

IN THE SUPREME COURT OF THE NORTHWEST TERRITORIES

IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF

MCCAW NORTH DRILLING & BLASTING LTD.

Applicant

ORDER

BEFORE THE HONOURABLE

JUSTICE K.M. SHANER

IN CHAMBERS

)

) Yellowknife, Northwest Territories

) Friday, February 21, 2020

)

UPON THE APPLICATION of the Applicant, McCaw North Drilling & Blasting Ltd.; UPON HEARING from Kai Niu, solicitor for the Applicant, AND UPON HAVING READ the Notice of Motion filed January 22, 2020, the Report of the Proposal Trustee filed January 22, 2020 (the “**Report**”), the Affidavit of Kathryn Emeneau sworn on January 22, 2020 and the Affidavit of Kathryn Emeneau sworn on February 20, 2020;

IT IS ORDERED AS FOLLOWS:

Acceptance of Proposal

1. The Proposal of McCaw North Drilling & Blasting Ltd. (the “**Company**”) filed December 4, 2019 is hereby accepted.

Approval and Vesting order

2. Without the need for shareholder approval, the sales transactions as set out in the following:

- (a) the Asset Purchase Agreement between Nuna West Mining Ltd. (“**Nuna**”) and the Company, attached as Appendix C to the Report; and
- (b) the Asset Purchase Agreement between McCaw Drilling and Blasting Ltd. (“**McCaw**” and, together with Nuna, the “**Purchasers**”) and the Company, attached as Appendix D to Report;

are hereby approved, and the Company is authorized to sell the assets of the Company referenced therein (the “**Purchased Assets**”), and execute any Bills of Sale (“**Closing Documents**”) to effect transfer of title as required to close the transaction.

3. Upon receipt of the sales proceeds by legal counsel for the Company and thereafter delivery of such Closing Documents, title shall vest in accordance with the terms of the transaction documents in the Purchasers free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, claims, trusts or deemed trusts (whether contractual, statutory, or otherwise), assignments, actions, levies, taxes, writes, options, agreements, disputes, debts, liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise or other rights, limitations or restrictions of any nature whatsoever including, without limiting the generality of the foregoing, all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act*, SNWT 1994, c 8 of the Northwest Territories, or any other personal property registry system as may be applicable; and for greater certainty, this Court orders that all of the encumbrances affecting or relating to the assets are hereby expunged and discharged as against them (the “**Claims**”).
4. For the purposes of determining the nature and priority of the Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained

in the possession or control of the person having had possession or control immediately prior to the sale.

5. The Company is thereafter authorized to distribute the sale proceeds from the Purchased Assets to the Secured Parties with claims against the Purchased Assets. If further direction is required in respect of such payment, any interested party is at liberty to make an application to this Court for such further and other directions as required.

6. Notwithstanding:

(a) these proceedings;

(b) any applications for a bankruptcy order in respect of the Company now or hereafter made pursuant to the Bankruptcy and Insolvency Act and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made by or in respect of the Company,

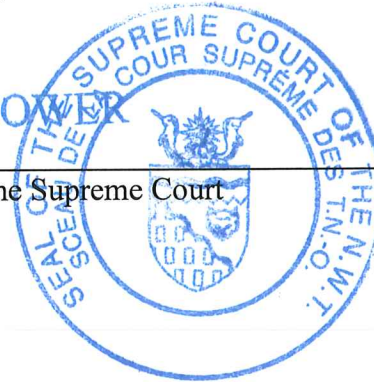
the vesting of the Purchased Assets in the Purchasers pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Company and shall not be void or voidable by creditors of the Company, nor shall it constitute or be deemed to be a transfer at undervalue, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the Bankruptcy and Insolvency Act 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.

Approval of Public Auction

- 7. The Company be authorized, with the consent of the Proposal Trustee, to enter into an agreement to sell its equipment and assets currently located in Newfoundland by way of public auction, and that the auctioneer be authorized to sell such assets, and vest title to its purchasers, free and clear from all of the Claims.

T. BOWER

[Signature] Clerk of the Supreme Court



ENTERED this 21st day of February, 2020

T. BOWER

[Signature] Clerk of the Supreme Court

I hereby certify that the foregoing is a true copy of the original of which it purports to be a copy

[Signature]
CLERK OF THE SUPREME COURT

S-1-BK2019-000 029
Estate No.: 24-2561006
Yellowknife Court Registry

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