Notwithstanding the significance that the courts have sometimes attached to these word choices, I doubt that parties who signed leases ... should be taken to have intended to create an interest in land as opposed to a contractual right, as a result of such minuscule differences in language. ... *Rather, it is more appropriate to consider the substance of the transaction (namely, what were the parties actually trying to achieve?) and to regard the words they have used from that perspective.*

(Emphasis added)

[48] Second, the Court of Appeal rooted its reasons in the practices and the exigencies of the oil and gas industry, as outlined above. At para. 29, the court specifically endorsed the view of Hunt J. (as she then was), in *Scurry-Rainbow*, that "too rigid a reliance on common law principles that have developed in vastly different circumstances can lead to results that are out of touch [page205] with the realities of the industry and that deviate from the sorts of solutions needed by the affected parties".

(iii) *The Supreme Court's ruling in Dynex*

[49] The Supreme Court recognized it was required to resolve a controversy that pitted an "ancient common law rule against a common practice in the oil and gas industry", in the words of Major J., at para. 4.

[50] Justice Major summarized the court's decision, at para. 21:

In this appeal, to clarify the status of overriding royalties, the prohibition of the creation of an interest in land from an incorporeal hereditament is inapplicable. A royalty which is an interest in land may be created from an incorporeal hereditament such as a working interest or a *profit à prendre*, if that is the intention of the parties.

[51] He adopted the view, at para. 22, that Canadian common law should recognize that a "royalty interest" or an "overriding royalty interest" can be an interest in land if

- 1) the language used in describing the interest is sufficiently precise to show that the parties intended the royalty to be a grant of an interest in land, rather than a contractual right to a portion of the oil and gas substances recovered from the land; and
- 2) the interest, out of which the royalty is carved, is itself an interest in land.

[52] The Supreme Court knew that its ruling changed the common law and cited, at para. 20, the principles for doing so, expressed in *Friedmann Equity Developments Inc. v. Final Note Ltd.*, [2000] 1 S.C.R. 842, [2000] S.C.J. No. 37, 2000 SCC 34, at para. 42: to keep the common law in step with the evolution of society, to clarify a legal principle, or to resolve an inconsistency.

[53] Consistent with these principles, Major J. stated, at para. 18: "Given the custom in the oil and gas industry and the support found in case law, it is proper and reasonable that the law should acknowledge that an overriding royalty interest can, subject to the intention of the parties,

be an interest in land." He noted that the appellant "could not offer any convincing policy reasons for maintaining the common law prohibition on the creation of an interest in land from an incorporeal hereditament other than fidelity to common law principles".

[54] Several points in the decision are of continuing importance. Justice Major noted, at para. 6: "For substantially the same reasons as the Court of Appeal, I conclude that overriding royalty interests can be interests in land." He added, at para. 19, that he much preferred that court's "compelling insight into the evolution of the law". In my view, this language gives continuing relevance to the approach and the ruling of the Court of Appeal of [page206] Alberta, especially its statement, at para. 73, that a court must "examine the parties' intentions from the agreement as a whole, along with the surrounding circumstances, as opposed to searching for some magic words".

[55] I also note that Major J. approved the holding of Laskin J. in dissent in *Saskatchewan Minerals*. He noted, at para. 11, that "[t]he effect of Laskin J.'s reasons was to render inapplicable, at least insofar as overriding royalties, the common law rule against creating interests in land out of incorporeal interests." He described Laskin J.'s holding, at para. 12: "[T]he intentions of the parties judged by the language creating the royalty would determine whether the parties intended to create an interest in land or to create contractual rights only." This was the Supreme Court's ultimate holding in *Dynex*.

### (3) *The motion judge's reasons*

[56] The motion judge stated, at para. 30: "I conclude and find that the GORs do not run with the land or grant the holder of the GORs an interest in the lands over which Dianor holds the mineral rights." He determined that neither the expression of the parties' intent to do so, expressed in s. 4.1 of the Crown land agreement and the patented land agreement that the GORs would run with the land, nor the registration of the GORs, was sufficient to convey any interest in land. The motion judge stated, at para. 26:

In my view, the situation with 235Co. is exactly described by Roberts J. [in *St. Andrew Goldfields Ltd. v. Newmont Canada Ltd.*, [2009] O.J. No. 3266, aff'd 2011 ONCA 377, 282 O.A.C. 106.] 235Co. has no right to enter the property to explore and extract diamonds or other minerals. That right belongs to Dianor. The only right 235Co. . . . obtained under the agreements was to share in revenues produced from diamonds or other minerals extracted from the lands. It is clear from the agreements that the royalties were to be a percentage of the value of the diamonds or other metals and minerals. The interest, out of which the royalty is carved, is not [an] interest in land.

[57] The motion judge also referred, at para. 24, to the decision of the Court of Appeal of Quebec in *Anglo Pacific Group PLC c. Ernst & Young Inc.*, [2013] Q.J. No. 9084, 2013 QCCA 1323, [2013] R.J.Q. 1264.

### (4) *The principles applied*

[58] In this section of the reasons, I apply the *Dynex* test and then consider the errors made by the motion judge in his reasoning. It is important to note that the legal documents on which

the appellant relies were prepared after *Dynex*. [page207]

(a) *The Dynex test*

[59] I repeat for convenience the test prescribed in *Dynex*, at para. 22, for determining whether a royalty right is an interest in land:

- 1) the language used in describing the interest is sufficiently precise to show that the parties intended the royalty to be a grant of an interest in land, rather than a contractual right to a portion of the oil and gas substances recovered from the land; and
- 2) the interest, out of which the royalty is carved, is itself an interest in land.

[60] Dianor's interests in the claims were working interests or *profits à prendre*, which the common law unquestionably recognizes as interests in land. The GORs were carved out of Dianor's interests. The second element in the *Dynex* test is plainly met in this case.

[61] In my view, the first element is also met. The Crown land agreement and the patented land agreement expressly state that the parties intend the GOR to create an interest in and to run with the land. To repeat for convenience, s. 4.1 of each of the agreements states:

4.1. It is the intent of the parties hereto that the GOR shall constitute a covenant and an interest in land running with the Property and the Mining Claims and all successions thereof or leases or other tenures which may replace them, whether created privately or through governmental action, and including, without limitation, any leasehold interest.

[62] Apart from the plain language of the agreements, in considering the surrounding context, the original GOR-holder took steps to register its royalty rights: notices of the GORs were registered on title to the patented lands under s. 71 of the *LTA* and on the unpatented mining claims under the *Mining Act*.

[63] I agree with the Court of Appeal of Alberta in *Dynex*, at para. 73, that the court must "examine the parties' intentions from the agreement as a whole, along with the surrounding circumstances". Doing so in this instance makes plain their mutual intention to constitute the GORs as interests in land. It is express in the agreements (based on the general principles of contractual interpretation), and the royalty rights-holder took care to register the interests on title.

[64] I observe that the same result was reached with less supporting evidence in *Blue Note Mining Inc. v. Fern Trust (Trustee of)*, [2008] N.B.J. No. 360, 2008 NBQB 310, 337 N.B.R. (2d) 116, *affd* [2009] N.B.J. No. 75, 2009 NBCA 17, 342 N.B.R. (2d) 151. One issue was whether a net profit interest constituted a continuing interest in land that bound the purchaser. The motion judge [page208] determined that the agreement creating the interest did not contain the typical words "found in a conveyance of an interest in land": at para. 34. The only relevant words were "grant" and "in the mine". However, the motion judge held (and the Court of Appeal affirmed) that this was sufficient to grant an interest in land.

[65] The contractual terms are not necessarily determinative of whether an interest in land was intended; the language does not require magic words to demonstrate the parties' intention. However, these words were present in the agreements. In my view, the appellant's GORs

constitute interests in land that run with the land and are capable of binding the claims in the hands of a purchaser.

(b) *The motion judge's errors*

[66] The motion judge made three legal errors in his analysis. The first error was that he did not examine the parties' intentions from the royalty agreements as a whole, along with the surrounding circumstances; this was the burden of the previous section of these reasons.

[67] The motion judge's second error was in holding that in order to qualify as an interest in land, the royalty agreements had to give the appellant the right "to enter the property to explore and extract diamonds or other minerals": at para. 26. The third error is in holding that "[t]he interest, out of which the royalty is carved, is not [an] interest in land" because it is expressed in the agreements as only a right "to share in revenues produced from diamonds or other minerals extracted from the lands". The latter two errors come from a misapprehension of the *Dynex* test. I will address them in turn.

(i) *Dynex does not require a royalty rights-holder to have the right to enter the property to explore and extract resources in order to qualify as an interest in land*

[68] In my view, a serious misapprehension has arisen in the application of *Dynex* in some cases, including some of those relied on by the motion judge.

[69] In *Dynex*, Major J. used some precise language from the trial decision of Virtue J. in *Vandergriff v. Coseka Resources Ltd.*, [1989] A.J. No. 255, 67 Alta. L.R. (2d) 17 (Q.B.), at p. 26 Alta. L.R., to specify the test as to when a royalty interest can be an interest in land. However, the Supreme Court did not adopt the [page209] reasoning in *Vandergriff*. There is good reason for this, because *Vandergriff* is inconsistent with *Dynex* in a critical way.

[70] In *Vandergriff*, the court did not conclude that the royalty right ran with the land but instead concluded that it was a purely contractual right, taking precisely the approach to the analysis that both the Court of Appeal of Alberta and the Supreme Court expressly disavowed in *Dynex*. Justice Virtue stated, at p. 28 Alta. L.R.:

One of the incidents of an interest in land one would expect to find in a royalty agreement intended to create an interest in land would be the right to the royalty holder to enter upon the lands to explore for and extract the minerals. A mere entitlement to an overriding royalty, without more, does not, in my view, carry with it the right to explore for oil and gas.

[71] The purpose of the Supreme Court and the Court of Appeal of Alberta in *Dynex* was to step away from the requirement that a royalty right had to have the incidents of a working interest or a *profit à prendre* in order to constitute an interest in land, so that royalty rights could play their useful role in financing the industry and spreading risk.

[72] Moreover, royalty rights-holders have no interest in working the land, nor do holders of the working interest or the *profit à prendre* want their operations to be subject to the working rights of a royalty rights-holder. This is precisely why the Alberta Court noted, at para. 43, that the royalty right was to be "non-operating", adding: "Non-operating interests include royalty

interests, overriding royalty interests, production payments, net profit interests and carried interests."

[73] I agree with Professor Bankes, who observed, at p. 23 of his article: "I do not think that the Court should be taken to have endorsed either the particular approach taken by Justice Virtue or the actual result that he arrived at in that case." This built on his earlier comment criticizing *Vandergrift*, at p. 18, on the basis that it "seems to want to turn the royalty owner's passive interest into a working interest".

[74] I turn now to the motion judge's second error respecting the application of *Dynex*.

(ii) *The language in which the calculation of the royalty right is expressed does not affect its characterization as an interest in land*

[75] As noted, the motion judge held, at para. 26, that "[t]he interest, out of which the royalty is carved, is not [an] interest in land" because it is expressed in the agreements as only a right "to share in revenues produced from diamonds or other minerals [page210] extracted from the lands". This takes the mistaken approach of the court in *Vandergrift*, which was rejected in *Dynex*.

[76] In my view, the motion judge's approach does not give due weight to the Supreme Court's approval, in *Dynex*, of the reasoning in the dissent of Laskin J. in *Saskatchewan Minerals*. Justice Laskin was a long-time property law professor before his judicial career. It is worth attending to his reasoning in *Saskatchewan Minerals*, where he made these observations, at pp. 724-25 S.C.R.:

In principle, a mining lessee whose holding is an interest in land in respect of which he has a royalty obligation should be able to grant or submit to an overriding royalty in respect of that interest to take effect as itself an interest in the lessee's holding.

. . . . .

This is not to say that every reservation or grant of a royalty creates an interest in land. The words in which it is couched may show that only a contractual right to money or other benefit is prescribed. However, if the analogy is to rent, then *the fact that the royalty is fixed and calculable as a money payment based on production or as a share of production, or of production and sale, cannot alone be enough to establish it as merely a contractual interest.*

(Emphasis added)

[77] In my view, the fact that the GORs are calculated on production does not defeat the clear intention of the parties that the GORs constitute interests in land.

*The cases referred to by the motion judge*

[78] I now turn to consider the cases on which the motion judge relied.

*St. Andrew Goldfields*

[79] The first is *St. Andrew Goldfields* [*St. Andrew Goldfields Ltd. v. Newmont Canada Ltd.*, [2011] O.J. No. 2147, 2011 ONCA 377, affg [2009] O.J. No. 3266, 179 A.C.W.S. (3d) 826 (S.C.J.)]. Barrick Gold Corp. sold a mine to Newmont Canada Ltd. Part of the consideration was a net smelter return royalty agreement in Barrick's favour. Newmont was also required to obtain Barrick's consent to transfer any interest in the mine, failing which it would continue to be responsible for the royalty. Newmont later sold the mine to St. Andrew Goldfields Ltd. without first seeking Barrick's consent.

[80] The situation was explained by Rouleau J.A. (C.A.), at para. 4:

As found by the trial judge, Newmont Canada had misread the provisions in the Barrick royalty agreement, erroneously believing that the royalty was an insignificant flat rate of 0.013% NSR. In fact, it was a sliding scale royalty [page211] obligation that increased substantially as the price of gold increased. Believing that the low 0.013% NSR was an error on Barrick's part, Newmont Canada did not question Barrick on the provision nor did it seek to modify or change the clause.

[81] The agreement between Newmont and St. Andrew Goldfields reflected the flat royalty rate but did not contain the multiplier.

[82] Because Newmont did not get Barrick's approval for the transfer to St. Andrew Goldfields, it continued to remain liable to Barrick under the original agreement. It appeared that Newmont had made a unilateral error in its interpretation of the royalty provision in its agreement with Barrick and omitted the escalator in its agreement with St. Andrew Goldfields. The issue was whether St. Andrew Goldfields was nonetheless required to pay the higher royalty rate because the royalty interest ran with the land.

[83] The trial judge's ruling was set out at para. 11:

. . . I hold that the Barrick royalty agreement is clear and unambiguous, that Newmont alone is responsible under the Barrick royalty agreement for payment of the royalties on net smelter returns for gold, silver and other minerals to [Barrick's assignee of the royalty rights] Royal Gold, and that St. Andrew is required to indemnify Newmont up to the flat rate of .013% of the net smelter returns for gold, silver and other minerals.

[84] Newmont argued that St. Andrew Goldfields was obliged to pay the higher royalty rate because the royalty agreement constituted an interest in land. The trial judge followed the *Vandergrift* approach. She observed, at para. 104, that under the Barrick royalty agreement: "[T]he royalty holder retains no interest in or control over the kind of operations or activities that the owner of the property may carry out . . .".

[85] Further, although there was a provision that notice of the agreement could be registered, she held, at para. 105, that this was "not sufficient by itself to demonstrate that the parties intended to create an interest in land". Although the royalty agreement permitted Barrick to register the agreement on title, it had not done so.

[86] However, the case did not turn on whether the royalty agreement created an interest in land that bound St. Andrew Goldfields, nor was that holding appealed. The appeal turned on the legal interpretation of the transactional documents and the effect of Newmont's failure to secure

Barrick's consent to the sale of the mine. In this court, Rouleau J.A. noted, at para. 31:

Faced with two contractual interpretations, the trial judge carefully considered the facts and the agreements and concluded that, correctly interpreted, the agreements provided that St. Andrew agreed to an indemnity of a royalty [page212] obligation stated to be 0.013% NSR [the lower royalty rate]. This is consistent with the many references in both the Newmont Canada-Holloway and Newmont Canada-Holloway-St. Andrew agreements to the amount of the Barrick royalty obligation being 0.013% NSR.

[87] In the result, St. Andrew Goldfields was obliged to indemnify Newmont for the lower net smelter return, while Newmont was obliged to pay the net smelter return at the higher rate to Royal Gold, Barrick's assignee of the royalty rights. In my view, the decision in *St. Andrew Goldfields* has no application to this appeal.

### *Anglo Pacific*

[88] Nor does the Court of Appeal of Quebec's decision in *Anglo Pacific* assist the respondent. In *Anglo Pacific*, the court looked at the royalty agreement to determine whether it assigned the attributes of ownership to the royalty holder. The agreement did not assign the attributes of ownership but only the right of the royalty holder to receive payment. The court held that, because the royalty agreement did not give the royalty holder the right to enter, enjoy or dispose of the property, the holder did not have a real right in land: at paras. 63, 77-81.

[89] Although the facts in *Anglo Pacific* are similar to this case, the court did not apply the common law framework from *Dynex* but relied exclusively on the civil law of Quebec. A description of the civil law concepts applied by the court shows they have no application in common law jurisdictions.

[90] The Quebec Court held that to have a "real right" in land pursuant to the *Civil Code of Quebec*, one must have ownership: at paras. 53, 60. Ownership includes corporeal or incorporeal property: at para. 53. Thus, the owner of a mining claim is the owner of a "real right" in land: at paras. 70-71. However, in order to have ownership, one must have the attributes of ownership: at para. 53. The attributes of ownership under civil law include the right of use (*usus*), of enjoyment (*fructus*), of free disposition (*abusus*), and "the ability to make one's own that which the property generates and that which is attached to it" (*accessio* -- for example, buildings on the land or deposits in the land): at paras. 43, 53-54.

[91] The owner of land can "dismember" his or her ownership by dividing the attributes of ownership with one or more third parties, who then acquire an interest in land: at paras. 54-55. For example, the holder may have the right to temporarily use and enjoy the property that belongs to another (*usufruct*). This transmits to the holder of the dismemberment the right of use (*usus*) and enjoyment (*fructus*) for a certain time, and the true [page213] owner retains the right to dispose of the land (*abusus*) and the *accessio*: at para. 55.

[92] The party to whom a dismemberment is granted will have a real right in land if he or she has the right to share in one of the above-noted attributes of ownership. Without such a right, the party has no "direct right on property": at para. 60. For example, the state "dismembers" its

ownership rights in favour of a party when it assigns a mining claim to that party: at para. 70. The holder of a mining claim is the holder of a dismemberment and has a real right in land.

[93] Although there are similarities between the civil law concepts and the *profit à prendre* under the common law, there are differences. Most importantly, the Court of Appeal of Quebec did not apply the common law framework from *Dynex* but relied exclusively on the civil law. *Dynex* is the governing law in Ontario; the decision of the Court of Appeal of Quebec in *Anglo Pacific* has no bearing on this case.

*Conclusion on the issue of whether the GORs constitute interests in land*

[94] I began my analysis by noting that the central issue in this case is whether the GORs constitute interests in land within the meaning of the law outlined by the Supreme Court in *Dynex*. For the reasons set out above, I conclude that the GORs are interests in land, contrary to the holding of the motion judge. In my view, the deferential approach called for by the Supreme Court in *Sattva Capital Corp. v. Creston Moly Corp.*, [2014] 2 S.C.R. 633, [2014] S.C.J. No. 53, 2014 SCC 53 has no application to this case in view of the motion judge's legal errors.

[95] While the motion judge did purport to adjudicate the appellant's GOR claims, his erroneous determination that it was not an interest in land raises potential issues respecting the vesting order.

*E. The Third Issue: Did the Motion Judge have Jurisdiction to Issue a Vesting Order that Extinguished the Gors?*

[96] In this section of the reasons, I consider, first, the motion judge's reasons in order to set the context and then describe the positions of the parties regarding his jurisdiction to vest out the GORs. I next turn to the governing principles and then to their application.

[97] The context for this issue is set by the conclusions I reached on the earlier issue of mootness. Because the GORs are interests in land, the appeal is not necessarily moot, particularly if the Superior Court did not have jurisdiction to issue the vesting [page214] order in these circumstances. The determination of this issue in 235Co's favour could entitle it to a remedy.

*(1) The motion judge's decision*

[98] The motion judge held, at para. 37, that, In this case, the BIA and the *Courts of Justice Act* give the Court that jurisdiction to order the property to be sold and on what terms. Under the receivership in this case, Third Eye is entitled to be the purchaser of the assets pursuant to the bid process authorized by the Court.

[99] He added, at para. 38: "I conclude that I do have the jurisdiction to grant a vesting order of the assets to be sold to Third Eye on such terms as are just." Pursuant to the order, the receiver allocated \$400,000 in cash as compensation for the extinguishment of Ontario royalties in favour of the appellant and Essar Steel Algoma Inc. The appellant was paid \$250,000 for its GORs, and the court-appointed monitor of Essar was paid \$150,000 for its royalty. The motion

judge made the payment to 235Co a term of the order, explaining, at para. 39:

In my view, it is appropriate and just that a vesting order in the usual terms be granted to Third Eye on the condition that \$250,000 be paid to 235Co. or whatever entity Mr. Leadbetter directs the payment to be made. That is higher than the mid-point of the range of values determined by Dr. Roscoe.

[100] The motion judge expressed his opinion, at para. 40, that the court would have been authorized to make the vesting order disposing of the royalty rights of 235Co "whether the royalty rights were or were not an interest in land".

(2) *The positions of the parties*

[101] The appellant argued that if the royalty rights run with the land, then the motion judge had no authority under s. 243 of the *BIA* or s. 100 of the *CJA* to vest the mining claims in Third Eye pursuant to the sale process without leaving the royalty rights in place.

[102] The respondent supported the motion judge's view that he had authority to make the vesting order, free of the royalty rights.

(3) *The issue*

[103] The issue is whether the motion judge, in the circumstances of this case -- acting under s. 100 of the *CJA* and s. 243 of the *BIA*, its inherent jurisdiction, or the wording of the vesting order -- had jurisdiction to approve a sale that vested out 235Co's proprietary interest. [page215]

(a) *The context*

[104] The motion judge noted that the sale of the mining claims was carried out in accordance with a court-approved bid process under ss. 100 and 101 of the *CJA* and s. 243 of the *BIA*, working together. It is important to reiterate that the motion judge was not acting under s. 65.13(7) of the *BIA*; s. 36(6) of the *CCAA*; ss. 66(1.1) and 84.1 of the *BIA*; or s. 11.3 of the *CCAA*. Neither the provisions of the *CCAA* nor the proposal provisions of the *BIA* apply to this case.

[105] Sections 100 and 101 of the *CJA* provide:

100. A court may by order vest in any person an interest in real or personal property that the court has authority to order be disposed of, encumbered or conveyed.

101(1) In the Superior Court of Justice, an interlocutory injunction or mandatory order may be granted or a receiver or receiver and manager may be appointed by an interlocutory order, where it appears to a judge of the court to be just or convenient to do so.

(2) An order under subsection (1) may include such terms as are considered just.

[106] Section 243(1) of the *BIA* provides:

243(1) Subject to subsection (1.1), on application by a secured creditor, a court may appoint a receiver to do any or all of the following if it considers it to be just or convenient to do so:

- (a) take possession of all or substantially all of the inventory, accounts receivable or other property of an insolvent person or bankrupt that was acquired for or used in relation to a business carried on by the insolvent person or bankrupt;
- (b) exercise any control that the court considers advisable over that property and over the insolvent person's or bankrupt's business; or
- (c) take any other action that the court considers advisable.

[107] These provisions do not expressly authorize a court to take real property out of the hands of a third party.

(b) *Does the Superior Court's inherent jurisdiction give jurisdiction to grant a vesting order in these circumstances?*

[108] The Superior Court of Justice has all of the jurisdiction, power and authority historically exercised by courts of common law and equity in England and Ontario, as provided in s. 11(2) of the *CJA*. This power includes making vesting orders: *CJA*, at s. 100. However, this court has interpreted these provisions as conferring no greater authority on the Superior Court than was previously recognized at equity. [page216]

[109] The leading text -- Houlden, *Bankruptcy and Insolvency Law of Canada*, at Part XI, L21 - notes:

A vesting order should only be granted if the facts are not in dispute and there is no other available or reasonably convenient remedy; or in exceptional circumstances where compliance with the regular and recognized procedure for sale of real estate would result in an injustice. In a receivership, the sale of the real estate should first be approved by the court. The application for approval should be served upon the registered owner and all interested parties. If the sale is approved, the receiver may subsequently apply for a vesting order, but a vesting order should not be made until the rights of all interested parties have either been relinquished or been extinguished by due process.

(Citations omitted)

[110] The leading judicial authority in Ontario is *Trick v. Trick* (2006), 81 O.R. (3d) 241, [2006] O.J. No. 2737 (C.A.), leave to appeal to S.C.C. refused [2006] S.C.C.A. No. 388. In that case, Lang J.A. stated, at para. 19, that s. 100 of the *CJA*

provides a court with jurisdiction to vest property in a person but only if the court also possesses the "authority to order [that the property] be disposed of, encumbered or conveyed". Thus, s. 100 only provides a mechanism to give the applicant the ownership or possession of property to which he or she is *otherwise entitled*; it does *not provide a free standing right to property simply because the court considers that result equitable*.

(Footnote omitted; emphasis added)

[111] At equity and common law, a party must have a valid and independent entitlement to possession or ownership in order for a court to issue a vesting order that extinguishes a third

party's real property interest. Several cases have held that the inherent jurisdiction of the Superior Courts does not confer the power to take real property from third parties simply because the court considers it equitable to other stakeholders. Rather, it gives courts authority to bring about a transfer of title to a party who is otherwise or independently entitled to it. See, also, *2022177 Ontario Inc. v. Toronto Hanna Properties Ltd.*, [2005] O.J. No. 4527, 203 O.A.C. 220 (C.A.), at para 49. See, also, *Clarkson Co. v. Credit Foncier Franco Canadien*, [1985] S.J. No. 502, 57 C.B.R. (N.S.) 283 (C.A.), at p. 284 C.B.R.

[112] Although this court has referred obliquely to this issue in several cases, we have never faced it squarely.

(c) *The policy context*

[113] The policy context is well set out by Wilton-Siegel J. in *1565397 Ontario Inc. (Re)*, [2009] O.J. No. 2596, 54 C.B.R. (5th) 262 (S.C.J.). In that case, a numbered company delivered an undertaking at closing to later transfer part of the real property to two parties. The company became insolvent, and a receiver was [page217] appointed. Although the undertakings were not registered on title until after the appointment of the receiver, the relevant parties had actual notice of them. The receiver attempted to sell the property free of the undertakings. The court refused to permit the sale. Justice Wilton-Siegel stated, at para. 60:

I know of no law that permits a court to authorize a receiver to terminate a proprietary interest in land in such manner. The effect of any such extinguishment . . . amounts to expropriation of the respondents' assets in favour of subordinate or unsecured creditors[.]

[114] He added, at para. 67: "I do not think the Court has the authority to order a sale" of the third party's proprietary interests "on the basis proposed" by the receiver. Among the reasons he gave for refusing a vesting order, at para. 68, was that the third party's interest was not subject to the receivership:

Such interests in the Property reside in the respondents whose property is not subject to the receivership. . . . [The receiver] cannot have taken possession of, or otherwise have any interest in, the respondents' interests in the Property, regardless of the terms of the Receivership Order because the Order extends only to the assets of [the debtor]. As such, the [receiver] has no authority under the Receivership Order to sell the interests of the respondents. Nor does the Court have the authority to grant such an order in the absence of the appointment of a receiver over the respondents' property and assets.

[115] See, also, *Blue Note Caribou Mines Inc. (Re)*, [2010] N.B.J. No. 252, 2010 NBQB 91, 356 N.B.R. (2d) 236, leave to appeal to N.B.C.A. refused [2010] N.B.J. No. 267 (C.A.).

(4) *The context for further submissions*

[116] There are several situations in which courts have considered vesting orders that vest out a third party's proprietary interest. I address several, and there may be others.

(a) *The "narrow circumstances" exception*

[117] Several cases have held that in some narrow circumstances, courts may issue a vesting order that extinguishes third party interests. Such circumstances appear to include situations where doing so would provide added certainty, and there is no evidence of competing proprietary interests: *BTR Global Opportunity Trading Ltd. v. RBC Dexia Investor Services Trust*, [2012] O.J. No. 1530, 2012 ONSC 1868 (S.C.J.), at paras. 5, 18, 20-21.

[118] What are the narrow circumstances in which a Superior Court judge may issue a vesting order under s. 100 of the *CJA* that vests out a third party's proprietary interest, when s. 65.13(7) of the *BIA*; s. 36(6) of the *CCAA*; ss. 66(1.1) and 84.1 of the *BIA*; or s. 11.3 of the *CCAA* do not apply? [page218]

(b) *The equities*

[119] Courts have also considered the "equities" in determining whether to issue a vesting order. Although the term, "equities", is an ambiguous word, the vesting order cases have tended to use it to describe their work in establishing priorities among interests. See, for example, *Meridian Credit Union Ltd. v. 984 Bay Street Inc.*, [2005] O.J. No. 3707 (S.C.J.), revd [2006] O.J. No. 1726 (C.A.) and [2006] O.J. No. 3169, 150 A.C.W.S. (3d) 622 (S.C.J.). See, also, *Romspen Investment Corp. v. Woods Property Development Inc.*, [2011] O.J. No. 1163, 2011 ONSC 3648, 75 C.B.R. (5th) 109 (S.C.J.), revd [2011] O.J. No. 5871, 2011 ONCA 817, 286 O.A.C. 189; and *Firm Capital Mortgage Fund Inc. v. 2012241 Ontario Ltd.*, [2012] O.J. No. 4095, 2012 ONSC 4816, 99 C.B.R. (5th) 120 (S.C.J.).

(c) *Have commercial practices expanded the court's jurisdiction?*

[120] Finally, under the rubric of "equitable considerations", s. 100 of the *CJA*, and the Superior Court's inherent jurisdiction, has the permissible reach of the vesting order grown to permit a court to vest out virtually any interests in an asset? See, for example, David Bish and Lee Cassey, "Vesting Orders Part 1: The Origin and Development" (2015), 32(4) *Nat. Insol. Rev.* 41; and "Vesting Orders Part 2: The Scope of Vesting Orders" (2015), 32(5) *Nat. Insol. Rev.* 53.

(5) *The question requiring additional argument*

[121] To summarize the discussion, the question to be addressed in additional argument before this panel is: Whether and under what circumstances and limitations (including the ones enumerated above) a Superior Court judge has jurisdiction to extinguish a third party's interest in land using a vesting order, under s. 100 of the *CJA* and s. 243 of the *BIA*, where s. 65.13(7) of the *BIA*; s. 36(6) of the *CCAA*; ss. 66(1.1) and 84.1 of the *BIA*; or s. 11.3 of the *CCAA* do not apply?

[122] I turn now to the issue of remedy.

F. *The Fourth Issue: Remedy*

[123] Regrettably, the parties did not fully address what this court should do by way of remedy if it were to allow the appeal.

[124] The appellant effectively seeks rectification of the register to reflect the GORs. I note that in *Sheard v. Peacock*, [2012] O.J. No. 4304, 2012 ONSC 4237 (S.C.J.), the motion judge treated [page219] the application to set aside the vesting order as an application for rectification.

[125] As noted earlier, even though registration of the vesting order has effected a conveyance of the mining claims, the appellant is not necessarily without a remedy. As Blair J.A. observed in *Regal Constellation*, an aggrieved party like the appellant may seek a remedy under the regime established by the *LTA*.

[126] Because this court has found that 235Co has an interest in land, it could be entitled to rectification of the register under ss. 159 and 160 of the *LTA*, which provide:

159. Subject to any estates or rights acquired by registration under this Act, where a court of competent jurisdiction has decided that a person is entitled to an estate, right or interest in or to registered land or a charge and as a consequence of the decision the court is of [the] opinion that a rectification of the register is required, the court may make an order directing the register to be rectified in such manner as is considered just.

160. Subject to any estates or rights acquired by registration under this Act, if a person is aggrieved by an entry made, or by the omission of an entry from the register, or if default is made or unnecessary delay takes place in making an entry in the register, the person aggrieved by the entry, omission, default or delay may apply to the court for an order that the register be rectified, and the court may either refuse the application with or without costs to be paid by the applicant or may, if satisfied of the justice of the case, make an order for the rectification of the register.

[127] However, providing a remedy gives rise to several difficulties. First, there is no information before the court on whether an innocent third party acquired an interest from Third Eye after the vesting order was registered, which would debar a remedy.

[128] Second, in its notice of appeal, the appellant requested this court to vary the vesting order to remove the appellant's interest from the schedule of claims to be discharged from title of the property and to add its interests to the schedule of permitted encumbrances. The respondent submitted that this is not possible because its accepted offer to purchase was "predicated on the elimination of the GORs". The respondent argued that "[i]t was not open to the Motions Judge to impose additional terms on the Transaction that were not agreed to by the parties, and 235Co cannot ask for those terms to be imposed on appeal". I do not know whether the respondent would want to press this position in an argument about the appropriate remedy.

[129] In the circumstances, it would not be prudent to exercise authority under s. 134 of the *CJA* and ss. 159 and 160 of the *LTA* to rectify title without hearing argument from the parties on whether additional evidence is necessary, how it should be received and on any other remedial issues arising from this decision. [page220]

### G. *Disposition*

[130] The next phase of the appeal, assuming the parties choose to pursue it, requires case management to coordinate written submissions on the issues raised in these reasons and to

consider the necessity of oral submissions, and I would refer the parties to the registrar to make the necessary arrangements.

*Order accordingly.*

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- 1** The motion judge was not acting under s. 65.13(7) of the *BIA*; s. 36(6) of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 ("CCAA"); ss. 66(1.1) and 84.1 of the *BIA*; or s. 11.3 of the *CCAA*.
  - 2** Online: [http:// la.ucalgary.ca/files/law/rmli-royalty-paper-feb-2003-final.pdf](http://la.ucalgary.ca/files/law/rmli-royalty-paper-feb-2003-final.pdf).
  - 3** The Court of Appeal of Alberta did not decide the factual issue but sent it to trial, an outcome affirmed by the Supreme Court. The trial judge held that the documents in *Dynex* did not grant any interest in the land: [2003] A.J. No. 349, 2003 ABQB 243, 1 C.B.R (5th) 188.

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End of Document

# APPENDIX "E"

COURT OF APPEAL FOR ONTARIO

CITATION: Third Eye Capital Corporation v. Ressources Dianor Inc./Dianor  
Resources Inc., 2019 ONCA 508  
DATE: 20190619  
DOCKET: C62925

Pepall, Lauwers and Huscroft J.J.A.

BETWEEN

Third Eye Capital Corporation

Applicant  
(Respondent)

and

Ressources Dianor Inc. /Dianor Resources Inc.

Respondent  
(Respondent)

and

2350614 Ontario Inc.

Interested Party  
(Appellant)

Peter L. Roy and Sean Grayson, for the appellant 2350614 Ontario Inc.

Shara Roy and Nilou Nezhat, for the respondent Third Eye Capital Corporation

Stuart Brotman and Dylan Chochla, for the receiver of the respondent  
Ressources Dianor Inc./Dianor Resources Inc., Richter Advisory Group Inc.

Nicholas Kluge, for the monitor of Essar Steel Algoma Inc., Ernst & Young Inc.

Steven J. Weisz, for the intervener Insolvency Institute of Canada

Heard: September 17, 2018

On appeal from the order of Justice Frank J.C. Newbould of the Superior Court of Justice dated October 5, 2016, with reasons reported at 2016 ONSC 6086, 41 C.B.R. (6th) 320.

**Pepall J.A.:**

### **Introduction**

[1] There are two issues that arise on this appeal. The first issue is simply stated: can a third party interest in land in the nature of a Gross Overriding Royalty (“GOR”) be extinguished by a vesting order granted in a receivership proceeding? The second issue is procedural. Does the appeal period in the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (“BIA”) or the *Courts of Justice Act*, R.S.O. 1990, c. C. 43 (“CJA”) govern the appeal from the order of the motion judge in this case?

[2] These reasons relate to the second stage of the appeal from the decision of the motion judge. The first stage of the appeal was the subject matter of the first reasons released by this court: see *Third Eye Capital Corporation v. Ressources Dianor Inc./ Dianor Resources Inc.*, 2018 ONCA 253, 141 O.R. (3d) 192 (“First Reasons”). As a number of questions remained unanswered, further submissions were required. These reasons resolve those questions.

## Background

[3] The facts underlying this appeal may be briefly outlined.

[4] On August 20, 2015, the court appointed Richter Advisory Group Inc. (“the Receiver”) as receiver of the assets, undertakings and properties of Dianor Resources Inc. (“Dianor”), an insolvent exploration company focused on the acquisition and exploitation of mining properties in Canada. The appointment was made pursuant to s. 243 of the BIA and s. 101 of the CJA, on the application of Dianor’s secured lender, the respondent Third Eye Capital Corporation (“Third Eye”) who was owed approximately \$5.5 million.

[5] Dianor’s main asset was a group of mining claims located in Ontario and Quebec. Its flagship project is located near Wawa, Ontario. Dianor originally entered into agreements with 3814793 Ontario Inc. (“381 Co.”) to acquire certain mining claims. 381 Co. was a company controlled by John Leadbetter, the original prospector on Dianor’s properties, and his wife, Paulette A. Mousseau-Leadbetter. The agreements provided for the payment of GORs for diamonds and other metals and minerals in favour of the appellant 2350614 Ontario Inc. (“235 Co.”), another company controlled by John Leadbetter.<sup>1</sup> The

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<sup>1</sup> The original agreement provided for the payment of the GORs to 381 Co. and Paulette A. Mousseau-Leadbetter. The motion judge noted that the record was silent on how 235 Co. came to be the holder of these royalty rights but given his conclusion, he determined that there was no need to resolve this issue: at para. 6.

mining claims were also subject to royalty rights for all minerals in favour of Essar Steel Algoma Inc. (“Algoma”). Notices of the agreements granting the GORs and the royalty rights were registered on title to both the surface rights and the mining claims. The GORs would not generate any return to the GOR holder in the absence of development of a producing mine. Investments of at least \$32 million to determine feasibility, among other things, are required before there is potential for a producing mine.

[6] Dianor also obtained the surface rights to the property under an agreement with 381 Co. and Paulette A. Mousseau-Leadbetter. Payment was in part met by a vendor take-back mortgage in favour of 381 Co., Paulette A. Mousseau-Leadbetter, and 1584903 Ontario Ltd., another Leadbetter company. Subsequently, though not evident from the record that it was the mortgagee, 1778778 Ontario Inc. (“177 Co.”), another Leadbetter company, demanded payment under the mortgage and commenced power of sale proceedings. The notice of sale referred to the vendor take-back mortgage in favour of 381 Co., Paulette A. Mousseau-Leadbetter, and 1584903 Ontario Ltd. A transfer of the surface rights was then registered from 177 Co. to 235 Co. In the end result, in

addition to the GORs, 235 Co. purports to also own the surface rights associated with the mining claims of Dianor.<sup>2</sup>

[7] Dianor ceased operations in December 2012. The Receiver reported that Dianor's mining claims were not likely to generate any realization under a liquidation of the company's assets.

[8] On October 7, 2015, the motion judge sitting on the Commercial List, and who was supervising the receivership, made an order approving a sales process for the sale of Dianor's mining claims. The process generated two bids, both of which contained a condition that the GORs be terminated or impaired. One of the bidders was Third Eye. On December 11, 2015, the Receiver accepted Third Eye's bid conditional on obtaining court approval.

[9] The purchase price consisted of a \$2 million credit bid, the assumption of certain liabilities, and \$400,000 payable in cash, \$250,000 of which was to be distributed to 235 Co. for its GORs and the remaining \$150,000 to Algoma for its royalty rights. The agreement was conditional on extinguishment of the GORs and the royalty rights. It also provided that the closing was to occur within two days after the order approving the agreement and transaction and no later than August 31, 2016, provided the order was then not the subject of an appeal. The agreement also made time of the essence. Thus, the agreement

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<sup>2</sup> The ownership of the surface rights is not in issue in this appeal.

contemplated a closing prior to the expiry of any appeal period, be it 10 days under the BIA or 30 days under the CJA. Of course, assuming leave to appeal was not required, a stay of proceedings could be obtained by simply serving a notice of appeal under the BIA (pursuant to s. 195 of the BIA) or by applying for a stay under r. 63.02 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194.

[10] On August 9, 2016, the Receiver applied to the court for approval of the sale to Third Eye and, at the same time, sought a vesting order that purported to extinguish the GORs and Algoma's royalty rights as required by the agreement of purchase and sale. The agreement of purchase and sale, which included the proposed terms of the sale, and the draft sale approval and vesting order were included in the Receiver's motion record and served on all interested parties including 235 Co.

[11] The motion judge heard the motion on September 27, 2016. 235 Co. did not oppose the sale but asked that the property that was to be vested in Third Eye be subject to its GORs. All other interested parties including Algoma supported the proposed sale approval and vesting order.

[12] On October 5, 2016, the motion judge released his reasons. He held that the GORs did not amount to interests in land and that he had jurisdiction under the BIA and the CJA to order the property sold and on what terms: at para. 37. In any event, he saw "no reason in logic ... why the jurisdiction would not be the

same whether the royalty rights were or were not an interest in land”: at para. 40. He granted the sale approval and vesting order vesting the property in Third Eye and ordering that on payment of \$250,000 and \$150,000 to 235 Co. and Algoma respectively, their interests were extinguished. The figure of \$250,000 was based on an expert valuation report and 235 Co.’s acknowledgement that this represented fair market value.<sup>3</sup>

[13] Although it had in its possession the terms of the agreement of purchase and sale including the closing provision, upon receipt of the motion judge’s decision on October 5, 2016, 235 Co. did nothing. It did not file a notice of appeal which under s. 195 of the BIA would have entitled it to an automatic stay. Nor did it advise the other parties that it was planning to appeal the decision or bring a motion for a stay of the sale approval and vesting order in the event that it was not relying on the BIA appeal provisions.

[14] For its part, the Receiver immediately circulated a draft sale approval and vesting order for approval as to form and content to interested parties. A revised draft was circulated on October 19, 2016. The drafts contained only minor variations from the draft order included in the motion materials. In the

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<sup>3</sup> Although in its materials filed on this appeal, 235 Co. stated that the motion judge erred in making this finding, in oral submissions before this court, Third Eye’s counsel confirmed that this was the position taken by 235 Co.’s counsel before the motion judge, and 235 Co.’s appellate counsel, who was not counsel below, stated that this must have been the submission made by counsel for 235 Co. before the motion judge.

absence of any response from 235 Co., the Receiver was required to seek an appointment to settle the order. However, on October 26, 2016, 235 Co. approved the order as to form and content, having made no changes. The sale approval and vesting order was issued and entered on that same day and then circulated.

[15] On October 26, 2016, for the first time, 235 Co. advised counsel for the Receiver that “an appeal is under consideration” and asked the Receiver for a deferral of the cancellation of the registered interests. In two email exchanges, counsel for the Receiver responded that the transaction was scheduled to close that afternoon and 235 Co.’s counsel had already had ample time to get instructions regarding any appeal. Moreover, the Receiver stated that the appeal period “is what it is” but that the approval order was not stayed during the appeal period. Counsel for 235 Co. did not respond and took no further steps. The Receiver, on the demand of the purchaser Third Eye, closed the transaction later that same day in accordance with the terms of the agreement of purchase and sale. The mining claims of Dianor were assigned by Third Eye to 2540575 Ontario Inc. There is nothing in the record that discloses the relationship between Third Eye and the assignee. The Receiver was placed in funds by Third Eye, the sale approval and vesting order was registered on title and the GORs and the royalty interests were expunged from title. That same

day, the Receiver advised 235 Co. and Algoma that the transaction had closed and requested directions regarding the \$250,000 and \$150,000 payments.

[16] On November 3, 2016, 235 Co. served and filed a notice of appeal of the sale approval and vesting order. It did not seek any extension of time to appeal. 235 Co. filed its notice of appeal 29 days after the motion judge's October 5, 2016 decision and 8 days after the order was signed, issued and entered.

[17] Algoma's Monitor in its *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 ("CCAA") proceedings received and disbursed the funds allocated to Algoma. The \$250,000 allocated to 235 Co. are held in escrow by its law firm pending the resolution of this appeal.

### **Proceedings Before This Court**

[18] On appeal, this court disagreed with the motion judge's determination that the GORs did not amount to interests in land: see First Reasons, at para. 9. However, due to an inadequate record, a number of questions remained to be answered and further submissions and argument were requested on the following issues:

- (1) Whether and under what circumstances and limitations a Superior Court judge has jurisdiction to extinguish a third party's interest in land, using a vesting order, under s. 100 of the CJA and s. 243 of the BIA, where s. 65.13(7) of the BIA; s. 36(6) of the CCAA; ss. 66(1.1) and 84.1 of the BIA; or s. 11.3 of the CCAA do not apply;

- (2) If such jurisdiction does not exist, should this court order that the Land Title register be rectified to reflect 235 Co.'s ownership of the GORs or should some other remedy be granted; and
- (3) What was the applicable time within which 235 Co. was required to appeal and/or seek a stay and did 235 Co.'s communication that it was considering an appeal affect the rights of the parties.

[19] The Insolvency Institute of Canada was granted intervener status. It describes itself as a non-profit, non-partisan and non-political organization comprised of Canada's leading insolvency and restructuring professionals.

#### **A. Jurisdiction to Extinguish an Interest in Land Using a Vesting Order**

##### **(1) Positions of Parties**

[20] The appellant 235 Co. initially took the position that no authority exists under s. 100 of the CJA, s. 243 of BIA, or the court's inherent jurisdiction to extinguish a real property interest that does not belong to the company in receivership. However, in oral argument, counsel conceded that the court did have jurisdiction under s. 100 of the CJA but the motion judge exercised that jurisdiction incorrectly. 235 Co. adopted the approach used by Wilton-Siegel J. in *Romspen Investment Corporation v. Woods Property Development Inc.*, 2011 ONSC 3648, 75 C.B.R. (5th) 109, at para. 190, rev'd on other grounds, 2011 ONCA 817, 286 O.A.C. 189. It took the position that if the real property interest is worthless, contingent, or incomplete, the court has jurisdiction to extinguish

the interest. However here, 235 Co. held complete and non-contingent title to the GORs and its interest had value.

[21] In response, the respondent Third Eye states that a broad purposive interpretation of s. 243 of the BIA and s. 100 of the CJA allows for extinguishment of the GORs. Third Eye also relies on the court's inherent jurisdiction in support of its position. It submits that without a broad and purposive approach, the statutory insolvency provisions are unworkable. In addition, the *Conveyancing and Law of Property Act*, R.S.O. 1990, c. C. 34 ("CLPA") provides a mechanism for rights associated with an encumbrance to be channelled to a payment made into court. Lastly, Third Eye submits that if the court accedes to the position of 235 Co., Dianor's asset and 235 Co.'s GORs will waste. In support of this argument, Third Eye notes there were only two bids for Dianor's mining claims, both of which required the GORs to be significantly reduced or eliminated entirely. For its part, Third Eye states that "there is no deal with the GORs on title" as its bid was contingent on the GORs being vested off.

[22] The respondent Receiver supports the position taken by Third Eye that the motion judge had jurisdiction to grant the order vesting off the GORs and that he appropriately exercised that jurisdiction in granting the order under s. 243 of the BIA and, in the alternative, the court's inherent jurisdiction.

[23] The respondent Algoma supports the position advanced by Third Eye and the Receiver. Both it and 235 Co. have been paid and the Monitor has disbursed the funds paid to Algoma. The transaction cannot now be unwound.

[24] The intervener, the Insolvency Institute of Canada, submits that a principled approach to vesting out property in insolvency proceedings is critical for a properly functioning restructuring regime. It submits that the court has inherent and equitable jurisdiction to extinguish third party proprietary interests, including interests in land, by utilizing a vesting order as a gap-filling measure where the applicable statutory instrument is silent or may not have dealt with the matter exhaustively. The discretion is a narrow but necessary power to prevent undesirable outcomes and to provide added certainty in insolvency proceedings.

## **(2) Analysis**

### **(a) Significance of Vesting Orders**

[25] To appreciate the significance of vesting orders, it is useful to describe their effect. A vesting order “effects the transfer of purchased assets to a purchaser on a *free and clear* basis, while preserving the relative priority of competing claims against the debtor vendor with respect to the proceeds generated by the sale transaction” (emphasis in original): David Bish & Lee Cassey, “Vesting Orders Part 1: The Origins and Development” (2015) 32:4

Nat'l. Insolv. Rev. 41, at p. 42 (“Vesting Orders Part 1”). The order acts as a conveyance of title and also serves to extinguish encumbrances on title.

[26] A review of relevant literature on the subject reflects the pervasiveness of vesting orders in the insolvency arena. Luc Morin and Nicholas Mancini describe the common use of vesting orders in insolvency practice in “Nothing Personal: the *Bloom Lake* Decision and the Growing Outreach of Vesting Orders Against *in personam* Rights” in Janis P. Sarra, ed., *Annual Review of Insolvency Law 2017* (Toronto: Thomson Reuters, 2018) 905, at p. 938:

Vesting orders are now commonly being used to transfer entire businesses. Savvy insolvency practitioners have identified this path as being less troublesome and more efficient than having to go through a formal plan of arrangement or *BIA* proposal.

[27] The significance of vesting orders in modern insolvency practice is also discussed by Bish and Cassey in “Vesting Orders Part 1”, at pp. 41-42:

Over the past decade, a paradigm shift has occurred in Canadian corporate insolvency practice: there has been a fundamental transition in large cases from a dominant model in which a company restructures its business, operations, and liabilities through a plan of arrangement approved by each creditor class, to one in which a company instead conducts a sale of all or substantially all of its assets on a going concern basis outside of a plan of arrangement ...

Unquestionably, this profound transformation would not have been possible without the *vesting order*. It is the cornerstone of the modern “restructuring” age of corporate asset sales and secured creditor realizations ... The vesting order is the holy grail sought by every

purchaser; it is the carrot dangled by debtors, court officers, and secured creditors alike in pursuing and negotiating sale transactions. If Canadian courts elected to stop granting vesting orders, the effect on the insolvency practice would be immediate and extraordinary. Simply put, the system could not function in its present state without vesting orders. [Emphasis in original.]

[28] The authors emphasize that a considerable portion of Canadian insolvency practice rests firmly on the granting of vesting orders: see David Bish & Lee Cassey, “Vesting Orders Part 2: The Scope of Vesting Orders” (2015) 32:5 Nat’l Insolv. Rev. 53, at p. 56 (“Vesting Orders Part 2”). They write that the statement describing the unique nature of vesting orders reproduced from Houlden, Morawetz and Sarra (and cited at para. 109 of the reasons in stage one of this appeal)<sup>4</sup> which relied on 1985 and 2003 decisions from Saskatchewan is remarkable and bears little semblance to the current practice. The authors do not challenge or criticize the use of vesting orders. They make an observation with which I agree, at p. 65, that: “a more transparent and conscientious

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<sup>4</sup> To repeat, the statement quoted from Lloyd W. Houlden, Geoffrey B. Morawetz & Janis P. Sarra, *Bankruptcy and Insolvency Law of Canada*, 4th ed., loose-leaf (Toronto: Carswell, 2009), at Part XI, L§21, said:

A vesting order should only be granted if the facts are not in dispute and there is no other available or reasonably convenient remedy; or in exceptional circumstances where compliance with the regular and recognized procedure for sale of real estate would result in an injustice. In a receivership, the sale of the real estate should first be approved by the court. The application for approval should be served upon the registered owner and all interested parties. If the sale is approved, the receiver may subsequently apply for a vesting order, but a vesting order should not be made until the rights of all interested parties have either been relinquished or been extinguished by due process. [Citations omitted.]

application of the formative equitable principles and considerations relating to vesting orders will assist in establishing a proper balancing of interests and a framework understood by all participants.”

**(b) Potential Roots of Jurisdiction**

[29] In analysing the issue of whether there is jurisdiction to extinguish 235 Co.’s GORs, I will first address the possible roots of jurisdiction to grant vesting orders and then I will examine how the legal framework applies to the factual scenario engaged by this appeal.

[30] As mentioned, in oral submissions, the appellant conceded that the motion judge had jurisdiction; his error was in exercising that jurisdiction by extinguishing a property interest that belonged to 235 Co. Of course, a party cannot confer jurisdiction on a court on consent or otherwise, and I do not draw on that concession. However, as the submissions of the parties suggest, there are various potential sources of jurisdiction to vest out the GORs: s. 100 of the CJA, s. 243 of the BIA, s. 21 of the CLPA, and the court’s inherent jurisdiction. I will address the first three potential roots for jurisdiction. As I will explain, it is unnecessary to resort to reliance on inherent jurisdiction.

**(c) The Hierarchical Approach to Jurisdiction in the Insolvency**

**Context**

[31] Before turning to an analysis of the potential roots of jurisdiction, it is important to consider the principles which guide a court's determination of questions of jurisdiction in the insolvency context. In *Century Services Inc. v. Canada (Attorney General)*, 2010 SCC 60, [2010] 3 S.C.R. 379, at para. 65, Deschamps J. adopted the hierarchical approach to addressing the court's jurisdiction in insolvency matters that was espoused by Justice Georgina R. Jackson and Professor Janis Sarra in their article "Selecting the Judicial Tool to Get the Job Done: An Examination of Statutory Interpretation, Discretionary Power and Inherent Jurisdiction in Insolvency Matters" in Janis P. Sarra, ed., *Annual Review of Insolvency Law 2007* (Toronto: Thomson Carswell, 2008) 41. The authors suggest that in addressing under-inclusive or skeletal legislation, first one "should engage in statutory interpretation to determine the limits of authority, adopting a broad, liberal and purposive interpretation that may reveal that authority": at p. 42. Only then should one turn to inherent jurisdiction to fill a possible gap. "By determining first whether the legislation can bear a broad and liberal interpretation, judges may avoid the difficulties associated with the exercise of inherent jurisdiction": at p. 44. The authors conclude at p. 94:

On the authors' reading of the commercial jurisprudence, the problem most often for the court to resolve is that the legislation in question is under-

inclusive. It is not ambiguous. It simply does not address the application that is before the court, or in some cases, grants the court the authority to make any order it thinks fit. While there can be no magic formula to address this recurring situation, and indeed no one answer, it appears to the authors that practitioners have available a number of tools to accomplish the same end. In determining the right tool, it may be best to consider the judicial task as if in a hierarchy of judicial tools that may be deployed. The first is examination of the statute, commencing with consideration of the precise wording, the legislative history, the object and purposes of the Act, perhaps a consideration of Driedger's principle of reading the words of the Act in their entire context, in their grammatical and ordinary sense harmoniously with the scheme of the Act, the object of the Act, and the intention of Parliament, and a consideration of the gap-filling power, where applicable. It may very well be that this exercise will reveal that a broad interpretation of the legislation confers the authority on the court to grant the application before it. Only after exhausting this statutory interpretative function should the court consider whether it is appropriate to assert an inherent jurisdiction. Hence, inherent jurisdiction continues to be a valuable tool, but not one that is necessary to utilize in most circumstances.

[32] Elmer A. Driedger's now famous formulation is that the words of an Act are to be read in their entire context, in their grammatical and ordinary sense harmoniously with the scheme of the Act, the object of the Act, and the intention of Parliament: *The Construction of Statutes* (Toronto: Butterworth's, 1974), at p. 67. See also *Rizzo & Rizzo Shoes Ltd. (Re)*, [1998] 1 S.C.R. 27, at para. 21; *Montréal (City) v. 2952-1366 Québec Inc.*, 2005 SCC 62, [2005] 3 S.C.R. 141,

at para. 9. This approach recognizes that “statutory interpretation cannot be founded on the wording of the legislation alone”: *Rizzo*, at para. 21.

**(d) Section 100 of the CJA**

[33] This brings me to the CJA. In Ontario, the power to grant a vesting order is conferred by s. 100 of the CJA which states that:

A court may by order vest in any person an interest in real or personal property that the court has authority to order be disposed of, encumbered or conveyed.

[34] The roots of s. 100 and vesting orders more generally, can be traced to the courts of equity. Vesting orders originated as a means to enforce an order of the Court of Chancery which was a court of equity. In 1857, *An Act for further increasing the efficiency and simplifying the proceedings of the Court of Chancery*, c. 1857, c. 56, s. VIII was enacted. It provided that where the court had power to order the execution of a deed or conveyance of a property, it now also had the power to make a vesting order for such property.<sup>5</sup> In other words, it is a power to vest property from one party to another in order to implement the order of the court. As explained by this court in *Chippewas of Sarnia Band v. Canada (Attorney General)* (2000), 51 O.R. (3d) 641 (C.A.), at para. 281, leave

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<sup>5</sup> Such orders were subsequently described as vesting orders in *An Act respecting the Court of Chancery*, C.S.U.C. 1859, c. 12, s. 63. The authority to grant vesting orders was inserted into the *The Judicature Act*, R.S.O. 1897, c. 51, s. 36 in 1897 when the Courts of Chancery were abolished. Section 100 of the CJA appeared in 1984 with the demise of *The Judicature Act*: see *An Act to revise and consolidate the Law respecting the Organization, Operation and Proceedings of Courts of Justice in Ontario*, S.O. 1984, c. 11, s. 113.

to appeal refused, [2001] S.C.C.A. No. 63, the court's statutory power to make a vesting order supplemented its contempt power by allowing the court to effect a change of title in circumstances where the parties had been directed to deal with property in a certain manner but had failed to do so. Vesting orders are equitable in origin and discretionary in nature: *Chippewas*, at para. 281.

[35] Blair J.A. elaborated on the nature of vesting orders in *Re Regal Constellation Hotel Ltd.* (2004), 71 O.R. (3d) 355 (C.A.), at para. 33:

A vesting order, then, had a dual character. It is on the one hand a court order ("allowing the court to effect the change of title directly"), and on the other hand a conveyance of title (vesting "an interest in real or personal property" in the party entitled thereto under the order).

[36] Frequently vesting orders would arise in the context of real property, family law and wills and estates. *Trick v. Trick* (2006), 81 O.R. (3d) 241 (C.A.), leave to appeal refused, [2006] S.C.C.A. No. 388, involved a family law dispute over the enforcement of support orders made under the *Divorce Act*, R.S.C. 1985, c. 3 (2nd Supp.). The motion judge in *Trick* had vested 100 per cent of the appellant's private pension in the respondent in order to enforce a support order. In granting the vesting order, the motion judge relied in part on s. 100 of the CJA. On appeal, the appellant argued that the vesting order contravened s. 66(4) of the *Pension Benefits Act*, R.S.O. 1990, c. P. 8 which permitted execution against a pension benefit to enforce a support order only up to a

maximum of 50 per cent of the benefit. This court allowed the appeal and held that a vesting order under s. 100 of the CJA could not be granted where to do so would contravene a specific provision of the *Pension Benefits Act*: at para. 16. Lang J.A. stated at para. 16 that even if a vesting order was available in equity, that relief should be refused where it would conflict with the specific provisions of the *Pension Benefits Act*. In *obiter*, she observed that s. 100 of the CJA “does not provide a free standing right to property simply because the court considers that result equitable”: at para. 19.

[37] The motion judge in the case under appeal rejected the applicability of *Trick* stating, at para. 37:

That case [*Trick*] i[s] not the same as this case. In that case, there was no right to order the CPP and OAS benefits to be paid to the wife. In this case, the BIA and the *Courts of Justice Act* give the Court that jurisdiction to order the property to be sold and on what terms. Under the receivership in this case, Third Eye is entitled to be the purchaser of the assets pursuant to the bid process authorized by the Court.

[38] It is unclear whether the motion judge was concluding that either statute provided jurisdiction or that together they did so.

[39] Based on the *obiter* in *Trick*, absent an independent basis for jurisdiction, the CJA could not be the sole basis on which to grant a vesting order. There had to be some other root for jurisdiction in addition to or in place of the CJA.

[40] In their article “Vesting Orders Part 1”, Bish and Cassey write at p. 49:

Section 100 of the CJA is silent as to any transfer being on a *free and clear* basis. There appears to be very little written on this subject, but, presumably, the power would flow from the court being a court of equity and from the very practical notion that it, pursuant to its equitable powers, can issue a vesting order transferring assets and should, correspondingly, have the power to set the terms of such transfer so long as such terms accord with the principles of equity. [Emphasis in original.]

[41] This would suggest that provided there is a basis on which to grant an order vesting property in a purchaser, there is a power to vest out interests on a free and clear basis so long as the terms of the order are appropriate and accord with the principles of equity.

[42] This leads me to consider whether jurisdiction exists under s. 243 of the BIA both to sell assets and to set the terms of the sale including the granting of a vesting order.

**(e) Section 243 of the BIA**

[43] The BIA is remedial legislation and should be given a liberal interpretation to facilitate its objectives: *Ford Motor Company of Canada, Limited v. Welcome Ford Sales Ltd.*, 2011 ABCA 158, 505 A.R. 146, at para. 43; *Nautical Data International Inc., Re*, 2005 NLTD 104, 249 Nfld. & P.E.I.R. 247, at para. 9; *Re Bell*, 2013 ONSC 2682, at para. 125; and *Scenna v. Gurizzan* (1999), 11 C.B.R. (4th) 293 (Ont. S.C.), at para. 4. Within this context, and in order to understand

the scope of s. 243, it is helpful to review the wording, purpose, and history of the provision.

#### The Wording and Purpose of s. 243

[44] Section 243 was enacted in 2005 and came into force in 2009. It authorizes the court to appoint a receiver where it is “just or convenient” to do so. As explained by the Supreme Court in *Saskatchewan (Attorney General) v. Lemare Lake Logging Ltd.*, 2015 SCC 53, [2015] 3 S.C.R. 419, prior to 2009, receivership proceedings involving assets in more than one province were complicated by the simultaneous proceedings that were required in different jurisdictions. There had been no legislative provision authorizing the appointment of a receiver with authority to act nationally. Rather, receivers were appointed under provincial statutes, such as the CJA, which resulted in a requirement to obtain separate appointments in each province or territory where the debtor had assets. “Because of the inefficiency resulting from this multiplicity of proceedings, the federal government amended its bankruptcy legislation to permit their consolidation through the appointment of a national receiver”: *Lemare Lake Logging*, at para. 1. Section 243 was the outcome.

[45] Under s. 243, the court may appoint a receiver to, amongst other things, take any other action that the court considers advisable. Specifically, s. 243(1) states:

243(1). Subject to subsection (1.1), on application by a secured creditor, a court may appoint a receiver to do any or all of the following if it considers it to be just or convenient to do so:

(a) take possession of all or substantially all of the inventory, accounts receivable or other property of an insolvent person or bankrupt that was acquired for or used in relation to a business carried on by the insolvent person or bankrupt;

(b) exercise any control that the court considers advisable over that property and over the insolvent person's or bankrupt's business; or,

(c) take any other action that the court considers advisable.

[46] "Receiver" is defined very broadly in s. 243(2), the relevant portion of which states:

243(2) [I]n this Part, **receiver** means a person who

(a) is appointed under subsection (1); or

(b) is appointed to take or takes possession or control – of all or substantially all of the inventory, accounts receivable or other property of an insolvent person or bankrupt that was acquired for or used in relation to a business carried on by the insolvent person or bankrupt – under

(i) an agreement under which property becomes subject to a security (in this Part referred to as a "security agreement"), or

(ii) a court order made under another Act of Parliament, or an Act of a legislature of a province, that provides for or authorizes the appointment of a receiver or a receiver – manager. [Emphasis in original.]

[47] *Lemare Lake Logging* involved a constitutional challenge to Saskatchewan's farm security legislation. The Supreme Court concluded, at para. 68, that s. 243 had a simple and narrow purpose: the establishment of a

regime allowing for the appointment of a national receiver and the avoidance of a multiplicity of proceedings and resulting inefficiencies. It was not meant to circumvent requirements of provincial laws such as the 150 day notice of intention to enforce requirement found in the Saskatchewan legislation in issue.

### The History of s. 243

[48] The origins of s. 243 can be traced back to s. 47 of the BIA which was enacted in 1992. Before 1992, typically in Ontario, receivers were appointed privately or under s. 101 of the CJA and s. 243 was not in existence.

[49] In 1992, s. 47(1) of the BIA provided for the appointment of an interim receiver when the court was satisfied that a secured creditor had or was about to send a notice of intention to enforce security pursuant to s. 244(1). Section 47(2) provided that the court appointing the interim receiver could direct the interim receiver to do any or all of the following:

47(2) The court may direct an interim receiver appointed under subsection (1) to do any or all of the following:

- (a) take possession of all or part of the debtor's property mentioned in the appointment;
- (b) exercise such control over that property, and over the debtor's business, as the court considers advisable; and
- (c) take such other action as the court considers advisable.

[50] The language of this subsection is similar to that now found in s. 243(1).

[51] Following the enactment of s. 47(2), the courts granted interim receivers broad powers, and it became common to authorize an interim receiver to both operate and manage the debtor's business, and market and sell the debtor's property: Frank Bennett, *Bennett on Bankruptcy*, 21st ed. (Toronto: LexisNexis, 2019), at p. 205; Roderick J. Wood, *Bankruptcy and Insolvency Law*, 2nd ed. (Toronto: Irwin Law, 2015), at pp. 505-506.

[52] Such powers were endorsed by judicial interpretation of s. 47(2). Notably, in *Canada (Minister of Indian Affairs and Northern Development) v. Curragh, Inc.* (1994), 114 D.L.R. (4th) 176 (Ont. Ct. (Gen. Div.)), Farley J. considered whether the language in s. 47(2)(c) that provided that the court could "direct an interim receiver ... to ... take such other action as the court considers advisable", permitted the court to call for claims against a mining asset in the Yukon and bar claims not filed by a specific date. He determined that it did. He wrote, at p. 185:

It would appear to me that Parliament did not take away any inherent jurisdiction from the Court but in fact provided, with these general words, that the Court could enlist the services of an interim receiver to do not only what "justice dictates" but also what "practicality demands." It should be recognized that where one is dealing with an insolvency situation one is not dealing with matters which are neatly organized and operating under predictable discipline. Rather the condition of

insolvency usually carries its own internal seeds of chaos, unpredictability and instability.

See also *Re Loewen Group Inc.* (2001), 22 B.L.R. (3d) 134 (Ont. S.C.)<sup>6</sup>.

[53] Although Farley J. spoke of inherent jurisdiction, given that his focus was on providing meaning to the broad language of the provision in the context of Parliament's objective to regulate insolvency matters, this might be more appropriately characterized as statutory jurisdiction under Jackson and Sarra's hierarchy. Farley J. concluded that the broad language employed by Parliament in s. 47(2)(c) provided the court with the ability to direct an interim receiver to do not only what "justice dictates" but also what "practicality demands".

[54] In the intervening period between the 1992 amendments which introduced s. 47, and the 2009 amendments which introduced s. 243, the BIA receivership regime was considered by the Standing Senate Committee on Banking, Trade and Commerce ("Senate Committee"). One of the problems identified by the Senate Committee, and summarized in *Lemare Lake Logging*, at para. 56, was that "in many jurisdictions, courts had extended the power of interim receivers to such an extent that they closely resembled those of court-appointed receivers." This was a deviation from the original intention that interim receivers serve as "temporary watchdogs" meant to "protect and preserve" the debtor's estate and

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<sup>6</sup> This case was decided before s. 36 of the *Companies' Creditors Arrangements Act*, R.S.C. 1985, c. C-36 ("CCAA") was enacted but the same principles are applicable.

the interests of the secured creditor during the 10 day period during which the secured creditor was prevented from enforcing its security: *Re Big Sky Living Inc.*, 2002 ABQB 659, 318 A.R. 165, at paras. 7-8; Standing Senate Committee on Banking, Trade and Commerce, *Debtors and Creditors Sharing the Burden: A Review of the Bankruptcy and Insolvency Act and the Companies' Creditors Arrangement Act* (Ottawa: Senate of Canada, 2003), at pp. 144-145 ("Senate Committee Report").<sup>7</sup>

[55] Parliament amended s. 47(2) through the *Insolvency Reform Act 2005* and the *Insolvency Reform Act 2007* which came into force on September 18, 2009.<sup>8</sup> The amendment both modified the scope and powers of interim receivers, and introduced a receivership regime that was national in scope under s. 243.

[56] Parliament limited the powers conferred on interim receivers by removing the jurisdiction under s. 47(2)(c) authorizing an interim receiver to "take such other action as the court considers advisable". At the same time, Parliament

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<sup>7</sup> This 10 day notice period was introduced following the Supreme Court's decision in *R.E. Lister Ltd. v. Dunlop Canada Ltd.*, [1982] 1 S.C.R. 726 (S.C.C.) which required a secured creditor to give reasonable notice prior to the enforcement of its security.

<sup>8</sup> *An Act to establish the Wage Earner Protection Program Act, to amend the Bankruptcy and Insolvency Act and the Companies' Creditors Arrangement Act and to make consequential amendments to other Acts*, S.C. 2005, c. 47 ("*Insolvency Reform Act 2005*"); *An Act to amend the Bankruptcy and Insolvency Act, the Companies' Creditors Arrangement Act, the Wage Earner Protection Program Act and chapter 47 of the Statutes of Canada, 2005*, S.C. 2007, c. 36 ("*Insolvency Reform Act 2007*").

introduced s. 243. Notably Parliament adopted substantially the same broad language removed from the old s. 47(2)(c) and placed it into s. 243. To repeat,

243(1). On application by a secured creditor, a court may appoint a receiver to do any or all of the following if it considers it to be just or convenient to do so:

(a) take possession of all or substantially all of the inventory, accounts receivable or other property of an insolvent person or bankrupt that was acquired for or used in relation to a business carried on by the insolvent person or bankrupt;

(b) exercise any control that the court considers advisable over that property and over the insolvent person's or bankrupt's business; or,

(c) take any other action that the court considers advisable. [Emphasis added.]

[57] When Parliament enacted s. 243, it was evident that courts had interpreted the wording “take such other action that the court considers advisable” in s. 47(2)(c) as permitting the court to do what “justice dictates” and “practicality demands”. As the Supreme Court observed in *ATCO Gas & Pipelines Ltd. v. Alberta (Energy & Utilities Board)*, 2006 SCC 4, [2006] 1 S.C.R. 140: “It is a well-established principle that the legislature is presumed to have a mastery of existing law, both common law and statute law”. Thus, Parliament’s deliberate choice to import the wording from s. 47(2)(c) into s. 243(1)(c) must be considered in interpreting the scope of jurisdiction under s. 243(1) of the BIA.

[58] Professor Wood in his text, at p. 510, suggests that in importing this language, Parliament's intention was that the wide-ranging orders formerly made in relation to interim receivers would be available to s. 243 receivers:

The court may give the receiver the power to take possession of the debtor's property, exercise control over the debtor's business, and take any other action that the court thinks advisable. This gives the court the ability to make the same wide-ranging orders that it formerly made in respect of interim receivers, including the power to sell the debtor's property out of the ordinary course of business by way of a going-concern sale or a break-up sale of the assets. [Emphasis added.]

[59] However, the language in s. 243(1) should also be compared with the language used by Parliament in s. 65.13(7) of the BIA and s. 36 of the CCAA. Both of these provisions were enacted as part of the same 2009 amendments that established s. 243.

[60] In s. 65.13(7), the BIA contemplates the sale of assets during a proposal proceeding. This provision expressly provides authority to the court to: (i) authorize a sale or disposition (ii) free and clear of any security, charge or other restriction, and (iii) if it does, order the proceeds of the sale or disposition be subject to a security, charge or other restriction in favour of the creditor whose security, charge or other restriction is to be affected by the order.

[61] The language of s. 36(6) of the CCAA which deals with the sale or disposition of assets of a company under the protection of the CCAA is identical to that of s. 65.13(7) of the BIA.

[62] Section 243 of the BIA does not contain such express language. Rather, as mentioned, s. 243(1)(c) simply uses the language “take any other action that the court considers advisable”.

[63] This squarely presents the problem identified by Jackson and Sarra: the provision is not ambiguous. It simply does not address the issue of whether the court can issue a vesting order under s. 243 of the BIA. Rather, s. 243 uses broad language that grants the court the authority to authorize any action it considers advisable. The question then becomes whether this broad wording, when interpreted in light of the legislative history and statutory purpose, confers jurisdiction to grant sale and vesting orders in the insolvency context. In answering this question, it is important to consider whether the omission from s. 243 of the language found in 65.13(7) of the BIA and s. 36(6) of the CCAA impacts the interpretation of s. 243. To assist in this analysis, recourse may be had to principles of statutory interpretation.

[64] In some circumstances, an intention to exclude certain powers in a legislative provision may be implied from the express inclusion of those powers in another provision. The doctrine of implied exclusion (*expressio unius est*

*exclusio alterius*) is discussed by Ruth Sullivan in her leading text *Statutory Interpretation*, 3rd ed. (Toronto: Irwin Law, 2016), at p. 154:

An intention to exclude may legitimately be implied whenever a thing is not mentioned in a context where, if it were meant to be included, one would have expected it to be expressly mentioned. Given an expectation of express mention, the silence of the legislature becomes meaningful. An expectation of express reference legitimately arises whenever a pattern or practice of express reference is discernible. Since such patterns and practices are common in legislation, reliance on implied exclusion reasoning is also common.

[65] However, Sullivan notes that the doctrine of implied exclusion “[l]ike the other presumptions relied on in textual analysis ... is merely a presumption and can be rebutted.” The Supreme Court has acknowledged that when considering the doctrine of implied exclusion, the provisions must be read in light of their context, legislative histories and objects: see *Marche v. Halifax Insurance Co.*, 2005 SCC 6, [2005] 1 S.C.R. 47, at para. 19, *per* McLachlin C.J.; *Copthorne Holdings Ltd. v. R.*, 2011 SCC 63, [2011] 3 S.C.R. 721, at paras. 110-111.

[66] The Supreme Court noted in *Turgeon v. Dominion Bank*, [1930] S.C.R. 67, at pp. 70-71, that the maxim *expressio unius est exclusio alterius* “no doubt ... has its uses when it aids to discover intention; but, as has been said, while it is often a valuable servant, it is a dangerous master to follow. Much depends upon the context.” In this vein, Rothstein J. stated in *Copthorne*, at paras. 110-111:

I do not rule out the possibility that in some cases the underlying rationale of a provision would be no broader

than the text itself. Provisions that may be so construed, having regard to their context and purpose, may support the argument that the text is conclusive because the text is consistent with and fully explains its underlying rationale.

However, the implied exclusion argument is misplaced where it relies exclusively on the text of the ... provisions without regard to their underlying rationale.

[67] Thus, in determining whether the doctrine of implied exclusion may assist, a consideration of the context and purpose of s. 65.13 of the BIA and s. 36 of the CCAA is relevant. Section 65.13 of the BIA and s. 36 of the CCAA do not relate to receiverships but to restructurings and reorganizations.

[68] In its review of the two statutes, the Senate Committee concluded that, in certain circumstances involving restructuring proceedings, stakeholders could benefit from an insolvent company selling all or part of its assets, but felt that, in approving such sales, courts should be provided with legislative guidance “regarding minimum requirements to be met during the sale process”: Senate Committee Report, pp. 146-148.

[69] Commentators have noted that the purpose of the amendments was to provide “the debtor with greater flexibility in dealing with its property while limiting the possibility of abuse”: Lloyd W. Houlden, Geoffrey B. Morawetz & Janis P. Sarra, *The 2018-2019 Annotated Bankruptcy and Insolvency Act* (Toronto: Thomson Reuters, 2018), at p. 294.

[70] These amendments and their purpose must be read in the context of insolvency practice at the time they were enacted. The nature of restructurings under the CCAA has evolved considerably over time. Now liquidating CCAAs, as they are described, which involve sales rather than a restructuring, are commonplace. The need for greater codification and guidance on the sale of assets outside of the ordinary course of business in restructuring proceedings is highlighted by Professor Wood's discussion of the objective of restructuring law. He notes that while at one time, the objective was relatively uncontested, it has become more complicated as restructurings are increasingly employed as a mechanism for selling the business as a going concern: Wood, at p. 337.

[71] In contrast, as I will discuss further, typically the nub of a receiver's responsibility is the liquidation of the assets of the insolvent debtor. There is much less debate about the objectives of a receivership, and thus less of an impetus for legislative guidance or codification. In this respect, the purpose and context of the sales provisions in s. 65.13 of the BIA and s. 36 of the CCAA are distinct from those of s. 243 of the BIA. Due to the evolving use of the restructuring powers of the court, the former demanded clarity and codification, whereas the law governing sales in the context of receiverships was well established. Accordingly, rather than providing a detailed code governing sales, Parliament utilized broad wording to describe both a receiver and a receiver's powers under s. 243. In light of this distinct context and legislative purpose, I do

not find that the absence of the express language found in s. 65.13 of the BIA and s. 36 of the CCAA from s. 243 forecloses the possibility that the broad wording in s. 243 confers jurisdiction to grant vesting orders.

#### Section 243 – Jurisdiction to Grant a Sales Approval and Vesting Order

[72] This brings me to an analysis of the broad language of s. 243 in light of its distinct legislative history, objective and purposes. As I have discussed, s. 243 was enacted by Parliament to establish a receivership regime that eliminated a patchwork of provincial proceedings. In enacting this provision, Parliament imported into s. 243(1)(c) the broad wording from the former s. 47(2)(c) which courts had interpreted as conferring jurisdiction to direct an interim receiver to do not only what “justice dictates” but also what “practicality demands”. Thus, in interpreting s. 243, it is important to elaborate on the purpose of receiverships generally.

[73] The purpose of a receivership is to “enhance and facilitate the preservation and realization of the assets for the benefit of creditors”: *Hamilton Wentworth Credit Union Ltd. v. Courtcliffe Parks Ltd.* (1995), 23 O.R. (3d) 781 (Gen. Div.), at p. 787. Such a purpose is generally achieved through a liquidation of the debtor’s assets: Wood, at p. 515. As the Appeal Division of the Nova Scotia Supreme Court noted in *Bayhold Financial Corp. v. Clarkson Co. Ltd. and Scouler* (1991), 108 N.S.R. (2d) 198 (N.S.C.A.), at para. 34, “the essence of a

receiver's powers is to liquidate the assets". The receiver's "primary task is to ensure that the highest value is received for the assets so as to maximise the return to the creditors": *1117387 Ontario Inc. v. National Trust Company*, 2010 ONCA 340, 262 O.A.C. 118, at para. 77.

[74] This purpose is reflected in commercial practice. Typically, the order appointing a receiver includes a power to sell: see for example the Commercial List Model Receivership Order, at para. 3(k). There is no express power in the BIA authorizing a receiver to liquidate or sell property. However, such sales are inherent in court-appointed receiverships and the jurisprudence is replete with examples: see e.g. *bcIMC Construction Fund Corp. v. Chandler Homer Street Ventures Ltd.*, 2008 BCSC 897, 44 C.B.R. (5th) 171 (in Chambers), *Royal Bank v. Fracmaster Ltd.*, 1999 ABCA 178, 11 C.B.R. (4th) 230, *Skyepharma PLC v. Hyal Pharmaceutical Corp.* (1999), 12 C.B.R. (4th) 87 (Ont. S.C.), aff'd (2000), 47 O.R. (3d) 234 (C.A.).

[75] Moreover, the mandatory statutory receiver's reports required by s. 246 of the BIA direct a receiver to file a "statement of all property of which the receiver has taken possession or control that has not yet been sold or realized" during the receivership (emphasis added): *Bankruptcy and Insolvency General Rules*, C.R.C. c. 368, r. 126 ("BIA Rules").

[76] It is thus evident from a broad, liberal, and purposive interpretation of the BIA receivership provisions, including s. 243(1)(c), that implicitly the court has the jurisdiction to approve a sale proposed by a receiver and courts have historically acted on that basis. There is no need to have recourse to provincial legislation such as s.100 of the CJA to sustain that jurisdiction.

[77] Having reached that conclusion, the question then becomes whether this jurisdiction under s. 243 extends to the implementation of the sale through the use of a vesting order as being incidental and ancillary to the power to sell. In my view it does. I reach this conclusion for two reasons. First, vesting orders are necessary in the receivership context to give effect to the court's jurisdiction to approve a sale as conferred by s. 243. Second, this interpretation is consistent with, and furthers the purpose of, s. 243. I will explain.

[78] I should first indicate that the case law on vesting orders in the insolvency context is limited. In *Re New Skeena Forest Products Inc.*, 2005 BCCA 154, 9 C.B.R. (5th) 267, the British Columbia Court of Appeal held, at para. 20, that a court-appointed receiver was entitled to sell the assets of New Skeena Forest Products Inc. free and clear of the interests of all creditors and contractors. The court pointed to the receivership order itself as the basis for the receiver to request a vesting order, but did not discuss the basis of the court's jurisdiction to grant the order. In 2001, in *Re Loewen Group Inc.*, Farley J. concluded, at para. 6, that in the CCAA context, the court's inherent jurisdiction formed the

basis of the court's power and authority to grant a vesting order. The case was decided before amendments to the CCAA which now specifically permit the court to authorize a sale of assets free and clear of any charge or other restriction. The Nova Scotia Supreme Court in *Enterprise Cape Breton Corp. v. Crown Jewel Resort Ranch Inc.*, 2014 NSSC 420, 353 N.S.R. (2d) 194 stated that neither provincial legislation nor the BIA provided authority to grant a vesting order.

[79] In *Anglo Pacific Group PLC v. Ernst & Young Inc.*, 2013 QCCA 1323, the Quebec Court of Appeal concluded that pursuant to s. 243(1)(c) of the BIA, a receiver can ask the court to sell the property of the bankrupt debtor, free of any charge. In that case, the judge had discharged a debenture, a royalty agreement and universal hypothecs. After reciting s. 243, Thibault J.A., writing for the court stated, at para 98: "It is pursuant to paragraph 243(1) of the BIA that the receiver can ask the court to sell the property of a bankrupt debtor, free of any charge." Although in that case, unlike this appeal, the Quebec Court of Appeal concluded that the instruments in issue did not represent interests in land or 'real rights', it nonetheless determined that s. 243(1)(c) provided authority for the receiver to seek to sell property free of any charge(s) on the property.

[80] The necessity for a vesting order in the receivership context is apparent. A receiver selling assets does not hold title to the assets and a receivership does

not effect a transfer or vesting of title in the receiver. As Bish and Cassey state in “Vesting Orders Part 2”, at p. 58, “[a] vesting order is a vital legal ‘bridge’ that facilitates the receiver’s giving good and undisputed title to a purchaser. It is a document to show to third parties as evidence that the purported conveyance of title by the receiver – which did not hold the title – is legally valid and effective.” As previously noted, vesting orders in the insolvency context serve a dual purpose. They provide for the conveyance of title and also serve to extinguish encumbrances on title in order to facilitate the sale of assets.

[81] The Commercial List’s Model Receivership Order authorizes a receiver to apply for a vesting order or other orders necessary to convey property “free and clear of any liens or encumbrances”: see para. 3(l). This is of course not conclusive but is a reflection of commercial practice. This language is placed in receivership orders often on consent and without the court’s advertence to the authority for such a term. As Bish and Cassey note in “Vesting Orders Part 1”, at p. 42, the vesting order is the “holy grail” sought by purchasers and has become critical to the ability of debtors and receivers to negotiate sale transactions in the insolvency context. Indeed, the motion judge observed that the granting of vesting orders in receivership sales is “a near daily occurrence on the Commercial List”: at para. 31. As such, this aspect of the vesting order assists in advancing the purpose of s. 243 and of receiverships generally, being the realization of the debtor’s assets. It is self-evident that purchasers of assets

do not wish to acquire encumbered property. The use of vesting orders is in essence incidental and ancillary to the power to sell.

[82] As I will discuss further, while jurisdiction for this aspect of vesting orders stems from s. 243, the exercise of that jurisdiction is not unbounded.

[83] The jurisdiction to vest assets in a purchaser in the context of a national receivership is reflective of the objective underlying s. 243. With a national receivership, separate sales approval and vesting orders should not be required in each province in which assets are being sold. This is in the interests of efficiency and if it were otherwise, the avoidance of a multiplicity of proceedings objective behind s. 243 would be undermined, as would the remedial purpose of the BIA.

[84] If the power to vest does not arise under s. 243 with the appointment of a national receiver, the sale of assets in different provinces would require a patchwork of vesting orders. This would be so even if the order under s. 243 were on consent of a third party or unopposed, as jurisdiction that does not exist cannot be conferred.

[85] In my view, s. 243 provides jurisdiction to the court to authorize the receiver to enter into an agreement to sell property and in furtherance of that power, to grant an order vesting the purchased property in the purchaser. Thus, here the Receiver had the power under s. 243 of the BIA to enter into an

agreement to sell Dianor's property, to seek approval of that sale, and to request a vesting order from the court to give effect to the sale that was approved.

[86] Lastly, I would also observe that this conclusion supports the flexibility that is a hallmark of the Canadian system of insolvency – it facilitates the maximization of proceeds and realization of the debtor's assets, but as I will explain, at the same time operates to ensure that third party interests are not inappropriately violated. This conclusion is also consonant with contemporary commercial realities; realities that are reflected in the literature on the subject, the submissions of counsel for the intervener, the Insolvency Institute of Canada, and the model Commercial List Sales Approval and Vesting Order. Parliament knew that by importing the broad language of s. 47(2)(c) into s. 243(1)(c), the interpretation accorded s. 243(1) would be consistent, thus reflecting a desire for the receivership regime to be flexible and responsive to evolving commercial practice.

[87] In summary, I conclude that jurisdiction exists under s. 243(1) of the BIA to grant a vesting order vesting property in a purchaser. This jurisdiction extends to receivers who are appointed under the provisions of the BIA.

[88] This analysis does not preclude the possibility that s. 21 of the CLPA also provides authority for vesting property in the purchaser free and clear of

encumbrances. The language of this provision originated in the British *Conveyancing and Law of Property Act, 1881*, 44 & 45 Vict. ch. 41 and has been the subject matter of minimal judicial consideration. In a nutshell, s. 21 states that where land subject to an encumbrance is sold, the court may direct payment into court of an amount sufficient to meet the encumbrance and declare the land to be free from the encumbrance. The word “encumbrance” is not defined in the CLPA.

[89] G. Thomas Johnson in Anne Warner La Forest, ed., *Anger & Honsberger Law of Real Property*, 3rd ed., loose-leaf (Toronto: Thomson Reuters, 2017), at §34:10 states:

The word “encumbrance” is not a technical term. Rather, it is a general expression and must be interpreted in the context in which it is found. It has a broad meaning and may include many disparate claims, charges, liens or burdens on land. It has been defined as “every right to or interest in land granted to the diminution of the value of the land but consistent with the passing of the fee”.

[90] The author goes on to acknowledge however, that even this definition, broad as it is, is not comprehensive enough to cover all possible encumbrances.

[91] That said, given that s. 21 of the CLPA was not a basis advanced before the motion judge, for the purposes of this appeal, it is unnecessary to conclusively determine this issue.

## **B. Was it Appropriate to Vest out 235 Co's GORs?**

[92] This takes me to the next issue – the scope of the sales approval and vesting order and whether 235 Co.'s GORs should have been extinguished.

[93] Accepting that the motion judge had the jurisdiction to issue a sales approval and vesting order, the issue then becomes not one of “jurisdiction” but rather one of “appropriateness” as Blair J.A. stated in *Re Canadian Red Cross Society/Société canadienne de la Croix-Rouge* (1998), 5 C.B.R. (4th) 299 (Ont. Ct. (Gen. Div.)), at para. 42, leave to appeal refused, (1998), 32 C.B.R. (4th) 21 (Ont. C.A.). Put differently, should the motion judge have exercised his jurisdiction to extinguish the appellant's GORs from title?

[94] In the first stage of this appeal, this court concluded that the GORs constituted interests in land. In the second stage, I have determined that the motion judge did have jurisdiction to grant a sales approval and vesting order. I must then address the issue of scope and determine whether the motion judge erred in ordering that the GORs be extinguished from title.

### **(1) Review of the Case Law**

[95] As illustrated in the first stage of this appeal and as I will touch upon, a review of the applicable jurisprudence reflects very inconsistent treatment of vesting orders.

[96] In some cases, courts have denied a vesting order on the basis that the debtor's interest in the property circumscribes a receiver's sale rights. For example, in *1565397 Ontario Inc., Re* (2009), 54 C.B.R. (5th) 262 (Ont. S.C.), the receiver sought an order authorizing it to sell the debtor's property free of an undertaking the debtor gave to the respondents to hold two lots in trust if a plan of subdivision was not registered by the closing date. Wilton-Siegel J. found that the undertaking created an interest in land. He stated, at para. 68, that the receiver had taken possession of the property of the debtor only and could not have any interest in the respondents' interest in the property and as such, he was not prepared to authorize the sale free of the undertaking. Wilton-Siegel J. then went on to discuss five "equitable considerations" that justified the refusal to grant the vesting order.

[97] Some cases have weighed "equitable considerations" to determine whether a vesting order is appropriate. This is evident in certain decisions involving the extinguishment of leasehold interests. In *Meridian Credit Union v. 984 Bay Street Inc.*, [2005] O.J. No. 3707 (S.C.), the court-appointed receiver had sought a declaration that the debtor's land could be sold free and clear of three non-arm's length leases. Each of the lease agreements provided that it was subordinate to the creditor's security interest, and the lease agreements were not registered on title. This court remitted the matter back to the motion judge and directed him to consider the equities to determine whether it was

appropriate to sell the property free and clear of the leases: see *Meridian Credit Union Ltd. v. 984 Bay Street Inc.*, [2006] O.J. No. 1726 (C.A.). The motion judge subsequently concluded that the equities supported an order terminating the leases and vesting title in the purchaser free and clear of any leasehold interests: *Meridian Credit Union v. 984 Bay Street Inc.*, [2006] O.J. No. 3169 (S.C.).

[98] An equitable framework was also applied by Wilton-Siegel J. in *Romspen*. In *Romspen*, Home Depot entered into an agreement of purchase and sale with the debtor to acquire a portion of the debtor's property on which a new Home Depot store was to be constructed. The acquisition of the portion of property was contingent on compliance with certain provisions of the *Planning Act*, R.S.O. 1990, c. P.13. The debtor defaulted on its mortgage over its entire property and a receiver was appointed.

[99] The receiver entered into a purchase and sale agreement with a third party and sought an order vesting the property in the purchaser free and clear of Home Depot's interest. Home Depot took the position that the receiver did not have the power to convey the property free of Home Depot's interest. Wilton-Siegel J. concluded that a vesting order could be granted in the circumstances. He rejected Home Depot's argument that the receiver took its interest subject to Home Depot's equitable property interest under the agreement of purchase and

sale and the ground lease, as the agreement was only effective to create an interest in land if the provisions of the *Planning Act* had been complied with.

[100] He then considered the equities between the parties. The mortgage had priority over Home Depot's interest and Home Depot had failed to establish that the mortgagee had consented to the subordination of its mortgage to the leasehold interest. In addition, the purchase and sale agreement contemplated a price substantially below the amount secured by the mortgage, thus there would be no equity available for Home Depot's subordinate interest in any event. Wilton-Siegel J. concluded that the equities favoured a vesting of the property in the purchaser free and clear of Home Depot's interests.<sup>9</sup>

[101] As this review of the case law suggests, and as indicated in the First Reasons, there does not appear to be a consistently applied framework of analysis to determine whether a vesting order extinguishing interests ought to be granted. Generally speaking, outcomes have turned on the particular circumstances of a case accounting for factors such as the nature of the property interest, the dealings between the parties, and the relative priority of the competing interests. It is also clear from this review that many cases have

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<sup>9</sup> This court allowed an appeal of the motion judge's order in *Romspen* and remitted the matter back to the motion judge for a new hearing on the basis that the motion judge applied an incorrect standard of proof in making findings of fact by failing to draw reasonable inferences from the evidence, and in particular, on the issue of whether Romspen had expressly or implicitly consented to the construction of the Home Depot stores: see *Romspen Investment Corporation v. Woods Property Development Inc.*, 2011 ONCA 817, 286 O.A.C. 189.

considered the equities to determine whether a third party interest should be extinguished.

**(2) Framework for Analysis to Determine if a Third Party Interest Should be Extinguished**

[102] In my view, in considering whether to grant a vesting order that serves to extinguish rights, a court should adopt a rigorous cascade analysis.

[103] First, the court should assess the nature and strength of the interest that is proposed to be extinguished. The answer to this question may be determinative thus obviating the need to consider other factors.

[104] For instance, I agree with the Receiver's submission that it is difficult to think of circumstances in which a court would vest out a fee simple interest in land. Not all interests in land share the same characteristics as a fee simple, but there are lesser interests in land that would also defy extinguishment due to the nature of the interest. Consider, for example, an easement in active use. It would be impractical to establish an exhaustive list of interests or to prescribe a rigid test to make this determination given the broad spectrum of interests in land recognized by the law.

[105] Rather, in my view, a key inquiry is whether the interest in land is more akin to a fixed monetary interest that is attached to real or personal property subject to the sale (such as a mortgage or a lien for municipal taxes), or whether the interest is more akin to a fee simple that is in substance an

ownership interest in some ascertainable feature of the property itself. This latter type of interest is tied to the inherent characteristics of the property itself; it is not a fixed sum of money that is extinguished when the monetary obligation is fulfilled. Put differently, the reasonable expectation of the owner of such an interest is that its interest is of a continuing nature and, absent consent, cannot be involuntarily extinguished in the ordinary course through a payment in lieu.

[106] Another factor to consider is whether the parties have consented to the vesting of the interest either at the time of the sale before the court, or through prior agreement. As Bish and Cassey note, vesting orders have become a routine aspect of insolvency practice, and are typically granted on consent: “Vesting Orders Part 2”, at pp. 60, 65.

[107] The more complex question arises when consent is given through a prior agreement such as where a third party has subordinated its interest contractually. *Meridian, Romspen, and Firm Capital Mortgage Funds Inc. v. 2012241 Ontario Ltd.*, 2012 ONSC 4816, 99 C.B.R. (5th) 120 are cases in which the court considered the appropriateness of a vesting order in circumstances where the third party had subordinated its interests. In each of these cases, although the court did not frame the subordination of the interests as the overriding question to consider before weighing the equities, the decisions all acknowledged that the third parties had agreed to subordinate their interest to that of the secured creditor. Conversely, in *Winick v. 1305067*

*Ontario Ltd.* (2008), 41 C.B.R. (5th) 81 (Ont. S.C.), the court refused to vest out a leasehold interest on the basis that the purchaser had notice of the lease and the purchaser acknowledged that it would purchase the property subject to the terms and conditions of the leases.

[108] The priority of the interests reflected in freely negotiated agreements between parties is an important factor to consider in the analysis of whether an interest in land is capable of being vested out. Such an approach ensures that the express intention of the parties is given sufficient weight and allows parties to contractually negotiate and prioritize their interests in the event of an insolvency.

[109] Thus, in considering whether an interest in land should be extinguished, a court should consider: (1) the nature of the interest in land; and (2) whether the interest holder has consented to the vesting out of their interest either in the insolvency process itself or in agreements reached prior to the insolvency.

[110] If these factors prove to be ambiguous or inconclusive, the court may then engage in a consideration of the equities to determine if a vesting order is appropriate in the particular circumstances of the case. This would include: consideration of the prejudice, if any, to the third party interest holder; whether the third party may be adequately compensated for its interest from the

proceeds of the disposition or sale; whether, based on evidence of value, there is any equity in the property; and whether the parties are acting in good faith. This is not an exhaustive list and there may be other factors that are relevant to the analysis.

### **(3) The Nature of the Interest in Land of 235 Co.'s GORs**

[111] Turning then to the facts of this appeal, in the circumstances of this case, the issue can be resolved by considering the nature of the interest in land held by 235 Co. Here the GORs cannot be said to be a fee simple interest but they certainly were more than a fixed monetary interest that attached to the property. They did not exist simply to secure a fixed finite monetary obligation; rather they were in substance an interest in a continuing and an inherent feature of the property itself.

[112] While it is true, as the Receiver and Third Eye emphasize, that the GORs are linked to the interest of the holder of the mining claims and depend on the development of those claims, that does not make the interest purely monetary. As explained in stage one of this appeal, the nature of the royalty interest as described by the Supreme Court in *Bank of Montreal v. Dynex Petroleum Ltd.*, 2002 SCC 7, [2002] 1 S.C.R. 146, at para. 2 is instructive:

... [R]oyalty arrangements are common forms of arranging exploration and production in the oil and gas industry in Alberta. Typically, the owner of minerals *in situ* will lease to a potential producer the right to extract such minerals. This right is known as a working interest.

A royalty is an unencumbered share or fractional interest in the gross production of such working interest. A lessor's royalty is a royalty granted to (or reserved by) the initial lessor. An overriding royalty or a gross overriding royalty is a royalty granted normally by the owner of a working interest to a third party in exchange for consideration which could include, but is not limited to, money or services (e.g., drilling or geological surveying) (G. J. Davies, "The Legal Characterization of Overriding Royalty Interests in Oil and Gas" (1972), 10 *Alta. L. Rev.* 232, at p. 233). The rights and obligations of the two types of royalties are identical. The only difference is to whom the royalty was initially granted. [Italics in original; underlining added.]

[113] Thus, a GOR is an interest in the gross product extracted from the land, not a fixed monetary sum. While the GOR, like a fee simple interest, may be capable of being valued at a point in time, this does not transform the substance of the interest into one that is concerned with a fixed monetary sum rather than an element of the property itself. The interest represented by the GOR is an ownership in the product of the mining claim, either payable by a share of the physical product or a share of revenues. In other words, the GOR carves out an overriding entitlement to an amount of the property interest held by the owner of the mining claims.

[114] The Receiver submits that the realities of commerce and business efficacy in this case are that the mining claims were unsaleable without impairment of the GORs. That may be, but the imperatives of the mining claim owner should not necessarily trump the interest of the owner of the GORs.

[115] Given the nature of 235 Co.'s interest and the absence of any agreement that allows for any competing priority, there is no need to resort to a consideration of the equities. The motion judge erred in granting an order extinguishing 235 Co.'s GORs.

[116] Having concluded that the court had the jurisdiction to grant a vesting order but the motion judge erred in granting a vesting order extinguishing an interest in land in the nature of the GORs, I must then consider whether the appellant failed to preserve its rights such that it is precluded from persuading this court that the order granted by the motion judge ought to be set aside.

### **C. 235 Co.'s Appeal of the Motion Judge's Order**

[117] 235 Co. served its notice of appeal on November 3, 2016, more than a week after the transaction had closed on October 26, 2016.

[118] Third Eye had originally argued that 235 Co.'s appeal was moot because the vesting order was spent when it was registered on title and the conveyance was effected. It relied on this court's decision in *Regal Constellation* in that regard.

[119] Justice Lauwers wrote that additional submissions were required in the face of the conclusion that 235 Co.'s GORs were interests in land: First Reasons, at para. 21. He queried whether it was appropriate for the court-

appointed receiver to close the transaction when the parties were aware that 235 Co. was considering an appeal prior to the closing of the transaction: at para. 22.

[120] There are three questions to consider in addressing what, if any, remedy is available to 235 Co. in these circumstances:

- (1) What appeal period applies to 235 Co.'s appeal of the sale approval and vesting order;
- (2) Was it permissible for the Receiver to close the transaction in the face of 235 Co.'s October 26, 2016 communication to the Receiver that "an appeal is under consideration"; and
- (3) Does 235 Co. nonetheless have a remedy available under the *Land Titles Act*, R.S.O. 1990, c. L.5?

**(1) The Applicable Appeal Period**

[121] The Receiver was appointed under s. 101 of the CJA and s. 243 of the BIA. The motion judge's decision approving the sale and vesting the property in Third Eye was released through reasons dated October 5, 2016.

[122] Under the CJA, the appeal would be governed by the *Rules of Civil Procedure*, r. 61.04(1) which provides for a 30 day period from which to appeal a final order to the Court of Appeal. In addition, the appellant would have had to have applied for a stay of proceedings.

[123] In contrast, under the BIA, s. 183(2) provides that courts of appeal are “invested with power and jurisdiction at law and in equity, according to their ordinary procedures except as varied by” the BIA or the BIA Rules, to hear and determine appeals. An appeal lies to the Court of Appeal if the point at issue involves future rights; if the order or decision is likely to affect other cases of a similar nature in the bankruptcy proceedings; if the property involved in the appeal exceeds in value \$10,000; from the grant of or refusal to grant a discharge if the aggregate unpaid claims of creditors exceed \$5,000; and in any other case by leave of a judge of the Court of Appeal: BIA, s. 193. Given the nature of the dispute and the value in issue, no leave was required and indeed, none of the parties took the position that it was. There is therefore no need to address that issue.

[124] Under r. 31 of the BIA Rules, a notice of appeal must be filed “within 10 days after the day of the order or decision appealed from, or within such further time as a judge of the court of appeal stipulates.”

[125] The 10 days runs from the day the order or decision was rendered: *Moss (Bankrupt), Re* (1999), 138 Man. R. (2d) 318 (C.A., in Chambers), at para. 2; *Re Koska*, 2002 ABCA 138, 303 A.R. 230, at para. 16; *CWB Maxium Financial Inc. v. 6934235 Manitoba Ltd. (c.o.b. White Cross Pharmacy Wolseley)*, 2019 MBCA 28 (in Chambers), at para. 49. This is clear from the fact that both r. 31 and s. 193 speak of “order or decision” (emphasis added). If an

entered and issued order were required, there would be no need for this distinction.<sup>10</sup> Accordingly, the “[t]ime starts to run on an appeal under the *BIA* from the date of pronouncement of the decision, not from the date the order is signed and entered”: *Re Koska*, at para. 16.

[126] Although there are cases where parties have conceded that the *BIA* appeal provisions apply in the face of competing provincial statutory provisions (see e.g. *Ontario Wealth Management Corp. v. SICA Masonry and General Contracting Ltd.*, 2014 ONCA 500, 323 O.A.C. 101 (in Chambers), at para. 36 and *Impact Tool & Mould Inc. v. Impact Tool & Mould Inc. Estate*, 2013 ONCA 697, at para. 1), until recently, no Ontario case had directly addressed this point.

[127] Relying on first principles, as noted by Donald J.M. Brown in *Civil Appeals* (Toronto: Carswell, 2019), at 2:1120, “where federal legislation occupies the field by providing a procedure for an appeal, those provisions prevail over provincial legislation providing for an appeal.” Parliament has jurisdiction over procedural law in bankruptcy and hence can provide for appeals: *Re Solloway Mills & Co. Ltd., In Liquidation, Ex Parte I.W.C. Solloway*

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<sup>10</sup> *Ontario Wealth Managements Corporation v. Sica Masonry and General Contracting Ltd.*, 2014 ONCA 500, 323 O.A.C. 101 (in Chambers) a decision of a single judge of this court, states, at para. 5, that a signed, issued, and entered order is required. This is generally the case in civil proceedings unless displaced, as here by a statutory provision. *Re Smoke* (1989), 77 C.B.R. (N.S.) 263 (Ont. C.A.), that is relied upon and cited in *Ontario Wealth Managements Corporation*, does not address this issue.

(1934), [1935] O.R. 37 (C.A.). Where there is an operational or purposive inconsistency between the federal bankruptcy rules and provincial rules on the timing of an appeal, the doctrine of federal paramountcy applies and the federal bankruptcy rules govern: see *Canada (Superintendent of Bankruptcy) v. 407 ETR Concession Company Limited.*, 2013 ONCA 769, 118 O.R. (3d) 161, at para. 59, aff'd 2015 SCC 52, [2015] 3 S.C.R. 397; *Alberta (Attorney General) v. Moloney*, 2015 SCC 51, [2015] 3 S.C.R. 327, at para. 16.

[128] In *Business Development Bank of Canada v. Astoria Organic Matters Ltd.*, 2019 ONCA 269, Zarnett J.A. wrote that the appeal route is dependent on the jurisdiction pursuant to which the order was granted. In that case, the appellant was appealing from the refusal of a judge to grant leave to sue the receiver who was stated to have been appointed pursuant to s. 101 of the CJA and s. 243 of the BIA. There was no appeal from the receivership order itself. Thus, to determine the applicable appeal route for the refusal to grant leave, the court was required to determine the source of the power to impose a leave to sue requirement in a receivership order. Zarnett J.A. determined that by necessary implication, Parliament must be taken to have clothed the court with the power to require leave to sue a receiver appointed under s. 243(1) of the BIA and federal paramountcy dictated that the BIA appeal provisions apply.

[129] Here, 235 Co.'s appeal is from the sale approval order, of which the vesting order is a component. Absent a sale, there could be no vesting order.

The jurisdiction of the court to approve the sale, and thus issue the sale approval and vesting order, is squarely within s. 243 of the BIA.

[130] Furthermore, as 235 Co. had known for a considerable time, there could be no sale to Third Eye in the absence of extinguishment of the GORs and Algoma's royalty rights; this was a condition of the sale that was approved by the motion judge. The appellant was stated to be unopposed to the sale but in essence opposed the sale condition requiring the extinguishment. Clearly the jurisdiction to grant the approval of the sale emanated from the BIA, and as I have discussed, so did the vesting component; it was incidental and ancillary to the approval of the sale. It would make little sense to split the two elements of the order in these circumstances. The essence of the order was anchored in the BIA.

[131] Accordingly, I conclude that the appeal period was 10 days as prescribed by r. 31 of the BIA Rules and ran from the date of the motion judge's decision of October 5, 2016. Thus, on a strict application of the BIA Rules, 235 Co.'s appeal was out of time. However, in the circumstances of this case it is relevant to consider first whether it was appropriate for the Receiver to close the transaction in the face of 235 Co.'s assertion that an appeal was under consideration and, second, although only sought in oral submissions in reply at the hearing of the second stage of this appeal, whether 235 Co. should be granted an extension of time to appeal.

**(2) The Receiver's Conduct**

[132] The Receiver argues that it was appropriate for it to close the transaction in the face of a threatened appeal because the appeal period had expired when the appellant advised the Receiver that it was contemplating an appeal (without having filed a notice of appeal or a request for leave) and the Receiver was bound by the provisions of the purchase and sale agreement and the order of the motion judge, which was not stayed, to close the transaction.

[133] Generally speaking, as a matter of professional courtesy, a potentially preclusive step ought not to be taken when a party is advised of a possible pending appeal. However, here the Receiver's conduct in closing the transaction must be placed in context.

[134] 235 Co. had known of the terms of the agreement of purchase and sale and the request for an order extinguishing its GORs for over a month, and of the motion judge's decision for just under a month before it served its notice of appeal. Before October 26, 2016, it had never expressed an intention to appeal either informally or by serving a notice of appeal, nor did it ever bring a motion for a stay of the motion judge's decision or seek an extension of time to appeal.

[135] Having had the agreement of purchase and sale at least since it was served with the Receiver's motion record seeking approval of the transaction, 235 Co. knew that time was of the essence. Moreover, it also knew that the

Receiver was directed by the court to take such steps as were necessary for the completion of the transaction contemplated in the purchase and sale agreement approved by the motion judge pursuant to para. 2 of the draft court order included in the motion record.

[136] The principal of 235 Co. had been the original prospector of Dianor. 235 Co. never took issue with the proposed sale to Third Eye. The Receiver obtained a valuation of Dianor's mining claims and the valuator concluded that they had a total value of \$1 million to \$2 million, with 235 Co.'s GORs having a value of between \$150,000 and \$300,000, and Algoma's royalties having a value of \$70,000 to \$140,000. No evidence of any competing valuation was adduced by 235 Co.

[137] Algoma agreed to a payment of \$150,000 but 235 Co. wanted more than the \$250,000 offered. The motion judge, who had been supervising the receivership, stated that 235 Co. acknowledged that the sum of \$250,000 represented the fair market value: at para. 15. He made a finding at para. 38 of his reasons that the principal of 235 Co. was "not entitled to exercise tactical positions to tyrannize the majority by refusing to agree to a reasonable amount for the royalty rights." In *obiter*, the motion judge observed that he saw "no reason in logic ... why the jurisdiction would not be the same whether the royalty rights were or were not an interest in land": at para. 40. Furthermore, the appellant knew of the motion judge's reasons for decision since October 5,

2016 and did nothing that suggested any intention to appeal until about three weeks later.

[138] As noted by the Receiver, it is in the interests of the efficient administration of receivership proceedings that aggrieved stakeholders act promptly and definitively to challenge a decision they dispute. This principle is in keeping with the more abbreviated time period found in the BIA Rules. Blair J.A. in *Regal Constellation*, at para. 49, stated that “[t]hese matters ought not to be determined on the basis that ‘the race is to the swiftest’”. However, that should not be taken to mean that the race is adjusted to the pace of the slowest.

[139] For whatever reasons, 235 Co. made a tactical decision to take no steps to challenge the motion judge’s decision and took no steps to preserve any rights it had. It now must absorb the consequences associated with that decision. This is not to say that the Receiver’s conduct would always be advisable. Absent some emergency that has been highlighted in its Receiver’s report to the court that supports its request for a vesting order, a Receiver should await the expiry of the 10 day appeal period before closing the sale transaction to which the vesting order relates.

[140] Given the context and history of dealings coupled with the actual expiry of the appeal period, I conclude that it was permissible for the Receiver to close the transaction. In my view, the appeal by 235 Co. was out of time.

**(3) Remedy is not Merited**

[141] As mentioned, in oral submissions in reply, 235 Co. sought an extension of time to appeal *nunc pro tunc*. It further requested that this court exercise its discretion and grant an order pursuant to ss. 159 and 160 of the *Land Titles Act* rectifying the title and granting an order directing the Minings Claim Recorder to rectify the provincial register so that 235 Co.'s GORs are reinstated. The Receiver resists this relief. Third Eye does not oppose the relief requested by 235 Co. provided that the compensation paid to 235 Co. and Algoma is repaid. However, counsel for the Monitor for Algoma states that the \$150,000 it received for Algoma's royalty rights has already been disbursed by the Monitor to Algoma.

[142] The rules and jurisprudence surrounding extensions of time in bankruptcy proceedings is discussed in Lloyd W. Houlden, Geoffrey B. Morawetz & Janis P. Sarra, *Bankruptcy and Insolvency Law of Canada*, 4th ed., loose-leaf (Toronto: Thomson Reuters, 2009). Rule 31(1) of the BIA Rules provides that a judge of the Court of Appeal may extend the time to appeal. The authors write, at pp. 8-20-8-21:

The court ought not lightly to interfere with the time limit fixed for bringing appeals, and special circumstances are required before the court will enlarge the time ...

In deciding whether the time for appealing should be extended, the following matters have been held to be relevant:

- (1) The appellant formed an intention to appeal before the expiration of the 10 day period;
- (2) The appellant informed the respondent, either expressly or impliedly, of the intention to appeal;
- (3) There was a continuous intention to appeal during the period when the appeal should have been commenced;
- (4) There is a sufficient reason why, within the 10 day period, a notice of appeal was not filed...;
- (5) The respondent will not be prejudiced by extending the time;
- (6) There is an arguable ground or grounds of appeal;
- (7) It is in the interest of justice, i.e., the interest of the parties, that an extension be granted.  
[Citations omitted.]

[143] These factors are somewhat similar to those considered by this court when an extension of time is sought under r. 3.02 of the *Rules of Civil Procedure*: did the appellant form a *bona fide* intention to appeal within the relevant time period; the length of and explanation for the delay; prejudice to the respondents; and the merits of the appeal. The justice of the case is the overarching principle: see *Enbridge Gas Distributions Inc. v. Froese*, 2013 ONCA 131, 114 O.R. (3d) 636 (in Chambers), at para. 15.

[144] There is no evidence that 235 Co. formed an intention to appeal within the applicable appeal period, and there is no explanation for that failure. The appellant did not inform the respondents either expressly or impliedly that it

was intending to appeal. At best, it advised the Receiver that an appeal was under consideration 21 days after the motion judge released his decision. The fact that it, and others, might have thought that a longer appeal period was available is not compelling seeing that 235 Co. had known of the position of the respondents and the terms of the proposed sale since at least August 2016 and did nothing to suggest any intention to appeal if 235 Co. proved to be unsuccessful on the motion. Although the merits of the appeal as they relate to its interest in the GORs favour 235 Co.'s case, the justice of the case does not. I so conclude for the following reasons.

1. 235 Co. sat on its rights and did nothing for too long knowing that others would be relying on the motion judge's decision.
2. 235 Co. never opposed the sale approval despite knowing that the only offers that ever resulted from the court approved bidding process required that the GORs and Algoma's royalties be significantly reduced or extinguished.
3. Even if I were to accept that the *Rules of Civil Procedure* governed the appeal, which I do not, 235 Co. never sought a stay of the motion judge's order under the *Rules of Civil Procedure*. Taken together, this supports the inference that 235 Co. did not form an intention to appeal at the relevant time and ultimately only served a notice of appeal as a tactical manoeuvre to engineer a

bigger payment from Third Eye. As found by the motion judge, 235 Co. ought not to be permitted to take tyrannical tactical positions.

4. The Receiver obtained a valuation of the mining claims that concluded that the value of 235 Co.'s GORs was between \$150,000 and \$300,000. Before the motion judge, 235 Co. acknowledged that the payment of \$250,000 represented the fair market value of its GORs. Furthermore, it filed no valuation evidence to the contrary. Any prejudice to 235 Co. is therefore attenuated. It has been paid the value of its interest.

5. Although there are no subsequent registrations on title other than Third Eye's assignee, Algoma's Monitor has been paid for its royalty interest and the funds have been distributed to Algoma. Third Eye states that if the GORs are reinstated, so too should the payments it made to 235 Co. and Algoma. Algoma has been under CCAA protection itself and, not surprisingly, does not support an unwinding of the transaction.

[145] I conclude that the justice of the case does not warrant an extension of time. I therefore would not grant 235 Co. an extension of time to appeal *nunc pro tunc*.

[146] While 235 Co. could have separately sought a discretionary remedy under the *Land Titles Act* for rectification of title in the manner contemplated in *Regal Constellation*, at paras. 39, 45, for the same reasons I also would not

exercise my discretion or refer the matter back to the motion judge to grant an order pursuant to ss. 159 and 160 of the *Land Titles Act* rectifying the title and an order directing the Mining Claims Recorder to rectify the provincial register so that 235 Co.'s GORs are reinstated.

### **Disposition**

[147] In conclusion, the motion judge had jurisdiction pursuant to s. 243(1) of the BIA to grant a sale approval and vesting order. Given the nature of the GORs the motion judge erred in concluding that it was appropriate to extinguish them from title. However, 235 Co. failed to appeal on a timely basis within the time period prescribed by the BIA Rules and the justice of the case does not warrant an extension of time. I also would not exercise my discretion to grant any remedy to 235 Co. under any other statutory provision. Accordingly, it is entitled to the \$250,000 payment it has already received and that its counsel is holding in escrow.

[148] For these reasons, the appeal is dismissed. As agreed by the parties, I would order Third Eye to pay costs of \$30,000 to 235 Co. in respect of the first stage of the appeal and that all parties with the exception of the Receiver bear their own costs of the second stage of the appeal. I would permit the Receiver to make brief written submissions on its costs within 10 days of the

release of these reasons and the other parties to reply if necessary within 10 days thereafter.

Released: "SEP" JUN 19, 2019

"S.E. Pepall J.A."  
"I agree. P. Lauwers J.A."  
"I agree. Grant Huscroft J.A."

# APPENDIX "F"

**RICHTER**

Richter Advisory Group Inc.  
181 Bay Street, 33<sup>rd</sup> Floor  
Toronto, ON M5J 2T3  
[www.richter.ca](http://www.richter.ca)

**RESSOURCES DIANOR INC. / DIANOR RESOURCES INC.  
FIRST REPORT OF RICHTER ADVISORY GROUP INC.,  
IN ITS CAPACITY AS THE COURT-APPOINTED RECEIVER OF  
RESSOURCES DIANOR INC. / DIANOR RESOURCES INC.**

**OCTOBER 1, 2015**

ONTARIO  
SUPERIOR COURT OF JUSTICE – COMMERCIAL LIST

BETWEEN:

THIRD EYE CAPITAL CORPORATION

Applicant

- and -

RESSOURCES DIANOR INC. / DIANOR RESOURCES INC.

Respondent

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

FIRST REPORT OF RICHTER ADVISORY GROUP INC.  
IN ITS CAPACITY AS THE COURT-APPOINTED RECEIVER OF  
RESSOURCES DIANOR INC. / DIANOR RESOURCES INC.

OCTOBER 1, 2015

## TABLE OF CONTENTS

I.	INTRODUCTION .....	1
II.	PURPOSE OF REPORT.....	1
III.	QUALIFICATIONS.....	1
IV.	BACKGROUND .....	2
V.	PROPOSED SALES PROCESS.....	6
VI.	RECEIVER'S ACTIVITIES SINCE THE DATE OF APPOINTMENT.....	8
VII.	CONCLUSION AND RECOMMENDATION.....	9

## APPENDICIES

APPENDIX "A" –	ORDER OF THE HONOURABLE MR. JUSTICE MEW DATED AUGUST 20, 2015
APPENDIX "B" –	AFFIDAVIT OF ARIF BHALWANI SWORN AUGUST 19, 2015
APPENDIX "C" –	LISTING OF UNPATENTED MINING CLAIMS IN ONTARIO
APPENDIX "D" –	LISTING OF PATENTED MINING CLAIMS IN ONTARIO
APPENDIX "E" –	LISTING OF MINING CLAIMS IN QUEBEC
APPENDIX "F" –	PERSONAL PROPERTY SEARCH RESULTS FOR ONTARIO AND QUEBEC
APPENDIX "G" –	BID PROCESS TEASER DOCUMENT

## I. INTRODUCTION

1. Pursuant to an application by Third Eye Capital Corporation ("**Third Eye**" or the "**Lender**") under section 243(1) of *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990 c. C.43, as amended, Richter Advisory Group Inc. was appointed as Receiver ("**Richter**" or the "**Receiver**") without security over all the assets, undertakings and properties (the "**Property**") of Ressources Dianor Inc. / Dianor Resources Inc. ("**Dianor**" or the "**Company**") by way of an order (the "**Appointment Order**") of the Ontario Superior Court of Justice (Commercial List) (the "**Court**"), dated August 20, 2015 (the "**Date of Appointment**"), A copy of the Appointment Order is attached hereto as **Appendix "A"**.
2. This report (the "**Report**") is the Receiver's first report filed with this Court in connection with these receivership proceedings.

## II. PURPOSE OF REPORT

3. The purpose of this Report is to provide this Court with information pertaining to:
  - (a) background on the Company, including its mineral properties;
  - (b) the activities of the Receiver since the Date of Appointment;
  - (c) the Receiver's post-filing strategy, including an outline of the proposed sales process (the "**Bid Process**") the Receiver intends to undertake in order to realize on Dianor's assets; and
  - (d) recommend that this Court issue an order:
    - (i) approving the activities of the Receiver as outlined in this Report; and
    - (ii) approving the Bid Process and authorizing the Receiver to take such steps as necessary to implement the same.

## III. QUALIFICATIONS

4. In preparing this Report, Richter has relied upon unaudited financial information, the Company's limited and potentially dated books and records, financial information prepared by the Company and discussions with the Lender and its legal counsel (collectively, the "**Information**").

5. In accordance with industry practice, except as described in this Report:
  - (a) Richter has not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Canadian Institute of Chartered Accountants Handbook; and
  - (b) future-oriented financial information relied upon in preparing this Report is based on management's assumptions regarding future events. Actual results achieved may vary from this information and these variations may be material.
6. As described below, Dianor is currently not an active company and the Receiver understands that the Company has no remaining employees, management personnel or board members. As a consequence, the Receiver has had to rely on the Company's limited and dated books and records that were made available to it by Third Eye, as well as the public filings made by Dianor while it was active (copies of which are available on [www.sedar.com](http://www.sedar.com)).
7. Unless otherwise noted, all monetary amounts contained in this Report are expressed in Canadian dollars.

#### IV. BACKGROUND

##### Company Overview

8. Dianor is a Canadian-based diamond exploration company focused on the acquisition and exploration of mining properties in Canada. The Company's shares were publicly traded on the TSX Venture Exchange ("TSXV") under the symbol "DOR"; however, on October 20, 2014, Dianor's shares were officially delisted from the TSXV as the Company was in default of applicable securities laws.
9. Dianor was incorporated on July 20, 1987 under the *Companies Act* (Quebec) under the name Ressources Kimex Inc. The Company amended its articles on June 1, 1993 to change its name to Ressources Dianor Inc., and on August 27, 1997, the Company again amended its articles to add an English version (Dianor Resources Inc.) to its corporate name. The Company's registered office and principal place of business was located at 649 3rd Avenue, 2nd Floor, Val d'Or, Quebec.

10. As described in the affidavit of Mr. Arif Bhalwani sworn August 19, 2015 in support of Third Eye's application for the appointment of the Receiver (the "**Bhalwani Affidavit**"), Dianor is currently not active and the Receiver understands the Company has had no substantial operations since December 2012. The Receiver further understands the Company has no remaining employees, management personnel or board members. A copy of the Bhalwani Affidavit is attached hereto without exhibits as **Appendix "B"**.

#### **Mining Claims Held by the Company**

11. The Company currently holds the following mining claims located on the Superior Craton, a geological area underlying the James Bay region of Ontario and Quebec:
- (a) 16 unpatented mining claims located in Ontario (hereinafter referred to as the "**Unpatented Claims**"). A list of the known Unpatented Claims is attached hereto as **Appendix "C"**;
  - (b) 34 patented mining claims located in Ontario (hereinafter referred to as the "**Patented Claims**", and together with the Unpatented Claims, the "**Leadbetter Project**"). A list of the known Patented Claims is attached hereto as **Appendix "D"**. With the exception of one Patented Claim (being PIN 31158-0129), the Patented Claims appear to be in respect of mining rights only. The surface rights for the Patented Claims appear to be held by either 1778778 Ontario Inc. ("**177Co**") or 2350614 Ontario Inc. ("**235Co**"), each being a company that the Receiver understands is owned or controlled by the original prospector, Mr. Joseph Leadbetter ("**Mr. Leadbetter**"); and
  - (c) 48 mining claims located in Quebec (hereinafter referred to as the "**Quebec Claims**" or the "**Ekomiak and PEM Project**", and collectively with the Leadbetter Project, the "**Projects**"). A list of the known Quebec Claims is attached hereto as **Appendix "E"**.
12. Dianor's ownership interest in the Leadbetter Project appears to be subject to certain royalties, including:

- (a) a gross overriding royalty ("GOR") for diamonds in favour of 235Co (recorded on the mining claim abstracts for the Unpatented Claims and the parcel registers for the Patented Claims);
- (b) a gross royalty for all other metals and minerals in favour of 235Co (recorded on the mining claim abstracts for the Unpatented Claims and the parcel registers for the Patented Claims); and
- (c) a GOR for all minerals in favour of Essar Steel Algoma Inc. (the Receiver is working with Third Eye to locate a copy of the GOR agreement).

#### **Description of the Projects**

13. The Leadbetter Project is the Company's flagship diamond project near Wawa, Ontario which consists of two contiguous land packages. The Leadbetter Project is the most advanced of the Company's Projects and comprises the most significant component of Dianor's Property. The Leadbetter Project covers approximately 16 square kilometres in area, and is located 12km northeast of the township of Wawa, Ontario. The Company incurred substantial exploration expenditures on the Leadbetter Project from 2005 onward as it attempted to define this large resource. In 2007, the Company announced preliminary tonnage estimates for the Leadbetter Project in the range of 549 million to 583 million tonnes of diamondiferous conglomerates on the property. In addition to diamonds, Dianor also announced sampling results indicated the presence of gold, sapphires and other gemstones in the conglomerate. In early October 2009, Dianor filed an updated National Instrument 43-101 compliant independent technical report for the Leadbetter Project.
14. The Ekomiak and PEM Project is an early stage diamond project located in the James Bay region of Quebec.

#### **Company's Creditors**

15. The Receiver understands Dianor had total liabilities of approximately \$11.3 million as per its most recent financial statements dated September 30, 2011. As previously noted, the Company is no longer active and has not been since December 2012. Accordingly, access to the Company's

books and records, as well as previous management personnel, has been limited and we have had to rely on incomplete information. As such, details on the Company's current obligations to creditors are not known to the Receiver at the time of this Report.

16. As described in the Bhalwani Affidavit, the Receiver understands Dianor's secured obligations owed to Third Eye amount to approximately \$5.5 million as at August 18, 2015 (the "**Third Eye Indebtedness**").
17. The debenture dated September 16, 2010 made by Dianor in favour of Third Eye was recorded as a charge on each mining claim abstract that comprise the Unpatented Claims and on each parcel register that comprise the Patented Claims. The deed of hypothec and issue of bonds dated September 3, 2010 made by Dianor in favour of Third Eye was registered at the Public Register of Real and Immovable Mining Rights against 38 of the mining rights that comprise the Quebec Claims.
18. Fasken Martineau DuMoulin LLP, counsel to the Receiver, has conducted a search of registrations made against Dianor pursuant to the (Ontario) *Personal Property Security Act* and the (Quebec) Register of Personal and Movable Real Rights as of September 8, 2015. Attached hereto as **Appendix "F"** are copies of the search results.
19. In Ontario, there are registrations in favour of Third Eye and 235Co. In Quebec, there are registrations in favour of Third Eye, Banque Royale du Canada, Agence de Revenu du Québec (Ministre du Revenu du Québec), and Sa Majesté du Chef du Canada (Ministre du Revenu du Québec). These registrants have been given notice of this motion.
20. At this time the Receiver has not obtained a legal opinion with respect to the validity or enforceability of any security interest in Dianor's assets. The Receiver will assess the need for such an opinion as the matter proceeds.
21. The Company's financial performance and position, as well as the causes of its insolvency, are detailed extensively in the Bhalwani Affidavit and are, therefore, not repeated herein.

V. **PROPOSED SALES PROCESS**

22. The Receiver understands that management of Dianor had been trying to find new investors and/or partners for the Leadbetter Project in 2011 and 2012. Management held discussions with a number of parties but was unable to finalize a transaction prior to ceasing operations in December 2012.
23. Third Eye had also canvassed several potential investors about possibly purchasing its debt or the assets of the Debtor with the intention of advancing the Leadbetter Project. The Receiver understands these efforts continued until August 2015 but did not result in any binding commitments or a transaction.
24. *In light of the previous marketing efforts as described above, the Receiver proposes to undertake an expedited, focused Bid Process in respect of the Property as a means of testing the market, gauging interest in the Company and/or the Projects, with a view to concluding a transaction that provides a recovery to creditors.*
25. As described above, it appears that Dianor owns the mining rights to the Patented Claims but not the surface rights, which are held by 177Co or 235Co. The Receiver understands that the surface rights have been listed for sale. The Receiver intends to engage in discussions with Mr. Leadbetter about the interests of 177Co and 235Co in the Leadbetter Project and about the proposed Bid Process.
26. In order to provide parties with an opportunity to bid on the Property, the Receiver proposes to market the Company's assets to third parties for a period of approximately 45 days. The key aspects of the Bid Process are as follows:
  - (a) as soon as practical, a teaser document will be sent to a list of interested parties (the "**Interested Parties**") identified by the Receiver as potentially having an interest in the Company and/or the Projects. Attached hereto as **Appendix "G"** is a copy of the teaser. No formal confidential information memorandum will be prepared as the Receiver has established an electronic data room (the "**Data Room**") to provide Interested Parties with full access to all relevant information relating to the Company and/or the Projects;

- (b) Interested Parties will be required to sign a confidentiality agreement prior to obtaining access to the Data Room to assist in their evaluation of the Company and its assets;
- (c) Interested Parties will be required to submit binding offers (the "Offers") to the Receiver by 5pm EST on November 23, 2015 (the "Bid Deadline"). The Receiver will deposit in the Data Room a form of template asset purchase agreement (the "APA") on which Interested Parties shall submit Offers;
- (d) Offers are to be (i) made in the form of the APA with all revisions reflected in a redlined copy and (ii) accompanied with a deposit in an amount equal to 10% of the purchase price. To be considered by the Receiver, all Offers are to be on an "as is where is" basis and subject to Court approval. Offers shall remain open for acceptance by the Receiver for a period of at least 5 business days from the Bid Deadline;
- (e) the acceptability of any of the Offers received is to be determined by the Receiver, in consultation with Third Eye and any other party that the Receiver, in its discretion, deems relevant, subject to any confidentiality or other restrictions considered appropriate by the Receiver;
- (f) if no Offers have been received by the Bid Deadline, the Receiver, in consultation with Third Eye and any other party that the Receiver, in its discretion, deems relevant, will consider whether to continue the sales process and advise the Court accordingly;
- (g) the Receiver shall not be required to accept the highest or best Offer, or any Offer;
- (h) the Receiver may, in its sole discretion, elect to either: (i) accept an Offer, in which case the Receiver shall proceed to finalize the APA with the successful offering party, submit the Offer for court approval, with the closing of the sale to occur as soon as possible thereafter; or (ii) send written notice to parties that submitted the highest Offers (the "Highest Bidders") on or before November 27, 2015, advising the Highest Bidders that they are the Highest Bidders and informing them that the Receiver has elected to hold an auction (the "Auction Notice"). The Auction Notice shall include, amongst other things:
  - (i) the date, time and location of the proposed auction;

- (ii) the procedures pursuant to which the auction is to be conducted which are to be determined by the Receiver in its discretion; and
  - (iii) the terms of the baseline Offer on which all bids in the auction shall be made, along with relevant bid increments, to participate in the auction.
- 27. Third Eye shall be entitled to participate in the auction as a bidder.
- 28. The Receiver notes that while the proposed time-frame is condensed, the Receiver is of the view that the deadlines proposed in the Bid Process are reasonable given the previous efforts to market the Company and the breadth of information on the Company contained within the public domain due to previous TSXV disclosure requirements. Also, given the specialized nature of the assets covered by the Bid Process, it is anticipated that the Interested Parties who would express any interest would be knowledgeable in the mining and development sectors.
- 29. The Receiver is also aware that Third Eye may wish to present a bid, and/or credit bid, for all or part of the assets of the Company. If Third Eye intends to present an Offer it must advise the Receiver of such intention in writing on or before November 19, 2015 (a "**Participation Notice**"). Upon delivery of a Participation Notice, Third Eye will be excluded from any participation in the Bid Process that might create an unfair advantage or jeopardize the integrity of the Bid Process. For greater certainty, if Third Eye delivers a Participation Notice it will be subject to the Bid Process procedures as an Interested Party and will not be entitled to submit an Offer after the Bid Deadline (as it may be extended) except in the context of an auction, provided, however, that any Offer presented by Third Eye shall not require a deposit.
- 30. The Receiver shall have the right to make minor amendments to the Bid Process, including extending the timelines set forth in the Bid Process and described herein without further approval of the Court, provided the aggregate extension of the Bid Process shall not exceed 15 business days without Court approval.

#### VI. RECEIVER'S ACTIVITIES SINCE THE DATE OF APPOINTMENT

- 31. Since the Date of Appointment, the Receiver's activities included:

- (a) gaining access to Dianor's available books and records and making best efforts to acquire information on the Company's creditors, including attempting to contact Dianor's former CEO on same;
- (b) sending to known creditors and relevant government taxing authorities the *Notice and Statement of Receiver* required under Section 245(1) and 246(1) of the BIA;
- (c) considering processes to market the Company and/or the Projects, and developing the Bid Process;
- (d) corresponding with Third Eye and its counsel, Stikeman Elliott LLP, on a regular basis on the status of the receivership and the proposed post-filing strategy, including the Bid Process;
- (e) preparing a list of potential interested parties to contact in connection with the Bid Process; and
- (f) drafting of the teaser and compiling documentation on the Company and the Projects in connection with the Bid Process.

32. To inform creditors and all other stakeholders, general information on these proceedings has been posted on the Receiver's website at [www.richter.ca/en/folder/insolvency-cases/d/dianor-resources-inc](http://www.richter.ca/en/folder/insolvency-cases/d/dianor-resources-inc). The Receiver has also identified on its website a point of contact at Richter for any enquiries, including a telephone number and email address.

## VII. CONCLUSION AND RECOMMENDATION

33. The Receiver is of the view that the Bid Process is reasonable in the circumstances and balances the search for a prospective purchaser with the costs associated with administering a sale process of this nature. The Bid Process provides the Company's stakeholders with an opportunity to maximize the value of the Property by attempting to find a purchaser for the Company and/or the Projects, which may be strategically attractive to prospective interested parties. The Receiver is also of the view that the Bid Process should provide interested parties with sufficient time to evaluate the Property and to make an offer in respect of the Company and / or the Projects, if interested.

Dated the 1<sup>st</sup> day of October, 2015

RESPECTFULLY SUBMITTED,



---

Paul van Eyk, CIRP, IFA, CPA  
Senior Vice-President

Richter Advisory Group Inc.  
the Receiver of Ressources Dianor Inc. / Dianor Resources Inc.  
and not in its personal capacity

# APPENDIX "G"

**RESSOURCES DIANOR INC. / DIANOR RESOURCES INC.  
SECOND REPORT OF RICHTER ADVISORY GROUP INC.,  
IN ITS CAPACITY AS THE COURT-APPOINTED RECEIVER OF  
RESSOURCES DIANOR INC. / DIANOR RESOURCES INC.**

**AUGUST 8, 2016**

Court File No. CV15-11080-00CL

ONTARIO  
SUPERIOR COURT OF JUSTICE – COMMERCIAL LIST

BETWEEN:

THIRD EYE CAPITAL CORPORATION

Applicant

- and -

RESSOURCES DIANOR INC. / DIANOR RESOURCES INC.

Respondent

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

SECOND REPORT OF RICHTER ADVISORY GROUP INC.  
IN ITS CAPACITY AS THE COURT-APPOINTED RECEIVER OF  
RESSOURCES DIANOR INC. / DIANOR RESOURCES INC.

AUGUST 8, 2016

## TABLE OF CONTENTS

I.	INTRODUCTION .....	1
II.	PURPOSE OF REPORT .....	1
III.	QUALIFICATIONS .....	2
IV.	BACKGROUND .....	3
V.	RESULTS OF THE BID PROCESS .....	4
VI.	PROPOSED TRANSACTION.....	5
VII.	THE ONTARIO PROJECT ROYALTIES .....	7
VIII.	THE PURCHASE AGREEMENT AMENDMENT AND DISTRIBUTIONS TO ROYALTY HOLDERS..	12
IX.	OTHER POTENTIALLY INTERESTED PARTIES.....	14
X.	SECURITY REVIEW .....	17
XI.	RECEIVER'S ACTIVITIES.....	18
XII.	CONCLUSION AND RECOMMENDATION .....	19

### APPENDICES

APPENDIX "A" –	ORDER OF THE HONOURABLE MR. JUSTICE MEW DATED AUGUST 20, 2015	
APPENDIX "B" –	ORDER OF THE HONOURABLE MR. JUSTICE HAINEY DATED OCTOBER 7, 2015	
APPENDIX "C" –	FIRST REPORT OF RICHTER ADVISORY GROUP INC. DATED OCTOBER 1, 2015	
APPENDIX "D" –	OFFER TO PURCHASE FROM THIRD EYE CAPITAL CORPORATION DATED NOVEMBER 23, 2015	
APPENDIX "E" –	MINING CLAIM ABSTRACT AND PARCEL REGISTER FOR ONTARIO PROJECT	
APPENDIX "F" –	AGREEMENTS RELATED TO GROSS OVERRIDING ROYALTY HELD BY 2350614 ONTARIO INC.	
APPENDIX "G" –	PARCEL REGISTER FOR ONTARIO PATENTED CLAIMS	
APPENDIX "H" –	ROYALTY AGREEMENT DATED MARCH 1, 2005 BETWEEN ALGOMA STEEL INC. AND 3814793 CANADA INC.	
APPENDIX "I" –	AMENDMENT TO OFFER TO PURCHASE FROM THIRD EYE CAPITAL CORPORATION DATED AUGUST 4, 2016	
APPENDIX "J" –	PERSONAL PROPERTY SEARCH RESULTS FOR ONTARIO AND QUEBEC	

### CONFIDENTIAL APPENDICES

APPENDIX "1" –	OFFER SUMMARY
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## I. INTRODUCTION

1. Pursuant to an application by Third Eye Capital Corporation ("**Third Eye**" or the "**Lender**") under section 243(1) of *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and section 101 of the *Courts of Justice Act*, R.S.O. 1990 c. C.43, as amended, Richter Advisory Group Inc. was appointed as Receiver ("**Richter**" or the "**Receiver**") without security over all the assets, undertakings and properties (the "**Property**") of Ressources Dianor Inc. / Dianor Resources Inc. ("**Dianor**" or the "**Company**") by way of an order (the "**Appointment Order**") of the Ontario Superior Court of Justice (Commercial List) (the "**Court**"), dated August 20, 2015 (the "**Date of Appointment**"). A copy of the Appointment Order is attached hereto as **Appendix "A"**.
2. On October 7, 2015, the Court granted an order approving, among other things, a sale process (the "**Bid Process**") to be carried out by the Receiver and authorizing the Receiver to take such steps as it deems necessary to carry out the Bid Process. A copy of the Bid Process approval order is attached hereto as **Appendix "B"**.
3. This report is the Receiver's second report (the "**Second Report**") filed with this Court in connection with these receivership proceedings. The Receiver's first report dated October 1, 2015 (the "**First Report**") provided background information on the Company and its mineral properties, described the activities of the Receiver since the Date of Appointment and set out the terms of the Bid Process to be undertaken by the Receiver. A copy of the First Report (without attachments) is attached hereto as **Appendix "C"**.

## II. PURPOSE OF REPORT

4. The purpose of this Second Report is to provide this Court with information pertaining to:
  - (a) the results of the Bid Process;
  - (b) the terms of the purchase agreement dated November 23, 2015 and accepted on December 11, 2015 (the "**Purchase Agreement**") executed by the Receiver and Third Eye (in such capacity, the "**Purchaser**") for the sale of substantially all of Dianor's Property (the "**Transaction**"), as amended by the Amending Agreement (as defined below);<sup>1</sup>
  - (c) the activities of the Receiver since the date of the First Report; and

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<sup>1</sup> Capitalized terms used herein but not otherwise defined shall have the meaning ascribed thereto in the Purchase Agreement.

- (d) the Receiver's recommendation with respect to its motion for an order(s) of the Court, among other things:
  - (i) approving the Purchase Agreement, the Amending Agreement, and the Transaction and authorizing and directing the Receiver to carry out the terms of the Purchase Agreement and to execute such documents and take such additional steps as are necessary to complete the Transaction;
  - (ii) vesting in the Purchaser, as at Closing, all of Dianor's right, title, and interest, if any, in and to the Sale Assets, free and clear of all Liens, other than Permitted Encumbrances, and authorizing and directing the Receiver to distribute certain amounts to Essar Steel Algoma inc. ("**Essar**") and the holders of the 235Co GORs (as defined below) in respect of the Ontario Project Royalties; and
  - (iii) approving this Second Report, and the actions, activities and conduct of the Receiver set out herein.

### III. QUALIFICATIONS

- 5. In preparing this Second Report, Richter has relied upon unaudited financial information, the Company's limited and potentially dated books and records, information provided by the Lender and its legal counsel, and financial information prepared by the Company and discussions with the Lender and its legal counsel (collectively, the "**Information**").
- 6. In accordance with industry practice, except as described in this Second Report:
  - (a) Richter has not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Canadian Institute of Chartered Accountants Handbook; and
  - (b) future-oriented financial information relied upon in preparing this Second Report is based on management's assumptions regarding future events. Actual results achieved may vary from this information and these variations may be material.

7. As described in the First Report, Dianor is currently not an active company and the Receiver understands that the Company has no remaining employees, management personnel or board members. As a consequence, the Receiver has had to rely on the Company's limited and dated books and records that were made available to it by Third Eye, as well as the public filings made by Dianor while it was active (copies of which are available on [www.sedar.com](http://www.sedar.com)).
8. Unless otherwise noted, all monetary amounts contained in this Second Report are expressed in Canadian dollars.

#### IV. BACKGROUND

9. As detailed in the First Report, Dianor's assets consist primarily of mining claims located on the Superior Craton, a geological area underlying the James Bay region of Ontario and Quebec. The Company's flagship diamond project is located near Wawa, Ontario, and consists of 16 unpatented and 34 patented mining claims (the "**Ontario Project**").
10. With the exception of one patented mining claim, the patented claims relating to the Ontario Project appear to be in respect of mining rights only. The surface rights for those patented claims appear to be held by either 1778778 Ontario Inc. ("**177Co**") or 2350614 Ontario Inc. ("**235Co**"), each being a company that the Receiver understands is owned or controlled by the original prospector, Mr. Joseph Leadbetter ("**Leadbetter**").
11. The Receiver understands that Dianor has granted a number of royalties relating to the Ontario Project, as follows:
  - (a) a 20% gross overriding royalty ("**GOR**") for diamonds, which the Receiver understands was reduced to 15.44% on September 29, 2011 based on Dianor's public filings, and a 1.5% GOR for all other metals and minerals, in each case in favour of 235Co (recorded on the mining claim abstracts for the unpatented claims and the parcel registers for the patented claims) (together, the "**235Co GORs**"); and
  - (b) a 10% royalty for all minerals in favour of Algoma Steel Inc., which subsequently became Essar (the "**Essar Royalty**") and together with the 235Co GORs, the "**Ontario Project**

**Royalties**"). The Essar Royalty is only recorded on the parcel registers for the patented claims.

12. Dianor also owns 48 mining claims located in Quebec (the "**Quebec Claims**"). It was initially contemplated in the Purchase Agreement that Third Eye would acquire the Quebec Claims as part of the Transaction, however, upon further consideration, and as reflected in the Amending Agreement discussed below, Third Eye has determined to exclude the Quebec Claims from the acquisition, without adjustment of the purchase price.

#### V. **RESULTS OF THE BID PROCESS**

13. As noted in the First Report, the Bid Process provided a means for testing the market, gauging interest in the Company and/or its Property, and determining whether a transaction that would result in a recovery to Dianor's creditors was available.

14. A summary of the Bid Process and its results are as follows:

- (a) the Receiver assembled an electronic data room (the "**Data Room**"), which contained corporate, financial and information relating to Dianor's mining claims, to assist prospective purchasers in completing their primary due diligence;
- (b) beginning on October 9, 2015, the Receiver canvassed and sent a teaser document to a total of 39 prospective interested parties, which included Leadbetter (the "**Interested Parties**"), to advise of the opportunity to acquire the assets of the Company, of which 38 were prospective strategic buyers and 1 was a prospective financial buyer. Of the 39 parties contacted, 7 expressed interest but ultimately only 1 of the Interested Parties executed a confidentiality agreement to obtain access to the Data Room;
- (c) on November 17, 2015, the Receiver deposited a form of template asset purchase agreement in the Data Room on which interested Parties were required to submit binding offers (the "**Offers**");
- (d) on November 19, 2015, Third Eye delivered a notice (the "**Participation Notice**") to the Receiver pursuant to the procedure in paragraph 29 of the First Report, advising of its

intention to present an Offer and therein acknowledging it would be subject to the Bid Process as an Interested Party;

- (e) Interested Parties were required to submit Offers to the Receiver by 5pm EST on November 23, 2015 (the "**Bid Deadline**"). In total, two (2) Offers were received prior to the Bid Deadline, one from a third party and the other from Third Eye. A summary of the material terms of the Offers received will be filed separately with the Court on a confidential basis and will be subject to a request that such summary be sealed in the Court file pending closing of the Transaction or further order of the Court. The Receiver notes both Offers received contained a condition requiring the termination or significant reduction of the Ontario Project Royalties. Filed with this Court on a sealed and confidential basis as **Confidential Appendix "1"** is a summary of the material terms of the Offers received;
- (f) based on the Offers submitted to the Receiver, the Receiver elected not to hold an auction under the Bid Process and advised the two offerors accordingly on November 26, 2015; and
- (g) the Receiver, in consultation with its legal counsel, reviewed the two Offers received and concluded that the Offer received from Third Eye was the superior Offer. As a result, the Receiver, Third Eye, and their respective counsel, engaged in discussions with respect to certain terms of the Third Eye Offer that resulted in the execution of the Purchase Agreement. A copy of the Purchase Agreement is attached hereto as **Appendix "D"**.

## VI. PROPOSED TRANSACTION

15. A summary of the key aspects of the Purchase Agreement are described below:

- (a) the Purchaser has offered to purchase the right, title and interest of Dianor in and to the Sale Assets, which constitutes substantially all of the Company's Property and business, other than the Excluded Assets (which now includes the Quebec Claims), for a purchase price consisting of the aggregate of \$2.0 million (the "**Credit Bid Amount**") and the amount of \$400,000, payable in cash, which is to be allocated and distributed, subject to and upon

- the direction of the Court, to the holders of the Ontario Project Royalties as follows: \$150,000 to Essar, and \$250,000 to the holder of the 235Co GORs (as described in greater detail below);
- (b) the Purchaser was not required to provide the Receiver with a deposit in connection with the Transaction pursuant to paragraph 29 of the First Report;
  - (c) the Transaction is scheduled to close two (2) business days after the Court issues an order in the scheduled form approving the Purchase Agreement and the Transaction, and in any event, no later than January 31, 2016 ("**Closing**"), unless Closing is extended by mutual agreement of the parties. The Receiver and Third Eye have agreed to extend the Closing until August 31, 2016; and
  - (d) the Sale Assets are to be acquired on an "as is, where is" basis, but subject to an order of the court vesting the Sale Assets in the Purchaser free and clear of all monetary claims and encumbrances (other than Permitted Encumbrances), including the Ontario Project Royalties.
16. The Credit Bid Amount represents a portion of the secured indebtedness owed by Dianor to Third Eye. The Receiver understands Dianor's secured obligations owed to Third Eye, including penalties and interest, amount to approximately \$6.9 million as at July 4, 2016 (the "**Third Eye Indebtedness**").
17. The Purchaser will satisfy the purchase price on Closing in part by (i) providing a credit in the amount of the Credit Bid Amount against Dianor's obligations under the Third Eye Indebtedness, such that the Third Eye Indebtedness will be permanently reduced by the Credit Bid Amount; (ii) as discussed in more detail below, in addition to the Credit Bid Amount, by paying in cash the amount of \$400,000, and (iii) by the assumption of the Assumed Liabilities (as defined in the Purchase Agreement). The Purchaser will also fund an amount in cash sufficient to pay the Professional Fees (as defined in the Purchase Agreement) upon Closing.

**VII. THE ONTARIO PROJECT ROYALTIES**

18. The Ontario Project Royalties are each in respect of diamonds or other metals or minerals that are *extracted from the Ontario Project*. Under the terms of the Ontario Project Royalties, no amount is payable by Dianor to the royalty holders unless the Ontario Project becomes a producing mine. The Ontario Project is the most advanced of the mining claims held by Dianor (in early October 2009 Dianor filed in a National instrument 43-101 compliant independent technical report for the Ontario Project), however, it remains an early stage diamond project without any development or mine infrastructure in place. As noted in the recommendations of the 43-101 compliant independent technical report, the Ontario Project will require investments of at least \$32 million to fund a bulk sampling program to advance exploration, and determine economic feasibility of the Ontario Project before it has the potential to become a producing mine.
19. Each of the Offers received in the Bid Process contained a condition requiring termination or substantial reduction of the Ontario Project Royalties.
20. As noted above, the Purchase Agreement is conditional on the Court issuing an order approving the Purchase Agreement and the Transaction and, upon closing, vesting in the Purchaser all of Dianor's right, title and interest in and to the Sale Assets, free and clear of all liens and encumbrances (other than Permitted Encumbrances), including the Ontario Project Royalties.
21. The Receiver is of the view that the Transaction represents the best recovery for Dianor's Property in the circumstances and is therefore seeking the Court's approval of the Purchase Agreement and the Transaction.
22. As evidenced by the fact that only two bids were received (one from the secured lender who has an existing vested interest in the Sale Assets and one from a third party) both of which require, as a condition of their respective bids, the elimination or significant reduction of the Ontario Project Royalties, it is the Receiver's view that the current combined royalties (25%) have the effect of eroding the potential value, both currently and in the future, of the Sale Assets, especially given (that said royalty percentages appear to be significantly above levels that are generally seen in similar situations).

23. Based on the results of the Bid Process and the quantum of its indebtedness, Third Eye is the only party with a present economic interest in the property of Dianor. The Receiver is not aware of any legislative provision or applicable jurisprudence that would prohibit the making of an Order vesting the Purchased Assets free of the Ontario Project Royalties.
24. As discussed below, Essar has consented to the making of an Order vesting the Ontario Project free of the Essar Royalty. The Receiver intends to serve Essar with notice of this motion.
25. Discussions with 235Co with respect to a consensual alternative have been unsuccessful and the Receiver understands 235Co objects to the vesting of the Ontario Project free of the 235Co GORs. Seeing as they are the only two parties with an interest in the issue, the Receiver intends to serve Third Eye and 235Co with notice of this motion so that they may appear and argue the matter of vesting the Ontario Project free of the 235Co GORs on their own behalves.

#### **The 235Co GORs**

26. The 235Co GORs appear to be in respect of both the patented and unpatented mining claims relating to the Ontario Project and have been recorded on the mining claim abstracts for the unpatented claims and the parcel registers for the patented claims (with the exception of one patented claim bearing parcel register PIN 31158-0129). A copy of one of the mining claim abstracts for the unpatented claims and one of the parcel registers for the patented claims is attached hereto as **Appendix "E"**. The Receiver has reviewed the remaining mining claim abstracts and parcel registers relating to the Ontario Project and confirms that the 235Co GORs have been recorded on each (with the exception of one patented claim bearing parcel register PIN 31158-0129).
27. The 235Co GORs in respect of the unpatented mining claims appear to have been granted pursuant to a Property Option Agreement dated December 15, 2004 (the "**Property Option Agreement**") among Dianor, as Optionee, and 3814793 Canada inc. ("**381Co**") and Paulette A. Mousseau-Leadbetter ("**Paulette**"), together as Optionors, as amended by an Amendment to Property Option Agreement dated December 15, 2004 (the "**Amendment to Property Option Agreement**") and together with the Property Option Agreement, the "**Unpatented Claims Option Agreement**"). The Receiver understands that 381Co is owned or controlled by Leadbetter.

28. The 235Co GORs in respect of the patented mining claims appear to have been granted pursuant to a Property Option Agreement dated February 23, 2005 between Dianor, as Optionee, and 381Co, as Optionor (the "**Patented Lands Option Agreement**").
29. The Unpatented Claims Option Agreement and the Patented Lands Option Agreement were each amended pursuant to the terms of an Amendments to Property Option Agreements dated July 30, 2005 among Dianor, as Optionee, 381Co and Paulette, together as Optionors, and Leadbetter and Diamond Lake Mining Ltd. ("**Diamond Lake**") (the "**Amendments to Property Option Agreements**").
30. The Unpatented Claims Option Agreement was further amended by an Amendment to Leadbetter Property Option Agreement [Crown Land] dated August 25, 2008 among Dianor, as Optionee, and 381Co and Pauiette, together as Optionors (the "**Amendment to Leadbetter Property Option Agreement [Crown Land]**"), which includes as Schedule "A" the most recent terms and conditions of the 235Co GORs in respect of the unpatented mining claims.
31. The Patented Lands Option Agreement was further amended by an Amendment to Leadbetter Property Option Agreement [Patented Lands] dated August 25, 2008 (and executed November 27, 2008) among Dianor, as Optionee, and 381Co and Pauiette, together as Optionors, (the "**Amendment to Leadbetter Property Option Agreement [Patented Lands]**"), which includes as Schedule "A" the most recent terms and conditions of the 235Co GORs in respect of the patented mining claims.
32. The Amendment to Leadbetter Property Option Agreement [Crown Land] and the Amendment to Leadbetter Property Option Agreement [Patented Lands] are substantially similar and contain the most recent terms and conditions of the 235Co GORs, including among other terms, the following:
  - (a) the Optionors are entitled to a GOR equal to 20% (which the Receiver understands was subsequently reduced to 15.44%) (less the percentage interest in the mining claims, if any, the Optionors have then acquired pursuant to a Ten Percent Purchase Agreement (the Receiver understands that no additional interest in the mining claims has been acquired pursuant to the Ten Percent Purchase Agreement)) of the value of all diamonds that are

recovered or produced from the mining claims, excluding any by-products or tailings that remain after the extraction and processing process; and

(b) the Optionors are entitled to a royalty interest of 1.5% of the revenue received by the Optionee from arm's length purchasers for all other minerals recovered from the mining claims (or the fair market value of such minerals if sold to persons not dealing at arm's length with the Optionee).

33. in addition, the Amendment to Leadbetter Property Option Agreement [Crown Land] and the Amendment to Leadbetter Property Option Agreement [Patented Lands] each include a provision stating that "it is the intent of the parties hereto that the GOR shall constitute a covenant and an interest in land running with the Property and the Mining Claims and all successions thereof or leases or other tenures which may replace them, whether created privately or through governmental action, and including, without limitation, any leasehold interest."
34. The rights and interests of 381Co and Pauvette in the 235Co GORs appear to have been assigned to 177Co pursuant to two Assignment of Agreements (one in respect of the patented mining claims and the other in respect of the unpatented mining claims), in each case dated June 26, 2009 (the "**Assignment of Agreements**").
35. 177Co appears to have sold its interest in the 235Co GORs to 235Co pursuant to a Purchase Agreement dated January 1, 2013 (the "**235Co GORs Purchase Agreement**"), between 177Co, as Vendor, and 235Co, as Purchaser.
36. The Unpatented Claims Option Agreement, the Patented Lands Option Agreement, the Amendments to Property Option Agreements, the Amendment to Leadbetter Property Option Agreement [Crown Land], the Amendment to Leadbetter Property Option Agreement [Patented Lands], the Assignment of Agreements and the 235Co GORs Purchase Agreement are collectively attached hereto as **Appendix "F"**.
37. Leadbetter, the principal of 235Co, was notified of the Bid Process and was included on the Receiver's list of interested Parties.

38. Subsequent to the Bid Deadline and since executing the Purchase Agreement, the Receiver and Third Eye have each engaged in discussions with Leadbetter, and his/235Co's legal counsel, with respect to a possible consensual alternative to a Court-ordered vesting of the Ontario Project free of the 235Co GORs. To date a mutually acceptable alternative has not been arrived at.

#### **The Essar Royalty**

39. The Essar Royalty appears to be in respect of the patented claims only relating to the Ontario Project and appears to have been recorded as a Notice of an Unregistered Estate, Right, interest or Equity on the parcel registers for the patented claims (with the exception of one patented claim bearing parcel register PIN 31158-0129). A copy of one of the parcel registers for the patented claims is attached hereto as **Appendix "G"**. The Receiver has reviewed the remaining parcel registers relating to the Ontario Project and confirms that the Essar Royalty appears to have been recorded on each (with the exception of one patented claim bearing parcel register PIN 31158-0129).
40. The Essar Royalty appears to have been granted pursuant to a Royalty Agreement dated March 1, 2005 between Algoma Steel Inc., as Vendor, and 381Co, as Purchaser (the "**Essar Royalty Agreement**"). A copy of the Essar Royalty Agreement is attached hereto as **Appendix "H"**. The Receiver understands that the Essar Royalty Agreement was subsequently amended to include mining claims SSM 15445 (PIN 31158-0166) and SSM 21171 (PIN 31158-0160) as being subject to the Essar Royalty. The Receiver was not able to obtain a copy of the amendment to the Essar Royalty Agreement to independently confirm that these two mining claims are subject to the Essar Royalty. However, based on the Receiver's review of the Company's public disclosure, the parcel registers for the patented claims, and other documents provided to the Receiver by Third Eye, it appears that these two mining claims were subsequently included as part of the Essar Royalty.
41. Pursuant to the Essar Royalty, the Vendor reserved unto itself, its successors and assigns, a royalty equal to 10% of all Minerals (as defined in the Essar Royalty) mined, extracted, produced or otherwise recovered from the Mining Property (as defined in the Essar Royalty Agreement) which shall, at the sole option of the Vendor, be satisfied either (i) by delivery to the Vendor of the physical Minerals in kind (in refined form and free and clear of encumbrances) having a fair market

value equal to 10% of the Minerals so mined, extracted, produced or recovered, or (ii) by the payment to the Vendor of 10% of the amount of all sales of Minerals mined, extracted, produced or otherwise recovered from the Mining Property or other product derived therefrom.

42. The Essar Royalty states that "the interest of the Vendor hereunder is intended to constitute an *interest in the Mining Property and be binding upon all subsequent owners, mortgagees and tenants of, and others acquiring an interest in, the Mining Property.*"
43. Since executing the Purchase Agreement, Third Eye has engaged in discussions with Essar with respect to a possible consensual alternative to a Court-ordered vesting of the Ontario Project free of the Essar Royalty.
44. The Receiver understands that, as a result of those discussions, Essar has agreed to consent to (a) the bringing of this motion notwithstanding the stay in its *Companies' Creditors Arrangement Act* proceedings, and (b) the making of an Order by the Court vesting the Sale Assets free of the Essar Royalty in exchange for a cash distribution from the sale proceeds in the amount of \$150,000 (the "**Essar Payment Amount**").

#### VIII. THE PURCHASE AGREEMENT AMENDMENT AND DISTRIBUTIONS TO ROYALTY HOLDERS

45. The Receiver understands that the resolution with Essar, in particular the quantum of the Essar Payment Amount, is based upon a valuation report in respect of the Ontario Project and the Ontario Project Royalties dated May 5, 2016 prepared by Roscoe Postie Associates inc. for Third Eye (the "**RPA Valuation Report**"). In the RPA Valuation Report RPA expressed the opinion that, *based upon the analysis, assumptions and qualifications contained in the RPA Valuation Report*, as at March 31, 2016 the Essar Royalty has an estimated value range of \$70,000 to \$140,000 and the 235Co GORs have an estimated value range of \$150,000 to \$310,000.
46. To give effect to the Essar resolution, and having exhausted efforts to negotiate a consensual alternative to a Court-ordered vesting of the Ontario Project free of the 235Co GORs, the Receiver and Third Eye executed an amendment to the Purchase Agreement dated August 4, 2016 (the "**Amending Agreement**") pursuant to which the Purchase Agreement was amended to increase the Purchase Price to provide for a cash payment in the amount of \$400,000, to be distributed

upon Closing, subject to and pursuant to the direction of the Court, to the holders of the Ontario Project Royalties as follows: (a) \$150,000 to Essar and (b) \$250,000 to the holder of the 235Co GORs, or as it may direct.

47. The Amending Agreement also (i) removed the Quebec Claims from the list of Mining Claims and Sale Assets; (ii) extended the outside date for Closing to August 31, 2016; and (iii) amended certain schedules to the Purchase Agreement, as follows:
  - (a) Schedule 7.2 - Professional Fees was amended to reflect updated estimates;
  - (b) Schedule 11.1 - Form of Approval and Vesting Order was amended to delete provisions specific to the Quebec Claims and to add language (i) authorizing and directing the Receiver to distribute the aforesaid amounts to Essar and the holder of the 235Co GORs; (ii) approving the Second Report and the activities of the Receiver; and (iii) permitting the Purchaser to use and occupy such part or parts of the surface rights of the Sale Assets, subject to requirements under the *Mining Act*.
  - (c) Schedule 14.4 - Quebec Claims was deleted in its entirety.
48. A copy of the Amending Agreement is attached hereto as **Appendix "I"**.
49. The purchase price was not reduced or otherwise modified to account for the removal of the Quebec Claims from the Sale Assets.
50. The Receiver has been provided with a copy of the RPA Valuation Report. The additional amount that the Purchaser has agreed to pay for distribution to the holder of the 235Co GORs is above the mid-point of the range of value attributed to the 235Co GORs in the RPA Valuation Report. The Receiver understands that Third Eye will be filing an affidavit containing a copy of the RPA Valuation Report in connection with the Receiver's herein motion.
51. In the absence of a mutually agreeable alternative to a vesting of the Ontario Project free of the 235Co GORs, the \$250,000 additional payment agreed to by the Purchaser for distribution to the holder of the 235Co GORs upon Closing is, in the view of the Receiver, a reasonable resolution

that will allow the completion of the Transaction which, as noted above, represents the highest and best offer received in the Bid Process.

## IX. OTHER POTENTIALLY INTERESTED PARTIES

### Personal Property Security Registrants

52. Fasken Martineau DuMoulin LLP ("**Faskens**"), independent counsel to the Receiver in this matter, has conducted a search of registrations made against Dianor pursuant to the (Ontario) *Personal Property Security Act* and the (Quebec) *Register of Personal and Movable Real Rights* as of December 14, 2015 and December 16, 2015, respectively. Attached hereto as **Appendix "J"** are copies of the search results.
53. In Ontario, there are registrations in favour of Third Eye and 235Co.
54. In Quebec, there are registrations in favour of Third Eye, Banque Royale du Canada, Agence de Revenu du Québec (Ministre du Revenu du Québec), and Sa Majesté du Chef du Canada (Ministre du Revenu du Québec):
  - (a) the registration in favour of Banque Royale du Canada, under number #09-0272752-0001 filed on May 13, 2009 represents the registration of a movable hypothec without delivery granted by Dianor to Banque Royale du Canada, over specific guaranteed investment certificates (the "**CPG Certificates**") as well as over certain specific receivables and claims, for an amount of \$379,500.00;
  - (b) the registration in favour of Sa Majesté du Chef du Canada (Ministre du Revenu du Québec), under number 12-0645450-0001 filed on August 8, 2012 represents the registration of a legal hypothec with respect to a claim under a judgment from the Federal Court of Canada dated June 27, 2012 (File #GST-4852-12), which appears to be in respect of unpaid federal sales taxes (GST) for the years 2011 and 2012 in the initial amount of \$56,467.18 (plus penalties and interest). The secured assets appear to represent the CPG Certificates valued at \$330,000.

- (c) there are three registrations in favour of Agence de Revenu du Québec (Ministre du Revenu du Québec):
- (i) registration of a legal hypothec of the State (i.e Québec) pursuant to section 2725 of the Civil Code of Québec ("CCQ") for sums due under fiscal laws, #12-0639365-0001 filed on August 7, 2012. The hypothec is for an amount of \$111,941.17. The hypothec secures Dianor's obligations with respect to income tax and Québec sales taxes. The secured assets appear to represent the same CPG Certificates secured by the hypothec of Banque Royale du Canada referred to above (#09-0272752-0001) and legal hypothec of Sa Majesté du Chef Canada referred to above (#12-0645450-0001);
  - (ii) registration of a legal hypothec of the State (i.e Québec) pursuant to section 2725 CCQ for sums due under fiscal laws, #12-0604184-0008 filed on July 26, 2012. The hypothec is for an amount of \$111,542.62, and the secured assets are certain mining claims which include the Quebec Claims. The hypothec secures Dianor's obligations with respect to unpaid deductions at source and Québec sales taxes; and
  - (iii) registration of a legal hypothec of the State (i.e Québec) pursuant to section 2725 CCQ for sums due under fiscal laws, #12-0450947-0003 filed on June 6, 2012. The hypothec is for an amount of \$97,771.36, and the secured assets are two vehicles. The hypothec secures Dianor's obligations with respect to unpaid deductions at source and Québec sales taxes.
55. The books and records of Dianor that were made available to the Receiver do not contain any information with respect to tax arrears that may be owing to either Sa Majesté du Chef du Canada (Ministre du Revenu du Québec) or to the Agence de Revenu du Québec (Ministre du Revenu du Québec). The Receiver has contacted the Ministre du Revenu du Québec and the Canada Revenue Agency on numerous occasions to enquire about the noted hypothecs. As at the date of this Second Report, the Ministre du Revenu du Québec and the Canada Revenue Agency have

not provided any substantive response and/or documentation in connection with any tax arrears that may be owing by Dianor.

56. It is contemplated in the order approving the Purchase Agreement and the Transaction that, among other things, liens, trusts or deemed trusts, and other similar charges and encumbrances for all taxes, charges, fees, levies, penalties or other assessments of any kind whatsoever imposed by any federal, provincial, local or foreign taxing authority are permitted encumbrances that are unaffected by the order.
57. The Purchase Agreement, as amended, excludes the Quebec Claims from the purchased assets to be acquired by Third Eye. Further, it appears to the Receiver that the CPG Certificates and specified receivables in respect of which the aforesaid registrations relate no longer exist as assets of Dianor. Thus, to the Receiver's knowledge, the registrations by the taxing authorities in the Province of Quebec should not be affected by the relief sought on this motion. Nonetheless, the *Ministre du Revenu du Québec*, the Canada Revenue Agency and the other registrants under the *(Ontario) Personal Property Security Act* and the *(Quebec) Register of Personal and Movable Real Rights* have been given notice of this motion.

#### **Registrations on Title to Patented Mining Claims**

58. The following specific encumbrances are registered on title to the patented mining claims in Ontario:
- (a) Instrument No. LT254680 which is a Notice of an Unregistered Estate, Right, Interest or Equity registered March 2, 2005 in favour of Algoma Steel Inc., now known as Essar, with respect to its unregistered estate, right, interest or equity in the lands described therein;
  - (b) Instrument No. AL40749 which is a Notice under Section 71 of the *Land Titles Act* (Ontario) registered August 20, 2008, with respect to an agreement dated January 1, 2005, between Leadbetter, as Assignor, and Diamond Lake, as Assignee, respecting Assignor's assignment to the Assignee of an agreement dated December 16, 2004 (the "**Excavation Agreement**") between the Assignor and Dianor, which Excavation Agreement related to certain excavation work in the Chabanel Township located in the Province of Ontario;

- (c) Instrument No. AL53601 which is a Notice registered May 15, 2009 with respect to an *Application to register Notice of an Unregistered Estate, Right, Interest or Equity under Section 71 of the Land Titles Act (Ontario)*. Attached to this Instrument is the Amendment to a Leadbetter Property Option Agreement [Patented Land], which refers to and attaches the following agreements (i) the Patented Lands Option Agreement; (ii) the Amendments to Property Option Agreement; (iii) the Amendment to Property Option Agreement; and (iv) a Ten Percent Purchase Agreement dated March 30, 2007 among Dianor, as Optionee, and 381Co and Paulette, together as Optionors.
- (d) Instrument No. AL58043 which is a Notice pursuant to Section 71 of the *Land Titles Act (Ontario)* registered August 18, 2009 with respect to the Assignment of Agreement in respect of the patented mining claims. This Instrument makes reference to Instrument No. AL 53601 (summarized above).
- (e) Instrument No. AL126350 which is a Notice pursuant to Section 71 of the *Land Titles Act (Ontario)* registered December 4, 2013 with respect to the 235Co GORs Purchase Agreement. This Instrument makes reference to Instrument No. AL 53601 (summarized above).

59. Essar, 235Co and Diamond Lake have been given notice of this motion.

**Eeyou Istchee James Bay Regional Government**

60. On or about January 13, 2016 the Receiver and Third Eye were contacted by a representative of Eeyou Istchee James Bay Regional Government ("EIJBRG") regarding \$3,275.63 that EIJBRG claims Dianor owes in respect of unpaid municipal taxes for years 2012 to 2015 relating to a property and building located on one of the Quebec Claims. Those properties are not included in the purchased assets to be acquired by Third Eye and, therefore, EIJBRG should not be affected by the relief sought on this motion. Nonetheless, EIJBRG has been given notice of this motion.

**X. SECURITY REVIEW**

61. As the Purchase Agreement contemplates a secured creditor credit bid, the Receiver obtained an independent legal opinion from Faskens as to the validity and enforceability of the security granted

by Dianor to Third Eye in Ontario and, because the Purchase Agreement initially included the Quebec Claims, Quebec. Faskens has opined that, subject to customary assumptions and qualifications and certain specific assumptions and qualifications, the security interests in favour of Third Eye are valid and enforceable in Ontario and Quebec.

62. The Receiver understands that, to support the enforceability of its security interest in the Quebec Claims, in or about January, 2016 Third Eye exercised the power of attorney under its credit agreement with Dianor to open land files in the land registration division of Sept-Îles in the name of Ressources Dianor Inc. / Dianor Resources Inc. and registered its security interest (immovable hypothec) in the Quebec Claims on the State Resources Development Register in Quebec on or about February 1, 2016. The Receiver notes that the stay of proceedings in the Appointment Order does not prohibit the filing of any registration to preserve or perfect an existing security interest.

#### **XI. RECEIVER'S ACTIVITIES**

63. Since the date of the First Report, the Receiver's activities have included:
- (a) contacting the Interested Parties and facilitating their due diligence efforts in connection with the Bid Process;
  - (b) preparing and updating the Data Room with corporate, financial, and other information relating to Dianor's mining claims;
  - (c) reviewing the confidentiality agreement, template asset purchase agreement and other documents related to the Bid Process;
  - (d) reviewing the Offers submitted to acquire all or a portion of the Company's assets, including communications with certain of the offerors to clarify certain aspects of their Offers;
  - (e) corresponding with Third Eye and its counsel on a regular basis regarding the status of the Bid Process, prior to the delivery of the Participation Notice;
  - (f) negotiating and finalizing the Purchase Agreement and the Amending Agreement with the Purchaser;

- (g) corresponding with 235Co and its legal counsel regarding its interests in the Ontario Project;
- (h) responding to calls and enquiries from the Company's creditors regarding the receivership proceedings; and
- (i) preparing this Second Report.

64. To inform creditors and all other stakeholders, general information on these proceedings has been posted on the Receiver's website at [www.richter.ca/en/folder/insolvency-cases/d/dianor-resources-inc](http://www.richter.ca/en/folder/insolvency-cases/d/dianor-resources-inc). The Receiver has also identified on its website a point of contact at Richter for any enquiries, including a telephone number and email address.

## XII. CONCLUSION AND RECOMMENDATION

65. The Receiver is of the view that the Transaction represents the best recovery for Dianor's Property in the circumstances and recommends that this Court issue an order approving the Purchase Agreement and the Transaction for the following reasons:

- (a) the Bid Process was designed to solicit interest from *bona fide* parties that would be familiar with the industry and the nature of the Company's assets;
- (b) there is a limited market for the Property which the Receiver understands has been extensively canvassed prior to the Date of Appointment, and as part of the Bid Process, and all likely bidders have been provided with an opportunity to bid on the Company's assets;
- (c) the Transaction represents the best and highest offer received for the Sale Assets;
- (d) Third Eye is the only creditor with a present economic interest in the Property, and any further marketing efforts, in the Receiver's view, are not likely to result in realizations in excess of the Third Eye Indebtedness;


- (e) the amount that the Purchaser has agreed to pay for distribution to the holder of the 235Co GORs is higher than the mid-point of the range of value attributed to the 235Co GORs in the RPA Valuation Report; and
- (f) Dianor was not operating as at the Date of Appointment and its Property primarily consists of mining claims, which are not likely to generate any realization under a liquidation of the Company's assets.

66. Based on the foregoing, the Receiver respectfully requests that the Court issue an order:

- (a) approving the Purchase Agreement, the Amending Agreement, and the Transaction, and authorizing and directing the Receiver to execute such documents and take such additional steps as are necessary to complete the Transaction;
- (b) vesting, in the Purchaser, as at Closing, all of Dianor's right, title, and interest, if any, in and to the Sale Assets, free and clear of all liens and encumbrances (other than Permitted Encumbrances), and authorizing and directing the Receiver to distribute \$150,000 to Essar and \$250,000 the holders of the 235Co GORs in respect of the Ontario Project Royalties; and
- (c) approving this Second Report, and the actions, activities and conduct of the Receiver set out therein.

Dated the 8<sup>th</sup> day of August, 2016

RESPECTFULLY SUBMITTED,



---

Raymond Massi, CPA, CIRP, LIT  
Senior Vice-President



---

Pritesh Patel, CIRP, CFA, MBA  
Vice-President

Richter Advisory Group Inc.  
in its capacity as the Receiver of Ressources Dianor Inc. / Dianor Resources Inc.  
and not in its personal capacity

# APPENDIX "H"

**RESSOURCES DIANOR INC. / DIANOR RESOURCES INC.**

**SUPPLEMENTARY REPORT TO THE SECOND REPORT OF  
RICHTER ADVISORY GROUP INC.,  
IN ITS CAPACITY AS THE COURT-APPOINTED RECEIVER OF  
RESSOURCES DIANOR INC. / DIANOR RESOURCES INC.**

**FEBRUARY 10, 2017**

**ONTARIO  
SUPERIOR COURT OF JUSTICE – COMMERCIAL LIST**

BETWEEN:

THIRD EYE CAPITAL CORPORATION

Applicant

- and -

RESSOURCES DIANOR INC. / DIANOR RESOURCES INC.

Respondent

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

**SUPPLEMENTARY REPORT TO THE  
SECOND REPORT OF RICHTER ADVISORY GROUP INC.  
IN ITS CAPACITY AS THE COURT-APPOINTED RECEIVER OF  
RESSOURCES DIANOR INC. / DIANOR RESOURCES INC.**

**FEBRUARY 10, 2017**

## TABLE OF CONTENTS

I.	INTRODUCTION .....	1
II.	PURPOSE OF REPORT.....	2
III.	QUALIFICATIONS .....	2
IV.	BACKGROUND .....	2
V.	CONCLUSION AND RECOMMENDATION .....	5

## APPENDICES

APPENDIX "A" –	ORDER OF THE HONOURABLE MR. JUSTICE NEWBOULD DATED SEPTEMBER 27, 2016
APPENDIX "B" –	EMAIL FROM COUNSEL TO RECEIVER DATED OCTOBER 26, 2016
APPENDIX "C" –	EMAILS FROM COUNSEL TO 235CO TO COUNSEL TO RECEIVER DATED OCTOBER 26, 2016 (12:21PM AND 12:40PM)
APPENDIX "D" –	EMAILS FROM COUNSEL TO RECEIVER TO COUNSEL TO 235CO DATED OCTOBER 26, 2016 (12:32PM AND 12:59PM)
APPENDIX "E" –	RECEIVER'S CERTIFICATE DATED OCTOBER 26, 2016
APPENDIX "F" –	COPY OF THE REGISTERED APPLICATION FOR VESTING ORDER
APPENDIX "G" –	EMAIL FROM COUNSEL TO RECEIVER TO COUNSEL TO THE ESSAR MONITOR AND COUNSEL TO 235CO DATED OCTOBER 26, 2016
APPENDIX "H" –	LETTER FROM COUNSEL TO THE RECEIVER TO COUNSEL TO THE ESSAR MONITOR DATED NOVEMBER 2, 2016
APPENDIX "I" –	EXECUTED DIRECTION FROM COUNSEL TO 235CO DATED DECEMBER 2, 2016
APPENDIX "J" –	EMAIL FROM COUNSEL TO 235CO TO COUNSEL TO RECEIVER DATED DECEMBER 14, 2016

## I. INTRODUCTION

1. Pursuant to an application by Third Eye Capital Corporation ("**Third Eye**") under section 243(1) of *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and section 101 of the *Courts of Justice Act*, R.S.O. 1990 c. C.43, as amended, Richter Advisory Group Inc. was appointed as Receiver ("**Richter**" or the "**Receiver**") without security over all the assets, undertakings and properties of Ressources Dianor Inc. / Dianor Resources Inc. ("**Dianor**" or the "**Company**") by way of an order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**"), dated August 20, 2015.
2. On October 7, 2015, the Court granted an order approving, among other things, a sale process to be carried out by the Receiver and authorizing the Receiver to take such steps as it deems necessary to carry out the sale process.
3. On September 27, 2016, the Receiver sought and obtained an order of the Court (the "**Sale Approval and Vesting Order**"), among other things, approving the transaction (the "**Transaction**") contemplated by the agreement of purchase and sale between the Receiver, as seller, and Third Eye, as purchaser, (in such capacity, the "**Purchaser**") dated November 23, 2015 and accepted on December 11, 2015, as amended by an amending agreement (the "**Amending Agreement**") dated August 4, 2016 (as amended by the Amending Agreement, the "**Sale Agreement**"), and vesting all of Dianor's rights, title and interest in and to the Sale Assets, as set out and described in the Sale Agreement, in the Purchaser or an entity to be designated by the Purchaser in accordance with the terms of the Sale Agreement, free and clear of and from all Claims and Encumbrances (each as defined in the Sale Approval and Vesting Order), except for those permitted encumbrances, easements and restrictive covenants listed on Schedule "D" to the Sale Approval and Vesting Order. A copy of the Sale Approval and Vesting Order is attached hereto as **Appendix "A"**.
4. The Sale Approval and Vesting Order directed the Receiver to pay \$150,000 to Essar Steel Algoma Inc. ("**Essar**") and \$250,000 to 2350614 Ontario Inc. ("**235Co**") in full and final satisfaction of any rights or claims that Essar or 235Co may have in the Property or the Unpatented Mining Claims (each as defined in the Sale Approval and Vesting Order).
5. 235Co has appealed the Sale Approval and Vesting Order to the Ontario Court of Appeal. The Receiver understands that Third Eye will be responding to the appeal.

## II. PURPOSE OF REPORT

6. The purpose of this supplement (the “**Supplementary Report**”) to the Receiver’s second report dated August 8, 2016 is to provide information to the Ontario Court of Appeal in respect of certain facts which occurred on and after the release of the Court’s endorsement approving the Transaction (which occurred on October 5, 2016), which the Receiver believes may be pertinent to the appeal.

## III. QUALIFICATIONS

7. In preparing this Supplementary Report, Richter has relied upon unaudited financial information, the Company’s limited and potentially dated books and records, information provided by Third Eye and its legal counsel, and financial information prepared by the Company and discussions with Third Eye and its legal counsel (collectively, the “**Information**”).
8. In accordance with industry practice, except as described in this Supplementary Report:
  - (a) Richter has not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Canadian Institute of Chartered Accountants Handbook; and
  - (b) future-oriented financial information relied upon in preparing this Supplementary Report is based on management’s assumptions regarding future events. Actual results achieved may vary from this information and these variations may be material.
9. Unless otherwise noted, all monetary amounts contained in this Supplementary Report are expressed in Canadian dollars.

## IV. BACKGROUND

10. The Receiver’s motion seeking, among other things, approval of the Transaction was heard on September 27, 2016. On October 5, 2016 the Court released its endorsement granting the relief sought by the Receiver.

11. On October 5, 2016, counsel to the Receiver circulated a form of Sale Approval and Vesting Order for approval as to form and content to those parties who were present at the hearing of the motion, being counsel to the Purchaser, counsel to 235Co and counsel to the CCAA monitor of Essar (the "**Essar Monitor**").
12. On October 19, 2016 counsel to the Purchaser circulated a revised form of Sale Approval and Vesting Order for approval as to form and content.
13. As of October 26, 2016, the Receiver obtained all required approvals of the form of Sale Approval and Vesting Order as to form and content.
14. On October 26, 2016, the following events occurred in sequential order:
  - (a) counsel to the Receiver attended before the Court to have the Sale Approval and Vesting Order issued and entered;
  - (b) counsel to the Receiver circulated a copy of the issued and entered Sale Approval and Vesting Order to, among others, counsel to 235Co. A copy of the email enclosing the issued and entered Sale Approval and Vesting Order is attached hereto as **Appendix "B"**;
  - (c) counsel to 235Co wrote to counsel to the Receiver and counsel to the Purchaser, among others, advising that: "an appeal is under consideration. We expect to receive instructions shortly. If you would please defer cancellation of registered interests in the interim we would appreciate the same." (email of 12:21 p.m.); and "I understand we have 30 days to appeal and time is running. The discussion to appeal involves a number of considerations. We anticipate having a discussion early next week." (email of 12:40 p.m.). A copy of the emails from counsel to 235Co is attached hereto as **Appendix "C"**;
  - (d) counsel to the Receiver advised counsel to 235Co that "it has been three weeks since Justice Newbould released his decision. You have had ample time to obtain instructions with respect to a possible appeal. The transaction is scheduled to close this afternoon. The Receiver will deliver the receiver's certificate upon closing, which will render the vesting language in the approval order operative." (email of 12:32 p.m.); and "the appeal period is

what it is, but the approval order is not stayed during that period and the parties are not required to wait for the appeal period to expire before acting on the approval order and closing the transaction.” (email of 12:59 p.m.). A copy of the emails from counsel to the Receiver is attached hereto as **Appendix “D”**;

- (e) no notice of appeal or motion for leave to appeal was served or other correspondence received from counsel to the 235Co following the email sent by counsel for the Receiver at 12:59 p.m.;
  - (f) at 4:28 p.m., the Receiver delivered a certificate (the “**Receiver’s Certificate**”) to the Purchaser confirming, among other things, that the Transaction has been completed to the satisfaction of the Receiver. A copy of the Receiver’s Certificate is attached hereto as **Appendix “E”**;
  - (g) the Purchaser registered the Sale Approval and Vesting Order in the Land Registry Office for the Land Titles Division of Algoma with an Application for Vesting Order. A copy of the Registered Application for Vesting Order is attached hereto as **Appendix “F”**; and
  - (h) counsel to the Receiver informed counsel to the Essar Monitor and counsel to 235Co that the Transaction had closed and requested written directions with respect to the payment of the amounts to be distributed to their respective clients pursuant to paragraph 5 of the Sale Approval and Vesting Order. A copy of the Receiver’s emails is attached hereto as **Appendix “G”**.
15. On November 2, 2016, counsel to the Receiver delivered to counsel to the Essar Monitor a cheque in the amount of \$150,000 made payable to Essar, in accordance with paragraph 5 of the Sale Approval and Vesting Order and the written directions received from counsel to the Essar Monitor. A copy of the letter from counsel to the Receiver to counsel to the Essar Monitor enclosing the cheque is attached hereto as **Appendix “H”**.
16. On November 3, 2016, counsel to 235Co delivered a notice of appeal with respect to an appeal of, among other things, the Sale Approval and Vesting Order.

17. On December 12, 2016, 235Co executed a direction with respect to the distribution to 235Co of the \$250,000 in accordance with paragraph 5 of the Sale Approval and Vesting Order. A copy of the direction regarding funds is attached hereto as **Appendix "I"**. In previous correspondence, counsel to 235Co had expressed an intention to hold those funds in escrow, once received, pending the outcome of the appeal. The Receiver neither requested nor required that the funds be held in escrow.
18. On December 14, 2016, counsel to the Receiver initiated a wire transfer to counsel to 235Co's trust account in the amount of \$249,920, (being \$250,000 less the wire transfer cost of \$80). Counsel to 235Co confirmed that the wire was received on December 15, 2016. A copy of the email correspondence with respect to the wire transfer is attached hereto as **Appendix "J"**.

**V. CONCLUSION**

19. The Receiver believes that the above-referenced facts are uncontroverted. The Receiver understands that one or more of the parties to the appeal may seek to file this Supplementary Report with the Ontario Court of Appeal, to be relied upon at the hearing of the appeal.

Dated the 10<sup>th</sup> day of February, 2017

**RESPECTFULLY SUBMITTED,**



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**Raymond Massi, CPA, CIRP, LIT**  
Senior Vice-President



---

**Pritesh Patel, CIRP, CFA, MBA**  
Vice-President

Richter Advisory Group Inc.  
in its capacity as the Receiver of Ressources Dianor Inc. / Dianor Resources Inc.  
and not in its personal capacity

# APPENDIX "I"

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

B E T W E E N:

**THIRD EYE CAPITAL CORPORATION**

Applicant

- and -

**RESSOURCES DIANOR INC. / DIANOR RESOURCES INC.**

Respondent

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

**AFFIDAVIT OF ADAM SHERMAN  
(SWORN MAY 8, 2026)**

I, **ADAM SHERMAN**, of the City of Vaughan, in the Province of Ontario, **MAKE OATH  
AND SAY** that:

1. I am a former Senior Vice President and current Consultant of Richter Inc. (formerly Richter Advisory Group Inc., (“**Richter**”)) and, as such, I have knowledge of the matters hereinafter deposed to except where such matters are stated to be based on information and belief, and whereso stated, I believe such information to be true.

2. By order (the “**Receivership Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated August 20, 2015, Richter was appointed receiver (in such capacity, the “**Receiver**”), without security, over all the assets, undertakings and properties (the “**Property**”) of Ressources Dianor Inc. / Dianor Resources Inc. (“**Dianor**” or the “**Company**”) to

exercise the powers and duties set out in the Receivership Order, pursuant to section 243(1) of *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”), and section 101 of the *Courts of Justice Act*, R.S.O. 1990 c. C.43, as amended.

3. Pursuant to the Receivership Order and other subsequent orders issued in these proceedings, Richter and/or the Receiver have provided services and incurred disbursements, in the total aggregate amount of \$74,975.13 (inclusive of courtesy discounts totaling \$21,113.37) and \$30,356.52 (all excluding HST), respectively, during the period from August 18, 2015 to May 31, 2017 (the “**Period**”). The Receiver’s disbursements consist of certain fees and disbursements of Fasken Martineau DuMoulin LLP (“**Fasken**”), as independent legal counsel to the Receiver, in the amount of \$15,026.95 (excluding HST). Attached as **Exhibit “A”** is a summary of all invoices rendered by Richter and/or the Receiver on a periodic basis during the Period (the “**Accounts**”).

4. The Receiver has incurred additional professional fees in the period after May 31, 2017 in connection with the Dianor receivership proceedings; however, the Receiver is neither seeking the payment of, nor the Court’s approval of, these amounts.

5. True copies of the Accounts, which include a fair and accurate description of the services provided along with hours and applicable rates claimed by Richter and/or the Receiver, are attached as **Exhibit “B”**.

6. The Receiver previously filed two reports and a supplementary report (the “**Previous Reports**”) with the Court and the Court of Appeal for Ontario in connection with these receivership proceedings. In addition, and contemporaneously with the filing of this Affidavit, the Receiver is filing its third report to the Court with respect to the receivership proceedings (the “**Third Report**”). Details of the activities undertaken and services provided by Richter and/or the

Receiver in connection with the administration of the receivership proceedings are described in the Previous Reports and the Third Report.

7. In the course of performing its duties pursuant to the Receivership Order and other subsequent orders issued in these proceedings, the Receiver's staff has expended a total of 201.0 hours during the Period. Attached as **Exhibit "C"** is a schedule summarizing the individual staff involved in the administration of the receivership and the hours and applicable rates claimed by Richter and/or the Receiver in respect of those individuals during the Period. The average hourly rate billed by the Receiver during the Period was \$373.10.

8. The total amount of professional fees and disbursements being claimed for work performed by Richter and/or the Receiver during the Period was \$105,331.65 (excluding HST). Attached as **Exhibit "D"** is a schedule summarizing the Receiver's disbursements during the Period.

9. The Receiver requests that this Court approve the Accounts for the Period, in the total amount of \$105,331.65 (excluding HST) for services rendered and recorded during the Period, which amount includes certain fees and disbursements of Fasken, as independent legal counsel to the Receiver, in the amount of \$15,026.95 (excluding HST).

10. Fasken, as independent legal counsel to the Receiver, has provided legal services to the Receiver, rendered services throughout these proceedings in a manner consistent with the instructions of the Receiver and has prepared an affidavit with respect to the services rendered during the period of August 18, 2015 to November 28, 2019. The Receiver has reviewed the invoices rendered by Fasken during such period and is satisfied that Fasken's activities were consistent with the instructions of the Receiver.

11. To the best of my knowledge, the rates charged by Richter, the Receiver and Fasken are comparable to the rates charged for the provision of similar services by other accounting and law firms in downtown Toronto.

12. I believe that the fees and disbursements incurred by Richter, the Receiver and Fasken are fair and reasonable in the circumstances.

**SWORN** by Adam Sherman of the City of Vaughan, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on May 8, 2026 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Signed by:  
*Christina Piccinin*  
717D20F48831433...

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Commissioner for Taking Affidavits  
(or as may be)

**CHRISTINA PICCININ**

Signed by:  
*Adam Sherman*  
E8509F6CE63F46B...

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**ADAM SHERMAN**

This is Exhibit "A" to the Affidavit of Adam Sherman, sworn before me by video conference at the City of Toronto, in the Province of Ontario, by Adam Sherman of the City of Vaughan, in the Province of Ontario, on May 8, 2026, in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Signed by:

*Christina Piccinin*

---

Christina Piccinin, A Commissioner, Etc.

Richter Inc. (formerly Richter Advisory Group Inc.)  
in its capacity as Receiver of  
Resources Dianor Inc. / Dianor Resources Inc.  
Statement of Accounts

Exhibit A

Invoice #	Period	Fees	Discount	Fees Charged	Disbursements	Sub Total	HST	Total
20400431	August 18, 2015 to October 19, 2015	\$ 32,440.00	\$ (3,244.00)	\$ 29,196.00	\$ -	\$ 29,196.00	\$ 3,795.48	\$ 32,991.48
20401491	October 13, 2015 to December 16, 2016	\$ 56,662.25	\$ (17,869.37)	\$ 38,792.88	\$ 2,180.15	\$ 40,973.03	\$ 5,326.49	\$ 46,299.52
20402095	February 1, 2017 to May 31, 2017	\$ 6,986.25	\$ -	\$ 6,986.25	\$ 13,149.42	\$ 20,135.67	\$ 2,617.64	\$ 22,753.31
20402164	Disbursement Invoice	\$ -	\$ -	\$ -	\$ 15,026.95	\$ 15,026.95	\$ 1,953.50	\$ 16,980.45
		\$ 96,088.50	\$ (21,113.37)	\$ 74,975.13	\$ 30,356.52	\$ 105,331.65	\$ 13,693.11	\$ 119,024.76

This is Exhibit "B" to the Affidavit of Adam Sherman, sworn before me by video conference at the City of Toronto, in the Province of Ontario, by Adam Sherman of the City of Vaughan, in the Province of Ontario, on May 8, 2026, in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Signed by:

*Christina Piccinin*

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Christina Piccinin, A Commissioner, Etc.

# RICHTER

Attn. Mr. Arif Bhalwani, Managing Director

Dianor Resources Inc.  
C/O Third Eye Capital Corporation  
Brookfield Place, TD Canada Trust Tower  
161 Bay St., Suite 3930  
Toronto, ON M5J 2S1

Date: 12/10/2015  
Invoice No.: 20400431  
Engagement No.: 2020314  
Payment Terms: Due on Receipt

---

Professional services rendered to October 9, 2015	\$ 32,440.00
Less 10% Discount	-3,244.00

---

<b>Sub-Total</b>	29,196.00
GST/HST #885435842 RT0001	3,795.48
<b>Total Due</b>	<b>CAD \$ 32,991.48</b>

## TORONTO

Richter Advisory Group Inc.  
181 Bay St., #3510  
Bay Wellington Tower  
Toronto ON M5J 2T3  
416.488.2345

## MONTREAL

1981 McGill College  
Montréal QC H3A 0G6  
514.934.3400

## CHICAGO

200 South Wacker, #3100  
Chicago IL 60606  
312.828.0800

Invoice No.: 20400431  
Date: 12/10/2015



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**Fees**

<b>Name</b>	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
Anthony Dalfio	23.90	\$ 495.00	\$ 11,830.50
Brett Miller	8.00	350.00	2,800.00
Carol O'Donnell	2.30	185.00	425.50
Lucie Leroux	0.50	185.00	92.50
Paul Van Eyk	0.50	600.00	300.00
Pritesh Patel	23.30	495.00	11,533.50
Raymond Massi	7.00	600.00	4,200.00
Soazig Bourgine	6.80	185.00	1,258.00
	<b>72.30</b>		<b>\$ 32,440.00</b>

Invoice No.: 20400431  
Date: 12/10/2015



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**Fee and Disbursement Details**

<b>Date</b>	<b>Name and Description</b>	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
8/18/2015	Pritesh Patel Review and comment on draft materials. Discussion with A. Dalfio.	0.70	\$ 495.00	\$ 346.50
8/18/2015	Anthony Dalfio Review draft court materials. Discussion with P. Patel.	0.50	495.00	247.50
8/19/2015	Pritesh Patel Draft consent to act. Discussion with A. Dalfio.	0.30	495.00	148.50
8/19/2015	Anthony Dalfio Review draft affidavit, email Stikeman's and Fasken and call with S. Brotman re same. Call with Y. Katirai re same. Discussion with P. Patel re same. Review final court materials.	2.40	495.00	1,188.00
8/20/2015	Carol O'Donnell Prepare initial documents for receivership.	0.50	185.00	92.50
8/20/2015	Paul Van Eyk Prepare for and attend court for receivership application.	0.50	600.00	300.00
8/20/2015	Anthony Dalfio Attend court for receivership application. Discussion with Stikeman's and Fasken re same. Call with P. Kumar re same.	1.10	495.00	544.50
8/21/2015	Soazig Bourgine Communication with A. Dalfio re receivership administration including website, documents to be filed.	1.00	185.00	185.00
8/24/2015	Carol O'Donnell Telephone call with P. Patel re form 87.	0.90	185.00	166.50
8/24/2015	Lucie Leroux Enter company information into Ascend.	0.50	185.00	92.50
8/25/2015	Pritesh Patel Review and download of dataroom documents. Call with TEC. Call with counsel to discuss outstanding information requirements. Call with TEC, Stikemans and Fasken to discuss sales process and next steps.	2.00	495.00	990.00
8/26/2015	Carol O'Donnell Post court documents to website.	0.50	185.00	92.50
8/27/2015	Brett Miller Research potential interested parties and contact information, prepare draft list of potential interested parties.	6.00	350.00	2,100.00

Invoice No.: 20400431  
Date: 12/10/2015



Date	Name and Description	Hours	Rate	Amount
8/28/2015	Brett Miller Update draft target list with revised contact details for some interested parties.	2.00	350.00	700.00
8/31/2015	Carol O'Donnell Discussions with A. Dalfio re form 87, emails re same.	0.30	185.00	55.50
8/31/2015	Soazig Bourgine Email to M. Marshall (OSB) and review form 87 and other documents.	0.50	185.00	92.50
8/31/2015	Anthony Dalfio Various calls with C. O'Donnell re update, creditor mailing. Review and update draft of form 87, discussions with P. Patel and P. van Eyk re same.	3.00	495.00	1,485.00
9/1/2015	Soazig Bourgine Fax order, endorsement, factum and motion to OSB, email estate information summary to A. Dalfio.	0.50	185.00	92.50
9/1/2015	Soazig Bourgine Fax form 87 and estate information summary to OSB.	0.70	185.00	129.50
9/1/2015	Pritesh Patel Review of materials received from Stikeman. Call with counsel re status document review. Drafting receiver's first report and review of relevant materials.	4.50	495.00	2,227.50
9/2/2015	Pritesh Patel Finalize first draft of receiver's report and circulate for comments.	4.20	495.00	2,079.00
9/3/2015	Soazig Bourgine Various communications with M. Marshall (OSB) re estate number.	0.30	185.00	55.50
9/3/2015	Pritesh Patel Review and edits to report based on comments from A. Dalfio.	0.30	495.00	148.50
9/3/2015	Anthony Dalfio Review receiver's report, discussion with P. Patel re same. Review various documents from Dianor data room.	1.50	495.00	742.50
9/4/2015	Soazig Bourgine Various emails with M. Milar and B. Dionne from OSB, prepare mailing of receivership notice to creditors.	1.20	185.00	222.00
9/8/2015	Pritesh Patel Discussion with counsel re report. Edits to report and circulate to Faskens for comments.	0.50	495.00	247.50

Invoice No.: 20400431  
Date: 12/10/2015



Date	Name and Description	Hours	Rate	Amount
9/9/2015	Pritesh Patel Review of comments from counsel on report. Call with counsel on same. Call with R. Massi on sales process and report. Finalize draft and circulate to TEC and Stikemans.	1.50	495.00	742.50
9/9/2015	Anthony Dalfio Review revised draft of receiver's report, discussion with P. Patel re same.	0.50	495.00	247.50
9/10/2015	Pritesh Patel Prepare for and participate in conference call with TEC, Stikemans and Fasken re Receiver's report, follow-up discussion with D. Chochla re same.	1.00	495.00	495.00
9/10/2015	Anthony Dalfio Conference call with TEC, Stikemans and Fasken re the draft receiver's report, follow- up discussion with D. Chochla re same.	0.80	495.00	396.00
9/11/2015	Soazig Bourgine Finalize affidavit re mailing of notice.	0.50	185.00	92.50
9/14/2015	Soazig Bourgine Update website by posting documents.	0.20	185.00	37.00
9/14/2015	Raymond Massi Review of draft documents, discussion with P. Patel re GORs.	2.00	600.00	1,200.00
9/15/2015	Anthony Dalfio Review various documents in TEC data room and public filings. Update sales process target list and prepare teaser.	6.70	495.00	3,316.50
9/16/2015	Pritesh Patel Call with Fasken to discuss GORs and next steps. Review and comments on teaser for Bid Process.	0.75	495.00	371.25
9/22/2015	Soazig Bourgine Finalize affidavit of mailing re notice of receivership to creditors.	0.30	185.00	55.50
9/23/2015	Soazig Bourgine Fax affidavit to OSB and other documents.	0.50	185.00	92.50
9/23/2015	Pritesh Patel Review of updated draft of receiver's report.	0.25	495.00	123.75
9/25/2015	Pritesh Patel Call with Kelax Development re receivership proceedings.	0.25	495.00	123.75
9/28/2015	Pritesh Patel Edits to teaser document.	0.50	495.00	247.50
9/29/2015	Pritesh Patel Update to target list, edits to teaser.	0.50	495.00	247.50

Invoice No.: 20400431  
Date: 12/10/2015



Date	Name and Description	Hours	Rate	Amount
9/30/2015	Pritesh Patel Edits to report based on comments from P.van Eyk. Circulate final draft to TEC, Stikemans and Fasken. Finalize bid process teaser.	2.50	495.00	1,237.50
10/1/2015	Raymond Massi Telephone call with P. Patel. Telephone call with Bosner.	1.00	600.00	600.00
10/1/2015	Pritesh Patel Finalize report and compile appendices. Discussion with counsel re service of materials.	0.75	495.00	371.25
10/2/2015	Soazig Bourguine Fax receivership documents to OSB.	0.50	185.00	92.50
10/2/2015	Raymond Massi Telephone call with P. Patel re Churchill Diamonds.	1.00	600.00	600.00
10/5/2015	Raymond Massi Telephone call with Paul Sobie (Churchill Diamonds).	1.00	600.00	600.00
10/5/2015	Pritesh Patel Telephone call with Paul Sobie (Churchill Diamonds).	0.50	495.00	247.50
10/6/2015	Anthony Dalfio Begin uploading documents into Richter data room. Emails from/to P. Kumar and M. Niklaus re TEC data room issues and access.	1.10	495.00	544.50
10/7/2015	Soazig Bourguine Post order and endorsement to receivership website.	0.30	185.00	55.50
10/7/2015	Raymond Massi Telephone call with R. Johansen (counsel to Leadbetter).	1.00	600.00	600.00
10/7/2015	Pritesh Patel Attend court for sales process approval motion. Call with R. Johansen re Leadbetter.	1.50	495.00	742.50
10/7/2015	Anthony Dalfio Review final target list, email buyer target list to TEC and Stikeman's. Call with R. Johansen re Leadbetter. Review and upload documents to Richter data room. Draft email to send with teaser to potential buyers, review with R. Massi, P. Patel and TEC.	3.70	495.00	1,831.50
10/8/2015	Carol O'Donnell Email with bank to verify status of old bank accounts.	0.10	185.00	18.50

Invoice No.: 20400431  
Date: 12/10/2015



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<b>Date</b>	<b>Name and Description</b>	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
10/8/2015	Soazig Bourgine Fax order and endorsement to OSB.	0.30	185.00	55.50
10/8/2015	Raymond Massi Review teaser. Telephone call P. Patel re GORs, strategy and teaser.	1.00	600.00	600.00
10/8/2015	Pritesh Patel Call with R. Massi to discuss GORs, outstanding issues and next steps. Review and edit teaser.	0.80	495.00	396.00
10/8/2015	Anthony Dalfio Review Dianor documents and update data room.	1.50	495.00	742.50
10/9/2015	Anthony Dalfio Send email to target list with brief explanation of the sale process and the teaser. Update target list based on emails sent and responses.	1.10	495.00	544.50
<b>Fees Total</b>		<hr/> <b>72.30</b>		<hr/> <b>\$ 32,440.00</b>

Invoice No.: 20400431  
Date: 12/10/2015



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### Remittance Form

Attn. Mr. Arif Bhalwani, Managing Director

Dianor Resources Inc.  
C/O Third Eye Capital Corporation  
Brookfield Place, TD Canada Trust Tower  
161 Bay St., Suite 3930  
Toronto, ON M5J 2S1

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### Invoice Summary

<b>Sub-Total</b>		<b>\$ 29,196.00</b>
GST/HST #885435842 RT0001		3,795.48
<b>Total Due</b>	<b>CAD</b>	<b>\$ 32,991.48</b>

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### Payment Options

#### Wire Transfer

Toronto Dominion Bank  
Commercial Banking Center  
525 Av. Viger Ouest, Montréal (Qc) H2Z 0B2

CAD Account no.: 5300836 Transit no.: 41601 Swift code: TDOMCATT  
USD Account no.: 7332090 Transit no.: 41601 Swift code: TDOMCATTOR

Email payment details, including invoice number and amount paid to:  
ClientService@richter.ca

#### Cheques

Payable to: Richter Advisory Group Inc.  
Send to: 181 Bay Street, Suite 3320, Bay Wellington Tower, Toronto ON M5J 2T3

**Inquiries: please call our general line 416.488.2345 or e-mail ClientService@richter.ca**

#### TORONTO

Richter Advisory Group Inc.  
181 Bay St., #3510  
Bay Wellington Tower  
Toronto ON M5J 2T3  
416.488.2345

#### MONTREAL

1981 McGill College  
Montréal QC H3A 0G6  
514.934.3400

#### CHICAGO

200 South Wacker, #3100  
Chicago IL 60606  
312.828.0800

# RICHTER

Attn. Mr. Arif Bhalwani, Managing Director

Dianor Resources Inc.  
C/O Third Eye Capital Corporation  
Brookfield Place, TD Canada Trust Tower  
161 Bay St., Suite 3930  
Toronto, ON M5J 2S1

Date: 12/22/2016  
Invoice No.: 20401491  
Engagement No.: 2020314  
Payment Terms: Due on Receipt

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Professional services rendered to December 16, 2016			\$ 56,662.25
Less Courtesy Discount			-17,869.37
Disbursements			2,180.15
			<hr/>
<b>Sub-Total</b>			40,973.03
GST/HST #885435842 RT0001			5,326.49
			<hr/>
<b>Total Due</b>		CAD	<b>\$ 46,299.52</b>

## TORONTO

Richter Advisory Group Inc.  
181 Bay St., #3510  
Bay Wellington Tower  
Toronto ON M5J 2T3  
416.488.2345

## MONTREAL

1981 McGill College  
Montréal QC H3A 0G6  
514.934.3400

## CHICAGO

200 South Wacker, #3100  
Chicago IL 60606  
312.828.0800

Invoice No.: 20401491  
Date: 12/22/2016



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**Fees**

<b>Name</b>	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
Ann Stremski	0.40	\$ 185.00	\$ 74.00
Anthony Dalfio	11.80	495.00	5,841.00
Carol O'Donnell	2.10	185.00	388.50
Julien Pagé	2.00	150.00	300.00
Pascale Lareau	0.40	185.00	74.00
Patrick Lareau	0.60	425.00	255.00
Pritesh Patel	-0.33	338.88	-111.83
Pritesh Patel	-4.00	338.89	-1,355.58
Pritesh Patel	2.70	338.90	915.02
Pritesh Patel	41.08	495.00	20,334.60
Raymond Massi	1.00	410.78	410.78
Raymond Massi	46.00	600.00	27,600.00
Soazig Bourgine	9.20	185.00	1,702.00
	<b>112.95</b>		<b>\$ 56,427.49</b>

**Disbursements**

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Pascale Lareau	\$ 70.00
Paul Van Eyk	107.87
Pritesh Patel	9.03
Raymond Massi	1,993.25
	<b>\$ 2,180.15</b>

Invoice No.: 20401491  
Date: 12/22/2016



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**Fee and Disbursement Details**

<b>Date</b>	<b>Name and Description</b>	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
8/18/2015	Pritesh Patel Review and comment on draft materials. Discussion with A. Dalfio.	0.75	\$ 495.00	\$ 371.25
8/18/2015	Pritesh Patel Review and comment on draft materials. Discussion with A. Dalfio.	-0.75	338.89	-254.17
9/2/2015	Pritesh Patel Finalize first draft of receiver's report and circulate for comments.	4.25	495.00	2,103.75
9/2/2015	Pritesh Patel Finalize first draft of receiver's report and circulate for comments.	-4.25	338.89	-1,440.30
9/3/2015	Pritesh Patel Review and edits to report based on comments from A. Dalfio.	0.33	495.00	163.35
9/3/2015	Pritesh Patel Review and edits to report based on comments from A. Dalfio.	-0.33	338.88	-111.83
10/13/2015	Anthony Dalfio Review and revise target list. Send teaser to secondary target list, research relevant contact details.	1.10	495.00	544.50
10/14/2015	Anthony Dalfio Emails to Interested Parties re sales process. Emails from/to P. Patel re same. Review and update NDA and send to Interested Party.	2.10	495.00	1,039.50
10/15/2015	Anthony Dalfio Call with Interested Party discussing opportunity and sales process. Update NDA, discussion with P. Patel re same. Send NDA to Interested Party.	1.50	495.00	742.50
10/19/2015	Anthony Dalfio Email to R. Massi re Dianor sales process update, discussion with P. Patel re same.	0.20	495.00	99.00
10/20/2015	Pritesh Patel Call with prospective purchaser re sales process and Dianor assets.	1.00	338.89	338.89
10/20/2015	Anthony Dalfio Call with Interested Party re sales process, send teaser. Call and left voicemail for J. Kong / T. Ormsby (DeBeers). Email teaser to Northern Resources.	0.40	495.00	198.00
10/21/2015	Anthony Dalfio Call with Peregrine Diamonds re sales process, resend teaser.	0.10	495.00	49.50

Invoice No.: 20401491  
Date: 12/22/2016



Date	Name and Description	Hours	Rate	Amount
10/22/2015	Soazig Bourgine Search of addresses for creditors, email to A. Dalfio.	1.50	185.00	277.50
10/22/2015	Anthony Dalfio Emails from/to S. Bourgine re creditor mailing of notice, review creditor listing.	0.20	495.00	99.00
10/23/2015	Soazig Bourgine Preparation of creditors labels and mailing.	1.00	185.00	185.00
10/26/2015	Soazig Bourgine Mailing to creditors, postage form, affidavit.	1.50	185.00	277.50
10/26/2015	Soazig Bourgine Creditors list in Ascend.	1.00	185.00	185.00
10/27/2015	Soazig Bourgine Affidavit.	0.30	185.00	55.50
10/27/2015	Anthony Dalfio Telephone call with Interested Party re sales process, telephone call with Interested Party re same. Email teaser to both potential interested parties.	0.20	495.00	99.00
10/28/2015	Anthony Dalfio Telephone call from Interested Party discussing sales process, email re same.	0.20	495.00	99.00
10/29/2015	Raymond Massi De-brief with team re sale process, discussions re strategy.	1.00	600.00	600.00
10/29/2015	Pritesh Patel Update meeting with R. Massi and discussion on next steps for sales process.	0.50	495.00	247.50
10/29/2015	Anthony Dalfio Discussion with P. Patel, email to R. Massi re sales process update and key issues, meet with P. Patel and R. Massi re same.	1.10	495.00	544.50
10/30/2015	Anthony Dalfio Email to TEC, Stikemans and Fasken re sales process update.	0.20	495.00	99.00
11/3/2015	Soazig Bourgine Affidavit faxed to OSB, follow up on file.	0.50	185.00	92.50
11/4/2015	Pascale Lareau Preparation of purchase order for registration fees.	0.20	185.00	37.00
11/5/2015	Anthony Dalfio Discuss updates with P. Patel, emails to P. Patel and R. Massi.	0.20	495.00	99.00
11/12/2015	Raymond Massi	1.00	600.00	600.00

Invoice No.: 20401491  
Date: 12/22/2016



Date	Name and Description	Hours	Rate	Amount
11/13/2015	Call TEC re meeting with Leadbetter, strategy. Anthony Dalfio Call various potential buyers from target list to follow up on interest.	1.00	495.00	495.00
11/16/2015	Anthony Dalfio Discussion with R. Massi re Leadbetter meeting, general update. Call and leave voice mail for R. Johansen.	0.20	495.00	99.00
11/17/2015	Raymond Massi Emails with Leadbetter, planning trip to Wawa.	1.00	600.00	600.00
11/17/2015	Anthony Dalfio Email to R. Massi re Leadbetter review.	0.20	495.00	99.00
11/18/2015	Raymond Massi Travel to and from Wawa, meeting with Leadbetter.	8.00	600.00	4,800.00
11/19/2015	Raymond Massi Call with Bhalwani re potential offer TEC, call with P. Patel re debrief meeting with Leadbetter.	1.00	600.00	600.00
11/23/2015	Carol O'Donnell Verify bank for wire transfer for deposit on sale.	0.10	185.00	18.50
11/23/2015	Raymond Massi Review of bid.	1.00	600.00	600.00
11/23/2015	Pritesh Patel Meeting with interested party to discuss proposed bid. Review of all bids received.	1.00	495.00	495.00
11/24/2015	Pritesh Patel Call with R. Massi to discuss bids and next steps.	1.00	495.00	495.00
11/25/2015	Raymond Massi Call with Fasken re results of sale process.	1.00	600.00	600.00
11/25/2015	Pritesh Patel Call with Faskens to discuss offers and next steps. Drafting process update letter.	1.00	495.00	495.00
11/26/2015	Pritesh Patel Call with R. Massi to review and finalize process update letter.	0.50	495.00	247.50
12/2/2015	Raymond Massi Review of documents, telephone conversation with P. Patel, Administration.	1.00	600.00	600.00
12/3/2015	Anthony Dalfio	0.30	495.00	148.50

Invoice No.: 20401491  
Date: 12/22/2016



Date	Name and Description	Hours	Rate	Amount
12/4/2015	Review Fasken invoices, email to R. Massi re professional fees and sale process progress update. Raymond Massi	1.00	600.00	600.00
12/4/2015	Review of documents, telephone conversation with A. Dalfio, P. Patel. Pritesh Patel	0.30	495.00	148.50
12/7/2015	Review email from counsel re Offer. Drafting bid process update letters. Pritesh Patel	0.50	495.00	247.50
12/8/2015	Review of revised APA and discussion with counsel on same. Carol O'Donnell	0.10	185.00	18.50
12/8/2015	Prepare cheque. Ann Stremski	0.20	185.00	37.00
12/8/2015	Communications with P. Patel and Revenue Quebec. Anthony Dalfio	0.90	495.00	445.50
12/9/2015	Prepare professional fees schedule for APA, cheque requisition for returned deposit. Pritesh Patel	0.50	495.00	247.50
12/9/2015	Call with counsel re status of APA. Review form of vesting order. Anthony Dalfio	0.50	495.00	247.50
12/10/2015	Update professional fees schedule, call with P. Patel and R. Massi re APA updates. Pritesh Patel	0.50	495.00	247.50
12/10/2015	Review and comments on revised draft of APA. Discussions on professional fees schedule and calls with counsel on same. Anthony Dalfio	1.20	495.00	594.00
12/10/2015	Various meetings with R. Massi and P. Patel re APA and professional fees, update analysis and email to Faskens. Pritesh Patel	2.70	338.90	915.02
12/16/2015	Drafting Second Report. Raymond Massi	1.00	600.00	600.00
12/18/2015	Telephone Call with S. Brotman. Raymond Massi	1.00	600.00	600.00
12/21/2015	Review of Receiver's Report and documents. Pritesh Patel	1.00	495.00	495.00
1/4/2016	Review and edits to Receiver's Second Report. Raymond Massi	0.50	600.00	300.00
1/5/2016	Emails on update.			

Invoice No.: 20401491  
Date: 12/22/2016



Date	Name and Description	Hours	Rate	Amount
1/5/2016	Pritesh Patel Continue drafting Receiver's Second Report. Edits to report based on comments from A. Dalfio and counsel. Responding to call from creditor re outstanding taxes in QC.	3.00	495.00	1,485.00
1/6/2016	Pritesh Patel Finalize draft of Receiver's second report.	2.00	495.00	990.00
1/7/2016	Raymond Massi Review of 2nd Report, call with P. Patel, call with Bhalwani.	2.50	600.00	1,500.00
1/7/2016	Pritesh Patel Call with R. Massi re comments on Receiver's report and next steps.	1.00	495.00	495.00
1/8/2016	Raymond Massi Call with R. Johansen re JL offer.	1.00	600.00	600.00
1/15/2016	Raymond Massi Discussion with R. Johansen.	1.00	600.00	600.00
1/15/2016	Pritesh Patel Call with Faskens re status and next steps. Call with Stikes, Faskens and Richter re next steps.	1.20	495.00	594.00
1/20/2016	Raymond Massi Review of documents, exchange with R. Johansen.	1.00	600.00	600.00
1/22/2016	Raymond Massi Discussion with Faskens re security, discussion with R. Johansen.	1.00	600.00	600.00
2/5/2016	Pritesh Patel Discussion with counsel re source and HST issues.	0.20	495.00	99.00
2/8/2016	Carol O'Donnell Discussions with P. Patel regarding movable hypothec. Discussions with Patrick Lareau. Email to bank to confirm closure of companies bank account.	0.50	185.00	92.50
2/8/2016	Pritesh Patel Review revised draft of report. Discussion with R. Massi, Faskens on same. Call with P. Kumar re QC registrations and outstanding issues. Incorporate changes to report and circulate to counsel.	3.00	495.00	1,485.00
2/9/2016	Pritesh Patel Calls with Faskens re comments on Receiver's report and QC registrations.	0.50	495.00	247.50
2/10/2016	Patrick Lareau Communication with Revenue Quebec.	0.30	425.00	127.50

Invoice No.: 20401491  
Date: 12/22/2016



Date	Name and Description	Hours	Rate	Amount
2/11/2016	Raymond Massi Follow-up, review of documents.	1.00	600.00	600.00
2/17/2016	Soazig Bourguine Email to P. Patel re first interim report of receiver.	0.10	185.00	18.50
2/17/2016	Pritesh Patel Call with P. Kumar re status of proceedings. Call with Faskens re QC claims and next steps.	0.50	495.00	247.50
2/18/2016	Patrick Lareau Communication with Revenue Quebec.	0.30	425.00	127.50
2/19/2016	Pritesh Patel Call with Faskens to discuss timing of filing motions and next steps. Call with C. O'Donnell re potential CRA claims.	0.50	495.00	247.50
2/22/2016	Pritesh Patel Review and edits to final draft of report.	0.50	495.00	247.50
3/1/2016	Soazig Bourguine Email to P. Patel re first report of receiver.	0.10	185.00	18.50
4/14/2016	Soazig Bourguine Email to P. Patel.	0.10	185.00	18.50
4/21/2016	Pritesh Patel Drafting of first interim report.	1.20	495.00	594.00
4/25/2016	Soazig Bourguine First interim report of receiver faxed to OSB & posted on website.	0.50	185.00	92.50
5/11/2016	Pritesh Patel Call and correspondence with rep from Mori Diamonds re status of proceedings and creditors list.	0.40	495.00	198.00
5/13/2016	Raymond Massi Emails Leadbetter, call with Bhalwani, review valuation, offer to Leadbetter.	1.00	600.00	600.00
6/9/2016	Raymond Massi Call with Faskens re motion to sell, APA.	1.00	600.00	600.00
6/15/2016	Pritesh Patel Review and edits to Receiver's report, based on draft circulated by counsel. Review of amending agreement. Call with counsel to discuss report, status and next steps.	3.00	495.00	1,485.00
6/17/2016	Pritesh Patel Review of comments from counsel on report. Call with D. Chochla on same and deemed trust issue.	0.50	495.00	247.50
6/20/2016	Pritesh Patel	0.50	495.00	247.50

Invoice No.: 20401491  
Date: 12/22/2016



Date	Name and Description	Hours	Rate	Amount
	Reconciliation of professional fees and call with Faskens on same.			
6/28/2016	Julien Pagé Categorize Martineau Fasken invoices by activities.	2.00	150.00	300.00
6/28/2016	Raymond Massi Review of invoices, call with Faskens, prepare worksheet.	1.00	600.00	600.00
6/28/2016	Pritesh Patel Call with Faskens re exclusion of QC claims, fees and next steps. Preparation of Richter fee reconciliation.	1.00	495.00	495.00
7/5/2016	Raymond Massi File administration, follow-up.	0.50	600.00	300.00
7/5/2016	Pritesh Patel Compiling final professional fees analysis schedule.	0.50	495.00	247.50
7/6/2016	Raymond Massi Call with Bhalwani, call with Faskens.	1.00	600.00	600.00
7/13/2016	Pritesh Patel Review revised Receiver's report and compile appendices.	0.75	495.00	371.25
7/19/2016	Raymond Massi Review of court materials.	1.00	600.00	600.00
7/27/2016	Pritesh Patel Review of response from TEC counsel and call with D. Chochla on same.	0.50	495.00	247.50
8/4/2016	Pritesh Patel Review and edits to Receiver's Second Report. Discussion with D. Chochla re service of materials and Amending Agreement.	1.20	495.00	594.00
8/8/2016	Pritesh Patel Review, edit and finalize Second Report.	0.80	495.00	396.00
8/9/2016	Soazig Bourgine Website posting of report and Motion, documents faxed to OSB.	0.50	185.00	92.50
8/11/2016	Soazig Bourgine Motion materials posted on website.	0.20	185.00	37.00
8/12/2016	Soazig Bourgine Motion materials faxed to OSB.	0.30	185.00	55.50
8/16/2016	Soazig Bourgine Motion materials posted on website and faxed to OSB	0.40	185.00	74.00
8/16/2016	Raymond Massi	0.50	600.00	300.00

Invoice No.: 20401491  
Date: 12/22/2016



Date	Name and Description	Hours	Rate	Amount
8/26/2016	Review of submissions of Essar re GORS Raymond Massi Follow up re court hearing.	0.50	600.00	300.00
9/7/2016	Soazig Bourgine Website posting and fax to OSB (letter to service list).	0.30	185.00	55.50
9/9/2016	Raymond Massi File administration.	0.50	600.00	300.00
9/14/2016	Raymond Massi Follow up and review of documents.	1.00	410.78	410.78
9/22/2016	Pritesh Patel Compilation of court materials, motion records, reports, bid process materials for R. Massi in advance of hearing.	0.50	495.00	247.50
9/23/2016	Soazig Bourgine Website posting of Brief of Authorities, Factum of Third Eye and 2350614 & Books of Authorities.	0.50	185.00	92.50
9/26/2016	Raymond Massi Preparation for court.	1.50	600.00	900.00
9/27/2016	Raymond Massi Preparation and attendance at court re sale agreement.	4.00	600.00	2,400.00
9/27/2016	Pritesh Patel Attendance in court for sale approval motion.	3.00	495.00	1,485.00
10/7/2016	Raymond Massi Review of closing documents.	1.00	600.00	600.00
10/11/2016	Raymond Massi Review of closing agenda, email exchanges.	1.00	600.00	600.00
10/11/2016	Pritesh Patel Review and comment on closing agenda.	0.30	495.00	148.50
10/12/2016	Carol O'Donnell Discussion with P. Patel and open new bank.	0.30	185.00	55.50
10/13/2016	Carol O'Donnell Open new bank account in Ascend.	0.30	185.00	55.50
10/14/2016	Raymond Massi Emails and call with P. Patel re various administrative matters.	1.00	600.00	600.00
10/17/2016	Carol O'Donnell Discussion with P. Patel, make arrangements for new bank for receivership.	0.50	185.00	92.50
10/17/2016	Raymond Massi Review of correspondance from counsel.	0.50	600.00	300.00

Invoice No.: 20401491  
 Date: 12/22/2016



Date	Name and Description	Hours	Rate	Amount
10/24/2016	Soazig Bourgine Email to P. Patel re 2nd interim report to OSB.	0.10	185.00	18.50
10/25/2016	Pritesh Patel Review of fees and email to R. Massi on same.	0.30	495.00	148.50
10/26/2016	Soazig Bourgine Website posting & faxed to OSB.	0.30	185.00	55.50
10/26/2016	Raymond Massi Review and execution of closing documents re sale of assets.	3.00	600.00	1,800.00
10/26/2016	Pritesh Patel Review of closing docs and preparation of HST election. Call with counsel re closing. Draft email for R. Massi review.	2.10	495.00	1,039.50
11/2/2016	Carol O'Donnell Verify bank for wire transfer, enter deposit, scan and save. Email to P. Patel and R. Massi.	0.30	185.00	55.50
12/5/2016	Pascale Lareau Bank reconciliation.	0.20	185.00	37.00
12/5/2016	Ann Stremski Prepare internet transfer, prepare entries for bank charges, update schedule.	0.20	185.00	37.00
12/14/2016	Raymond Massi Review of Leadbetter appeal documents.	1.00	600.00	600.00
<b>Fees Total</b>		<b>112.95</b>		<b>\$ 56,427.49</b>

Date	Name and Description	Hours	Rate	Amount
11/18/2015	Raymond Massi 11/18/2015: Travel Montreal - Sault Ste Marie (Round trip)			\$ 852.19
9/28/2016	Raymond Massi 09/28/2016: FP EBarbieri 0140851391179 - 2 credits used			470.24
9/28/2016	Raymond Massi 09/28/2016: Le Germain Hotels			447.06
11/18/2015	Raymond Massi 11/18/2015: Lunch with Joe Leadbetter			32.49
9/27/2016	Raymond Massi 09/27/2016: Lunch with Fasken			89.16
11/2/2015	Pascale Lareau 11/02/2015: Miscellaneous Expenses			70.00

Invoice No.: 20401491  
Date: 12/22/2016



---

<b>Date</b>	<b>Name and Description</b>	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
11/18/2015	Raymond Massi 11/18/2015: Fuel			61.74
11/19/2015	Raymond Massi 11/19/2015: Airport parking			22.30
10/26/2015	Paul Van Eyk 10/26/2015: Postage : Mailing to creditors			77.04
2/1/2016	Paul Van Eyk 02/01/2016: FedEx : Invoice #7-319-03711 : Destination Anthony Dalphio or Pritesh Patel. Social CDA : Ref#655741482779. Date: 08 dec 2015			15.06
11/1/2016	Paul Van Eyk 11/01/2016: FedEx: 10/28/2016, Dylan Chochla, 678412135360			15.77
9/28/2016	Raymond Massi 09/28/2016: Taxi			18.07
9/27/2016	Pritesh Patel 09/27/2016: Taxi to Court.			9.03
<b>Disbursements Total</b>				<hr/> <b>\$ 2,180.15</b>

Invoice No.: 20401491  
Date: 12/22/2016



---

### Remittance Form

Attn. Mr. Arif Bhalwani, Managing Director

Dianor Resources Inc.  
C/O Third Eye Capital Corporation  
Brookfield Place, TD Canada Trust Tower  
161 Bay St., Suite 3930  
Toronto, ON M5J 2S1

---

### Invoice Summary

<b>Sub-Total</b>		<b>\$ 40,973.03</b>
GST/HST #885435842 RT0001		5,326.49
<b>Total Due</b>	<b>CAD</b>	<b>\$ 46,299.52</b>

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### Payment Options

#### Wire Transfer

Toronto Dominion Bank  
Commercial Banking Center  
525 Av. Viger Ouest, Montréal (Qc) H2Z 0B2

CAD Account no.: 5300836 Transit no.: 41601 Swift code: TDOMCATT  
USD Account no.: 7332090 Transit no.: 41601 Swift code: TDOMCATTOR

Email payment details, including invoice number and amount paid to:  
ClientService@richter.ca

#### Cheques

Payable to: Richter Advisory Group Inc.  
Send to: 181 Bay Street, Suite 3320, Bay Wellington Tower, Toronto ON M5J 2T3

**Inquiries: please call our general line 416.488.2345 or e-mail ClientService@richter.ca**

#### TORONTO

Richter Advisory Group Inc.  
181 Bay St., #3510  
Bay Wellington Tower  
Toronto ON M5J 2T3  
416.488.2345

#### MONTREAL

1981 McGill College  
Montréal QC H3A 0G6  
514.934.3400

#### CHICAGO

200 South Wacker, #3100  
Chicago IL 60606  
312.828.0800

# RICHTER

Attn. Mr. Arif N Bhalwani, Managing Director

Third Eye Capital Corporation  
Brookfield Place, TD Canada Trust Tower  
3930 - 161 Bay Street  
Toronto, ON M5J 2S1

Date: 7/14/2017  
Invoice No.: 20402095  
Engagement No.: 2020314  
Payment Terms: Net 30 Days

Engagement: Receivership of Dianor Resources Inc.

Fees as of May 31, 2017

Breakdown of time charges:

1) Supplementary Report - Leadbetter appeal	\$ 2,032.50
2) Renewal of Québec claims	4,953.75
Disbursements (see attached)	13,149.42

<b>Sub-Total</b>	20,135.67
GST/HST #885435842 RT0001	2,617.64
<b>Total Due</b>	<b>CAD \$ 22,753.31</b>

## TORONTO

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416.488.2345

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Montréal QC H3A 0G6  
514.934.3400

## CHICAGO

200 South Wacker, #3100  
Chicago IL 60606  
312.828.0800

Invoice No.: 20402095  
Date: 7/14/2017



---

**Fees**

<b>Name</b>	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
Patrick Lareau	10.95	\$ 425.00	\$ 4,653.75
Pritesh Patel	3.50	495.00	1,732.50
Raymond Massi	1.00	600.00	600.00
	<b>15.45</b>		<b>\$ 6,986.25</b>

**Disbursements**

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Claims Renewal			\$ 13,138.66
Postage			10.76
			<b>\$ 13,149.42</b>

Invoice No.: 20402095  
Date: 7/14/2017



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**Fee and Disbursement Details**

<b>Date</b>	<b>Name and Description</b>	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
2/1/2017	Raymond Massi Conference call with Fasken re Leadbetter appeal	0.50	\$ 600.00	\$ 300.00
2/1/2017	Pritesh Patel Call with counsel re appeal and review documents	1.00	495.00	495.00
2/7/2017	Pritesh Patel Review Fasken's letter. Prepare draft of supplement to Second Report.	2.00	495.00	990.00
2/10/2017	Pritesh Patel Review comments from counsel to TEC on report, finalize and sign Supplementary Report.	0.50	495.00	247.50
2/27/2017	Patrick Lareau Communication with Service Mines Québec, review information on files, various	1.50	425.00	637.50
2/28/2017	Patrick Lareau E-mail from Service Mines Quebec	0.05	425.00	21.25
3/3/2017	Patrick Lareau Research information on GESTIM	0.50	425.00	212.50
3/14/2017	Patrick Lareau Discussion with François Goulet - offer received for claims, discussion with Raymond Massi	0.50	425.00	212.50
3/17/2017	Patrick Lareau Review of active claims and work on renewal of claims	1.50	425.00	637.50
3/27/2017	Patrick Lareau Discussion with Raymond Massi and François Goulet - offer for claims. Discussion with Raymond Massi	0.80	425.00	340.00
4/19/2017	Patrick Lareau Communication with Third Eye Capital (TEC) and Raymond Massi - Claims renewal; calculation of total cost for claim renewals and email to Casey Howell with information	2.00	425.00	850.00
4/19/2017	Raymond Massi Email exchange with Casey Howell (TEC) re renewal of Québec claims; discussion with P. Lareau	0.50	600.00	300.00
4/26/2017	Patrick Lareau Discussion with Raymond Massi and François Goulet. Communication with MERN	0.50	425.00	212.50
4/27/2017	Patrick Lareau	0.50	425.00	212.50

Invoice No.: 20402095  
Date: 7/14/2017



<b>Date</b>	<b>Name and Description</b>	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
5/10/2017	Request confirmation from MERN of renewal of claims; forward of renewal of certificate to TEC Patrick Lareau Discussion with MERN - wire transfer to cover cost of renewals of claims	1.00	425.00	425.00
5/12/2017	Patrick Lareau Follow up on receipt of wire transfer with MERN	0.50	425.00	212.50
5/24/2017	Patrick Lareau Letter to MERN re claims renewal	1.00	425.00	425.00
5/26/2017	Patrick Lareau Final corrections and review of letter to MERN	0.30	425.00	127.50
5/29/2017	Patrick Lareau Communication with MERN: Mrs. Asselin	0.30	425.00	127.50
<b>Fees Total</b>		<b>15.45</b>		<b>\$ 6,986.25</b>
<b>Date</b>	<b>Name and Description</b>	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
3/19/2017	Claims Renewal 19/03/2017: Énergie et Ressources naturelles - Invoice #2693839			\$ 1,059.53
4/28/2017	Claims Renewal 28/04/2017: Énergie et Ressources naturelles - Invoice #2701573			794.65
4/19/2017	Claims Renewal 19/04/2017: Énergie et Ressources naturelles - Invoice #2709640			11,284.48
5/26/2017	Postage 26/05/2017: "Postage: Lettre à Monsieur Roch Gaudreau, Ministère de l'Énergie et des Ressources naturelles"			10.76
<b>Disbursements Total</b>				<b>\$ 13,149.42</b>

Invoice No.: 20402095  
Date: 7/14/2017



---

### Remittance Form

Attn. Mr. Arif N Bhalwani, Managing Director

Third Eye Capital Corporation  
Brookfield Place, TD Canada Trust Tower  
3930 - 161 Bay Street  
Toronto, ON M5J 2S1

---

### Invoice Summary

<b>Sub-Total</b>		<b>\$ 20,135.67</b>
GST/HST #885435842 RT0001		2,617.64
<b>Total Due</b>	<b>CAD</b>	<b>\$ 22,753.31</b>

---

### Payment Options

#### Wire Transfer

Toronto Dominion Bank  
Commercial Banking Center  
525 Av. Viger Ouest, Montréal (Qc) H2Z 0B2

CAD Account no.: 5300836 Transit no.: 41601 Swift code: TDOMCATT  
USD Account no.: 7332090 Transit no.: 41601 Swift code: TDOMCATTOR

Email payment details, including invoice number and amount paid to:  
ClientService@richter.ca

#### Cheques

Payable to: Richter Advisory Group Inc.  
Send to: 181 Bay Street, Suite 3320, Bay Wellington Tower, Toronto ON M5J 2T3

**Inquiries: please call our general line 416.488.2345 or e-mail ClientService@richter.ca**

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Montréal QC H3A 0G6  
514.934.3400

#### CHICAGO

200 South Wacker, #3100  
Chicago IL 60606  
312.828.0800

# RICHTER

Attn. Mr. Arif N Bhalwani, Managing Director

Third Eye Capital Corporation  
Brookfield Place, TD Canada Trust Tower  
3930 - 161 Bay Street  
Toronto, ON M5J 2S1

Date: 8/21/2017  
Invoice No.: 20402164  
Engagement No.: 2020314  
Payment Terms: Net 30 Days

Engagement: Receivership of Dianor Resources Inc.

Disbursements: Fasken Martineau legal services \$ 15,026.95

<b>Sub-Total</b>		15,026.95
GST/HST #885435842 RT0001		1,953.50
<b>Total Due</b>	CAD	<b>\$ 16,980.45</b>

## TORONTO

Richter Advisory Group Inc.  
181 Bay St., #3510  
Bay Wellington Tower  
Toronto ON M5J 2T3  
416.488.2345

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Montréal QC H3A 0G6  
514.934.3400

## CHICAGO

200 South Wacker, #3100  
Chicago IL 60606  
312.828.0800

Invoice No.: 20402164  
Date: 8/21/2017



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**Disbursements**

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Professional Services	\$ 15,026.95
	<hr/>
	<b>\$ 15,026.95</b>

Invoice No.: 20402164  
Date: 8/21/2017



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**Fee and Disbursement Details**

<b>Date</b>	<b>Name and Description</b>	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
2/28/2017	Professional Services Fasken Martineau invoice #1099335			\$ 7,734.20
5/31/2017	Professional Services Fasken Martineau invoice #1122476			7,292.75
<b>Disbursements Total</b>				<hr/> <b>\$ 15,026.95</b>

Invoice No.: 20402164  
Date: 8/21/2017



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### Remittance Form

Attn. Mr. Arif N Bhalwani, Managing Director

Third Eye Capital Corporation  
Brookfield Place, TD Canada Trust Tower  
3930 - 161 Bay Street  
Toronto, ON M5J 2S1

---

### Invoice Summary

<b>Sub-Total</b>		<b>\$ 15,026.95</b>
GST/HST #885435842 RT0001		1,953.50
<b>Total Due</b>	<b>CAD</b>	<b>\$ 16,980.45</b>

---

### Payment Options

#### Wire Transfer

Toronto Dominion Bank  
Commercial Banking Center  
525 Av. Viger Ouest, Montréal (Qc) H2Z 0B2

CAD Account no.: 5300836 Transit no.: 41601 Swift code: TDOMCATT  
USD Account no.: 7332090 Transit no.: 41601 Swift code: TDOMCATTOR

Email payment details, including invoice number and amount paid to:  
[ClientService@richter.ca](mailto:ClientService@richter.ca)

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Send to: 181 Bay Street, Suite 3320, Bay Wellington Tower, Toronto ON M5J 2T3

**Inquiries: please call our general line 416.488.2345 or e-mail [ClientService@richter.ca](mailto:ClientService@richter.ca)**

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416.488.2345

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1981 McGill College  
Montréal QC H3A 0G6  
514.934.3400

#### CHICAGO

200 South Wacker, #3100  
Chicago IL 60606  
312.828.0800

This is Exhibit "C" to the Affidavit of Adam Sherman, sworn before me by video conference at the City of Toronto, in the Province of Ontario, by Adam Sherman of the City of Vaughan, in the Province of Ontario, on May 8, 2026, in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Signed by:

*Christina Piccini*

---

Christina Piccini, A Commissioner, Etc.

**Richter Inc. (formerly Richter Advisory Group Inc.)  
in its capacity as Receiver of  
Ressources Dianor Inc. / Dianor Resources Inc.  
Statement of Accounts**

**Exhibit C**

<b>Staff Member</b>	<b>Number of Hours</b>	<b>Hourly Rate</b>	<b>Amount</b>
<b>Senior Vice President</b>			
Raymond Massi	54.7	\$ 600.00	\$ 32,810.78
Paul van Eyk	0.5	\$ 600.00	\$ 300.00
<b>Vice President</b>			
Pritesh Patel	66.8	\$ 495.00	\$ 33,282.97
Anthony Dalfio	35.7	\$ 495.00	\$ 17,671.50
<b>Senior Manager</b>			
Patrick Lareau	11.55	\$ 425.00	\$ 4,908.75
<b>Senior Associate</b>			
Brett Miller	8.00	\$ 350.00	\$ 2,800.00
<b>Administrator</b>			
Carol O'Donnell	4.4	\$ 185.00	\$ 814.00
Soazig Bourgine	16.0	\$ 185.00	\$ 2,960.00
Anne Stremski	0.4	\$ 185.00	\$ 74.00
Pascale Lareau	0.4	\$ 185.00	\$ 74.00
Lucie Leroux	0.5	\$ 185.00	\$ 92.50
Julien Page	2.0	\$ 150.00	\$ 300.00
<b>Total</b>	<b>201.0</b>		<b>\$ 96,088.50</b>
<b>Courtesy Discount</b>			<b>\$ (21,113.37)</b>
<b>Total Fees Charged</b>			<b>\$ 74,975.13</b>
<b>Blended Average Hourly Rate</b>	<b>\$</b>	<b>373.10</b>	

This is Exhibit "D" to the Affidavit of Adam Sherman, sworn before me by video conference at the City of Toronto, in the Province of Ontario, by Adam Sherman of the City of Vaughan, in the Province of Ontario, on May 8, 2026, in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Signed by:

*Christina Piccinin*

---

Christina Piccinin, A Commissioner, Etc.

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**Richter Inc. (formerly Richter Advisory Group Inc.)  
in its capacity as Receiver of  
Ressources Dianor Inc. / Dianor Resources Inc.  
Statement of Accounts**

**Exhibit D**

<b>Disbursement Summary</b>	<b>Cost (excluding HST)</b>
Filing Fee	\$ 70.00
Miscellaneous Administration (photocopies, postage, courier, other)	\$ 2,120.91
Claims Renewal	\$ 13,138.66
Legal Counsel (Fasken Martineau DuMoulin LLP)	\$ 15,026.95
<b>Total</b>	<b>\$ 30,356.52</b>

**THIRD EYE CAPITAL CORPORATION**

Applicant

-and-

**RESSOURCES DIANOR INC. / DIANOR RESOURCES INC.**

Respondent

Court File No. CV-15-11080-00CL

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

Proceeding commenced at  
**Toronto**

**AFFIDAVIT OF ADAM  
SHERMAN (SWORN MAY 8, 2026)**

**FASKEN MARTINEAU DUMOULIN LLP**

Barristers and Solicitors  
333 Bay Street, Suite 2400  
Bay Adelaide Centre, Box 20  
Toronto ON M5H 2T6

**Dylan Chochla (LSO: 621371)**

dchochla@fasken.com  
Tel: 416 868 3425

**Christina Piccinin (LSO: 90534C)**

cpiccinin@fasken.com  
Tel: 416 865 4531

**Lawyers for Richter Inc. (formerly Richter Advisory  
Group Inc.) in its capacity as Court-appointed Receiver  
of Ressources Dianor Inc. / Dianor Resources Inc.**

# APPENDIX "J"

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

B E T W E E N:

**THIRD EYE CAPITAL CORPORATION**

Applicant

- and -

**RESSOURCES DIANOR INC. / DIANOR RESOURCES INC.**

Respondent

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

**AFFIDAVIT OF DYLAN CHOCHLA  
(SWORN MAY 11, 2026)**

I, **DYLAN CHOCHLA**, of the City of Toronto, in the Province of Ontario, **MAKE  
OATH AND SAY:**

1. I am a partner in the law firm of Fasken Martineau DuMoulin LLP (“**Fasken**”), legal counsel to Richter Inc. (formerly, Richter Advisory Group Inc., (“**Richter**”)), the court-appointed receiver (in such capacity, the “**Receiver**”), without security, over all the assets, undertakings and properties (the “**Property**”) of Ressources Dianor Inc. / Dianor Resources Inc. (“**Dianor**” or the “**Company**”). I am one of the partners responsible for the services rendered to the Receiver discussed herein, and, as such, I have personal knowledge of the matters hereinafter deposed to.

2. Attached as **Exhibit “A”** is a table (the “**Account Summary**”) summarizing the statements of accounts (the “**Statements of Account**”) in respect of services rendered to the Receiver for the period from August 18, 2015 to November 28, 2019 (the “**Period**”).
3. Copies of the Statements of Account are attached as **Exhibit “B”**. The Receiver claims solicitor-client privilege in respect of the Statements of Account, and privileged information has been redacted therefrom.
4. During the Period, Fasken incurred legal fees of \$206,542.24 (excluding HST and courtesy discounts) plus disbursements of \$8,199.04 (excluding HST), as set forth in detail in the Account Summary and Statements of Account.
5. Attached as **Exhibit “C”** is a summary of hours worked by, and hourly rates of, billing professionals at Fasken in respect of these receivership proceedings (the “**Timekeeper Summary**”). As set out in the Timekeeper Summary, during the Period, Fasken incurred total hours of 485.80 at an average hourly rate of \$459.85.
6. The hourly rates reflected in the Statements of Account and Timekeeper Summary do not include HST or courtesy discounts applied to Fasken’s accounts.
7. The activities detailed in the Statements of Account accurately reflect the services provided by Fasken to, and at the instruction of, the Receiver, and the rates charged are at the standard hourly rates of Fasken’s billing professionals at the time such hours were incurred.

**SWORN** by Dylan Chochla of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on May 11, 2026 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Signed by:

*Christina Piccinin*

717D20F48831433...

Commissioner for Taking Affidavits  
(or as may be)

**CHRISTINA PICCININ**

DocuSigned by:

*Dylan Chochla*

F8C31A70D298483...

**DYLAN CHOCHLA**

This is Exhibit "A" to the Affidavit of Dylan Chochla, sworn before me by video conference at the City of Toronto, in the Province of Ontario, by Dylan Chochla of the City of Toronto, in the Province of Ontario, on May 11, 2026, in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Signed by:

*Christina Piccinin*

---

Christina Piccinin, A Commissioner, Etc.

Invoice #	Invoice Date	Fees (excluding HST)	Disbursements (excluding HST)
944686	16-Sep-15	\$ 4,687.50	\$ 63.50
950885	8-Oct-15	\$ 26,189.00	\$ 2,846.67
960102	12-Nov-15	\$ 16,400.50	\$ 789.75
968383	9-Dec-15	\$ 10,677.50	\$ 110.50
989791	31-Jan-16	\$ 18,727.50	\$ 76.29
990828	16-Feb-16	\$ 49,945.00	\$ 1,014.05
996814	11-Mar-16	\$ 18,381.00	\$ 227.23
1006826	20-Apr-16	\$ 702.00	
1014586	17-May-16	\$ 547.00	
1023127	17-Jun-16	\$ 1,317.00	\$ 9.50
1099335	22-Mar-17	\$ 5,207.50	\$ 2,526.70
1122476	16-Jun-17	\$ 7,292.50	\$ 0.25
1393074	29-Nov-19	\$ 46,468.24 <sup>1</sup>	\$ 534.60
<b>TOTAL:</b>		<b>\$ 206,542.24</b>	<b>\$ 8,199.04</b>

<sup>1</sup>The net fees as reflected on the statement of account are \$52,986.58. Fasken provided a fee discount of \$6,518.34 that was not reflected on the invoice, such that the actual net fees charged to the client for that statement of account are \$46,468.24.

**This is Exhibit "B" to the Affidavit of Dylan Chochla, sworn before me by video conference at the City of Toronto, in the Province of Ontario, by Dylan Chochla of the City of Toronto, in the Province of Ontario, on May 11, 2026, in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.**

Signed by:

*Christina Piccinin*

---

**Christina Piccinin, A Commissioner, Etc.**

# FASKEN

Fasken Martineau DuMoulin LLP  
Barristers and Solicitors  
Patent and Trade-mark Agents

333 Bay Street, Suite 2400  
P.O. Box 20  
Toronto, Ontario M5H 2T6  
Canada

T +1 416 366 8381  
+1 800 268 8424  
F +1 416 364 7813  
fasken.com

Richter Advisory Group Inc.  
181 Bay Street  
Suite 3320  
Bay Wellington Tower  
Toronto ON M5J 2T3

November 29, 2019  
Invoice #: 1393074

GST/HST#: 87937 6127  
QST#: 1023151835

**Attention: Mr Paul van Eyk**

---

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**

**For Professional Services rendered through November 28, 2019 as described in the attached memorandum.**

Total Fees	\$ 88,703.00
Discount	-35,716.42
Net Fees	<u>52,986.58</u>
Less: Costs award paid	-40,486.58
Total Fees	<u>12,500.00</u>
Total Disbursements	534.60
Total Taxes	6,957.75
<b>Total Amount Owing This Bill</b>	<b><u>CAD \$ 19,992.35</u></b>

**Tax Summary**

HST	<u>6,957.75</u>
Total Taxes Included in This Bill	<u>6,957.75</u>

Fasken Martineau DuMoulin LLP



Per: Stuart Brotman  
E. & O.E.

Terms: payment due upon receipt. Pursuant to the *Solicitors Act*, interest will be charged at the rate of 2.0% per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this statement is delivered. Any disbursement not posted to your account on the date of this statement will be billed later.

SCOTTABANK, 44 King Street West, Toronto, Ontario, Canada M5H 1H1  
Account Name: Fasken Martineau DuMoulin LLP  
CAD\$ Account No: 476961041614, Transit No. 47696 Bank ID: 002  
SWIFT code: NOSCCATT

Please send a payment notice to [credits@fasken.com](mailto:credits@fasken.com)

# FASKEN

Fasken Martineau DuMoulin LLP  
Barristers and Solicitors  
Patent and Trade-mark Agents

333 Bay Street, Suite 2400  
P.O. Box 20  
Toronto, Ontario M5H 2T6  
Canada

T +1 416 366 8381  
+1 800 268 8424  
F +1 416 364 7813  
fasken.com

Richter Advisory Group Inc.  
181 Bay Street  
Suite 3320  
Bay Wellington Tower  
Toronto ON M5J 2T3

November 29, 2019  
Invoice #: 1393074  
GST/HST#: 87937 6127  
QST#: 1023151835

**Attention: Mr Paul van Eyk**

## FEE MEMORANDUM

**Matter Number: 300245.00002**

**Matter: Receivership Involving Dianor Resources Inc.**

**Responsible Professional: Stuart Brotman**

03/15/2018	Reviewing Ontario Court of Appeal decision; email to client [REDACTED] Dylan Chochla	2.00 hrs.	\$ 1,000.00
03/15/2018	Brief review of Ontario Court of Appeal decision; exchange of emails with D. Chochla regarding same. Stuart Brotman	0.40 hrs.	\$ 340.00
03/20/2018	Preparing for and attending conference call with S. Roy (Lenczner) re: [REDACTED] office conference with S. Brotman re: same; email to client [REDACTED] Dylan Chochla	1.10 hrs.	\$ 550.00
03/20/2018	Reviewing court of appeal reasons; conference with D. Chochla; attendance on call with D. Chochla and S. Roy. Stuart Brotman	0.70 hrs.	\$ 595.00
03/21/2018	Preparing for and attending conference call with client and S. Brotman re: appeal and next steps. Dylan Chochla	0.60 hrs.	\$ 300.00
03/21/2018	Attendance on call with R. Massi and P. Patel regarding [REDACTED] Stuart Brotman	0.40 hrs.	\$ 340.00
03/22/2018	Reviewing draft letter; email to S. Roy. Stuart Brotman	0.10 hrs.	\$ 85.00
03/26/2018	Reviewing email correspondence from Ontario Court of Appeal re: case conference. Dylan Chochla	0.10 hrs.	\$ 50.00
03/26/2018	Reviewing and responding to email from D. Chochla regarding case conference. Stuart Brotman	0.10 hrs.	\$ 85.00
03/27/2018	Preparing for and attending case management conference with Ontario Court of Appeal and counsel. Dylan Chochla	0.60 hrs.	\$ 300.00
03/27/2018	Preparation for and attendance on case conference with Court of Appeal judge; telephone call with S. Roy. Stuart Brotman	0.30 hrs.	\$ 255.00

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

Page 3  
Invoice #: 1393074

03/28/2018	Review email from Court of Appeal, Stuart Brotman	0.10 hrs.	\$ 85.00
04/03/2018	Preparing for and attending case management call with parties and Justice Lawyers; office conference with S. Brotman re: [REDACTED] Dylan Chochla	0.80 hrs.	\$ 400.00
04/03/2018	Email to S. Roy; telephone attendance on case conference. Stuart Brotman	0.70 hrs.	\$ 595.00
04/04/2018	Phone call with client re: [REDACTED] Dylan Chochla	0.40 hrs.	\$ 200.00
04/04/2018	Reviewing e-mail from S. Roy regarding [REDACTED] exchange of emails with D. Chochla regarding same; reviewing Court of Appeal case conference endorsement. Stuart Brotman	0.30 hrs.	\$ 255.00
05/09/2018	Conference with D. Chochla. Stuart Brotman	0.10 hrs.	\$ 85.00
05/11/2018	Reviewing exchange of emails regarding motion by Third Eye to extend Supreme Court of Canada appeal deadline. Stuart Brotman	0.20 hrs.	\$ 170.00
05/14/2018	Reviewing appeal materials of Third Eye to Supreme Court of Canada; phone call and email correspondence to S. Arseneault (Ottawa office) re: delivery of appeal materials and acceptance of service re: same. Dylan Chochla	0.30 hrs.	\$ 150.00
05/14/2018	Review email from Supreme Advocacy regarding filing of notice of application for leave to appeal; review material; email to and telephone to D. Chochla regarding same; email to Supreme Advocacy regarding matter. Sophie Arseneault	0.50 hrs.	\$ 145.00
05/15/2018	Phone call with S. Roy (Lenczner) re: [REDACTED] brief review of motion record; email to T. Slade (Supreme Advocacy) re: accepting service of same; email to client [REDACTED] Dylan Chochla	0.50 hrs.	\$ 250.00
05/22/2018	Reviewing letter from Supreme Court of Canada Registry Officer; email correspondence with S. Arseneault re: same; email to S. Brotman enclosing same. Dylan Chochla	0.20 hrs.	\$ 100.00
05/22/2018	Review correspondence from registrar; email to D. Chochla regarding same. Sophie Arseneault	0.20 hrs.	\$ 58.00
05/22/2018	Reviewing letter from Supreme Court of Canada office. Stuart Brotman	0.10 hrs.	\$ 85.00
05/24/2018	Review email from agent for the Respondents; email to D. Chochla regarding same. Sophie Arseneault	0.10 hrs.	\$ 29.00
05/31/2018	Telephone conference with Registry regarding filing of response to motion; email exchange with D. Chochla on the subject. Sophie Arseneault	0.10 hrs.	\$ 29.00

06/01/2018	Review docket; email to registry regarding filing of response. Sophie Arseneault	0.20 hrs.	\$ 58.00
06/19/2018	Reviewing supplementary factum and book of authorities of 235Co; email to client [REDACTED] Dylan Chochla	1.00 hrs.	\$ 500.00
06/19/2018	Reviewing email from S. Weisz (counsel for IIC, as intervenor); reply email to S. Weisz [REDACTED] Stuart Brotman	0.20 hrs.	\$ 170.00
06/25/2018	Review docket; email to D. Chochla regarding [REDACTED] Sophie Arseneault	0.10 hrs.	\$ 29.00
06/26/2018	Conference with D. Chochla regarding status. Stuart Brotman	0.10 hrs.	\$ 85.00
06/29/2018	Conference with D. Chochla. Stuart Brotman	0.10 hrs.	\$ 85.00
07/10/2018	Conference with D. Chochla regarding issue to be addressed in responding materials. Stuart Brotman	0.20 hrs.	\$ 170.00
07/16/2018	Email correspondence with S. Roy re: [REDACTED] Dylan Chochla	0.10 hrs.	\$ 50.00
07/16/2018	Conference with D. Chochla regarding [REDACTED] Stuart Brotman	0.20 hrs.	\$ 170.00
07/17/2018	Researching [REDACTED] Dylan Chochla	4.50 hrs.	\$ 2,250.00
07/18/2018	Continuing to research [REDACTED] preparing for and attending phone call with S. Roy and S. Brotman re: same and facts to be delivered in support of appeal hearing. Dylan Chochla	4.20 hrs.	\$ 2,100.00
07/18/2018	Conference with D. Chochla regarding research; preparation for and attendance on call with S. Roy regarding [REDACTED] Stuart Brotman	0.80 hrs.	\$ 680.00
07/18/2018	Conference with D. Chochla; attendance on call with Lenczner Slaght regarding appeal. Stuart Brotman	0.30 hrs.	\$ 255.00
07/19/2018	Drafting factum. Dylan Chochla	2.00 hrs.	\$ 1,000.00
07/20/2018	Continuing to draft factum. Dylan Chochla	1.40 hrs.	\$ 700.00
07/23/2018	Continuing to draft factum; office conference with S. Brotman [REDACTED] Dylan Chochla	6.30 hrs.	\$ 3,150.00
07/23/2018	Conference with D. Chochla regarding [REDACTED] considering same; reviewing case law and other materials; exchange of emails with D. Chochla. Stuart Brotman	1.80 hrs.	\$ 1,530.00

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

Page 5  
Invoice #: 1393074

07/24/2018	Continuing to draft factum. Dylan Chochla	8.60 hrs.	\$ 4,300.00
07/24/2018	Reviewing letter from S. Roy [REDACTED] Stuart Brotman	0.10 hrs.	\$ 85.00
07/25/2018	Continuing to draft factum. Dylan Chochla	6.80 hrs.	\$ 3,400.00
07/26/2018	Continuing to draft factum. Dylan Chochla	2.60 hrs.	\$ 1,300.00
07/26/2018	Conference with D. Chochla regarding draft factum. Stuart Brotman	0.40 hrs.	\$ 340.00
07/31/2018	Reviewing draft factum. Stuart Brotman	1.80 hrs.	\$ 1,530.00
08/01/2018	Office conference with S. Brotman to review draft factum. Dylan Chochla	1.40 hrs.	\$ 700.00
08/01/2018	Meeting with D. Chochla regarding draft factum; reviewing draft factum received from [REDACTED] Stuart Brotman	1.50 hrs.	\$ 1,275.00
08/02/2018	Continuing to draft factum; reviewing draft factum of [REDACTED] Dylan Chochla	4.30 hrs.	\$ 2,150.00
08/02/2018	Reviewing email from S. Weisz and [REDACTED] reply email to S. Weisz. Stuart Brotman	0.20 hrs.	\$ 170.00
08/03/2018	Revising factum to incorporate comments received from S. Brotman; further research and drafting additional sections. Dylan Chochla	4.90 hrs.	\$ 2,450.00
08/07/2018	Continuing to draft factum; office conference with Carolyn Flanagan (articling student) re: noting up case in factum, reviewing citations and compiling book of authorities; email correspondence with Shara Roy (Lenczner) re: [REDACTED] email to client [REDACTED] Dylan Chochla	3.60 hrs.	\$ 1,800.00
08/07/2018	Exchange of emails with D. Chochla regarding revised factum and [REDACTED] Stuart Brotman	0.30 hrs.	\$ 255.00
08/08/2018	Preparing Book of Authorities; citations in factum. Carolyn Flanagan	6.00 hrs.	\$ 1,500.00
08/08/2018	Continuing to draft factum and revising same to incorporate comments received from S. Brotman; conference call with S. Roy, N. Nezhat (Lenczner) and S. Brotman re: [REDACTED] [REDACTED] phone call with R. Massi re: [REDACTED] revising same to incorporate comments received; email to C. Flanagan (articling student enclosing revised draft). Dylan Chochla	5.60 hrs.	\$ 2,800.00

08/08/2018	Reviewing and commenting on draft factum; conference with D. Chochla regarding same; attendance on call with counsel for Third Eye; reviewing exchange of emails with client [REDACTED] Stuart Brotman	3.20 hrs.	\$ 2,720.00
08/09/2018	Factum citations; printing book of authorities. Carolyn Flanagan	2.80 hrs.	\$ 700.00
08/09/2018	Revising factum to incorporate further comments received from S. Brotman; finalizing citations to evidence and cases; reviewing book of authorities; revising same; reviewing service letter and affidavit of service in preparation for service and filing of same. Dylan Chochla	4.50 hrs.	\$ 2,250.00
08/09/2018	Reviewing revised draft factum; conference with D. Chochla regarding same. Stuart Brotman	0.50 hrs.	\$ 425.00
08/10/2018	Final review of factum; final review of book of authorities; attending to service and filing of same; drafting certificate estimating time required for oral argument; attending to service and filing of same. Dylan Chochla	3.20 hrs.	\$ 1,600.00
08/10/2018	Conference with D. Chochla; reviewing service emails enclosing facts and briefs of authorities. Stuart Brotman	0.30 hrs.	\$ 255.00
08/13/2018	Email to S. Roy re: [REDACTED] reviewing motion record [REDACTED] [REDACTED] email to S. Weisz providing [REDACTED] Dylan Chochla	0.30 hrs.	\$ 150.00
08/13/2018	Conference with D. Chochla regarding materials and service; reviewing [REDACTED] Stuart Brotman	0.30 hrs.	\$ 255.00
08/14/2018	Reviewing email from S. Roy. Stuart Brotman	0.10 hrs.	\$ 85.00
09/04/2018	Brief review of [REDACTED] reviewing order granting leave to IIC to intervene; conference with D. Chochla. Stuart Brotman	0.40 hrs.	\$ 340.00
09/05/2018	Reviewing [REDACTED] email to client [REDACTED]; email correspondence with client [REDACTED]; office conference with S. Brotman re: hearing. Dylan Chochla	1.70 hrs.	\$ 850.00
09/05/2018	Instructions from D. Chochla re: drafting bill of costs for upcoming appeal; retrieving and reviewing all documents with respect to both appeals and organizing dockets for preparation of bill of costs. Elizabeth Ford	2.80 hrs.	\$ 700.00
09/05/2018	Reviewing [REDACTED] conferences with D. Chochla regarding argument of appeal and preparation of costs materials. Stuart Brotman	3.20 hrs.	\$ 2,720.00
09/06/2018	Review of dockets for appeal bill of costs and reporting to D. Chochla. Elizabeth Ford	0.30 hrs.	\$ 75.00

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

Page 7  
Invoice #: 1393074

09/07/2018	Reviewing docket breakdown to prepare bill of costs re: appeal; phone call with E. Ford (litigation clerk) re: same. Dylan Chochla	0.20 hrs.	\$ 100.00
09/07/2018	Continuing with drafting of cost outline for upcoming appeal hearing on September 17. Elizabeth Ford	5.20 hrs.	\$ 1,300.00
09/07/2018	Reviewing interim decision of Court of Appeal; considering approach to argument. Stuart Brotman	0.60 hrs.	\$ 510.00
09/10/2018	Finalizing draft cost outline and reporting to D. Chochla. Elizabeth Ford	2.10 hrs.	\$ 525.00
09/12/2018	Reviewing draft costs outline provided by E. Ford (litigation clerk); phone call with E. Ford re: same. Dylan Chochla	0.40 hrs.	\$ 200.00
09/12/2018	Instructions from D. Chochla re: changes to cost outline for appeal; amending, revising and recalculating same. Elizabeth Ford	1.20 hrs.	\$ 300.00
09/13/2018	Reviewing facts and Court of Appeal endorsement in preparation for argument of motion. Stuart Brotman	1.80 hrs.	\$ 1,530.00
09/14/2018	Reviewing bill of costs and finalizing same. Dylan Chochla	0.40 hrs.	\$ 200.00
09/14/2018	Reviewing cases and compendium materials in preparation for argument of appeal. Stuart Brotman	2.40 hrs.	\$ 2,040.00
09/15/2018	Reviewing [REDACTED] providing comments re: same. Dylan Chochla	0.30 hrs.	\$ 150.00
09/15/2018	Considering approach to argument; reviewing email from S. Roy. Stuart Brotman	1.00 hrs.	\$ 850.00
09/16/2018	Reviewing chart received from S. Roy; email to S. Roy regarding same; preparing argument for appeal hearing. Stuart Brotman	2.70 hrs.	\$ 2,295.00
09/17/2018	Reviewing bill of costs; preparing for and attending appeal hearing; reporting email to client [REDACTED] Dylan Chochla	6.50 hrs.	\$ 3,250.00
09/17/2018	Preparing for and attendance at hearing of appeal. Stuart Brotman	7.00 hrs.	\$ 5,950.00
10/19/2018	Reviewing draft letter from Lenczner to Supreme Court of Canada; reply email to Lenczner; reviewing responses from other counsel. Stuart Brotman	0.20 hrs.	\$ 170.00
06/19/2019	Reviewing Court of Appeal decision [REDACTED]; email to client [REDACTED]; email correspondence with client [REDACTED]; considering issues re: costs submissions. Dylan Chochla	1.90 hrs.	\$ 1,092.50

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

06/19/2019	Reviewing Ontario Court of Appeal reasons for decision; conferences with D. Chochla regarding same; [REDACTED] Stuart Brotman	1.40 hrs.	\$ 1,260.00
06/21/2019	Considering cost submissions invited by Court of Appeal; [REDACTED] telephone call to S. Roy. Stuart Brotman	0.50 hrs.	\$ 450.00
06/24/2019	Conference with D. Chochla regarding preparation of costs submissions. Stuart Brotman	0.20 hrs.	\$ 180.00
06/25/2019	Reviewing email from Court of Appeal enclosing revised decision. Stuart Brotman	0.10 hrs.	\$ 90.00
06/26/2019	Drafting costs submissions re: appeal; instructions to Anna Martelli re: preparing costs outline. Dylan Chochla	4.50 hrs.	\$ 2,587.50
06/27/2019	Generating updated time cards and review of same; email memorandum to Dylan Chochla; telephone conference with Dylan Chochla; initial update of all timekeepers for 2019. Anna Martelli	1.00 hrs.	\$ 365.00
06/27/2019	Reviewing and revising cost submissions; reviewing case law cited therein; creating book of authorities. Daniel Richer	2.10 hrs.	\$ 819.00
06/27/2019	Continuing to draft costs submissions; instructions to Daniel Richer re: compiling book of authorities; phone call with Anna Martelli re: costs outline. Dylan Chochla	0.60 hrs.	\$ 345.00
06/27/2019	Reviewing and revising draft costs submissions; conference with D. Chochla regarding same. Stuart Brotman	1.90 hrs.	\$ 1,710.00
06/28/2019	Generate updated cost card; emails to and from Daniel Richer regarding updated costs outline; update all calculations in excel worksheet; revise draft costs outline; various emails to and from Dylan Chochla; finalize draft costs outline. Anna Martelli	1.90 hrs.	\$ 693.50
06/28/2019	Finalizing costs submissions and book of authorities; attending to service of same. Dylan Chochla	0.70 hrs.	\$ 402.50
06/28/2019	Reviewing and responding to email from R. Massi; reviewing email from D. Chochla and attached draft costs outline; exchange of emails with D. Chochla regarding same; reviewing costs submissions, as served. Stuart Brotman	0.50 hrs.	\$ 450.00
07/02/2019	Reviewing and revising affidavits of service; attending to filing of costs submissions. Dylan Chochla	0.80 hrs.	\$ 460.00
07/05/2019	Reviewing and considering responding costs submissions received; reply email to Roy O'Connor LLP regarding same. Stuart Brotman	0.40 hrs.	\$ 360.00
07/08/2019	Considering responding costs submissions; conference with D. Chochla regarding same. Stuart Brotman	0.30 hrs.	\$ 270.00

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

09/04/2019	Reviewing and revising draft order dismissing appeal and ordering costs in favour of the receiver. Dylan Chochla	1.20 hrs.	\$ 690.00
09/11/2019	Reviewing and revising draft order dismissing appeal; email correspondence with Peter Roy re: [REDACTED] Dylan Chochla	0.40 hrs.	\$ 230.00
09/11/2019	Reviewing draft order and exchange of emails regarding settlement of same; email to P. Roy. Stuart Brotman	0.20 hrs.	\$ 180.00

Matter Number: 300245.00002  
Matter: Receivership Involving Dianor Resources Inc.  
Responsible Professional: Stuart Brotman

Page 10  
Invoice #: 1393074

### Professional Summary

Professional	Title	Rate	Hours	Fees
Brotman, Stuart	Partner	856.76	40.70	34,870.00
Arseneault, Sophie	Associate	290.00	1.20	348.00
Chochla, Dylan	Associate	508.28	91.50	46,507.50
Richer, Daniel	Associate	390.00	2.10	819.00
Flanagan, Carolyn	Student	250.00	8.80	2,200.00
Ford, Elizabeth	Paralegal / Law Clerks	250.00	11.60	2,900.00
Martelli, Anna	Paralegal / Law Clerks	365.00	2.90	1,058.50
	Total		158.80	CAD \$ 88,703.00

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

<b>Our Fees</b>	<b>\$ 88,703.00</b>
Discount	-35,716.42
Net Fees	52,986.58
HST	6,888.25
Total Fees Including Taxes	<u>\$ 59,874.83</u>

**Disbursements**

Taxable

08/08/2018	DIALOGUE CONFERENCING INC. - Dylan Chochia - Conference Call	2.78
08/09/2018	Corporate Search	59.00
08/10/2018	FASKEN MARTINEAU DuMOULIN LLP - Binding - 10/08/2018	3.72
08/10/2018	FASKEN MARTINEAU DuMOULIN LLP - Tabs - 10/08/2018	12.21
08/10/2018	FMD ADJUSTMENT - Office Supplies - DTD- 08/10/2018 - 8 GB USB-T. Sadozai	7.92
08/10/2018	FMD ADJUSTMENT - Office Supplies - DTD- 08/10/2018 - USB CASE-T. Sadozai	2.07
08/10/2018	UNITED MESSENGERS LTD. - UM - Lenczner Slaght Royce Smith DTD - 10/08/2018 invoice no. - 00943638	7.03
08/10/2018	UNITED MESSENGERS LTD. - UM - Gowling WLG DTD - 10/08/2018 invoice no. - 00943638	7.03
08/10/2018	UNITED MESSENGERS LTD. - UM - GOWLING WLG DTD - 10/08/2018 invoice no. - 00943638	5.27
08/10/2018	UNITED MESSENGERS LTD. - UM - LENCZNER SLAGHT ROYCE SMITH GR DTD - 10/08/2018 invoice no. - 00943638	5.27
08/10/2018	UNITED MESSENGERS LTD. - (Matter no. 200245.00002 is invalid) Delivery/Courier Expense UM - ROY O'CONNOR LLP DTD - 10/08/2018 invoice no. - 00943638	6.15
08/10/2018	UNITED MESSENGERS LTD. - UM - ROY O'CONNOR LLP DTD - 10/08/2018 invoice no. - 00943638	8.20
08/13/2018	FASKEN MARTINEAU DuMOULIN LLP - Tabs - 13/08/2018	6.05
08/23/2018	RELIABLE PROCESS SERVERS INC. - Process Server Fee - Filing factum and book of authority with the court of appeal on August 10 2018 inv#86100 dtd August 17 2018	145.00
06/27/2019	FASKEN MARTINEAU DuMOULIN LLP - Scans - 32731 - 06/27/2019	7.00
06/28/2019	FASKEN MARTINEAU DuMOULIN LLP - Scans - 32755 - 06/28/2019	8.75
07/02/2019	QA COURIER - QA Courier Inv # 626109 dated 07/02/2019 - Delivered to: GOWLING WLG, 100 KING ST W, TORONTO, ON, M5X1G5	2.95
07/02/2019	UNITED MESSENGERS LTD. - UM - Lenczner Slaght Royce DTD - 02/07/2019 00983187	5.80
07/02/2019	QA COURIER - QA Courier Inv # 626109 dated 07/02/2019 - Delivered to: roy o'connor llp, 200 FRONT ST W, toronto, ON, m5v3k2	2.95
07/02/2019	UNITED MESSENGERS LTD. - UM - BRAUTI THORNING LLP. DTD - 02/07/2019 00985105	8.70
07/15/2019	RELIABLE PROCESS SERVERS INC. - Process Server Fee - RE: RICHTER - 11/07/2019 - Inv# 91491	110.00
07/17/2019	RELIABLE PROCESS SERVERS INC. - Process Server Fee - File Costs Submissions at Court of Appeal - 30/06/2019 - Inv# 91381	110.00

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

11/14/2019 Printing: Black & White	0.75	
Total Disbursements	<u>534.60</u>	
HST	69.50	
Total Disbursements Including Taxes		\$ 604.10

<b>Total Fees, Disbursements and Taxes</b>		<b><u>CAD \$ 60,478.93</u></b>
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**Tax Summary**

HST	<u>6,957.75</u>	
Total Taxes Included in This Bill	<u>6,957.75</u>	

# FASKEN

Fasken Martineau DuMoulin LLP  
Barristers and Solicitors  
Patent and Trade-mark Agents

333 Bay Street, Suite 2400  
P.O. Box 20  
Toronto, Ontario M5H 2T6  
Canada

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+1 800 268 8424  
F +1 416 364 7813  
fasken.com

Richter Advisory Group Inc.  
181 Bay Street  
Suite 3320  
Bay Wellington Tower  
Toronto ON M5J 2T3

November 29, 2019  
Invoice #: 1393074

GST/HST#: 87937 6127  
QST#: 1023151835

**Attention: Mr Paul van Eyk**

**REMITTANCE COPY**  
Please return with your payment

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**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

**For Professional Services rendered through November 28, 2019 as described in the attached memorandum.**

Total Fees	\$ 88,703.00
Discount	-35,716.42
Net Fees	52,986.58
Less: Transfer from Trust account	-40,486.58
Total Fees	12,500.00
Total Disbursements	534.60
Total Taxes	6,957.75
<b>Total Amount Owing This Bill</b>	<b>CAD \$ 19,992.35</b>
<b>Tax Summary</b>	
HST	6,957.75
Total Taxes Included in This Bill	6,957.75

Terms: payment due upon receipt. Pursuant to the *Solicitors Act*, interest will be charged at the rate of 2.0% per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this statement is delivered. Any disbursement not posted to your account on the date of this statement will be billed later.

SCOTIABANK, 44 King Street West, Toronto, Ontario, Canada M5H 1H1  
Account Name: Fasken Martineau DuMoulin LLP  
CAD\$ Account No: 476961041614, Transit No. 47696 Bank ID: 002  
SWIFT code: NOSOCAT

Please send a payment notice to [credits@fasken.com](mailto:credits@fasken.com)

Fasken Martineau DuMoulin LLP  
Barristers and Solicitors  
Patent and Trade-mark Agents

+ 1 416 366 8381 General  
+ 1 416 364 7813 Fax  
1 800 268 8424 Toll-free

Bay Adelaide Centre  
333 Bay Street, Suite 2400  
P.O. Box 20  
Toronto, Ontario M5H 2T6  
Canada

fasken.com



**Richter Advisory Group Inc.**  
**181 Bay Street**  
**Suite 3320**  
**Bay Wellington Tower**  
**Toronto ON M5J 2T3**

June 16, 2017  
Invoice #: 1122476  
HST #: 87937 6127 RT0001

Attention: Mr Paul van Eyk

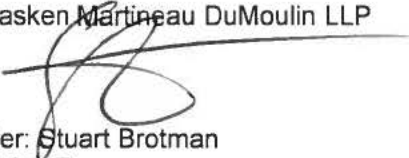
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**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

**For Professional Services rendered through May 31, 2017 as described in the attached memorandum**

Total Fees	\$ 7,292.50
Total Disbursements	0.25
Total Taxes	948.06
<b>Total Amount Owing This Bill</b>	<b>CAD \$ 8,240.81</b>

Fasken Martineau DuMoulin LLP

  
Per: Stuart Brotman  
E.&O.E.

Terms: payment due upon receipt. Pursuant to the *Solicitors Act*, interest will be charged at the rate of 0.8% per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this statement is delivered. Any disbursement not posted to your account on the date of this statement will be billed later.

SCOTIABANK, 20 Queen Street West, 4<sup>th</sup> Floor, Toronto, Ontario, M5H 3R3  
Account Name: Fasken Martineau DuMoulin LLP  
CAD\$ Account No: 476961041614, Transit No. 47696 Bank ID: 002  
SWIFT code: NOSCCATT

Please send a payment notice to [credits@fasken.com](mailto:credits@fasken.com)

Fasken Martineau DuMoulin LLP  
Barristers and Solicitors  
Patent and Trade-mark Agents

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+ 1 416 364 7813 Fax  
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Canada

fasken.com



**Richter Advisory Group Inc.**  
**181 Bay Street**  
**Suite 3320**  
**Bay Wellington Tower**  
**Toronto ON M5J 2T3**

June 16, 2017  
Invoice #: 1122476  
HST #: 87937 6127 RT0001

Attention: Mr Paul van Eyk

### FEE MEMORANDUM

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**Matter Number: 300245.00002**

**Matter: Receivership Involving Dianor Resources Inc.**

**Responsible Professional: Stuart Brotman**

03/08/2017	Phone call with S. Roy (Lenczner) re: motion for security for costs at Ontario Court of Appeal. Dylan Chochla	0.20 hrs.	\$ 93.00
03/08/2017	Reviewing exchange of emails regarding hearing; Stuart Brotman	0.10 hrs.	\$ 82.50
03/21/2017	Email correspondence with client [REDACTED] Dylan Chochla	0.30 hrs.	\$ 139.50
05/16/2017	Corresponding with S. Roy (Lenczner) re: approach to appeal hearing; scheduling phone call re: same. Dylan Chochla	0.10 hrs.	\$ 46.50
05/16/2017	Conference with D. Chochla regarding appeal; Stuart Brotman	0.20 hrs.	\$ 165.00
05/17/2017	Phone call with S. Roy (Lenczner) re: appeal strategy; office conference with S. Brotman re: same; reviewing materials delivered in connection with same. Dylan Chochla	0.50 hrs.	\$ 232.50
05/19/2017	Reviewing appeal materials in preparation for hearing. Dylan Chochla	2.20 hrs.	\$ 1,023.00
05/19/2017	Reviewing and responding to email from D. Chochla regarding hearing; Stuart Brotman	0.10 hrs.	\$ 82.50

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

05/23/2017	Continuing to review appeal materials in preparation for Leadbetter entities appeal re sale approval and vesting order; attending hearing re: same; reporting email to client [REDACTED]		
	Dylan Chochla	8.40 hrs.	\$ 3,906.00
05/23/2017	Exchange of emails and conference with D. Chochla regarding hearing;		
	Stuart Brotman	0.40 hrs.	\$ 330.00

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

Page 5  
Invoice #: 1122476

<b>Our Fees</b>	<b>\$ 7,292.50</b>	
HST	948.03	
Total Fees Including Taxes		<u>\$ 8,240.53</u>
<b>Disbursements</b>		
<u>Taxable</u>		
03/22/17 Lasercopy	0.25	
Total Disbursements	0.25	
HST	0.03	
Total Disbursements Including Taxes		0.28
<b>Total Fees, Disbursements and Taxes</b>		<u><b>CAD \$ 8,240.81</b></u>

<b>Tax Summary</b>		
HST	948.06	
Total Taxes Included in This Bill	948.06	

Fasken Martineau DuMoulin LLP  
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**Richter Advisory Group Inc.**  
**181 Bay Street**  
**Suite 3320**  
**Bay Wellington Tower**  
**Toronto ON M5J 2T3**

June 16, 2017  
Invoice #: 1122476  
HST #: 87937 6127 RT0001

Attention: Mr Paul van Eyk

**REMITTANCE COPY**  
**Please return with your payment**

---

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

**For Professional Services rendered through May 31, 2017 as described in the attached memorandum**

Total Fees	\$ 7,292.50
Total Disbursements	0.25
Total Taxes	948.06
<b>Total Amount Owing This Bill</b>	<b>CAD \$ 8,240.81</b>

**Tax Summary**

HST	948.06
<b>Total Taxes Included in This Bill</b>	<b>948.06</b>

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CAD\$ Account No: 476961041614, Transit No. 47696 Bank ID: 002  
SWIFT code: NOSCCATT

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June 16, 2017  
Invoice #: 1122476  
HST #: 87937 6127 RT0001

### Outstanding Invoice History

Balance of Invoice # 996814 Dated 03/11/16	19,923.02
Balance of Invoice # 1006826 Dated 04/20/16	793.26
Balance of Invoice # 1014586 Dated 05/17/16	618.11
Balance of Invoice # 1023127 Dated 06/17/16	1,498.95
Balance of Invoice # 1099335 Dated 03/22/17	8,716.41
<b>Total</b>	<b>\$ 31,549.75</b>

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**Richter Advisory Group Inc.**  
**181 Bay Street**  
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**Bay Wellington Tower**  
**Toronto ON M5J 2T3**

March 22, 2017  
Invoice #: 1099335  
HST #: 87937 6127 RT0001

Attention: Mr Paul van Eyk

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

**For Professional Services rendered through February 28, 2017 as described in the attached memorandum**

Total Fees	\$ 5,207.50
Total Disbursements	2,526.70
Total Taxes	982.21
<b>Total Amount Owing This Bill</b>	<b>CAD \$ 8,716.41</b>

Fasken Martineau DuMoulin LLP

Per: Stuart Brotman  
E.&O.E.

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March 22, 2017  
Invoice #: 1099335  
HST #: 87937 6127 RT0001

Attention: Mr Paul van Eyk

**FEE MEMORANDUM**

---

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

11/10/2016	Reviewing Rules of Civil Procedure re: appeals; preparing for and attending phone call with S. Roy (Lenczner) re: [REDACTED]	Dylan Chochla	0.30 hrs.	\$ 123.00
11/10/2016	Attendance on call with S. Roy regarding appeal;	Stuart Brotman	0.20 hrs.	\$ 155.00
11/18/2016	Email responding to enquiry from S. Roy re: [REDACTED]	Dylan Chochla	0.10 hrs.	\$ 41.00
12/14/2016	Email to client [REDACTED] office conference with S. Brotman re: appeal strategy; email to S. Roy re: same.	Dylan Chochla	0.40 hrs.	\$ 164.00
12/15/2016	Voicemail to S. Roy re: appeal process; phone call with client [REDACTED]	Dylan Chochla	0.20 hrs.	\$ 82.00
12/16/2016	Reviewing PPSA and email to S. Roy responding to [REDACTED]	Dylan Chochla	0.30 hrs.	\$ 123.00
01/24/2017	Calling with S. Roy re: filing materials in support of appeal.	Dylan Chochla	0.20 hrs.	\$ 93.00
01/31/2017	Researching re: evidentiary issues in appeals; researching procedure to bring motions in appeals; email to S. Roy re: same and strategy; email to client [REDACTED]	Dylan Chochla	0.80 hrs.	\$ 372.00

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

02/01/2017	Preparing for and attending conference call with client re: [REDACTED] [REDACTED]	Dylan Chochla	0.40 hrs.	\$ 186.00
02/03/2017	Phone call with S. Roy re: appeal strategy; email to client and S. Brotman [REDACTED]	Dylan Chochla	0.70 hrs.	\$ 325.50
02/06/2017	Office conference with S. Brotman re: appeal strategy; email to S. Roy (Lenczner) re: same.	Dylan Chochla	0.30 hrs.	\$ 139.50
02/07/2017	Drafting letter re: facts since issuance of sale approval order; revising same to incorporate comments received from S. Brotman; office conference with S. Brotman re: approach; [REDACTED] phone call with S. Roy (Lenczner) re: same.	Dylan Chochla	2.40 hrs.	\$ 1,116.00
02/08/2017	Reviewing and revising draft of supplemental receiver's report; email to S. Roy (Lenczner) enclosing same; compiling appendices and [REDACTED]	Dylan Chochla	1.10 hrs.	\$ 511.50
02/08/2017	Conference with D. Chochla regarding draft supplemental report; Reviewing revised draft report;	Stuart Brotman	0.30 hrs.	\$ 247.50
02/09/2017	Reviewing letter received from Ontario Court of Appeal re: leave requirement; phone call with S. Roy re: same.	Dylan Chochla	0.30 hrs.	\$ 139.50
02/09/2017	Reviewing and considering emails from S. Roy;	Stuart Brotman	0.20 hrs.	\$ 165.00
02/10/2017	Revising supplementary receiver's report to incorporate comments received; email to client [REDACTED]; attending to service and filing of same.	Dylan Chochla	1.80 hrs.	\$ 837.00
02/10/2017	Reviewing e-mails from S. Roy; Conference with D. Chochla regarding same;	Stuart Brotman	0.30 hrs.	\$ 247.50
02/14/2017	Email to client [REDACTED] instructions to I. Artuso re: making copies of same.	Dylan Chochla	0.30 hrs.	\$ 139.50

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

Page 4  
Invoice #: 1099335

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

Page 5  
Invoice #: 1099335

**Professional Summary**

<u>Professional</u>	<u>Title</u>	<u>Rate</u>	<u>Hours</u>	<u>Fees</u>
Stuart Brotman	Partner	825.00	0.80	660.00
Stuart Brotman	Partner	775.00	0.20	155.00
Dylan Chochla	Associate	465.00	8.30	3,859.50
Dylan Chochla	Associate	410.00	1.30	533.00
	<b>Total</b>		<b>10.60</b>	<b>CAD \$ 5,207.50</b>

Matter Number: 300245.00002  
 Matter: Receivership Involving Dianor Resources Inc.  
 Responsible Professional: Stuart Brotman

<b>Our Fees</b>	<b>\$ 5,207.50</b>
HST	676.98
Total Fees Including Taxes	<u>\$ 5,884.48</u>

**Disbursements**

Non-Taxable

08/04/16	Articles/Filing Fees - Payable to: MINISTER OF FINANCE Fee for filing motion record - Aug04/16	127.00
10/13/16	Title Search Teraview 13/10/2016 Writs name search- other County PIN: [REDACTED]	8.40
10/13/16	Title Search Teraview 13/10/2016 Writs name search- other County PIN: [REDACTED]	8.40
10/26/16	Bank/Wire Charges bank and wire charges - incoming wire costs for October 2016 -	17.50
10/26/16	Bank/Wire Charges bank and wire charges - incoming wire costs for October 2016 -	17.50

Taxable

06/14/16	Lasercopy	11.25
06/15/16	Lasercopy	6.25
06/20/16	Lasercopy	0.25
06/30/16	Lasercopy	24.75
07/13/16	Lasercopy	18.25
07/15/16	Lasercopy	55.50
07/18/16	Lasercopy	0.50
07/21/16	Lasercopy	7.75
08/04/16	Lasercopy	18.25
08/04/16	Lasercopy	2.00
08/05/16	Lasercopy	243.00
08/05/16	Lasercopy	4.50
08/05/16	Photocopies Photocopies 9885 COPYROOM copies	0.25
08/05/16	Photocopies Photocopies 9885 COPYROOM copies	0.25
08/05/16	Photocopies Photocopies Aubrey Kauffman copies	234.00
08/05/16	Tabs Tabs - 05/08/2016	4.51
08/05/16	Binding Binding - 05/08/2016	1.84

Matter Number: 300245.00002

Matter: Receivership Involving Dianor Resources Inc.

Responsible Professional: Stuart Brotman

08/08/16	Lasercopy	0.50
08/08/16	Lasercopy	3.00
08/08/16	Lasercopy	5.25
08/08/16	Lasercopy	98.75
08/09/16	Lasercopy	6.25
08/09/16	Photocopies Photocopies Dylan Chochla copies	475.75
08/09/16	Tabs Tabs - 09/08/2016	7.15
08/09/16	Binding Binding - 09/08/2016	4.08
08/11/16	Binding Binding - 11/08/2016	1.02
08/11/16	Tabs Tabs - 11/08/2016	4.18
08/11/16	Lasercopy	297.75
08/16/16	Lasercopy	7.00
08/17/16	Lasercopy	7.00
08/17/16	Lasercopy	7.50
08/18/16	Lasercopy	8.00
08/18/16	Articles/Filing Fees - Payable to: RELIABLE	105.00
08/18/16	Articles/Filing Fees - Payable to: RELIABLE	30.00
08/19/16	Lasercopy	71.25
08/19/16	Lasercopy	1.00
08/19/16	Tabs Tabs - 19/08/2016	2.86
08/30/16	Lasercopy	0.25
09/06/16	Lasercopy	3.25
09/06/16	Delivery/Courier Expense FedEx - 734368206,	14.67
09/06/16	Delivery/Courier Expense FedEx - 734368206,	13.17
09/20/16	Lasercopy	9.00
09/23/16	Lasercopy	3.00
09/23/16	Lasercopy	112.50
09/23/16	Tabs Tabs - 23/09/2016	3.85
09/23/16	USB / CD / DVD Office Supplies - DTD -	5.53
09/26/16	Lasercopy	0.25
09/26/16	Lasercopy	37.25
09/26/16	Nuans - Corporate Name Search DIANOR RESOURCES	15.00
09/27/16	Lasercopy	2.25
09/27/16	Lasercopy	0.75
09/30/16	Process Server Fee - Payable to: RELIABLE	80.00
10/05/16	Lasercopy	0.25

Matter Number: 300245.00002

Matter: Receivership Involving Dianor Resources Inc.

Responsible Professional: Stuart Brotman

10/07/16	Lasercopy	1.25
10/07/16	Lasercopy	16.25
10/07/16	Telephones Charges Dylan Chochia - Conference	1.40
10/13/16	Lasercopy	0.25
10/13/16	Title Search Teraview 13/10/2016 Writs name	20.95
10/13/16	Title Search Teraview 13/10/2016 Writs name	20.95
10/14/16	Lasercopy	1.00
10/17/16	Lasercopy	2.50
10/17/16	Delivery/Courier Expense UM - ONTARIO SUPERIOR	4.73
10/18/16	Lasercopy	0.25
10/25/16	Lasercopy	44.25
10/26/16	Lasercopy	7.00
10/26/16	Lasercopy	26.00
10/27/16	Lasercopy	1.25
10/28/16	Lasercopy	6.00
10/28/16	Delivery/Courier Expense UM - SUPERIOR COURT OF	4.73
10/31/16	Lasercopy	1.75
11/01/16	Lasercopy	1.50
11/02/16	Lasercopy	1.75
11/02/16	Delivery/Courier Expense UM - GOWLING WLG DTD -	2.10
11/04/16	Lasercopy	0.50
11/18/16	Lasercopy	1.50
12/02/16	Lasercopy	0.25
12/12/16	Lasercopy	0.25
12/13/16	Process Server Fee - Payable to: RELIABLE	30.00
12/13/16	Lasercopy	0.50
02/01/17	Telephones Charges Dylan Chochia - Conference	1.62
02/01/17	Telephones Charges Dylan Chochia - Conference	0.81
02/07/17	Lasercopy	4.00
02/08/17	Lasercopy	16.50
02/10/17	Lasercopy	45.00
02/10/17	Lasercopy	3.75
Total Disbursements		2,526.70
HST		305.23
Total Disbursements Including Taxes		2,831.93

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

Page 9  
Invoice #: 1099335

**Total Fees, Disbursements and Taxes**

**CAD \$ 8,716.41**

**Tax Summary**

HST	<u>982.21</u>
Total Taxes Included in This Bill	<u>982.21</u>

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**Toronto ON M5J 2T3**

March 22, 2017  
Invoice #: 1099335  
HST #: 87937 6127 RT0001

Attention: Mr Paul van Eyk

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**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

**For Professional Services rendered through February 28, 2017 as described in the attached memorandum**

Total Fees	\$ 5,207.50
Total Disbursements	2,526.70
Total Taxes	982.21
<b>Total Amount Owing This Bill</b>	<b>CAD \$ 8,716.41</b>

**Tax Summary**

HST	982.21
<b>Total Taxes Included in This Bill</b>	<b>982.21</b>

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June 17, 2016  
Invoice #: 1023127  
HST #: 87937 6127 RT0001

Attention: Mr Paul van Eyk

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

**For Professional Services rendered through May 31, 2016 as described in the attached memorandum**

Total Fees	\$ 1,317.00
Total Disbursements	9.50
Total Taxes	172.45
<b>Total Amount Owing This Bill</b>	<b>CAD \$ 1,498.95</b>

Fasken Martineau DuMoulin LLP

Per: Stuart Brotman  
E.&O.E.

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June 17, 2016  
Invoice #: 1023127  
HST #: 87937 6127 RT0001

Attention: Mr Paul van Eyk

### FEE MEMORANDUM

---

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

05/19/2016	Reviewing e-mail from S. Roy [REDACTED] Telephone call with S. Roy; E-mail to D. Chochla regarding same; Telephone call to R. Massi; Stuart Brotman	0.60 hrs.	\$ 465.00
05/20/2016	Reviewing materials re [REDACTED] phone call with S. Roy (Lenczner Slaght) re: same; drafting email re: same. Dylan Chochla	1.70 hrs.	\$ 697.00
05/20/2016	Conference with D. Chochla; Reviewing e-mail from D. Chochla to S. Roy; Stuart Brotman	0.20 hrs.	\$ 155.00

### Professional Summary

<u>Professional</u>	<u>Title</u>	<u>Rate</u>	<u>Hours</u>	<u>Fees</u>
Stuart Brotman	Partner	775.00	0.80	620.00
Dylan Chochla	Associate	410.00	1.70	697.00
	<b>Total</b>		<b>2.50</b>	<b>CAD \$ 1,317.00</b>

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

Page 3  
Invoice #: 1023127

<b>Our Fees</b>	<b>\$ 1,317.00</b>	
HST	171.21	
Total Fees Including Taxes		<u>\$ 1,488.21</u>
<b>Disbursements</b>		
<u>Taxable</u>		
05/20/16 Lasercopy	9.50	
Total Disbursements	9.50	
HST	1.24	
Total Disbursements Including Taxes		10.74
<b>Total Fees, Disbursements and Taxes</b>		<u><b>CAD \$ 1,498.95</b></u>

<b>Tax Summary</b>		
HST	172.45	
Total Taxes Included in This Bill	172.45	

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June 17, 2016  
Invoice #: 1023127  
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Attention: Mr Paul van Eyk

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**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

**For Professional Services rendered through May 31, 2016 as described in the attached memorandum**

Total Fees	\$ 1,317.00
Total Disbursements	9.50
Total Taxes	172.45
<b>Total Amount Owing This Bill</b>	<b>CAD \$ 1,498.95</b>

**Tax Summary**

HST	172.45
<b>Total Taxes Included in This Bill</b>	<b>172.45</b>

Terms: payment due upon receipt. Pursuant to the *Solicitors Act*, interest will be charged at the rate of 0.8% per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this statement is delivered. Any disbursement not posted to your account on the date of this statement will be billed later.

SCOTIABANK, 20 Queen Street West, 4<sup>th</sup> Floor, Toronto, Ontario, M5H 3R3  
Account Name: Fasken Martineau DuMoulin LLP  
CAD\$ Account No: 476961041614, Transit No. 47696 Bank ID: 002  
SWIFT code: NOSCCAT

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**Richter Advisory Group Inc.**  
**181 Bay Street**  
**Suite 3320**  
**Bay Wellington Tower**  
**Toronto ON M5J 2T3**

May 17, 2016  
Invoice #: 1014586  
HST #: 87937 6127 RT0001

Attention: Mr Paul van Eyk

---

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

**For Professional Services rendered through April 30, 2016 as described in the attached memorandum**

Total Fees	\$ 547.00
Total Taxes	71.11
<b>Total Amount Owing This Bill</b>	<b>CAD \$ 618.11</b>

Fasken Martineau DuMoulin LLP

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

Per: Stuart Brotman  
E.&O.E.

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May 17, 2016  
Invoice #: 1014586  
HST #: 87937 6127 RT0001

Attention: Mr Paul van Eyk

### FEE MEMORANDUM

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**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

04/20/2016	Telephone call from S. Roy; Stuart Brotman	0.10 hrs.	\$ 77.50
04/28/2016	Telephone call with S. Roy; Stuart Brotman	0.30 hrs.	\$ 232.50
04/29/2016	Phone call with client re: [REDACTED] Dylan Chochla	0.20 hrs.	\$ 82.00
04/29/2016	Conference with D. Chochla; Update e-mail to client regarding [REDACTED] Stuart Brotman	0.20 hrs.	\$ 155.00

### Professional Summary

<u>Professional</u>	<u>Title</u>	<u>Rate</u>	<u>Hours</u>	<u>Fees</u>
Stuart Brotman	Partner	775.00	0.60	465.00
Dylan Chochla	Associate	410.00	0.20	82.00
	Total		0.80	CAD \$ 547.00

Matter Number: 300245.00002  
Matter: Receivership Involving Dianor Resources Inc.  
Responsible Professional: Stuart Brotman

<b>Our Fees</b>	<b>\$ 547.00</b>	
HST	71.11	
Total Fees Including Taxes		\$ 618.11
<b>Total Fees, Disbursements and Taxes</b>		<b><u>CAD \$ 618.11</u></b>

<b>Tax Summary</b>		
HST	71.11	
Total Taxes Included in This Bill	<u>71.11</u>	

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May 17, 2016  
Invoice #: 1014586  
HST #: 87937 6127 RT0001

Attention: Mr Paul van Eyk

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---

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

**For Professional Services rendered through April 30, 2016 as described in the attached memorandum**

Total Fees	\$ 547.00
Total Taxes	71.11
<b>Total Amount Owing This Bill</b>	<b>CAD \$ 618.11</b>

**Tax Summary**

HST	71.11
Total Taxes Included in This Bill	71.11

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**Toronto ON M5J 2T3**

April 20, 2016  
Invoice #: 1006826  
HST #: 87937 6127 RT0001

Attention: Mr Paul van Eyk

---

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

**For Professional Services rendered through March 31, 2016 as described in the attached memorandum**

Total Fees	\$ 702.00
Total Taxes	91.26
<b>Total Amount Owing This Bill</b>	<b>CAD \$ 793.26</b>

Fasken Martineau DuMoulin LLP

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

Per: Stuart Brotman  
E.&O.E.

Terms: payment due upon receipt. Pursuant to the *Solicitors Act*, interest will be charged at the rate of 0.8% per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this statement is delivered. Any disbursement not posted to your account on the date of this statement will be billed later.

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April 20, 2016  
Invoice #: 1006826  
HST #: 87937 6127 RT0001

Attention: Mr Paul van Eyk

### FEE MEMORANDUM

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

03/02/2016	Phone call with client re: [REDACTED] Dylan Chochla	0.20 hrs.	\$ 82.00
03/02/2016	Telephone call with S. Roy regarding status; E-mail to client [REDACTED] Stuart Brotman	0.40 hrs.	\$ 310.00
03/10/2016	Conference with D. Chochla; Telephone call with R. Massi regarding status; Stuart Brotman	0.30 hrs.	\$ 232.50
03/23/2016	Telephone call to P. Osborne; Stuart Brotman	0.10 hrs.	\$ 77.50

### Professional Summary

<u>Professional</u>	<u>Title</u>	<u>Rate</u>	<u>Hours</u>	<u>Fees</u>
Stuart Brotman	Partner	775.00	0.80	620.00
Dylan Chochla	Associate	410.00	0.20	82.00
	<b>Total</b>		<b>1.00</b>	<b>CAD \$ 702.00</b>

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

Page 3  
Invoice #: 1006826

<b>Our Fees</b>	<b>\$ 702.00</b>	
HST	91.26	
	<hr/>	
Total Fees Including Taxes		\$ 793.26
<b>Total Fees, Disbursements and Taxes</b>		<b><u>CAD \$ 793.26</u></b>

<b>Tax Summary</b>		
HST	91.26	
	<hr/>	
Total Taxes Included in This Bill		<b><u>91.26</u></b>

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April 20, 2016  
Invoice #: 1006826  
HST #: 87937 6127 RT0001

Attention: Mr Paul van Eyk

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**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

**For Professional Services rendered through March 31, 2016 as described in the attached memorandum**

Total Fees	\$ 702.00
Total Taxes	91.26
<b>Total Amount Owing This Bill</b>	<b>CAD \$ 793.26</b>

**Tax Summary**

HST	91.26
<b>Total Taxes Included in This Bill</b>	<b>91.26</b>

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Toronto ON M5J 2T3

March 11, 2016  
Invoice #: 996814  
HST #: 87937 6127 RT0001

Attention: Mr Paul van Eyk

### FEE MEMORANDUM

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

02/02/2016	Reviewing documents received and email confirming [REDACTED] [REDACTED]		
	Martin R. Gagné	0.70 hrs.	\$ 364.00
02/02/2016	Reviewing and revising draft court report; reviewing and revising draft Ontario security review memorandum; Stuart Brotman	1.40 hrs.	\$ 1,085.00
02/03/2016	Revising draft report of receiver to incorporate comments received from S. Brotman; email to G-P Michaud re: description of Quebec security registrations; email to client [REDACTED]. Dylan Chochla	2.70 hrs.	\$ 1,107.00
02/03/2016	Telephone call from R. Massi; conference with D. Chochla regarding comments on draft report and Ontario security review memorandum; Stuart Brotman	0.30 hrs.	\$ 232.50
02/04/2016	Revising security review memorandum to incorporate comments received from S. Brotman; finalizing security review opinion; email to S. Brotman enclosing same; reviewing and commenting on draft sale approval and vesting order; researching [REDACTED]; email to S. Brotman enclosing comments. Dylan Chochla	3.70 hrs.	\$ 1,517.00

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

Page 3  
 Invoice #: 996814

02/04/2016	Work on the file re: wording of vesting order, and verifications about Québec registrations. G. P. Michaud	1.10 hrs.	\$ 462.00
02/05/2016	Reviewing revisions to draft report re: description of Quebec security registrations; revising report re: same and [REDACTED]; phone call with client [REDACTED] email to D. Snyder (Stikemans) re: extending time to file court materials. Dylan Chochla	1.30 hrs.	\$ 533.00
02/05/2016	Verifications with respect to completion of Québec registrations; exchange of emails with D. Chochla in that regard. G. P. Michaud	0.50 hrs.	\$ 210.00
02/05/2016	Reviewing e-mails regarding court materials and [REDACTED]; E-mail to D. Chochla and P. Patel regarding same; Stuart Brotman	0.20 hrs.	\$ 155.00
02/08/2016	Reviewing client's comments on [REDACTED]; phone call with client [REDACTED] Dylan Chochla	1.60 hrs.	\$ 656.00
02/08/2016	Discussions and exchanges of emails with M. Gagné re: registration search; exchanges of emails with D. Chochla; review of the file. Luc Morin	0.20 hrs.	\$ 102.00
02/08/2016	Discussions and exchanges on opinion; reviewing Stikemans' memorandum and instructions on required verifications. Martin R. Gagné	0.30 hrs.	\$ 156.00
02/08/2016	Reviewing email from R. Massi and attached comments on draft report; conference with D. Chochla regarding Quebec security; Stuart Brotman	0.30 hrs.	\$ 232.50

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

Page 4  
 Invoice #: 996814

02/09/2016	Instruction for and review of searches on [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] multiple phone calls with Martin R. Gagne to make amendments to the memorandum Charles-Antoine Dorion	6.50 hrs.	\$ 2,112.50
02/09/2016	Recherches corporatives; recherches au Registre sous l'article 427 de la Loi sur les banques et au Registre des droits personnels et réels mobiliers. Dominic Chabot	0.50 hrs.	\$ 97.50
02/09/2016	Revising draft second receiver's report [REDACTED] [REDACTED] email to Stikemans enclosing same; considering statutory lien and deemed trust issues. Dylan Chochla	2.00 hrs.	\$ 820.00
02/09/2016	Discussions and exchanges of emails with S. Dietze re: [REDACTED] [REDACTED]s; discussions and exchanges of emails with S. Brotman and D. Chochla; review of the file; review of [REDACTED] [REDACTED]. Luc Morin	1.50 hrs.	\$ 765.00
02/09/2016	Searches at the mining register (Gestim) and at the land register. Marie Huot	2.00 hrs.	\$ 340.00
02/09/2016	Reviewing and modifying draft memorandum [REDACTED] [REDACTED] Martin R. Gagné	1.30 hrs.	\$ 676.00
02/09/2016	Reviewing revised draft report; conference with D. Chochla; conferences and emails with D. Chochla and L. Morin regarding [REDACTED] [REDACTED] Stuart Brotman	0.90 hrs.	\$ 697.50

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

02/10/2016	Receipt and review of a revised draft of the memorandum prepared by M. R. Gagné; review of same; additions made to the memorandum to add reserves and qualifications to the search results set forth in the memorandum Charles-Antoine Dorion	1.00 hrs.	\$ 325.00
02/10/2016	Reviewing and modifying memo in support of the opinion. Martin R. Gagné	0.70 hrs.	\$ 364.00
02/10/2016	E-mail to C. Prophet following up on [REDACTED]; Reviewing e-mails regarding [REDACTED] Stuart Brotman	0.20 hrs.	\$ 155.00
02/11/2016	Preparation of the schedules to the memorandum; assembly of the schedules with the memorandum Charles-Antoine Dorion	0.50 hrs.	\$ 162.50
02/11/2016	Email to D. Snyder (Stikemans) re: extending timeline to file court materials; reviewing email from C. Prophet (Gowlings) re: conditional consent to lift Essar/Algoma CCAA stay. Dylan Chochla	0.30 hrs.	\$ 123.00
02/11/2016	Reviewing e-mail from L. Morin regarding Quebec claims; Reviewing e-mail from C. Prophet regarding lifting of Essar stay of proceedings; e-mail to client [REDACTED] Stuart Brotman	0.30 hrs.	\$ 232.50
02/12/2016	Phone call with client [REDACTED]; phone call with Y. Katirai (Stikemans) re: same and [REDACTED]. Dylan Chochla	0.50 hrs.	\$ 205.00
02/17/2016	Phone call with client re: [REDACTED]. Dylan Chochla	0.40 hrs.	\$ 164.00
02/19/2016	Phone call with client and S. Brotman re: [REDACTED]; reviewing cases re: [REDACTED] drafting revisions to receiver's report. Dylan Chochla	3.30 hrs.	\$ 1,353.00

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

02/19/2016	Exchange of emails with R. Massi; Attendance on call with D. Chochla, R. Massi and P. Patel; Conference with D. Chochla regarding revisions to draft report; E-mail to P. Osborne; E-mail to R. Massi; Stuart Brotman	0.80 hrs.	\$ 620.00
02/22/2016	Revising draft report to incorporate comments received from S. Brotman; email to client [REDACTED]; phone call with Lenczner Slaght re: status of file and next steps; email to P. Osborne (Lenczner Slaght) enclosing royalty agreements and amendments. Dylan Chochla	2.10 hrs.	\$ 861.00
02/22/2016	Exchange of emails with R. Massi; Exchange of emails with P. Osborne and S. Roy; Reviewing and commenting on revised draft report; Conference with D. Chochla regarding same; Further exchange of emails with R. Massi; Stuart Brotman	1.30 hrs.	\$ 1,007.50
02/23/2016	Email to client re: [REDACTED] email to Lenczner Slaght enclosing same. Dylan Chochla	0.20 hrs.	\$ 82.00
02/23/2016	Review of an email of C. Leclerc (Stikemans) re : registration; follow-up and email to D. Chochla. G. P. Michaud	0.30 hrs.	\$ 126.00
02/23/2016	E-mail to R. Massi; Stuart Brotman	0.10 hrs.	\$ 77.50
02/24/2016	Voicemail to Y. Katirai (Stikemans) responding to enquiry re: [REDACTED]. Dylan Chochla	0.10 hrs.	\$ 41.00
02/24/2016	Discussion with D. Chochla re update on the file and completion of the Quebec opinion. G. P. Michaud	0.20 hrs.	\$ 84.00
02/29/2016	Email to P. Osborne and S. Roy; Stuart Brotman	0.10 hrs.	\$ 77.50

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

Page 7  
 Invoice #: 996814

**Professional Summary**

<u>Professional</u>	<u>Title</u>	<u>Rate</u>	<u>Hours</u>	<u>Fees</u>
Stuart Brotman	Partner	775.00	5.90	4,572.50
Luc Morin	Partner	510.00	1.70	867.00
Martin R. Gagné	Partner	520.00	3.00	1,560.00
G. P. Michaud	Partner	420.00	2.10	882.00
Dylan Chochla	Associate	410.00	18.20	7,462.00
Charles-Antoine Dorion	Associate	325.00	8.00	2,600.00
Dominic Chabot	Paralegal	195.00	0.50	97.50
Marie Huot	Paralegal	170.00	2.00	340.00
		<b>Total</b>	<b>41.40</b>	<b>CAD \$ 18,381.00</b>

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

Page 8  
 Invoice #: 996814

<b>Our Fees</b>	<b>\$ 18,381.00</b>
HST	2,389.53
Total Fees Including Taxes	<u>\$ 20,770.53</u>

**Disbursements**

Non-Taxable

01/18/16	Registry Office - Payable to: Banque Scotia - Jacynthe Dallaire	2.00
02/09/16	Registry Office - Payable to: Banque Scotia - Jacynthe Dallaire	8.00
02/09/16	RPMRR - Payable to: Banque Scotia - Jacynthe Dallaire	9.00
02/09/16	RPMRR - Payable to: Banque Scotia - Jacynthe Dallaire	9.00
02/09/16	RPMRR - Payable to: Banque Scotia - Jacynthe Dallaire	9.00
02/09/16	Registry Office - Payable to: Banque Scotia - Jacynthe Dallaire	4.00
02/09/16	Registry Office - Payable to: Banque Scotia - Jacynthe Dallaire	28.00

Taxable

01/15/16	Telephones Charges Dylan Chochia - Conference	1.40
01/15/16	Telephones Charges Dylan Chochia - Conference	1.81
01/15/16	Telephones Charges Dylan Chochia - Conference	3.06
01/15/16	Telephones Charges Dylan Chochia - Conference	7.21
02/04/16	Lasercopy	4.00
02/09/16	Lasercopy	37.00
02/09/16	Lasercopy	0.50
02/09/16	Lasercopy	11.00
02/09/16	Document Scan Scan job sent to	19.00
02/09/16	Document Scan Scan job sent to	10.00
02/09/16	Document Scan Scan job sent to	1.25
02/09/16	Document Scan Scan job sent to	0.75
02/10/16	Bank Act Search - Payable to: D+H Limited	48.00
02/11/16	Document Scan Scan job sent to	1.00
02/11/16	Document Scan Scan job sent to	8.75

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

Page 9  
Invoice #: 996814

02/17/16	Document Scan Scan job sent to	3.50
	Total Disbursements	227.23
	HST	20.59
	Total Disbursements Including Taxes	247.82
	<b>Total Fees, Disbursements and Taxes</b>	<b><u>CAD \$ 21,018.35</u></b>

**Tax Summary**

HST	2,410.12
Total Taxes Included in This Bill	<u>2,410.12</u>

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March 11, 2016  
Invoice #: 996814  
HST #: 87937 6127 RT0001

Attention: Mr Paul van Eyk

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**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

**For Professional Services rendered through February 29, 2016 as described in the attached memorandum**

Total Fees	\$ 18,381.00
Total Disbursements	227.23
Total Taxes	2,410.12
<b>Total Amount Owing This Bill</b>	<b><u>CAD \$ 21,018.35</u></b>

**Tax Summary**

HST	2,410.12
<b>Total Taxes Included in This Bill</b>	<b><u>2,410.12</u></b>

Terms: payment due upon receipt. Pursuant to the *Solicitors Act*, interest will be charged at the rate of 0.8% per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this statement is delivered. Any disbursement not posted to your account on the date of this statement will be billed later.

SCOTIABANK, 20 Queen Street West, 4<sup>th</sup> Floor, Toronto, Ontario, M5H 3R3  
Account Name: Fasken Martineau DuMoulin LLP  
CAD\$ Account No: 476961041614, Transit No. 47696  
SWIFT code: NOSCCATT

Fasken Martineau DuMoulin LLP  
Barristers and Solicitors  
Patent and Trade-mark Agents



333 Bay Street, Suite 2400  
Bay Adelaide Centre, Box 20  
Toronto, ON M5H 2T6

416 366 8381 Telephone  
416 364 7813 Facsimile

**Richter Advisory Group Inc.**  
**181 Bay Street**  
**Suite 3320**  
**Bay Wellington Tower**  
**Toronto ON M5J 2T3**

February 16, 2016  
Invoice #: 990828  
HST #: 87937 6127 RT0001

Attention: Mr Paul van Eyk

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**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

**For Professional Services rendered through January 31, 2016 as described in the attached memorandum**

Total Fees	\$ 49,945.00
Total Disbursements	1,014.05
Total Taxes	6,598.92
<b>Total Amount Owing This Bill</b>	<b><u>CAD \$ 57,557.97</u></b>

Fasken Martineau DuMoulin LLP

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

Per: Stuart Brotman  
E.&O.E.

Terms: payment due upon receipt. Pursuant to the *Solicitors Act*, interest will be charged at the rate of 0.8% per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this statement is delivered. Any disbursement not posted to your account on the date of this statement will be billed later.

SCOTIABANK, 20 Queen Street West, 4<sup>th</sup> Floor, Toronto, Ontario, M5H 3R3  
Account Name: Fasken Martineau DuMoulin LLP  
CAD\$ Account No: 476961041614, Transit No. 47696  
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February 16, 2016  
Invoice #: 990828  
HST #: 87937 6127 RT0001

Attention: Mr Paul van Eyk

**FEE MEMORANDUM**

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**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

12/15/2015	Arranging for ON corporate searches re RESSOURCES DIANOR INC. DIANOR RESOURCES INC. et al. for T. Boyd. Adam Simon	0.20 hrs.	\$ 30.00
12/15/2015	Arranging for DIANOR RESOURCES INC. et al. corporate searches and summaries in Ontario and Quebec. Adam Simon	0.40 hrs.	\$ 60.00
12/15/2015	Reviewing credit agreement and security documents; drafting security review memorandum re: same. Dylan Chochla	3.90 hrs.	\$ 1,462.50
12/15/2015	Review of email re: [REDACTED] [REDACTED] discussion with L. Morin. G. P. Michaud	0.20 hrs.	\$ 79.00
12/15/2015	Verifications at the mining register (GESTIM) and at the land register. Marie Huot	0.50 hrs.	\$ 117.50
12/15/2015	Discussion and instructions on searches to be made at the Land Register Office (updates); discussing results and additional search required; [REDACTED] [REDACTED] Martin R. Gagné	0.70 hrs.	\$ 353.50
12/15/2015	Reviewing and responding to e-mail from D. Snyder; Conference with D. Chochla. Stuart Brotman	0.20 hrs.	\$ 150.00

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

12/16/2015	Arranging for Certificate of Attestation re Ressources Dianor Inc./ Dianor Resources Inc. for D. Chochla. Adam Simon	0.20 hrs.	\$ 30.00
12/16/2015	Organizing and delivering ON PPSA Searches re Resources Dianor Inc. et al. to D. Chochla; Correspondence with D. Chochla and T. Boyd re Dianor Resources Inc. et al. corporate searches. Adam Simon	0.60 hrs.	\$ 90.00
12/16/2015	Continuing to review security documents and drafting security review memorandum. Dylan Chochla	4.90 hrs.	\$ 1,837.50
12/16/2015	Work on the file re: Québec security opinion; instructions to N. Mancini re: caselaw research. G. P. Michaud	1.10 hrs.	\$ 434.50
12/16/2015	Corporate search; search at the Register of Personal and Movable Real Rights; update of search report. Gina Batrouni	0.40 hrs.	\$ 108.00
12/16/2015	Discussion on the file and the question of [REDACTED] [REDACTED] Reviewing the file and providing documents. Martin R. Gagné	1.00 hrs.	\$ 505.00
12/16/2015	Case law research on [REDACTED] Nicolas Mancini	0.60 hrs.	\$ 123.00
12/16/2015	Phone call with S. Brotman re municipal tax sale, checking provisions of the Municipal Act and meeting with S. Turney re same and email to S. Brotman. Paul R. King	0.60 hrs.	\$ 435.00
12/17/2015	Continuing to draft security review memorandum; phone call with G-P Michaud re: Quebec opinion; drafting Ontario opinion. Dylan Chochla	2.10 hrs.	\$ 787.50
12/17/2015	Discussion with G-P Michaud and L. Morin re: [REDACTED] [REDACTED] Frank Mariage	0.30 hrs.	\$ 135.00

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

12/17/2015	Review and analysis of the proceedings and security documents; exchanges with M. Gagné; follow-up with L. Morin. G. P. Michaud	4.10 hrs.	\$ 1,619.50
12/17/2015	Obtaining a Certificate of Attestation at the Quebec Enterprise Registrar for Dianor Resources Inc. Gina Batrouni	0.30 hrs.	\$ 75.00
12/17/2015	Searching [REDACTED] requested by G-P Michaud. Jacinthe Deschâtelets	1.00 hrs.	\$ 185.00
12/17/2015	Discussions and exchanges of emails with G-P Michaud, F. Marriage and M. Gagné re: [REDACTED] Luc Morin	1.10 hrs.	\$ 533.50
12/18/2015	Phone call and emails to and from D. Snyder (Stikemans) re: [REDACTED]; reviewing schedules to APA and instructions to administrative staff re: copy typing patented mining claim descriptions. Dylan Chochla	0.40 hrs.	\$ 150.00
12/18/2015	Work re: Québec security opinion; drafting of a note re: [REDACTED] G. P. Michaud	3.10 hrs.	\$ 1,224.50
12/18/2015	Review of binder of due diligence material for [REDACTED]. Paul R. King	0.60 hrs.	\$ 435.00
12/18/2015	Conference with D. Chochla regarding deadline for service of materials; Exchange of emails regarding same; Reviewing e-mail regarding Quebec security review; E-mail to counsel for Third Eye Capital regarding same; Exchange of emails with M. Konyukhova. Stuart Brotman	1.10 hrs.	\$ 825.00
12/22/2015	Continuing to draft security review memorandum re: third eye security. Dylan Chochla	0.50 hrs.	\$ 187.50

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

12/22/2015	Reviewed PPSA searches against Dianor Resources Inc., Ressources Dianor Inc., and the combined versions of name; prepared search summary of same per D. Chochla; forwarded same to D. Chochla. Stephanie Real	0.70 hrs.	\$ 182.00
12/23/2015	Work re: drafting of the Québec security opinion. G. P. Michaud	1.00 hrs.	\$ 395.00
12/24/2015	Brief review of preliminary draft security review memorandum; Considering issues relating to same; E-mail to D. Chochla regarding same. Stuart Brotman	0.70 hrs.	\$ 525.00
12/29/2015	Revising security review memorandum to incorporate preliminary comments received from S. Brotman; email to P. King re: [REDACTED] Dylan Chochla	0.40 hrs.	\$ 150.00
12/29/2015	Analysis of documents and caselaw (continued) and drafting of the Québec legal opinion. G. P. Michaud	6.80 hrs.	\$ 2,686.00
12/29/2015	Review of memo from D. Chochla. Paul R. King	0.30 hrs.	\$ 217.50
12/30/2015	Teraview Subsearch in Algoma LRO; printed copies of various parcel pages and instruments; searched executions against Dianor Resources Inc. and Ressources Dianor Inc. Fionnuala Judd	1.00 hrs.	\$ 75.00
12/30/2015	Work on the file re: drafting of the Québec legal opinion (continued). G. P. Michaud	5.40 hrs.	\$ 2,133.00
12/30/2015	Reviewing draft memo re due diligence search, review of binder of material and markup of draft memo. Paul R. King	5.00 hrs.	\$ 3,625.00
01/04/2016	Phone call with G-P Michaud; review and comments on assumption. Anabel Quessy	0.40 hrs.	\$ 128.00

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

01/04/2016	Phone calls with G-P Michaud re: security review memorandum and opinion; email to Stikemans re: [REDACTED]; drafting notice of motion re: sale approval. Dylan Chochla	0.90 hrs.	\$ 369.00
01/04/2016	Finalization of first draft opinion; discussion with L. Morin re: opinion; discussion with D. Chochla [REDACTED] review of Delivery Order document provided by D. Chochla; exchanges with F. Mariage and M. Gagné; discussion with D. Chochla and with A. Quessy [REDACTED] G. P. Michaud	3.10 hrs.	\$ 1,302.00
01/04/2016	Checking information for memo and outstanding issues Paul R. King	0.60 hrs.	\$ 465.00
01/04/2016	Conference with D. Chochla regarding status and action items; email to C. Prophet regarding [REDACTED]. Stuart Brotman	0.40 hrs.	\$ 310.00
01/05/2016	Meeting with S. Brotman and P. King re: real property disclosure in security review memorandum; revising memorandum to incorporate comments received. Dylan Chochla	4.90 hrs.	\$ 2,009.00
01/05/2016	Review of comments on the draft opinion from M. Gagné; discussion with L. Morin. G. P. Michaud	0.20 hrs.	\$ 84.00
01/05/2016	Reviewing draft opinion and reviewing Court of appeal décision and discussing same; email making comments and proposing changes. Martin R. Gagné	2.70 hrs.	\$ 1,404.00
01/05/2016	Meeting with D. Chochla and S. Brotman re draft memo. Paul R. King	1.00 hrs.	\$ 775.00
01/05/2016	Preparation for and attendance at meeting with D. Chochla and P. King to discuss [REDACTED]; conference with D. Chochla regarding status. Stuart Brotman	1.30 hrs.	\$ 1,007.50
01/06/2016	Continuing to revise security review memorandum to incorporate comments received from S. Brotman and from P. King; considering issues re: [REDACTED] Dylan Chochla	5.90 hrs.	\$ 2,419.00

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

01/06/2016	Follow-up on the comments of M. Gagné on the draft opinion. G. P. Michaud	0.10 hrs.	\$ 42.00
01/06/2016	Email from and to D. Chochla [REDACTED] [REDACTED] Paul R. King	0.50 hrs.	\$ 387.50
01/06/2016	Conferences with D. Chochla regarding security review issues. Stuart Brotman	0.30 hrs.	\$ 232.50
01/07/2016	Follow-up email to Stikemans re: [REDACTED] [REDACTED] meeting with S. Brotman re: status and next steps; revising security review memorandum to incorporate further comments received from P. King; revising Receiver's second report and drafting additional sections. Dylan Chochla	4.40 hrs.	\$ 1,804.00
01/07/2016	Review of revised memo and email to D. Chochla with comments. Paul R. King	0.60 hrs.	\$ 465.00
01/07/2016	Conference with D. Chochla; Telephone call to C. Prophet; Telephone call with M. Konyukhova; Telephone call to D. Craig; Further conference with D. Chochla. Stuart Brotman	0.50 hrs.	\$ 387.50
01/08/2016	Continuing to draft sections of receiver's second report. Dylan Chochla	2.70 hrs.	\$ 1,107.00
01/08/2016	Conference with D. Chochla regarding draft report and extension of deadline for service of court materials; Stuart Brotman	0.20 hrs.	\$ 155.00
01/08/2016	Conduct a subsearch of title. Tanya Holtom	0.80 hrs.	\$ 260.00
01/12/2016	Instructions to I. Artuso re: preparing skeleton materials to lift stay of proceedings in Essar/Algoma CCAA proceedings. Dylan Chochla	0.30 hrs.	\$ 123.00
01/13/2016	Office conference with S. Brotman re: status; email response to enquiry received from D. Snyder (Stikemans) re: same. Dylan Chochla	0.20 hrs.	\$ 82.00

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

01/13/2016	Conference with D. Chochla; E-mail to C. Prophet. Stuart Brotman	0.20 hrs.	\$ 155.00
01/15/2016	Phone call with client re: status and next steps; conference call with Stikemans and client re: same; considering [REDACTED]. Dylan Chochla	2.20 hrs.	\$ 902.00
01/15/2016	Review of memo on the security interests; conference call; call with S. Dietze re: position in the memo; review of [REDACTED], and instructions to N. Mancini; follow-up with L. Morin. G. P. Michaud	1.50 hrs.	\$ 630.00
01/15/2016	Attendance on call with client regarding status; Attendance on call with client and Stikemans [REDACTED]; Reviewing exchange of emails regarding Quebec security issues; Reply e-mail to S. Dietze; Reviewing e-mail from C. Cusinato. Stuart Brotman	0.80 hrs.	\$ 620.00
01/15/2016	Conference with D. Chochla regarding status; Stuart Brotman	0.10 hrs.	\$ 77.50
01/15/2016	Attendance on call with D. Chochla and client; Attendance on call with client and Stikemans; Reviewing and responding to emails regarding outstanding issues. Stuart Brotman	1.60 hrs.	\$ 1,240.00
01/16/2016	Review of a draft response to points raised by S. Dietze about the [REDACTED]. [REDACTED] G. P. Michaud	0.20 hrs.	\$ 84.00
01/16/2016	Analysis and review of [REDACTED]. [REDACTED] Nicolas Mancini	3.20 hrs.	\$ 960.00
01/18/2016	Considering email from L. Morin re: Quebec registration issues. Dylan Chochia	0.20 hrs.	\$ 82.00
01/18/2016	Work on file, review of relevant documents for the purposes of FMD opinion and exchanges with Stikemans, conference call with G-P Michaud and M. Gagné, work on response to Stikemans. Frank Mariage	3.00 hrs.	\$ 1,425.00

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

01/18/2016	Work re: [REDACTED] [REDACTED] conference call with M. Gagné, L. Morin and F. Mariage; multiple exchanges in that regard. G. P. Michaud	2.50 hrs.	\$ 1,050.00
01/18/2016	Consultation du registre foncier. Marie Huot	0.50 hrs.	\$ 122.50
01/18/2016	Reviewing Stikemans' email and reviewing the Québec Court of Appeal decision; Conference call to discuss response; reviewing the draft response email and further discussion to determine changes. Martin R. Gagné	1.50 hrs.	\$ 780.00
01/18/2016	Reviewing e-mails from C. Prophet; Reviewing e-mail from L. Morin regarding Quebec security issue. Stuart Brotman	0.20 hrs.	\$ 155.00
01/19/2016	Work on response to Stikemans and discussions on related issues with M. Gagné. Frank Mariage	0.50 hrs.	\$ 237.50
01/19/2016	Exchange of emails with S. Dietze; exchanges with F. Mariage and M. Gagné, and finalization of response to Stikemans; transmission. G. P. Michaud	1.50 hrs.	\$ 630.00
01/19/2016	Discussions and exchanges of emails with Guillaume-Pierre Michaud; review and analysis of the memo to be sent to Sterling Dietze; review of the file; exchanges of emails with Stuart Brotman Luc Morin	1.40 hrs.	\$ 714.00
01/19/2016	Further discussions and proposing changes to the draft response to Stikemans. Martin R. Gagné	1.00 hrs.	\$ 520.00
01/19/2016	Reviewing proposed email to Stikemans regarding [REDACTED]; Reply e-mail to G-P Michaud regarding same. Stuart Brotman	0.20 hrs.	\$ 155.00
01/20/2016	Office conference with S. Brotman re: Quebec registrations; phone call with G-P Michaud re: same. Dylan Chochla	0.20 hrs.	\$ 82.00

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

01/20/2016	Discussion with S. Dietze, and follow-up with D. Chochla. G. P. Michaud	0.30 hrs.	\$ 126.00
01/21/2016	Phone call with client re: [REDACTED]; voicemail to M. Konyukhova and D. Snyder re: same. Dylan Chochla	0.50 hrs.	\$ 205.00
01/22/2016	Office conference with S. Brotman re: extending time to file court materials; email to D. Snyder (Stikemans) re: same. Dylan Chochla	0.30 hrs.	\$ 123.00
01/22/2016	Conference with D. Chochla regarding status and extension of court materials deadline; Stuart Brotman	0.10 hrs.	\$ 77.50
01/25/2016	Review of an email from S. Brotman re: update and conference call; follow-up re: discussion with S. Dietze. G. P. Michaud	0.10 hrs.	\$ 42.00
01/25/2016	Telephone call from Y. Katirai regarding registration of Quebec security; E-mail to L. Morin and G-P Michaud regarding same; E-mail to C. Prophet regarding status of monitor's consent; Reviewing reply e-mail from C. Prophet; Conference with D. Chochla; Stuart Brotman	0.60 hrs.	\$ 465.00
01/26/2016	Conference call with S. Brotman, L. Morin and G-P Michaud re: [REDACTED] [REDACTED]; phone call with R. Massi re: same. Dylan Chochla	0.40 hrs.	\$ 164.00
01/26/2016	Conference call with L. Morin, S. Brotman and D. Chochla; phone discussion with S. Dietze. G. P. Michaud	0.40 hrs.	\$ 168.00
01/26/2016	Conference call with Stuart Brotman and Dylan Chochla re: [REDACTED] [REDACTED]; review of the file. Luc Morin	0.40 hrs.	\$ 204.00

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

01/26/2016	Conference with L. Morin and G-P Michaud regarding [REDACTED] Telephone call with client regarding same and [REDACTED]; E-mail to Y. Katirai regarding same. Stuart Brotman	0.50 hrs.	\$ 387.50
01/28/2016	Email to D. Snyder (Stikemans) re: extension of deadline to file materials; re: same. Dylan Chochla	0.20 hrs.	\$ 82.00

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

**Professional Summary**

<u>Professional</u>	<u>Title</u>	<u>Rate</u>	<u>Hours</u>	<u>Fees</u>
Paul R. King	Partner	775.00	2.70	2,092.50
Paul R. King	Partner	725.00	6.50	4,712.50
Luc Morin	Partner	510.00	1.80	918.00
Luc Morin	Partner	485.00	1.10	533.50
Frank Mariage	Partner	475.00	3.50	1,662.50
Frank Mariage	Partner	450.00	0.30	135.00
Stuart Brotman	Partner	775.00	7.00	5,425.00
Stuart Brotman	Partner	750.00	2.00	1,500.00
Martin R. Gagné	Partner	520.00	5.20	2,704.00
Martin R. Gagné	Partner	505.00	1.70	858.50
G. P. Michaud	Associate	420.00	9.90	4,158.00
Dylan Chochla	Associate	410.00	23.30	9,553.00
G. P. Michaud	Associate	395.00	21.70	8,571.50
Dylan Chochla	Associate	375.00	12.20	4,575.00
Anabel Quessy	Associate	320.00	0.40	128.00
Nicolas Mancini	Associate	300.00	3.20	960.00
Nicolas Mancini	Associate	205.00	0.60	123.00
Tanya Holtom	Paralegal	325.00	0.80	260.00
Gina Batrouni	Paralegal	270.00	0.40	108.00
Stephanie Real	Paralegal	260.00	0.70	182.00
Gina Batrouni	Paralegal	250.00	0.30	75.00
Marie Huot	Paralegal	245.00	0.50	122.50
Marie Huot	Paralegal	235.00	0.50	117.50
Adam Simon	Paralegal	150.00	1.40	210.00
Fionnuala Judd	Secretary	75.00	1.00	75.00
Jacinthe Deschâtelets	Library-l	185.00	1.00	185.00
		<b>Total</b>	<b>109.70</b>	<b>CAD \$ 49,945.00</b>

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

<b>Our Fees</b>	<b>\$ 49,945.00</b>
HST	6,492.85
Total Fees Including Taxes	<u>\$ 56,437.85</u>

**Disbursements**

Non-Taxable

12/16/15	Registry Office VISA CLASSIQUE SCOTIA - BANCAIRE Batrouni - Relevé du 011516 R.D.P.R.M., Montreal, QC, 037759 H	9.00
12/16/15	Registry Office VISA CLASSIQUE SCOTIA - BANCAIRE Batrouni - Relevé du 011516 R.D.P.R.M., Montreal, QC, 062214 H	9.00
12/16/15	Registry Office VISA CLASSIQUE SCOTIA - BANCAIRE Batrouni - Relevé du 011516 R.D.P.R.M., Montreal, QC, 037759 H	9.00
12/16/15	Registry Office VISA CLASSIQUE SCOTIA - BANCAIRE Batrouni - Relevé du 011516 R.D.P.R.M., Montreal, QC, 062214 H	9.00
12/17/15	Certificate of Good Standing/Attestation VISA CLASSIQUE SCOTIA - BANCAIRE Batrouni - Relevé du 011516 Registraire Des Entrep, Quebec, QC	33.00
12/17/15	Certificate of Good Standing/Attestation VISA CLASSIQUE SCOTIA - BANCAIRE Batrouni - Relevé du 011516 Registraire Des Entrep, Quebec, QC	33.00
12/17/15	Certificate of Good Standing/Attestation VISA CLASSIQUE SCOTIA - BANCAIRE Batrouni - Relevé du 011516 Registraire Des Entrep, Quebec, QC	-33.00
12/30/15	Title Search Teraview 30/12/2015 Parcel register- other LRO PIN: 31158- 0158	8.40
12/30/15	Title Search Teraview 30/12/2015 Parcel register- other LRO PIN: 31158- 0160	8.40

**Matter Number: 300245.00002**  
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**Responsible Professional: Stuart Brotman**

12/30/15	Title Search Teraview 30/12/2015 Parcel register- other LRO PIN: 31158-0162	8.40
12/30/15	Title Search Teraview 30/12/2015 Parcel register- other LRO PIN: 31158-0164	8.40
12/30/15	Title Search Teraview 30/12/2015 Parcel register- other LRO PIN: 31158-0166	8.40
12/30/15	Title Search Teraview 30/12/2015 Parcel register- other LRO PIN: 31158-0168	8.40
12/30/15	Sherriff Certification/Execution/Search Teraview 30/12/2015 Writs name search- other County RESSOURCES DIANOR INC.	11.50
12/30/15	Sherriff Certification/Execution/Search Teraview 30/12/2015 Writs name search- other County DIANOR RESOURCES INC.	11.50
12/30/15	Sherriff Certification/Execution/Search Teraview 30/12/2015 Writs details view- other County 12-0000339	6.30
12/30/15	Sherriff Certification/Execution/Search Teraview 30/12/2015 Writs details view- other County 12-0000340	6.30
01/08/16	Title Search Teraview 08/01/2016 Parcel register- other LRO PIN: 31158-0124	8.40
01/08/16	Title Search Teraview 08/01/2016 Parcel register- other LRO PIN: 31157-0041	8.40
01/08/16	Title Search Teraview 08/01/2016 Parcel register- other LRO PIN: 31157-0042	8.40
01/08/16	Title Search Teraview 08/01/2016 Parcel register- other LRO PIN: 31157-0006	8.40
01/08/16	Title Search Teraview 08/01/2016 Parcel register- other LRO- add'l pages PIN:	1.05
01/08/16	Title Search Teraview 08/01/2016 Parcel register- other LRO PIN: 31157-0005	8.40

**Matter Number: 300245.00002**  
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**Responsible Professional: Stuart Brotman**

<u>Taxable</u>		
12/15/15	Lasercopy	0.50
12/15/15	Lasercopy	8.00
12/15/15	Lasercopy	11.25
12/15/15	Articles/Filing Fees DIANOR RESOURCES INC. -	112.00
12/15/15	Articles/Filing Fees DIANOR RESOURCES INC. -	142.00
12/16/15	Photocopies Photocopies Dylan Chochia copies	9.75
12/16/15	Photocopies Photocopies Dylan Chochla copies	56.75
12/16/15	Lasercopy	9.50
12/16/15	Lasercopy	0.25
12/16/15	Lasercopy	0.25
12/17/15	Lasercopy	10.00
12/17/15	Online Search Expense Transaction -	37.00
12/17/15	Online Search Expense	0.90
12/17/15	Quicklaw Searches SERVICE	95.00
12/17/15	Online Search Expense SOQUIJ / Décision /	5.55
12/22/15	Lasercopy	1.50
12/30/15	Lasercopy	8.50
12/30/15	Title Search Teraview 30/12/2015 Image -	3.00
12/30/15	Title Search Teraview 30/12/2015 Image -	3.00
12/30/15	Title Search Teraview 30/12/2015 Image -	3.00
12/30/15	Title Search Teraview 30/12/2015 Parcel	20.95
12/30/15	Title Search Teraview 30/12/2015 Parcel	20.95
12/30/15	Title Search Teraview 30/12/2015 Parcel	20.95
12/30/15	Title Search Teraview 30/12/2015 Parcel	20.95
12/30/15	Title Search Teraview 30/12/2015 Parcel	20.95
12/30/15	Title Search Teraview 30/12/2015 Parcel	20.95
12/30/15	Sheriff Certificate/Execution/Search	3.15
12/30/15	Sheriff Certificate/Execution/Search	3.15

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources inc.**  
**Responsible Professional: Stuart Brotman**

01/05/16	Lasercopy	14.00	
01/07/16	Lasercopy	9.00	
01/07/16	Lasercopy	9.00	
01/07/16	Lasercopy	18.75	
01/08/16	Lasercopy	0.25	
01/08/16	Lasercopy	4.50	
01/08/16	Title Search Teraview 08/01/2016 Display parcel	5.00	
01/08/16	Title Search Teraview 08/01/2016 Parcel	20.95	
01/08/16	Title Search Teraview 08/01/2016 Parcel	20.95	
01/08/16	Title Search Teraview 08/01/2016 Parcel	20.95	
01/08/16	Title Search Teraview 08/01/2016 Parcel	20.95	
01/08/16	Title Search Teraview 08/01/2016 Parcel	1.05	
01/08/16	Title Search Teraview 08/01/2016 Parcel	20.95	
	Total Disbursements	1,014.05	
	HST	106.07	
	Total Disbursements Including Taxes		1,120.12
	<b>Total Fees, Disbursements and Taxes</b>		<b><u>CAD \$ 57,557.97</u></b>

**Tax Summary**

HST	6,598.92
Total Taxes Included in This Bill	<u>6,598.92</u>

Fasken Martineau DuMoulin LLP  
Barristers and Solicitors  
Patent and Trade-mark Agents



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416 366 8381 Telephone  
416 364 7813 Facsimile

Richter Advisory Group Inc.  
181 Bay Street  
Suite 3320  
Bay Wellington Tower  
Toronto ON M5J 2T3

February 16, 2016  
Invoice #: 990828  
HST #: 87937 6127 RT0001

Attention: Mr Paul van Eyk

**REMITTANCE COPY**  
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---

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

**For Professional Services rendered through January 31, 2016 as described in the attached memorandum**

Total Fees	\$ 49,945.00
Total Disbursements	1,014.05
Total Taxes	6,598.92
<b>Total Amount Owing This Bill</b>	<b><u>CAD \$ 57,557.97</u></b>

**Tax Summary**

HST	6,598.92
<b>Total Taxes Included in This Bill</b>	<b><u>6,598.92</u></b>

Terms: payment due upon receipt. Pursuant to the *Solicitors Act*, interest will be charged at the rate of 0.8% per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this statement is delivered. Any disbursement not posted to your account on the date of this statement will be billed later.

SCOTIABANK, 20 Queen Street West, 4<sup>th</sup> Floor, Toronto, Ontario, M5H 3R3  
Account Name: Fasken Martineau DuMoulin LLP  
CAD\$ Account No: 476961041614, Transit No. 47696  
SWIFT code: NOSCCATT

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Richter Advisory Group Inc.  
181 Bay Street  
Suite 3320  
Bay Wellington Tower  
Toronto ON M5J 2T3

January 31, 2016  
Invoice #: 989791  
HST #: 87937 6127 RT0001

Attention: Mr Paul van Eyk


---

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

**For Professional Services rendered through December 14, 2015 as described in the attached memorandum**

Total Fees	\$ 18,727.50
Total Disbursements	76.29
Total Taxes	2,444.06
<b>Total Amount Owing This Bill</b>	<b>CAD \$ 21,247.85</b>

Fasken Martineau DuMoulin LLP



Per: Stuart Brotman  
E.&O.E.

Terms: payment due upon receipt. Pursuant to the *Solicitors Act*, interest will be charged at the rate of 0.8% per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this statement is delivered. Any disbursement not posted to your account on the date of this statement will be billed later.

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CAD\$ Account No: 476961041614, Transit No. 47696  
SWIFT code: NOSCCAT

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January 31, 2016  
Invoice #: 989791  
HST #: 87937 6127 RT0001

Attention: Mr Paul van Eyk

### FEE MEMORANDUM

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

12/01/2015	Detailed review of asset purchase agreement and revisions to same; email to S. Brotman and N. Eastman enclosing revised draft. Dylan Chochla	3.00 hrs.	\$ 1,125.00
12/01/2015	Search for tax registration numbers. Emails to D. Chochla re: same. Thomas Brook	0.40 hrs.	\$ 150.00
12/02/2015	Emails with client re: [REDACTED]. Dylan Chochla	0.10 hrs.	\$ 37.50
12/03/2015	Revising asset purchase agreement to incorporate comments received from S. Brotman; email to D. Snyder (Stikemans) enclosing same. Dylan Chochla	0.50 hrs.	\$ 187.50
12/03/2015	[REDACTED] conference with D. Chochla [REDACTED]. Stuart Brotman	0.60 hrs.	\$ 450.00
12/04/2015	Attendance on call with Stikemans regarding [REDACTED] email to client [REDACTED]. Stuart Brotman	0.50 hrs.	\$ 375.00
12/07/2015	Revising draft asset purchase agreement to incorporate comments received from S. Brotman and N. Eastman; [REDACTED]; email to D. Snyder (Stikemans) enclosing revised draft. Dylan Chochla	1.00 hrs.	\$ 375.00

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

12/07/2015	[REDACTED] telephone call with, and send comments to, D. Chochla. Nancy Eastman	0.60 hrs.	\$ 420.00
12/07/2015	Conference with D. Chochla; reviewing purchaser comments [REDACTED] Stuart Brotman	0.50 hrs.	\$ 375.00
12/08/2015	Conference call with Stikemans re: [REDACTED] and emails to client [REDACTED] email to L. Morin re: Quebec security review memorandum and opinion; phone call with client re: [REDACTED] email to P. Casuccio re: same. Dylan Chochla	1.20 hrs.	\$ 450.00
12/08/2015	Reviewing email received and information and documents gathered to date. Martin R. Gagné	0.50 hrs.	\$ 252.50
12/08/2015	Call and emails with D. Chochla re HST and QST issues; considering same; reviewing sale documents re same; drafting email to same re same; instructions and meetings with T. Brook re QST concordance. Paul V. Casuccio	4.40 hrs.	\$ 3,498.00
12/08/2015	Attendance on call with Stikemans [REDACTED] considering issues raised; conference with D. Chochla [REDACTED] reviewing correspondence; telephone call from M. Konyukhova; conference with D. Chochla; Stuart Brotman	1.00 hrs.	\$ 750.00
12/08/2015	Discussion with P. Casuccio re: [REDACTED] [REDACTED] Thomas Brook	0.90 hrs.	\$ 337.50
12/09/2015	Emails to and from N. Eastman and J. Meadowcroft regarding documentation required, and inquire regarding APS; Andrea Centa	0.40 hrs.	\$ 240.00
12/09/2015	Office conference with P. Casuccio re: [REDACTED] email to client [REDACTED] [REDACTED] email to client [REDACTED] attending to issues re: finalizing asset purchase agreement. Dylan Chochla	4.60 hrs.	\$ 1,725.00

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

Page 4  
 Invoice #: 989791

12/09/2015	Review of emails and discussion with L. Morin re: Quebec security opinion to be drafted. G. P. Michaud	0.40 hrs.	\$ 158.00
12/09/2015	Numerous emails from and to A. Centa, T. Holtom, N. Eastman and D. Chochla regarding Purchase Agreement and transaction generally. Joanne Meadowcroft	0.70 hrs.	\$ 231.00
12/09/2015	Discussions and exchanges of emails with D. Chochla re: scope of work to be done, security review; discussions and exchanges of emails with G-P Michaud and M. Gagné; review of the file. Luc Morin	0.50 hrs.	\$ 242.50
12/09/2015	Reviewing emails received, reviewing file documentation and responding to emails. Martin R. Gagné	1.00 hrs.	\$ 505.00
12/09/2015	Telephone calls and emails with D. Chochla; email to and from M. Gagne; email and telephone call to A. Centa re closing requirements and costs. Nancy Eastman	0.50 hrs.	\$ 350.00
12/09/2015	Meeting, emails and calls with D. Chochla re sales tax matters; considering elections; prepare for and call with Stikemans re same; further emails and discussions with D. Chochia re same. Paul V. Casuccio	1.90 hrs.	\$ 1,510.50
12/09/2015	Reviewing and considering email from P. Casuccio regarding [REDACTED] conference with D. Chochla [REDACTED] further conferences with D. Chochla regarding issues outstanding [REDACTED] reviewing email from Stikemans and attached draft vesting order; emails to client [REDACTED] Stuart Brotman	1.20 hrs.	\$ 900.00
12/10/2015	Emails to and from N. Eastman and D. Chochla regarding [REDACTED] instructions to J. Meadowcroft; Andrea Centa	0.30 hrs.	\$ 180.00
12/10/2015	Final review of asset purchase agreement and email to client re: [REDACTED]; phone calls with P. Casuccio re: [REDACTED] and email to client [REDACTED] Dylan Chochla	0.80 hrs.	\$ 300.00

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

12/10/2015	Summary review of the documents and [REDACTED]; discussion with L. Morin; conference call with L. Morin and M. Gagné. G. P. Michaud	1.20 hrs.	\$ 474.00
12/10/2015	Email from D. Chochla and P. Casuccio. Email from and to T. Holtom regarding transaction generally and fee quote. Brief discussion with A. Roy. Office conference with T. Holtom [REDACTED] and transaction generally. Email to N. Eastman providing Ontario real estate quote. Email from D. Chochla and N. Eastman. Joanne Meadowcroft	0.90 hrs.	\$ 297.00
12/10/2015	Conference call with M. Gagné and G-P Michaud re: review of security interest and [REDACTED]; review of the file. Luc Morin	1.00 hrs.	\$ 485.00
12/10/2015	Discussion and exchanges re: the [REDACTED] [REDACTED]; conference call to discuss. Martin R. Gagné	1.00 hrs.	\$ 505.00
12/10/2015	Review emails. Nancy Eastman	0.10 hrs.	\$ 70.00
12/10/2015	Emails, voicemails and calls with D. Chochla and Stikemans re [REDACTED] [REDACTED] Paul V. Casuccio	0.70 hrs.	\$ 556.50
12/10/2015	Conduct subsearches of title. Discussions regarding required documentation to complete transfer of lands. Tanya Holtom	0.80 hrs.	\$ 240.00
12/11/2015	Phone calls and emails with D. Snyder (Stikemans) and client re: [REDACTED] [REDACTED] Dylan Chochla	0.40 hrs.	\$ 150.00
12/11/2015	Conference with D. Chochla [REDACTED] telephone call with P. Patel [REDACTED] telephone call with R. Massi; Stuart Brotman	0.40 hrs.	\$ 300.00

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

12/14/2015 Conference with R. Massi;  
Stuart Brotman 0.70 hrs. \$ 525.00

**Professional Summary**

<u>Professional</u>	<u>Title</u>	<u>Rate</u>	<u>Hours</u>	<u>Fees</u>
Paul V. Casuccio	Partner	795.00	7.00	5,565.00
Luc Morin	Partner	485.00	1.50	727.50
Stuart Brotman	Partner	750.00	4.90	3,675.00
Nancy Eastman	Partner	700.00	1.20	840.00
Andrea Centa	Partner	600.00	0.70	420.00
Martin R. Gagné	Partner	505.00	2.50	1,262.50
G. P. Michaud	Associate	395.00	1.60	632.00
Thomas Brook	Associate	375.00	1.30	487.50
Dylan Chochla	Associate	375.00	11.60	4,350.00
Joanne Meadowcroft	Paralegal	330.00	1.60	528.00
Tanya Holtom	Paralegal	300.00	0.80	240.00
		<b>Total</b>	<b>34.70</b>	<b>CAD \$ 18,727.50</b>

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

<b>Our Fees</b>		<b>\$ 18,727.50</b>
HST		2,434.58
<b>Total Fees Including Taxes</b>		<b>\$ 21,162.08</b>
<b>Disbursements</b>		
<u>Non-Taxable</u>		
12/10/15	Title Search Teraview 10/12/2015 Email Image AL76060	2.00
12/10/15	Title Search Teraview 10/12/2015 Email Image AL35986	1.50
<u>Taxable</u>		
11/06/15	Delivery/Courier Expense - Payable to:	32.24
12/07/15	Lasercopy	13.50
12/08/15	Lasercopy	7.25
12/08/15	Lasercopy	7.25
12/09/15	Lasercopy	3.00
12/10/15	Lasercopy	3.75
12/10/15	Lasercopy	0.75
12/10/15	Title Search Teraview 10/12/2015 First Page	1.05
12/10/15	Title Search Teraview 10/12/2015 Email	2.00
12/10/15	Title Search Teraview 10/12/2015 Email	1.50
12/14/15	Lasercopy	0.50
<b>Total Disbursements</b>		<b>76.29</b>
HST		9.48
<b>Total Disbursements Including Taxes</b>		<b>85.77</b>
<b>Total Fees, Disbursements and Taxes</b>		<b>CAD \$ 21,247.85</b>

<b>Tax Summary</b>		
HST		2,444.06
<b>Total Taxes Included in This Bill</b>		<b>2,444.06</b>

Fasken Martineau DuMoulin LLP  
Barristers and Solicitors  
Patent and Trade-mark Agents



333 Bay Street, Suite 2400  
Bay Adelaide Centre, Box 20  
Toronto, ON M5H 2T6

416 366 8381 Telephone  
416 364 7813 Facsimile

Richter Advisory Group Inc.  
181 Bay Street  
Suite 3320  
Bay Wellington Tower  
Toronto ON M5J 2T3

January 31, 2016  
Invoice #: 989791  
HST #: 87937 6127 RT0001

Attention: Mr Paul van Eyk

**REMITTANCE COPY**  
**Please return with your payment**

---

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

**For Professional Services rendered through December 14, 2015 as described in the attached memorandum**

Total Fees	\$ 18,727.50
Total Disbursements	76.29
Total Taxes	2,444.06
<b>Total Amount Owing This Bill</b>	<b>CAD \$ 21,247.85</b>

*Tax Summary*

HST	2,444.06
Total Taxes Included in This Bill	2,444.06

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SWIFT code: NOSCCATT

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**Richter Advisory Group Inc.**  
**181 Bay Street**  
**Suite 3320**  
**Bay Wellington Tower**  
**Toronto ON M5J 2T3**

December 09, 2015  
Invoice #: 968383  
HST #: 87937 6127 RT0001

Attention: Mr Paul van Eyk

---

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

**For Professional Services rendered through November 30, 2015 as described in the attached memorandum**

Total Fees	\$ 10,677.50
Total Disbursements	110.50
Total Taxes	1,402.45
<b>Total Amount Owing This Bill</b>	<b>CAD \$ 12,190.45</b>

Fasken Martineau DuMoulin LLP

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

Per: Stuart Brotman  
E.&O.E.

Terms: payment due upon receipt. Pursuant to the *Solicitors Act*, interest will be charged at the rate of 1% per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this statement is delivered. Any disbursement not posted to your account on the date of this statement will be billed later.

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SWIFT code: NOSCCATT

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**Toronto ON M5J 2T3**

December 09, 2015  
Invoice #: 968383  
HST #: 87937 6127 RT0001

Attention: Mr Paul van Eyk

**FEE MEMORANDUM**

---

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

09/25/2015	Reviewing and modifying draft email responding to a question concerning [REDACTED] [REDACTED] Martin R. Gagné	0.70 hrs.	\$ 353.50
10/27/2015	Responding on question of [REDACTED], Martin R. Gagné	0.30 hrs.	\$ 151.50
11/04/2015	Reviewing and revising draft [REDACTED] Stuart Brotman	1.40 hrs.	\$ 1,050.00
11/05/2015	Phone call with client re: [REDACTED]; meeting with S. Brotman and N. Eastman re: asset purchase agreement. Dylan Chochla	0.80 hrs.	\$ 300.00
11/05/2015	Review [REDACTED] met with D. Chochla and S. Brotman; further revise [REDACTED] Nancy Eastman	2.60 hrs.	\$ 1,820.00
11/05/2015	Reviewing revised [REDACTED] E-mail to N. Eastman regarding same; Meeting with N. Eastman regarding same; Conference with D. Chochla regarding status; Stuart Brotman	0.50 hrs.	\$ 375.00
11/06/2015	Phone call with client re: [REDACTED]; email to client and Stikemans [REDACTED] Dylan Chochla	0.20 hrs.	\$ 75.00

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

11/06/2015	Reviewing e-mail and attachment from N. Eastman; Exchange of emails with D. Chochla; Stuart Brotman	0.30 hrs.	\$ 225.00
11/11/2015	Email to Stikemans re: [REDACTED]; phone call with client [REDACTED] Dylan Chochla	0.30 hrs.	\$ 112.50
11/16/2015	Follow-up email to Stikemans re: review [REDACTED] Dylan Chochla	0.20 hrs.	\$ 75.00
11/16/2015	Conference with D. Chochla regarding status; Stuart Brotman	0.10 hrs.	\$ 75.00
11/17/2015	Reviewing revisions to asset purchase agreement provided by Stikemans; email to N. Eastman re: same; [REDACTED]; phone call and email to Stikemans re: accepted revisions; revising asset purchase agreement to incorporate accepted revisions; email to external working group enclosing revised agreement. Dylan Chochla	1.10 hrs.	\$ 412.50
11/17/2015	Email from D. Chochla; [REDACTED] mark up comments and send to D. Chochla and S. Brotman; telephone call with D. Chochla; email from S. Brotman. Nancy Eastman	1.30 hrs.	\$ 910.00
11/17/2015	Reviewing Stikeman comments [REDACTED] Reviewing N. Eastman comments [REDACTED] Exchange of emails with N. Eastman [REDACTED] Stuart Brotman	0.80 hrs.	\$ 600.00
11/23/2015	Phone call with client re: [REDACTED]; email to client [REDACTED]; Dylan Chochla	0.50 hrs.	\$ 187.50
11/23/2015	Conference with D. Chochla; [REDACTED] Stuart Brotman	0.30 hrs.	\$ 225.00
11/24/2015	Email to client [REDACTED] Dylan Chochla	0.10 hrs.	\$ 37.50

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

11/24/2015	Review email from S. Brotman; [REDACTED] [REDACTED] send comments to S. Brotman and D. Chochla. Nancy Eastman	0.70 hrs.	\$ 490.00
11/24/2015	[REDACTED] E-mail to D. Chochla and N. Eastman [REDACTED] Conference with D. Chochla; Reviewing e-mail from N. Eastman; Stuart Brotman	0.90 hrs.	\$ 675.00
11/25/2015	Reviewing asset purchase agreements received from bidders; conference call with client, S. Brotman and N. Eastman re: bids and next steps. Dylan Chochla	1.60 hrs.	\$ 600.00
11/25/2015	Conference call with D. Chochla, S. Brotman, R. Massi and P. Patel [REDACTED] [REDACTED] Nancy Eastman	1.20 hrs.	\$ 840.00
11/25/2015	Preparation for and attendance on call with client [REDACTED] Stuart Brotman	1.00 hrs.	\$ 750.00
11/26/2015	[REDACTED] Dylan Chochla	0.20 hrs.	\$ 75.00
11/27/2015	Phone call with P. Patel [REDACTED] phone call with M. Konyukhova (Stikemans) [REDACTED] Dylan Chochla	0.30 hrs.	\$ 112.50
11/27/2015	Call with M. Konyukhova; Stuart Brotman	0.20 hrs.	\$ 150.00

**Professional Summary**

<u>Professional</u>	<u>Title</u>	<u>Rate</u>	<u>Hours</u>	<u>Fees</u>
Stuart Brotman	Partner	750.00	5.50	4,125.00
Nancy Eastman	Partner	700.00	5.80	4,060.00
Martin R. Gagné	Partner	505.00	1.00	505.00
Dylan Chochla	Associate	375.00	5.30	1,987.50
	<b>Total</b>		<b>17.60</b>	<b>CAD \$ 10,677.50</b>

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

<b>Our Fees</b>		<b>\$ 10,677.50</b>
HST		1,388.08
Total Fees Including Taxes		<u>\$ 12,065.58</u>
<b>Disbursements</b>		
<u>Taxable</u>		
11/04/15	Lasercopy	19.00
11/05/15	Lasercopy	7.25
11/05/15	Lasercopy	6.50
11/12/15	Lasercopy	0.25
11/17/15	Lasercopy	14.75
11/17/15	Lasercopy	8.25
11/24/15	Lasercopy	31.50
11/24/15	Lasercopy	8.00
11/25/15	Lasercopy	0.75
11/25/15	Lasercopy	14.25
Total Disbursements		<u>110.50</u>
HST		14.37
Total Disbursements Including Taxes		<u>124.87</u>
<b>Total Fees, Disbursements and Taxes</b>		<b><u>CAD \$ 12,190.45</u></b>

<b>Tax Summary</b>		
HST		1,402.45
Total Taxes Included in This Bill		<u>1,402.45</u>

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December 09, 2015  
Invoice #: 968383  
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Attention: Mr Paul van Eyk

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---

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

**For Professional Services rendered through November 30, 2015 as described in the attached memorandum**

Total Fees	\$ 10,677.50
Total Disbursements	110.50
Total Taxes	1,402.45
<b>Total Amount Owing This Bill</b>	<b><u>CAD \$ 12,190.45</u></b>

**Tax Summary**

HST	1,402.45
<b>Total Taxes Included in This Bill</b>	<b><u>1,402.45</u></b>

Terms: payment due upon receipt. Pursuant to the *Solicitors Act*, interest will be charged at the rate of 1% per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this statement is delivered. Any disbursement not posted to your account on the date of this statement will be billed later.

SCOTIABANK, 20 Queen Street West, 4<sup>th</sup> Floor, Toronto, Ontario, M5H 3R3  
Account Name: Fasken Martineau DuMoulin LLP  
CAD\$ Account No: 476961041614, Transit No. 47696  
SWIFT code: NOSCCATT

Fasken Martineau DuMoulin LLP  
Barristers and Solicitors  
Patent and Trade-mark Agents

333 Bay Street, Suite 2400  
Bay Adelaide Centre, Box 20  
Toronto, ON M5H 2T6

416 366 8381 Telephone  
416 364 7813 Facsimile



Richter Advisory Group Inc.  
181 Bay Street  
Suite 3320  
Bay Wellington Tower  
Toronto ON M5J 2T3

December 09, 2015  
Invoice #: 968383  
HST #: 87937 6127 RT0001

### Outstanding Invoice History

Balance of Invoice # 944686 Dated 09/16/15	5,368.64
Balance of Invoice # 950885 Dated 10/08/15	32,734.54
Balance of Invoice # 960102 Dated 11/12/15	19,406.14
<b>Total</b>	<b><u>\$ 57,509.32</u></b>

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Bay Wellington Tower  
Toronto ON M5J 2T3

November 12, 2015  
Invoice #: 960102  
HST #: 87937 6127 RT0001

Attention: Mr Paul van Eyk

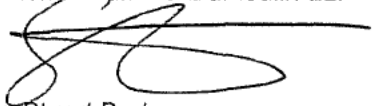
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**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

**For Professional Services rendered through October 31, 2015 as described in the attached memorandum**

Total Fees	\$ 16,400.50
Total Disbursements	789.75
Total Taxes	2,215.89
<b>Total Amount Owing This Bill</b>	<b>CAD \$ 19,406.14</b>

Fasken Martineau DuMoulin LLP



Per: Stuart Brotman  
E.&O.E.

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Toronto ON M5J 2T3

November 12, 2015  
Invoice #: 960102  
HST #: 87937 6127 RT0001

Attention: Mr Paul van Eyk

### FEE MEMORANDUM

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**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

10/01/2015	Finalizing court materials; compiling schedules to receiver's first report; compiling service list; reviewing teaser; attending to service of motion record. Dylan Chochla	2.50 hrs.	\$ 937.50
10/01/2015	Reviewing and responding to e-mail from M. Konyukhova; Exchange of emails with client [REDACTED]; Conference with D. Chochla regarding court materials; Telephone call with M. Konyukhova; Reviewing teaser document; Conference with D. Chochla regarding same; Conference with D. Chochla regarding draft report and finalizing same; Stuart Brotman	1.30 hrs.	\$ 975.00
10/02/2015	Attending to filing of motion record. Dylan Chochla	0.20 hrs.	\$ 75.00
10/05/2015	Phone call with S. Brotman re: list of interested parties; [REDACTED]. Dylan Chochla	0.10 hrs.	\$ 37.50
10/05/2015	Reviewing e-mail from P. Patel; Compiling contact information for inclusion in initial buyer list; E-mail to P. Patel [REDACTED] Further exchange of emails with P. Patel [REDACTED] Stuart Brotman	0.50 hrs.	\$ 375.00
10/06/2015	Reviewing motion record in preparation for hearing to approve bid process; finalizing court orders re: same. Dylan Chochla	1.70 hrs.	\$ 637.50

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

10/07/2015	Preparing for and attending hearing re: approval of bid process; having order issued and entered; email to working group enclosing same. Dylan Chochla	3.10 hrs.	\$ 1,162.50
10/07/2015	Email from S. Brotman; review confidentiality agreement and incorporate comments; send revised draft to S. Brotman. Nancy Eastman	1.80 hrs.	\$ 1,260.00
10/07/2015	Exchange of emails with D. Chochla regarding hearing; Conference with D. Chochla regarding same; Preparing draft confidentiality agreement; Reviewing order; E-mail to N. Eastman regarding confidentiality agreement; Reviewing N. Eastman comments on same; E-mail to P. Patel [REDACTED] Stuart Brotman	1.80 hrs.	\$ 1,350.00
10/14/2015	Drafting [REDACTED] and email to client [REDACTED] email to N. Eastman re: draft asset purchase agreement; email to M. Konyukhova re: research. Dylan Chochla	0.30 hrs.	\$ 112.50
10/14/2015	Conference with D. Chochla regarding status; Reviewing exchange of emails; Stuart Brotman	0.20 hrs.	\$ 150.00
10/15/2015	Meeting with N. Eastman re: drafting asset purchase agreement; reviewing list of mining claims. Dylan Chochla	0.40 hrs.	\$ 150.00
10/15/2015	Met with S. Brotman and D. Chochla. Nancy Eastman	0.30 hrs.	\$ 210.00
10/16/2015	Meeting with D. Chochla and N. Eastman regarding APA preparation; Stuart Brotman	0.20 hrs.	\$ 150.00
10/19/2015	Reviewing e-mail and attachments regarding legal research [REDACTED]; Stuart Brotman	0.90 hrs.	\$ 675.00
10/20/2015	Identifying appropriate precedent and exchange of emails with N. Eastman regarding preparation of offer form; Stuart Brotman	0.30 hrs.	\$ 225.00

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

10/21/2015	Email from S. Brotman; review precedent Offer to Purchase; review court orders. Nancy Eastman	2.10 hrs.	\$ 1,470.00
10/22/2015	Email to N. Eastman enclosing list of mining claims; email to N. Eastman responding to inquiries re: assets; reviewing cases provided by Stikemans re: [REDACTED] Dylan Chochla	0.70 hrs.	\$ 262.50
10/22/2015	Telephone call with S. Brotman; emails to and from S. Brotman and D. Chochla. Nancy Eastman	0.30 hrs.	\$ 210.00
10/22/2015	Conference with N. Eastman regarding preparing offer form; Exchange of emails with N. Eastman and D. Chochla regarding same; Stuart Brotman	0.40 hrs.	\$ 300.00
10/23/2015	Reviewing research re: [REDACTED]; meeting with S. Brotman re: same; voicemail to P. Patel [REDACTED] Dylan Chochla	1.30 hrs.	\$ 487.50
10/23/2015	Drafting offer to purchase; emails to and from D. Chochla. Nancy Eastman	0.90 hrs.	\$ 630.00
10/26/2015	Draft offer to purchase; review information on [REDACTED]; review court application and other background information. Nancy Eastman	4.50 hrs.	\$ 3,150.00
10/27/2015	Email from N. Eastman regarding wording for insertion into draft purchase agreement. Email from T. Holtom. Attendance to review of draft language to be included in draft purchase agreement relating to unpatented mining claims. Joanne Meadowcroft	0.20 hrs.	\$ 66.00
10/27/2015	Revise draft offer to purchase; email to T. Holtom and M. Gagne re transfers of [REDACTED]; send draft to S. Brotman and D. Chochla. Nancy Eastman	1.60 hrs.	\$ 1,120.00
10/28/2015	Email to T. Holtom providing language for insertion into draft Purchase Agreement and document required to transfer the unpatented mining claim. Brief discussion with T. Holtom. Email from and to N. Eastman regarding [REDACTED] related documents required on closing. Joanne Meadowcroft	0.40 hrs.	\$ 132.00

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

10/28/2015 Provide information regarding [REDACTED]  
 [REDACTED]  
 Tanya Holtom 0.30 hrs. \$ 90.00

**Professional Summary**

<u>Professional</u>	<u>Title</u>	<u>Rate</u>	<u>Hours</u>	<u>Fees</u>
Stuart Brotman	Partner	750.00	5.60	4,200.00
Nancy Eastman	Partner	700.00	11.50	8,050.00
Dylan Chochla	Associate	375.00	10.30	3,862.50
Joanne Meadowcroft	Paralegal	330.00	0.60	198.00
Tanya Holtom	Paralegal	300.00	0.30	90.00
		<b>Total</b>	<b>28.30</b>	<b>CAD \$ 16,400.50</b>

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

<b>Our Fees</b>	<b>\$ 16,400.50</b>
HST	2,132.07
Total Fees Including Taxes	<u>\$ 18,532.57</u>

**Disbursements**

Non-Taxable

09/15/15	Registry Office VISA CLASSIQUE SCOTIA MARIE-FRÉDÉRIQUE HENRY Relevé - 15 septembre	9.00
09/15/15	Registry Office VISA CLASSIQUE SCOTIA MARIE-FRÉDÉRIQUE HENRY Relevé - 15 septembre	9.00
10/01/15	Court Cost Fee - Payable to: MINISTER OF FINANCE - inv#: FMD011015400, dtd: Sep 30/15, Motion record filing fee	127.00

Taxable

09/14/15	Carswell LawSource Searches Citator	32.00
09/14/15	Carswell LawSource Searches Find	70.00
10/01/15	Lasercopy	26.25
10/01/15	Lasercopy	19.25
10/01/15	Photocopies Photocopies Dylan Chochla copies	248.75
10/01/15	Delivery/Courier Expense FedEx - 730999741,	15.71
10/01/15	Delivery/Courier Expense FedEx - 730999741,	27.21
10/01/15	Delivery/Courier Expense FedEx - 730999741,	17.64
10/02/15	Lasercopy	3.00
10/05/15	Photocopies Photocopies Dylan Chochla copies	30.50
10/05/15	Lasercopy	1.25
10/05/15	Tabs Tabs - 05/10/2015	1.21
10/05/15	Binding Binding - 05/10/2015	0.48
10/06/15	Lasercopy	4.00
10/07/15	Lasercopy	4.50
10/08/15	Lasercopy	0.25
10/14/15	Lasercopy	0.25
10/20/15	Lasercopy	69.50
10/21/15	Lasercopy	12.25

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

Page 7  
 Invoice #: 960102

10/22/15	Lasercopy	33.75	
10/23/15	Lasercopy	3.25	
10/23/15	Lasercopy	4.00	
10/26/15	Lasercopy	7.25	
10/27/15	Lasercopy	12.50	
		<hr/>	
	Total Disbursements	789.75	
	HST	83.82	
		<hr/>	
	Total Disbursements Including Taxes		873.57
			<hr/>
	<b>Total Fees, Disbursements and Taxes</b>		<b>CAD \$ 19,406.14</b>
			<hr/> <hr/>

**Tax Summary**

HST	2,215.89
	<hr/>
Total Taxes Included in This Bill	2,215.89
	<hr/> <hr/>

Fasken Martineau DuMoulin LLP  
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181 Bay Street  
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Bay Wellington Tower  
Toronto ON M5J 2T3

November 12, 2015  
Invoice #: 960102  
HST #: 87937 6127 RT0001

Attention: Mr Paul van Eyk

**REMITTANCE COPY**  
**Please return with your payment**

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**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

**For Professional Services rendered through October 31, 2015 as described in the attached memorandum**

Total Fees	\$ 16,400.50
Total Disbursements	789.75
Total Taxes	2,215.89
<b>Total Amount Owing This Bill</b>	<b><u>CAD \$ 19,406.14</u></b>

**Tax Summary**

HST	2,215.89
<b>Total Taxes Included in This Bill</b>	<b><u>2,215.89</u></b>

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November 12, 2015  
Invoice #: 960102  
HST #: 87937 6127 RT0001

### Outstanding Invoice History

Balance of Invoice # 944686 Dated 09/16/15	5,368.64
Balance of Invoice # 950885 Dated 10/08/15	32,734.54
<b>Total</b>	<b><u>\$ 38,103.18</u></b>

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**181 Bay Street**  
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**Toronto ON M5J 2T3**

October 08, 2015  
Invoice #: 950885  
HST #: 87937 6127 RT0001

Attention: Mr Paul van Eyk

---

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

**For Professional Services rendered through September 30, 2015 as described in the attached memorandum**

Total Fees	\$ 26,189.00
Total Disbursements	2,846.67
Total Taxes	3,698.87
<b>Total Amount Owing This Bill</b>	<b>CAD \$ 32,734.54</b>

Fasken Martineau DuMoulin LLP

A handwritten signature in black ink, appearing to be 'S. Brotman', with a horizontal line extending to the right.

Per: Stuart Brotman  
E.&O.E.

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October 08, 2015  
Invoice #: 950885  
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Attention: Mr Paul van Eyk

**FEE MEMORANDUM**

---

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

08/20/2015	Preparation for and attendance at receivership application hearing; Conference with D. Chochla regarding next steps; Stuart Brotman	4.50 hrs.	\$ 3,375.00
09/01/2015	Reviewing documents provided by Y. Katirai (Stikeman) re: Third Eye security; reviewing and pulling relevant documents from data room; phone call to N. Eastman re: pulling mining claims in Ontario and Quebec; reviewing unpatented mining claims in Ontario. Dylan Chochla	4.40 hrs.	\$ 1,650.00
09/01/2015	Numerous emails from and to N. Eastman. Calls to T. Holtom. Instructions. Joanne Meadowcroft	0.50 hrs.	\$ 165.00
09/01/2015	Email exchanges on the requested report/searches; discussions on work required. Martin R. Gagné	0.50 hrs.	\$ 252.50
09/01/2015	Telephone call and email from D. Chochla; [REDACTED] preliminary searches on MNDM site; emails to and from J. Meadowcroft; discuss with S. Green; emails to and from M. Gagne; emails from T. Holtom. Nancy Eastman	1.30 hrs.	\$ 910.00
09/01/2015	Conference with D. Chochla regarding mining claims and surface rights search; Stuart Brotman	0.20 hrs.	\$ 150.00
09/01/2015	Mining Claims Search Conduct preliminary Teraview Name Searches in Northern Ontario. Tanya Holtom	0.50 hrs.	\$ 150.00

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

09/02/2015	Continuing to review relevant documents contained in data room; compiling binder of same; reviewing [REDACTED]; phone call with client [REDACTED]; instructions to T. Holtom re: Ontario searches; instructions to M. Gagne re: review of Stikeman's memorandum and [REDACTED].	Dylan Chochla	5.10 hrs.	\$ 1,912.50
09/02/2015	Conference with D. Chochla regarding option and transfer documents [REDACTED]; [REDACTED];	Stuart Brotman	0.40 hrs.	\$ 300.00
09/03/2015	Reviewing [REDACTED]; phone call with N. Eastman [REDACTED] and submitting same to S. Brotman.	Dylan Chochla	3.10 hrs.	\$ 1,162.50
09/03/2015	Corporate searches; search at the Register of Personal and Movable Real Rights.	Loana Brisson	1.70 hrs.	\$ 229.50
09/03/2015	Discussion with M. R. Gagné; review of Stikeman memo; research in the the Quebec Ministry of Energy and Natural Resources' Public Register of Real and Immovable Mining Rights and Quebec Land Register.	Martin Thiboutot	1.20 hrs.	\$ 366.00
09/03/2015	Call with D. Chochla; discussion with M. Bourassa.	Nancy Eastman	0.20 hrs.	\$ 140.00
09/03/2015	Conduct subsearches of title.	Tanya Holtom	2.60 hrs.	\$ 780.00
09/04/2015	Continuing to reviewing [REDACTED]; updating binder re: salient documents; phone call with S. Brotman re: status of mining claims.	Dylan Chochla	0.70 hrs.	\$ 262.50
09/04/2015	Research in the Quebec Ministry of Energy and Natural Resources' Public Register of Real and Immovable Mining Rights and in the Quebec Land Register.	Martin Thiboutot	1.00 hrs.	\$ 305.00

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

09/04/2015	Reviewing and modifying a draft report on the concerned claims. Martin R. Gagné	0.30 hrs.	\$ 151.50
09/04/2015	Conduct subsearches of title. Tanya Holtom	1.00 hrs.	\$ 300.00
09/08/2015	Reviewing and revising Receiver's first report; drafting provisions re: mining claims. Dylan Chochla	2.50 hrs.	\$ 937.50
09/08/2015	Arrange for Ontario and Quebec PPSA searches for RESSOURCES DIANOR INC. DIANOR RESOURCES INC.; obtain and review searches and provide same to T. Boyd. Kelly Rowan	0.70 hrs.	\$ 122.50
09/08/2015	Corporate search; search at the Register of Personal and Movable Real Rights and analysis of this search. M.-F. Henry	0.30 hrs.	\$ 88.50
09/08/2015	Additional research in the land register (Index of Names) Martin Thiboutot	0.40 hrs.	\$ 122.00
09/08/2015	Reviewing and commenting draft report and discussion and exchanges in this regard. Martin R. Gagné	0.20 hrs.	\$ 101.00
09/08/2015	Reviewing documents [REDACTED]; conference with D. Chochla regarding impact on sale process; Stuart Brotman	2.80 hrs.	\$ 2,100.00
09/09/2015	Continuing to review and revise [REDACTED]; meeting with S. Brotman re: same; phone call with client [REDACTED] reviewing Quebec mining claims; drafting court Order and Notice of Motion re: approval of bid process. Dylan Chochla	5.10 hrs.	\$ 1,912.50
09/09/2015	Receipt of Ontario PPSA searches for RESSOURCES DIANOR INC. / DIANOR RESOURCES INC. and provide same to T. Boyd. Emma MacLeod	0.20 hrs.	\$ 35.00
09/09/2015	Preparation of the search report. Gina Batrouni	0.60 hrs.	\$ 162.00

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

09/09/2015	Reviewing draft receiver's report; email to D. Chochla regarding same; reviewing consolidated comments on draft report; conference with D. Chochla regarding same [REDACTED]	Stuart Brotman	1.40 hrs.	\$ 1,050.00
09/09/2015	Obtain copies of registered title documents.	Tanya Holtom	0.20 hrs.	\$ 60.00
09/10/2015	Reviewing revised draft of Receiver's first report; conference call with external working group re: same; corresponding with registrar re: availability for hearing; corresponding with client [REDACTED].	Dylan Chochla	1.60 hrs.	\$ 600.00
09/10/2015	Email from S. Brotman; discussion with C. Higgins and M. Bourassa; telephone call with D. Chochla.	Nancy Eastman	0.50 hrs.	\$ 350.00
09/10/2015	Conference with D. Chochla; attendance on call with client and Third Eye Capital and counsel; further conference with D. Chochla;	Stuart Brotman	0.70 hrs.	\$ 525.00
09/11/2015	Reviewing [REDACTED] [REDACTED] revising report to incorporate comments received from working group.	Dylan Chochla	1.70 hrs.	\$ 637.50
09/11/2015	Conduct subsearches of title. Obtain copies of parcel abstracts.	Tanya Holtom	0.70 hrs.	\$ 210.00
09/14/2015	Continuing to revised first report re: sales process section; researching [REDACTED] [REDACTED]; email to client [REDACTED].	Dylan Chochla	1.90 hrs.	\$ 712.50
09/14/2015	Reviewing e-mail from R. Massi; Exchange of emails with D. Chochla regarding same;	Stuart Brotman	0.20 hrs.	\$ 150.00
09/15/2015	Reviewing [REDACTED]; responding email to client [REDACTED].	Dylan Chochla	0.30 hrs.	\$ 112.50

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

09/15/2015	Exchange of emails with D. Chochla; Stuart Brotman	0.10 hrs.	\$ 75.00
09/16/2015	Phone call with client [REDACTED]; phone call with Y. Katirai (Stikeman) re: same; review of [REDACTED] [REDACTED]; email to client [REDACTED] Dylan Chochla	1.20 hrs.	\$ 450.00
09/16/2015	Conference with D. Chochla; Attendance on call with client; Stuart Brotman	0.90 hrs.	\$ 675.00
09/16/2015	Obtain copies of registered documents. Tanya Holtom	0.30 hrs.	\$ 90.00
09/18/2015	Revising receiver's first report to incorporate comments received from S. Brotman; [REDACTED]; email to client [REDACTED] Dylan Chochla	1.00 hrs.	\$ 375.00
09/18/2015	Reviewing revised draft court report; conference with D. Chochla regarding same; Stuart Brotman	0.80 hrs.	\$ 600.00
09/22/2015	Telephone call from M. Konyukhova regarding sale process structure; Conference with D. Chochla regarding same; Stuart Brotman	0.30 hrs.	\$ 225.00
09/23/2015	Revising first report to incorporate comments received from Stikeman and Third Eye; [REDACTED]. Dylan Chochla	0.80 hrs.	\$ 300.00
09/23/2015	Brief review of revised draft report; Stuart Brotman	0.10 hrs.	\$ 75.00
09/25/2015	Verification re: mining titles report Martin Thiboutot	0.20 hrs.	\$ 61.00
09/29/2015	Reviewing outstanding items re: Receiver's report; email to client [REDACTED] [REDACTED] instructions to T. Boyd re: compiling motion record. Dylan Chochla	0.30 hrs.	\$ 112.50

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

09/29/2015	Conference with D. Chochla regarding finalizing court materials; Reviewing e-mails regarding same; Stuart Brotman	0.20 hrs.	\$ 150.00
09/30/2015	Revising notice of motion and draft order to incorporate comments received from S. Brotman; [REDACTED]; email to Stikeman enclosing same. Dylan Chochla	0.60 hrs.	\$ 225.00
09/30/2015	Reviewing draft notice of motion and order; exchange of emails with D. Chochla regarding same; reviewing further exchange of emails regarding court materials; Stuart Brotman	0.30 hrs.	\$ 225.00

**Professional Summary**

<u>Professional</u>	<u>Title</u>	<u>Rate</u>	<u>Hours</u>	<u>Fees</u>
Stuart Brotman	Partner	750.00	12.90	9,675.00
Nancy Eastman	Partner	700.00	2.00	1,400.00
Martin R. Gagné	Partner	505.00	1.00	505.00
Dylan Chochla	Associate	375.00	30.30	11,362.50
Martin Thiboutot	Associate	305.00	2.80	854.00
Joanne Meadowcroft	Paralegal	330.00	0.50	165.00
Tanya Holtom	Paralegal	300.00	5.30	1,590.00
M.-F. Henry	Paralegal	295.00	0.30	88.50
Gina Batrouni	Paralegal	270.00	0.60	162.00
Emma MacLeod	Paralegal	175.00	0.20	35.00
Kelly Rowan	Paralegal	175.00	0.70	122.50
Loana Brisson	Paralegal	135.00	1.70	229.50
		<b>Total</b>	<b>58.30</b>	<b>CAD \$ 26,189.00</b>

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

<b>Our Fees</b>	<b>\$ 26,189.00</b>
HST	3,404.57
Total Fees Including Taxes	<u>\$ 29,593.57</u>

**Disbursements**

Non-Taxable

09/03/15	Title Search Teraview 03/09/2015 Parcel register- other LRO PIN: 31158-0129	8.00
09/03/15	Title Search Teraview 03/09/2015 Parcel register- other LRO PIN: 31158-0158	8.00
09/03/15	Title Search Teraview 03/09/2015 Parcel register- other LRO PIN: 31158-0160	8.00
09/03/15	Title Search Teraview 03/09/2015 Parcel register- other LRO PIN: 31158-0162	8.00
09/03/15	Title Search Teraview 03/09/2015 Parcel register- other LRO PIN: 31158-0164	8.00
09/03/15	Title Search Teraview 03/09/2015 Parcel register- other LRO PIN: 31158-0166	8.00
09/03/15	Title Search Teraview 03/09/2015 Parcel register- other LRO PIN: 31158-0168	8.00
09/03/15	Title Search Teraview 03/09/2015 Parcel register- other LRO PIN: 31158-0170	8.00
09/03/15	Title Search Teraview 03/09/2015 Parcel register- other LRO PIN: 31158-0172	8.00
09/03/15	Title Search Teraview 03/09/2015 Parcel register- other LRO PIN: 31158-0174	8.00
09/03/15	Title Search Teraview 03/09/2015 Parcel register- other LRO PIN: 31158-0176	8.00
09/03/15	Title Search Teraview 03/09/2015 Parcel register- other LRO PIN: 31158-0178	8.00
09/03/15	Title Search Teraview 03/09/2015	8.00

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

	Parcel register- other LRO PIN: 31158-0180	
09/03/15	Title Search Teraview 03/09/2015	8.00
	Parcel register- other LRO PIN: 31158-0182	
09/03/15	Title Search Teraview 03/09/2015	8.00
	Parcel register- other LRO PIN: 31158-0184	
09/03/15	Title Search Teraview 03/09/2015	8.00
	Parcel register- other LRO PIN: 31158-0186	
09/03/15	Title Search Teraview 03/09/2015	8.00
	Parcel register- other LRO PIN: 31158-0188	
09/03/15	Title Search Teraview 03/09/2015	8.00
	Parcel register- other LRO PIN: 31158-0190	
09/03/15	Title Search Teraview 03/09/2015	8.00
	Parcel register- other LRO PIN: 31158-0192	
09/03/15	Title Search Teraview 03/09/2015	8.00
	Parcel register- other LRO PIN: 31158-0194	
09/03/15	Title Search Teraview 03/09/2015	8.00
	Parcel register- other LRO PIN: 31158-0196	
09/03/15	Title Search Teraview 03/09/2015	8.00
	Parcel register- other LRO PIN: 31158-0198	
09/03/15	Title Search Teraview 03/09/2015	8.00
	Parcel register- other LRO PIN: 31158-0200	
09/03/15	Title Search Teraview 03/09/2015	8.00
	Parcel register- other LRO PIN: 31158-0202	
09/03/15	Title Search Teraview 03/09/2015	8.00
	Parcel register- other LRO PIN: 31158-0204	
09/03/15	Title Search Teraview 03/09/2015	8.00
	Parcel register- other LRO PIN: 31158-0206	
09/03/15	Title Search Teraview 03/09/2015	8.00
	Parcel register- other LRO PIN: 31158-0208	

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

09/03/15	Title Search Teraview 03/09/2015 Parcel register- other LRO PIN: 31158-0210	8.00
09/03/15	Title Search Teraview 03/09/2015 Parcel register- other LRO PIN: 31158-0212	8.00
09/03/15	Title Search Teraview 03/09/2015 Parcel register- other LRO PIN: 31158-0214	8.00
09/03/15	Title Search Teraview 03/09/2015 Parcel register- other LRO PIN: 31158-0216	8.00
09/03/15	Title Search Teraview 03/09/2015 Parcel register- other LRO PIN: 31158-0218	8.00
09/03/15	Title Search Teraview 03/09/2015 Parcel register- other LRO PIN: 31158-0220	8.00
09/03/15	Title Search Teraview 03/09/2015 Parcel register- other LRO PIN: 31158-0222	8.00
09/03/15	Title Search Teraview 03/09/2015 Email Image AL77180	2.00
09/03/15	Title Search Teraview 03/09/2015 Parcel register- other LRO PIN: 31158-0159	8.00
09/03/15	Title Search Teraview 03/09/2015 Email Image LT254680	2.00
09/03/15	Title Search Teraview 03/09/2015 Email Image AL77180	2.00
09/03/15	Title Search Teraview 03/09/2015 Email Image AL76060	2.00
09/03/15	RPMRR - Payable to: Banque Scotia - Jacynthe Dallaire	9.00
09/03/15	RPMRR - Payable to: Banque Scotia - Jacynthe Dallaire	9.00
09/03/15	RPMRR - Payable to: Banque Scotia - Jacynthe Dallaire	9.00
09/04/15	Title Search Teraview 04/09/2015 Email Image AL58029	2.00
09/04/15	Title Search Teraview 04/09/2015 Email Image AL58030	2.00
09/04/15	Title Search Teraview 04/09/2015 Email Image AL76060	2.00

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

09/09/15	Title Search Teraview 09/09/2015 Email Image AL129595	2.00
09/11/15	Title Search Teraview 11/09/2015 Parcel register- other LRO PIN: 31158-0161	8.00
09/11/15	Title Search Teraview 11/09/2015 Parcel register- other LRO PIN: 31158-0163	8.00
09/11/15	Title Search Teraview 11/09/2015 Parcel register- other LRO PIN: 31158-0165	8.00
09/11/15	Title Search Teraview 11/09/2015 Parcel register- other LRO PIN: 31158-0167	8.00
09/11/15	Title Search Teraview 11/09/2015 Parcel register- other LRO PIN: 31158-0169	8.00
09/11/15	Title Search Teraview 11/09/2015 Parcel register- other LRO PIN: 31158-0171	8.00
09/11/15	Title Search Teraview 11/09/2015 Parcel register- other LRO PIN: 31158-0173	8.00
09/11/15	Title Search Teraview 11/09/2015 Parcel register- other LRO PIN: 31158-0175	8.00
09/11/15	Title Search Teraview 11/09/2015 Parcel register- other LRO PIN: 31158-0177	8.00
09/11/15	Title Search Teraview 11/09/2015 Parcel register- other LRO PIN: 31158-0179	8.00
09/11/15	Title Search Teraview 11/09/2015 Parcel register- other LRO PIN: 31158-0181	8.00
09/11/15	Title Search Teraview 11/09/2015 Parcel register- other LRO PIN: 31158-0183	8.00
09/11/15	Title Search Teraview 11/09/2015 Parcel register- other LRO PIN: 31158-0185	8.00
09/11/15	Title Search Teraview 11/09/2015 Parcel register- other LRO PIN: 31158-0187	8.00

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

09/11/15	Title Search Teraview 11/09/2015 Parcel register- other LRO PIN: 31158-0189	8.00
09/11/15	Title Search Teraview 11/09/2015 Parcel register- other LRO PIN: 31158-0191	8.00
09/11/15	Title Search Teraview 11/09/2015 Parcel register- other LRO PIN: 31158-0193	8.00
09/11/15	Title Search Teraview 11/09/2015 Parcel register- other LRO PIN: 31158-0195	8.00
09/11/15	Title Search Teraview 11/09/2015 Parcel register- other LRO PIN: 31158-0197	8.00
09/11/15	Title Search Teraview 11/09/2015 Parcel register- other LRO PIN: 31158-0199	8.00
09/11/15	Title Search Teraview 11/09/2015 Parcel register- other LRO PIN: 31158-0201	8.00
09/11/15	Title Search Teraview 11/09/2015 Parcel register- other LRO PIN: 31158-0203	8.00
09/11/15	Title Search Teraview 11/09/2015 Parcel register- other LRO PIN: 31158-0205	8.00
09/11/15	Title Search Teraview 11/09/2015 Parcel register- other LRO PIN: 31158-0207	8.00
09/11/15	Title Search Teraview 11/09/2015 Parcel register- other LRO PIN: 31158-0209	8.00
09/11/15	Title Search Teraview 11/09/2015 Parcel register- other LRO PIN: 31158-0211	8.00
09/11/15	Title Search Teraview 11/09/2015 Parcel register- other LRO PIN: 31158-0213	8.00
09/11/15	Title Search Teraview 11/09/2015 Parcel register- other LRO PIN: 31158-0215	8.00
09/11/15	Title Search Teraview 11/09/2015 Parcel register- other LRO PIN: 31158-	8.00











**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

09/11/15	Title Search Teraview 11/09/2015 Parcel	20.00
09/11/15	Title Search Teraview 11/09/2015 Parcel	20.00
09/14/15	Lasercopy	6.25
09/15/15	Lasercopy	0.25
09/16/15	Title Search Teraview 16/09/2015 Parcel	4.00
09/16/15	Lasercopy	0.25
09/16/15	Lasercopy	10.00
09/30/15	Lasercopy	2.25
09/30/15	Lasercopy	0.50
	Total Disbursements	2,846.67
	HST	294.30
	Total Disbursements Including Taxes	3,140.97
	<b>Total Fees, Disbursements and Taxes</b>	<b><u>CAD \$ 32,734.54</u></b>

**Tax Summary**

HST	3,698.87
Total Taxes Included in This Bill	<u>3,698.87</u>

Fasken Martineau DuMoulin LLP  
Barristers and Solicitors  
Patent and Trade-mark Agents



333 Bay Street, Suite 2400  
Bay Adelaide Centre, Box 20  
Toronto, ON M5H 2T6

416 366 8381 Telephone  
416 364 7813 Facsimile

**Richter Advisory Group Inc.**  
**181 Bay Street**  
**Suite 3320**  
**Bay Wellington Tower**  
**Toronto ON M5J 2T3**

October 08, 2015  
Invoice #: 950885  
HST #: 87937 6127 RT0001

Attention: Mr Paul van Eyk

**REMITTANCE COPY**  
**Please return with your payment**

---

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

**For Professional Services rendered through September 30, 2015 as described in the attached memorandum**

Total Fees	\$ 26,189.00
Total Disbursements	2,846.67
Total Taxes	3,698.87
<b>Total Amount Owing This Bill</b>	<b>CAD \$ 32,734.54</b>

**Tax Summary**

HST	3,698.87
<b>Total Taxes Included in This Bill</b>	<b>3,698.87</b>

Terms: payment due upon receipt. Pursuant to the *Solicitors Act*, interest will be charged at the rate of 1% per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this statement is delivered. Any disbursement not posted to your account on the date of this statement will be billed later.

SCOTIABANK, 20 Queen Street West, 4<sup>th</sup> Floor, Toronto, Ontario, M5H 3R3  
Account Name: Fasken Martineau DuMoulin LLP  
CAD\$ Account No: 476961041614, Transit No. 47696  
SWIFT code: NOSCCATT

Fasken Martineau DuMoulin LLP  
Barristers and Solicitors  
Patent and Trade-mark Agents



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October 08, 2015  
Invoice #: 950885  
HST #: 87937 6127 RT0001

### Outstanding Invoice History

Balance of Invoice # 944686 Dated 09/16/15	5,368.64
<b>Total</b>	<b><u>\$ 5,368.64</u></b>

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Account Name: Fasken Martineau DuMoulin LLP  
CAD\$ Account No: 476961041614, Transit No. 47696  
SWIFT code: NOSCCATT

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**Toronto ON M5J 2T3**

September 16, 2015  
Invoice #: 944686  
HST #: 87937 6127 RT0001

Attention: Mr Paul van Eyk

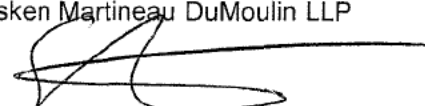
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**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

**For Professional Services rendered through August 31, 2015 as described in the attached memorandum**

Total Fees	\$ 4,687.50
Total Disbursements	63.50
Total Taxes	617.64
<b>Total Amount Owing This Bill</b>	<b><u>CAD \$ 5,368.64</u></b>

Fasken Martineau DuMoulin LLP



Per: Stuart Brotman  
E.&O.E.

Terms: payment due upon receipt. Pursuant to the *Solicitors Act*, interest will be charged at the rate of 1% per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this statement is delivered. Any disbursement not posted to your account on the date of this statement will be billed later.

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Account Name: Fasken Martineau DuMoulin LLP  
CAD\$ Account No: 476961041614, Transit No. 47696  
SWIFT code: NOSCCATT

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**Toronto ON M5J 2T3**

September 16, 2015  
Invoice #: 944686  
HST #: 87937 6127 RT0001

Attention: Mr Paul van Eyk

**FEE MEMORANDUM**

---

**Matter Number: 300245.00002**

**Matter: Receivership Involving Dianor Resources Inc.**

**Responsible Professional: Stuart Brotman**

08/18/2015	Reviewing court materials and providing comments on same. Dylan Chochla	1.70 hrs.	\$ 637.50
08/18/2015	Reviewing draft court materials; Reviewing exchange of emails with client [REDACTED] Stuart Brotman	0.60 hrs.	\$ 450.00
08/19/2015	Reviewing revised draft court materials; Conference with A. Dalfio regarding same and Richter consent; Conference with D. Chochla; Stuart Brotman	0.70 hrs.	\$ 525.00
08/24/2015	Phone call with client [REDACTED]; meeting with S. Brotman [REDACTED] reviewing law [REDACTED]; email to client [REDACTED] Dylan Chochla	0.90 hrs.	\$ 337.50
08/24/2015	Exchange of emails with colleagues regarding potential interested parties; Conference with D. Chochla regarding status and next steps; Exchange of emails with D. Chochla and client; Stuart Brotman	0.40 hrs.	\$ 300.00
08/25/2015	Conference call with client [REDACTED] conference call with external working group [REDACTED] initial review of Third Eye Capital security documents. Dylan Chochla	1.30 hrs.	\$ 487.50

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

08/25/2015	Attendance on call with client; attendance on call with client and Third Eye Capital and counsel; Stuart Brotman	0.90 hrs.	\$ 675.00
08/26/2015	Reviewing documents in data room; phone call with client [REDACTED] reviewing documents in Third Eye Capital closing book. Dylan Chochla	1.00 hrs.	\$ 375.00
08/26/2015	Reviewing list of documents for review; conference with D. Chochla regarding same; Stuart Brotman	0.30 hrs.	\$ 225.00
08/31/2015	Reviewing [REDACTED] reviewing Dianor public disclosure on SEDAR. Dylan Chochla	1.80 hrs.	\$ 675.00

**Professional Summary**

<u>Professional</u>	<u>Title</u>	<u>Rate</u>	<u>Hours</u>	<u>Fees</u>
Stuart Brotman	Partner	750.00	2.90	2,175.00
Dylan Chochla	Associate	375.00	6.70	2,512.50
	Total		9.60	CAD \$ 4,687.50

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

<b>Our Fees</b>		<b>\$ 4,687.50</b>
HST		609.38
Total Fees Including Taxes		<u>\$ 5,296.88</u>
<b>Disbursements</b>		
<u>Taxable</u>		
08/31/15	Lasercopy	14.75
08/31/15	Lasercopy	48.75
Total Disbursements		<u>63.50</u>
HST		8.26
Total Disbursements Including Taxes		<u>71.76</u>
<b>Total Fees, Disbursements and Taxes</b>		<u><b>CAD \$ 5,368.64</b></u>

<b>Tax Summary</b>		
HST		617.64
Total Taxes Included in This Bill		<u>617.64</u>

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September 16, 2015  
Invoice #: 944686  
HST #: 87937 6127 RT0001

Attention: Mr Paul van Eyk

**REMITTANCE COPY**  
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---

**Matter Number: 300245.00002**  
**Matter: Receivership Involving Dianor Resources Inc.**  
**Responsible Professional: Stuart Brotman**

**For Professional Services rendered through August 31, 2015 as described in the attached memorandum**

Total Fees	\$ 4,687.50
Total Disbursements	63.50
Total Taxes	617.64
<b>Total Amount Owing This Bill</b>	<b><u>CAD \$ 5,368.64</u></b>

**Tax Summary**

HST	<u>617.64</u>
Total Taxes Included in This Bill	<u>617.64</u>

Terms: payment due upon receipt. Pursuant to the *Solicitors Act*, interest will be charged at the rate of 1% per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this statement is delivered. Any disbursement not posted to your account on the date of this statement will be billed later.

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Account Name: Fasken Martineau DuMoulin LLP  
CAD\$ Account No: 476961041614, Transit No. 47696  
SWIFT code: NOSCCATT

**This is Exhibit "C" to the Affidavit of Dylan Chochla, sworn before me by video conference at the City of Toronto, in the Province of Ontario, by Dylan Chochla of the City of Toronto, in the Province of Ontario, on May 11, 2026, in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.**

Signed by:

*Christina Piccinin*

---

Christina Piccinin, A Commissioner, Etc.

71702048831433

<u>Invoice No.</u>	<u>BTK</u>	<u>Title / Year of Call</u>	<u>Billing Rate</u>	<u>Hours</u>
944686	Brotman, Stuart	Partner / 2000	750.00	2.90
	Chochla, Dylan	Associate / 2012	375.00	6.70
				<b>9.60</b>
950885	Brotman, Stuart	Partner / 2000	750.00	12.90
	Eastman, Nancy	Partner / 1997	700.00	2.00
	Gagné, Martin R.	Partner / 1978	505.00	1.00
	Chochla, Dylan	Associate / 2012	375.00	30.30
	Meadowcroft, Joanne	Law Clerk	330.00	0.50
	Thiboutot, Martin	Associate / 2014	305.00	2.80
	Holtom, Tanya	Law Clerk	300.00	5.30
	Henry, Marie-Frédérique	Law Clerk	295.00	0.30
	Batrouni, Gina	Law Clerk	270.00	0.60
	Macleod, Emma	Law Clerk	175.00	0.20
	Rowan, Kelly	Law Clerk	175.00	0.70
Brisson, Loana	Law Clerk	135.00	1.70	
				<b>58.30</b>
960102	Brotman, Stuart	Partner / 1997	750.00	5.60
	Eastman, Nancy	Partner / 2000	700.00	11.50
	Chochla, Dylan	Associate / 2012	375.00	10.30
	Meadowcroft, Joanne	Law Clerk	330.00	0.60
	Holtom, Tanya	Law Clerk	300.00	0.30
				<b>28.30</b>
968383	Brotman, Stuart	Partner / 2000	750.00	5.50
	Eastman, Nancy	Partner / 1997	700.00	5.80
	Gagné, Martin R.	Partner / 1978	505.00	1.00
	Chochla, Dylan	Associate / 2012	375.00	5.30
				<b>17.60</b>
989791	Casuccio, Paul V.	Partner / 2002	795.00	7.00
	Brotman, Stuart	Partner / 2000	750.00	4.90
	Eastman, Nancy	Partner / 1997	700.00	1.20
	Centa, Andrea	Partner / 1999	600.00	0.70
	Gagné, Martin R.	Partner / 1978	505.00	2.50
	Morin, Luc	Partner / 2003	485.00	1.50
	Michaud, Guillaume-Pierre	Associate / 2008	395.00	1.60
Brook, Thomas	Associate / 2012	375.00	1.30	

	Chochla, Dylan	Associate / 2012	375.00	11.60
	Meadowcroft, Joanne	Law Clerk	330.00	1.60
	Holtom, Tanya	Law Clerk	300.00	0.80
				<b>34.70</b>
990828	King, Paul R.	Partner / 1982	775.00	2.70
	Brotman, Stuart	Partner / 2000	775.00	7.00
	Brotman, Stuart	Partner / 2000	750.00	2.00
	King, Paul R.	Partner / 1982	725.00	6.50
	Gagné, Martin R.	Partner / 1978	520.00	5.20
	Morin, Luc	Partner / 2003	510.00	1.80
	Gagné, Martin R.	Partner / 1978	505.00	1.70
	Morin, Luc	Partner / 2003	485.00	1.10
	Mariage, Frank	Partner / 2001	475.00	3.50
	Mariage, Frank	Partner / 2001	450.00	0.30
	Michaud, Guillaume-Pierre	Associate / 2008	420.00	9.90
	Chochla, Dylan	Associate / 2012	410.00	23.30
	Michaud, Guillaume-Pierre	Associate / 2008	395.00	21.70
	Chochla, Dylan	Associate / 2012	375.00	12.20
	Qessy, Anabel	Associate / 2012	320.00	0.40
	Holtom, Tanya	Law Clerk	300.00	0.80
	Mancini, Nicolas	Associate / 2015	300.00	3.20
	Batrouni, Gina	Law Clerk	270.00	0.40
	Real, Stephanie	Law Clerk	260.00	0.70
	Batrouni, Gina	Law Clerk	250.00	0.30
	Huot, Marie	Law Clerk	245.00	0.50
	Huot, Marie	Law Clerk	235.00	0.50
	Mancini, Nicolas	Associate / 2015	205.00	0.60
	Deschâtelets, Jacinthe	Legal Librarian	185.00	1.00
	Simon, Adam	Law Clerk	150.00	1.40
	Judd, Fionnuala	Legal Secretary	75.00	1.00
				<b>109.70</b>
996814	Brotman, Stuart	Partner / 2000	775.00	5.90
	Gagné, Martin R.	Partner / 1978	520.00	3.00
	Morin, Luc	Partner / 2003	510.00	1.70
	Michaud, Guillaume-Pierre	Partner / 2008	420.00	2.10
	Chochla, Dylan	Associate / 2012	410.00	18.20
	Dorion, Charles-Antoine	Associate / 2010	325.00	8.00
	Chabot, Dominic	Law Clerk	195.00	0.50

	Huot, Marie	Law Clerk	170.00	2.00
				<b>41.40</b>
1006826	Brotman, Stuart	Partner / 2000	775.00	0.80
	Chochla, Dylan	Associate / 2012	410.00	0.20
				<b>1.00</b>
1014586	Brotman, Stuart	Partner / 2000	775.00	0.60
	Chochla, Dylan	Associate / 2012	410.00	0.20
				<b>0.80</b>
1023127	Brotman, Stuart	Partner / 2000	775.00	0.80
	Chochla, Dylan	Associate / 2012	410.00	1.70
				<b>2.50</b>
1099335	Brotman, Stuart	Partner / 2000	825.00	0.80
	Brotman, Stuart	Partner / 2000	775.00	0.20
	Chochla, Dylan	Associate / 2012	465.00	8.30
	Chochla, Dylan	Associate / 2012	410.00	1.30
				<b>10.60</b>
1122476	Brotman, Stuart	Partner / 2000	986.20	0.80
	Chochla, Dylan	Associate / 2012	555.86	11.70
				<b>12.50</b>
1393074	Brotman, Stuart	Partner / 2000	856.76	40.70
	Chochla, Dylan	Associate / 2012	508.28	91.50
	Richer, Daniel	Associate / 2018	390.00	2.10
	Martelli, Anna	Law Clerk	365.00	2.90
	Arseneault, Sophie	Associate / 2015	290.00	1.20
	Flanagan, Carolyn	Student	250.00	8.80
	Ford, Elizabeth	Law Clerk	250.00	11.60
				<b>158.80</b>

<b>Mean Hourly Rate</b>	<b>Total Hours Worked</b>
<b>459.85</b>	<b>485.80</b>

**THIRD EYE CAPITAL CORPORATION**

Applicant

-and- **RESSOURCES DIANOR INC. / DIANOR RESOURCES INC.**

Respondent

Court File No. CV-15-11080-00CL

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

**Proceeding commenced at  
Toronto**

**AFFIDAVIT OF DYLAN  
CHOCHLA (SWORN MAY 11,  
2026)**

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as Court-appointed Receiver of Ressources Dianor Inc. /  
Dianor Resources Inc.**