

**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

**FIRST REPORT OF THE RECEIVER  
DATED SEPTEMBER 12, 2012**

**INTRODUCTION**

1. By Order of the Court dated April 24, 2007 (the “**Appointment Order**”), RSM Richter 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. The purpose of this first report ("**First Report**") is to:
  - (a) provide the Court with a summary of the Property;
  - (b) provide the Court with a summary of the Receiver's activities since the date of the Appointment Order; and
  - (c) provide the Court with the evidentiary basis to make an Order:
    - (i) approving the activities of the Receiver as described in the First Report;
    - (ii) approving the AMT USA Settlement Agreement (as defined and described below) and authorizing the Receiver to carry out the terms thereof; and
    - (iii) approving the Receiver's Statement of Receipts and Disbursements for the period from April 24, 2007 to September 10, 2012.
4. The Orders in this proceeding, together with related Court documents, have been posted on the Receiver's website at <http://www.rsmrichter.com>.
5. Unless otherwise provided, capitalized terms not otherwise defined in this First Report are as defined in the Appointment Order.

#### **TERMS OF REFERENCE**

6. In preparing the First 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 and, accordingly, Richter expresses no opinion or other form of assurance on the information contained in the First Report.

7. Unless otherwise stated, all dollar amounts contained in the First Report are expressed in Canadian dollars.

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

8. 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 “**B**” and “**C**” respectively.

9. 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 "**D**" and "**E**".

- 10. 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**

- 11. 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.
- 12. 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 "**F**".
- 13. According to the Circular, following the resignation of the Debtor's last independent directors in late 2001, senior executive officers of Norshield Investment Corporation (now Honeybee Software) agreed to be appointed as directors and officers of the Debtor and formed the board of directors in the fall of 2001. One such executive was Dale Smith, who advised the Norshield Receiver that he became the Debtor's president and a director.

14. The Debtor's only asset of value is 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. As described below, AMT USA's sole asset was its interest in the Copper Creek Property (as defined below).
15. 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. As described in more detail below, 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**"). AMT USA sold its ownership interest in the Copper Creek Property to Redhawk Resources, Inc. ("**Redhawk**"). The Norshield Receiver and the Receiver are currently in possession of the remaining proceeds of that sale transaction.
16. On November 30, 2006 all of the officers and directors of the Debtor resigned and the Debtor has been without officers and directors since that time.

#### **OUTSTANDING CLAIMS AGAINST BOTH THE DEBTOR AND AMT USA**

17. Three parties, Mani Verma ("**Verma**"), D&G Mining Co., LLC ("**D&G**") and Amalgamet Canada ("**Amalgamet**"), have advanced claims against both the Debtor and AMT USA, described in more detail below. In addition, the Norshield Receiver, on behalf of Honeybee Software, has received payments on account of its claims against the Debtor and AMT USA as described below.

#### ***The Verma Action***

18. On or about July 15, 2004, Verma, the former Executive Vice-President of the Debtor and former President of AMT USA, issued a Statement of Claim in the Ontario Superior Court of Justice seeking damages in the amount of approximately USD\$443,000 for wrongful dismissal and breach of contract against each of the Debtor and AMT USA (the "**Verma Action**"). Blake Cassels & Graydon LLP ("**Blakes**") was acting as solicitor for each of the Debtor and AMT USA in the Verma Action. Blakes obtained an Order from the Court removing it as solicitor of record for the Debtor and AMT USA in the Verma

Action. According to the affidavit filed by Blakes in connection with its motion to remove itself from the record in that proceeding, Blakes has a claim against the Debtor and AMT USA for unpaid fees arising from the Verma Action.

19. The Receiver has retained Lenczner Slaght Royce Smith Griffin LLP ("**Lencznerners**") as its independent counsel in connection with the claim advanced by Verma in the Verma Action.

#### ***The D & G Claim***

20. D&G, an Arizona company, commenced a proceeding in the Superior Court of the State of Arizona in and for the County of Pima (the "**Arizona Court**") against the Debtor, AMT USA and the "Norshield Financial Group". As set out in the complaint filed with the Arizona Court by D&G (the "**D&G Complaint**"), D&G was the owner of record of four mining claims located in the Bunker Hill mining district in Pima County, Arizona (the "**Mining Claims**"). D&G leased the Mining Claims to AMT USA pursuant to a Lease Option Agreement dated July 1, 1997 (the "**Lease**"). D&G claims that it is owed USD \$560,000 under the Lease, which it terminated on October 20, 2005 due to AMT USA's payment defaults.

#### ***Amalgamet***

21. Amalgamet, the Debtor and AMT USA were parties to an agency agreement under which Amalgamet would be AMT USA's agent for selling the output of AMT USA's mining operations at the Copper Creek Property. In connection with the sale of the Copper Creek Property to Redhawk, AMT USA, the Debtor and Amalgamet agreed to terminate the agency agreement and pursuant to a Cancellation Agreement dated August 23, 2005, AMT USA agreed to pay to Amalgamet USD \$300,000, payable in various installments over time, in satisfaction of the amounts which would otherwise have been payable under the agency agreement. AMT USA paid two installments of USD \$50,000 each before its bankruptcy. Amalgamet, therefore, asserted a claim in AMT USA's bankruptcy case for the USD \$200,000 remaining due under the Cancellation Agreement.

*The Honeybee Software Claim*

22. Based on the Circular, the Norshield Receiver determined that the Debtor was indebted to Honeybee Software in the amount of CAD\$1,834,769 as of 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**”).
23. AMT USA was the owner of a 100% interest in and to certain properties located in Arizona collectively known as the “**Copper Creek Property**”. As collateral security to its obligations to Honeybee Software under the AMT USA Guarantee, AMT USA delivered certain security to Honeybee Software upon the Copper Creek Property (the “**Copper Creek Security**”).
24. Pursuant to a Letter Agreement between the Debtor, AMT USA and Redhawk dated July 29, 2005 (the “**Letter Agreement**”), AMT USA sold to Redhawk its interest in the Copper Creek Property in consideration of the payment to AMT USA of CAD\$1.6 million. In addition, upon closing of that transaction and annually thereafter, Redhawk agreed to pay to AMT USA an annual advance royalty payment of CAD\$125,000 (the “**Advance Royalty Payment**”) while Redhawk retained its ownership interest in the Copper Creek Property and prior to the time any commercial mining production commenced at the Copper Creek Property. Redhawk also agreed to pay to AMT USA, upon commencement of any commercial mining production at the Copper Creek Property, a percentage royalty of all minerals produced from that site. The total royalties which could have become payable to AMT USA under the Letter Agreement amount to 2.25% of all mineral production to a maximum of CAD\$25 million (the “**Copper Creek Royalties**”).
25. The sale of the Copper Creek Property to Redhawk closed in November 2005, at which time the balance of the purchase price plus one Advance Royalty Payment in the total principal amount of CAD\$1.725 million (together, the “**Sale Proceeds**”) were paid to Pothier Valiquette, a law firm in Montreal, Quebec, which acted as the solicitors for AMT USA. In accordance with the terms of the Letter Agreement, approximately CAD\$373,000 of the Sale Proceeds was applied by Pothier Valiquette in payment of all

outstanding trade payables with respect to the Copper Creek Property. Upon learning that the foregoing sale transaction had closed, the Norshield Receiver immediately took steps to recover the indebtedness of AMT USA to Honeybee Software.

26. On December 19, 2005, the Norshield Receiver instituted proceedings before the Superior Court, Province of Quebec, to recover from the Debtor the sum of CAD\$1,834,769 and from AMT USA the sum of CAD\$1,000,000 pursuant to the AMT USA Guarantee. Dale Smith accepted service of the foregoing proceeding on behalf of each of the Debtor and AMT USA.
27. On February 20, 2006, the Norshield Receiver obtained default judgment in that proceeding pursuant to which the Debtor was ordered to pay to the Norshield Receiver the sum of CAD\$1,834,769 and AMT USA was directed to pay to the Norshield Receiver the sum of CAD\$1,000,000. True copies of the foregoing judgments are attached hereto as Exhibits “G” and “H”.
28. Pothier Valiquette advised the Norshield Receiver that, although it held the Sale Proceeds (net of the trade payables paid by Pothier Valiquette described above), it was not in a position to release such funds to the Norshield Receiver unless the Copper Creek Security was discharged as required by the Letter Agreement. Although Honeybee Software had previously executed that discharge, it was never registered against the Copper Creek Property.
29. Accordingly, the Norshield Receiver executed a new discharge of the Copper Creek Security which was registered on title to the Copper Creek Property (the “**Discharge**”). Thereafter, by judgment rendered on February 22, 2007 by the Superior Court, Province of Quebec, Pothier Valiquette was ordered to remit to the Norshield Receiver the net amount of the Sale Proceeds. The remaining Sale Proceeds in the amount of \$1,401,991.12 (which amount includes accrued interest of approximately \$49,000) was paid to the Norshield Receiver by Pothier Valiquette on February 26, 2007. Of this amount, \$1 million has been applied by the Norshield Receiver in satisfaction of AMT USA’s obligations under the AMT USA Guarantee. A true copy of the Discharge is attached to as Exhibit “I”.



## OUTSTANDING CLAIMS AGAINST THE DEBTOR ONLY

30. Other than the claims described above, the Receiver is aware of only the following claims against the Debtor:
- (a) claim by Blakes for unpaid legal fees in connection with the Verma Action in the amount of approximately \$100,000;
  - (b) claim by TB Construction in the amount of approximately \$67,000; and
  - (c) miscellaneous claims in the total amount of approximately \$25,000.

## BANKRUPTCY OF AMT USA

31. In September 2007, D&G commenced a proceeding in the Arizona Court seeking the issuance of a Writ of Garnishment/Attachment as against the Advance Royalty Payment scheduled to be paid by Redhawk to AMT USA in 2007. The Receiver was concerned that the enforcement step taken by D&G would result in the diversion of funds payable to or held by AMT USA to the benefit of D&G only and to the detriment to the Receiver as well as the other stakeholders of AMT USA.
32. The Receiver concluded that a bankruptcy of AMT USA was the most cost-effective and equitable means to ensure that all creditor claims against AMT USA would be treated rateably, subject to any statutory priority.
33. Accordingly, the Receiver took steps to cause AMT USA to make a voluntary bankruptcy filing in Arizona. The Receiver executed on behalf of the Debtor a resolution of the Debtor as the sole shareholder of AMT USA authorizing the bankruptcy filing in Arizona.
34. On October 3, 2007, AMT USA filed a Voluntary Petition for Relief in the United States Bankruptcy Court for the District of Arizona (the “**Bankruptcy Court**”) under Chapter 7 of the Bankruptcy Code. Promptly after the filing of AMT USA’s bankruptcy case, the Bankruptcy Court appointed Diane Mann as Trustee (the “**Chapter 7 Trustee**”) to administer the liquidation case for AMT USA.

## OUTSTANDING CLAIMS AGAINST AMT USA ONLY

35. The US Internal Revenue Service asserted a claim against AMT USA for three years of unpaid minimum corporate tax of USD \$5,000 per year for a total claim of USD \$15,000. The Chapter 7 Trustee does not believe there is a basis to oppose this claim.
36. Under the Bankruptcy Code, the Chapter 7 Trustee's expenses associated with the administration of the bankruptcy case, including the fees of the Chapter 7 Trustee's counsel, are payable from the debtor's bankruptcy estate as an administrative expense claim. These costs of administration are payable only on approval by the Bankruptcy Court. During the course of the AMT USA bankruptcy case, the Chapter 7 Trustee's expenses have been periodically approved by the Bankruptcy Court and paid from cash on hand in the AMT USA bankruptcy estate. Approximately USD \$82,000 of administrative expenses associated with the Chapter 7 Trustee's administration of the case remain unpaid and are still subject to approval by the Bankruptcy Court. The Receiver is not aware of any reason that the Bankruptcy Court will not approve these expenses.

## MONETIZATION OF THE ADVANCE ROYALTY PAYMENTS

37. As described above, the Letter Agreement requires Redhawk to pay to AMT USA an annual Advance Royalty Payment of \$125,000. Following the Receiver's appointment, the 2007 Advance Royalty Payment was delivered to the Receiver by Redhawk on or about October 26, 2007. Following the bankruptcy of AMT USA in October 2007, the Receiver delivered the 2007 Advance Royalty Payment to the Chapter 7 Trustee.
38. During the period 2008-2010, the Receiver carried on extensive discussions and lengthy negotiations with various representatives of Redhawk regarding the possible monetization of the Copper Creek Royalties potentially payable under the Letter Agreement. Ultimately, the Chapter 7 Trustee, with the assistance of the Receiver, concluded an agreement with Redhawk in September 2010 (the "**Redhawk Monetization Agreement**") whereby Redhawk agreed to purchase AMT USA's interest in the Copper Creek Royalties in consideration of payment to the Chapter 7 Trustee of

the sum of \$1,250,000, payable as follows: \$350,000 on court approval of the agreement and a further \$900,000 in quarterly payments over an eighteen-month period, with a further \$500,000 payment should Redhawk enter into a major transaction during the two-year period after closing. All payments required to be made under the Redhawk Monetization Agreement have been made to the AMT USA bankruptcy estate. A true copy of the news release issued by Redhawk in connection with the foregoing transaction is attached as Exhibit "J".

#### **SETTLEMENT WITH CHAPTER 7 TRUSTEE**

39. Following the bankruptcy of AMT USA, the Receiver filed a Proof of Claim with the Chapter 7 Trustee in the amount of \$16,940,659.40 in respect of funds advanced by the Debtor to or on behalf of AMT USA (the "**AMT International Proof of Claim**").
40. Following the filing of the AMT International Proof of Claim in the AMT USA estate, the Chapter 7 Trustee advised the Receiver that it took issue with the realization by the Norshield Receiver upon the Sale Proceeds as described above and that the AMT International Proof of Claim should not be allowed as a provable claim in the AMT USA estate and should instead be recharacterized as equity as opposed to debt. The Receiver disagreed with the Chapter 7 Trustee's position and extensive discussions regarding these issues continued throughout 2008 and into 2009.
41. Those discussions did not resolve the issues between the parties and, in September 2009, the Chapter 7 Trustee commenced a proceeding in the Bankruptcy Court pursuant to which the Chapter 7 Trustee alleged (i) that the sum of approximately \$1.4 million (being the net amount of the Copper Creek Property Sale Proceeds) paid to the Norshield Receiver by Pothier Valiquette constituted an avoidable transfer within the meaning of the Bankruptcy Code; and (ii) the AMT International Proof of Claim should be disallowed until the foregoing funds were returned to the Chapter 7 Trustee. A true copy of the Chapter 7 Trustee's Complaint issued in the Bankruptcy Court is attached as Exhibit "K".

42. Following issuance of the Trustee's Complaint in the Bankruptcy Court, the Receiver and the Chapter 7 Trustee continued to have extensive negotiations throughout 2010 in an attempt to resolve these issues.
43. Eventually, after approximately eighteen (18) months of ongoing negotiations, the Receiver and the Chapter 7 Trustee settled the Chapter 7 Trustee's Complaint. After reviewing the AMT USA Guarantee and the Copper Creek Security, the Chapter 7 Trustee acknowledged that the \$1 million payment under the AMT USA Guarantee was not preferential. However, the Chapter 7 Trustee required, and the Receiver agreed, that the \$1 million payment should be credited against the amount claimed by the Receiver under the AMT International Proof of Claim. As part of the settlement, the Receiver also agreed that payment to the Norshield Receiver of the balance of the Copper Creek Property Sale Proceeds in the amount of \$401,991.12 was an avoidable transfer under the Bankruptcy Code, provided that the Debtor would be entitled to its *pro rata* share of such amount if it was returned to the Chapter 7 Trustee. In return, the Chapter 7 Trustee agreed to admit the AMT International Proof of Claim in the amount of \$15,538,668.28 (reflecting a deduction of \$1,401,991.12 in respect of the Copper Creek Property Sale Proceeds paid to the Norshield Receiver by Pothier Valiquette), with the result that the Debtor's claim in the AMT USA estate represents 90.93% of all outstanding claims. The Receiver then paid to the Chapter 7 Trustee the sum of \$36,461 (the "**Preference Payment Amount**"), being 9.07% of the \$401,991.12 payment referred to above, and retained the remaining 90.93% of the \$401,991.12 payment in partial satisfaction of the Debtor's claim against AMT USA. The terms of the settlement between the Receiver and the Chapter 7 Trustee (the "**Chapter 7 Trustee Settlement**") are set out in the Chapter 7 Trustee's motion before the Bankruptcy Court for approval thereof, attached as Exhibit "L".
44. In the Receiver's view, the Chapter 7 Trustee Settlement was a practical and cost effective means of resolving the Receiver's disputes with the Chapter 7 Trustee. The Receiver's Arizona bankruptcy counsel advised the Receiver that the cost of litigating the Chapter 7 Trustee's Complaint would greatly exceed the nominal \$36,461 payment made

to the Chapter 7 Trustee. As well, the Chapter 7 Trustee agreed as part of this settlement that the Debtor's claim against AMT USA amounts to approximately 90% of all claims.

45. By Objection dated December 7, 2010 (the "**Verma Objection**"), Verma objected to the Chapter 7 Trustee Settlement and D&G filed a joinder to the Verma Objection. The Bankruptcy Court nevertheless approved the Chapter 7 Trustee Settlement solely as to the alleged preference payments on February 3, 2011, but preserved the right of any party in interest to object to or seek to equitably subordinate the Debtor's claim in the AMT USA estate. True copies of the Verma Objection and the Order of the Arizona Bankruptcy Court approving the Chapter 7 Trustee Settlement are attached as Exhibits "**M**" and "**N**".
46. On August 17, 2011, D&G filed its adversary complaint in the Bankruptcy Court seeking to equitably subordinate the Debtor's claim in the AMT USA estate (the "**Adversary Proceeding**"). The Receiver disputed that claim and, through its Arizona counsel, engaged in numerous discussions with D&G in an attempt to resolve the Adversary Proceeding. No meaningful progress was made in these discussions and the Receiver moved to dismiss the Adversary Proceeding on April 4, 2012. A hearing on the motion to dismiss was, by agreement of the parties, adjourned to July 26, 2012. Thereafter, the parties successfully negotiated an agreement (the "**AMT USA Settlement Agreement**") pursuant to which all matters in dispute regarding the claims by the parties in interest to the funds in the AMT USA estate have been settled. True copies of the Adversary Proceeding and the AMT USA Settlement Agreement are attached respectively as Exhibits "**O**" and "**P**".
47. The essential terms of the AMT USA Settlement Agreement are as follows:
  - (a) the agreement is only effective if approved by the supervising courts in both Arizona and Ontario within sixty (60) days following execution of the agreement;
  - (b) the Chapter 7 Trustee will distribute the Preference Payment Amount to Verma, D&G and Amalgamet only, *pro rata* on account of their Allowed Claims as follows: Verma (\$13,424.94); D&G (\$16,972.60); and Amalgamet (\$6,063.46);
  - (c) the Chapter 7 Trustee will distribute the remainder of the AMT USA estate as follows:

- (i) firstly, payment in full of all allowed Administration Claims against the AMT USA estate;
  - (ii) secondly, payment in full of the IRS Claim;
  - (iii) the remainder of the AMT USA estate will be distributed as follows: 11.3046% to Verma; 13.965% to D&G; 4.989% to Amalgamet each on account of their Allowed Claims, and 70% to the Debtor; and
  - (iv) any additional payments received from Redhawk pursuant to the Redhawk Monetization Agreement will be distributed first to reimburse the Chapter 7 Trustee for reasonable administrative expenses and then to Verma, D&G, Amalgamet and the Debtor in the same percentages as described above;
- (d) D&G and the Debtor will jointly seek from the Bankruptcy Court an order dismissing the Adversary Proceeding with prejudice, with all parties bearing their own expenses; and
- (e) except with respect to any obligations created by the AMT USA Settlement Agreement, each party unconditionally releases each other party from any claims of any kind related to the bankruptcy of AMT USA, with the result that Verma, D&G and Amalgamet will not prove any claims in the Debtor's estate in Ontario.
48. Based on the information currently available to the Receiver, the Receiver estimates that it will receive approximately USD \$987,000 on account of its claim against AMT USA.
49. The Receiver's agreement to reduce its claim in the AMT USA estate from approximately 90% to 70% of outstanding claims (which would result in a reduction of the amount distributed to the Receiver of approximately USD \$280,000) reflects the Receiver's concerns with proceeding to litigate the Adversary Proceeding. The Receiver's Arizona bankruptcy counsel advised the Receiver that although it has good defences to the Adversary Proceeding, success as in any litigation was not a certainty. In addition, the litigation could stretch over many months (longer in the event of pre-trial motions or subsequent appeals) and the Receiver's legal fees could amount to between USD \$250,000-\$400,000. Under Arizona and US bankruptcy law, parties bear their own

litigation costs in this type of proceeding regardless of success on the merits. Accordingly, these costs would not be recoverable from D&G even if the Receiver was successful in defending the Adversary Complaint. In order to avoid the uncertainty of litigation, lengthy delays in resolving the Receiver's access to funds held by the Chapter 7 Trustee and the unrecoverable costs which would be incurred by the Receiver even if it was successful in defending the Adversary Complaint, the Receiver concluded that it was in the best interests of the stakeholders of the Debtor to settle the Adversary Proceeding on the terms described above.

### **RECEIVER'S ACTIVITIES**

50. In addition to the activities described above, the Receiver has undertaken the following activities in accordance with the terms of the Appointment Order:
- (a) advised the Debtor of the Receiver's appointment;
  - (b) taken possession of approximately \$58,000 from a bank account maintained by the Debtor;
  - (c) taken possession of the Debtor's limited books and records and other financial information;
  - (d) extensively reviewed those books and records and financial information that were available and, based upon that information, prepared the AMT International Proof of Claim; and
  - (e) opened a new bank account in the name of the Receiver.

### **RECEIVER'S CONCLUSION AND RECOMMENDATIONS**

51. For the reasons set out above, the Receiver recommends that:
- (a) the activities of the Receiver as described in the First Report be approved;
  - (b) the Receiver's Statement of Receipts and Disbursements be approved; and
  - (c) the Receiver be authorized, *nunc pro tunc*, to enter into and carry out the terms of both the Chapter 7 Trustee Settlement and the AMT USA Settlement Agreement.

All of which is respectfully submitted at Toronto, Ontario this 12<sup>th</sup> day of September, 2012.

**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

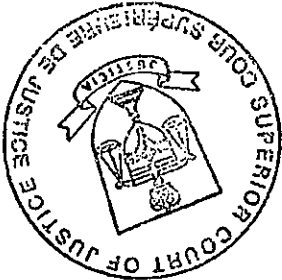
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TAB

A



Court File No. 07-CL-6955

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**THE HONOURABLE MR.**

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**TUESDAY, THE 24<sup>th</sup>**

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**JUSTICE C.L. CAMPBELL**

)

**DAY OF APRIL, 2007**

**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**

**ORDER**

**THIS MOTION**, made by the Applicant for an Order pursuant to Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C-43, as amended (the "CJA") appointing RSM Richter Inc. as receiver (the "Receiver") without security, of all of the assets, undertakings and properties of AMT International Mining Corporation (the "Debtor") was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the affidavit of Eric Rodier sworn April 20, 2007 and the Exhibits thereto, and on hearing the submissions of counsel for the Applicant, and on reading the consent of RSM Richter Inc. to act as Receiver,

### **SERVICE**

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged so that this motion is properly returnable today and hereby dispenses with service thereof on any person.

### **APPOINTMENT**

2. **THIS COURT ORDERS** that pursuant to Section 101 of the CJA, RSM Richter Inc. is hereby appointed Receiver, without security, of all of the Debtor's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate 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 and control of the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive and collect all monies, dividends or other amounts payable in respect of the Property;

- (c) to receive, preserve, protect and maintain control of 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;
- (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 powers and duties conferred by this Order;
- (e) to engage such investment managers, fund managers, portfolio managers, hedge fund managers and other financial professionals from time to time and on whatever basis, including on a temporary basis, as may in the opinion of the Receiver be appropriate;
- (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 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 any third party including, without limitation, AMT (USA) Inc. ("AMT USA");
- (g) to settle, extend or compromise any indebtedness owing to the Debtor or relating to the Property;
- (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 (which term includes AMT USA) 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 of judgment pronounced in any such proceeding;
- (j) to report to, meet with and discuss with any party deemed necessary or advisable by the Receiver, including without limitation any secured and unsecured creditors of the Debtor, any other stakeholders of the Debtor, any entity in which any Property has been directly or indirectly invested and any of their advisors 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;
- (k) without limiting the foregoing subparagraph, to report to, meet with and discuss with any domestic and foreign regulatory bodies including Canadian or provincial securities commissions and any securities exchanges and their advisors 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;
- (l) to perform any investigation or enquiry related to the Debtor or the Property required by the Receiver to carry out the terms of this Order including, without limitation, to compel any Person to be examined under oath in respect of the Debtor, the Property or any matters relating thereto;

- (m) 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;
- (n) 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 \$100,000; 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,
- (o) and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, shall be not required, and in each case the Ontario *Bulk Sales Act* shall not apply; 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;
- (p) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (q) 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;
- (r) 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

and the power to lend money to or indemnify any such trustee, such trustee borrowings or indemnity not to exceed \$100,000 unless otherwise increased by this Court;

- (s) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have;
- (t) to enter into, terminate, suspend, extend, amend and/or postpone any and all financial contracts entered into or to be entered into by the Debtor with any other party; and
- (u) to take any steps reasonably incidental to the exercise of these powers,

and in each such 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 instruction 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 without charge to the Receiver, shall provide the Receiver with account numbers and/or names under which Property may be held by third parties, shall deliver all such Property to the Receiver upon the Receiver's request, and shall disclose to the Receiver, upon demand being made therefor by the Receiver, any and all information and documentation regarding any transactions between the Debtor and any Person as

well as any transaction entered into between the Debtor and any party related to or affiliated with a present or former director, officer or employee of the Debtor.

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 or the Property, 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 instruction 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 Internet Service Providers and other Persons which provide e-mail, world wide web, file transfer protocol, Internet connection or other similar services to the Debtor and/or its present or former directors, officers, employees and agents shall deliver to the Receiver all documents, server files, archive files and any other information in any form in any way recording messages, e-mail correspondence or other information sent or received by such directors, officers, employees or agents in the course of their association with the Debtor.

#### **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 provided that nothing herein contained shall prevent the commencement or continuation of any proceedings against the Debtor by any Canadian provincial securities regulator or commission.

#### **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 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 (provided, however, that the Receiver shall not be required to comply with any statutory or regulatory reporting requirements imposed upon the Debtor solely by virtue of its appointment as Receiver), (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien. Without limiting the foregoing, the rights and remedies against the Debtor or affecting the Property which are hereby stayed and suspended shall include all rights and remedies relating to the shares, securities, debentures, notes, bonds or other instruments issued by or on behalf of the Debtor or in respect of the Property including, without limitation, futures contracts, options, derivatives, swaps and other financial contracts in respect of present or future rights or obligations.

#### **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 the 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 or realization upon 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 the employment of each employee or and the engagement of any independent contractor or consultant to the Debtor is hereby terminated and that no present or past director, officer or employee of the Debtor may hereafter purport to act on behalf of the Debtor or enter into any agreements in respect of the Debtor or the Property. The Receiver shall not be liable for any employee-related liabilities, including wages, severance pay, termination pay, vacation pay, and pension or benefit amounts, other than such amounts as the Receiver may specifically agree in writing to pay, or such amounts as may be determined in a Proceeding before a court or tribunal of competent jurisdiction, provided that pursuant to subsection 14.06(2) of the *Bankruptcy and Insolvency Act* (Canada) (the "BIA"), the Receiver shall not be liable for any amount that is or could be due to an employee by the Debtor including, without limitation, any amount calculated by reference to any period of employment, service or seniority that precedes the date of this Order. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA.

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 any party to the extent desirable or required to carry out the provisions of this Order. Each person to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to 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 (which term includes, for the purpose of this paragraph, the Receiver's partners, employees, agents, consultants, solicitors and other persons engaged by the Receiver for the purpose of its administration of the receivership) shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order (including, without limitation, any steps taken in its capacity as a shareholder or creditor of AMT USA or in the name of or on behalf of AMT USA), save and except for any gross negligence or wilful misconduct on its part. 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 any expenditure or liability which shall properly be made or incurred by the Receiver, including the fees and disbursements of the Receiver, its agents and the fees and disbursement of its legal counsel, incurred at the standard rates and charges of the Receiver and its counsel, shall be allowed to it in passing its accounts and shall form a first charge on the Property in priority to all security interest, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person (the "Receiver's Charge").

19. **THIS COURT ORDERS** that the Receiver shall be authorized and directed to retain the law firms of ThorntonGroutFinnigan LLP and Fishman Flanz Meland Paquin as legal counsel to the Receiver.

20. **THIS COURT ORDERS** the Receiver and its legal counsel shall pass their 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.

21. **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 normal 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**

22. **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 \$4100,000 (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.

23. **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.

24. **THIS COURT ORDERS** that the Receiver may at any time apply for its discharge as Receiver without any further obligation in the event that the Property is not, in the opinion of the Receiver, likely to be sufficient to indemnify the Receiver for its remuneration, costs, expenses and liabilities.

25. **THIS COURT ORDERS** that that 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.

26. **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**

27. **THIS COURT ORDERS** that, except as otherwise specified herein, the Receiver is at liberty to serve any notice, form or other document in connection with these proceedings by forwarded copies by prepaid ordinary mail, courier, personal delivery or electronic transmission to Persons or other appropriate parties at their respective addressees or other contact particulars as last indicated in the records of the Debtor and that any such service shall be deemed to be received on the date of delivery if by personal delivery or electronic transmission, on the following business day if delivered by courier, or three business days after mailing if by ordinary mail.

28. **THIS COURT ORDERS** that the Receiver may serve any court materials in these proceedings (including, without limitation, application records, motion records, facts and orders) on all represented parties electronically, by e-mailing a PDF or other electronic copy of such materials (other than any book of authorities) to counsels' e-mail addresses as recorded on the service list, and posting a copy of the materials on an internet website to be hosted by the Receiver or its designee (the "Website") as soon as practicable thereafter, provided that the Receiver shall deliver hard copies of such materials to any party requesting same as soon as practicable thereafter.

29. **THIS COURT ORDERS** that any party in these proceedings (other than the Debtor) may serve any court materials (including, without limitation, application records, motion records, facts and orders) electronically, by e-mailing a PDF or other electronic copy of all materials (other than any book of authorities) to counsels' e-mail addresses as recorded on the service list; provided that such party shall deliver both PDF or other electronic copies and hard copies of full materials to counsel to the Receiver and to any other party requesting same and the Receiver shall cause a copy to be posted on the Website, all as soon as practicable thereafter.

30. **THIS COURT ORDERS** that, unless otherwise provided herein or ordered by this Court, no document, order or other material need be served on any Person in respect of these proceedings unless such Person has served a Notice of Appearance on the solicitors for the Receiver and has filed such notice with this Court.

#### **BANKRUPTCY AND CCAA**

31. **THIS COURT ORDERS** that with leave of the Court first being obtained the Receiver shall be entitled to make an assignment in bankruptcy on behalf of the Debtor, to initiate any proceeding under the BIA, the *Companies' Creditors Arrangement Act*, R.S. 1985, c. C-36 (the "CCAA"), the *Canada Business Corporations Act*, the *Winding-Up and Restructuring Act* (Canada) or any other similar legislation in Canada or elsewhere in respect of the Debtor or the Property or in respect of any party related to or affiliated with any present or former employees, officers or directors of the Debtor.

32. **THIS COURT ORDERS** that the Receiver be and it is hereby authorized to issue an Application for Bankruptcy Order against the Debtor.



**GENERAL**

33. **THIS COURT ORDERS AND DIRECTS** the Toronto Police Services to assist the Receiver in carrying out its duties under this Order, including assisting the Receiver in obtaining access to any premises leased or owned by the Debtor.

34. **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.

35. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy or monitor under the CCAA in respect of the Debtor, with leave of the Court first being obtained.

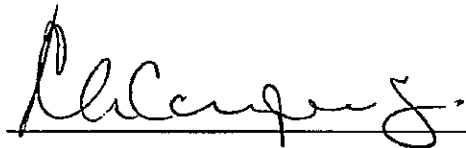
36. **THIS COURT ORDERS** that nothing contained in this Order shall prevent the Receiver from acting as a provisional administrator under the laws of the Province of Quebec, including, but not limited to, the *Securities Act* (Quebec).

37. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada (including, without limitation, the Superior Court of Quebec), the United States (including, without limitation, the State of Arizona) or elsewhere 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, including, without limitation, to assist the Receiver to take possession of or to control the Property, including Property held by third parties or parties affiliated or related to the Debtor.

38. **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.

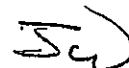
39. **THIS COURT ORDERS** that the Plaintiff shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis to be paid by the Receiver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

40. **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.



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

APR 24 2007

PER/PAR: 

**SCHEDULE "A"****RECEIVER'S CERTIFICATE**

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

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

1. **THIS IS TO CERTIFY** that RSM Richter Inc., the receiver (the "Receiver") of all of the assets, undertakings and properties of AMT International Mining Corporation, appointed by Order of the Ontario Superior Court of Justice (the "Court") dated the 24<sup>th</sup> day of April, 2007 (the "Order") made in an application having Court File Number 07-CL-●, 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 (as defined in the Order), in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order, 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 defined in the Order) 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            , 2007.

RSM Richter Inc., solely in its capacity as  
Receiver of the Property (as defined in the  
Order), and not in its personal capacity

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

Name:

Title:

**RSM RICHTER INC.**

Applicant

and

**AMT INTERNATIONAL MINING CORPORATION**

Respondent

Court File No.: 07-CL-6955

*ONTARIO*

**SUPERIOR COURT OF JUSTICE**  
(Commercial List)

Proceeding commenced in Toronto

**ORDER**

**ThorntonGroutFinnigan LLP**

Barristers and Solicitors

Suite 3200, Canadian Pacific Tower

100 Wellington Street West

P.O. Box 329

Toronto-Dominion Centre

Toronto, ON M5K 1K7

**Grant B. Moffat (LSUC #32380L 1D)**

Tel: (416) 304-0599

Fax: (416) 304-1313

Solicitors for RSM Richter Inc.

TAB

B

# EXHIBIT "B"

Court File No. 05-CL-5965

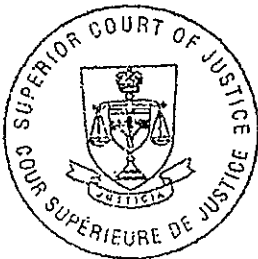
ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

THE HONOURABLE

WEDNESDAY, THE 29<sup>th</sup> DAY

MR. JUSTICE CAMPBELL

OF JUNE, 2005



ONTARIO SECURITIES COMMISSION

Applicant

- and -

GESTION DE PLACEMENTS NORSHIELD (CANADA) LTÉE /  
NORSHIELD ASSET MANAGEMENT (CANADA) LTD., NORSHIELD INVESTMENT  
PARTNERS HOLDINGS LTD./GESTION DES PARTENAIRES D'INVESTISSEMENT  
NORSHIELD LTÉE, OLYMPUS UNITED FUNDS HOLDINGS CORPORATION,  
OLYMPUS UNITED FUNDS CORPORATION/CORPORATION DE FONDS UNIS  
OLYMPUS, OLYMPUS UNITED BANK AND TRUST SCC, GROUPE OLYMPUS  
UNITED INC./OLYMPUS UNITED GROUP INC.

Respondents

## INITIAL ORDER

THIS APPLICATION, made by the Ontario Securities Commission (the "Commission") for an Order pursuant to section 129 of the *Securities Act*, R.S.O. 1990, c. S-5, as amended (the "Act") appointing RSM Richter Inc. as receiver (in such capacity, the "Receiver") without security, of all of the assets, undertakings and properties of Gestion de Placements Norshield (Canada) Ltée/Norshield Asset Management (Canada) Ltd., Norshield Investment Partners Holdings Ltd./Gestion des Partenaires d'Investissement Norshield Ltée, Olympus United Funds Holdings Corporation, Olympus United Funds Corporation/Corporation de Fonds Unis Olympus, Olympus United Bank and Trust SCC and Groupe Olympus United Inc./Olympus United Group Inc., (collectively, the "Debtors", which term for greater certainty includes any of them) was heard this day at 393 University Avenue, Toronto, Ontario.

ON READING the affidavit of Richard Radu sworn June 29, 2005 and the Exhibits thereto, the letter from the Autorité des Marchés Financiers ("AMF") supporting the relief sought by the Applicant herein, on hearing the submissions of counsel for the Commission, and on reading the consent of RSM Richter Inc. to act as the Receiver,

#### **SERVICE**

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

#### **APPOINTMENT**

2. THIS COURT ORDERS that pursuant to section 129 of the Act, RSM Richter Inc. is hereby appointed Receiver, without security, of all of the Debtors' current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (collectively, the "Debtors' Property") and any assets, undertakings, properties, claims and rights of recourse against any third parties, relating to the Debtors' business, including without limitation, that which is in the possession or under the control of the Debtors or any other Person (as defined herein) including cash, deposit instruments, securities or other property held in trust for any other person, including, without limitation, retail and institutional investors (collectively, the "Other Property"), such appointment to be for a period of 15 days from the date hereof, subject to further Order of the Court.

#### **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 Debtors' Property and the Other Property (collectively 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 and control of the Property including, without limitation, any Property held in segregated accounts, non-segregated



accounts, trust accounts, custodial accounts or segregated cells in the name of or on behalf of any of the Debtors and any and all proceeds, receipts and disbursements arising out of or from the Property;

- (b) to receive and collect all monies, dividends or other amounts payable in respect of the Property;
- (c) to receive, preserve, protect and maintain control of 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;
- (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 powers and duties conferred by this Order;
- (e) to engage such investment managers, fund managers, portfolio managers, hedge fund managers and other financial professionals from time to time and on whatever basis, including on a temporary basis, as may in the opinion of the Receiver be appropriate;
- (f) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to carry out the terms of the Receiver's appointment;
- (g) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
- (h) to settle, extend or compromise any indebtedness owing to the Debtors;

- (i) 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 Debtors, for any purpose pursuant to this Order;
- (j) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtors;
- (k) subject to the stay of proceedings referred to herein, to initiate, prosecute and continue the prosecution of any and all proceedings and to defend or intervene in all proceedings now pending or hereafter instituted with respect to the Debtors, 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;
- (l) to report to, meet with and discuss with any party deemed necessary or advisable by the Receiver, including without limitation any secured and unsecured creditors of the Debtors, investors in any of the Debtors, any other stakeholders of the Debtors, any entity in which any Property has been directly or indirectly invested and any of their advisors 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;
- (m) to perform any investigation or enquiry related to the Debtors or the Property required by the Receiver to carry out the terms of this Order including, without limitation, to compel any Person to be examined under oath in respect of the Debtors, the Property or any matters relating thereto;
- (n) without limiting the foregoing subparagraph (l), to report to, meet with and discuss with any domestic and foreign regulatory bodies including provincial securities commissions and any securities exchanges and their advisors 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;

- (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (p) 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 Debtors;
- (q) to enter into arrangements with any trustee in bankruptcy or monitor appointed pursuant to the *Companies' Creditors Arrangement Act* (Canada) (the "CCAA") in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors and the power to lend money to or indemnify any such trustee, such trustee borrowings or indemnity not to exceed \$100,000 unless otherwise increased by this Court;
- (r) to negotiate and enter into an extension of any real property lease where the Receiver considers it advisable to do so, on such terms as the Receiver considers appropriate;
- (s) to repudiate any real property lease where the Receiver considers it advisable to do so;
- (t) to repudiate leases in respect of equipment leased by the Debtors, and to return any such equipment to the lessors;
- (u) to arrange for the liquidation of such equipment and property of the Debtors as the Receiver considers advisable;
- (v) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have;

- (w) to enter into, terminate, suspend, extend, amend and/or postpone any and all financial contracts entered into or to be entered into by any of the Debtors with any other party; and
- (x) to take any steps reasonably incidental to the exercise of these powers,

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, including the Debtors, and without interference from any other Person.

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

4. THIS COURT ORDERS that (i) the Debtors, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on their 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 without charge to the Receiver, shall provide the Receiver with account numbers and/or names under which Property may be held by third parties, shall deliver all such Property to the Receiver upon the Receiver's request, and shall disclose to the Receiver, upon demand being made therefor by the Receiver, any and all information and documentation regarding any transactions between a Debtor and any Person as well as any transaction entered into between a Debtor and any party related to or affiliated with a present or former director, officer or employee of a Debtor.

5. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to take possession and control of any funds held in the name of the Debtors, in any former names of the Debtors or by a third party for the benefit of the Debtors, or any stakeholders of the Debtors, including, without limitation, all amounts standing to the credit or in the name of any of the funds listed at Schedule "A" hereto.

6. THIS COURT ORDERS that all Persons shall forthwith and without charge 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 Debtors or the Property, 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 access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 6 or in paragraph 7 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.

7. THIS COURT ORDERS that 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

8. THIS COURT ORDERS that Internet Service Providers and other Persons which provide e-mail, world wide web, file transfer protocol, Internet connection or other similar services to the Debtors and/or their present and former directors, officers, employees and agents shall deliver to the Receiver all documents, server files, archive files and any other information in any form in any way recording messages, e-mail correspondence or other information sent or received by such directors, officers, employees or agents in the course of their association with the Debtors.

**NO PROCEEDINGS AGAINST THE RECEIVER**

9. 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 DEBTORS OR THE PROPERTY**

10. THIS COURT ORDERS that no Proceeding against or in respect of the Debtors 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 Debtors or the Property are hereby stayed and suspended pending further Order of this Court, provided that nothing herein shall prevent the commencement or continuation of any proceedings against the Debtors by the Commission or by the AMF.

**NO EXERCISE OF RIGHTS OR REMEDIES**

11. THIS COURT ORDERS that all rights and remedies against the Debtors 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 nothing in this paragraph shall (i) empower the Receiver or the Debtors to carry on any business which the Debtors are not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment (provided, however, that the Receiver shall not be required to comply with any statutory or regulatory reporting requirements imposed upon the Debtor solely by virtue of its appointment as Receiver), or (iii) prevent the filing of any registration to preserve or perfect a security interest or a claim for lien. Without limiting the foregoing, the rights and remedies against the Debtors or affecting the Property which are hereby stayed and suspended shall include all rights and remedies relating to the shares, securities, debentures, notes, bonds or other instruments issued by or on behalf of the Debtors or in respect of the Property including, without limitation, futures contracts, options, derivatives, swaps and other financial contracts in respect of present or future rights or obligations.

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

12. 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, arrangement, agreement, licence or permit in favour of or held by the Debtors, without written consent of the Receiver or leave of this Court.

#### **CONTINUATION OF SERVICES**

13. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtors 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 Debtors 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 Debtors' 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 Debtors 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**

14. 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 or realization upon 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

15. THIS COURT ORDERS that the employment of each employee of and the engagement of any independent contractor or consultant to the Debtors is hereby terminated and that no present or past director, officer or employee of a Debtor may hereafter purport to act on behalf of a Debtor or enter into any agreements in respect of the Debtor or the Property. The Receiver shall not be liable for any employee-related liabilities, including wages, severance pay, termination pay, vacation pay, and pension or benefit amounts, other than such amounts as the Receiver may specifically agree in writing to pay, or such amounts as may be determined in a Proceeding before a court or tribunal of competent jurisdiction, provided that pursuant to subsection 14.06(1.2) of the BIA, the Receiver shall not be liable for any amount that is or could be due to an employee by the Debtors including, without limitation, any amount calculated by reference to any period of employment, service or seniority that precedes the date of this Order. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA.

16. 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 any party to the extent desirable or required to carry out the provisions of this Order. Each person to whom such personal information is disclosed shall maintain and protect the privacy of such information and shall limit the use of such information to a manner which is in all material respects identical to the prior use of such information by the Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

## LIMITATION ON ENVIRONMENTAL LIABILITIES

17. 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 the Receiver shall promptly advise the Ontario Ministry of the Environment of any obvious or known environmental condition existing on or in any of the Property in accordance with 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 in fact takes possession.

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

18. THIS COURT ORDERS that the Receiver (which term includes, for the purpose of this paragraph, RSM Richter Inc. in its capacity as the Monitor (as defined below) and the Receiver's partners, employees, agents, consultants, solicitors, and other persons engaged by the Receiver for the purpose of its administration of the receivership) 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. The term "Monitor" shall mean RSM Richter Inc. in its capacity as the monitor appointed by the OSC and the AMF of Gestion de Placements Norshield (Canada) Ltée/Norshield Asset Management (Canada) Ltd., Olympus United Funds Corporation/Corporation de Fonds Unis Olympus, and Olympus United Bank and Trust SCC.

#### **RECEIVER'S ACCOUNTS**

19. THIS COURT ORDERS that any expenditure or liability which shall properly be made or incurred by the Receiver, including the fees and disbursements of the Receiver, its agents and the fees and disbursements of its legal counsel, incurred at the normal rates and charges of the Receiver and its counsel, shall be allowed to it in passing its accounts and 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 (the "Receiver's Charge").

20. THIS COURT ORDERS that the Receiver shall be authorized and directed to retain the law firms of Thornton Grout Finnigan LLP and Goldstein, Flanz & Fishman LLP as legal counsel to the Receiver.

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

22. 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 normal 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**

23. 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 \$1,000,000 (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.

24. 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.

25. THIS COURT ORDERS that the Receiver may at any time apply for its discharge as Receiver without any further obligation in the event that the Property is not, in the opinion of the Receiver, likely to be sufficient to indemnify the Receiver for its remuneration, costs, expenses and liabilities.

26. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "B" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.

27. 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.

#### SERVICE

28. THIS COURT ORDERS that the Receiver is at liberty to serve notice of its appointment as Receiver by placing advertisements regarding such appointment substantially in the form attached hereto as Schedule "C" in at least two (2) Canadian daily newspapers with national distribution, and such advertisements shall constitute effective notice of the appointment of the Receiver and all Persons shall be deemed, absent evidence to the contrary, to have received notice of the appointment.

29. THIS COURT ORDERS that, except as otherwise specified herein, the Receiver is at liberty to serve any notice, form or other document in connection with these proceedings by forwarding copies by prepaid ordinary mail, courier, personal delivery or electronic transmission to Persons or other appropriate parties at their respective addresses or other contact particulars as last indicated in the records of the Debtors and that any such service shall be deemed to be received on the date of delivery if by personal delivery or electronic transmission, on the following business day if delivered by courier, or three business days after mailing if by ordinary mail.

30. THIS COURT ORDERS that the Receiver may serve any court materials in these proceedings (including, without limitation, application records, motion records, facta and orders) on all represented parties electronically, by e-mailing a PDF or other electronic copy of such materials (other than any book of authorities) to counsels' e-mail addresses as recorded on the service list, and posting a copy of the materials to an internet website to be hosted by the Receiver or its designee (the "Website") as soon as practicable thereafter, provided that the Receiver shall deliver hard copies of such materials to any party requesting same as soon as practicable thereafter.

31. THIS COURT ORDERS that any party in these proceedings (other than the Debtors) may serve any court materials (including, without limitation, application records, motion records, facta and orders) electronically, by emailing a PDF or other electronic copy of all materials (other than any book of authorities) to counsels' e-mail addresses as recorded on the service list; provided that such party shall deliver both PDF or other electronic copies and hard copies of full materials to counsel to the Receiver and to any other party requesting same and the Receiver shall cause a copy to be posted to the Website, all as soon as practicable thereafter.

32. THIS COURT ORDERS that, unless otherwise provided herein or ordered by this Court, no document, order or other material need be served on any Person in respect of these proceedings unless such Person has served a Notice of Appearance on the solicitors for the Receiver and has filed such notice with this Court.

#### **BANKRUPTCY AND CCAA**

33. THIS COURT ORDERS that with leave of the Court first being obtained the Receiver shall be entitled to make an assignment in bankruptcy on behalf of the Debtors to initiate any proceeding under the BIA, the CCAA, the *Canada Business Corporations Act*, the *Winding-Up and Restructuring Act* (Canada) or any other similar legislation in Canada or elsewhere in respect of one or more of the Debtors or the Property or in respect of any party related to or affiliated with any present or former employees, officers or directors of a Debtor.

34. THIS COURT ORDERS that the Receiver be and it is hereby authorized to issue an Application for a Bankruptcy Order against the Debtors on an individual or consolidated basis.

35. THIS COURT ORDERS that, in the event that the Receiver obtains a Bankruptcy Order against the Debtors on a consolidated basis, the Official Receiver be and it is hereby directed to open one estate file and to assign one estate file number to the consolidated estate.

#### **GENERAL**

36. THIS COURT ORDERS AND DIRECTS the Toronto Police Services to assist the Receiver in carrying out its duties under this Order, including assisting the Receiver in obtaining access to any premises leased or owned by the Debtors.

37. 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.

38. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy or monitor under the CCAA in respect of the Debtors, with leave of the Court first being obtained.

39. THIS COURT ORDERS that nothing contained in this Order shall prevent the Receiver from acting as a provisional administrator under the laws of the Province of Quebec, including, but not limited to, the *Securities Act* (Quebec).

40. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada (including, without limitation, the Superior Court of Quebec), the United States or elsewhere (including without limitation the Commonwealth of the Bahamas and Barbados) 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, including, without limitation, to assist the Receiver to take possession of or to control the Property, including Property held by third parties or parties affiliated or related to the Debtors or any one of them, as well as to enforce the stay of proceedings described herein in respect of the Debtors and the Property.

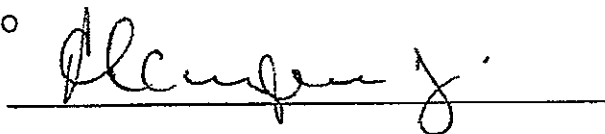
41. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

42. 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.

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

JUN 29 2005

PER/PAR



**SCHEDULE "A"**

**NORSHIELD GROUP FUNDS**

Olympus United Multi-Asset  
Olympus United Diversified  
Olympus United Global Trading  
Olympus United Global Trading (F)  
Olympus United Uninvest Fund II CAN\$  
Olympus United Uninvest Fund II US\$  
Olympus United Uninvest Fund DPP CAD\$  
Olympus United Uninvest Fund II (F)  
Olympus United Momentum Fund  
Olympus United Momentum (F) Fund  
Olympus United Uninvest Fund DPP US\$  
Olympus United Uninvest II (F) USD  
Olympus United Uninvest II High Net Worth  
Olympus United Tactical Trading  
Olympus United Tactical Trading (F)

**SCHEDULE "B"**  
**RECEIVER CERTIFICATE**

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

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

1. THIS IS TO CERTIFY that RSM Richter Inc., the receiver (the "Receiver") of all of the assets, undertakings and properties of [Norshield], appointed by Order of the Ontario Superior Court of Justice (the "Court") dated the \_\_\_\_ day of \_\_\_\_\_, 2005 (the "Order") made in an application having Court file number \_\_\_\_\_, 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 (as defined in the Order), in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order, 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 defined in the Order) 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 \_\_\_\_\_, 2005.

RSM Richter Inc., solely in its capacity  
as Receiver, and not in its personal capacity

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_



## SCHEDULE "C"

### NOTICE

in respect of

[Norshield et al.] (collectively, the "Debtors")

Please be advised that pursuant to the Order of the Honourable Justice • of the Ontario Superior Court of Justice (Commercial List) dated June 29, 2005 in Court File No. • (the "Order"), RSM Richter Inc. has been appointed as Receiver (the "Receiver") of all of the Debtors' assets, undertakings and properties. The appointment of the Receiver was made under Section 129 of the Ontario *Securities Act*.

A copy of the Order and other information regarding the Receiver's appointment are available online at [www.●](http://www.●). The Receiver has established a helpline available at (●).

ONTARIO SECURITIES COMMISSION  
Plaintiff

and

GESTION DE PLACEMENTS NORSHIELD (CANADA) LTÉE / NORSHIELD ASSET  
MANAGEMENT (CANADA) LTD., NORSHIELD INVESTMENT PARTNERS  
HOLDINGS LTD./GESTION DES PARTENAIRES D'INVESTISSEMENT  
NORSHIELD LTÉE, OLYMPUS UNITED FUNDS HOLDINGS CORPORATION,  
OLYMPUS UNITED FUNDS CORPORATION/CORPORATION DE FONDS UNIS  
OLYMPUS, OLYMPUS UNITED BANK AND TRUST SCC, GROUPE OLYMPUS  
UNITED INC./OLYMPUS UNITED GROUP INC.

Defendant  
Court File No.: *05-CC-5965*

*ONTARIO*  
**SUPERIOR COURT OF JUSTICE**  
Proceeding commenced in Toronto

**ORDER**

ThorntonGrouffinnigan LLP  
Barristers and Solicitors  
Suite 2200, P.O. Box 329  
Royal Trust Tower  
Toronto-Dominion Centre  
Toronto, Ontario  
M5K 1K7

Grant B. Moffat/Greg Azeff  
Law Society No.: 32380L 1D / 45324C  
Tel: (416) 304-1616  
Fax: (416) 304-1313

Solicitors for RSM Richter Inc., solely in its  
capacity as Receiver, and not in its personal capacity

TAB  
C

# EXHIBIT "C"

Court File No.: 05-CL-5965

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

THE HONOURABLE ) THURSDAY, THE 14<sup>TH</sup>  
MR. JUSTICE COLIN CAMPBELL ) DAY OF JULY, 2005.

BETWEEN:



ONTARIO SECURITIES COMMISSION

Applicant

- and -

GESTION DE PLACEMENTS NORSHIELD (CANADA) LTÉE /  
NORSHIELD ASSET MANAGEMENT (CANADA) LTD., NORSHIELD  
INVESTMENT PARTNERS HOLDINGS LTD./GESTION DES PARTENAIRES  
D'INVESTISSEMENT NORSHIELD LTÉE, OLYMPUS UNITED FUNDS  
HOLDINGS CORPORATION, OLYMPUS UNITED FUNDS  
CORPORATION/CORPORATION DE FONDS UNIS  
OLYMPUS, OLYMPUS UNITED BANK AND TRUST SCC, GROUP OLYMPUS  
UNITED INC./OLYMPUS UNITED GROUP INC.

Respondents

## ORDER

THIS MOTION made by the Applicant, the Ontario Securities Commission (the "Applicant") for the relief set out in its Notice of Motion herein dated Tuesday, July 12, 2005 was heard this day at 393 University Avenue, in the City of Toronto.

UPON READING the First Report (the "First Report") of RSM Richter Inc. (the "Receiver") in its capacity as the court appointed receiver of the Respondents and upon hearing the submissions of counsel for the Applicant, the Receiver and the Respondents,

1. **THIS COURT ORDERS** that the time for service of this motion be and it is hereby abridged to the date and time of actual service and that such service is valid service of the materials filed in support of this motion.

2. **THIS COURT ORDERS** that the appointment of the Receiver pursuant to the Order of this Honourable Court dated Wednesday, June 29, 2005 (the "Initial Order") in respect of each of the Respondents (collectively, the "Norshield Group") be and it is hereby continued in accordance with the terms of the Initial Order, as amended and supplemented hereby, until such time as the Receiver has completed its administration of the Estate and has applied to this Honourable Court for its discharge.

3. **THIS COURT ORDERS** that the Receiver be and it is hereby authorized to commence proceedings and/or participate in existing proceedings in The Commonwealth of the Bahamas, Barbados or any other Caribbean jurisdiction including, without limitation, bankruptcy, restructuring, liquidation, winding-up and civil proceedings with respect to any of the Respondents, Mosaic Composite Ltd. or Univest Multi-Strategy Fund II Ltd. .

4. **THIS COURT ORDERS** that the Receiver be and it is hereby authorized to take all necessary steps to have the Receiver or one of its personal representatives appointed by the court of The Commonwealth of the Bahamas; together with Clifford Culmer in his personal capacity (or any other individual substituted for Mr. Culmer by the Bahamian court), as joint liquidator (the "Joint Liquidator") of the assets, undertakings and properties of Olympus Univest Ltd. ("Univest").

5. **THIS COURT ORDERS** that the Receiver shall be authorized to advance to the Joint Liquidator, on such terms as may be satisfactory to the Receiver, the "Funding Amount" which shall be utilized by the Joint Liquidator to fund its fees and disbursements only in its capacity as Joint Liquidator. The Funding Amount shall be a percentage of the sum of \$500,000.00, calculated by determining the *pro rata* share of such amount attributable to the amount of funds invested in Univest by the Retail Investors as compared to the Institutional Investors (each as defined in the First Report). The Receiver shall only advance the Funding Amount to the Joint

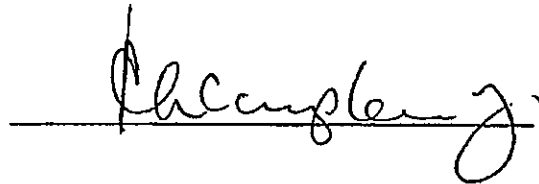
Liquidator if the Institutional Investors advance to the Joint Liquidator their *pro rata* share of the sum of \$500,000.00 as described above.

6. **THIS COURT ORDERS** that Mr. Jean Fontaine of the law firm Stikeman Elliott LLP be appointed as representative counsel to the Retail Investors (as defined in the First Report) on the Univest Committee (as defined in the First Report) during the pendency of the Univest liquidation (the "Representative Counsel").

7. **THIS COURT ORDERS** that the fees and disbursements of the Representative Counsel be secured by and paid from a charge on the Property (as defined in the Initial Order)

8. **THIS COURT ORDERS** that all of the Property (as defined in the Initial Order) including, without limitation, all moneys, bank accounts, investment funds and other assets or property of the Norshield Group, shall be subject to the Receiver's Charge and the Receiver's Borrowings Charge (together the "Charges") and the Receiver shall not be required to specifically allocate to or otherwise segregate any amounts secured by the Charges amongst any of the Property.

9. **THIS COURT ORDERS** that the conduct of the Receiver as described in the First Report of the Receiver be and it is hereby approved.



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

JUL 14 2005

PER/PAR: 

ONTARIO SECURITIES COMMISSION  
Applicant

and

GESTON DE PLACEMENTS NORSHIELD (CANADA)  
LTEE/NORSHIELD ASSET MANAGEMENT (CANADA)  
LTD. ET AL.

Respondents

Court File No.:05-CL-5965

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(Commercial List)  
Proceeding commenced in Toronto

ORDER

ONTARIO SECURITIES COMMISSION  
20 Queen Street West  
Suite 1900  
Toronto, Ontario  
M5H 3S8

Karen Manarin  
Litigation Counsel Enforcement Branch  
Law Society No.: 32354N  
Tel: (416) 593-8088  
Fax: (416) 593-2319  
Email: kmanarin@osc.gov.on.ca

TAB

D



# EXHIBIT "D"

Court File No. 05-CL-5965

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

THE HONOURABLE

)

FRIDAY THE 9<sup>TH</sup> DAY

)

MR. JUSTICE C.L. CAMPBELL

)

OF SEPTEMBER, 2005

ONTARIO SECURITIES COMMISSION

Applicant

- and -



GESTION DE PLACEMENTS NORSHIELD (CANADA) LTÉE /  
NORSHIELD ASSET MANAGEMENT (CANADA) LTD., NORSHIELD INVESTMENT  
PARTNERS HOLDINGS LTD./GESTION DES PARTENAIRES D'INVESTISSEMENT  
NORSHIELD LTÉE, OLYMPUS UNITED FUNDS HOLDINGS CORPORATION,  
OLYMPUS UNITED FUNDS CORPORATION/CORPORATION DE FONDS UNIS  
OLYMPUS, OLYMPUS UNITED BANK AND TRUST SCC, GROUPE OLYMPUS  
UNITED INC./OLYMPUS UNITED GROUP INC.

Respondents

## ORDER

THIS APPLICATION, made by RSM Richter Inc. in its capacity as receiver (the "Receiver"), without security, of all of the assets, undertakings and properties of Gestion de Placements Norshield (Canada) Ltée/Norshield Asset Management (Canada) Ltd., Norshield Investment Partners Holdings Ltd./Gestion des Partenaires d'Investissement Norshield Ltée, Olympus United Funds Holdings Corporation, Olympus United Funds Corporation/Corporation de Fonds Unis Olympus, Olympus United Bank and Trust SCC and Groupe Olympus United Inc./Olympus United Group Inc., (collectively, the "Debtors", which term for greater certainty includes any of them) was heard this day at 393 University Avenue, Toronto, Ontario.

ON READING the affidavit of Raymond Massi sworn September 9, 2005 and the Exhibits thereto, and on hearing the submissions of counsel for the Receiver,

#### SERVICE

1. THIS COURT ORDERS that this motion is properly made without notice.
2. THIS COURT ORDERS that this Order shall be served on the persons affected by this Order as soon as reasonably possible after the Receiver has taken control of the assets, undertakings and properties of the Additional Entities (as defined below)

#### APPOINTMENT

3. THIS COURT ORDERS that pursuant to section 101 of the *Courts of Justice Act* (Ontario), RSM Richter Inc. is hereby appointed Receiver, without security, of all property, assets and undertaking of the following entities:

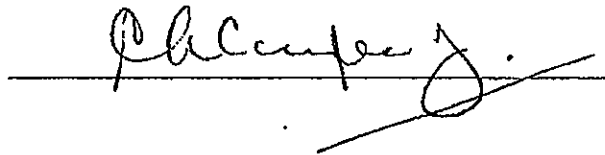
- (i) Norshield Investment Corporation; and
- (ii) Norshield Capital Management Corporation,

(together the "Additional Entities") all in accordance with the provisions of the Order of the Honourable Mr. Justice C.L. Campbell of the Ontario Superior Court of Justice (Commercial List) dated June 29, 2005 (the "Initial Order", a copy of which is attached hereto as Schedule "A"), and the definition of "Debtors" set out in the Initial Order shall be and it is hereby amended to also include the Additional Entities.

#### REQUEST FOR ASSISTANCE

4. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States or elsewhere to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All such 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.

5. THIS COURT ORDERS that any other interested person may apply to this Court to vary or rescind this Order or seek other relief on seven days' written notice to the Receiver and to any other person likely to be affected by the order sought, or on such other notice as this Court may order, provided that nothing in this section shall act to extend any applicable appeal period.



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

SEP 09 2005

PER/PAR



## SCHEDULE "A"

Court File No. 05-CL-5965

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

THE HONOURABLE

) WEDNESDAY, THE 29<sup>th</sup> DAY

)  
MR. JUSTICE CAMPBELL

) OF JUNE, 2005



ONTARIO SECURITIES COMMISSION

Applicant

- and -

GESTION DE PLACEMENTS NORSHIELD (CANADA) LTÉE /  
NORSHIELD ASSET MANAGEMENT (CANADA) LTD., NORSHIELD INVESTMENT  
PARTNERS HOLDINGS LTD./GESTION DES PARTENAIRES D'INVESTISSEMENT  
NORSHIELD LTÉE, OLYMPUS UNITED FUNDS HOLDINGS CORPORATION,  
OLYMPUS UNITED FUNDS CORPORATION/CORPORATION DE FONDS UNIS  
OLYMPUS, OLYMPUS UNITED BANK AND TRUST SCC, GROUPE OLYMPUS  
UNITED INC./OLYMPUS UNITED GROUP INC.

Respondents

**INITIAL ORDER**

THIS APPLICATION, made by the Ontario Securities Commission (the "Commission") for an Order pursuant to section 129 of the *Securities Act*, R.S.O. 1990, c. S-5, as amended (the "Act") appointing RSM Richter Inc. as receiver (in such capacity, the "Receiver") without security, of all of the assets, undertakings and properties of Gestion de Placements Norshield (Canada) Ltée/Norshield Asset Management (Canada) Ltd., Norshield Investment Partners Holdings Ltd./Gestion des Partenaires d'Investissement Norshield Ltée, Olympus United Funds Holdings Corporation, Olympus United Funds Corporation/Corporation de Fonds Unis Olympus, Olympus United Bank and Trust SCC and Groupe Olympus United Inc./Olympus United Group Inc., (collectively, the "Debtors", which term for greater certainty includes any of them) was heard this day at 393 University Avenue, Toronto, Ontario.

ON READING the affidavit of Richard Radu sworn June 29, 2005 and the Exhibits thereto, the letter from the Autorité des Marchés Financiers ("AMF") supporting the relief sought by the Applicant herein, on hearing the submissions of counsel for the Commission, and on reading the consent of RSM Richter Inc. to act as the Receiver,

#### **SERVICE**

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

#### **APPOINTMENT**

2. THIS COURT ORDERS that pursuant to section 129 of the Act, RSM Richter Inc. is hereby appointed Receiver, without security, of all of the Debtors' current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (collectively, the "Debtors' Property") and any assets, undertakings, properties, claims and rights of recourse against any third parties, relating to the Debtors' business, including without limitation, that which is in the possession or under the control of the Debtors or any other Person (as defined herein) including cash, deposit instruments, securities or other property held in trust for any other person, including, without limitation, retail and institutional investors (collectively, the "Other Property"), such appointment to be for a period of 15 days from the date hereof, subject to further Order of the Court.

#### **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 Debtors' Property and the Other Property (collectively 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 and control of the Property including, without limitation, any Property held in segregated accounts, non-segregated

accounts, trust accounts, custodial accounts or segregated cells in the name of or on behalf of any of the Debtors and any and all proceeds, receipts and disbursements arising out of or from the Property;

- (b) to receive and collect all monies, dividends or other amounts payable in respect of the Property;
- (c) to receive, preserve, protect and maintain control of 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;
- (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 powers and duties conferred by this Order;
- (e) to engage such investment managers, fund managers, portfolio managers, hedge fund managers and other financial professionals from time to time and on whatever basis, including on a temporary basis, as may in the opinion of the Receiver be appropriate;
- (f) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to carry out the terms of the Receiver's appointment;
- (g) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
- (h) to settle, extend or compromise any indebtedness owing to the Debtors;

- (i) 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 Debtors, for any purpose pursuant to this Order;
- (j) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtors;
- (k) subject to the stay of proceedings referred to herein, to initiate, prosecute and continue the prosecution of any and all proceedings and to defend or intervene in all proceedings now pending or hereafter instituted with respect to the Debtors, 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;
- (l) to report to, meet with and discuss with any party deemed necessary or advisable by the Receiver, including without limitation any secured and unsecured creditors of the Debtors, investors in any of the Debtors, any other stakeholders of the Debtors, any entity in which any Property has been directly or indirectly invested and any of their advisors 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;
- (m) to perform any investigation or enquiry related to the Debtors or the Property required by the Receiver to carry out the terms of this Order including, without limitation, to compel any Person to be examined under oath in respect of the Debtors, the Property or any matters relating thereto;
- (n) without limiting the foregoing subparagraph (l), to report to, meet with and discuss with any domestic and foreign regulatory bodies including provincial securities commissions and any securities exchanges and their advisors 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;

- (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (p) 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 Debtors;
- (q) to enter into arrangements with any trustee in bankruptcy or monitor appointed pursuant to the *Companies' Creditors Arrangement Act* (Canada) (the "CCAA") in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors and the power to lend money to or indemnify any such trustee, such trustee borrowings or indemnity not to exceed \$100,000 unless otherwise increased by this Court;
- (r) to negotiate and enter into an extension of any real property lease where the Receiver considers it advisable to do so, on such terms as the Receiver considers appropriate;
- (s) to repudiate any real property lease where the Receiver considers it advisable to do so;
- (t) to repudiate leases in respect of equipment leased by the Debtors, and to return any such equipment to the lessors;
- (u) to arrange for the liquidation of such equipment and property of the Debtors as the Receiver considers advisable;
- (v) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have;

- (w) to enter into, terminate, suspend, extend, amend and/or postpone any and all financial contracts entered into or to be entered into by any of the Debtors with any other party; and
- (x) to take any steps reasonably incidental to the exercise of these powers,

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, including the Debtors, and without interference from any other Person.

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

4. THIS COURT ORDERS that (i) the Debtors, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on their 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 without charge to the Receiver, shall provide the Receiver with account numbers and/or names under which Property may be held by third parties, shall deliver all such Property to the Receiver upon the Receiver's request, and shall disclose to the Receiver, upon demand being made therefor by the Receiver, any and all information and documentation regarding any transactions between a Debtor and any Person as well as any transaction entered into between a Debtor and any party related to or affiliated with a present or former director, officer or employee of a Debtor.

5. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to take possession and control of any funds held in the name of the Debtors, in any former names of the Debtors or by a third party for the benefit of the Debtors, or any stakeholders of the Debtors, including, without limitation, all amounts standing to the credit or in the name of any of the funds listed at Schedule "A" hereto.

6. THIS COURT ORDERS that all Persons shall forthwith and without charge 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 Debtors or the Property, 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 access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 6 or in paragraph 7 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.

7. THIS COURT ORDERS that 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

8. THIS COURT ORDERS that Internet Service Providers and other Persons which provide e-mail, world wide web, file transfer protocol, Internet connection or other similar services to the Debtors and/or their present and former directors, officers, employees and agents shall deliver to the Receiver all documents, server files, archive files and any other information in any form in any way recording messages, e-mail correspondence or other information sent or received by such directors, officers, employees or agents in the course of their association with the Debtors.

**NO PROCEEDINGS AGAINST THE RECEIVER**

9. 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 DEBTORS OR THE PROPERTY**

10. THIS COURT ORDERS that no Proceeding against or in respect of the Debtors 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 Debtors or the Property are hereby stayed and suspended pending further Order of this Court, provided that nothing herein shall prevent the commencement or continuation of any proceedings against the Debtors by the Commission or by the AMF.

**NO EXERCISE OF RIGHTS OR REMEDIES**

11. THIS COURT ORDERS that all rights and remedies against the Debtors 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 nothing in this paragraph shall (i) empower the Receiver or the Debtors to carry on any business which the Debtors are not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment (provided, however, that the Receiver shall not be required to comply with any statutory or regulatory reporting requirements imposed upon the Debtor solely by virtue of its appointment as Receiver), or (iii) prevent the filing of any registration to preserve or perfect a security interest or a claim for lien. Without limiting the foregoing, the rights and remedies against the Debtors or affecting the Property which are hereby stayed and suspended shall include all rights and remedies relating to the shares, securities, debentures, notes, bonds or other instruments issued by or on behalf of the Debtors or in respect of the Property including, without limitation, futures contracts, options, derivatives, swaps and other financial contracts in respect of present or future rights or obligations.

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

12. 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, arrangement, agreement, licence or permit in favour of or held by the Debtors, without written consent of the Receiver or leave of this Court.

#### **CONTINUATION OF SERVICES**

13. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtors 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 Debtors 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 Debtors' 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 Debtors 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**

14. 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 or realization upon 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

15. THIS COURT ORDERS that the employment of each employee of and the engagement of any independent contractor or consultant to the Debtors is hereby terminated and that no present or past director, officer or employee of a Debtor may hereafter purport to act on behalf of a Debtor or enter into any agreements in respect of the Debtor or the Property. The Receiver shall not be liable for any employee-related liabilities, including wages, severance pay, termination pay, vacation pay, and pension or benefit amounts, other than such amounts as the Receiver may specifically agree in writing to pay, or such amounts as may be determined in a Proceeding before a court or tribunal of competent jurisdiction, provided that pursuant to subsection 14.06(1.2) of the BIA, the Receiver shall not be liable for any amount that is or could be due to an employee by the Debtors including, without limitation, any amount calculated by reference to any period of employment, service or seniority that precedes the date of this Order. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA.

16. 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 any party to the extent desirable or required to carry out the provisions of this Order. Each person to whom such personal information is disclosed shall maintain and protect the privacy of such information and shall limit the use of such information to a manner which is in all material respects identical to the prior use of such information by the Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

#### LIMITATION ON ENVIRONMENTAL LIABILITIES

17. 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 the Receiver shall promptly advise the Ontario Ministry of the Environment of any obvious or known environmental condition existing on or in any of the Property in accordance with 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 in fact takes possession.

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

18. THIS COURT ORDERS that the Receiver (which term includes, for the purpose of this paragraph, RSM Richter Inc. in its capacity as the Monitor (as defined below) and the Receiver's partners, employees, agents, consultants, solicitors, and other persons engaged by the Receiver for the purpose of its administration of the receivership) 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. The term "Monitor" shall mean RSM Richter Inc. in its capacity as the monitor appointed by the OSC and the AMF of Gestion de Placements Norshield (Canada) Ltée/Norshield Asset Management (Canada) Ltd., Olympus United Funds Corporation/Corporation de Fonds Unis Olympus, and Olympus United Bank and Trust SCC.

#### **RECEIVER'S ACCOUNTS**

19. THIS COURT ORDERS that any expenditure or liability which shall properly be made or incurred by the Receiver, including the fees and disbursements of the Receiver, its agents and the fees and disbursements of its legal counsel, incurred at the normal rates and charges of the Receiver and its counsel, shall be allowed to it in passing its accounts and 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 (the "Receiver's Charge").

20. THIS COURT ORDERS that the Receiver shall be authorized and directed to retain the law firms of Thornton Grout Finnigan LLP and Goldstein, Flanz & Fishman LLP as legal counsel to the Receiver.

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

22. 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 normal 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**

23. 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 \$1,000,000 (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.

24. 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.

25. THIS COURT ORDERS that the Receiver may at any time apply for its discharge as Receiver without any further obligation in the event that the Property is not, in the opinion of the Receiver, likely to be sufficient to indemnify the Receiver for its remuneration, costs, expenses and liabilities.



26. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "B" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.

27. 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.

#### SERVICE

28. THIS COURT ORDERS that the Receiver is at liberty to serve notice of its appointment as Receiver by placing advertisements regarding such appointment substantially in the form attached hereto as Schedule "C" in at least two (2) Canadian daily newspapers with national distribution, and such advertisements shall constitute effective notice of the appointment of the Receiver and all Persons shall be deemed, absent evidence to the contrary, to have received notice of the appointment.

29. THIS COURT ORDERS that, except as otherwise specified herein, the Receiver is at liberty to serve any notice, form or other document in connection with these proceedings by forwarding copies by prepaid ordinary mail, courier, personal delivery or electronic transmission to Persons or other appropriate parties at their respective addresses or other contact particulars as last indicated in the records of the Debtors and that any such service shall be deemed to be received on the date of delivery if by personal delivery or electronic transmission, on the following business day if delivered by courier, or three business days after mailing if by ordinary mail.

30. THIS COURT ORDERS that the Receiver may serve any court materials in these proceedings (including, without limitation, application records, motion records, facts and orders) on all represented parties electronically, by e-mailing a PDF or other electronic copy of such materials (other than any book of authorities) to counsels' e-mail addresses as recorded on the service list, and posting a copy of the materials to an internet website to be hosted by the Receiver or its designee (the "Website") as soon as practicable thereafter, provided that the Receiver shall deliver hard copies of such materials to any party requesting same as soon as practicable thereafter.

31. THIS COURT ORDERS that any party in these proceedings (other than the Debtors) may serve any court materials (including, without limitation, application records, motion records, facta and orders) electronically, by emailing a PDF or other electronic copy of all materials (other than any book of authorities) to counsels' e-mail addresses as recorded on the service list; provided that such party shall deliver both PDF or other electronic copies and hard copies of full materials to counsel to the Receiver and to any other party requesting same and the Receiver shall cause a copy to be posted to the Website, all as soon as practicable thereafter.

32. THIS COURT ORDERS that, unless otherwise provided herein or ordered by this Court, no document, order or other material need be served on any Person in respect of these proceedings unless such Person has served a Notice of Appearance on the solicitors for the Receiver and has filed such notice with this Court.

#### **BANKRUPTCY AND CCAA**

33. THIS COURT ORDERS that with leave of the Court first being obtained the Receiver shall be entitled to make an assignment in bankruptcy on behalf of the Debtors to initiate any proceeding under the BIA, the CCAA, the *Canada Business Corporations Act*, the *Winding-Up and Restructuring Act* (Canada) or any other similar legislation in Canada or elsewhere in respect of one or more of the Debtors or the Property or in respect of any party related to or affiliated with any present or former employees, officers or directors of a Debtor.

34. THIS COURT ORDERS that the Receiver be and it is hereby authorized to issue an Application for a Bankruptcy Order against the Debtors on an individual or consolidated basis.

35. THIS COURT ORDERS that, in the event that the Receiver obtains a Bankruptcy Order against the Debtors on a consolidated basis, the Official Receiver be and it is hereby directed to open one estate file and to assign one estate file number to the consolidated estate.

#### **GENERAL**

36. THIS COURT ORDERS AND DIRECTS the Toronto Police Services to assist the Receiver in carrying out its duties under this Order, including assisting the Receiver in obtaining access to any premises leased or owned by the Debtors.

37. 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.

38. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy or monitor under the CCAA in respect of the Debtors, with leave of the Court first being obtained.

39. THIS COURT ORDERS that nothing contained in this Order shall prevent the Receiver from acting as a provisional administrator under the laws of the Province of Quebec, including, but not limited to, the *Securities Act* (Quebec).

40. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada (including, without limitation, the Superior Court of Quebec), the United States or elsewhere (including without limitation the Commonwealth of the Bahamas and Barbados) 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, including, without limitation, to assist the Receiver to take possession of or to control the Property, including Property held by third parties or parties affiliated or related to the Debtors or any one of them, as well as to enforce the stay of proceedings described herein in respect of the Debtors and the Property.

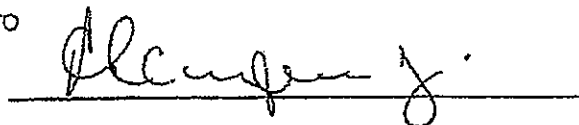
41. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

42. 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.

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

JUN 29 2005

PER/PAR



**SCHEDULE "A"**

**NORSHIELD GROUP FUNDS**

Olympus United Multi-Asset  
Olympus United Diversified  
Olympus United Global Trading  
Olympus United Global Trading (F)  
Olympus United Uninvest Fund II CAN\$  
Olympus United Uninvest Fund II US\$  
Olympus United Uninvest Fund DPP CAD\$  
Olympus United Uninvest Fund II (F)  
Olympus United Momentum Fund  
Olympus United Momentum (F) Fund  
Olympus United Uninvest Fund DPP US\$  
Olympus United Uninvest II (F) USD  
Olympus United Uninvest II High Net Worth  
Olympus United Tactical Trading  
Olympus United Tactical Trading (F)

**SCHEDULE "B"**

**RECEIVER CERTIFICATE**

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

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

1. THIS IS TO CERTIFY that RSM Richter Inc., the receiver (the "Receiver") of all of the assets, undertakings and properties of [Norshield], appointed by Order of the Ontario Superior Court of Justice (the "Court") dated the \_\_\_\_ day of \_\_\_\_\_, 2005 (the "Order") made in an application having Court file number \_\_\_\_\_, 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 (as defined in the Order), in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order, 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 defined in the Order) 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 \_\_\_\_\_, 2005.

RSM Richter Inc., solely in its capacity  
as Receiver, and not in its personal capacity

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

Name:

Title:

SCHEDULE "C"

NOTICE

in respect of

[Norshield et al.] (collectively, the "Debtors")

Please be advised that pursuant to the Order of the Honourable Justice • of the Ontario Superior Court of Justice (Commercial List) dated June 29, 2005 in Court File No. • (the "Order"), RSM Richter Inc. has been appointed as Receiver (the "Receiver") of all of the Debtors' assets, undertakings and properties. The appointment of the Receiver was made under Section 129 of the Ontario *Securities Act*.

A copy of the Order and other information regarding the Receiver's appointment are available online at [www.●](http://www.). The Receiver has established a helpline available at (●).

ONTARIO SECURITIES COMMISSION  
Plaintiff

and

GESTION DE PLACEMENTS NORSHIELD (CANADA) LTÉE / NORSHIELD ASSET  
MANAGEMENT (CANADA) LTD., NORSHIELD INVESTMENT PARTNERS  
HOLDINGS LTD./GESTION DES PARTENAIRES D'INVESTISSEMENT  
NORSHIELD LTÉE, OLYMPUS UNITED FUNDS HOLDINGS CORPORATION,  
OLYMPUS UNITED FUNDS CORPORATION/CORPORATION DE FONDS UNIS  
OLYMPUS, OLYMPUS UNITED BANK AND TRUST SCC, GROUPE OLYMPUS  
UNITED INC./OLYMPUS UNITED GROUP INC.

Defendant  
Court File No.: 05-CL-5965

ONTARIO  
SUPERIOR COURT OF JUSTICE  
Proceeding commenced in Toronto

ORDER

ThorntonGroutFinnigan LLP  
Barristers and Solicitors  
Suite 2200, P.O. Box 329  
Royal Trust Tower  
Toronto-Dominion Centre  
Toronto, Ontario  
M5K 1K7

Grant B. Moffat/Greg Azeff  
Law Society No.: 323801 1D / 45324C  
Tel: (416) 304-1616  
Fax: (416) 304-1313

Solicitors for RSM Richter Inc., solely in its  
capacity as Receiver, and not in its personal capacity



ONTARIO SECURITIES COMMISSION  
Applicant

and

GESTON DE PLACEMENTS NORSHIELD (CANADA)  
LTÉE/NORSHIELD ASSET MANAGEMENT (CANADA)  
LTD. ET AL.

Respondents

Court File No.:05-CL-5965

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(Commercial List)  
Proceeding commenced in Toronto

ORDER

ThorntonGroutFinnigan LLP  
Barristers and Solicitors  
Suite 3200, Canadian Pacific Tower  
100 Wellington Street West  
P.O. Box 329  
Toronto-Dominion Centre  
Toronto, ON M5K 1K7

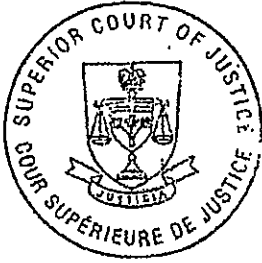
John L. Finnigan (LSUC# 240408)  
Gregory R. Azeff (LSUC# 45324C)

Tel: (416) 304-1616  
Fax: (416) 304-1313

Solicitors for RSM Richter Inc., in its capacity  
as Receiver of the Norshield Group.

# TAB E

# EXHIBIT "E"



Court File No. 05-CL-5965

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

THE HONOURABLE

)

FRIDAY, THE 14<sup>th</sup> DAY

)

MR. JUSTICE C.L. CAMPBELL

)

OF OCTOBER, 2005

**ONTARIO SECURITIES COMMISSION**

Applicant

- and -

**GESTION DE PLACEMENTS NORSHIELD (CANADA) LTÉE /  
NORSHIELD ASSET MANAGEMENT (CANADA) LTD., NORSHIELD INVESTMENT  
PARTNERS HOLDINGS LTD./GESTION DES PARTENAIRES D'INVESTISSEMENT  
NORSHIELD LTÉE, OLYMPUS UNITED FUNDS HOLDINGS CORPORATION,  
OLYMPUS UNITED FUNDS CORPORATION/CORPORATION DE FONDS UNIS  
OLYMPUS, OLYMPUS UNITED BANK AND TRUST SCC, GROUPE OLYMPUS  
UNITED INC./OLYMPUS UNITED GROUP INC.**

Respondents

**ORDER**

**THIS MOTION**, made by RSM Richter Inc. in its capacity as receiver (the "Receiver"), without security, of all of the assets, undertakings and properties of Gestion de Placements Norshield (Canada) Ltée/Norshield Asset Management (Canada) Ltd., Norshield Investment Partners Holdings Ltd./Gestion des Partenaires d'Investissement Norshield Ltée, Olympus United Funds Holdings Corporation, Olympus United Funds Corporation/Corporation de Fonds Unis Olympus, Olympus United Bank and Trust SCC and Groupe Olympus United Inc./Olympus United Group Inc., Norshield Investment Corporation and Norshield Capital Management Corporation (collectively, the "Debtors", which term for greater certainty includes any of them) was heard this day at 393 University Avenue, Toronto, Ontario.

ON READING the affidavit of Raymond Massi sworn October 12, 2005 and the Exhibits thereto, and on hearing the submissions of counsel for the Receiver,

**SERVICE**

1. THIS COURT ORDERS that this motion is properly made without notice.
2. THIS COURT ORDERS that this Order shall be served on the persons affected by this Order as soon as reasonably possible after this Order has been issued and entered.

**AMENDMENT**

3. THIS COURT ORDERS that the Order of this Court dated September 9, 2005 (the "September 9 Order"), a copy of which is attached as Schedule "A" hereto shall be and the same is hereby amended by deleting the name "Norshield Investment Corporation" from paragraph 3(i) of the September 9 Order and substituting therefore the name "Honeybee Software Technologies Inc./ Technologies de Logiciels Honeybee Inc."
4. THIS COURT ORDERS that any interested person may apply to this Court to vary or rescind to this Order or seek relief on seven (7) days' written notice to the Receiver and to any other person likely to be affected by the Order sought, or on such other notice as this Court may order, provided that nothing in this paragraph shall act to extend any applicable appeal.



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

OCT 17 2005

PER/PAR:



**SCHEDULE "A"**

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

THE HONOURABLE

)

FRIDAY THE 9<sup>TH</sup> DAY

)

MR. JUSTICE C.L. CAMPBELL

)

OF SEPTEMBER, 2005

**ONTARIO SECURITIES COMMISSION**

Applicant

- and -



**GESTION DE PLACEMENTS NORSHIELD (CANADA) LTÉE/  
NORSHIELD ASSET MANAGEMENT (CANADA) LTD., NORSHIELD INVESTMENT  
PARTNERS HOLDINGS LTD./GESTION DES PARTENAIRES D'INVESTISSEMENT  
NORSHIELD LTÉE, OLYMPUS UNITED FUNDS HOLDINGS CORPORATION,  
OLYMPUS UNITED FUNDS CORPORATION/CORPORATION DE FONDS UNIS  
OLYMPUS, OLYMPUS UNITED BANK AND TRUST SCC, GROUPE OLYMPUS  
UNITED INC./OLYMPUS UNITED GROUP INC.**

Respondents

**ORDER**

THIS APPLICATION, made by RSM Richter Inc. in its capacity as receiver (the "Receiver"), without security, of all of the assets, undertakings and properties of Gestion de Placements Norshield (Canada) Ltée/Norshield Asset Management (Canada) Ltd., Norshield Investment Partners Holdings Ltd./Gestion des Partenaires d'Investissement Norshield Ltée, Olympus United Funds Holdings Corporation, Olympus United Funds Corporation/Corporation de Fonds Unis Olympus, Olympus United Bank and Trust SCC and Groupe Olympus United Inc./Olympus United Group Inc., (collectively, the "Debtors", which term for greater certainty includes any of them) was heard this day at 393 University Avenue, Toronto, Ontario.

ON READING the affidavit of Raymond Massi sworn September 9, 2005 and the Exhibits thereto, and on hearing the submissions of counsel for the Receiver,

**SERVICE**

1. THIS COURT ORDERS that this motion is properly made without notice.
2. THIS COURT ORDERS that this Order shall be served on the persons affected by this Order as soon as reasonably possible after the Receiver has taken control of the assets, undertakings and properties of the Additional Entities (as defined below)

**APPOINTMENT**

3. THIS COURT ORDERS that pursuant to section 101 of the *Courts of Justice Act* (Ontario), RSM Richter Inc. is hereby appointed Receiver, without security, of all property, assets and undertaking of the following entities:

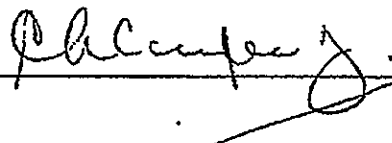
- (i) Norshield Investment Corporation; and
- (ii) Norshield Capital Management Corporation,

(together the "Additional Entities") all in accordance with the provisions of the Order of the Honourable Mr. Justice C.L. Campbell of the Ontario Superior Court of Justice (Commercial List) dated June 29, 2005 (the "Initial Order", a copy of which is attached hereto as Schedule "A"), and the definition of "Debtors" set out in the Initial Order shall be and it is hereby amended to also include the Additional Entities.

**REQUEST FOR ASSISTANCE**

4. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States or elsewhere to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All such 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.

5. THIS COURT ORDERS that any other interested person may apply to this Court to vary or rescind this Order or seek other relief on seven days' written notice to the Receiver and to any other person likely to be affected by the order sought, or on such other notice as this Court may order, provided that nothing in this section shall act to extend any applicable appeal period.



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**SCHEDULE "A"**

Court File No. 05-CL-5965

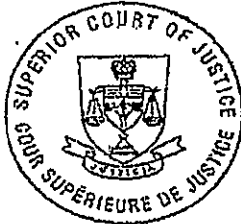
ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

THE HONOURABLE

WEDNESDAY, THE 29<sup>th</sup> DAY

MR. JUSTICE CAMPBELL

OF JUNE, 2005



ONTARIO SECURITIES COMMISSION

Applicant

- and -

GESTION DE PLACEMENTS NORSHIELD (CANADA) LTÉE /  
NORSHIELD ASSET MANAGEMENT (CANADA) LTD., NORSHIELD INVESTMENT  
PARTNERS HOLDINGS LTD./GESTION DES PARTENAIRES D'INVESTISSEMENT  
NORSHIELD LTÉE, OLYMPUS UNITED FUNDS HOLDINGS CORPORATION,  
OLYMPUS UNITED FUNDS CORPORATION/CORPORATION DE FONDS UNIS  
OLYMPUS, OLYMPUS UNITED BANK AND TRUST SCC, GROUPE OLYMPUS  
UNITED INC./OLYMPUS UNITED GROUP INC.

Respondents

INITIAL ORDER

THIS APPLICATION, made by the Ontario Securities Commission (the "Commission") for an Order pursuant to section 129 of the *Securities Act*, R.S.O. 1990, c. S-5, as amended (the "Act") appointing RSM Richter Inc. as receiver (in such capacity, the "Receiver") without security, of all of the assets, undertakings and properties of Gestion de Placements Norshield (Canada) Ltée/Norshield Asset Management (Canada) Ltd., Norshield Investment Partners Holdings Ltd./Gestion des Partenaires d'Investissement Norshield Ltée, Olympus United Funds Holdings Corporation, Olympus United Funds Corporation/Corporation de Fonds Unis Olympus, Olympus United Bank and Trust SCC and Groupe Olympus United Inc./Olympus United Group Inc., (collectively, the "Debtors", which term for greater certainty includes any of them) was heard this day at 393 University Avenue, Toronto, Ontario.

ON READING the affidavit of Richard Radu sworn June 29, 2005 and the Exhibits thereto, the letter from the Autorité des Marchés Financiers ("AMF") supporting the relief sought by the Applicant herein, on hearing the submissions of counsel for the Commission, and on reading the consent of RSM Richter Inc. to act as the Receiver,

#### SERVICE

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

#### APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 129 of the Act, RSM Richter Inc. is hereby appointed Receiver, without security, of all of the Debtors' current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (collectively, the "Debtors' Property") and any assets, undertakings, properties, claims and rights of recourse against any third parties, relating to the Debtors' business, including without limitation, that which is in the possession or under the control of the Debtors or any other Person (as defined herein) including cash, deposit instruments, securities or other property held in trust for any other person, including, without limitation, retail and institutional investors (collectively, the "Other Property"), such appointment to be for a period of 15 days from the date hereof, subject to further Order of the Court.

#### 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 Debtors' Property and the Other Property (collectively 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 and control of the Property including, without limitation, any Property held in segregated accounts, non-segregated

accounts, trust accounts, custodial accounts or segregated cells in the name of or on behalf of any of the Debtors and any and all proceeds, receipts and disbursements arising out of or from the Property;

- (b) to receive and collect all monies, dividends or other amounts payable in respect of the Property;
- (c) to receive, preserve, protect and maintain control of 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;
- (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 powers and duties conferred by this Order;
- (e) to engage such investment managers, fund managers, portfolio managers, hedge fund managers and other financial professionals from time to time and on whatever basis, including on a temporary basis, as may in the opinion of the Receiver be appropriate;
- (f) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to carry out the terms of the Receiver's appointment;
- (g) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
- (h) to settle, extend or compromise any indebtedness owing to the Debtors;

- (i) 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 Debtors, for any purpose pursuant to this Order;
- (j) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtors;
- (k) subject to the stay of proceedings referred to herein, to initiate, prosecute and continue the prosecution of any and all proceedings and to defend or intervene in all proceedings now pending or hereafter instituted with respect to the Debtors, 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;
- (l) to report to, meet with and discuss with any party deemed necessary or advisable by the Receiver, including without limitation any secured and unsecured creditors of the Debtors, investors in any of the Debtors, any other stakeholders of the Debtors, any entity in which any Property has been directly or indirectly invested and any of their advisors 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;
- (m) to perform any investigation or enquiry related to the Debtors or the Property required by the Receiver to carry out the terms of this Order including, without limitation, to compel any Person to be examined under oath in respect of the Debtors, the Property or any matters relating thereto;
- (n) without limiting the foregoing subparagraph (l), to report to, meet with and discuss with any domestic and foreign regulatory bodies including provincial securities commissions and any securities exchanges and their advisors 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;

- (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (p) 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 Debtors;
- (q) to enter into arrangements with any trustee in bankruptcy or monitor appointed pursuant to the *'Companies' Creditors Arrangement Act* (Canada) (the "CCAA") in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors and the power to lend money to or indemnify any such trustee, such trustee borrowings or indemnity not to exceed \$100,000 unless otherwise increased by this Court;
- (r) to negotiate and enter into an extension of any real property lease where the Receiver considers it advisable to do so, on such terms as the Receiver considers appropriate;
- (s) to repudiate any real property lease where the Receiver considers it advisable to do so;
- (t) to repudiate leases in respect of equipment leased by the Debtors, and to return any such equipment to the lessors;
- (u) to arrange for the liquidation of such equipment and property of the Debtors as the Receiver considers advisable;
- (v) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have;

- (w) to enter into, terminate, suspend, extend, amend and/or postpone any and all financial contracts entered into or to be entered into by any of the Debtors with any other party; and
- (x) to take any steps reasonably incidental to the exercise of these powers,

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, including the Debtors, and without interference from any other Person.

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

4. THIS COURT ORDERS that (i) the Debtors, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on their 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 without charge to the Receiver, shall provide the Receiver with account numbers and/or names under which Property may be held by third parties, shall deliver all such Property to the Receiver upon the Receiver's request, and shall disclose to the Receiver, upon demand being made therefor by the Receiver, any and all information and documentation regarding any transactions between a Debtor and any Person as well as any transaction entered into between a Debtor and any party related to or affiliated with a present or former director, officer or employee of a Debtor.

5. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to take possession and control of any funds held in the name of the Debtors, in any former names of the Debtors or by a third party for the benefit of the Debtors, or any stakeholders of the Debtors, including, without limitation, all amounts standing to the credit or in the name of any of the funds listed at Schedule "A" hereto.

6. THIS COURT ORDERS that all Persons shall forthwith and without charge 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 Debtors or the Property, 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 access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 6 or in paragraph 7 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.

7. THIS COURT ORDERS that 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

8. THIS COURT ORDERS that Internet Service Providers and other Persons which provide e-mail, world wide web, file transfer protocol, Internet connection or other similar services to the Debtors and/or their present and former directors, officers, employees and agents shall deliver to the Receiver all documents, server files, archive files and any other information in any form in any way recording messages, e-mail correspondence or other information sent or received by such directors, officers, employees or agents in the course of their association with the Debtors.



**NO PROCEEDINGS AGAINST THE RECEIVER**

9. 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 DEBTORS OR THE PROPERTY**

10. THIS COURT ORDERS that no Proceeding against or in respect of the Debtors 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 Debtors or the Property are hereby stayed and suspended pending further Order of this Court, provided that nothing herein shall prevent the commencement or continuation of any proceedings against the Debtors by the Commission or by the AMF.

**NO EXERCISE OF RIGHTS OR REMEDIES**

11. THIS COURT ORDERS that all rights and remedies against the Debtors 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 nothing in this paragraph shall (i) empower the Receiver or the Debtors to carry on any business which the Debtors are not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment (provided, however, that the Receiver shall not be required to comply with any statutory or regulatory reporting requirements imposed upon the Debtor solely by virtue of its appointment as Receiver), or (iii) prevent the filing of any registration to preserve or perfect a security interest or a claim for lien. Without limiting the foregoing, the rights and remedies against the Debtors or affecting the Property which are hereby stayed and suspended shall include all rights and remedies relating to the shares, securities, debentures, notes, bonds or other instruments issued by or on behalf of the Debtors or in respect of the Property including, without limitation, futures contracts, options, derivatives, swaps and other financial contracts in respect of present or future rights or obligations.

**NO INTERFERENCE WITH THE RECEIVER**

12. 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, arrangement, agreement, licence or permit in favour of or held by the Debtors, without written consent of the Receiver or leave of this Court.

**CONTINUATION OF SERVICES**

13. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtors 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 Debtors 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 Debtors' 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 Debtors 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**

14. 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 or realization upon 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

15. THIS COURT ORDERS that the employment of each employee of and the engagement of any independent contractor or consultant to the Debtors is hereby terminated and that no present or past director, officer or employee of a Debtor may hereafter purport to act on behalf of a Debtor or enter into any agreements in respect of the Debtor or the Property. The Receiver shall not be liable for any employee-related liabilities, including wages, severance pay, termination pay, vacation pay, and pension or benefit amounts, other than such amounts as the Receiver may specifically agree in writing to pay, or such amounts as may be determined in a Proceeding before a court or tribunal of competent jurisdiction, provided that pursuant to subsection 14.06(1.2) of the BIA, the Receiver shall not be liable for any amount that is or could be due to an employee by the Debtors including, without limitation, any amount calculated by reference to any period of employment, service or seniority that precedes the date of this Order. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA.

16. 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 any party to the extent desirable or required to carry out the provisions of this Order. Each person to whom such personal information is disclosed shall maintain and protect the privacy of such information and shall limit the use of such information to a manner which is in all material respects identical to the prior use of such information by the Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

#### LIMITATION ON ENVIRONMENTAL LIABILITIES

17. 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 the Receiver shall promptly advise the Ontario Ministry of the Environment of any obvious or known environmental condition existing on or in any of the Property in accordance with 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 in fact takes possession.

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

18. THIS COURT ORDERS that the Receiver (which term includes, for the purpose of this paragraph, RSM Richter Inc. in its capacity as the Monitor (as defined below) and the Receiver's partners, employees, agents, consultants, solicitors, and other persons engaged by the Receiver for the purpose of its administration of the receivership) 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. The term "Monitor" shall mean RSM Richter Inc. in its capacity as the monitor appointed by the OSC and the AMF of Gestion de Placements Norshield (Canada) Ltée/Norshield Asset Management (Canada) Ltd., Olympus United Funds Corporation/Corporation de Fonds Unis Olympus, and Olympus United Bank and Trust SCC.

#### **RECEIVER'S ACCOUNTS**

19. THIS COURT ORDERS that any expenditure or liability which shall properly be made or incurred by the Receiver, including the fees and disbursements of the Receiver, its agents and the fees and disbursements of its legal counsel, incurred at the normal rates and charges of the Receiver and its counsel, shall be allowed to it in passing its accounts and 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 (the "Receiver's Charge").

20. THIS COURT ORDERS that the Receiver shall be authorized and directed to retain the law firms of Thornton Grout Finnigan LLP and Goldstein, Flanz & Fishman LLP as legal counsel to the Receiver.

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

22. 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 normal 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**

23. 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 \$1,000,000 (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.

24. 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.

25. THIS COURT ORDERS that the Receiver may at any time apply for its discharge as Receiver without any further obligation in the event that the Property is not, in the opinion of the Receiver, likely to be sufficient to indemnify the Receiver for its remuneration, costs, expenses and liabilities.

26. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "B" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.

27. 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.

#### SERVICE

28. THIS COURT ORDERS that the Receiver is at liberty to serve notice of its appointment as Receiver by placing advertisements regarding such appointment substantially in the form attached hereto as Schedule "C" in at least two (2) Canadian daily newspapers with national distribution, and such advertisements shall constitute effective notice of the appointment of the Receiver and all Persons shall be deemed, absent evidence to the contrary, to have received notice of the appointment.

29. THIS COURT ORDERS that, except as otherwise specified herein, the Receiver is at liberty to serve any notice, form or other document in connection with these proceedings by forwarding copies by prepaid ordinary mail, courier, personal delivery or electronic transmission to Persons or other appropriate parties at their respective addresses or other contact particulars as last indicated in the records of the Debtors and that any such service shall be deemed to be received on the date of delivery if by personal delivery or electronic transmission, on the following business day if delivered by courier, or three business days after mailing if by ordinary mail.

30. THIS COURT ORDERS that the Receiver may serve any court materials in these proceedings (including, without limitation, application records, motion records, facts and orders) on all represented parties electronically, by e-mailing a PDF or other electronic copy of such materials (other than any book of authorities) to counsels' e-mail addresses as recorded on the service list, and posting a copy of the materials to an internet website to be hosted by the Receiver or its designee (the "Website") as soon as practicable thereafter, provided that the Receiver shall deliver hard copies of such materials to any party requesting same as soon as practicable thereafter.

31. THIS COURT ORDERS that any party in these proceedings (other than the Debtors) may serve any court materials (including, without limitation, application records, motion records, facts and orders) electronically, by emailing a PDF or other electronic copy of all materials (other than any book of authorities) to counsels' e-mail addresses as recorded on the service list; provided that such party shall deliver both PDF or other electronic copies and hard copies of full materials to counsel to the Receiver and to any other party requesting same and the Receiver shall cause a copy to be posted to the Website, all as soon as practicable thereafter.

32. THIS COURT ORDERS that, unless otherwise provided herein or ordered by this Court, no document, order or other material need be served on any Person in respect of these proceedings unless such Person has served a Notice of Appearance on the solicitors for the Receiver and has filed such notice with this Court.

#### **BANKRUPTCY AND CCAA**

33. THIS COURT ORDERS that with leave of the Court first being obtained the Receiver shall be entitled to make an assignment in bankruptcy on behalf of the Debtors to initiate any proceeding under the BIA, the CCAA, the *Canada Business Corporations Act*, the *Winding-Up and Restructuring Act* (Canada) or any other similar legislation in Canada or elsewhere in respect of one or more of the Debtors or the Property or in respect of any party related to or affiliated with any present or former employees, officers or directors of a Debtor.

34. THIS COURT ORDERS that the Receiver be and it is hereby authorized to issue an Application for a Bankruptcy Order against the Debtors on an individual or consolidated basis.

35. THIS COURT ORDERS that, in the event that the Receiver obtains a Bankruptcy Order against the Debtors on a consolidated basis, the Official Receiver be and it is hereby directed to open one estate file and to assign one estate file number to the consolidated estate.

#### **GENERAL**

36. THIS COURT ORDERS AND DIRECTS the Toronto Police Services to assist the Receiver in carrying out its duties under this Order, including assisting the Receiver in obtaining access to any premises leased or owned by the Debtors.

37. 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.

38. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy or monitor under the CCAA in respect of the Debtors, with leave of the Court first being obtained.

39. THIS COURT ORDERS that nothing contained in this Order shall prevent the Receiver from acting as a provisional administrator under the laws of the Province of Quebec, including, but not limited to, the *Securities Act* (Quebec).

40. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada (including, without limitation, the Superior Court of Quebec), the United States or elsewhere (including without limitation the Commonwealth of the Bahamas and Barbados) 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, including, without limitation, to assist the Receiver to take possession of or to control the Property, including Property held by third parties or parties affiliated or related to the Debtors or any one of them, as well as to enforce the stay of proceedings described herein in respect of the Debtors and the Property.

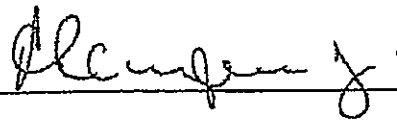
41. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

42. 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.

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

JUN 29 2005

PER/PAR





SCHEDULE "A"

NORSHIELD GROUP FUNDS

Olympus United Multi-Asset  
Olympus United Diversified  
Olympus United Global Trading  
Olympus United Global Trading (F)  
Olympus United Uninvest Fund II CAN\$  
Olympus United Uninvest Fund II US\$  
Olympus United Uninvest Fund DPP CAD\$  
Olympus United Uninvest Fund II (F)  
Olympus United Momentum Fund  
Olympus United Momentum (F) Fund  
Olympus United Uninvest Fund DPP US\$  
Olympus United Uninvest II (F) USD  
Olympus United Uninvest II High Net Worth  
Olympus United Tactical Trading  
Olympus United Tactical Trading (F)

**SCHEDULE "B"**

**RECEIVER CERTIFICATE**

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

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

1. THIS IS TO CERTIFY that RSM Richter Inc., the receiver (the "Receiver") of all of the assets, undertakings and properties of [Norschild], appointed by Order of the Ontario Superior Court of Justice (the "Court") dated the \_\_\_\_ day of \_\_\_\_\_, 2005 (the "Order") made in an application having Court file number \_\_\_\_\_, 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 (as defined in the Order), in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order, 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 defined in the Order) 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 \_\_\_\_\_, 2005.

RSM Richter Inc., solely in its capacity  
as Receiver, and not in its personal capacity

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

Name:

Title:

SCHEDULE "C"

NOTICE

in respect of

[Norshield et al.] (collectively, the "Debtors")

Please be advised that pursuant to the Order of the Honourable Justice ♦ of the Ontario Superior Court of Justice (Commercial List) dated June 29, 2005 in Court File No. ♦ (the "Order"), RSM Richter Inc. has been appointed as Receiver (the "Receiver") of all of the Debtors' assets, undertakings and properties. The appointment of the Receiver was made under Section 129 of the Ontario *Securities Act*.

A copy of the Order and other information regarding the Receiver's appointment are available online at [www.♦](http://www.♦). The Receiver has established a helpline available at (♦).

GESTION DE PLACEMENTS NORSHIELD (CANADA) LTÉE / NORSHIELD ASSET  
MANAGEMENT (CANADA) LTD., NORSHIELD INVESTMENT PARTNERS  
HOLDINGS LTD./GESTION DES PARTENAIRES D'INVESTISSEMENT  
NORSHIELD LTÉE, OLYMPUS UNITED FUNDS HOLDINGS CORPORATION,  
OLYMPUS UNITED FUNDS CORPORATION/CORPORATION DE FONDS UNIS  
OLYMPUS, OLYMPUS UNITED BANK AND TRUST SCC, GROUPE OLYMPUS  
UNITED INC./OLYMPUS UNITED GROUP INC.

ONTARIO SECURITIES COMMISSION  
Plaintiff  
and

Defendant  
Court File No.: *05-CL-5965*

ONTARIO  
SUPERIOR COURT OF JUSTICE  
Proceeding commenced in Toronto

ORDER

ThorntonGoudreau LLP  
Barristers and Solicitors  
Suite 2200, P.O. Box 329  
Royal Trust Tower  
Toronto-Dominion Centre  
Toronto, Ontario  
M5K 1K7

Grant B. Moffat/Greg Azeff  
Law Society No.: 32380L ID / 45324C  
Tel: (416) 304-1616  
Fax: (416) 304-1313

Solicitors for RSM Richter Inc., solely in its  
capacity as Receiver, and not in its personal capacity

ONTARIO SECURITIES COMMISSION  
Applicant

and

GESTON DE PLACEMENTS NORSHIELD (CANADA)  
LTÉE/NORSHIELD ASSET MANAGEMENT (CANADA)  
LTD. ET AL.

Respondents

Court File No.: 05-CL-5965

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(Commercial List)  
Proceeding commenced in Toronto

ORDER

ThorntonGroutFinnigan LLP  
Barristers and Solicitors  
Suite 3200, Canadian Pacific Tower  
100 Wellington Street West  
P.O. Box 329  
Toronto-Dominion Centre  
Toronto, ON M5K 1K7

John L. Finnigan (LSUC# 240408)  
Gregory R. Azeff (LSUC# 45324C)

Tel: (416) 304-1616  
Fax: (416) 304-1313

Solicitors for RSM Richter Inc., in its capacity  
as Receiver of the Norshield Group.

ONTARIO SECURITIES COMMISSION  
Applicant

and

GESTON DE PLACEMENTS NORSHIELD (CANADA)  
LTÉE/NORSHIELD ASSET MANAGEMENT (CANADA)  
LTD. ET AL.

Respondents

Court File No.:05-CL-5965

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(Commercial List)  
Proceeding commenced in Toronto

ORDER

ThorntonGroutFinnigan LLP  
Barristers and Solicitors  
Suite 3200, Canadian Pacific Tower  
100 Wellington Street West  
P.O. Box 329  
Toronto-Dominion Centre  
Toronto, ON M5K 1K7

John L. Finnigan (LSUC# 240408)  
Gregory R. Azeff (LSUC# 45324C)

Tel: (416) 304-1616  
Fax: (416) 304-1313

Solicitors for RSM Richter Inc., in its capacity  
as Receiver of the Norshield Group.

TAB

F



# EXHIBIT "F"

## AMT INTERNATIONAL MINING CORPORATION (the "Company")

### INFORMATION CIRCULAR

P-5

#### Solicitation of proxies

The management of the Company solicits proxies to be used at the Extraordinary Meeting of shareholders of the Company to be held at the time and place and for the purposes set forth in the attached Notice of Meeting and at any adjournment thereof. The cost of this solicitation will be borne by the Company. Accordingly, the management of the Company has drafted this information circular (the "Information Circular") that it is sending to all the security holders entitled to receive a Notice of Meeting.

If you cannot attend the Meeting in person, complete and return the enclosed form of proxy to the Registrar and Transfer Agent of the Company, Equity Transfer Services, Suite 420, 120 Adelaide Street West, Toronto, Ontario, M5H 4C1, not less than forty-eight (48) hours (excluding Saturdays, Sundays and Holidays) before the time fixed for the Meeting.

#### Right of revocation of proxies

The persons named in the enclosed form of proxy are directors and officers of the Company. A shareholder has the right to appoint as his or her proxy a person, who need not be a shareholder, other than those whose names are printed on the accompanying form of proxy. A shareholder who wishes to appoint some other person to represent him or her at the Meeting may do so either by inserting such other person's name in the blank space provided in the form of proxy and signing the form of proxy or by completing and signing another proper form of proxy.

A shareholder may revoke a proxy at any time by an instrument in writing executed by him or, if the shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized in writing, and filed at the office of the Registrar and Transfer Agent of the Company, Equity Transfer Services, Suite 420, 120 Adelaide Street West, Toronto, Ontario, M5H, not less than forty-eight (48) hours (excluding Saturdays, Sundays and Holidays) before the time fixed for the Meeting, or two business days preceding the date the Meeting resumes if it is adjourned, or remitted to the chairman of such Meeting on the day of the Meeting or any adjournment thereof.

#### Exercise of discretion by proxies

The management undertakes to respect the holder's instructions.

Management does not know and cannot foresee at the present time any amendments or new points to be brought before the Meeting. If such amendments or new points were to be brought before the Meeting, the persons named in the enclosed form of proxy will vote on such matters in the way they consider advisable.

#### Authorized capital stock, voting securities and principal holders thereof

The authorized capital stock of the Company consists of an unlimited number of common shares and preference shares without par value.

As at March 31, 2004, there were 40,643,775 common shares and 6,666,666 preferred shares of the Company issued and outstanding. Each shareholder has one vote per common share. Only holders of common shares registered on the record date, i.e. April 28, 2004 have the right to receive a Notice of Meeting and to vote in person or by proxy at the Meeting or any adjournment thereof. Pursuant to the *Canada Business Corporation Act*, the Corporation is required to prepare, no later than ten (10) days after the record date, an alphabetical list of shareholders entitled to vote as of the record date that shows the number of shares held by each shareholder. Shareholder whose name appears on the list referred to above is entitled to vote the shares shown opposite his

or her name at the Meeting. The list of shareholders is available for inspection during business hours at 630 Rene-Levesque West, Suite 3050, Montreal, Quebec, H3B 5C7, and at the Meeting.

As at the date hereof, to the knowledge of management of the Company, the only person who beneficially owns, directly or indirectly, or exercises control or direction over voting securities of the Company carrying more than 10% of the voting rights of the total issued and outstanding shares of the Company is Norshield Investment Corporation. (See "CURRENT SITUATION OF THE COMPANY AND OFFERS RECEIVED BY THE BOARD OF DIRECTORS - Norshield Investment Corporation").

#### Non-registered shareholders

Only registered shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, shares beneficially owned by a person are not registered in his or her name but are held in the name of an intermediary, which is usually a security broker, a trust company or other financial institutions, or in the name of a clearing agency (such as the Canadian Depository for Securities Ltd.) of which the intermediary is a participant. In accordance with National Instrument 54-101 of the Canadian Securities Administrators - *Communication with Beneficial Owners of Securities of a Reporting Issuer*, the Company has distributed copies of the Notice of Meeting and the Information Circular (collectively the "Meeting Materials") to the intermediaries which are required to forward the Meeting Materials to non-registered holders unless the non-registered holders have waived the right to receive them. Intermediaries very often call on service companies to forward the Meeting Materials to non-registered holders. Each intermediary has its signing and returning instructions, which a non-registered shareholder should follow carefully to ensure that his or her shares are voted.

Should a non-registered holder who receives a voting instruction form wish to vote at the Meeting in person (or have another person attend and vote on behalf of the non-registered holder), the non-registered holder should print his or her own name, or that of such other person, on the voting instruction form and return it to the intermediary or its service company. Should a non-registered holder who receives a proxy form wish to vote at the Meeting in person (or have another person attend and vote on behalf of the non-registered holder), the non-registered holder should strike out the names of the persons set out in the proxy form and insert the name of the non-registered holder or such other person in the blank space provided and submit it to Equity Transfer Services at the address set out above.

A non-registered holder may revoke voting instructions which have been given to an intermediary at any time by written notice to the intermediary.

#### Interest of certain persons in matters to be acted upon

To the knowledge of the officers of the Company, unless otherwise disclosed in this Information Circular, as at the date hereof, no person has an interest in any matter to be acted upon, whether such interest is by way of beneficial ownership of securities or otherwise.

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CURRENT SITUATION OF THE COMPANY AND OFFERS  
RECEIVED BY THE BOARD OF DIRECTORS

Overview

The Company is a reporting issuer in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New-Brunswick, Nova Scotia, Prince of Edward Island, Newfoundland and Labrador.

The Company is a mining exploration corporation that has been under care and maintenance mode since the end of 2001.

In November 2001, the Company signed an exclusive agency agreement with Palos Capital Corporation whose mandate was to act as the agent of the Company, develop a new plan for the development of the Copper Creek Project and negotiate with two parties that had expressed serious interest in the Company. The agency agreement was extended passed its initial term to September 2002, but the mandate was not successfully completed.

In May 2002, the various securities commissions having jurisdiction over the securities of the Company issued cease trade orders for default of filing within the prescribed delays several audited and unaudited financial statements.

On February 11, 2003, the Toronto Stock Exchange has delisted the Company due to the lack of market capital and assets to qualify for listing.

Norshield Investment Corporation

Norshield Investment Corporation ("Norshield") is the principal shareholder of the Company, holding an aggregate of 7,427,682 common shares, i.e. 18.3 % of all the issued and outstanding common shares of the Company and 6,666,666 preferred shares, which are convertible into common shares at a rate of \$0.30 per share and bearing a dividend payable in common shares. As a result of the cease trade orders placed upon the Company, it has been legally impossible to issue common shares to Norshield as payment of accrued dividend. Common shares relating to accrued and unpaid dividends will be issued once (i) the number of common shares to be issued is determined and (ii) all applicable approvals from the regulatory authorities are received.

Norshield has been supporting the Company financially since the end of 2001 and has advanced to the Company an aggregate of \$1,834,769 as of April 30, 2004 in the form of debentures, notes and cash advances. Such expenditures have enabled the Company to maintain significant mining rights and permits held by its wholly-owned subsidiary AMT (USA) Inc. ("AMT (USA)") and Norshield has been successful to date in protecting the Company's primary assets from other creditors. Certain properties have reverted back to the vendors as a result of AMT (USA)'s inability to meet its obligations. In the event adequate financing of the Company is secured, it would appear that there is potential to reacquire any of these properties considered essential to the completion of the development of the eventual mining operations.

The following table is a summary of the debt owned by the Company to Norshield as of April 30, 2004:

| <u>Debt Instrument</u> | <u>Amount</u> | <u>Conversion Rate</u> | <u>Common shares after Conversion</u> |
|------------------------|---------------|------------------------|---------------------------------------|
| Debenture 12%          | \$500,000     | \$0.30 per share       | 1,666,667                             |
| Cumulative interest    | \$284,418     | \$0.30 per share       | 948,061                               |

*Information Circular*  
**AMT INTERNATIONAL MINING CORPORATION**

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|                               |                  |                  |           |
|-------------------------------|------------------|------------------|-----------|
| Debt 15%                      | \$453,565        | \$0.11 per share | 4,123,318 |
| Cumulative interest & penalty | \$351,086        | \$0.11 per share | 3,191,689 |
| Cash Advances                 | \$245,700        | \$0.11 per share | 2,233,636 |
|                               | <u>1,839,769</u> |                  |           |

Upon conversion of its debt and preferred shares into common shares, but excluding any accrued dividend on preferred shares, Norshield's shareholding would represent over 55% of the issued and outstanding common shares of the Company on a fully diluted basis.

In addition, following resignation of the Company's last independent directors in late 2001, senior executive officers of Norshield accepted to be appointed as directors and officers of the Company and still form the current Board of directors, since it was impossible to find independent individuals willing to serve on the Board of directors of a company being under cease trade orders.

With increasing metal prices, in particular copper, various parties showed interest in the assets of the Company. The Board of directors, together with Norshield, has recently received written offers (the "Offers") from three (3) different parties addressing major issues with respect to a potential reorganization of the Company's business.

Most of these offers involve a material change in the control of the voting shares of the Company held by Norshield, together with a change of management, which are both situations that may require shareholders approval.

In addition, under general principles of corporate and securities law, directors who are in a position of conflict of interest must disclose such interest and abstain from voting.

Consequently, and in the best interest of the minority shareholders of the Company, the Board of directors has collectively decided, on March 22, 2004, to call an extraordinary meeting of the shareholders in order to present the principal terms and conditions of the different Offers that were received.

The Offer that will receive the largest number of favorable votes cast at the Meeting, other than the votes attached to the shares held by Norshield and related parties will be the one that will be retained for acceptance by the Board of directors.

#### Description of the terms and conditions of the Offers

All information contained in this Information Circular with respect to the Offerors was supplied by each of them to the Company.

#### *Offer by Copper International Corporation*

Copper International Corporation ("CIC") is a Canadian private corporation holding mining interests in Asia. Its management team is composed of high experience individuals in both copper related projects and finance.

The Offer of CIC may be summarized as follows:

CIC wishes to be granted a 90 day option to purchase 100% of Norshield's rights, titles and interest in the Company for a total cash consideration of \$1.7 million and a 20% share interest in CIC as follows:

- (a) \$50,000 payable upon the execution of a letter of agreement for the option to purchase Norshield's interests;
- (b) \$700,000 payable upon exercise of the option;
- (c) \$950,000 payable on the six month anniversary following the date of exercise of the option; and

- (d) 20% of the issued and outstanding capital of CIC payable on the date of exercise of the option.

The conditions of closing are that CIC must complete its due diligence, the Company must be restored as a reporting issuer in good standing prior to closing and all regulatory approval must have been obtained at Norshield's expense.

*Offer by Palos Capital Corporation*

Palos Capital Corporation ("Palos") is a Canadian corporation that provides financial solutions and advice to emerging and growth corporations. Each of the main partners of Palos brings extensive financial expertise and resources to the targeted companies. The partners take a proactive leadership role as an advisor and partner to the handpicked company, whose financial needs it facilitates. Palos creates opportunity for publicly traded corporations by raising capital and managing its corporate finance and administration. The main partners of Palos have been successful in raising equity financing, restructuring and administering dozens of public companies. Some insiders of Palos are also shareholders of the Company.

The Offer submitted by Palos on behalf of a corporation to be formed ("Newco") was expressed as follows:

Newco would:

- Raise the capital required in order to cover the costs associated with the reorganization of the Company;
- Have the Company reinstated as a reporting issuer in good standing;
- Assist in the re-introduction of the Company to the investment community;
- Hire a management team on behalf of the Company and create a new board of directors;
- Assist in the identification of and negotiation with investment bankers for the purpose of funding the Company's operations in the US and more specifically, its copper project situated in Arizona.

Newco's remuneration package for carrying out the above is expected to be provided by Norshield, but although some discussions took place, no final remuneration was agreed upon.

*Offers by Redhawk Resources Inc.*

Redhawk Resources Inc. ("Redhawk") is a publicly traded Canadian mining corporation that has focused its exploration activities in western North America and Latin America. Redhawk's management brings experience in all aspects of the mining business, including exploration, development, financing and operations. They took two northern underground mining operations from exploration, development and on through to production and an extended period of profitable operation. Redhawk is currently exploring a gold project in Nevada.

After completing a full due diligence, comprising of a desk audit, an on-site project investigation, and a review of the Company's Copper Creek project's core library and other corporate and project due diligence, Redhawk is convinced that the potential for locating economic copper mineralization at Copper Creek is considerable. Redhawk's intention is to put an immediate focus on exploring and developing what is perceived to be the project's previously overlooked or unrecognized short term potential, while at the same time running what amounts to an integrated parallel exploration program directed towards trying to prove what is believed to be the significant medium and longer term potential presented by the Copper Creek project to become a long term operation.

Redhawk presented 2 different Offers, which may be summarized as follows:

Offer 1 Redhawk proposes to purchase 100% of Norshield's rights, titles, and interest in the Company once it is restored as a reporting issuer in good standing in consideration for the sum of \$1,450,000 to be paid as follows:

- a. \$300,000 to be paid upon signature of a letter of intent;
- b. \$300,000 to be paid on or before 30 days once the appropriate regulatory approvals for the transaction have been received;
- c. \$400,000 to be paid on or before 180 days from the reception of regulatory approvals; and
- d. \$450,000 to be paid on or before 365 days from the reception of regulatory approvals.

All creditors of AMT (USA) must be paid by Norshield prior to closing. Redhawk will become the manager and operator of AMT (USA).

OR

Offer 2 Redhawk purchases 75% of AMT (USA) from the Company for \$1,450,000. The Company retains 25% of AMT (USA).

Basic Terms and Conditions:

- a. \$300,000 to be paid upon signature of a letter of intent;
- b. \$300,000 to be paid on or before 30 days once the appropriate regulatory approvals for the transaction have been received;
- c. \$400,000 to be paid on or before 180 days from the reception of regulatory approvals; and
- d. \$450,000 to be paid on or before 365 days from the reception of regulatory approvals.

Redhawk will be the Manager and Operator of AMT (USA) and the Copper Creek project during the term of this agreement.

Failure by Redhawk to make any of these payments above causes this agreement to be null and void and all monies paid by Redhawk to the Company under the terms of this agreement are forfeited to the Company.

Following the final purchase payment in d above, Redhawk will have earned a 75% interest in AMT (USA). At this point both parties are responsible for funding their share of all ongoing AMT (USA) and project costs going forward or be subject to a standard dilution clause. If either party falls below a 7.5% working interest their interest is automatically converted to a 5% Net Profits Interest.

All creditors of AMT (USA) must be paid by the Company prior to closing. This option does not necessitate the lift of the cease trade order.

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**OTHER BUSINESS**

Management knows of no other business to be transacted at the Meeting other than the issues mentioned in the Notice of Meeting.

**Approval of Information Circular**

The contents and the sending of the Information Circular have been approved by the directors.

Toronto, April 30, 2004

By order of the Board of Directors



Dale G. Smith  
Director

TAB

G



# EXHIBIT "G"

CANADA  
PROVINCE OF QUEBEC  
DISTRICT OF

NO: 500-17-028733-056

SUPERIOR COURT

THIS 2006 FEV. 20

PRESENT: ME ODETTE CORDEAU  
Greffière spéciale

RSM RICHTER INC. a legal person, in its  
capacity as Receiver of the assets,  
undertakings and properties of Gestion de  
Placements Norshield (Canada) Ltée /  
Norshield Asset Management (Canada) Ltd.  
et als

PLAINTIFF

-vs-

AMT INTERNATIONAL MINING  
CORPORATION

-and-

AMT (USA) INC.

DEFENDANTS

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JUDGMENT

---

[1] THE COURT is seized with a Motion to institute proceedings dated December 19, 2005;

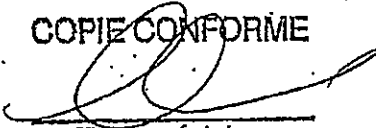
J.C. 0716

- [2] **SEEING** the default of Defendants to appear within the legal delays;
- [3] **SEEING** the Action, the Exhibits and the Affidavit of Eric Rodier dated January 4, 2006;
- [4] **THE COURT RENDERS THE FOLLOWING JUDGMENT:**
- [5] **GRANT** Plaintiff's action;
- [6] **CONDEMN** Defendant AMT International Mining Corporation to pay to Plaintiff the sum of \$1,834,769, with interest thereon at the legal rate of interest, plus the special indemnity provided under Article 1619 C.C.Q. from April 30, 2004;
- [7] **CONDEMN** Defendant AMT (USA), Inc. to pay to Plaintiff the sum of \$1,000,000, with interest thereon at the legal rate of interest, plus the special indemnity provided under Article 1619 C.C.Q. from April 30, 2004.
- [8] **THE WHOLE** with costs against Defendants.

(S) Me Odette Cordeau

---

COPIE CONFORME

  
greffière spéciale

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H

# EXHIBIT "H"

CANADA  
PROVINCE DE QUÉBEC  
DISTRICT DE MONTRÉAL

COUR SUPÉRIEURE  
(Chambre civile)

NO : 500-17-028733-056

Le 22 février, 2007

SOUS LA PRÉSIDENTENCE DE :

ME ODETTE CORDEAU  
greffière spéciale

RSM RICHTER INC.

demanderesse

c.

AMT INTERNATIONAL MINING CORPORATION  
et  
AMT (USA) INC.

défenderesses

et

POTHIER VALIQUETTE

tierce saisie

## JUGEMENT

- [1] LE TRIBUNAL, saisi de l'inscription de la demanderesse pour jugement sur la déclaration affirmative de la tierce saisie, rend jugement;
- [2] VU les jugement condamnant la défenderesse AMT International Mining Corporation à payer à la demanderesse la somme de 1,834,769.00\$ avec intérêts au taux de 5% l'an ainsi que l'indemnité additionnelle prévue par la loi à compter du 30 avril 2004 et condamnant la défenderesse AMT (USA) inc. à payer à la demanderesse la somme de 1,000,000.00\$ avec intérêts au taux de 5% l'an ainsi que l'indemnité additionnelle prévue par la loi, le tout avec dépens;

[3] VU la déclaration affirmative de la tierce saisie et le défaut de comparaître des défenderesses;

[4] PAR CES MOTIFS:

[5] DÉCLARE bonne et valable la saisie-arrêt pratiquée en l'instance et ORDONNE à la tierce saisie de payer à la demanderesse les sommes qu'elle a déclaré devoir aux défenderesses en paiement de la créance de la demanderesse en capital, intérêts, indemnité additionnelle et frais et ce, dans les 10 jours de la signification du présent jugement.

JC 0716

(s) Odette Cordeau  
greffière spéciale

COPIE CONFORME

  
greffier adjoint

TAB

I

# EXHIBIT "I"

WHEN RECORDED MAIL TO:

National Document  
2601 N. 3rd Street, Suite 202  
Phoenix, AZ 85004  
Attn: Kristi Hastings Ref:



OFFICIAL RECORDS OF  
PINAL COUNTY RECORDER  
LAURA DEAN-LYTLE

DATE/TIME: 01/24/07 1600  
FEE: \$16.00  
PAGES: 8  
FEE NUMBER: 2007-010409

## RELEASE AND SATISFACTION OF MORTGAGE

WHEREAS, AMT (USA) INC., an Arizona corporation ("Mortgagor"), mortgaged to NORSHIELD INVESTMENT CORPORATION ("Mortgagee") that certain real property described in Exhibit A attached hereto and incorporated herein by this reference (the "Property"), pursuant to that certain Realty Mortgage, dated February 20, 2001 and recorded February 20, 2001 as Fee No. 2001-006809, in the Official Records of the Pinal County Recorder, Pinal County, Arizona, USA (the "Mortgage"), attached hereto as Exhibit B;

WHEREAS, on June 29, 2005, the Ontario Superior Court of Justice (Commercial List), Canada, (the "Court") issued an initial order (the "Initial Order") appointing RSM RICHTER INC. as receiver (the "Receiver") of all the assets, undertakings and properties of NORSHIELD ASSET MANAGEMENT (CANADA) LTD. and other related companies (the "Norshield Group");

WHEREAS, on July 14, 2005, the Court continued the appointment of the Receiver pursuant to the Initial Order in respect of the Norshield Group until such time as the Receiver completed its administration of the estate of the Norshield Group and applied for its discharge (the "Permanent Order");

WHEREAS, on September 9, 2005, the Court appointed Receiver as receiver of all assets, undertakings and properties of Mortgagee and other corporations pursuant to the terms of the Initial Order (the "Additional Order");

WHEREAS, Mortgagee has changed its name and is now known as HONEYBEE SOFTWARE TECHNOLOGIES INC./LES TECHNOLOGIES DE LOGICIELS HONEYBEE INC.;

WHEREAS, on October 15, 2005, the Court issued an order amending the Additional Order to reflect the name change, deleting NORSHIELD INVESTMENT CORPORATION from paragraph 3(i) and replacing it with HONEYBEE SOFTWARE TECHNOLOGIES INC./LES TECHNOLOGIES DE LOGICIELS HONEYBEE INC. (the "Amended Order", and together with the Initial Order, the Permanent Order and the Additional Order, the "Court Orders");

WHEREAS, pursuant to the Court Orders, Receiver is entitled to take possession and control of all current and future assets, undertakings and properties of every nature and kind whatsoever and wherever situated, including all proceeds of Mortgagee, now known as HONEYBEE SOFTWARE TECHNOLOGIES INC./LES TECHNOLOGIES DE LOGICIELS HONEYBEE INC.;

WHEREAS, Receiver is specifically entitled: (a) to receive and collect all monies and accounts now owed or hereafter owing to the debtors and to exercise all remedies of the debtors in collecting such monies, including without limitation, to enforce any security held by the debtors; (b) to settle, extend or compromise any indebtedness owing to the debtors; and (c) to execute, assign, issue and endorse documents of whatever nature, whether in Receiver's name or in the name and on behalf of the debtors, for purposes pursuant to the Court Orders;

WHEREAS, the indebtedness secured by the Mortgage was fully satisfied by Mortgagor on or about August 31, 2005; and

WHEREAS, Mortgagee desires to release the Property pursuant to this Release and Satisfaction of Mortgage,

NOW, THEREFORE, the undersigned, in its capacity as Receiver of the assets and undertakings of Mortgagee, now known as HONEYBEE SOFTWARE TECHNOLOGIES INC./LES TECHNOLOGIES DE LOGICIELS HONEYBEE INC., does hereby release, without covenant or warranty, express or implied, unto the parties legally entitled thereto, all right, title and interest in the Property under the Mortgage.

*[Signature Page to Follow]*



DATED this 19<sup>th</sup> day of JANUARY, 2007.

RSM RICHTER INC., in its capacity as Receiver of the  
assets and undertakings of NORSHIELD INVESTMENT  
CORPORATION, now known as HONEYBEE  
SOFTWARE TECHNOLOGIES INC./LES  
TECHNOLOGIES DE LOGICIELS HONEYBEE INC.

Per: [Signature]  
Duly authorized Eric A. Rodier

SWORN to before me at the City of Montreal,  
in the Province of Quebec this 19<sup>th</sup> day of  
January, 2007

Anne-Marie Beaulieu  
Commissioner for Oaths for the  
District of Montreal



## EXHIBIT A

### The Property

The OLD RELIABLE, FORTUNA, WEDGE, GULCH and GOOD LUCK patented lode mining claims of U.S. Mineral Survey No. 4059 situated in the Bunker Hill (Copper Creek) Mining District in Section 10, Township 8 South, Range 18 East, Gila and Salt River Meridian, the United States Patent of which is of record in the office of the Recorder of Pinal County, Arizona in Book 5 of Mining Deeds, page 432 and the descriptions contained in which Patent are by this reference incorporated herein; together with all rents, issues and profits thereof.

**EXHIBIT B**

**Mortgage**

[Attached]

(3)

when recorded mail to:

Norshield Financial Group  
Attn: Dale Smith  
1 Place Villa Marie, Suite 2315  
Montreal, Quebec H3B 3M5  
CANADA



OFFICIAL RECORDS OF  
PINEL COUNTY RECORDER  
LAURA DEAN-LYTTLE

DATE: 02/20/01 TIME: 1201  
FEE : 15.00  
PAGES: 3  
FEE NO: 2001-000000

(The above space reserved for recording information)

REALTY MORTGAGE

DO NOT DISCARD THIS SHEET. THIS COVER PAGE IS RECORDED AS PART OF YOUR DOCUMENT. THE CERTIFICATE OF RECORDATION WITH THE FEE NUMBER IN THE UPPER RIGHT CORNER IS THE PERMANENT REFERENCE NUMBER OF THIS DOCUMENT IN THE PINEL COUNTY RECORDER'S OFFICE.

## REALTY MORTGAGE

KNOW ALL BY THESE PRESENTS THAT AMT (USA) INC., an Arizona corporation whose address is 7400 North Oracle Road, Suite 343, Tucson, AZ 85704-6342 (hereinafter referred to as "MORTGAGOR"), is a wholly-owned subsidiary of AMT INTERNATIONAL MINING CORPORATION, a corporation organized and existing under the laws of the Province of Ontario, Canada (hereinafter referred to as "AMT INTERNATIONAL") and that in consideration of ONE MILLION DOLLARS (Cdn.\$1,000,000.00) in hand paid by NORSFIELD INVESTMENT CORPORATION, a corporation organized and existing under the laws of \_\_\_\_\_ (hereinafter referred to as "MORTGAGEE") to AMT INTERNATIONAL, the receipt whereof is hereby acknowledged, MORTGAGOR does hereby grant, bargain, sell and convey to MORTGAGEE, and the successors, heirs and assigns of MORTGAGEE, the following-described property located in the County of Pinal, State of Arizona:

The OLD RELIABLE, FORTUNA, WEDDIE, GULCH and GOOD LUCK patented lode mining claims of U.S. Mineral Survey No. 4059 situated in the Bunker Hill (Copper Creek) Mining District in Section 10, Township 8 South, Range 18 East, Gila and Salt River Meridian, the United States Patent of which is of record in the office of the Recorder of Pinal County, Arizona in Book 5 of Mining Deeds, page 432 and the descriptions contained in which Patent are by this reference incorporated herein; together with all rents, issues and profits thereof.

TO HAVE AND TO HOLD the above-described premises, with all the privileges and appurtenances thereunto, including an undivided one half of all rents, issues and profits thereof, unto MORTGAGEE, and the successors, heirs, executors and assigns of MORTGAGEE. MORTGAGOR covenants that MORTGAGOR is well and truly seized of a good and marketable title to the premises above-conveyed in fee simple, has good rights and lawful authority to convey the same, that the title so conveyed has not heretofore been conveyed by MORTGAGOR and that MORTGAGOR will defend MORTGAGEE's interest hereunder granted against all claims whatsoever.

PROVIDED THAT, and these presents are upon this express condition, if AMT INTERNATIONAL shall pay to MORTGAGEE the consideration according to the terms and conditions of that certain Convertible Promissory Note dated March 10, 2000 and that certain Convertible Promissory Note of even date herewith (the "Promissory Notes") executed by AMT INTERNATIONAL in favour of MORTGAGEE and if MORTGAGOR or AMT INTERNATIONAL shall pay to the property officers all taxes and assessments, general or special, which shall be levied or assessed upon said real estate on or before the date when such taxes or assessments shall have become delinquent until payment in full of the consideration described in the Promissory Notes, then these presents shall be null and void and MORTGAGEE shall execute and deliver to MORTGAGOR a Release of this Realty Mortgage in a form suitable for recordation in the office of the Recorder of Pinal County, Arizona.

MORTGAGOR further covenants and agrees that in case of failure on the part of MORTGAGOR to pay any of said taxes, assessments and dues for irrigation water or power bills, MORTGAGEE may pay the same, and the amount so paid, together with interest thereon at the rate provided for in the Promissory Note of even date secured by this Mortgage, shall be a part of the debt secured by this Mortgage and a lien on said premises, immediately due and payable at the option of MORTGAGEE.

MORTGAGOR also covenants and agrees with MORTGAGEE that MORTGAGOR will, during the existence of this Mortgage, take the same care thereof that a prudent owner would take; and, in any action to foreclose this Mortgage, a receiver shall, upon application of the plaintiff in such action and without notice to the defendants, be appointed by the court to take charge of such property, to manage, carry on, protect, preserve and repair the same and receive and collect all the rents, issues and profits thereon, and apply the same to the payment of sums spent to protect, preserve and repair said property, to the payment of taxes and other charges, including his own compensation, and to the payment of said Promissory Notes with interest, any or all which may be due or become due during the pendency of the action, until sale be finally made and deed made and delivered thereunder; and in case of such foreclosure, MORTGAGOR will pay to MORTGAGEE in addition to the taxable cost of the foreclosure suit, a reasonable amount additional as attorneys' fees, together with a reasonable fee for the title search made in preparation and conduct of such suit, which shall be a lien on said premises and secured by this Mortgage.

The covenants and agreements herein contained shall inure to the benefit of and be binding upon the heirs, executors, administrators, directors, employees, shareholders, successors and assigns of MORTGAGOR and MORTGAGEE.

DATED this 20th day of February 2001.

AMT (USA) INC.

By: Mani M. Verma  
Mani M. Verma, President

STATE OF ARIZONA )

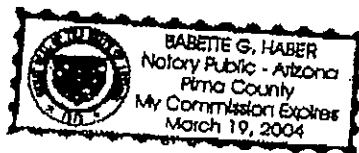
) ss.

COUNTY OF PIMA )

The foregoing instrument was acknowledged before me this 20 day of February, 2001, by Mani Verma, the President of AMT (USA) INC., an Arizona corporation on behalf of the corporation.

Babette G. Haber  
Notary Public

My Commission Expires:



TAB

J

# EXHIBIT "J"

-----Original Message-----

From: Redhawk Resources, Inc. [mailto:inquiries@redhawkresources.com]  
Sent: Monday, September 20, 2010 9:33 AM  
To: Belisle, Julien  
Subject: Redhawk Announces Royalty Buyout Agreement

=====

Re: News Releases - Monday, September 20, 2010  
Redhawk Announces Royalty Buyout Agreement

=====

View News Release in PDF  
[http://www.redhawkresources.com/i/pdf/2010-09-20\\_NR.pdf](http://www.redhawkresources.com/i/pdf/2010-09-20_NR.pdf)

Vancouver, Canada -- September 20, 2010 - Redhawk Resources, Inc. ("Redhawk" or the "Company") (TSXV: RDK, FSE: QF7) is pleased to announce the Company through its wholly owned US subsidiary Redhawk Copper, Inc. has entered into an agreement with AMT (USA) Inc. ("AMT") (the "Agreement") to buyout the 2.25% Net Smelter Royalty ("NSR") retained by AMT as part of the original Copper Creek property acquisition agreement. The Agreement requires a payment of \$350,000 on court approval and a further \$950,000 in quarterly payments over an eighteen month period. The Agreement also calls for a further \$500,000 payment should the Company enter into a major transaction during the two year period after closing. AMT is in Chapter 7 bankruptcy and therefore the Agreement remains subject to court approval which is expected within 60 days. Currently the agreement between Redhawk and AMT requires an annual \$125,000 advance royalty payment and has a cap of \$25 million.

Stephen Barley, Managing Director of Redhawk commented: "This is a beneficial arrangement for both parties. Redhawk reduces the royalty burden on Copper Creek improving the financial return on our project and the arrangement accelerates payments to AMT's creditors."

About Redhawk



Redhawk is a Canadian-based resource exploration and development company with primary focus on the accelerated development of its advanced stage Copper Creek copper-molybdenum project in San Manuel, Arizona. The 100% owned Copper Creek property consists of approximately seven square miles of almost totally contiguous patented and unpatented mining claims and state prospecting permits, located about 70 miles northeast of Tucson, Arizona and about 15 miles east of San Manuel. The property is in the prolific southwest US porphyry copper belt at the projected intersection of a major northwest belt of porphyry copper deposits or mines (Ray, Miami/Globe, Superior/Resolution, Johnson Camp) and a major east-northeast belt of porphyry deposits (San Manuel/Kalamazoo, Silver Bell, Lakeshore, Safford, Morenci). The property is within sight of the former BHP Kalamazoo/San Manuel copper smelter and mine and within 30 miles of an existing operating copper smelter. The area is a mining friendly and politically secure location with excellent and readily accessible infrastructure.

ON BEHALF OF THE BOARD

"J. Stephen Barley"  
J. Stephen Barley, Managing Director

For more information, please contact:

J. Stephen Barley, Managing Director  
Tel: 604.633.5088  
inquiries@redhawkresources.com  
Website: www.redhawkresources.com

Investor Relations -- Tasso Baras  
Tel: 604-738-3882  
Toll Free: 1-877-738-3882

The forward-looking information contained in this press release is made as of the date of this press release and, except as required by applicable law, Redhawk does not undertake any obligation to update publicly or to revise any of the included forward-looking information, whether as a result of new information, future events or otherwise. By its very nature, such forward-looking information requires Redhawk to make assumptions that may not materialize or that may not be accurate.

This forward-looking information is subject to known and unknown risks and uncertainties and other factors, which may cause actual results, levels of activity and achievements to differ materially from those expressed or implied by such information.

Neither TSX Venture Exchange nor the Investment Industry Regulatory Organization of Canada accepts responsibility for the adequacy or accuracy of this release.

=====  
Copyright (c) 2010 REDHAWK RESOURCES, INC. (RDK) All rights reserved.  
For more information visit our website at <http://www.redhawkresources.com/> or send  
mailto:inquiries@redhawkresources.com  
=====

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RSM Richter S.E.N.C.R.L.

\*\*\*\*\*

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RSM Richter LLP

TAB

K

# EXHIBIT "K"

STEVE BROWN & ASSOCIATES, LLC  
1414 EAST INDIAN SCHOOL ROAD, SUITE 200  
PHOENIX, ARIZONA 85014  
(602) 264-9224

Steven J. Brown (#010792) [sbrown@sjbrownlaw.com](mailto:sbrown@sjbrownlaw.com)  
Steven D. Nemecek (#015219) [snemecek@sjbrownlaw.com](mailto:snemecek@sjbrownlaw.com)  
John P. Carter (#025402) [jcarter@sjbrownlaw.com](mailto:jcarter@sjbrownlaw.com)  
*Attorneys for Trustee*

## IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF ARIZONA

|                                    |   |                                  |
|------------------------------------|---|----------------------------------|
| In re:                             | ) | In Proceedings Under Chapter 7   |
|                                    | ) |                                  |
| AMT (USA), INC.,                   | ) | Case No. 02:07-bk-05082-SSC      |
|                                    | ) |                                  |
| Debtor.                            | ) |                                  |
|                                    | ) |                                  |
| DIANE MANN, Chapter 7 Trustee,     | ) |                                  |
|                                    | ) | Adversary No. 02:09-ap-01231-SSC |
| Plaintiff,                         | ) |                                  |
| v.                                 | ) | <b>TRUSTEE'S COMPLAINT</b>       |
|                                    | ) | <b>(1) FOR AVOIDANCE AND</b>     |
| AMT INTERNATIONAL MINING           | ) | <b>RECOVERY OF FRAUDULENT</b>    |
| CORPORATION, a Canadian            | ) | <b>TRANSFERS;</b>                |
| corporation; RSM RICHTER, INC., as | ) | <b>(2) FOR AVOIDANCE AND</b>     |
| Receiver for AMT INTERNATIONAL     | ) | <b>RECOVERY OF PREFERENTIAL</b>  |
| MINING CORPORATION,                | ) | <b>TRANSFER; AND</b>             |
|                                    | ) | <b>(3) OBJECTING TO PROOF OF</b> |
| Defendants.                        | ) | <b>CLAIM NO. 4</b>               |

Plaintiff/Trustee Diane Mann states:

### PARTIES

1. Plaintiff Diane Mann is the duly appointed and acting Trustee in the above captioned Chapter 7 case and is authorized by statute to bring this action on behalf of the Bankruptcy Estate. Debtor filed a Chapter 7 voluntary petition for relief on October 3, 2007.

1           2.     According to Debtor's Schedules, Defendant AMT International Mining  
2 Corporation ("AMT International") is the 100% shareholder of Debtor.

3           3.     RCM Richter, Inc. is the court appointed receiver for AMT International ("the  
4 Receiver").

5           4.     AMT International is an insider of Debtor under 11 U.S.C. § 101(31).  
6

### 7                                   JURISDICTION AND VENUE

8           5.     This Court has jurisdiction over this adversary proceeding pursuant to 28 U.S.C.  
9 §§ 1334 and 157. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(B), (F), and (H).  
10 Venue is proper in this Court pursuant to 28 U.S.C. § 1409(a). The Receiver and AMT  
11 International have submitted to the jurisdiction of this Court by virtue of their filing of a proof  
12 of claim in this proceeding.  
13

### 14                                   GENERAL ALLEGATIONS

15           6.     Debtor entered into a Letter Agreement dated July 29, 2005 ("Letter  
16 Agreement") with Redhawk Resources, Inc. ("Redhawk") for Redhawk's acquisition from  
17 Debtor of a 100% working interest in and to certain mining claim and related real property of  
18 Debtor known as the Copper Creek Property, Arizona. A copy of the Letter Agreement is  
19 attached hereto as Exhibit "A".  
20  
21

22           7.     Under the terms of the Letter Agreement, Debtor was to receive \$1.6 million (the  
23 "Purchase Price") and Annual Royalty Payments ("ARPs") in the amount of \$125,000 per year  
24 beginning November 2005 and continuing until commercial mining production began. Upon  
25 commencement of commercial production, Redhawk was to pay to Debtor a 2.25% Royalty  
26

1 Payment ("RP") each year until such time as the ARPs and RPs paid to Debtor total \$25  
2 million.

3 8. Upon information and belief, under the terms of the Letter Agreement, Redhawk  
4 sent the Purchase Price by wire to Polthier, Valiquette, Barristers and Solicitors, a Montreal,  
5 Canada law firm, where the funds were to be held in trust subject to closing of the transaction  
6 and escrow. Redhawk paid \$300,000 of the Purchase Price in August of 2005, and the  
7 remaining \$1.3 million of the Purchase Price to the law firm upon closing of the Copper Creek  
8 Property sale.  
9  
10

11 9. Upon information and belief, Debtor did not receive the closing proceeds, but  
12 rather they were paid to AMT International.

13 10. Upon information and belief, Redhawk made ARPs in 2005, 2006, and 2007, but  
14 the Trustee has been unable to determine whether these payments were sent to the Debtor or  
15 AMT International.  
16

17 11. Upon information and belief, the Debtor became insolvent after the sale of the  
18 Copper Creek Property, because it ceased all business operations and was left with no assets  
19 other than the ARPs.  
20

21 12. Upon information and belief, AMT International worsened the Debtor's  
22 insolvency by transferring significant monies from the Debtor to itself within one year of the  
23 Debtor's filing for bankruptcy.  
24

25 **COUNT ONE**  
26 **(Fraudulent Transfers – 11 U.S.C. §§ 548(a) and 550(a))**

13. Plaintiff/Trustee incorporates by reference all previous paragraphs as if set forth

1 in this count.

2 14. Upon information and belief, the Trustee believes that the \$1.6 million Purchase  
3 Price and the ARPs were sent directly to AMT International and that Debtor did not receive  
4 these funds, as provided for in the Letter Agreement. The Trustee has requested documents  
5 and information from AMT International and the Receiver; however, they have failed to  
6 produce documents and information as to the disposition of the Purchase Price and the ARPs.  
7

8 15. Therefore, upon information and belief, AMT International caused Debtor to  
9 transfer the Purchase Price and the ARPs to AMT International, and Debtor (i) was insolvent  
10 on the date that such transfers were made, or became insolvent as a result of such transfers; (ii)  
11 was engaged in business or a transaction, or was about to engage in business or a transaction,  
12 for which any property remaining with Debtor was an unreasonably small capital; or (iii)  
13 intended to incur, or believed that Debtor would incur, debts that would be beyond Debtor's  
14 ability to pay as such debts matured.  
15  
16

17 16. On information and belief, Debtor made such transfers with actual intent to  
18 hinder, delay, or defraud any entity to which Debtor was or became, on or after the date that  
19 such transfers were made, indebted.  
20

21 17. Pursuant to 11 U.S.C. § 548(a), the Trustee may avoid any fraudulent transfer  
22 made within two years before the date of the filing of the petition.  
23

24 18. Pursuant to 11 U.S.C. § 550(a), the Trustee may recover the value of the transfer.

25 **WHEREFORE**, Trustee demands that the Court enter judgment against Defendants as  
26 follows:

- 1           A.    Avoiding the above-described transfers;
- 2           B.    Ordering Defendants to pay to the Trustee the amounts of the transfers;
- 3           C.    For post-judgment interest on the foregoing sum at the maximum rate allowed
- 4 under law; and
- 5
- 6           D.    For such other and further relief as the Court deems just and proper.

7                                   **COUNT TWO**

8                                   **(Preferential Transfer— 11 U.S.C. §§ 547(b) and 550(a))**

9           19.    Plaintiff/Trustee incorporates by reference all previous paragraphs as if set forth

10 in this count. Attached hereto as Exhibit "B" is the Summary of Proof of Claim showing the

11 \$401,991.12 payment to AMT International that constitutes an avoidable, preferential transfer

12 that may be recovered by the Trustee.

13

14           20.    AMT International, by its own admission in its proof of claim filed in this

15 proceeding, received a \$401,991.12 payment or offset from Debtor on February 26, 2007. The

16 payment constitutes a transfer of an interest of the Debtor in property. AMT International

17 claimed to have been owed over \$16 million in antecedent debts at the time of the transfer.

18

19           21.    On information and belief, the transfer was for or on account of an antecedent

20 debt owed by Debtor before the transfer was made.

21           22.    The transfer was made while Debtor was insolvent.

22           23.    The transfer was made to an insider of Debtor.

23           24.    The transfer was made within one year before the filing of Debtor's petition.

24           25.    The transfer enabled AMT International to receive more than it would receive as

25 a creditor if: (a) the bankruptcy case were a case under Chapter 7 of Title 11, United States

26



1 Code; (b) the transfer had not been made; and (c) AMT International received payment of its  
2 alleged debt to the extent provided by the provisions of said Title 11.

3 26. Pursuant to 11 U.S.C. § 547(b), the transfer may be avoided by the Trustee.

4 27. Pursuant to 11 U.S.C. § 550(a), the Trustee may recover the value of the transfer.

5  
6 **WHEREFORE**, the Trustee demands that the Court enter judgment against Defendants  
7 as follows:

8 A. Avoiding the \$401,911.12 transfer;

9 B. Ordering Defendants to pay to the Trustee the amount of the transfer that  
10 Defendants received or benefited from;

11 C. For post-judgment interest on the foregoing sum at the maximum rate allowed  
12 under law; and

13 D. For such other and further relief as the Court deems just and proper.  
14

15  
16 **COUNT THREE**  
17 **(Objection to Proof of Claim – 11 U.S.C. § 502(d))**

18 28. Plaintiff/Trustee incorporates by reference all previous paragraphs as if set forth  
19 in this count.

20 29. The Receiver, on behalf of AMT International, filed Proof of Claim No. 4  
21 (“Claim No. 4”) in the amount of \$16,538,668.28 on March 26, 2008. The basis for the claim  
22 is funds allegedly advanced and expenses allegedly paid on behalf of Debtor over a period of  
23 several years.

24  
25 30. Claim No. 4 reveals that a preferential payment was made by Debtor to AMT  
26 International on February 26, 2007 in the amount of \$401,991.12. Specifically, AMT

1 International diverted proceeds belonging to Debtor from the sale of the Copper Creek  
2 property and paid down its intercompany debt with those proceeds within one year prior to  
3 bankruptcy, while the Debtor was insolvent. Also, as described in Count I above, AMT  
4 International received additional avoidable transfers of the proceeds from the Copper Creek  
5 Property which should have been paid to Debtor.

6  
7 31. Pursuant to 11 U.S.C. § 502(d), the Trustee objects to Claim No. 4 and demands  
8 that Claim No. 4 be disallowed unless and until the Receiver pays to the Trustee the sum of  
9 \$401,991.12, and any other avoidable transfers.

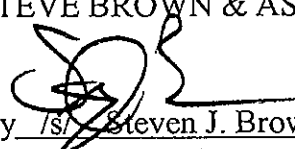
10  
11 **WHEREFORE**, the Trustee demands that the Court enter judgment against Defendants  
12 as follows:

13 A. Disallowing Proof of Claim No. 4 in full unless and until Defendants return all  
14 funds that are the subject of avoidable transfers; and

15  
16 E. For such other and further relief as the Court deems just and proper.

17 DATED this 23rd day of September, 2009.

18 STEVE BROWN & ASSOCIATES, LLC

19  
20 By  /s/ Steven J. Brown #010792

21 Steven J. Brown

22 Steven D. Nemecek

23 John P. Carter

24 1414 East Indian School Road, Suite 200

25 Phoenix, Arizona 85014

26 Attorneys for Trustee

# **EXHIBIT A**

*Exhibit I - Agreement*



July 29, 2005

AMT International Mining Corporation  
c/o Pothier, Valiquette, Barristers and Solicitors  
Suite 1216 1155 University Street  
Montreal, Québec H3A 3B7

Attention: Dora Santschi

AMT (USA) Inc.  
c/o Pothier, Valiquette, Barristers and Solicitors  
Suite 1216 1155 University Street  
Montreal, Québec H3A 3B7

Attention: Dora Santschi

Dear Sirs:

Re: Letter Agreement among AMT International Mining Corporation ("AMT"),  
AMT (USA) Inc. ("AMT USA") and Redhawk Resources, Inc. ("Redhawk")  
regarding the purchase and sale of the Copper Creek Property, Arizona,  
USA

Further to our negotiations, Redhawk proposes the terms as set out in this letter agreement ("Letter Agreement") as the basis for the acquisition by Redhawk from AMT USA of a 100% working interest (the "Interest") in and to certain properties known as the Copper Creek Property, Arizona (the "Copper Creek Property") and more particularly described in Schedule "A" hereto with an area of common interest ("Area of Common Interest") at the Copper Creek Property as described in Schedule "B" hereto and referenced as a general guide only on the map attached hereto as part of Schedule "C". The effective date of this Letter Agreement shall be July 29, 2005.

The terms of agreement are as follows:

**PURCHASE AND SALE**

1. AMT USA will sell and Redhawk will purchase (the "Purchase and Sale") a 100% working interest in and to the Copper Creek Property in consideration of the payment to AMT USA of \$1,600,000 in cash, \$300,000 of which shall be paid, and be non-refundable, upon signing hereof to Pothier, Valiquette, Barristers and Solicitors, of Montreal, Quebec, in trust, to be applied to the extent required for payment of all trade payables with respect to the Copper Creek Property and for disbursement by Pothier, Valiquette only according to written payment instructions from AMT USA, receipt of which \$300,000 is hereby acknowledged,

**REDHAWK RESOURCES, INC.**

900-543 GRANVILLE STREET VANCOUVER, B.C. CANADA V6C 1X8 TEL (604) 681-9501 FAX (604) 681-6813

and \$1,300,000 upon closing (the "Closing") of the Purchase and Sale, which \$1,300,000 shall be held in trust by Pothier, Valiquette, Barristers and Solicitors, of Montreal, Québec, subject to completion of the Closing and a releasing from escrow of all Closing documents.

2. In addition, upon Closing and annually thereafter on the anniversary of Closing, while Redhawk or its assigns retains the Interest and prior to commencement of Commercial Production, as defined herein, on the Copper Creek Property, Redhawk or its assigns will pay to AMT USA an annual advance royalty payment ("ARP") of \$125,000. If Redhawk or its assigns choose to cease making the ARP and thereafter abandon the Copper Creek Property, Redhawk or its assigns shall offer to sell the Copper Creek Property back to AMT USA for consideration of \$1.00 prior to such abandonment.

"Commercial Production" means the operation of the Copper Creek Property as a Mine, as hereinafter defined, and the continuous production of Minerals, as hereinafter defined, therefrom (excluding bulk sampling, pilot plan or test operations) for a period of sixty (60) days at ninety percent (90%) of the feasibility rated output.

"Mine" means the workings established in order to bring the Copper Creek Property to Commercial Production.

"Minerals" means any and all ores (and concentrates derived therefrom) and minerals, precious and base, metallic and non-metallic in, on or under the Copper Creek Property which may lawfully be explored for, mined and sold.

3. Redhawk will also pay to AMT USA, upon commencement of Commercial Production, a 2.25 % Royalty Payment ("RP") on the Copper Creek Property as described, and in accordance with the terms set out, in Schedule "D" hereto, until a total of \$25,000,000 in combined ARP and RP has been received by AMT USA, at which time the obligation by Redhawk to make the ARP and the RP to AMT USA will terminate.

#### CLOSING

4. Closing will occur within twenty-one (21) business days of acceptance for filing of this Letter Agreement by the TSX Venture Exchange.
5. Upon Closing, AMT and AMT USA will make available to Redhawk originals of all technical data and all project related agreements and files concerning the Copper Creek Property. AMT USA agrees also to assign the new core storage and office facility lease agreement to Redhawk.

Handwritten signatures and initials, including a large circular mark, several scribbles, and a signature that appears to be 'JS'.

**REMOVAL OF LIENS AND  
RELEASE AND SETTLEMENT OF TRADE PAYABLES**

6. Prior to Closing, all liens, charges and encumbrances will be removed from the Copper Creek Property including, but not limited to, those by Norshield and Layne Christensen, evidence of which removal of liens and release and settlement of all trade payables relating and/or with respect to the Copper Creek Property, including, but not limited to, that to TB Contractors, shall be delivered at Closing by AMT USA to Redhawk.

**REPRESENTATIONS AND WARRANTIES OF AMT AND AMT USA**

7. AMT USA is a corporation duly incorporated, validly existing and in good standing under the laws of Arizona and it is the beneficial owner of a 100% working interest in the Copper Creek Property.
8. Upon Closing, the Copper Creek Property will be free and clear of all claims, liens, charges and encumbrances and will be in good standing under the laws of Arizona, USA.
9. There are no actions, suits or proceedings before the courts, pending or threatened, against the Copper Creek Property. *except the suit by Han Vong in front of the Courts of the Province of Ontario*
10. Upon Closing, AMT USA will not be in default of any of its obligations under any agreements to which it is a party or by which it is bound respecting the Copper Creek Property.
11. AMT and AMT USA have the right to enter into this Letter Agreement, and to perform all of their obligations contemplated herein, including, without limitation, the granting to Redhawk of rights in and to the Copper Creek Property and the disclosure of information to Redhawk with respect to the Copper Creek Property.
12. The representations and warranties herein shall survive the performance of the parties' respective obligations hereunder and the termination of the Letter Agreement.

**GENERAL TERMS**

13. All disputes between the parties in respect of this Letter Agreement shall be referred to arbitration under the *Commercial Arbitration Act* (British Columbia).
14. Redhawk shall have the right of first refusal to purchase all or any part of AMT USA's ARP or RP with respect to the Copper Creek Property or under this Letter Agreement.

15. AMT USA may not assign this Letter Agreement or its interest in and to the Copper Creek Property without the prior written consent of Redhawk.
16. This Letter Agreement will enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.
17. All references in this Letter Agreement to dollars, unless otherwise specifically indicated, are expressed in Canadian dollars.
18. AMT and AMT USA acknowledges that Redhawk advised it to seek independent legal advice in respect of this Letter Agreement, and that it has not received any legal advice from Redhawk's legal counsel.
19. Each party shall promptly execute and deliver all further documents and take all further action reasonably necessary or desirable to give effect to the terms and intent of this Letter Agreement.
20. No waiver of any term of this Letter Agreement by a party is binding unless such waiver is in writing and signed by the party entitled to grant such waiver. No failure to exercise and no delay in exercising any right, remedy or breach under this Letter Agreement shall be deemed to be a waiver of that right, remedy or breach.
21. No amendment, supplement or restatement of any term of this Letter Agreement is binding unless it is in writing and signed by each party.
22. A standard *force majeure* clause shall apply to this Letter Agreement.
23. Unless otherwise specified, words importing the singular include the plural and vice versa. The term "including" means "including, without limitation."
24. The division of this Letter Agreement into paragraphs and the insertion of headings are for convenience of reference only and are not to affect the construction or interpretation of this Letter Agreement.
25. If any term of this Letter Agreement is or becomes illegal, invalid or unenforceable, that term shall not affect the legality, validity or enforceability of the remaining terms of this Letter Agreement.
26. This Letter Agreement constitutes the entire agreement between the parties with respect to the subject matter herein and supersedes all prior agreements, negotiations, discussions, undertakings, representations, warranties and understandings, whether written or verbal.
27. For every provision in this Letter Agreement, time is of the essence.

Handwritten signature and initials, possibly "J.S.", in the bottom right corner of the page.

28. This Letter Agreement shall be governed by and shall be construed and interpreted in accordance with the laws of British Columbia and the laws of Canada applicable in British Columbia.
29. AMT and AMT USA acknowledge and consent to the release by Redhawk of certain information regarding AMT and AMT USA, including AMT and AMT USA's name, address, telephone number, and, if applicable, information regarding beneficial ownership of AMT and AMT USA, in compliance with securities regulatory policies to regulatory authorities (including the TSX Venture Exchange) in reporting jurisdictions or to other authorities as required by law. The purpose of the collection of the information is to ensure the Redhawk and its advisors will be in compliance with applicable Canadian securities laws and to obtain the information required to be provided in documents required to be filed with the TSX Venture Exchange and with securities regulatory authorities under applicable securities laws and other authorities as required by law. In addition, AMT and AMT USA acknowledge and consent to the collection, use and disclosure of all such personal information by the TSX Venture Exchange and other regulatory authorities in accordance with their requirements, including the provision to third party service providers, from time to time.

The contact information for the officer of Redhawk who can answer questions about the collection of information by Redhawk is as follows:

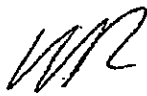
|                 |                                                      |
|-----------------|------------------------------------------------------|
| Name and Title: | Kristian Ross, President                             |
| Company Name:   | Redhawk Resources, Inc.                              |
| Address:        | 900 - 543 Granville Street,<br>Vancouver, BC V6C 1X8 |
| Phone No.       | 604 681 9501                                         |
| Fax No.         | 604 681 6813                                         |
| e-mail          | kristian@telus.net                                   |

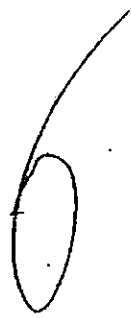
If the foregoing terms and conditions reflect our agreement, please execute and return the enclosed copy of this Letter Agreement, which, upon signing, shall create a binding agreement between us. Upon our mutual signing, we shall be bound hereunder unless and until this Letter Agreement is replaced by a formal agreement.

Yours truly,

REDHAWK RESOURCES, INC.

Per:

  
Kristian Ross  
President




AGREED TO AND ACCEPTED this  
4th day of August, 2005:  
AMT INTERNATIONAL MINING  
CORPORATION

Per:

  
(Authorized Signatory)

AMT (USA) INC:

Per:

  
(Authorized Signatory)



Schedule "A"

DESCRIPTION OF THE COPPER CREEK PROPERTY

| Name              | Type        | Current Owner  | Legal              | Status |
|-------------------|-------------|----------------|--------------------|--------|
| 008-107857        | State Lease | AMT (USA) Inc. | Prospecting Permit | AMT    |
| 008-107858        | State Lease | AMT (USA) Inc. | Prospecting Permit | AMT    |
| 008-107859        | State Lease | AMT (USA) Inc. | Prospecting Permit | AMT    |
| Albatross No. 1   | Unpatented  | AMT (USA) Inc. | Mining Claim       | AMT    |
| Albatross No. 17  | Unpatented  | AMT (USA) Inc. | Mining Claim       | AMT    |
| Albatross No. 2   | Unpatented  | AMT (USA) Inc. | Mining Claim       | AMT    |
| Albatross No. 3   | Unpatented  | AMT (USA) Inc. | Mining Claim       | AMT    |
| Albatross No. 4   | Unpatented  | AMT (USA) Inc. | Mining Claim       | AMT    |
| Albatross No. 5   | Unpatented  | AMT (USA) Inc. | Mining Claim       | AMT    |
| Albatross No. 6   | Unpatented  | AMT (USA) Inc. | Mining Claim       | AMT    |
| Albatross No. 7   | Unpatented  | AMT (USA) Inc. | Mining Claim       | AMT    |
| Albatross No. 8   | Unpatented  | AMT (USA) Inc. | Mining Claim       | AMT    |
| American Eagle    | Unpatented  | AMT (USA) Inc. | Mining Claim       | AMT    |
| Angusto Lode      | Unpatented  | AMT (USA) Inc. | Mining Claim       | AMT    |
| Aurora            | Unpatented  | AMT (USA) Inc. | Mining Claim       | AMT    |
| Buzzard No. 1     | Unpatented  | AMT (USA) Inc. | Mining Claim       | AMT    |
| Buzzard No. 2     | Unpatented  | AMT (USA) Inc. | Mining Claim       | AMT    |
| Buzzard No. 3     | Unpatented  | AMT (USA) Inc. | Mining Claim       | AMT    |
| Buzzard No. 4     | Unpatented  | AMT (USA) Inc. | Mining Claim       | AMT    |
| Buzzard No. 5     | Unpatented  | AMT (USA) Inc. | Mining Claim       | AMT    |
| Buzzard No. 6     | Unpatented  | AMT (USA) Inc. | Mining Claim       | AMT    |
| Buzzard No. 7     | Unpatented  | AMT (USA) Inc. | Mining Claim       | AMT    |
| Buzzard No. 8     | Unpatented  | AMT (USA) Inc. | Mining Claim       | AMT    |
| C.C. 11           | Unpatented  | AMT (USA) Inc. | Mining Claim       | AMT    |
| C.C. 12           | Unpatented  | AMT (USA) Inc. | Mining Claim       | AMT    |
| C.C. 8            | Unpatented  | AMT (USA) Inc. | Mining Claim       | AMT    |
| C.C. 9            | Unpatented  | AMT (USA) Inc. | Mining Claim       | AMT    |
| Camino Lode       | Unpatented  | AMT (USA) Inc. | Mining Claim       | AMT    |
| Center Star       | Unpatented  | AMT (USA) Inc. | Mining Claim       | AMT    |
| Clark No. 1       | Unpatented  | AMT (USA) Inc. | Mining Claim       | AMT    |
| Copper Cliff      | Unpatented  | AMT (USA) Inc. | Mining Claim       | AMT    |
| Copper Reef No. 2 | Unpatented  | AMT (USA) Inc. | Mining Claim       | AMT    |
| Copper Reef No. 3 | Unpatented  | AMT (USA) Inc. | Mining Claim       | AMT    |
| Copper Reef No. 4 | Unpatented  | AMT (USA) Inc. | Mining Claim       | AMT    |
| Copper Reef No. 5 | Unpatented  | AMT (USA) Inc. | Mining Claim       | AMT    |
| Copper Ridge      | Unpatented  | AMT (USA) Inc. | Mining Claim       | AMT    |
| Copper Trail # 1  | Unpatented  | AMT (USA) Inc. | Mining Claim       | AMT    |
| Copper Trail # 2  | Unpatented  | AMT (USA) Inc. | Mining Claim       | AMT    |
| Copper Trail # 3  | Unpatented  | AMT (USA) Inc. | Mining Claim       | AMT    |

*[Handwritten signature]*

| Name             | Type       | Current Owner  | Legal        | Status |
|------------------|------------|----------------|--------------|--------|
| Copper Trail # 4 | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Crow 1           | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Crow 10          | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Crow 11          | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Crow 12          | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Crow 13          | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Crow 14          | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Crow 15          | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Crow 16          | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Crow 17          | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Crow 2           | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Crow 20          | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Crow 21          | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Crow 22          | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Crow 23          | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Crow 24          | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Crow 25          | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Crow 26          | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Crow 3           | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Crow 4           | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Crow 5           | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Crow 6           | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Crow 7           | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Crow 8           | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Crow 9           | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Fraction         | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Granite Hill     | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Hercules         | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| H-N Fraction 1   | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Jay Bird         | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Jupiter          | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Kimbro           | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Kimbro Eastern   | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Lone Trail       | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Mars             | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Mary #1          | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Middle March     | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Minnesota        | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Morningside      | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Navajo No. 7     | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Navajo No. 8     | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| North Star       | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| North Star No. 1 | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| North Star No. 2 | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |

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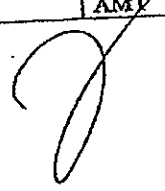
| Name             | Type       | Current Owner  | Legal        | Status |
|------------------|------------|----------------|--------------|--------|
| North Star No. 3 | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| NS #1            | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Paloma           | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Paloma Fraction  | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Parrot 1         | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Parrot 10        | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Parrot 11        | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Parrot 12        | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Parrot 2         | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Parrot 3         | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Parrot 4         | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Parrot 5         | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Parrot 6         | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Parrot 7         | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Parrot 8         | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Parrot 9         | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| PF               | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Redondo          | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Siskon 65        | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Siskon 66        | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Siskon 67        | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Siskon 68        | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Siskon 69        | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Siskon 70        | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Siskon 71        | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Siskon 72        | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Siskon No. 34    | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Siskon No. 35    | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Siskon No. 36    | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Siskon No. 37    | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Siskon No. 38    | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Siskon No. 39    | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Siskon No. 40    | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Siskon No. 41    | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Siskon No. 42    | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Siskon No. 44    | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Siskon No. 46    | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Siskon No. 48    | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Siskon No. 51    | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Siskon No. 52    | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Siskon No. 53    | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Siskon No. 54    | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Siskon No. 55    | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Siskon No. 56    | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |

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| Name               | Type       | Current Owner  | Legal        | Status |
|--------------------|------------|----------------|--------------|--------|
| Siskon No. 57      | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Siskon No. 58      | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Siskon No. 59      | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Siskon No. 60      | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Siskon No. 64      | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Siskon No. 82      | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Siskon No. 83      | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Siskon No. 84      | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Siskon No. 85      | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Siskon No. 87      | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Siskon No. 88      | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Swallow 1          | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Swallow 2          | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Swallow 3          | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Swallow 4          | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Swallow 5          | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Swallow 6          | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Swallow 7          | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Velasquez          | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Velasquez Fraction | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Velasquez Wedge    | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Venus              | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Whippoorwill       | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Wren 1             | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Wren 2             | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Wren 3             | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Hawk #1            | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Hawk #10           | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Hawk #11           | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Hawk #12           | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Hawk #13           | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Hawk #14           | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Hawk #15           | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Hawk #2            | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Hawk #3            | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Hawk #4            | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Hawk #5            | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Hawk #6            | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Hawk #7            | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Hawk #8            | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Hawk #9            | Unpatented | AMT (USA) Inc. | Mining Claim | AMT    |
| Fortuna            | Patented   | AMT (USA) Inc. | Patented     | AMT    |

*[Handwritten signature]*

| Name          | Type     | Current Owner  | Legal    | Status |
|---------------|----------|----------------|----------|--------|
| Good Luck     | Patented | AMT (USA) Inc. | Patented | AMT    |
| Wedge         | Patented | AMT (USA) Inc. | Patented | AMT    |
| Old Reliable  | Patented | AMT (USA) Inc. | Patented | AMT    |
| Gulch         | Patented | AMT (USA) Inc. | Patented | AMT    |
| Mogul         | Patented | AMT (USA) Inc. | Patented | AMT    |
| Childs        | Patented | AMT (USA) Inc. | Patented | AMT    |
| Childs 1      | Patented | AMT (USA) Inc. | Patented | AMT    |
| Childs 2      | Patented | AMT (USA) Inc. | Patented | AMT    |
| Childs 3      | Patented | AMT (USA) Inc. | Patented | AMT    |
| Longstreet    | Patented | AMT (USA) Inc. | Patented | AMT    |
| Aldwinkle     | Patented | AMT (USA) Inc. | Patented | AMT    |
| Grand View    | Patented | AMT (USA) Inc. | Patented | AMT    |
| Veta Rica     | Patented | AMT (USA) Inc. | Patented | AMT    |
| Russett Dyke  | Patented | AMT (USA) Inc. | Patented | AMT    |
| Rainbow Ledge | Patented | AMT (USA) Inc. | Patented | AMT    |
| Mineral Hill  | Patented | AMT (USA) Inc. | Patented | AMT    |
| Four Metals   | Patented | AMT (USA) Inc. | Patented | AMT    |
| Cuprite       | Patented | AMT (USA) Inc. | Patented | AMT    |
| Lucky Joe     | Patented | AMT (USA) Inc. | Patented | AMT    |
| Silver Saddle | Patented | AMT (USA) Inc. | Patented | AMT    |
| Iron Dyke     | Patented | AMT (USA) Inc. | Patented | AMT    |
| Deep Lode     | Patented | AMT (USA) Inc. | Patented | AMT    |
| Golden Spur   | Patented | AMT (USA) Inc. | Patented | AMT    |
| Mineral Reef  | Patented | AMT (USA) Inc. | Patented | AMT    |
| Vulcan        | Patented | AMT (USA) Inc. | Patented | AMT    |
| Jewel         | Patented | AMT (USA) Inc. | Patented | AMT    |



Schedule "B"

AREA OF COMMON INTEREST

Land included in Area of Common Interest by Township, Range, and Section all in  
G&SRM Arizona

T7S, R18E, Sections: 32, 33, 34, 35, 36

T7S, R19E, Sections: 31, 32, 33

T8S, R18E, Sections: 1, 2, 3, 4, 5, 8, 9, 10, 11, 12, 13, 14, 15, 16, NE  $\frac{1}{4}$  17, NE  $\frac{1}{4}$  21,  
22, 23, 24, N1/2 26

T8S, R19E, Sections: 5, 6, 7, W1/2 18, W1/2 19

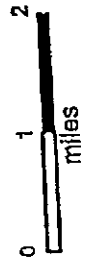


Schedule "C"

MAP OF THE COPPER CREEK PROPERTY



N



Area of Interest Boundary

Copper Creek Property Boundary

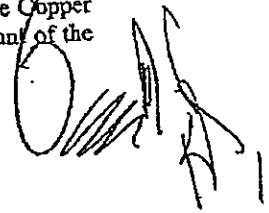
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## SCHEDULE "D"

### **CALCULATION AND PAYMENT OF ROYALTY PAYMENT**

1. Interpretation. Redhawk, as "Payor" will pay the Royalty Payment to AMT USA, as "Payee", as provided in paragraph 3 of the Letter Agreement, which will be calculated and paid to "Payee" in accordance with the terms of this Schedule D. Terms having defined meanings in the Letter Agreement and used in this Schedule will have the same meanings in this Schedule as assigned to them in the Letter Agreement unless otherwise specified or the context otherwise requires.
2. Royalty Payment. The obligation to pay the Royalty Payment will accrue upon the outturn of refined metals to Payor's account, or the sooner sale of unrefined metals, concentrates, ores or other Product, as hereinafter provided.
3. Definitions. The following words and phrases will have the meanings hereinafter ascribed to them unless otherwise stated or the context otherwise requires:
  - a) "Royalty Payment" means the gross Value of Product, less all direct costs, charges and expenses incurred Offsite and paid or incurred, or deemed paid or incurred, by Payor with respect to such Product including, without limitation:
    - (i) all direct costs and charges incurred Offsite for treatment of Product in the beneficiation, smelting and refining processes including handling, processing and provisional settlement fees, sampling, assaying and representation costs, penalties and other process or deductions, and interest;
    - (ii) the actual costs of transportation (including freight, insurance, customs and customs brokerage, security, transaction taxes, handling, port, demurrage, delay, and forwarding expenses incurred by reason of or in the course of such transportation) of Product to the place of refining, beneficiation or treatment and then to the place of sale;
    - (iii) the actual cost of any sales or brokerage charges levied by any sales or brokerage agent on the sale of Product, and
    - (iv) sales, use, gross receipts, severance, export and ad valorem taxes and any other tax or government royalty or levy payable by Payor and based directly upon and actually assessed against the value or quantity disposed or deemed disposed of but excluding any and all taxes based upon the net or gross income of Payor.
  - b) "Gross Value" means, for the following categories of Product produced and sold by Payor:
    - (i) if Payor causes Product to be produced from ores mined from the Copper Creek Property, then the Gross Value shall be equal to the amount of the



proceeds actually received by Payor during the calendar month from the sale of such refined or processed metals;

- (ii) if Payor sells raw ores Product mined from the Copper Creek Property, then the Gross Value shall be equal to the amount of the proceeds actually received by Payor during the calendar month from the sale of such raw ores.

- c) "Offsite" means beyond the outer boundary of the Area of Common Interest with respect to the Copper Creek Property, as described in Schedule "B" to the Letter Agreement.

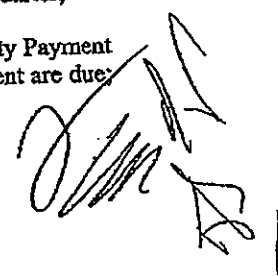
4. Trading Activities Excluded. Payee acknowledges that the purpose of paragraph 3 above is to pay Payee a Royalty Payment on the basis of the price or proceeds actually received by Payor for Product mined from the Copper Creek Property. Payee further acknowledges that Payor will have the right to market and sell or refrain from selling refined metals produced from the Copper Creek Property in any manner it may, in its sole discretion, elect, and that Payor will have the right to engage in forward sales, future trading or commodity options trading, and other price hedging, price protection, and speculative arrangements (collectively, "Trading Activities") which may, but not necessarily, involve the possible delivery of metals produced from the Copper Creek Property. Payee specifically acknowledges and agrees that Payee will not be entitled to participate in the proceeds or be obligated to share in any losses generated by Payor's actual marketing or sales practices or by its Trading Activities. Payor may sell Product to any purchaser it wishes.

5. Processing Activities. Payor may, but is not obligated to, beneficiate, mill, sort, concentrate, refine, smelt or otherwise process and upgrade Product mined from the Copper Creek Property prior to sale, transfer or conveyance to a purchaser, user or consumer.

6. Measurement Procedures. All Product for which the Royalty Payment is payable will be weighed or measured, sampled and analyzed in accordance with generally accepted mining and metallurgical practices. After such measurement Payor may mix or commingle such Product with ores, materials, concentrates or other products from other properties.

7. Payment Terms and Statement. The Royalty Payment will become due and payable quarterly on or before 60 days following the calendar quarter in which Payor receives payment for such metals. Payments on account of the Royalty Payment will be accompanied by a statement (a "Statement") showing in reasonable detail:

- a) the quantities and grades of the refined metals, concentrates or other Product produced and sold or deemed sold by Payor in the preceding calendar quarter;
- b) all costs and other deductions used in computing the applicable Royalty Payment for each Product on which payments on account of the Royalty Payment are due; and

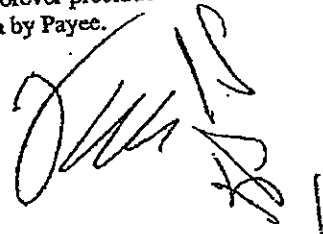
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- c) other pertinent information in sufficient detail to explain the calculation of the Royalty Payment.

The obligation to prepare and deliver Statements will be terminated upon the shutdown of the operation of the Copper Creek Property as a mine and the final outturn to Payor's pool account or other disposition of all Product produced prior to such shutdown.

8. Method of Payment. Payment of all amounts on account of the Royalty Payment will be made to Payee in immediately available United States funds by bank draft, certified cheque or wire transfer at such place, or to such financial institution, in the United States or Canada as Payee may specify to Payor in writing from time to time, but in any event not later than ninety (90) days prior to the due date of any such payment. Interest will accrue and be payable daily from the date on which any payment on account of the Royalty Payment is required to be made hereunder until payment of such amount at an annual rate equal to the prime rate of The Chase Manhattan Bank (as announced from time to time by the main branch of The Chase Manhattan Bank as its "prime rate") plus one (1) percent.

9. Objection and Audit Procedures. All Royalty Payments will be considered final and in full satisfaction of all obligations of Payor with respect thereto, unless Payee delivers to Payor a written notice ("Objection Notice") describing and setting forth a specific objection to the calculation thereof within one hundred and twenty (120) days after receipt by Payee of a Statement. If Payee objects to a particular Statement as herein provided, Payee will, for a six (6) month period thereafter, have the right upon reasonable notice and at a reasonable time, to have Payor's accounts and records relating to all of the factors involved in the calculation of the Royalty Payment in question audited by Payee's auditors. Payor will cooperate with and provide all information requested by or on behalf of the auditors in connection with such audit. If Payor objects to the conclusions at the audit performed by Payee's auditors, then the matter will be resolved by a panel of three accountants (the "Accountants") comprised of a representative of each of Payor's auditors, Payee's auditors and a firm of independent accountants of nationally recognized standing selected by Payor's auditors and Payee's auditors. The resolution of the dispute by the Accountants will be final and binding on Payor and Payee. If it is concluded that there has been a deficiency or an excess in the payment made to Payee, such deficiency or excess will be resolved by adjusting the next quarterly Royalty Payment due hereunder. Payee will pay all the costs and expenses of such audit unless a deficiency of \$5,000 or less of the amount due is determined to exist. Payor will pay the costs and expenses of such audit if a deficiency of \$5,000 or more of the amount due is determined to exist. All books and records used and kept by Payor to calculate the Royalty Payment due hereunder will be kept in accordance with Canadian generally accepted accounting principles. Failure on the part of Payee to make claim against Payor for adjustment in such one hundred and twenty (120) day period after receipt by Payee of a Statement by delivery of an Objection Notice will conclusively establish the correctness and sufficiency of the Statement and Royalty Payment for such quarter, and forever preclude the filing of exceptions thereto or making of claims for adjustment thereon by Payee.

A handwritten signature, possibly "J. R.", followed by the initials "J.R." and a vertical line.

# **EXHIBIT B**

AMT (USA) Inc.

Summary of Proof of Claim

Filed by:  
AMT International Mining Corporation  
As at October 3, 2007  
(US \$)

Schedule 1 (attached)

|                                                                                                                                                                   |                   |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| Funds advanced from AMT International Mining Corporation to AMT (USA) Inc.<br>(Fiscal 1996 to fiscal 2001)                                                        | 16,606,657        |
| Payments made by AMT (USA) Inc. on behalf of AMT International Mining Corporation (net)<br>(Fiscal 1996 to fiscal 2001)                                           | (1,092,745)       |
| Net funds advanced from AMT International Mining Corporation to AMT (USA) Inc.- per AMT<br>International Mining Corporation records<br>(as at June 30, 2001)      | 15,513,911        |
| Additional funds advanced and/or payments made by AMT International Mining Corporation on<br>behalf of AMT (USA) Inc. between June 30, 2001 and December 31, 2005 | 132,708           |
| Net funds advanced from AMT International Mining Corporation to AMT (USA) Inc. - per AMT<br>International Mining Corporation and AMT (USA) Inc. records           | <u>15,646,620</u> |

Schedule 2 (attached)

|                                                                                              |           |
|----------------------------------------------------------------------------------------------|-----------|
| Note Payable from AMT (USA) Inc. to AMT International Corporation<br>(as at October 3, 2007) | 1,294,040 |
|----------------------------------------------------------------------------------------------|-----------|

16,940,659.40

Partial payment by way of set off (February 26, 2007)

(401,991.12)

Total claim as at October 3, 2007

16,538,668.28

Net funds advanced from AMT International Mining Corporation to AMT (USA) Inc.  
(For the period of Fiscal 1996 to Fiscal 2001)  
As at October 3, 2007  
(US \$)

| Year        | Date      | Description                                                                                          | Amount             | TAB of supporting information |
|-------------|-----------|------------------------------------------------------------------------------------------------------|--------------------|-------------------------------|
| <b>1996</b> |           |                                                                                                      |                    |                               |
|             |           | Funds advanced from AMT International Mining Corporation to AMT (USA) Inc.                           |                    |                               |
|             | 3/19/1996 | Transfer from CIBC to Bank of America                                                                | 3,944,273          | A & C                         |
|             | 7/12/1996 | Transfer from CIBC to Bank of America                                                                | 1,771,495          | B & C                         |
|             |           |                                                                                                      | <u>5,715,768</u>   |                               |
|             |           | Payments made by AMT (USA) Inc. on behalf of AMT International Mining Corporation                    |                    |                               |
|             |           | Net payments (evidenced by detailed GL)                                                              | <u>(67,460)</u>    | C                             |
|             |           | Net amount due from AMT (USA) Inc. to AMT International as at December 31st, 1996                    | <u>5,648,308</u>   | C                             |
| <b>1997</b> |           |                                                                                                      |                    |                               |
|             |           | Funds advanced from AMT International Mining Corporation to AMT (USA) Inc.                           |                    |                               |
|             | 1/31/1997 | Wire transfer to Bank of America                                                                     | 746,478            | D & F                         |
|             | 3/31/1997 | Wire transfer to Bank of America                                                                     | 1,362,546          | D & F                         |
|             | 5/31/1997 | Wire transfer to Bank of America                                                                     | 5,991,962          | D & E & F                     |
|             |           |                                                                                                      | <u>8,100,987</u>   |                               |
|             |           | Payments made by AMT (USA) Inc. on behalf of AMT International Mining Corporation                    |                    |                               |
|             |           | Net payments (evidenced by detailed GL)                                                              | <u>(213,028)</u>   | F                             |
|             |           | Net amount due from AMT (USA) Inc. to AMT International Mining Corporation as at December 31st, 1997 | <u>13,536,266</u>  | F                             |
|             |           | Post closing adjustments                                                                             | 1,049              |                               |
|             |           |                                                                                                      | <u>13,537,315</u>  |                               |
| <b>1998</b> |           |                                                                                                      |                    |                               |
|             |           | Opening balance                                                                                      |                    |                               |
|             |           | Funds advanced from AMT International Mining Corporation to AMT (USA) Inc.                           |                    |                               |
|             |           | NONE                                                                                                 |                    |                               |
|             |           | Payments made by AMT (USA) Inc. on behalf of AMT International Mining Corporation                    |                    |                               |
|             |           | Net payments (evidenced by detailed GL)                                                              | <u>(1,406,483)</u> | G                             |
|             |           | Net amount due from AMT (USA) Inc. to AMT International Mining Corporation as at December 31st, 1998 | <u>12,130,832</u>  | G                             |
|             |           | Post closing adjustments                                                                             | 60,000             |                               |

## Schedule 1

Net funds advanced from AMT International Mining Corporation to AMT (USA) Inc.  
 (For the period of Fiscal 1996 to Fiscal 2001)  
 As at October 3, 2007  
 (US \$)

| Year | Date       | Description                                                                                          | Amount     | TAB of supporting Information |
|------|------------|------------------------------------------------------------------------------------------------------|------------|-------------------------------|
| 1999 |            | Opening balance                                                                                      | 12,190,832 |                               |
|      |            | Funds advanced from AMT International Mining Corporation to AMT (USA) Inc.                           |            |                               |
|      | 7/31/1999  | Transfer from CIBC to Bank of America                                                                | 81,165     | H                             |
|      | 7/31/1999  | Transfer from CIBC to Bank of America                                                                | 78,720     | H                             |
|      | 8/6/1999   | Transfer from CIBC to Bank of America                                                                | 105,805    | H                             |
|      | 8/18/1999  | Transfer from CIBC to Bank of America                                                                | 351,932    | H                             |
|      | 9/24/1999  | Transfer from CIBC to Bank of America                                                                | 222,687    | H                             |
|      | 9/24/1999  | Transfer from CIBC to Bank of America                                                                | 202,252    | H                             |
|      | 11/12/1999 | Transfer from CIBC to Bank of America                                                                | 135,446    | H                             |
|      | 10/5/1999  | Transfer from CIBC to Bank of America                                                                | 329,190    | H & I                         |
|      | 12/6/1999  | Transfer from CIBC to Bank of America                                                                | 1,507,198  |                               |
|      |            | Payments made by AMT International Corporation on behalf of AMT (USA) Inc.                           |            |                               |
|      |            | Net payments (evidenced by detailed GL)                                                              | 652,622    | H                             |
|      |            | Net amount due from AMT (USA) Inc. to AMT International Mining Corporation as at December 31st, 1999 | 14,350,653 | H                             |
|      |            | Post closing adjustments                                                                             | (3,311)    |                               |
| 2000 |            | Opening balance                                                                                      | 14,347,342 |                               |
|      |            | Funds advanced from AMT International Mining Corporation to AMT (USA) Inc.                           |            |                               |
|      | 1/7/2000   | Transfer from CIBC to Bank of America                                                                | 170,439    | J & K                         |
|      | 2/7/2000   | Transfer from CIBC to Bank of America                                                                | 164,903    | J & L                         |
|      | 3/14/2000  | Transfer from CIBC to Bank of America                                                                | 316,542    | J & M                         |
|      | 8/22/2000  | Transfer from CIBC to Bank of America                                                                | 67,263     | J                             |
|      | 9/15/2000  | Transfer from CIBC to Bank of America                                                                | 66,818     | J & N                         |
|      | 9/15/2000  | Transfer from CIBC to Bank of America                                                                | 120,208    | J & O                         |
|      | 9/18/2000  | Transfer from CIBC to Bank of America                                                                | 14,242     | J                             |
|      | 10/30/2000 | Wire transfer to Bank of America                                                                     | 64,408     | J                             |
|      | 11/10/2000 | Wire transfer to Bank of America                                                                     | 140,342    | J                             |
|      | 11/20/2000 | Wire transfer to Bank of America                                                                     | 1,125,166  |                               |
|      |            | Payments made by AMT (USA) Inc. on behalf of AMT International Mining Corporation                    |            |                               |
|      |            | Net payments (evidenced by detailed GL)                                                              | (170,621)  | J                             |
|      |            | Net amount due from AMT (USA) Inc. to AMT International Mining Corporation as at December 31st, 2000 | 15,301,887 |                               |

**Net funds advanced from AMT International Mining Corporation to AMT (USA) Inc.**  
**(For the period of Fiscal 1996 to Fiscal 2001)**  
**As at October 3, 2007**  
**(US \$)**

| Year | Date | Description | Amount | TAB of supporting Information |
|------|------|-------------|--------|-------------------------------|
|------|------|-------------|--------|-------------------------------|

2001

**Funds advanced from AMT International Mining Corporation to AMT (USA) Inc.**

|           |                                          |  |                |       |
|-----------|------------------------------------------|--|----------------|-------|
|           |                                          |  | 19,835         | P & Q |
| 1/10/2001 | Transfer to from CIBC to Bank of America |  | 32,828         | P & Q |
| 1/19/2001 | Transfer to from CIBC to Bank of America |  | 6,509          | P & R |
| 2/12/2001 | Transfer to from CIBC to Bank of America |  | 31,898         | P & R |
| 2/21/2001 | Transfer to bofa                         |  | 3,235          | P & R |
| 2/26/2001 | Transfer to from CIBC to Bank of America |  | 32,107         | P & S |
| 3/9/2001  | Transfer to from CIBC to Bank of America |  | 15,980         | P & S |
| 3/14/2001 | Transfer to from CIBC to Bank of America |  | 15,147         | P & S |
| 3/29/2001 | Transfer to from CIBC to Bank of America |  | <u>157,538</u> |       |

**Payments made by AMT International Corporation on behalf of AMT (USA) Inc.**

Net payments (evidenced by detailed GL)

64,487 P

**Net amount due from AMT (USA) Inc. to AMT International Mining Corporation**  
**as at December 31st, 2001**

15,513,911 P

**Additional funds advanced and/or payments made by AMT International Mining Corporation on behalf of AMT (USA) Inc. between June 30, 2001 and December 31, 2005**

132,708

**Net amount due from AMT (USA) Inc. to AMT International Mining Corporation**  
**(as at October 3, 2007)**  
**(as evidenced by both an AMT (USA) Inc.'s trial balance and a AMT International Mining Corporation detailed GL)**

15,646,620 T



Schedule 2

**Note payable from AMT (USA) Inc. to AMT International Mining Corporation**  
**As at October 3, 2007**  
**(US\$)**

| Year | Date                                              | Description  | Amount              | TAB of supporting information |
|------|---------------------------------------------------|--------------|---------------------|-------------------------------|
| 2001 | Balance end of year<br>(evidenced by detailed GL) | Note payable | <u>\$ 1,294,040</u> | A                             |
| 2005 | Balance end of year<br>(evidenced by detailed GL) | Note payable | <u>\$ 1,294,040</u> | B                             |
|      | Balance of the note payable as at October 3, 2007 |              | \$ 1,294,040        |                               |

**Complaint/Summons:**2:09-ap-01231-SSC Mann v. AMT International Mining Corporation et al

Type: ap Office: 2 (Phoenix) Judge: SSC

Lead Case: 2:07-bk-5082

**U.S. Bankruptcy Court****District of Arizona****Notice of Electronic Filing**

The following transaction was received from STEVEN J. BROWN entered on 9/23/2009 at 12:01 PM AZ and filed on 9/23/2009

Case Name: Mann v. AMT International Mining Corporation et al

Case Number: 2:09-ap-01231-SSC

Document Number: 1

**Docket Text:**

Complaint (No Fee Due/Deferred) against AMT International Mining Corporation, RSM Richter, Inc. filed by STEVEN J. BROWN of STEVE BROWN &amp; ASSOCIATES, LLC on behalf of Diane Mann (Attachments: # (1) Exhibit A# (2) Exhibit B). (BROWN, STEVEN)

The following document(s) are associated with this transaction:

**Document description:Main Document**

Original filename:Complaint against AMT Intl &amp; RSM Richter.pdf

**Electronic document Stamp:**[STAMP bkecfStamp\_ID=875559564 [Date=9/23/2009] [FileNumber=15254874-0]  
] [61cb1755a68d9cfbacbe6ec09812a216ac4d2a1c6474e9160ff2458d56ee09d0ef5  
893b959e0eb005bed1eafdd64728b8a057c53985199d7ddbdb1d86fde73d]]**Document description: Exhibit A**

Original filename:AMT EX A.pdf

**Electronic document Stamp:**[STAMP bkecfStamp\_ID=875559564 [Date=9/23/2009] [FileNumber=15254874-1]  
] [7e646294e7b3e89cfec996e0a61a93b4917b8e0b3a5a73b01d336f085a3463d90de  
3d1ac7f8d95b6310b308a0c9930bd22f3fe5714205c0661de369d07757ac3]]**Document description: Exhibit B**

Original filename:AMT EX B.pdf

**Electronic document Stamp:**[STAMP bkecfStamp\_ID=875559564 [Date=9/23/2009] [FileNumber=15254874-2]  
] [68b5b7b003d5370b000444239ab749c772a707570664ec04e3ec8d5f631d2fe8b0d  
b64800900e391339d713c79abd90fd5b623d1ac38db12deab4b467414299]]**2:09-ap-01231-SSC Notice will be electronically mailed to:**

STEVEN J. BROWN on behalf of Plaintiff Diane Mann

sbrown@sjbrownlaw.com;snemecek@sjbrownlaw.com;kflaen@sjbrownlaw.com;madamo@sjbrownlaw.com;rpitman@sjbrownlaw.com;jcarter@sjbrownlaw.com

# TAB L

**EXHIBIT**

"L"

**File a Motion:**

2:07-bk-05082-SSC AMT (USA) Inc.

Type: bk

Chapter: 7 v

Office: 2 (Phoenix)

Assets: y

Judge: SSC

**U.S. Bankruptcy Court**

**District of Arizona**

**Notice of Electronic Filing**

The following transaction was received from STEVEN J. BROWN entered on 11/16/2010 at 11:35 AM AZ and filed on 11/16/2010

Case Name: AMT (USA) Inc.

Case Number: 2:07-bk-05082-SSC

Document Number: 47

**Docket Text:**

Trustee Motion to Approve Compromise/Settlement with *AMT International Mining Corporation and RSM Richter, Inc., as Receiver for AMT International Mining Corporation* filed by STEVEN J. BROWN of STEVE BROWN & ASSOCIATES, LLC on behalf of DIANE M. MANN. (BROWN, STEVEN)

The following document(s) are associated with this transaction:

**Document description:Main Document**

Original filename: C:\fakepath\Motion to Approve Settlement with AMT Intl.pdf

**Electronic document Stamp:**

[STAMP bkecfStamp\_ID=875559564 [Date=11/16/2010] [FileNumber=20034499-0] [7080600c9b8faaf51177c0199ee22a5860ce02784b327d7f8a07fe6af62ee4c2a67857e8747df8a16526008fdc76fe5a45f05c7979b0d29ecc00124d0e673581]]

**2:07-bk-05082-SSC Notice will be electronically mailed to:**

STEVEN J. BROWN on behalf of Plaintiff Diane Mann

sbrown@sjbrownlaw.com;snemecek@sjbrownlaw.com;kflaen@sjbrownlaw.com;rpitman@sjbrownlaw.com;jcarter@sjbrownlaw.com

JORDAN A KROOP on behalf of Debtor AMT (USA) Inc.

jkroop@ssd.com, kgraves@ssd.com;dkampen@ssd.com;khutchison@ssd.com

DIANE M. MANN

dmm1126@aol.com;dmmann@ecf.epiqsystems.com

U.S. TRUSTEE

USTPRegion14.PX.ECF@USDOJ.GOV

STEVE BROWN & ASSOCIATES, LLC  
1414 EAST INDIAN SCHOOL ROAD, SUITE 200  
PHOENIX, ARIZONA 85014  
(602) 264-9224

Steven J. Brown (#010792) [sbrown@sjbrownlaw.com](mailto:sbrown@sjbrownlaw.com)  
Steven D. Nemecek (#015219) [snemecek@sjbrownlaw.com](mailto:snemecek@sjbrownlaw.com)  
John P. Carter (#025402) [jcarter@sjbrownlaw.com](mailto:jcarter@sjbrownlaw.com)  
*Attorneys for Trustee*

**IN THE UNITED STATES BANKRUPTCY COURT**  
**FOR THE DISTRICT OF ARIZONA**

|                  |   |                                     |
|------------------|---|-------------------------------------|
| In re:           | ) | In Proceedings Under Chapter 7      |
|                  | ) |                                     |
| AMT (USA), INC., | ) | Case No. 2:07-bk-05082 SSC          |
|                  | ) |                                     |
| Debtor.          | ) | <b>TRUSTEE'S MOTION FOR ORDER</b>   |
|                  | ) | <b>APPROVING COMPROMISE AND</b>     |
|                  | ) | <b>SETTLEMENT WITH AMT</b>          |
|                  | ) | <b>INTERNATIONAL MINING</b>         |
|                  | ) | <b>CORPORATION AND RSM RICHTER,</b> |
|                  | ) | <b>INC., AS RECEIVER FOR AMT</b>    |
|                  | ) | <b>INTERNATIONAL MINING</b>         |
|                  | ) | <b>CORPORATION</b>                  |

Pursuant to Bankruptcy Rule 9019, Chapter 7 Trustee Diane Mann respectfully requests that the Court enter an order approving a settlement with Defendants AMT International Mining Corporation, and RSM Richter, Inc., as Receiver for AMT International Mining Corporation. Under the settlement, Defendants will pay to Trustee the sum of \$36,461, due within 11 days of the Court's approval of the settlement. In addition, AMT International Mining will amend their proof of claim to reduce the amount of their unsecured claim from

1 \$16,538,668.28 to \$15,538,668.28. Following payment of the settlement amount, and the  
2 amendment to the proof of claim, the Trustee will withdraw her objection to the proof of  
3 claim, and dismiss with prejudice Adversary No. 02:09-ap-01231-SSC.

4 This Motion is supported by the following Memorandum of Points and Authorities.

5 DATED: November 16, 2010.

7 STEVE BROWN & ASSOCIATES, LLC

8 By /s/ Steven J. Brown  
9 Steven J. Brown  
10 Steven D. Nemecek  
11 1414 East Indian School Road, Ste. 200  
12 Phoenix, Arizona 85014  
13 Attorneys for Trustee

14 **MEMORANDUM OF POINTS AND AUTHORITIES**

15 **I. Background – The Alleged Preferences**

16 Debtor AMT (USA), Inc. (“Debtor”) is an Arizona corporation, wholly owned by  
17 defendant AMT International Mining Corporation (“AMT International”). On February 20,  
18 2001, AMT International entered into a loan from Norshield Investment Corporation in the  
19 amount of \$1 million (the “Norshield Loan”). Debtor guaranteed the Norshield Loan, and  
20 granted Norshield a mortgage on part of a copper mine being developed by Debtor in Pinal  
21 County, Arizona, (the “Copper Creek Mine”).  
22

23 AMT International alleges that from 1996 through 2001, it made numerous loans to the  
24 Debtor to fund its operations and the development of the Copper Creek Mine. The cumulative  
25 total of these intercompany loans exceeded \$16.9 million (the “AMT International Debt”). On  
26 June 29, 2005, the Ontario Superior Court of Justice appointed RSM Richter LLP, a Canadian

1 accounting firm, (the "Receiver") as Receiver for various Norshield entities, adding Norshield  
2 Investment Corporation to the receivership entities on September 9, 2005. Many months  
3 later, on April 24, 2007, the Canadian court also appointed RSM Richter as Receiver for  
4 Debtor's parent company AMT International (the "Receiver"). On March 24, 2008, the  
5 Receiver filed a Proof of Claim in this case, on behalf of AMT International, for  
6 \$16,538,668.28.  
7

8 On July 29, 2005, the Debtor sold the Copper Creek Mine to Redhawk Resources, Inc.,  
9 ("Redhawk"). Debtor was to receive a downpayment from Redhawk of CDN \$1.6 million as  
10 well as Annual Royalty Payments ("ARPs") in the amount of CDN \$125,000 per year  
11 beginning in November 2005, and continuing until commercial mining production began.  
12

13 Redhawk sent the downpayment, as well as the first ARP, by wire to AMT  
14 International's law firm, Polthier Valiquette (the "Law Firm") where the funds were held for  
15 over a year and a half in trust, after certain disputes arose over the closing and the funds. On  
16 February 28, 2007, after Debtor and AMT International were ordered by a Canadian court to  
17 pay \$1 million dollars to Norshield, the Law Firm sent payment to the Receiver in the amount  
18 of CDN \$1,401,991. The Receiver accounted for the payment by offsetting \$401,991 of the  
19 AMT International Debt (the "Offset"), and crediting the remaining \$1,000,000 to the  
20 Debtor's guaranty of the Norshield Loan. The mortgage against the Copper Creek Mine was  
21 finally released at that time.  
22

23  
24 Disputes arose between the Trustee and the Receiver regarding whether the Redhawk  
25 payments made to the Receiver and to Norshield on Receiver's behalf (rather than to Debtor)  
26 constituted fraudulent transfers or preferences made to an insider within one year of filing

1 bankruptcy. Disputes also arose concerning whether the Receiver, as the recipient of  
2 avoidable transfers, was precluded from pursuing its claim under Section 502 of the  
3 Bankruptcy Code. Accordingly, the Trustee filed an Objection to the Receiver's Proof of  
4 Claim on June 1, 2010 (the "Objection"). The Trustee also filed an adversary proceeding  
5 against the Receiver seeking recovery of preferences and fraudulent transfers on September  
6 23, 2009 (the "Adversary"). The Receiver contended that the Adversary was stayed by the  
7 Canadian Receivership Order under which he was appointed. Rather than litigate these  
8 complex issues, the Trustee and the Receiver have reached the following settlement.  
9

## 10 **II. The Settlement**

11 Receiver has provided detailed information and documents in order to demonstrate that  
12 the \$1 million dollar payment was for a guaranteed obligation and validly perfected lien  
13 against the Copper Creek Mine and therefore not preferential. Trustee believes the Receiver  
14 would likely succeed in its defense regarding the \$1 million dollar payment but that the  
15 additional \$401,991 the Receiver offset was preferential and avoidable.  
16  
17

18 Under the Settlement, the Receiver and Trustee agree that the Receiver will reduce its  
19 unsecured claim by \$1,000,000 to \$15,538,668.28, because that payment had never been  
20 credited to its proof of claim. After the Receiver files the amendment to the proof of claim,  
21 total claims filed against the Estate will be \$17,103,686.98, of which \$15,000 will be priority  
22 claims. Receiver's amended claim therefore amounts to 90.93% of the total unsecured claims  
23 pool.  
24

25 Trustee and Receiver further agree that the Offset taken by Receiver on February 26,  
26 2007, is deemed avoidable. To be eligible to receive a distribution, the Receiver would have



1 to first return this amount. The Receivership Estate has demonstrated to Trustee the ability to  
2 make that payment. At least 90.93% of that payment would be paid back to the Receiver.  
3 The other 9.07% would be available for other creditors. Accordingly, Trustee and Receiver  
4 agree that, under the settlement, the Receiver shall make a single payment of 9.07% of the  
5 amount to be avoided, or \$36,461 (the "Settlement Payment"), and retain the remaining  
6 \$365,530.10. Further, the settlement payment will be reserved entirely for other unsecured  
7 creditors, as opposed to other funds the Trustee has collected, which will be distributed pro  
8 rata to all unsecured creditors including the Receiver.  
9

10 The Settlement Payment of \$36,461 must be received within 11 days of the Court's  
11 entry of an order approving the settlement. Upon receipt of the Settlement Payment, the  
12 Trustee and the Receiver will dismiss the Adversary with prejudice. Finally, the Receiver  
13 waives any claim under 11 U.S.C. § 502(h) the Receiver would have resulting from avoidance.  
14

### 15 **III. The Court Should Approve The Settlement.**

16 The Ninth Circuit requires the bankruptcy court to consider the following factors in  
17 evaluating a settlement or compromise: (1) the probability of success in the litigation; (2) the  
18 likely difficulties in collection; (3) the complexity of the litigation; (4) the expense,  
19 inconvenience and delay necessarily attending it; and (5) the paramount interest of the  
20 creditors. Martin v. Kane (In re A & C Properties), 784 F.2d 1377 (9th Cir.), cert. denied sub  
21 nom. Martin v. Robinson, 479 U.S. 854 (1986). Thus, the standard for approving a settlement,  
22 whether it is in the best interest of the estate, entails an examination of the settlement's terms  
23 with the litigation's probable cost and benefits.  
24  
25  
26

1 Here, approval of the settlement will avoid additional, costly litigation that will not  
2 benefit creditors and has become unnecessary. The settlement has the same net effect as  
3 succeeding in litigation on the alleged \$401,991 preferential transfer, and avoids the cost of  
4 litigating the \$1 million dollar preference which Trustee now believes the Receiver can  
5 successfully defend. Under this settlement, the Trustee will also be able to expedite closure of  
6 the bankruptcy case. The settlement therefore is in the best interests of the Estate and all  
7 creditors.  
8

9 **IV. Conclusion**

10 Based on the foregoing, the Trustee respectfully requests that the Court enter an order  
11 approving the settlement.  
12

13 DATED: November 16, 2010.

14  
15 STEVE BROWN & ASSOCIATES, LLC

16 By /s/ Steven J. Brown

17 Steven J. Brown

18 Steven D. Nemecek

19 John P. Carter

20 1414 East Indian School Rd., Ste. 200

21 Phoenix, Arizona 85014

22 Attorneys for Trustee

23 Copy of the foregoing mailed this  
24 16<sup>th</sup> day of November, 2010, to:

25 Jordan A. Kroop, Esq.

26 SQUIRE, SANDERS & DEMPSEY LLP

1 East Washington, Suite 2700

Phoenix, Arizona 85004-4440

Attorney for AMT International Mining Corp.

1 Eric Rodier, Receiver  
2 RSM Richter, Inc.  
3 2 Place Alexis Nihon, 20<sup>th</sup> Floor  
4 Montreal, Quebec H3Z 3C2  
5 Canada  
6 Via email: ERodier@rsmrichter.com

7 Office of the U.S. Trustee  
8 230 North First Avenue, Suite 204  
9 Phoenix, AZ 85004-1706

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By /s/ Gina Ortega 

TAB

M

Gary A. Gotto, No. 007401  
KELLER ROHRBACK, P.L.C.  
3101 North Central Avenue, Suite 1400  
Phoenix, Arizona 85012-2643  
Telephone: 602-248-0088  
Facsimile: 602-230-6360  
ggotto@krplc.com  
*Co-Counsel to Creditor Mani Verma*

Michael S. Etkin, Esq.  
Timothy R. Wheeler, Esq.  
**LOWENSTEIN SANDLER PC**  
1251 Avenue of the Americas, 18<sup>th</sup> Floor  
New York, New York 10020  
Telephone: (212) 262-6700  
Facsimile: (212) 262-7402

- and -

65 Livingston Avenue  
Roseland, New Jersey 07068  
Telephone: (973) 597-2500  
Facsimile: (973) 597-2400  
*Counsel to Creditor Mani Verma*  
*(Pro hac vice application pending)*

**UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF ARIZONA**

In re:

AMT (USA), INC.

Debtor.

Chapter 7

Case No. 07- 05082 (SSC)

**ORAL ARGUMENT REQUESTED**

**OBJECTION OF MANI VERMA TO TRUSTEE'S MOTION FOR ORDER  
APPROVING COMPROMISE AND SETTLEMENT WITH AMT INTERNATIONAL  
MINING CORPORATION AND RSM RICHTER, INC., AS RECEIVER FOR  
AMT INTERNATIONAL MINING CORPORATION**

Mani Verma ("Verma" or, the "Objector"), by and through his undersigned counsel, hereby submits this objection (the "Objection") to the motion (the "Motion") of the

Chapter 7 Trustee Diane Mann (the “Trustee”) pursuant to Federal Rule of Bankruptcy Procedure 9019 (“Rule 9019”) for an order approving a compromise and settlement with AMT International Mining Corporation and RSM Richter, Inc. as receiver for AMT International Mining. In support of the Objection, Verma respectfully states as follows:

### **PRELIMINARY STATEMENT**

1. The Motion should be denied because the settlement embodied therein does not meet the fair and equitable standard established under accepted Ninth Circuit law. Much, if not all, of AMT International’s (defined below) claim has all of the hallmarks of a claim subject to equitable subordination or recharacterization as an equity interest. It is apparent that AMT International used its position as 100% shareholder of the Debtor (defined below) to improperly characterize as “loans” the equity or capital contributions that the Debtor required to operate during times when the Debtor was severely undercapitalized. AMT International clearly took this approach in order to receive undeserved *pari passu* treatment with unsecured creditors. Despite a request by Verma’s counsel, not even a cursory investigation and analysis of the specific advances comprising AMT International’s claim was conducted to look behind these so-called intercompany loans. Accordingly, and as more fully set forth below, the Motion should be denied because any settlement that ignores the obvious and allows AMT International to be treated as an unsecured creditor is not fair and equitable under the accepted standard in the Ninth Circuit.

### **BACKGROUND**

2. On October 3, 2007 (the “Petition Date”), AMT (USA), Inc. (the “Debtor”) filed a voluntary petition for relief under chapter 7 of title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the “Bankruptcy Code”).

3. On October 18, 2007, the Debtor filed its Statement of Financial Affairs (as amended, the “SOFA”). *See* Docket Nos. 11 & 17. As set forth in the SOFA, AMT

International Mining Corporation (“AMT International”) is the Debtor’s 100% shareholder. *See* SOFA, no. 21. Prior to the Petition Date, on or about April 24, 2007, RSM Richter was appointed as receiver for AMT International (the “Receiver”) in a receivership proceeding in Canada. *See* Motion, p. 3.

4. On or about March 26, 2008, AMT International filed a proof of claim in this case asserting a general unsecured claim for “[f]unds advanced; [and] expenses paid on behalf of AMT (USA) Inc.” in the amount of \$16,538,668.28, which claim was assigned claim number four (“POC 4”). Attached to POC 4 as supporting documentation are various annual summaries, general ledger activity detail reports, bank statements, wire transfer receipts, general ledger trial balance reports and other internal accounting documents and information that supposedly evidence transfers of funds between the Debtor and AMT International from 1996 to 2001 in the aggregate amount of \$16,940,659.40 (the “POC Documentation”).

5. On September 23, 2009, the Trustee commenced Adversary Proceeding 09-01231 (the “Adversary Proceeding”) with the filing of a complaint against AMT International and the Receiver asserting claims for (a) avoidance and recovery of fraudulent transfers in the amount of up to approximately \$2 million; (b) avoidance and recovery of a preferential transfer in the amount of \$401,991.12; and (c) an objection to POC 4, unless and until the Receiver returns the alleged fraudulent and preferential transfers. *See* Adversary Proceeding, Doc. No. 1.

6. On June 1, 2010, the Trustee filed an objection seeking disallowance of POC 4 unless and until the Receiver pays to the Trustee the amounts sought in the Adversary Proceeding (the “POC 4 Objection”). *See* Docket No. 41.

7. Neither the Adversary Proceeding nor the POC 4 Objection includes any analysis or evidence of investigation of the POC Documentation, the transactions described in the POC Documentation, or the fund advances that comprise POC 4. Neither the Adversary Proceeding nor the POC 4 Objection questions the amount, validity or characterization of POC 4 beyond the relatively small amounts challenged as fraudulent transfers and/or preferential transfers.

Indeed, none of the *bona fides* of this \$16,538,668.28 claim, which dwarfs and dominates the unsecured creditor pool, appear to have been examined, including any review of applicable statutes of limitations, despite dating back to as many as fourteen (14) years ago.

8. On November 16, 2010, the Trustee filed the Motion, seeking Court approval of a settlement and compromise under Rule 9019, which allegedly resolves the outstanding issues in the Adversary Proceeding and POC 4 Objection. *See* Docket No. 47. Specifically, the settlement described in the Motion provides that the Receiver will amend POC 4 to reduce the asserted general unsecured claim by \$1,000,000 to \$15,538,668.28, and remit a settlement payment in the amount of \$36,461 to the Trustee for distribution to other unsecured creditors. In exchange, the Trustee has agreed to dismiss the Adversary Proceeding with prejudice and allow the \$15,538,668.28 claim in full. The result is to pay the receiver 90% of the funds available for distribution to unsecured creditors.

### **ARGUMENT**

#### **A. The Motion Should Be Denied Because the Underlying Settlement Is Not Fair And Equitable.**

9. For the bankruptcy court to approve a compromise agreement there must be more than a mere good faith negotiation of a settlement by the trustee. The Court must also find that the compromise is fair and equitable. *See Martin v. Kane (In re A & C Props.)*, 784 F.2d 1377, 1381 (9th Cir.1986) (*citation omitted*). “An approval of a compromise, absent a sufficient factual foundation which establishes that it is fair and equitable, inherently constitutes an abuse of discretion.” *Id.* at 1383. In the Ninth Circuit, “the fair and equitable settlement standard under Rule 9019 requires consideration of: (1) probability of success in the litigation; (2) collectability; (3) complexity, expense, inconvenience, and delay attendant to continued litigation; and (4) the interests of creditors, which are said to be ‘paramount.’” *Fitzgerald v. Ninn Worx, Sr., Inc., et al., (In re Fitzgerald)*, 428 B.R. 872, 884 (9th Cir. B.A.P. 2010) (*citing In re A & C Props.*, 784 F.2d at 1381). “These four factors are often referred to as the ‘A&C factors.’” *Fitzgerald*, 428 B.R. at 884. “The trustee, as the party proposing the compromise,



has the burden of persuading the bankruptcy court that the compromise is fair and equitable and should be approved.” *A & C Props.*, 784 F.2d at 1381 (*citing In re Hallet*, 33 B.R. 564, 565-66 (Bankr. D.Me.1983)).

10. Here, quite simply, the Trustee has not met the burden of persuading the Bankruptcy Court that the settlement embodied in the Motion is fair and equitable and in the best interests of creditors like Verma. While the Trustee does pay lip service to the A&C factors in the Motion, she includes no application of the standard to the facts present beyond a few sentences devoted to the relatively small fraudulent transfer and preferential transfer. More specifically, with respect to A&C factors one, two and three, the Trustee can make no argument nor draw any conclusions with respect to the “probability of success in the litigation”; “collectability”; or “complexity, expense, inconvenience, and delay attendant to continued litigation” with respect to the substance of POC 4, because no analysis or investigation was ever conducted with regard to the basis of the claim, namely, the advances from AMT International to the Debtor that occurred between nine and fourteen years ago. Moreover, the litigation costs would not be an issue for the balance of unsecured creditors because such expenses would easily be covered by the increased distributions that would result from a successful challenge to POC 4. Finally, in respect of A&C factor four, “the interests of creditors, which are said to be ‘paramount,’” there can be no argument that any creditor--with the sole exception of AMT International--will benefit from the proposed settlement, because it will effectively reduce the recoveries of unsecured creditors by at least 90%.

11. POC 4 is comprised of a series of advances made from a parent company to its wholly-owned subsidiary with no formal documentation beyond notations on ledger sheets and other internal accounting records. The POC Documentation described above does not include any promissory notes, contracts, agreements or other documentation of any kind that would evidence a formal loan from AMT International to the Debtor. There is no evidence of any

terms of these so-called loans such as a repayment schedule, a stated interest rate, events of default, etc.

12. Even the most casual investigation should have sounded the alarm when it revealed a \$16 million claim based upon undocumented loans from a 100% shareholder parent dating date back to 1996, which begs the question of whether the applicable statute of limitations may have even run with respect to recovery of the so-called loans and advances. Nothing in the Motion provides any indication that any analysis or investigation was conducted, yet because of the magnitude of POC 4, the proposed settlement will effectively dilute the recoveries of unsecured creditors' claims by an astounding 90%. None of these serious issues regarding the *bona fides* of POC 4 have been vetted or otherwise addressed by the Motion or Objection to POC 4. Accordingly, this Court should deny the Motion as the underlying settlement is not fair and equitable.

**B. The Proposed Settlement Is Not Fair And Equitable Because POC 4 Appears On Its Face To Be Subject To Equitable Subordination Under 11 U.S.C § 510(c).**

**(i) The Conduct Of AMT International.**

13. POC 4 is clearly subject to being subordinated to the claims of unsecured creditors as a direct result of the conduct of the Debtor's parent company, AMT International. Bankruptcy Code section 510(c) provides in pertinent part that the court may "under principles of equitable subordination, subordinate for purposes of distribution all or part of an allowed claim to all or part of another allowed claim or all or part of an allowed interest to all or part of another allowed interest; or... order that any lien securing such a subordinated claim be transferred to the estate." 11 U.S.C. 510(c)(1)&(2). "The seminal case for the modern subordination doctrine is often considered to be the Fifth Circuit's decision, *In the Matter of Mobile Steel Company*, 563 F.2d 692 (5th Cir.1977), which established a three-part test for the equitable subordination of claims." *In re GTI Capital Holdings, LLC*, 2007 WL 2493671 \*14 (Bankr. D. Ariz. 2007). Even though the *Mobile Steel* decision was published prior to codification of Section 510(c), the Ninth Circuit has adopted the three-pronged analysis set

forth in *Mobile Steel*. The elements required to subordinate a claim are as follows: “(1) that the claimant engaged in some type of inequitable conduct, (2) that the misconduct injured creditors or conferred unfair advantage on the claimant, and (3) that subordination would not be inconsistent with the Bankruptcy Code.” *In re First Alliance Mortgage Co.*, 471 F.3d 977, 1006 (9th Cir.2006) (citing *Mobile Steel*, 563 F.2d at 699-700; *In re Lazar*, 83 F.3d 306 (9th Cir.1996)); see also *In re Filtercorp, Inc.*, 163 F.3d 570, 583 (9th Cir.1998); *Stoumbus v. Kilimnik*, 988 F.2d 949, 958 (9th Cir.1993), cert. den., 510 U.S. 867 (1993) (citing *In re Christian Life Center*, 821 F.2d 1370, 1376 (9th Cir. 1987) (“The bankruptcy court may subordinate a claim if it finds the claimant engaged in fraud, unfairness or inequity, and the claimant’s conduct harmed the debtor or its other creditors”)).

14. “Generally, equitable subordination is employed in cases where a creditor is an insider or manager of the debtor, or where the creditor has exercised substantial control over the debtor.” *In re GTI Capital Holdings, LLC*, 2007 WL 2493671 \*14 (Bankr. D. Ariz. 2007). As described below, the conduct of an insider claimant is subject to a higher level of scrutiny by the Court. Therefore, as a preliminary matter, the Court must make a determination regarding the status of the claimant to establish the appropriate level of scrutiny under which to examine the conduct of the claimant.

The primary distinctions between subordinating the claims of insiders versus those of non-insiders lie in the severity of misconduct required to be shown, and the degree to which the court will scrutinize the claimant’s actions toward the debtor or its creditors. Where the claimant is a non-insider, egregious conduct must be proven with particularity. It is insufficient for the objectant in such cases merely to establish sharp dealing; rather, he must prove that the claimant is guilty of gross misconduct tantamount to “fraud, overreaching or spoliation to the detriment of others.” **Where the claimant is an insider, his dealings with the debtor will be subjected to more exacting scrutiny. If the objectant comes forward with sufficient substantiations of misconduct on the part of the insider claimant, the burden will shift to the insider to establish that each of his challenged transactions with the debtor had all the earmarks of an arm’s length bargain.**

*In re Pacific Exp., Inc.*, 69 B.R. 112, 116 (9th Cir. B.A.P. 1986) (emphasis added) (citing *Matter of Teltronics Services, Inc.*, 29 B.R. 139, 169 (Bankr. E.D.N.Y. 1983); *Pepper v. Litton*, 308 U.S.

295, 60 S.Ct. 238, 84 L.Ed. 281 (1939)); *see also* *Brewer v. Erwin & Erwin P.C. (In re Marquam Inv. Corp.)*, 942 F.2d 1462, 1465 (9th Cir. 1991).

15. As previously stated, the Debtor is wholly-owned by AMT International. The Bankruptcy Code provides that “[t]he term ‘insider’ includes...if the debtor is a corporation...[a] person in control of the debtor.” 11 U.S.C. 101(31). As the controlling, indeed *only*, shareholder of the Debtor, AMT International was presumably at all relevant times totally in control of the Debtor and therefore an insider of the Debtor under section 101(31). Accordingly, as noted above, within the context of a section 510(c) subordination analysis, AMT International’s conduct is subject to heightened scrutiny.

16. In respect of the three-prong *Mobile Steel* analysis, first, AMT International used its position as 100% shareholder and parent of the Debtor to improperly characterize as “loans” the equity or capital contributions made to the Debtor while the Debtor was, upon information and belief, severely undercapitalized. As indicated below, an analysis of the subject transactions reveals that they bear none of the indicia of normal “loan” transactions and all of the hallmarks of equity infusions. Second, this misconduct was calculated to both provide AMT International with an unfair advantage and to injure other creditors. As submitted, POC 4 would confer an unfair advantage on the claimant, namely, to allow AMT International, an equity investor, to receive *pari passu* treatment for its claim with the claims of unsecured creditors. Further, to add injury to insult, the result of this misconduct would be a 90% reduction in the recoveries of unsecured creditors due to the sheer magnitude of AMT International’s stale and questionable claim. Finally, subordination of AMT International’s claim is not inconsistent with any other Bankruptcy Code provision. Rather, subordination of AMT International’s claim would be entirely consistent with the Bankruptcy Code’s overarching principles of basic fairness and equity, and the underpinnings of the absolute priority rule, which include the policy objective that only similarly situated creditors should receive similar treatment.

17. Accordingly, the Motion should be denied because any settlement that allows AMT International to be treated as an unsecured creditor without any investigation and challenge is not fair and equitable under the accepted standard in the Ninth Circuit.

**(ii) *The Subject Advances Were Equity Contributions, Not Loans.***

18. Classification of POC 4 as a general unsecured claim is wholly inappropriate at this juncture. The transactions that form the basis of POC 4 appear to be regular, interest free cash advances to be repaid at some unknown time in the future depending upon the success or failure of the Debtor. These are the basic hallmarks of an equity infusion -- not an arms' length unsecured "loan" between the Debtor and the insider parent, AMT International.

19. The ability to recharacterize a purported loan emanates from the Court's power to ignore the form of a transaction and give effect to its substance. *See In re In re Insilco Technologies, Inc.*, 480 F.3d 212 (3d Cir. 2007); *SubMicron Systems Corp.*, 291 B.R. 314, 322 (D. Del. 2003), *aff'd*, 432 F.3d 448 (3d Cir. 2006); *In re AutoStyle Plastics, Inc.*, 269 F.3d 726, 748 (6th Cir. 2001); *In re Fabricators, Inc.*, 926 F.2d 1458, 1469 (5th Cir. 1991); *In re Global Western Development Corp.*, 759 F.2d 724, 727 (9th Cir. 1985). While some jurisdictions have condoned the characterization of claims as equity or debt through the use of the court's equitable powers under Bankruptcy Code section 105, others, such as the Ninth Circuit, have instead held that such a determination is more appropriately governed by section 510(c) because the ultimate result of recharacterization of a claim is subordination. *See Pacific Exp.*, 69 B.R. at 115-116.

20. Recharacterization analyzes whether a debt is truly a debt or only an investment that has been characterized as such and examines the nature of a transaction, rather than the label given to it by the parties. The recharacterization inquiry is: what is the proper characterization in the first instance of an investment. *SubMicron Systems*, 291 B.R. at 322. In *In re AutoStyle Plastics, Inc.*, 269 F.3d 726, 749-50 (6th Cir. 2001), the Sixth Circuit adopted an 11-factor balancing test to determine whether a transaction is, in substance and form, a loan

or a capital contribution. The 11 factors are: (1) the name given to the instrument, if any, evidencing the indebtedness; (2) the presence or absence of a fixed maturity date and schedule of payments; (3) the presence or absence of a fixed rate of interest and interest payments; (4) the source of repayments; (5) the adequacy or inadequacy of capitalization; (6) the identity of interest between the creditor and the stockholder; (7) the security, if any, for the advances; (8) the corporation's ability to obtain financing from outside lending institutions; (9) the extent to which the advances were subordinated to the claims of outside creditors; (10) the extent to which the advances were used to acquire capital assets; and (11) the presence or absence of a sinking fund to provide repayments. Other courts have added the following consideration to the analysis: the amount or degree of shareholder control. *See, e.g., In re Hyperion Enterprises, Inc.*, 158 B.R. 555 (D. R.I. 1993). No one *Autostyle* factor is dispositive. The Sixth Circuit in *Autostyle* also observed that the factors must be analyzed in the context of the specific facts of a case and "the more a transaction appears to reflect the characteristics of an arm's length transaction, the more likely the transaction will be treated as debt. *Autostyle*, 269 F.3d at 750.

21. Alternatively, in *Submicron Systems*, the Third Circuit articulated a similar but different approach in determining whether the extent of the inquiry which a court should make to determine whether a debt should be recharacterized as equity in an adversary proceeding commenced by a plan administrator. *SubMicron Systems*, 432 F.3d at 455. The Court noted that though several other circuits engage in a multi-factor analysis, the better inquiry was more amorphous, and less dependent on rigid multi-factor tests:

While these tests undoubtedly include pertinent factors, they devolve to an overarching inquiry: the characterization as debt or equity is a court's attempt to discern whether the parties called an instrument one thing when in fact they intended it as something else. **That intent may be inferred from what the parties say in their contracts, from what they do through their actions, and from the economic reality of the surrounding circumstances.** Answers lie in facts that confer context case-by-case.

\* \* \*

**No mechanistic scorecard suffices.** And none should, for Kabuki outcomes elude difficult fact patterns. While some cases are easy ... others are hard...

Which course a court discerns is typically a commonsense conclusion that the party infusing funds does so as a banker (the party expects to be repaid with interest no matter the borrower's fortunes; therefore, the funds are debt) or as an investor (the funds infused are repaid based on the borrower's fortunes; hence, they are equity). **Form is no doubt a factor, but in the end it is no more than an indicator of what the parties actually intended and acted on.**

*Submicron Systems*, 432 F.3d at 455-457 (emphasis supplied). “[T]he overarching inquiry as to whether an advance should be considered an infusion of equity is the intent of the parties gleaned from what they say, what they do, and the economic reality of the situation.” *RJC Industries, Inc. v. Lombardozzi (In re RJC Industries)*, 369 B.R. 845, 852 (Bankr. M.D. Pa. 2006); *see also Fairchild Dornier GmbH v. The Official Committee of Unsecured Creditors*, 453 F.3d 225, 235 (4th Cir. 2006) (finding relevant to a recharacterization analysis (i) the continuing failure to collect the alleged debts owed; and (ii) the expectation that the transferee would not be required to pay back the debt until it became profitable).

22. Here, both the *Autostyle* 11-factor test and the more holistic *Submicron* approach lead to the inescapable conclusion that the advances from parent AMT International to the Debtor were equity or capital contributions and not so-called loans. First, in regard to the labels placed on the subject transactions, as noted above, the POC Documentation includes no promissory notes, agreements or other such contracts. “The absence of notes or other instruments of indebtedness is a strong indication that the advances were capital contributions and not loans.” *Autostyle*, 269 F. 3d at 750 (citing *Roth Steel Tube Co. v. Comm’r of Internal Revenue*, 800 F.2d 625, 631 (6th Cir.1986)). While the POC Documentation and POC 4 refer to the advances as “Intercompany” and “note payable,” the label given to an instrument by the parties is not dispositive of the true nature of that instrument. *See, e.g., Landreth Timber Co. v. Landreth*, 471 U.S. 681, 686 (1985) (holding that instrument labeled a ‘security’ by the parties to the transaction was not dispositive of the true nature of the instrument and that a court could find that the ‘security’ was not a security but another kind of instrument based on the application of relevant criteria); *Wolfensohn v. Madison Fund, Inc.*, 253 A.2d 72, 74-75 (Del. 1969).

23. Second, the lack of any formal financing documentation also indicates the absence of all customary terms of a traditional loan agreement including: a fixed maturity date and payment schedule; a fixed rate of interest and interest payments; the source of repayments; the extent to which the advances were subordinated to the claims of outside creditors; and the extent the funds were used to acquire capital assets. The absence of all of the above is a strong indication that AMT International had no reasonable expectation of repayment. “Where there is no reasonable expectation of repayment of monies advanced by an insider of the Debtors, the instrument is equity and not indebtedness.” *See, e.g., Creston Corp. v. C. I. R.*, 40 T.C. 932, 932 (Tax Court 1963) (notes issued by corporate taxpayer to its three stockholders did not in fact represent an ‘indebtedness’ under Internal Revenue Code because the funds were not advanced with reasonable expectation of repayment). The *Autostyle* court held that if the repayment of debt depends solely on the success of the borrower’s business, the “transaction has the appearance of a capital contribution.” *Autostyle*, 269 F.3d at 751. This further reinforces the notion that the “true economic nature” of these transactions is equity rather than debt.

24. Third, inadequate capitalization at the time of the transaction weighs in favor of recharacterizing the debt as equity. *See Autostyle*, 269 F.3d at 751. Thus, thin or inadequate capitalization is strong evidence that the advances are capital contributions rather than loans. If a debt is incurred when the debtor is undercapitalized, and the prospect for repayment is poor, such advances tend to look like a capital contributions and not loans. This factor must be considered at the time the transfer was made (not at the time of the initial capitalization of the debtor entity). *Id.* at 751. ‘Inadequate capitalization’ means capitalization “very small in relation to the nature of the business of the corporation and the risks the business necessarily entails.” 1 FLETCHER, CYCLOPEDIA OF THE LAW OF PRIVATE CORPORATIONS § 44.1 (perm. ed. 1990); *accord Anderson v. Abbott*, 321 U.S. 349, 362 (1944). The issue of undercapitalization is closely related to the question of insolvency. *See Ost-West-Handel Bruno Bischoff GmbH v.*



*Project Asia Line, Inc.*, 160 F.3d 170, 175 (4th Cir. 1998). Here, upon information and belief, the advances extended from AMT International to the Debtor, were made at times when the Debtor was severely undercapitalized.

25. Finally, if shareholders make advances “in proportion to their respective stock ownership, an equity contribution is indicated.” *Autostyle*, 269 F.3d at 751-52. On the other hand, a sharply disproportionate ratio between a stockholder’s percentage interest in stock and in debt is indicative of a bona fide debt. Here, 100% shareholder AMT International made 100% of the subject advances to the Debtor. Further, upon information and belief, by virtue of its controlling ownership, AMT International was at all relevant times in sole control of the Debtor, further indicating that the advances were equity or capital contributions.

26. Regardless of which test is applied to the transactions that comprise POC 4 the conclusion is the same: the fund transfers from AMT International to the Debtor bear none of the characteristics of traditional loan transactions and all of the hallmarks of equity contributions. As such, any settlement that accords POC 4 unsecured claim status without the slightest investigation into these troubling issues will be prejudicial to unsecured creditors and therefore, not fair and equitable. Accordingly, the Motion should be denied.

[Signature page to follow.]

**CONCLUSION**

For the foregoing reasons, Verma respectfully requests that the Court deny the Motion.

Dated: December 7, 2010

Respectfully submitted,

/s/ Gary A. Gotto

Gary A. Gotto, Esq.

**KELLER ROHRBACK, PLC**

3101 N. Central Avenue

Suite 1400

Phoenix, AZ 85012

Telephone: 602-230-6322

Facsimile: 602-230-6360

**LOWENSTEIN SANDLER PC**

/s/ Michael S. Etkin, Esq.

Michael S. Etkin, Esq.

Timothy R. Wheeler, Esq.

1251 Avenue of the Americas, 18<sup>th</sup> Floor

New York, New York 10020

Telephone: (212) 262-6700

Facsimile: (212) 262-7402

- and -

65 Livingston Avenue

Roseland, New Jersey 07068

Telephone: (973) 597-2500

Facsimile: (973) 597-2400

*Counsel to Creditor Mani Verma*

Copy of the foregoing mailed this  
7<sup>th</sup> day of December, 2010, to:

Steven J. Brown  
Steve Brown & Associates, LLC  
1414 East Indian School Road  
Suite 200  
Phoenix, Arizona 85014  
Attorneys for Trustee

Jordan A. Kroop, Esq.  
Squire, Sanders & Dempsey LLP  
1 East Washington, Suite 2700  
Phoenix, Arizona 85004-4440  
Attorney for AMT International Mining Corp.

Eric Rodier, Receiver  
RSM Richter, Inc.  
2 Place Alexis Nihon, 20<sup>th</sup> Floor  
Montreal, Quebec H3Z 3C2  
Canada

Office of the U.S. Trustee  
230 North First Avenue, Suite 204  
Phoenix, AZ 85004-1706

/s/ Kathy Kendrick

Gary A. Gotto, No. 007401  
KELLER ROHRBACK, P.L.C.  
3101 North Central Avenue, Suite 1400  
Phoenix, Arizona 85012-2643  
Telephone: 602-248-0088  
Facsimile: 602-230-6360  
ggotto@krplc.com  
*Co-Counsel to Creditor Mani Verma*

Michael S. Etkin, Esq.  
Timothy R. Wheeler, Esq.  
**LOWENSTEIN SANDLER PC**  
1251 Avenue of the Americas, 18<sup>th</sup> Floor  
New York, New York 10020  
Telephone: (212) 262-6700  
Facsimile: (212) 262-7402

- and -

65 Livingston Avenue  
Roseland, New Jersey 07068  
Telephone: (973) 597-2500  
Facsimile: (973) 597-2400  
*Counsel to Creditor Mani Verma*  
*(Pro hac vice application pending)*

**UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF ARIZONA**

In re:

AMT (USA), INC.

Debtor.

In Proceedings Under Chapter 7

Case No. 2:07-bk- 05082 (SSC)

**AFFIDAVIT OF MAILING**

State of Arizona       )  
                                  ) ss.  
County of Maricopa    )

Kathy Kendrick, deposes and states:

1. I am employed by Keller Rohrback, PLC, 3101 N. Central Avenue, Suite 1400, Phoenix, Arizona, 85012, and am over the age of eighteen years.

2. On December 7, 2010, at the request of Gary A. Gotto, co-counsel for Mani Verma in the above matter, I caused to be forwarded by First Class Mail, postage prepaid, a copy of the Objection of Mani Verma to Trustee's Motion for Order Approving Compromise and Settlement with AMT International Mining Corporation and RSM Richter, Inc., as Receiver for AMT International Mining Corporation, to all creditors and interested parties listed on Debtor's Master Mailing List attached hereto as Exhibit "A" and:

Jordan A. Kroop  
Squire, Sanders & Dempsey LLP  
1 East Washington, Suite 2700  
Phoenix, Arizona 85004-4440  
Attorney for AMT International Mining Corp.

Eric Rodier, Receiver  
RSM Richter, Inc.  
2 Place Alexis Nihon, 20<sup>th</sup> Floor  
Montreal, Quebec H3Z 3C2  
Canada

Office of the U.S. Trustee  
230 North First Avenue, Suite 204  
Phoenix, AZ 85004-1706

/s/ Kathy Kendrick

Dated: December 7, 2010

/s/ Kathy Kendrick

SUBSCRIBED AND SWORN to before me this 7<sup>th</sup> day of December, 2010.

Ivette M. Torres  
Notary Public

My Commission Expires:  
June 29, 2012

AMT (USA) INC.  
C/O JORDAN A. KROOP  
SQUIRE SANDERS & DEMPSEY, LLP  
40 N. CENTRAL AVE., #2700  
PHOENIX, AZ 85004-4498

U.S. BANKRUPTCY COURT, ARIZONA  
230 NORTH FIRST AVENUE, SUITE 101  
PHOENIX, AZ 85003-0608

AMT INTERNATIONAL MINING CORPORATION  
RSM RICHTER INC.  
2, PLACE ALEXIS NIHON  
MONTREAL, QUEBEC H3Z 3C2

AMALGAMET CANADA  
MR. RAYMOND WRAY VICE PRESIDENT  
111 RICHMOND STREET WEST  
TORONTO, ONTARIO M5H 2G4  
(Returned Mail)

D&G MINING CO., LLC  
JOSEPH H. WATSON  
109 E. SPEEDWAY  
TUCSON, AZ 85705-7763

HONEYBEE SOFTWARE TECHNOLOGIES INC.  
RSM RICHTER INC.  
2, PLACE ALEXIS NIHON  
MONTREAL, QUEBEC H3Z 3C2

MANI VERMA  
STEVEN F. ROSENHEK  
4200 TD BANK TOWER  
PO BOX 20, TORONTO DOMINION CENTRE  
TORONTO, ONTARIO M5K 1N6

U.S. TRUSTEE  
OFFICE OF THE U.S TRUSTEE  
230 NORTH FIRST AVENUE  
SUITE 204  
PHOENIX, AZ 85003-1725

DIANE MANN  
PO BOX 12970  
SCOTTSDALE, AZ 85267-2970

JORDAN A. KROOP  
SQUIRE SANDERS & DEMPSEY LLP  
TWO RENAISSANCE SQUARE  
40 N. CENTRAL AVE., STE 2700  
PHOENIX, AZ 85004-4498

INTERNAL REVENUE SERVICE  
CENTRALIZED INSOLVENCY OPERATIONS  
PO BOX 21126  
PHILADELPHIA, PA 19114-0326

MANI VERMA  
C/O LOWENSTEIN SANDLER PC  
ATTN: MICHAEL S. ETKIN, ESQ.  
65 LIVINGSTON AVE.  
ROSELAND, NJ 07068-1791

DIANE M. MANN  
29834 N. CAVE CREEK RD., #118-274  
CAVE CREEK, AZ 85331-5836

INTERNAL REVENUE SERVICE  
CENTRALIZED INSOLVENCY OPERATIONS  
PO BOX 21126  
PHILADELPHIA, PA 19114-0326

JORDAN A KROOP  
SQUIRE SANDERS & DEMPSEY LLP  
1 E. WASHINGTON ST. #2700  
PHOENIX, AZ 85004-2556

TAB

N



IT IS HEREBY ADJUDGED  
and DECREED this is SO  
ORDERED.



Dated: February 03, 2011

STEVE BROWN & ASSOCIATES, LLC  
1414 EAST INDIAN SCHOOL ROAD, SUITE 200  
PHOENIX, ARIZONA 85014  
(602) 264-9224

*Sarah S. Curley*

SARAH S. CURLEY  
U.S. Bankruptcy Judge

Steven J. Brown (#010792) [sbrown@sjbrownlaw.com](mailto:sbrown@sjbrownlaw.com)  
Steven D. Nemecek (#015219) [snemecek@sjbrownlaw.com](mailto:snemecek@sjbrownlaw.com)  
John P. Carter (#025402) [jcarter@sjbrownlaw.com](mailto:jcarter@sjbrownlaw.com)  
*Attorneys for Trustee*

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF ARIZONA

|                  |   |                                       |
|------------------|---|---------------------------------------|
| In re:           | ) | In Proceedings Under Chapter 7        |
|                  | ) |                                       |
| AMT (USA), INC., | ) | Case No. 2:07-bk-05082-SSC            |
|                  | ) |                                       |
| Debtor.          | ) | <b>ORDER GRANTING TRUSTEE'S</b>       |
|                  | ) | <b>MOTION FOR ORDER APPROVING</b>     |
|                  | ) | <b>COMPROMISE AND SETTLEMENT</b>      |
|                  | ) | <b>WITH AMT INTERNATIONAL</b>         |
|                  | ) | <b>MINING CORPORATION AND RSM</b>     |
|                  | ) | <b>RICHTER, INC., AS RECEIVER FOR</b> |
|                  | ) | <b>AMT INTERNATIONAL MINING</b>       |
|                  | ) | <b>CORPORATION</b>                    |

The Court has considered the Trustee's Motion For Order Approving Compromise and Settlement with AMT International Mining Corporation and RSM Richter, Inc., as Receiver for AMT International Corporation (the "Motion") filed by Chapter 7 Trustee Diane Mann, the Objection filed by Creditor Mani Verma, the Joinder in that Objection filed by D&G Mining and the Trustee's and AMT International's responses to those objections. The Court also conducted a hearing on January 19, 2011 at which the Court heard argument from the parties on the Motion.

1 Based on all of the papers filed, the arguments of counsel, the reasoning stated on the  
2 record by the Court at the hearing on January 19, 2011, and the agreement of Creditors Mani  
3 Verma and D&G Mining to the entry of this order in its current form,

4 **IT IS HEREBY ORDERED AS FOLLOWS:**

5 1. The Objections of Mani Verma and D&G Mining are deemed resolved by the terms  
6 of this Order as set forth below and the Motion is approved to the extent set forth below.  
7

8 2. Defendants AMT International Mining Corporation and/or RSM Richter, Inc., as  
9 Receiver for AMT International Mining Corporation ("AMT International"), will pay to Trustee  
10 the sum of \$36,461 (the "Settlement Payment") within 11 days of the date of this Order.  
11

12 3. Regardless of any other distributions the Trustee may make to allowed creditors, the  
13 Settlement Payment shall be reserved for distribution only to allowed, unsecured creditors other  
14 than AMT International.

15 4. AMT International's proof of claim shall be deemed amended and reduced from  
16 \$16,538,668.28 to \$15,538,668.28 (the "Reduced AMT International Claim") and the Reduced  
17 AMT International Claim shall be subject to paragraphs 5, 6 and 7 below.  
18

19 5. Following payment of the Settlement Payment, and the reduction of the AMT  
20 International proof of claim, the Trustee shall dismiss Adversary No. 02:09-ap-01231 with  
21 prejudice *only* as to the specific claims and objection raised in that adversary proceeding and  
22 objection to claim. The Trustee reserves all of her rights to object to, equitably subordinate and/or  
23 dispute the Reduced AMT International Claim on any other basis.  
24

25 6. This Order is *without prejudice* to the rights of any party in interest in this  
26 bankruptcy case to object to, seek disallowance of or equitably subordinate the Reduced AMT

1 International Claim on any basis other than those raised in the Trustee's objection and adversary  
2 proceeding and specifically resolved by this Order. Nothing herein shall be construed as a finding  
3 by the Court, of any kind, regarding any future objection, adversary proceeding or settlement  
4 relating to the Reduced AMT International Claim.  
5

6 7. Nothing in this Order shall be construed as an allowance of the Reduced AMT  
7 International Claim or any portion thereof and the Trustee shall not make any distribution of estate  
8 funds to AMT International without further Order of the Court.  
9

10 [SIGNED AND DATED ABOVE]  
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# EXHIBIT "D"

LAW OFFICES OF  
JOSEPH H. WATSON  
109 E. Speedway Blvd.  
Tucson, Arizona 85705-7763  
(520) 884-0484  
Fax: (520) 884-0073  
E-mail: wjh2@qwestoffice.net

Attorney for Creditor, D&G Mining  
Pima County Computer No. 60868  
State Bar No. 011346

## IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF ARIZONA

D&G MINING CO., LLC, an Arizona limited  
liability company,  
  
Plaintiff,  
  
vs.  
  
AMT INTERNATIONAL MINING  
CORPORATION, a subsidiary of NORSHIELD  
FINANCIAL GROUP, a Canadian corporation,  
  
Defendant.

Case No. 2:11-ap-01501-SSC

ADVERSARY COMPLAINT

COMES NOW the Plaintiff, D&G Mining Co., LLC, by and through its attorney, Joseph H. Watson, issuing its adversary complaint under Rule 7026 of the Federal Rules of Bankruptcy Procedure, based on the facts and allegations set forth below:

### COUNT I

#### EQUITABLE SUBORDINATION

##### I

The Debtor, AMT (USA), Inc., filed bankruptcy on October 3, 2007, on the eve of its receipt of a payment from Red Hawk Resources, Inc., and on the eve of a hearing set for an expedited garnishment against Red Hawk; the payment was for \$125,000.00. The garnishment hearing in Pima County Cause No. C20070775 styled *D&G Mining Co., LLC v. AMT (USA), Inc., et. al.*, was scheduled for October 4, 2007, at 8:30 a.m.

##### II

The payment made by Red Hawk Resources, Inc., in October of 2007 was absorbed by

1 AMT International Mining Corporation, a subsidiary of Norshield Financial Group, now in  
2 receivership. It is believed that AMT International Mining Corporation took all of the payments  
3 received by AMT (USA), Inc., from Red Hawk, as alleged by the Trustee in the Trustee's  
4 Objection to Proof of Claim No. 4 filed by RSM Richter, Inc., Receiver for AMT International  
5 Mining Corporation. (See the objection of the Trustee filed on or about June 1, 2010.

6 III

7 The proof of claim filed by AMT International, Inc., a 100% shareholder of AMT (USA),  
8 Inc., identifies the claim amount at \$16,538,668.28, which, from the documents produced with  
9 this claim, reflects the total investment in AMT (USA), Inc., by AMT International, Inc. Page 1  
10 of the "G/L Account Activity Detail Report" for 1995 through March 31, 1996, reflects a credit  
11 to the account of \$3,944,272.90, which is specifically identified in handwriting as "transfer of  
12 IPO net proceeds-1st closing."

13 IV

14 The claims of the three general unsecured creditors total \$1,565,018.00.

- |    |    |                    |              |
|----|----|--------------------|--------------|
| 15 | 1. | Amalgamated Canada | \$200,000.00 |
| 16 | 2. | Mani Verma         | \$805,018.00 |
| 17 | 3. | D&G Mining         | \$560,000.00 |

18 V

19 In the compromise of the Trustee's adversary complaint, 02:09-ap-01231, the Trustee  
20 withdrew its objection to AMT International's claim on the Debtor's assets. In the compromise  
21 of the Trustee's adversary claim based on preferential transfers, the Trustee withdrew its  
22 objection to AMT International's claim on the Debtor's assets as a general unsecured creditor.

23 VI

24 AMT (USA) dove into the bankruptcy court to escape the claims of D&G Mining Co.,  
25 LLC, which arise out of a lease/contract for the very property (one of the various properties), the  
26 research and development of which resulted in the sale to Red Hawk and produced the stream of  
27 income which is the Debtor's sole asset.

VII

AMT International Mining Corporation, as a creditor, has revealed no other capitalization for AMT (USA), Inc.

VIII

The Debtor herein, AMT (USA), Inc., is an Arizona corporation formed September 22, 1994, and dissolved by Articles of Dissolution as of November 26, 2007, yet maintaining a statutory agent.

IX

Throughout its history as an Arizona corporation, AMT (USA), Inc. was owned by AMT International, Inc., displayed in the Arizona Corporation Commission Records as the only shareholder holding approximately 2,700 shares at "no par value."

X

AMT (USA) and D&G Mining Co., LLC, an Arizona limited liability company, entered into a lease agreement effective July 1997, allowing AMT to develop and explore the Moose 2, 4, 6 and 8 mining claims held by D&G Mining Co., LLC. The mining claims, which are the subject of the lease, are located in a historical mining area known as Copper Creek.

XI

Under the lease in question, annual payments, beginning on the signing and escalating to a figure of approximately \$100,000.00 per year by the year 2002, were to be paid by AMT (USA), Inc. All lease payments were to apply to a buyout option, which had escalation amounts through the 10-year term of the lease.

XII

As the lease approached July 1, 2000, it was evident that AMT was underfunded. AMT (USA), Inc. approached D&G Mining, requesting a renegotiation of payment dates. D&G Mining agreed to an extension of time in exchange for good faith payment of \$10,000.00 against the amount then due of \$80,000.00. The parties agreed that the additional funds due for the July 1, 2000, payment would be due December 31, 2000, rather than July 1, 2000.

1 XIII

2 With improvement in the copper prices, which began in the year 2005, Red Hawk  
3 Resources, Inc. entered into negotiations with AMT (USA), Inc. and D&G Mining, LLC, to  
4 acquire both claim groups. When it was explained to both Red Hawk Resources, Inc. that back-  
5 payments of some \$560,000.00 were due under the existing lease to D&G Mining, initially, there  
6 was vehement denial and then an acknowledgment of the amount due by AMT (USA), Inc.

7 XIV

8 On September 5, 2005, a demand for payment was made under the lease for the  
9 outstanding balance then due, which was \$450,000.00, without interest, which, under the  
10 agreement, was to be calculated at 8% from the due date of each payment. However, the due  
11 dates had been extended to March 31<sup>st</sup> of each year as proposed in the letter dated January 29,  
12 2002, executed by then-Director of AMT International Mining Corporation, Dale Smith, and  
13 accepted by a Manager of D&G Mining Co., LLC, Harold Downey.

14 XV

15 On February 13, 2007, D&G Mining, LLC, filed suit in the Pima County Superior Court,  
16 Pima County Cause No. C20070775. Initially, discovery requests were served with the  
17 complaint upon the statutory agent, including a request for production and a set of non-uniform  
18 interrogatories, attempting to account for funds received from Red Hawk Resources, Inc. by  
19 AMT (USA), Inc. over the previous seven years and attempting to track those funds through  
20 shareholders, managers, board members, etc.

21 XVI

22 Under the agreement between AMT (USA), Inc. and Red Hawk Resources, Inc.,  
23 payments under the royalty agreement were to be made each October. In Pima County Cause No.  
24 C20070775, a garnishment was issued by the Pima County Superior Court on September 26,  
25 2007, and served. On October 3, 2007, AMT (USA), Inc. filed its voluntary petition under  
26 Chapter 7 of the U.S. Bankruptcy Code.



1 XVII

2 As the 100% shareholder of AMT (USA), Inc., AMT International Mining Corporation  
3 has mis-characterized the capitalization of AMT (USA), Inc. as loans in an attempt to obtain a  
4 more favorable position for return of its capital investment. This wrongful conduct,  
5 "inequitable" in nature, is reflected in the claim documents identifying amounts deposited in  
6 AMT (USA), Inc.'s bank account by AMT International as a transfer from an initial public  
7 offering totaling \$3,944,227.90.

8 XVIII

9 The mis-characterization of the capital contributions or "loans" by AMT International  
10 Mining Corporation confers an inequitable advantage on the claimant/debtor to the injury of  
11 other true third-party claimants like D&G Mining Co., which claim is in contract.

12 XIX

13 Here, equitable subordination is consistent with the provisions of the Bankruptcy Act,  
14 assuring creditors payment prior to insider shareholders holding an equity position. In this case,  
15 AMT International Mining Company gambled its assets to obtain what could have been  
16 gargantuan profits. D&G Mining Co. made no such gamble. *Pacific Express, Inc.*, 69 Bk.Rptr.  
17 112, 116 (B.A.P. 9<sup>th</sup> Cir. 1986).

18 WHEREFORE, Complainant, D&G Mining Co., LLC, requests this Court grant relief as  
19 follows:

- 20 1. Declaring the claim filed by AMT International subordinate to the claims of the  
21 unsecured creditor, D&G Mining Co., LLC.
- 22 2. Awarding pre-judgment interest under the contract of the parties at 8% from the  
23 dates the various payments were due D&G Mining Co., LLC, if available.
- 24 3. Awarding attorney's fees and costs as available under Arizona law in a contested  
25 contract matter under A.R.S. §12-341.01.
- 26
- 27
- 28



1 STATE OF PENNSYLVANIA

2 County of Montgomery

} ss. VERIFICATION

3 Walter A. Gallan, being first duly sworn upon his oath, deposes and says:

4 1. I am the managing member of the Plaintiff, D&G Mining Co., LLC, an Arizona  
5 limited liability company, in the above-captioned case, and am authorized to make this  
6 Verification;

7 2. I have read the foregoing Adversary Complaint and know the contents thereof;

8 3. The matters stated therein are true, except that as to those matters stated upon  
9 information and belief, and as to those I believe them to be true.

10 DATED this 10<sup>th</sup> day of August, 2011.

11  
12 X. Walter A. Gallan  
13 WALTER A. GALLAN

14 SUBSCRIBED AND SWORN to before me this 10<sup>th</sup> day of August, 2011.

15  
16 [Signature]  
Notary Public

17 My Commission Expires:

July 29, 2012

18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  

COMMONWEALTH OF PENNSYLVANIA  
Notarial Seal  
Bruce A. Cohen, Notary Public  
Abington Twp., Montgomery County  
My Commission Expires July 29, 2012  
Member, Pennsylvania Association of Notaries

TAB

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## SETTLEMENT AGREEMENT

This agreement is made as of August 14, 2012 between AMT International Mining Corporation, a Canadian corporation acting through its court-appointed receiver, RSM Richter, Inc. ("AMT Intl."), D&G Mining Co., LLC, an Arizona limited liability company ("D&G"), Mani Verma, an individual ("Verma"), Amalgamet Canada, a Canadian corporation ("Amalgamet"), and Diane M. Mann, solely in her capacity as Chapter 7 Trustee for AMT(USA), Inc. (the "Trustee"). AMT Intl., D&G, Verma, Amalgamet, and the Trustee are the "**Parties**" and each is a "**Party**."

### RECITALS

A. On October 3, 2007, AMT (USA), Inc. (the "**Debtor**") filed for relief under Chapter 7 of the Bankruptcy Code, commencing Case No. 2:07-bk-05082-SSC (the "**Bankruptcy Case**") in the U.S. Bankruptcy Court for the District of Arizona (the "**Bankruptcy Court**") and leading to the appointment of the Trustee. The Debtor is wholly owned by AMT Intl., which was placed into Canadian receivership on April 24, 2007.

B. On March 24, 2008, AMT Intl. filed a proof of claim (the "**AMT Intl. Claim**") in the Bankruptcy Case in the amount of \$16,538,668.28.

C. Disputes arose in the Bankruptcy Case between the Trustee and AMT Intl. regarding whether certain prepetition payments made by the Debtor to AMT Intl. were avoidable transfers. Ultimately, AMT Intl. and the Trustee entered into a settlement agreement (the "**AMT/Trustee Settlement**") described in the *Trustee's Motion for Order Approving Compromise and Settlement with AMT International Mining Corporation and RSM Richter, Inc., as Receiver for AMT International Mining Corporation*, filed before the Bankruptcy Court on November 16, 2010. The AMT/Trustee Settlement provided that AMT Intl. would reduce its unsecured claim by \$1 million to \$15,538,668.28 and that AMT Intl. would pay back to the estate \$36,461 (the "**Preference Payment Amount**") of the total alleged preference payment for distribution to all general unsecured creditors other than AMT Intl. The AMT/Trustee Settlement further provided that AMT Intl. could retain the balance of the total allowed preference payment. Verma objected to the AMT/Trustee Settlement and D&G filed a joinder to the Verma objection. The Bankruptcy Court approved the AMT/Trustee Settlement solely as to the alleged preference payment on February 3, 2011, but preserved the right of any party in interest to object to or seek to equitably subordinate the AMT Intl. Claim as more particularly set forth in the order of the Bankruptcy Court dated January 25, 2011.

D. On August 17, 2011, D&G filed its *Adversary Complaint* seeking to equitably subordinate the AMT Intl. Claim, commencing Adversary Proceeding No. 2:11-ap-01501-SSC (the "**Adversary Proceeding**"). AMT Intl. disputes that its claim is subject to equitable subordination and moved to dismiss the complaint on April 4, 2012. A hearing on the motion to dismiss was, by AMT Intl.'s and D&G's agreement, adjourned to July 26, 2012. Verma has not moved to intervene in the Adversary Proceeding, but has indicated to the Parties a desire to do so absent the resolution reflected in this agreement.

E. Currently, there are four general unsecured claims against the Debtor's estate aside from unpaid administrative claims (the "**Administrative Claims**," which remain subject to Bankruptcy Court approval) for the fees and expenses of the Trustee and her counsel: (1) the AMT Intl. Claim of \$15,538,668.28; (2) Verma's claim of \$805,018.70 (the "**Verma Claim**"); (3) D&G's claim of \$560,000.00 (the "**D&G Claim**"); and (4) Amalgamet's claim of \$200,000.00 (the "**Amalgamet Claim**"). In addition, the Internal Revenue Service filed an unsecured priority claim for taxes in the amount of \$15,000 (the "**IRS Claim**").

F. AMT Intl. disputes the amount of the Verma Claim and the D&G Claim. The Trustee does not intend to pursue any further objections or other action against any creditor claims against the Debtor if the Parties reach a settlement of all disputes between them, allowing a final distribution of the Debtor's estate.

G. The Parties agree to compromise and settle the AMT Intl. Claim, the Verma Claim, the D&G Claim, the Amalgamet Claim, and the Adversary Proceeding as set forth in this agreement.

H. Each Party enters into this agreement in good faith, with full consideration of the merits of the claims and the costs and uncertainties of continuing litigation among the Parties.

#### TERMS

1. *Court Approvals.* This agreement is effective only if: (a) AMT Intl.'s receiver is authorized by the appropriate Canadian court presiding over AMT Intl.'s receivership to consummate this agreement (the "**Canadian Approval**"); and (b) the Bankruptcy Court enters a final order (not subject to further objection or appeal) in the Bankruptcy Case, the form and content of which the Parties consent to in writing in advance, approving this agreement (the "**Settlement Order**"). As soon as practicable following all Parties' execution of this agreement, AMT Intl. and D&G must jointly file an appropriate motion and otherwise use their best efforts to seek entry of the Settlement Order. The Settlement Order must be entered no later than 60 days following all Parties' execution of this agreement. The Parties may extend this deadline by written consent, which may not be unreasonably withheld. If the Settlement Order is not entered by this deadline (as it may be extended by the Parties), any Party may declare this agreement void by a written communication to the other Parties. AMT Intl.'s receiver commits to use its best efforts to obtain the Canadian Approval as soon as practicable following all Parties' execution of this agreement.

2. *Allowed Claims.* When both the Settlement Order is a final order not subject to objection, appeal, or stay and the Canadian Approval has been obtained (the "**Settlement Effective Date**"), AMT Intl., Verma, D&G, and Amalgamet will have allowed general unsecured claims in the Bankruptcy Case, not subject to any further objection by any Party, in the amounts set forth below (collectively, the "**Allowed Claims**"). Each Allowed Claim will have the same priority of distribution from the Debtor's estate as each other Allowed Claim and all Allowed Claims encompass all claims the Parties have against the Debtor in the Bankruptcy Case. The individual Allowed Claims are:

- a. Verma: \$443,000
- b. D&G: \$560,000

c. Amalgamet: \$200,000

3. *Distributions from Estate.* The Trustee will distribute all funds in the Debtor's estate on account of and in full and final satisfaction of the allowed Administrative Claims, the IRS Claim, and the Allowed Claims in the following manner:

a. *Initial Distribution upon Entry of Settlement Order:* Within ten days of entry of the Settlement Order, the Trustee will distribute the Preference Payment Amount to Verma, D&G, and Amalgamet only, pro rata on account of their Allowed Claims as follows: Verma \$13,424.94; D&G \$16,972.60; and Amalgamet \$6,063.46; and

b. *Final Distributions Through Trustee's Final Report:* The Trustee will distribute the remainder of the estate in accordance with and through the preparation and filing of Trustee's final report and notice of proposed distribution ("TFR/NPD"), which documents must first be approved by the Office of the United States Trustee, then noticed out to all parties in interest. The TFR/NPD will provide, among other things, for the payment in full of all unpaid allowed Administrative Claims against the Debtor's estate, payment in full of the IRS Claim, and for the remainder of the Debtor's Estate to be distributed as follows: 11.046% to Verma, 13.965% to D&G, 4.989% to Amalgamet on account of their respective Allowed Claims, and 70% to AMT Intl. on account of the AMT Intl. Claim. The TFR/NPD shall be subject to approval of the Bankruptcy Court.

c. *Possible Additional Distribution and Timing of TFR/NPD:* Under a sale agreement previously entered into between the Trustee and Redhawk Resources, Inc., and approved by the Bankruptcy Court by order dated October 30, 2010, it is possible that additional funds might be received by the Trustee on or before September 17, 2012. It is estimated that from entry of the Settlement Order, it will take approximately ninety (90) days for preparation and approval of the TFR/NPD and disbursement of the final distributions. The TFR/NPD will therefore also provide that in the event any additional funds are received from Redhawk under that sale agreement provision, after the distributions contemplated in subsection (b) above, the Trustee will be authorized to distribute the additional funds without further Order of Court first to reimburse her for any reasonable administrative expenses incurred in recovering the additional funds from Redhawk and then to Verma, D&G, Amalgamet and AMT Intl. in the same percentages as described in (b) above.

4. *Dismissal of Adversary Proceeding.* On or as soon after the Settlement Effective Date as practicable, D&G and AMT Intl. must jointly seek from the Bankruptcy Court an order dismissing the Adversary Proceeding with prejudice, with all Parties bearing their own expenses.

5. *No Admission of Liability.* Nothing in or effected under this agreement is an admission of liability or wrongdoing by any Party. If this agreement becomes void under Paragraph 1 above, nothing in this agreement affects any claim against the Debtor's estate or any Party's rights in respect of any claim or the Debtor's estate. Nothing in this agreement is admissible in evidence or constitutes an admission with respect to the validity or amount of any claim by one Party against another Party, except that this agreement is admissible in connection with any action to enforce this agreement.

6. *No Effect on Third Parties.* The Parties do not intend to benefit any third parties in this agreement. No third party beneficiaries exist in respect of this agreement.

7. *Release.* Except with respect to any obligations created by this agreement, when the Settlement Effective Date occurs, each Party unconditionally releases each other Party from any claims of any kind, known or unknown, arising from or related to the Allowed Claims, the Adversary Proceeding, or the Bankruptcy Case. This release does not excuse or otherwise affect the specific terms of performance set forth in this agreement or any action to enforce this agreement.

8. *Support.* The Parties agree to actively support, as appropriate and consistent with this agreement, the Trustee's final administration of and final distribution from the Debtor's estate.

9. *Construction.* In entering into this agreement, the Parties are represented by attorneys of their own choice. Each Party has read, understands, and accepts all the terms of this agreement. All Parties participated in the drafting of this agreement. The language of this agreement may not be construed against or in favor of any Party because of that Party's role in drafting this agreement.

10. *Amendment.* This agreement may be amended, in whole or in part, only in writing on all Parties' written consent.

11. *Waivers.* No waiver of any term of this agreement constitutes a waiver of any other term. No waiver is a continuing waiver. No waiver is binding unless executed in writing by the Party making the waiver. Any Party may waive any provision of this agreement intended for that Party's benefit, but that waiver in no way excuses any other Party from performing any other obligation under this agreement.

12. *Choice of Law.* This agreement is governed by, and must be construed in accordance with, the laws of the State of Arizona.

13. *Entire Agreement.* This agreement contains the entire agreement between the Parties with respect to its subject matter and supersedes any prior written or oral agreements relating to the subject matter of this agreement. Any representations, negotiations, offers, counteroffers, discussions, or agreements made before the date of this agreement but not included in this agreement, are void.

14. *Execution.* This agreement may be executed in counterpart copies. A faxed or e-mailed copy of a signature on a counterpart is valid, binding, and enforceable as if it were an original signature. Once all Parties receive signatures of all Parties on a copy of this agreement, this agreement is binding and effective as if all Parties had executed the same original document.

15. *Jurisdiction.* The Bankruptcy Court has full jurisdiction over this agreement and any dispute or controversy arising from or related to the interpretation of or enforcement of this agreement.

**SIGNATURE PAGE FOLLOWS**



**AMT INTERNATIONAL MINING  
CORP.**, by RSM Richter, Inc., solely in its  
capacity as receiver without personal or  
corporate liability

**D&G MINING CO., LLC**

\_\_\_\_\_  
By: Eric Rodier

\_\_\_\_\_  
By: Walter A. Gallan, Managing Partner

**MANI VERMA**

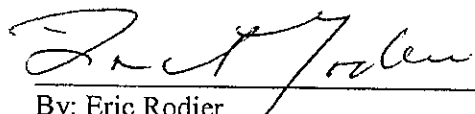
**AMALGAMET CANADA**

\_\_\_\_\_  
**DIANE M. MANN**, solely in her capacity as  
Chapter 7 Trustee for AMT(USA), Inc.

\_\_\_\_\_  
By:

\_\_\_\_\_  
By:

**AMT INTERNATIONAL MINING  
CORP.**, by RSM Richter, Inc., solely in its  
capacity as receiver without personal or  
corporate liability



By: Eric Rodier

**MANI VERMA**

\_\_\_\_\_  
**DIANE M. MANN**, solely in her capacity as  
Chapter 7 Trustee for AMT(USA), Inc.

\_\_\_\_\_  
By:

**D&G MINING CO., LLC**

\_\_\_\_\_  
By: Walter A. Gallan, Managing Partner

**AMALGAMET CANADA**

\_\_\_\_\_  
By:

**AMT INTERNATIONAL MINING  
CORP.**, by RSM Richter, Inc., solely in its  
capacity as receiver without personal or  
corporate liability

\_\_\_\_\_  
By: Eric Rodier

**MANI VERMA**

\_\_\_\_\_  
**DIANE M. MANN**, solely in her capacity as  
Chapter 7 Trustee for AMT(USA), Inc.

\_\_\_\_\_  
By:

**D&G MINING CO., LLC**

Walter A. Gallan  
By: Walter A. Gallan, Managing Partner

**AMALGAMET CANADA**

\_\_\_\_\_  
By:

**AMT INTERNATIONAL MINING  
CORP.**, by RSM Richter, Inc., solely in its  
capacity as receiver without personal or  
corporate liability

**D&G MINING CO., LLC**

\_\_\_\_\_  
By: Eric Rodier

\_\_\_\_\_  
By: Walter A. Gallan, Managing Partner

**MANI VERMA**

**AMALGAMET CANADA**



\_\_\_\_\_  
By:

**DIANE M. MANN**, solely in her capacity as  
Chapter 7 Trustee for AMT(USA), Inc.

\_\_\_\_\_  
By:

AMT INTERNATIONAL MINING  
CORP., by RSM Richter, Inc., solely in its  
capacity as receiver without personal or  
corporate liability

D&G MINING CO., LLC

\_\_\_\_\_  
By: Eric Rodier

\_\_\_\_\_  
By: Walter A. Gallan, Managing Partner

MANI VERMA

AMALGAMET CANADA



\_\_\_\_\_  
By: Raymond Wray – Vice President

DIANE M. MANN, solely in her capacity as  
Chapter 7 Trustee for AMT(USA), Inc.

\_\_\_\_\_  
By:

RW  
Aug 7, 2012

AMT INTERNATIONAL MINING  
CORP., by RSM Richter, Inc., solely its  
capacity as receiver without personal or  
corporate liability

D&G MINING CO., LLC

\_\_\_\_\_  
By: Eric Rodier

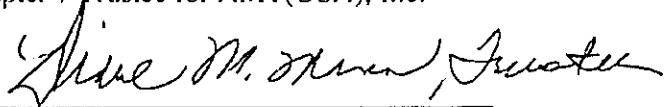
\_\_\_\_\_  
By: Walter A. Gallan, Managing Partner

MANI VERMA

AMALGAMET CANADA

\_\_\_\_\_  
By:

\_\_\_\_\_  
DIANE M. MANN, solely in her capacity as  
Chapter 7 Trustee for AMT(USA), Inc.

  
\_\_\_\_\_  
By: