

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

**IN THE MATTER OF THE *COURTS OF JUSTICE ACT* (ONTARIO)  
R.S.O 1990, c.C.43, AS AMENDED**

**BETWEEN:**

**RSM RICHTER INC., in its capacity as Court-Appointed Receiver of NORSHIELD ASSET MANAGEMENT (CANADA) LTD., NORSHIELD INVESTMENT PARTNERS HOLDINGS LTD., OLYMPUS UNITED FUNDS HOLDINGS CORPORATION, OLYMPUS UNITED FUNDS CORPORATION, OLYMPUS UNITED BANK AND TRUST SCC, OLYMPUS UNITED GROUP INC., NORSHIELD CAPITAL MANAGEMENT CORPORATION AND HONEYBEE SOFTWARE TECHNOLOGIES INC. and with no corporate or personal liability**

Applicant

- and -

**AMT INTERNATIONAL MINING CORPORATION**

Respondent

**THIRD REPORT OF THE RECEIVER  
DATED SEPTEMBER 5, 2013**

**INTRODUCTION**

1. By Order of the Court dated April 24, 2007 (the “**Appointment Order**”), RSM Richter Inc. (now Richter Advisory Group Inc.) (“**Richter**”) was appointed as the receiver (the “**Receiver**”) of all of the assets, undertakings and properties (the “**Property**”) of AMT International Mining Corporation (the “**Debtor**”). A copy of the Appointment Order is attached as Exhibit “A”.
2. The Appointment Order authorized the Receiver to, among other things, take possession of and exercise control over the Property. Without limiting the foregoing, the

Appointment Order specifically authorizes the Receiver 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 collection of such monies, including, without limitation, to enforce any security held by the Debtor and to exercise the Debtor's rights and remedies as shareholder or creditor of AMT (USA), Inc. ("**AMT USA**"), a wholly owned subsidiary of the Debtor.

3. By Order dated September 17, 2012, the Court approved the Receiver's First Report to the Court dated September 12, 2012 (the "**First Report**"), together with the activities of the Receiver described therein.
4. By Order dated April 17, 2013 (the "**Claims Process Order**"), the Court approved the Receiver's Second Report to the Court dated April 15, 2013 (the "**Second Report**"), together with the activities of the Receiver described therein, as well as the process (the "**Claims Process**") to identify and determine the validity of creditor claims against the Debtor as at the date of the Appointment Order. A copy of the Claims Process Order is attached as Exhibit "**B**".
5. The purpose of this third report ("**Third Report**") is to:
  - (a) provide the Court with a summary of the Receiver's activities since the date of the Second Report;
  - (b) provide the Court with an update regarding the Claims Process;
  - (c) provide the Court with the evidentiary basis to make an Order:
    - (i) approving the activities of the Receiver as described in the Third Report;
    - (ii) authorizing and directing the Receiver to file an assignment for the benefit of the Debtor's creditors pursuant to the *Bankruptcy and Insolvency Act* (Canada) R.S.C., 1985, c. B-3 (the "**BIA**");
    - (iii) approving the professional fees and disbursements of the Receiver and its Canadian and U.S. legal counsel;

- (iv) approving the Receiver's Statement of Receipts and Disbursements for the period from April 24, 2007 to August 31, 2013; and
  - (v) terminating the within receivership proceeding, discharging the Receiver from its role and duties and forever barring any Person from making any claim against the Receiver upon the filing of the Discharge Certificate (as defined below).
6. The Orders in this proceeding, together with related Court documents, have been posted on the Receiver's website in English at [www.richter.ca/en/insolvency-cases](http://www.richter.ca/en/insolvency-cases) and in French at [www.richter.ca/fr-ca/insolvency%20cases](http://www.richter.ca/fr-ca/insolvency%20cases).
7. Unless otherwise provided, capitalized terms not otherwise defined in this Third Report are as defined in the Appointment Order.

#### **TERMS OF REFERENCE**

8. In preparing the Third Report and making the comments contained herein, Richter has been provided with and relied upon unaudited financial information, the limited and sometimes incomplete books and records and the limited financial information prepared by the Debtor and its advisors. Richter has not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of the information.
9. Unless otherwise stated, all dollar amounts contained in the Third Report are expressed in Canadian dollars.

#### **APPOINTMENT OF THE NORSHIELD RECEIVER**

10. Pursuant to the Orders of the Court dated June 29, 2005 ("**Initial Order**") and July 14, 2005 ("**Extension Order**"), Richter was appointed as receiver pursuant to Section 129 of the *Securities Act*, R.S.O. 1990, c.S-5, as amended, without security, of all of the assets, undertakings and properties of:
- (a) Gestion de Placements Norshield (Canada) Ltée / Norshield Asset Management (Canada) Ltd. ("**NAM**");

- (b) Gestion des Partenaires d'Investissement Norshield Ltée / Norshield Investment Partners Holdings Ltd.;
  - (c) Olympus United Funds Holdings Corporation;
  - (d) Corporation de Fonds Unis Olympus / Olympus United Funds Corporation ("**Olympus Funds**");
  - (e) Olympus United Bank and Trust SCC ("**Olympus Bank**"); and
  - (f) Groupe Olympus United Inc. / Olympus United Group Inc.,
- (collectively, the "**Original Respondents**").

Copies of the Initial Order and the Extension Order are attached hereto as Exhibits "**C**" and "**D**" respectively.

11. Pursuant to two additional Orders of the Court dated September 9, 2005 and October 14, 2005 ("**Expanded Orders**"), Richter was also appointed as receiver pursuant to Section 101 of the *Courts of Justice Act* (Ontario), without security, of all of the assets, undertakings and properties of:
- (a) Norshield Capital Management Corporation / Corporation Gestion de l'Actif Norshield ("**Norshield Capital Management**"); and
  - (b) Honeybee Software Technologies Inc. / Technologies de Logiciels Honeybee Inc. (formerly Norshield Investment Corporation / Corporation d'Investissement Norshield) ("**Honeybee Software**").

Copies of the Expanded Orders are attached hereto as Exhibits "**E**" and "**F**".

12. The Original Respondents, Norshield Capital Management and Honeybee Software are collectively referred to as the "**Norshield Companies**" herein. Richter, in its capacity as the court-appointed receiver of the Norshield Companies is referred to herein as the "**Norshield Receiver**".

## BACKGROUND

13. The Debtor was incorporated pursuant to the laws of the Province of Ontario and carried on business as a mineral exploration company. The Debtor's registered head office is 181 Bay Street, Toronto, Ontario, M5J 2T9.
14. According to the Information Circular prepared by the Debtor dated April 30, 2004 (the "**Circular**"), the Debtor was a reporting issuer in each Canadian province and traded on the Toronto Stock Exchange. According to the Circular, Honeybee Software owns approximately 18% of the issued and outstanding common shares and 100% of the issued and outstanding preferred shares of the Debtor and is its largest single shareholder. The Circular provides that cease trade Orders were issued by certain securities commissions in respect of the Debtor in May 2002 for failure to file its financial statements and, on February 11, 2003, the Debtor was delisted from the Toronto Stock Exchange. A true copy of the Circular is attached hereto as Exhibit "**G**".
15. The Debtor's only asset of value was the intercompany receivable owing to the Debtor by AMT USA in the amount of approximately \$16.9 million, as well as the shares of AMT USA held by the Debtor.
16. AMT USA is incorporated pursuant to the laws of the State of Arizona and is a wholly owned subsidiary of the Debtor. AMT USA also carried on business as a mineral exploration company and maintained an office in Tucson, Arizona. AMT USA is bankrupt and exists solely as a debtor in a liquidation proceeding under Chapter 7 of the United States Bankruptcy Code (the "**Bankruptcy Code**"). The United States Bankruptcy Court for the District of Arizona (the "**Bankruptcy Court**") appointed Diane Mann as Trustee (the "**Chapter 7 Trustee**") to administer the liquidation case for AMT USA.
17. Based on the circular, the Norshield Receiver determined that the Debtor was indebted to Honeybee Software in the amount of CAD \$1,834,769.00 as at April 30, 2004. AMT USA guaranteed the obligations of the Debtor to Honeybee Software pursuant to a guarantee limited to the principal amount of CAD \$1 million (the "**AMT USA**

**Guarantee**”). As described in the Second Report, the Norshield Receiver previously received payment of CAD \$1,000,000 pursuant to the AMT USA Guarantee, with the result that the Debtor remains indebted to Honeybee Software in the amount of \$834,769.00 based on information contained in the Circular.

18. The Receiver has now completed its realization upon all of the Property known to the Receiver as disclosed in the Debtor’s limited books and records. The Receiver currently holds the sum of \$813,968.00, net of payment of certain professional fees and disbursements incurred by the Receiver and its Canadian and U.S. legal counsel to August 31, 2013, as well as an accrual for such fees and disbursements thereafter through to the discharge of the Receiver.

#### **STATUS OF CLAIMS PROCESS**

19. The Receiver has completed the Claims Process authorized by the Claims Process Order. In accordance with the Claims Process Order, the Receiver:
- (a) mailed a proof of claim form to all known creditors of the Debtor on or about April 30, 2013; and
  - (b) placed an advertisement in *The Globe and Mail* and *La Presse* providing notice of the Claims Process on or about May 1, 2013.
20. In accordance with the Claims Process, creditors were required to submit a completed proof of claim to the Receiver by June 3, 2013 (the “**Claims Bar Date**”).
21. The following proofs of claim were received by the Receiver prior to the Claims Bar Date:
- (a) from Blake, Cassels & Graydon LLP in the amount of \$96,253.92;
  - (b) from TB Contractors, Inc. in the amount of \$44,239.88; and

(c) from the Norshield Receiver in the amount of \$834,769.00.

22. No proofs of claim were received by the Receiver after the Claims Bar Date.
23. The Receiver has reviewed and admitted each of the foregoing Proofs of Claim as proven claims (collectively, the “**Proven Claims**”).

#### **PROPOSED DISTRIBUTION METHODOLOGY AND BANKRUPTCY OF THE DEBTOR**

24. The Receiver is of the view that the net funds in the estate available for distribution to the Debtor’s creditors should be paid *pro rata* to each party holding a Proven Claim. The Receiver is not aware of any party holding a claim against the Debtor which would rank in priority to any of the Proven Claims.
25. However, the Receiver is concerned that if it distributes the net funds in the estate to the Debtor’s creditors as described above, the Receiver may be exposed to personal liability pursuant to the provisions of the *Income Tax Act*, the *Excise Tax Act* and similar provincial taxing statutes which impose liability upon a receiver if it distributes property of a debtor without first obtaining clearance certificates from the relevant taxing authority. Given the very limited books and records of the Debtor in the Receiver’s possession, it appears unlikely that the Receiver will be in a position to obtain any such clearance certificates in a timely fashion, or at all.
26. The Receiver proposes to resolve this issue through a bankruptcy of the Debtor. A trustee in bankruptcy appointed pursuant to the BIA will not be exposed to the same statutory liability as would the Receiver upon making a distribution to the Debtor’s creditors pursuant to the BIA. Under the terms of the Appointment Order, the Receiver

was authorized to file an assignment in bankruptcy on behalf of the Debtor pursuant to the BIA with leave of the Court first being obtained.

27. Accordingly, the Receiver recommends that it be authorized to file an assignment in bankruptcy on behalf of the Debtor naming Richter Advisory Group Inc. as trustee in order to effect a distribution to the Debtor's creditors in the most cost-effective and time-efficient manner possible. The Receiver estimates that, after accounting for the estimated costs of the bankruptcy, each creditor holding a Proven Claim will receive from the Debtor's trustee in bankruptcy approximately 75-76cents on the dollar of each such claim.

#### **STATEMENT OF RECEIPTS AND DISBURSEMENTS**

28. Attached hereto as Exhibit "**H**" is the Receiver's statement of receipts and disbursements for the period from April 24, 2007 to August 31, 2013. As described above, the Receiver has now completed its realization upon the known assets of the Debtor and does not anticipate receiving any additional funds.
29. As at August 31, 2013, the Receiver has cash on hand of \$813,968.00, which is net of payment of certain professional fees and disbursements of the Receiver and its Canadian and United States legal counsel to August 31, 2013, as well as a holdback of approximately \$32,000.00, including applicable taxes (the "**Holdback**"). In order to complete the administration of the Debtor's estate in accordance with the Order sought herein, the Receiver will retain the Holdback from the funds which will vest in the trustee in bankruptcy to fund the Receiver's and its legal counsel's professional fees and disbursements through to discharge of the Receiver. In accordance with the



Appointment Order, the Receiver has been authorized to periodically pay such fees and disbursements, subject to approval by the Court.

### **PROFESSIONAL FEES**

30. The Receiver and its Canadian independent legal counsel Thornton Grout Finnigan LLP (“**TGF**”) and Fishman Flanz Meland Paquin LLP (“**FFMP**”) and its United States independent legal counsel Squire Sanders (“**Squire**”) have maintained detailed records of their professional time and costs since the issuance of the Appointment Order. Pursuant to paragraph 21 of the Appointment Order, the Receiver, TGF, FFMP and Squire were directed to pass their accounts from time to time before this Court.
31. The total fees of the Receiver during the period from April 24, 2007 to August 31, 2013 amount to \$356,903.45, together with expenses and disbursements in the amount of \$1,317.70, harmonized sales tax (“**HST**”) in the amount of \$17,911.07 and Quebec sales tax in the amount of \$35,732.56, totalling \$411,864.78 (the “**Receiver Fees**”). The time spent by the Monitor is more particularly described in the Affidavit of Raymond Massi of Richter Advisory Group Inc., sworn September 4, 2013, sworn in support hereof and attached hereto as Exhibit “**T**”.
32. The total legal fees incurred by the Receiver during the period from April 24, 2013 to August 31, 2013 for services provided by TGF as the Monitor’s independent legal counsel amount to \$110,314.00, together with expenses and disbursements in the amount of \$6,901.68 and HST in the amount of \$12,246.77, totalling \$129,462.45. The time spent by TGF personnel is more particularly described in the Affidavit of Grant

Moffat, a partner of TGF, sworn September 4, 2013 in support hereof and attached hereto as Exhibit “J”.

33. The total legal fees incurred by the Receiver during the period from April 24, 2013 to August 31, 2013 for services provided by FFMP as the Monitor’s independent legal counsel amount to \$12,047.50, together with HST in the amount of \$635.38, and Quebec sales tax in the amount of \$990.76, totalling \$13,673.64. The time spent by FFMP personnel is more particularly described in the Affidavit of Avram Fishman, a partner of FFMP, sworn September 3, 2013 in support hereof and attached hereto as Exhibit “K”.
34. The total legal fees incurred by the Receiver during the period from April 24, 2013 to August 31, 2013 for services provided by Squire as the Monitor’s independent U.S. legal counsel amount to \$112,326.00, together with expenses and disbursements in the amount of \$2,549.48, totalling \$114,875.48. The time spent by Squire personnel is more particularly described in the Affidavit of Jordan Kroop, a partner of Squire, sworn August 28, 2013 in support hereof and attached hereto as Exhibit “L”.
35. By Order of the Court dated January 5, 2010 in the proceeding involving the receivership of the Norshield Companies, Jonathan Wigley of the law firm of Gardner Roberts LLP was appointed as independent counsel (the “**Independent Counsel**”) to review the professional fees and disbursements of the Receiver and its counsel and to make submissions to the Court with respect to the fairness and reasonableness of such fees and whether they ought to be assessed and allowed as filed. In Mr. Wigley’s Report No. 2 in the Norshield proceeding, Mr. Wigley reviewed the fees and

disbursements of the Receiver, TGF and FFMP in connection with this proceeding for the period ending December 31, 2012 and concluded that such fees are fair and reasonable and ought to be assessed and allowed as filed.

### **DISCHARGE OF THE RECEIVER**

36. Once the Debtor is bankrupt, the Receiver believes that it will be appropriate for the Receiver to obtain its discharge. Based on the current information available to the Receiver, there does not appear to be any necessity for the continuation of the within proceeding following the bankruptcy of the Debtor.
37. The Receiver requests that its discharge only become effective upon filing of a certificate (the “**Discharge Certificate**”) with the Court evidencing that the Receiver has either completed its administration of the Debtor’s estate and the Order sought herein or that it will be unable to do so within a reasonable period of time.

### **RECEIVER’S CONCLUSION AND RECOMMENDATIONS**

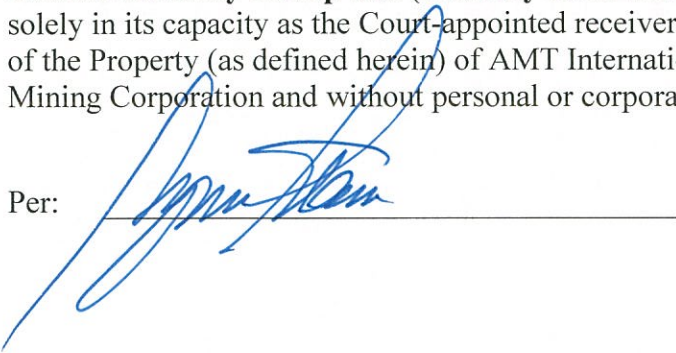
38. For the reasons set out above, the Receiver recommends that:
  - (a) the activities of the Receiver as described in the Third Report be approved;
  - (b) the Receiver’s Statement of Receipts and Disbursements be approved;
  - (c) the professional fees and disbursements of the Receiver, TGF, FFMP and Squire be approved and the Receiver be authorized to pay all such fees and disbursements;
  - (d) the Receiver be authorized and directed to file an assignment for the benefit of the Debtor’s creditors pursuant to the provisions of the BIA with Richter Advisory Group Inc. as trustee under such an assignment; and

- (e) the Receiver be discharged effective upon filing of the Discharge Certificate, whereupon all claims against the Receiver in connection with the within proceeding shall be forever barred and extinguished.

All of which is respectfully submitted at Montreal, Quebec this 5<sup>th</sup> day of September, 2013.

**Richter Advisory Group Inc. (formerly RSM Richter Inc.),**  
solely in its capacity as the Court-appointed receiver  
of the Property (as defined herein) of AMT International  
Mining Corporation and without personal or corporate liability

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

A handwritten signature in blue ink is written over a horizontal line. The signature is stylized and appears to be "G. J. Richter".