

District of: Saskatchewan  
Division No. 02 - Saskatoon  
Court No. 23-2111657  
Estate No. 23-2111657

FORM 92  
Notice of Proposal to Creditors  
(Section 51 of the Act)

IN THE MATTER OF THE PROPOSAL OF  
GOLDEN BAND RESOURCES INC.

Take notice that GOLDEN BAND RESOURCES INC. of the City of SASKATOON in the Province of Saskatchewan has lodged with us a proposal under the Bankruptcy and Insolvency Act.

A copy of the proposal, a condensed statement of the debtor's assets, and liabilities, and a list of the creditors affected by the proposal and whose claims amount to \$250 or more are enclosed herewith.

A general meeting of the creditors will be held at 837 WEST HASTINGS STREET, VANCOUVER, BC on the 22nd day of July 2016 at 10:30 AM.

The creditors or any class of creditors qualified to vote at the meeting may by resolution accept the proposal either as made or as altered or modified at the meeting. If so accepted and if approved by the court the proposal is binding on all the creditors or the class of creditors affected.

Proofs of claim, proxies and voting letters intended to be used at the meeting must be lodged with us prior to the commencement of the meeting.

Dated at the City of EDMONTON in the Province of Alberta, this 12th day of July 2016.

The Bowra Group Inc.  
Per: 

---

Doug Chivers - Licensed Insolvency Trustee  
430 - 505 Burrard Street, PO Box 72  
VANCOUVER BC V7X 1M3  
Phone: (604) 689-8939 Fax: (604) 689-8584

(A form of proof of claim, a form of proxy and a voting letter should be enclosed with each notice.)

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Aon Reed Stenhouse Inc.	Lockbox #310350, PO Box 578, STN M Calgary AB T2P 2J2		17,605.00
Archibald J. Nesbitt	30078 Township Road 250 Calgary AB T3Z 1L5		4,239.31
CanminX Enterprises Ltd.	Suite 400, 789 West Pender Street Vancouver BC V6C 1H2		7,712.26
Clifton Associates Ltd	340 Maxwell Crescent Regina SK S4N 5Y5		125,426.77
Comtech (Telecom) Solutions) Ltd.	233 Mayland Place NE Calgary AB T2E 7Z8		3,780.00
EECOL Electric Corp.	63 Sunpark Dr. SE Calgary AB T2X 3V4		1,055.16
Ford Credit Canada Limited	P.O. Box 4600 STN Agincourt Scarborough ON M1S 5V2		2,550.73
Frank Wrighter and Metals	c/o MLT 1500 - 410 , 22nd St. E Saskatoon SK S7K 5T6		277.63
John Tosneying Ltd.	c/o MLT 1500 - 410 , 22nd St. E Saskatoon SK S7K 5T6		23,100.00
MachPherson Leslie & Tyerman LLP	Accounting Department, 1500 - 1874 Scarth Street Regina SK S4P 4E9		1,732.50
Minister of Finance (Ministry of Environment)	Northern Support Services, Box 3003 Prince Albert SK S6V 6G1		108,516.83
Northern Municipal Trust Account	Northern Municipal Services, P.O. Box 5000 La Ronge SK S0J 1L0		115,109.70
PricewaterhouseCoopers LLP	250 Howe Street, Suite 700 Vancouver BC V6C 3S7		14,360.00
Procon Mining & Tunnelling Ltd.	Suite 108-4664 Lougheed Highway BURNABY BC V5C 5T5		48,846,069.95
Procon Mining Partnership	Suite 108 - 4664 Lougheed Highway BURNABY BC V5C 5T5		23,128,473.30
Procon Resources Inc.	Suite 108-4664 Lougheed Highway BURNABY BC V5C 5T5		43,529,969.21
Quadrant Newmedia	800 - 606 Spadina Cr. E Saskatoon SK S7K 3H1		621.50
R.G. Orr Consulting Ltd.	8,315 Avenue D South SASKATOON SK S7M 1R2		3,500.04

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
SaskPower	2025 Victoria Avenue Regina SK S4P 0S1	5000 0330 5330	74,476.84
SaskPower	2025 Victoria Avenue REGINA SK S4P 0S1	5000 0330 5090	20,551.43
Tetra Tech	410 22nd St. East Saskatoon SK S7K 5T6		4,379.26
<b>Total</b>			116,033,507.42

**IN THE COURT OF QUEEN'S BENCH OF SASKATCHEWAN  
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE PROPOSAL OF  
GOLDEN BAND RESOURCES INC.**

**TRUSTEE'S REPORT TO CREDITORS**

**JULY 12, 2016**

**1. PURPOSE**

On April 15, 2016 Golden Band Resources Inc. (the "Company") filed a Notice of Intention to file a Proposal. The purpose of this report is to provide the creditors the following:

- a) Background and financial situation of the Company;
- b) Summary of the Proposal;
- c) Summary of the assets and liabilities;
- d) Estimate of the realization under bankruptcy and a proposal; and,
- e) Trustee's recommendation to accept the Proposal.

**2. BACKGROUND**

Golden Band is a former gold producer engaged in exploration, mine development and extraction of gold ores in the La Ronge gold belt in northern Saskatchewan and is listed on the TSX Venture Exchange in Canada under the symbol GBN.

The Company's projects include the underground Roy Lloyd mine and the open pit Golden Heart and Greywacke mines. The Company processed ore at its Jolu mill. Golden Band produced gold from April 2011 to December 2013.



High operating costs and lower than anticipated ore grades from the Roy Lloyd and Golden Heart mines hindered the Company’s ability to continue operating economically. In February 2014 the Company suspended all mining and milling operations and placed all operations into care and maintenance mode indefinitely.

Golden Band entered into a \$20,000,000 debt facility with Waterton Global Value L.P. (“Waterton”) in August of 2012. On February 22, 2013 Waterton assigned the term debt facility (the “Waterton Facility”), and the related security package consisting of a first ranking charge over all assets of the Company, to Procon Resources Inc. (“Procon”).

On March 1, 2013 the Company entered into a credit accommodation agreement with the Kitsakii/Procon Joint Venture (the “Joint Venture”). In August of 2015 the Joint Venture assigned its debt and security over the Company’s assets to Procon Mining and Tunneling Ltd. (“Mining and Tunneling”). Collateral under this agreement is subordinate to the interest of Procon.

On June 2013, Procon advanced to the Company an additional \$20,000,000 non-revolving demand credit facility, secured by a charge over the Company’s assets as collateral.

The Company is in default under its obligations to its primary secured creditor, Procon. On April 8, 2016, Procon served upon the Company a Notice of Intention to Enforce Security under section 244 of the BIA and a formal written demand that the Company repay its debts under the Waterton Facility in the amount of \$19,629,581 (the “Senior Secured Debt Obligations”).

As a result of the foregoing circumstances and financial pressures faced by the Company, in addition to the Notice of Intention to Enforce Security served upon the Company by Procon, the Company determined that it was necessary to file an NOI to restructure its business and financial affairs and to maximize the value of its assets and/or business enterprises which may be realized upon by its stakeholders.

On April 15, 2016 the Company filed a Notice of Intention to File a Proposal.

During the Notice of Intention period the Company entered into a Sales and Investment Solicitation Process (the "SISP") and a Stalking Horse Credit Bid (the "Bid") approved by Order of the Court on May 13, 2016.

The Bid was put forward by Procon and contemplated making an asset or share purchase in the amount of the secured debt obligations including any financing or priority charges. The SISP involved hiring a sales agent and marketing the assets and / or Company to 145 potential interested parties in order to identify any qualified bidders who were prepared to submit a bid for an amount in excess of the Bid submitted by Procon. The process did not yield any qualified bidders and, as a result, the Bid was accepted.

### **3. SUMMARY OF PROPOSAL**

The Proposal contemplates the Company to continue as a going concern with the following outcomes:

- a) Retract and terminate all equity interests including all common shares, preferred shares and other securities (including stock options, warrants or other rights to acquire securities of any nature of the Company) in the capital issued by the Company for no consideration;
- b) To amend and restate the articles of amalgamation of the Company filed February 1, 2010 to cancel and terminate the classes of the above noted shares in (a) and to create the Class A Common Shares and set out in the rights of such class of shares;
- c) To issue Class A Common Shares to Procon Resources Inc. ("Procon") upon payment by Procon as indicated in the Bid;
- d) To effect a full, final and irrevocable compromise, release, discharge, cancellation and bar of all claims other than Affected and Unaffected Claims; and,
- e) To effect a compromise of all Affected Claims.

The Unaffected and Affected Claims are defined within the Proposal. In any event, upon Court approval of the Proposal, all Unaffected Claims will be paid in full and in accordance

with the existing terms and conditions of their contractual arrangements. As such, any party holding an unaffected claim will have no rights to vote on the Proposal. For greater clarity the Unaffected Claims are listed in Appendix A and also include any claim that Procon agrees to treat as unaffected at or prior to the Meeting of Creditors. These claims include all known current trade liabilities.

Affected Claims mean all proven secured claims as well as the unsecured claim of Procon in the amount of \$18,177,315. Appendix B contains the list of Affected Claims. All Affected Claims will be paid an amount equal to 99% of their proven claim amount.

#### 4. IDENTIFICATION AND VALUATION OF ASSETS

The table below identifies the book value of the assets as at January 31, 2016, the date of the most recent set of financial statements.

	Book Value 2016-01-31 \$000's
Cash	120
Marketable Securities	16
Other receivables	13
Prepays	128
Inventories	1,347
Reclamation Bond	1,341
Mine, mill & equipment	4,091
Exploration & development assets	1,838
	<u>8,894</u>

Some of these assets have little or no recovery and under a bankruptcy the recovery would not be sufficient to repay the secured creditors in full.

Cash was used for ongoing operations prior to the filing of the Notice of Intention and the marketable securities and other receivables were liquidated and collected.

Prepays relate to the amortization of insurance which has now been expensed.

Inventories consist of supplies and broken ore. Supplies include propane and small parts. The broken ore consists of approximately 1,200 tonnes and it is estimated that a recovery of \$60 - \$100 / tonne could be achieved.

Reclamation bond is posted with the MOE and could not be recovered in a bankruptcy.

Mine, mill and equipment consists of all the major equipment at the mill. Exploration and development assets consist of the mineral deposits and claims that the Company holds. There are 400,000 of indicated tonnes and approximately 250,000 of inferred tonnes. It is estimated the recovery may be \$25 / tonne for the indicated and \$12.50 / tonne for the inferred.

## **5. CREDITOR’S CLAIMS**

### **Secured Creditors**

The Company has the following secured claims totaling \$97,327,194 that would rank in priority to the unsecured creditors:

Procon Mining & Tunnelling Ltd.	\$30,668,755
Procon Mining Partnership	\$23,128,473
Procon Resources Inc.	\$43,529,969

### **Unsecured Creditors**

Unsecured creditors consist of 22 creditors. The unsecured creditor balance identified to date is approximately \$18,706,378 based on the Company records and proofs of claim. The major unsecured creditor is Procon Mining & Tunnelling Ltd. owed \$18,177,315.

The unsecured creditors are to be paid in accordance with the terms of the Proposal outlined on page two of this report.

## 6. STATEMENT OF ESTIMATED REALIZATION

The table below compares the estimated recovery to unsecured creditors under a bankruptcy and a proposal.

	Book Value 2016-01-31 \$000's	Estimated Realization Bankruptcy \$000's
Cash	120	-
Marketable Securities	16	-
Other receivables	13	-
Prepays	128	-
Inventories	1,347	1,054
Reclamation Bond	1,341	-
Mine, mill & equipment	4,091	1,227
Exploration & development assets	1,838	13,125
	<u>8,894</u>	<u>15,407</u>

Based on our review of the Company's current assets and liabilities and our discussions with management, in the event of a bankruptcy, it is our view that the liquidation of the Company's assets would provide unsecured creditors a recovery of \$nil.

Under the Proposal we estimate unsecured creditors would be repaid in full.

## 7. CONDUCT OF THE DEBTOR

We have reviewed financial information, bank statements and the cheque register of the Company for a three month period prior to the Company filing the NOI and we are not aware of the Company being a party to any reviewable transactions or fraudulent preferences as set out in the Bankruptcy and Insolvency Act.

**8. LEGAL ACTIONS**

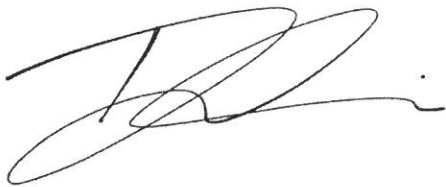
We are not aware of any legal action commenced against the Company.

**9. CONFLICT OF INTEREST**

The Trustee is not aware of any conflict of interest.

**10. CONCLUSION**

The Proposal offers all creditors a greater recovery than they would otherwise receive in a bankruptcy. Consequently, the Trustee recommends acceptance of the Proposal.



**THE BOWRA GROUP INC.**

Trustee under the Proposal of  
Golden Band Resources Ltd.

## APPENDIX A

**SCHEDULE "D"**  
**TRADE LIABILITY CLAIMS**

The following are the Trade Liability Claims as defined in the BIA Proposal:

<b>Creditor</b>	<b>Amount of Proven Claim</b>
Aon Reed Stenhouse Inc.	\$17,605.00
Archibald J. Nesbitt	\$4,239.31
CanmiX Enterprises Ltd.	\$7,712.26
Clifton Associates Ltd.	\$62,588.00
Comtech (Telecom) Solutions Ltd.	\$3,780.00
EECOL Electric Corp.	\$1,055.16
Ford Credit Canada Limited	\$2,550.73
Frank Wrighter and Metals	\$277.63
John Tosneying Ltd.	\$23,100.00
MacPherson Leslie & Tyerman LLP	\$1,732.50
Minister of Finance (Ministry of Environment)	\$108,516.83
Northern Municipal Trust Account	\$115,109.70
PricewaterhouseCoopers LLP	\$14,360.00
Quadrant Newmedia	\$621.50
R.G. Orr Consulting Ltd.	\$3,500.04
SaskPower	\$69,464.27
Tetra Tech	\$4,379.26



## APPENDIX B

**SCHEDULE "A"**  
**AFFECTED CLAIMS**

**Part I - Affected Secured Claims**

<b>Affected Creditor</b>	<b>Proven Claim</b>
Procon Mining & Tunnelling Ltd.	\$30,668,755
Procon Mining Partnership	\$23,128,473
Procon Resources Inc.	\$23,572,935

**Part II - Affected Unsecured Claims**

<b>Affected Creditor</b>	<b>Proven Claim</b>
Procon Mining & Tunnelling Ltd.	\$18,177,315

COURT FILE NUMBER      BKY 116 of 2016

ESTATE NUMBER          23-2111657

COURT OF QUEEN'S BENCH FOR SASKATCHEWAN  
IN BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE          SASKATOON

**IN THE MATTER OF THE PROPOSAL OF GOLDEN BAND  
RESOURCES INC. pursuant to subsection 50.4(1) of the  
*BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3**

DOCUMENT

**PROPOSAL**

ADDRESS FOR SERVICE  
AND CONTACT  
INFORMATION OF  
PARTY FILING THIS  
DOCUMENT

MacPherson Leslie & Tyerman LLP  
1500 Saskatoon Square  
410 – 22nd Street East  
Saskatoon, SK S7K 5T6

Attention: Jeff Lee, Q.C. / Lynn Hnatick

**PROPOSAL MADE UNDER DIVISION I OF PART III  
OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3**

**RECITALS**

A. The Company is a corporation governed by the laws of the Province of Saskatchewan and is insolvent.

B. The Company commenced the NOI Proceedings under the BIA and obtained the Initial Order from the Honourable Mr. Justice N.G. Gabrielson on May 13, 2016 which, among other things, approved the SISP, approved the Stalking Horse Credit Bid, and extended the period within which the Company is required to file a proposal to its creditors with the Official Receiver under subsection 62(1) of the BIA by 45 days from May 15, 2016 to and including June 29, 2016. By Order dated June 23, 2016, the Honourable Justice G.A. Meschishnick further extended the period within which the Company is required to file a proposal to its creditors to August 13, 2016.

C. Pursuant to the Stalking Horse Credit Bid between the Seller, the Buyer and the Proposal Trustee, the Company agreed to either (i) sell all of a newly created class of voting common shares to the Buyer conditional upon the approval of a proposal under Division I of Part III of the BIA by the Court or (ii) sell the Purchased Assets pursuant to an approval and vesting order issued by the Court.

D. This BIA Proposal is the BIA Proposal as contemplated by the Stalking Horse Credit Bid.

**NOW THEREFORE** the Company hereby proposes and presents this BIA Proposal under and pursuant to the BIA:

**ARTICLE 1 - DEFINITIONS AND INTERPRETATION**

**1.1 Definitions**

The following capitalized terms will have the meanings set out below:

- (a) **"Administration Charge"** means charge created under the Initial Order securing the Administration Obligations, subject to the limits set out in the Initial Order or in any other Order.
- (b) **"Administration Obligations"** means the unpaid professional fees and disbursements of the Proposal Trustee, counsel to the Proposal Trustee and counsel to the Company in connection with the NOI Proceedings that were and are incurred both before and after the granting of the Initial Order.

- (c) **"Affected Claims"** means all Affected Secured Claims and all Affected Unsecured Claims.
- (d) **"Affected Secured Claims"** means all Proven Claims that are secured by an Encumbrance and that are not Unaffected Claims and, for greater certainty, includes all of the Proven Claims listed in Part I of Schedule "A".
- (e) **"Affected Unsecured Claims"** means all Proven Claims that are:
  - (i) Not secured by an Encumbrance; and
  - (ii) Not Unaffected Claims;and, for greater certainty, includes all of the Proven Claims listed in Part II of Schedule "A".
- (f) **"Affected Claim Formula"** means an amount equal to ninety nine (99%) percent of the amount of each Affected Claim.
- (g) **"Affected Creditors"** means any Creditor holding an Affected Claim.
- (h) **"Affiliate"** has the meaning ascribed to it in the BCA.
- (i) **"Approval Order"** is defined in Section 8.2.
- (j) **"Articles"** means the articles of amalgamation of the Company filed on February 1, 2010.
- (k) **"Articles of Reorganization"** is defined in Section 4.6.
- (l) **"BCA"** means *The Business Corporations Act* (Saskatchewan), R.S.S. 1978, c. B-10.
- (m) **"BIA"** means the *Bankruptcy and Insolvency Act* (Canada), R.S.C. 1985, c. B-3.
- (n) **"BIA Charges"** means the Administration Charge, the Interim Financing Charge, the Sales Agent Priority Charge, and the Sales Agent Subordinate Charge.
- (o) **"BIA Proposal"** means this proposal filed by the Company pursuant to the BIA, as it may be further amended, supplemented or restated from time to time in accordance with the terms hereof or an Order.
- (p) **"Buyer"** means Procon Resources Inc.
- (q) **"Claim"** includes any right or claim (including, without limitation, an Equity Claim) of any Person that may be asserted or made in whole or in part against the Company, whether or not asserted or made, in connection with any indebtedness, liability, obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, including without limitation, by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including, without limitation, any legal, statutory, equitable or

fiduciary duty) or by reason of any right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present or future, known or unknown, by guarantee, surety or otherwise, and whether or not any right or claim is executory or anticipatory in nature including, without limitation, any right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action whether existing at present or commenced in the future, which indebtedness, liability or obligation, and any interest accrued thereon or costs payable in respect thereof (i) is based in whole or in part on facts existing or occurring prior to the Filing Date, (ii) relates to a time period prior to the Filing Date, or (iii) is a right or claim of any kind that would be a debt provable in bankruptcy within the meaning of the BIA had the Company become bankrupt on the Filing Date.

- (r) **"Class A Common Shares"** are defined in Section 4.6.
- (s) **"Class A Shareholder"** means a holder of issued and outstanding Class A Common Shares.
- (t) **"Company"** means Golden Band Resources Inc.
- (u) **"Court"** means the Court of Queen's Bench for Saskatchewan, presiding over the NOI Proceedings or any court sitting in appeal therefrom.
- (v) **"Creditor"** means any Person holding a Claim against the Company.
- (w) **"Creditors' Meeting"** means the meeting of the Affected Creditors to be called and held pursuant to section 51(1) of the BIA for the purpose of considering and voting upon this BIA Proposal, and includes any adjournment of such meeting.
- (x) **"Directors"** means any past or present directors of the Company.
- (y) **"Effective Time"** means 10:00 a.m. (Saskatoon time) on the Proposal Implementation Date or such other time on such date as the Company, the Buyer and the Proposal Trustee agree in writing.
- (z) **"Encumbrance"** means any mortgage, charge, security interest, pledge, assignment, hypothecation, title retention, finance lease or trust (whether contractual, statutory or otherwise) securing payment or performance of any Claim, or any lien, restriction, option, adverse claim, right of others or other encumbrance of any kind.
- (aa) **"Engagement Letter"** means the engagement letter between the Sales Agent and the Company dated May 9, 2016.
- (bb) **"Equity Claim"** has the meaning ascribed to it in the BIA.
- (cc) **"Equity Interest"** has the meaning ascribed to it in the BIA.

- (dd) **"Existing Shareholder"** means any holder of Existing Shares.
- (ee) **"Existing Shares"** includes all Equity Interests in the Company and all common shares, preferred shares and other securities (including stock options, warrants or other rights to acquire securities of any nature of the Company) in the capital of or issued by the Company.
- (ff) **"Filing Date"** means April 15, 2016.
- (gg) **"Governmental Authority"** means any federal, provincial, state, local, municipal, regional, territorial, aboriginal, or other government, governmental or public department, branch, ministry, or court, domestic or foreign, including any district, agency, commission, board, arbitration panel or authority and any subdivision of any of them exercising or entitled to exercise any administrative, executive, judicial, ministerial, prerogative, legislative, regulatory, or taxing authority or power of any nature; and any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of them, and any subdivision of any of them.
- (hh) **"Initial Order"** means an Order of the Honourable Mr. Justice N.G. Gabrielson in the NOI Proceedings made on May 13, 2016.
- (ii) **"Interim Financing Charge"** means the charge created under the Initial Order securing the Interim Financing Obligations.
- (jj) **"Interim Financing Credit Agreement"** means the debtor-in-possession facility commitment letter dated May 13, 2016 between the Company as borrower and the Interim Financing Lender as lender and approved by the Initial Order.
- (kk) **"Interim Financing Lender"** means CAMCE Holding Inc. or any Person that is the assignee of the Interim Financing Obligations.
- (ll) **"Interim Financing Obligations"** means the Obligations of the Company to the Interim Financing Lender under the Interim Financing Credit Agreement.
- (mm) **"ITA"** means the *Income Tax Act* (Canada), R.S.C. 1985, c. 1 (5<sup>th</sup> Supp.).
- (nn) **"Letter of Instruction"** means a letter by a Buyer to the Company instructing the Company to issue to such Buyer the Shares to which such Buyer is entitled, and setting out such information as the Company requires, acting reasonably, in order to issue such Shares, including the full and complete name of such Buyer, the full and complete address of such Buyer, whether such Buyer is a Canadian citizen or Canadian corporation as defined in the ITA, and the email, phone and address information that such Buyer wishes the Company to use in communications relating to such Shares.
- (oo) **"Material Adverse Change"** means any material adverse change in the financial condition of the Company, including but not limited to the commencement of any material litigation, action or claim by any Person against the Company since the date of the NOI Proceedings;

- (pp) **"New Directors"** means the Person or Persons who the Buyer selects to serve as directors of the Company;
- (qq) **"NOI Proceedings"** means the proceedings initiated by the Company on April 15, 2016 pursuant to a Notice of Intention to Make a Proposal pursuant to the BIA.
- (rr) **"Obligations"** means any indebtedness, liabilities and obligations, whether present, future, direct, indirect, liquidated or contingent, whether due or accruing due or to become due, owed by the Company to any Person.
- (ss) **"Officers"** means any past and present senior officers of the Company.
- (tt) **"Order"** means an order of a Court in the NOI Proceedings.
- (uu) **"Person"** will be broadly interpreted and includes: (i) a natural person, whether acting in his or her own capacity, or in his or her capacity as executor, administrator, estate trustee, trustee or personal or legal representative, and the heirs, executors, administrators, estate trustees, trustees or other personal or legal representatives of a natural person; (ii) a corporation or a company of any kind, a partnership of any kind, a sole proprietorship, a trust, a joint venture, an association, an unincorporated association, an unincorporated syndicate, an unincorporated organization or any other association, organization or entity of any kind; and (iii) a Governmental Authority.
- (vv) **"Procon Group"** means any Person that is an Affiliate of the Buyer and, for greater certainty includes, Procon Mining & Tunnelling Ltd. and Procon Partnership Holdings (Alberta) Ltd.
- (ww) **"Proposal Trustee"** means The Bowra Group Inc., in its capacity as proposal trustee of the Company in the NOI Proceedings.
- (xx) **"Proposal Trustee's Certificate"** is defined in Section 9.3.
- (yy) **"Proposal Implementation"** means the fulfillment, satisfaction or waiver of the conditions set out in Section 9.1 and the occurrence or effecting of the steps set out in Section 6.2.
- (zz) **"Proposal Implementation Date"** means the date on which Proposal Implementation occurs.
- (aaa) **"Proven Claim"** means a Claim to the extent that such Claim is finally determined and valued in accordance with the provisions of the BIA or an Order in the NOI Proceedings.
- (bbb) **"Purchase Price"** is defined in the Stalking Horse Credit Bid.
- (ccc) **"Purchased Assets"** is defined in the Stalking Horse Credit Bid.
- (ddd) **"Released Parties"** is defined in Article 7.



- (eee) **"Required Majority"** means, in respect of each class of Affected Creditors, a majority in number of the Affected Creditors who represent at least two-thirds in value of such Affected Creditors who actually vote on the resolution approving this BIA Proposal (in person or by proxy) at the Creditors' Meeting.
- (fff) **"Sales Agent"** means Deloitte Corporate Finance Inc.
- (ggg) **"Sales Agent Obligations"** means the Obligations of the Company to the Sales Agent pursuant to the Engagement Letter.
- (hhh) **"Sales Agent Priority Charge"** means the charge of \$30,000 granted and created by the Initial Order to secure the work fee due to the Sales Agent pursuant to the Engagement Letter.
- (iii) **"Sales Agent Subordinate Charge"** means the charge granted and created by the Initial Order to secure the success fee due to the Sales Agent pursuant to the Engagement Letter.
- (jjj) **"Share Register"** means the share register created by the Company upon Proposal Implementation to record the Shares issued from time to time by the Company.
- (kkk) **"Shareholders"** means Class A Shareholders and "Shareholder" means any one of them.
- (lll) **"Shares"** means the Class A Common Shares and "Share" means any one of them.
- (mmm) **"SISP"** means the sale and investor solicitation process approved by the Court.
- (nnn) **"Stalking Horse Credit Bid"** means the Asset and/or Share Purchase Agreement dated as of May 13, 2016 between the Company, the Buyer and the Proposal Trustee, as amended from time to time.
- (ooo) **"Trade Liability Claims"** means the Obligations of the Company listed in Schedule "D" attached hereto.
- (ppp) **"Unaffected Claims"** means:
  - (i) any Claims contemplated by section 178(1) of the BIA;
  - (ii) the Administration Obligations, but only to the extent that such Obligations are secured pursuant to the Administration Charge;
  - (iii) the Sales Agent Obligations, but only to the extent that such Obligations are secured pursuant to the Sales Agent Priority Charge;
  - (iv) the Trade Liability Claims; and
  - (v) any Claim that the Buyer agrees in writing to treat as an Unaffected Claim at or prior to the Creditors' Meeting.

(qqq) “**Unaffected Creditor**” means a Creditor that holds an Unaffected Claim.

## 1.2 Certain Rules of Interpretation

For the purposes of this BIA Proposal:

- (a) any reference in this BIA Proposal to a contract, instrument, release, indenture or other agreement or document being in a particular form or on particular terms and conditions means that such document will be substantially in such form or substantially on such terms and conditions;
- (b) any reference in this BIA Proposal to an Order or an existing document or exhibit filed or to be filed means such document or exhibit as it may have been or may be amended, modified, or supplemented;
- (c) the division of this BIA Proposal into articles and sections are for convenience of reference only and do not affect the construction or interpretation of this BIA Proposal, nor are the descriptive headings of articles and sections intended as complete or accurate descriptions of the content thereof;
- (d) the use of words in the singular or plural, or with a particular gender, including a definition, will not limit the scope or exclude the application of any provision of this BIA Proposal to such Person (or Persons) or circumstances as the context otherwise permits;
- (e) the words “**includes**” and “**including**” and similar terms of inclusion will not, unless expressly modified by the words “**only**” or “**solely**”, be construed as terms of limitation, but rather will mean “**includes but is not limited to**” and “**including but not limited to**”, so that references to included matters will be regarded as illustrative without being either characterizing or exhaustive;
- (f) unless otherwise specified, all references to time herein and in any document issued pursuant hereto mean local time in Saskatoon, Saskatchewan and any reference to an event occurring on a Business Day will mean prior to 5:00 p.m. (Saskatchewan time) on such Business Day;
- (g) unless otherwise specified, time periods within or following which any payment is to be made or act is to be done will be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next succeeding Business Day if the last day of the period is not a Business Day;
- (h) unless otherwise provided, any reference to a statute or other enactment of parliament, a legislature or other Government Authority includes all regulations made thereunder, all amendments to or re-enactments of such statute or regulations in force from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation;
- (i) references to a specific Recital, Article or Section will, unless something in the subject matter or context is inconsistent therewith, be construed as references to that specific Recital, Article or Section of this BIA Proposal, whereas the terms

“this BIA Proposal”, “hereof”, “herein”, “hereto”, “hereunder” and similar expressions will be deemed to refer generally to this BIA Proposal and not to any particular Recital, Article, Section or other portion of this BIA Proposal and include any documents supplemental hereto; and

- (j) the word “or” is not exclusive.

### 1.3 Successors and Assigns

This BIA Proposal will be binding upon and will enure to the benefit of the respective heirs, administrators, executors, legal personal representatives, successors and assigns of any Person named or referred to in this BIA Proposal.

### 1.4 Currency

For the purposes of this BIA Proposal, all amounts will be denominated in Canadian dollars and all payments and distributions to be made in cash will be made in Canadian dollars. Any Claims or other amounts denominated in a foreign currency will be converted to Canadian dollars at the Reuters closing rate on the Filing Date.

### 1.5 Governing Law

This BIA Proposal will be governed by and construed in accordance with the laws of Saskatchewan and the federal laws of Canada applicable therein. All questions as to the interpretation of or application of this BIA Proposal and all proceedings taken in connection with this BIA Proposal and its provisions will be subject to the jurisdiction of the Court.

### 1.6 Schedules

The following schedules are attached to, incorporated by reference into and form part of this BIA Proposal:

- |              |   |                            |
|--------------|---|----------------------------|
| Schedule “A” | - | Affected Claims            |
| Schedule “B” | - | Articles of Reorganization |
| Schedule “C” | - | Share Provisions Schedule  |
| Schedule “D” | - | Trade Liability Claims     |

## **ARTICLE 2 - PURPOSE AND EFFECT OF THE BIA PROPOSAL**

### 2.1 Purpose

The purpose of this BIA Proposal is:

- (a) to enable the Company to continue its business as a going concern from and after the Proposal Implementation Date;
- (b) to retract and terminate all Existing Shares for no consideration;

- (c) to amend and restate the Articles to cancel and terminate the classes of Existing Shares and to create the Class A Common Shares and set out the rights of such class of shares;
- (d) to issue Class A Common Shares to the Buyer upon payment by the Buyer of the Purchase Price in accordance with the Stalking Horse Credit Bid;
- (e) to effect a full, final and irrevocable compromise, release, discharge, cancellation and bar of all Claims other than Affected Claims and Unaffected Claims; and
- (f) to effect a compromise of all Affected Claims.

This BIA Proposal is put forward in the expectation that the Persons with an economic interest in the Company, when considered as a whole, will derive a greater benefit from the implementation of this BIA Proposal and the continuation of the business carried on by the Company as a going concern than would result from a bankruptcy, receivership or liquidation of the Company.

## **2.2 Persons Affected by this BIA Proposal**

This BIA Proposal affects:

- (a) the Affected Creditors;
- (b) any Creditor having a Claim that is barred, released and extinguished under Section 4.2; and
- (c) the Existing Shareholders through the retraction, termination and cancellation of the Existing Shares.

## **2.3 Unaffected Claims**

Any Unaffected Claims will be satisfied by the Company in the manner and to the extent contemplated in Section 5.2 and are therefore uncompromised by this BIA Proposal. Consistent with the foregoing, all liabilities of the Released Parties in respect of Unaffected Claims, other than liability of the Company to satisfy the Unaffected Claims in the manner and to the extent contemplated in Section 5.2, will be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred pursuant to Section 7.1. Nothing in this BIA Proposal will affect the Company's rights and defences, both legal and equitable, with respect to any Unaffected Claims, including but not limited to, all rights with respect to legal and equitable defences or entitlements to set-offs or recoupments against such Unaffected Claims.

# **ARTICLE 3 - CLASSIFICATION, VOTING AND RELATED MATTERS**

## **3.1 Claims Procedure**

- (a) The procedure for determining the validity, priority and quantum of all Claims will be governed by the BIA and any further Order in the NOI Proceedings. A Creditor will, in respect of its own Claim, have the right to seek the assistance of the Court in valuing any Claim in accordance with the BIA; and

- (b) Nothing in this BIA Proposal will give or be interpreted to give any rights to any Person in respect of Claims that have been barred or extinguished pursuant to the BIA.

### **3.2 Class of Creditors entitled to Vote upon this BIA Proposal**

The Affected Creditors will constitute two separate and distinct classes for the purposes of considering and voting upon this BIA Proposal and will be divided as between Affected Creditors holding Affected Unsecured Claims and Affected Creditors holding Affected Secured Claims. The Affected Creditors will be entitled to vote their Affected Claims at the Creditors' Meeting in respect of this BIA Proposal and in accordance with the provisions of the BIA.

### **3.3 Creditors' Meeting**

The Creditors' Meeting will be held in accordance with Division I of Part III of the BIA. The only Persons entitled to attend the Creditors' Meeting are:

- (a) the Proposal Trustee and its legal counsel;
- (b) the Affected Creditors (including the holders of proxies) with Affected Claims and their legal counsel;
- (c) the Buyer and its legal counsel;
- (d) the Company and its legal counsel; and
- (e) any other Person admitted on invitation of the chair of the Creditors' Meeting.

### **3.4 Approval of this BIA Proposal by the Affected Creditors**

Each Affected Creditor entitled to vote at the Creditors' Meeting will be entitled to one vote for each dollar in value of its Affected Claim (for example, a \$100 Affected Claim will entitle the holder to 100 votes). In order for this BIA Proposal to be approved by the Affected Creditors, it must receive the affirmative vote of the Required Majority at the Creditors' Meeting from each class of Affected Creditors.

### **3.5 Creditors with Unaffected Claims**

No Unaffected Creditor in respect of an Unaffected Claim will be entitled to vote on this BIA Proposal or attend the Creditors' Meeting.

### **3.6 Existing Shareholders**

No Existing Shareholder in respect of its Existing Shares will be entitled to vote on this BIA Proposal or attend the Creditors' Meeting.

## **ARTICLE 4 - RESTRUCTURING OF THE COMPANY**

### **4.1 Amendment of Affected Claims**

Effective upon Proposal Implementation and subject to the conditions precedent set forth in Section 9.1 being satisfied or waived, each Affected Claim shall be amended in accordance with

the calculation provided for in the Affected Claim Formula and each Affected Creditor shall immediately thereafter have a continuing Claim against the Company in an amount equal to the value of the Affected Claim as amended by the Affected Claim Formula. For greater certainty, the Affected Claims will not be cancelled, barred or extinguished and each Affected Claim and any Encumbrance that may exist in respect of such Affected Claim shall continue in full force and effect as against the Company with the same right and priority that such Affected Claim had immediately prior to the Proposal Implementation but as amended by the Affected Claim Formula pursuant to this Section 4.1.

#### **4.2 Release and Extinguishment of Claims**

Effective upon Proposal Implementation and subject to the conditions precedent set forth in Section 9.1 being satisfied or waived, each Claim that does not constitute either an Affected Claim or an Unaffected Claim shall be fully, finally, irrevocably and forever released, discharged, cancelled and extinguished and any Person holding such a Claim shall be forever barred and estopped from asserting such a Claim against the Company.

#### **4.3 Corporate Actions**

The adoption, execution, delivery, implementation and consummation of all matters contemplated under this BIA Proposal involving corporate action of the Company will occur and be effective as of Proposal Implementation, and will be authorized and approved under this BIA Proposal and by the Court, where appropriate, as part of the Approval Order, in all respects and for all purposes without any requirement of further action by the Existing Shareholders or current Directors or Officers of the Company. All necessary approvals to take actions will be deemed to have been obtained from the current Directors or Existing Shareholders, as applicable, including the deemed passing by any class of Existing Shareholders of any resolution or special resolution.

#### **4.4 Ceasing to be a Reporting Issuer and Publicly Traded Company**

Following Proposal Implementation, the Company shall take all steps and actions to cease to be a reporting issuer under applicable securities legislation under any province or territory in Canada and to effect the delisting of the Company from the any stock or securities exchange.

#### **4.5 Redemption and Cancellation of Existing Shares**

Effective upon Proposal Implementation, the issued and outstanding Existing Shares will be deemed to be retracted and to be fully, finally and irrevocably cancelled and extinguished without any consideration and any and all Claims of the Existing Shareholders in respect of or arising from the Existing Shares will be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred.

#### **4.6 Articles of Reorganization**

Effective upon Proposal Implementation in accordance with Section 6.2(b), the Articles will be amended and restated under section 185 of the BCA by articles of reorganization incorporating and implementing the terms of this BIA Proposal, cancelling all classes of Existing Shares and deleting all references thereto from the Articles, and creating Class A common shares in the capital of the Company (the "**Class A Common Shares**") having the attributes and rights set out in Schedule "B", and all provisions in the Articles relating to the Existing Shares and the



rights and privileges of the Existing Shareholders are amended and restated by the terms and provisions set out on Schedule "B" (the articles of reorganization, to which the Approval Order is attached as Exhibit "A" thereto, this BIA Proposal is attached as Exhibit "B" thereto, and the terms and provisions relating to the Shares set out on Schedule "B" and attached as Exhibit "C" thereto (each such document attached as an Exhibit to such articles of reorganization being incorporated in and forming part thereof) is defined as the "**Articles of Reorganization**").

#### **4.7 Stock Options and Other Securities**

For greater certainty, effective on Proposal Implementation:

- (a) all Equity Interests and stock option plans of the Company in existence immediately before the Proposal Implementation Date will be terminated and any Claims of any Person thereunder or arising as a result of such termination will be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred; and
- (b) all other Equity Interests and securities of whatsoever description in the capital of the Company in existence immediately before the Proposal Implementation Date will be terminated and any Claims of any Person thereunder or arising as a result of such termination will be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred.

### **ARTICLE 5 - DISTRIBUTIONS**

#### **5.1 Issuance of Class A Common Shares to Buyer**

Effective on the completion of the Stalking Horse Credit Bid, and the payment of the Purchase Price pursuant to and in the manner contemplated by section 3.2 of the Stalking Horse Credit Bid, the Company will issue to the Buyer one (1) Class A Common Shares in accordance with Section 6.1.

#### **5.2 Unaffected Creditors**

No Unaffected Creditor will be entitled to receive any distribution, dividend or payment under this BIA Proposal. At or after Proposal Implementation, all Unaffected Creditors will be paid in full and in accordance with the existing terms and conditions of their contractual arrangements with the Company or on such other terms and conditions as may be agreed to by each of the Buyer and the Unaffected Creditor in writing. For greater certainty, nothing in this BIA Proposal will affect the rights that any Unaffected Creditor has or may have with respect to any Unaffected Claims and all such rights shall continue and be unaffected by virtue of this BIA Proposal.

#### **5.3 Crown Priority Claims**

Within six (6) months after Proposal Implementation, the Company will pay in full to Her Majesty in Right of Canada or any province any amount of a kind that could be subject to a demand under the statutory provision referred to in section 54(2.1) of the BIA that was outstanding on the Filing Date which has not been paid by Proposal Implementation.

#### 5.4 Existing Shareholders

No Existing Shareholder in respect of its Existing Shares will be entitled to receive any consideration or distributions under this BIA Proposal. All Claims of Existing Shareholders in respect of or arising from their Existing Shares will be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred effective on Proposal Implementation.

#### 5.5 Withholding Rights

The Company will be entitled to deduct or withhold from any amount payable to any Person under this BIA Proposal such amounts as it is required to deduct and withhold with respect to such payment under the ITA. To the extent that amounts are so withheld or deducted, such withheld or deducted amounts will be treated for all purposes under this BIA Proposal as having been paid to the Person in respect of which such deduction or withholding was made, provided that such amounts are actually remitted to the Governmental Authority to whom the Company is required to remit under the ITA.

### **ARTICLE 6 - MECHANICS OF IMPLEMENTATION**

#### 6.1 Issuance of Class A Shares

The Class A Common Shares will be issued to the Buyer as follows:

- (a) Prior to Proposal Implementation, the Buyer will provide the Company and the Proposal Trustee with a duly signed and completed Letter of Instruction, and the Company will deliver to the Proposal Trustee a duly signed and completed Class A Common Share certificate representing one (1) Class A Common Share in the name of the Buyer (the "**Procon Share Certificate**"); and
- (b) On Proposal Implementation, the Proposal Trustee will deliver to the Buyer the Procon Share Certificate and the Company will register the Buyer as the owner of its Class A Common Shares in the Share Register and deliver the corporate records, minute book (including the Share Register) and all other documents, records and instruments relating to the Company to the Buyer.

#### 6.2 Implementation Steps

- (a) Upon the Company completing the deliveries contemplated by Section 6.1, and the fulfillment, satisfaction or waiver of the conditions set out in Section 9.1, the following steps and releases to be taken and effected in implementation of this BIA Proposal will occur, and be deemed to have occurred and be taken and effected, immediately in sequence in the following order, without any further act or formality, on the Proposal Implementation Date beginning at the Effective Time:
  - (i) the Affected Claims shall be amended in the manner provided for in Section 4.1;



- (ii) the Claims that are not Affected Claims or Unaffected Claims shall be released, barred and extinguished in the manner provided for in Section 4.2;
  - (iii) the Existing Shares will be redeemed, cancelled and extinguished without any consideration in accordance with Section 4.5;
  - (iv) the Articles of Reorganization will be filed with the director under the BCA, amending and restating the Articles in accordance with Section 4.6;
  - (v) the Share Purchase provided for in the Stalking Horse Credit Bid shall be deemed to have been completed and consummated in accordance with the terms thereof;
  - (vi) the Class A Common Shares will be deemed to have been issued to the Buyer in accordance with Section 6.1(a);
  - (vii) the releases contained in Section 7.1 will become effective;
  - (viii) the New Directors will be appointed as directors of the Company in accordance with section 185(3)(b) of the BCA;
  - (ix) the BIA Charges will be deemed to be fully satisfied, released and discharged.
- (b) Upon the completion of the sequential steps referred to in Section 6.2(a):
- (i) the Proposal Trustee will deliver the Class A Common Shares to the Buyer in accordance with Section 6.1(b);
  - (ii) upon issuance by the director under the BCA of a certificate of amendment in respect of the Articles of Reorganization, the Company will forthwith deliver a copy of such certificate to the Proposal Trustee.

## **ARTICLE 7 - RELEASES**

### **7.1 Releases**

Effective on the Proposal Implementation in accordance with Section 6.2(a), each of the Company, the Buyer, the Proposal Trustee and each member of the Procon Group together with their respective agents, officers, directors, and assigns (each, a **"Released Party"**) shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, orders (including for injunctive relief or specific performance and any compliance orders), expenses, executions, attachments, garnishments, Encumbrances and other recoveries on account of any liability, obligation, demand or cause of action of whatsoever nature which any Creditor or other Person may be entitled to assert, including any Claims, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, in each of the foregoing cases based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to Proposal Implementation in any way relating to, arising out of or in connection with any Claims, the

arrangement, compromise and restructuring contemplated in this BIA Proposal, the business carried on by the Company, the administration of this BIA Proposal or the NOI Proceedings, and all Claims arising out of such actions or omissions will be forever waived and released, all to the full extent permitted by Applicable Law, provided that nothing in this BIA Proposal shall release or discharge:

- (a) the Company from any obligation to any Person created by this BIA Proposal; and
- (b) a Released Party from any criminal or fraudulent misconduct.

## **ARTICLE 8 - COURT APPROVAL**

### **8.1 Application for the Approval Order**

If the Required Majority approves this BIA Proposal, the Proposal Trustee will promptly apply for the Approval Order.

### **8.2 Approval Order**

The Order of the Court approving this BIA Proposal (the “**Approval Order**”) will be made pursuant to the BIA and the BCA and will, among other things:

- (a) declare that this BIA Proposal is fair and reasonable;
- (b) declare that as of the Proposal Implementation, this BIA Proposal and all associated steps, transactions, arrangements, assignments, releases and reorganizations effected hereby are approved, binding and effective as herein set out upon the Company, all Affected Creditors, the Existing Shareholders and all other Persons and parties affected by this BIA Proposal;
- (c) declare that the steps to occur, be taken and be effected, and the releases to be effected, on the Proposal Implementation are deemed to occur, be taken and effected, and be effective in the sequential order contemplated by Section 6.2(a) on Proposal Implementation, beginning at the Effective Time;
- (d) effective upon the fulfillment, satisfaction or waiver of the conditions in Section 9.1, and in the sequential order contemplated by Section 6.2:
  - (i) declare that all Affected Claims are amended pursuant to the Affected Claim Formula;
  - (ii) declare that all Claims other than Affected Claims and Unaffected Claims shall be fully, finally, irrevocably and forever released, discharged, cancelled and extinguished and that any Person holding such a Claim shall be forever barred and estopped from asserting such a Claim against the Company;

- (iii) declare that all Existing Shares are redeemed as of Proposal Implementation for no consideration, and that any rights of the Existing Shareholders under, pursuant to or arising from their Existing Shares are extinguished;
  - (iv) declare that all classes of Existing Shares are cancelled and extinguished;
  - (v) declare that the Class A Common Shares are issued to the Buyer free and clear of any Encumbrances or Claims;
  - (vi) declare that the releases referred to in Section 7.1 will become effective in accordance with this BIA Proposal; and
  - (vii) declare that the BIA Charges are terminated and discharged (effective, in the case of the Administration Charge, on the filing by the Proposal Trustee of the certificate under Section 8.2(h));
- (e) declare that all obligations, agreements or leases to which the Company is a party will be and remain in full force and effect, unamended, as at Proposal Implementation, and no party to any such obligation or agreement will on or following Proposal Implementation accelerate, terminate, refuse to renew, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise (or purport to enforce or exercise) any right or remedy under or in respect of any such obligation, agreement or lease, by reason:
- (i) of any event which occurred prior to, and not continuing after, Proposal Implementation or which is or continues to be suspended or waived under this BIA Proposal, which would have entitled any other party thereto to enforce those rights or remedies;
  - (ii) that the Company has sought or obtained relief or has taken steps as part of this BIA Proposal or under the BIA or BCA;
  - (iii) of any default or event of default arising as a result of the financial condition or insolvency of the Company;
  - (iv) of the effect upon the Company of the completion of any of the transactions contemplated under this BIA Proposal; or
  - (v) of any restructurings or reorganizations effected pursuant to this BIA Proposal;
- (f) stay the commencing, taking, applying for or issuing or continuing any and all steps or proceedings, including administrative hearings and orders, declarations or assessments, commenced, taken or proceeded with or that may be commenced, taken or proceeded with against any Released Party in respect of all Claims and any other matter released pursuant to Section 7.1;
- (g) authorize the Proposal Trustee to perform its functions and fulfil its obligations under this BIA Proposal to facilitate the implementation of this BIA Proposal;

- (h) declare that upon completion by the Proposal Trustee of its duties in respect of the Company pursuant to the BIA and the Orders, the Proposal Trustee may file with the Court a certificate of BIA Proposal completion stating that all of its duties in respect of the Company pursuant to the BIA and the Orders have been completed and thereupon, the Proposal Trustee will be deemed to be discharged from its duties as Proposal Trustee of the Company and the Administration Charge will be terminated and released; and
- (i) declare that the Company, the Proposal Trustee and the Buyer may apply to the Court for advice and direction in respect of any matter arising from or under this BIA Proposal.

## **ARTICLE 9 - CONDITIONS TO PROPOSAL IMPLEMENTATION**

### **9.1 Conditions to Proposal Implementation**

Proposal Implementation will be conditional upon the fulfillment, satisfaction or waiver (in accordance with Section 9.2) of the following conditions:

- (a) there has been no Material Adverse Change since the date of the NOI Proceeding;
- (b) this BIA Proposal will have been approved by the Required Majority of Affected Creditors;
- (c) the Court will have granted the Approval Order, the operation and effect of which will not have been stayed, reversed or amended, and all applicable appeal periods in respect of the Approval Order will have expired and in the event of an appeal or application for leave to appeal, final determination of such appeal or such application for leave to appeal will have been made by the applicable appellate Court;
- (d) the fulfillment, satisfaction or waiver of the conditions set out in Sections 8.1, 8.3 and 8.4 of the Stalking Horse Credit Bid;
- (e) the making of the payments and the completion of the deliveries contemplated by Sections 9.2(c) and 9.2(d) of the Stalking Horse Credit Bid;
- (f) the Buyer shall be satisfied, in its sole and unfettered discretion, as to the validity and quantum of all Affected Claims; and
- (g) the payment of the Sales Agent Obligations up to the amount secured by the Sales Agent Priority Charge and payment of the Administration Obligations up to the amount secured by the Administration Charge.

### **9.2 Waiver**

The Buyer may at any time waive the fulfillment or satisfaction, in whole or in part, of any one or more of the conditions set out in Section 9.1.

### 9.3 **Proposal Trustee's Certificate of Proposal Implementation**

Upon the delivery of written notice from the Company and the Buyer of the satisfaction, fulfillment or waiver of the conditions set out in Section 9.1, and the completion of the steps, deliveries and filings set out in Section 6.2, the Proposal Trustee will deliver to the Company and the Buyer a certificate stating that the Proposal Implementation has occurred and that this BIA Proposal and the Approval Order are effective in accordance with their respective terms (the "**Proposal Trustee's Certificate**"). Following the Proposal Implementation Date, the Proposal Trustee will file such certificate with the Court and deliver copies thereof to the Affected Creditors.

## **ARTICLE 10 - GENERAL**

### 10.1 **Binding Effect**

At the Effective Time:

- (a) this BIA Proposal will become effective;
- (b) the treatment of Affected Creditors and Existing Shareholders under this BIA Proposal will be final and binding for all purposes and enure to the benefit of the Company, all Affected Creditors, all Released Parties and all other Persons and Parties named or referred to in, or subject to, this BIA Proposal and their respective heirs, executors, administrators and other legal representatives, successors and assigns;
- (c) each Affected Creditor will be deemed to have consented and agreed to all of the provisions of this BIA Proposal in its entirety;
- (d) all Claims that are not Affected Claims or Unaffected Claims shall be conclusively barred and extinguished; and
- (e) each Creditor will be deemed to have executed and delivered to the Company all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out this BIA Proposal in its entirety.

### 10.2 **Waiver of Defaults**

From and after the Proposal Implementation Date, all Persons will be deemed to have waived any and all defaults or events of default of the Company then existing or previously committed by the Company, or caused by the Company, any of the provisions in this BIA Proposal or steps contemplated in this BIA Proposal, or non-compliance with any covenant, warranty, representation, term, provision, condition or obligation, expressed or implied, in any contract, instrument, credit document, lease, guarantee, agreement for sale or other agreement, written or oral, and any and all amendments or supplements thereto, existing between such Person and the Company and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith under any such agreement will be deemed to have been rescinded and of no further force or effect, provided that nothing will be deemed to excuse the Company from performing its obligations under this BIA Proposal or be a waiver of defaults by the Company under this BIA Proposal and the related documents. This section does not affect the rights of any Person to pursue any recoveries for a Claim that may

be obtained from a guarantor (other than the Company) and any security granted by such guarantor.

### **10.3 Deeming Provisions**

In this BIA Proposal, the deeming provisions are not rebuttable and are conclusive and irrevocable.

### **10.4 Non-Consummation**

If Proposal Implementation does not occur by August 13, 2016 or such later period as agreed to in writing by the Buyer and the Proposal Trustee, (a) this BIA Proposal will be null and void in all respects, and (b) nothing contained in this BIA Proposal, and no acts taken in preparation for consummation of this BIA Proposal, will (i) constitute or be deemed to constitute a waiver or release of any Claims by or against the Company or any other Person; (ii) prejudice in any manner the rights of the Company or any other Person in any further proceedings involving the Company; or (iii) constitute an admission of any sort by the Company or any other Person.

### **10.5 Modification of BIA Proposal**

- (a) The Buyer may at any time and from time to time, amend, restate, modify and/or supplement this BIA Proposal, with the prior consent of the Proposal Trustee and, if the amendment, restatement, modification or supplement is adverse to the financial or economic interests of the Affected Creditors, with the prior consent of the Required Majority of the Affected Creditors, provided that any such amendment, restatement, modification or supplement must be contained in a written document which is filed with the Court and (i) if made prior to the Creditors' Meeting, communicated to the Affected Creditors in the manner required by the Court (if so required); and (ii) if made following the Creditors' Meeting, approved by the Court on notice to the Affected Creditors.
- (b) Notwithstanding Section 10.5(a), any amendment, restatement, modification or supplement may be made by the Buyer and Company with the prior consent of the Proposal Trustee, and pursuant to an Order following the making of the Approval Order, provided that it concerns a matter which, in the opinion of the Company, the Buyer and the Proposal Trustee is of an administrative nature required to better give effect to Proposal Implementation and the Approval Order or to cure any errors, omissions or ambiguities and is not adverse to the financial or economic interests of the Affected Creditors.
- (c) Any amended, restated, modified or supplementary proposal or plans of arrangement and reorganization filed with the Court and, if required by this Section, approved by the Court with the prior consent of the Buyer, the Proposal Trustee (and, if necessary in accordance with this Section, the Affected Creditors) will, for all purposes, be and be deemed to be a part of and incorporated into this Proposal.

### **10.6 Severability of BIA Proposal Provisions**

If, prior to the Proposal Implementation Date, any term or provision of this BIA Proposal is held by the Court to be invalid, void or unenforceable, at the request of the Company and subject to



the prior consent of the Buyer, acting reasonably, the Court will have the power to either (a) sever such term or provision from the balance of this BIA Proposal and provide the Company, the Buyer and the Required Majority of the Affected Creditors (to the extent such severance may adversely affect the Affected Creditors) with the option to proceed with the implementation of the balance of this BIA Proposal as of and with effect from the Proposal Implementation Date, or (b) alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision will then be applicable as altered or interpreted, provided that the Buyer and the Required Majority of Affected Creditors (to the extent such alteration or interpretation may adversely affect the Affected Creditors) have approved such alteration or interpretation, acting reasonably. Notwithstanding any such holding, alternation or interpretation, and provided that the Company proceeds with the implementation of this BIA Proposal, the remainder of the terms and provisions of this BIA Proposal will remain in full force and effect and will in no way be affected, impaired or invalidated by such holding, alteration or interpretation.

#### **10.7 Responsibilities of the Proposal Trustee**

The Proposal Trustee is acting in its capacity as Proposal Trustee in the NOI Proceedings and this BIA Proposal with respect to the Company and will not be responsible or liable for any Claims against or Obligations of the Company. For greater certainty, the Affected Creditors may appoint one or more inspectors of the estate of the Company in accordance with section 56 of the BIA.

#### **10.8 Notices**

Any notice of other communication to be delivered hereunder must be in writing and refer to this BIA Proposal and may, subject as hereinafter provided, be made or given by personal delivery, ordinary mail, email or by facsimile addressed to the recipient as follows:

(a) If to the Company:

Golden Band Resources Inc.  
Suite 400 – 789 West Pender Street  
Vancouver, BC V6C 1H2

Attention: Paul Saxton, Chief Executive Officer  
Tel. No.: (604) 682-6852  
E-mail: paul.saxton@goldenbandresources.com

with a copy to:

MacPherson Leslie & Tyerman LLP  
1500 – 410 22<sup>nd</sup> Street East  
Saskatoon, SK S7T 0A6

Attention: Jeff Lee and Lynn Hnatick  
Tel. No.: (306) 975-7136 / (306) 975-7104  
Facsimile No.: (306) 975-7145  
E-mail: jmlee@mlt.com / lhnatick@mlt.com

(b) If to the Proposal Trustee:

The Bowra Group Inc.  
Suite 519, 10235 – 101 Street  
Edmonton, AB T5J 3G1

Attention: Doug Chivers, CA, CIRP  
Tel. No.: (780) 705-1717  
Facsimile No.: (780) 705-1946  
E-mail: dchivers@bowragroup.com

with a copy to:

McDougall Gauley LLP  
500 – 616 Main Street  
Saskatoon, SK S7H 0J6

Attention: Ian Sutherland  
Tel. No.: (306) 665-5417  
Facsimile No.: (306) 652-1323  
E-mail: isutherland@mcdougallgauley.com

(c) If to the Buyer:

Procon Resources Inc.  
Suite 108, 4664 Lougheed Highway  
Burnaby, BC V5C 5T5

Attention: John McVey, Chief Executive Officer  
Tel. No.: (604) 291-8292  
E-mail: jmcvey@procongroup.com

with a copy to:

McCarthy Tétrault LLP  
4000, 421 – 7<sup>th</sup> Avenue S.W.  
Calgary, AB T2P 4K9

Attention: Sean F. Collins / Walker W. MacLeod  
Tel. No.: (403) 260-3531 / (403) 260-3710  
Facsimile No.: (403) 260-3501  
E-mail: scollins@mccarthy.ca / wmacleod@mccarthy.ca

or to such other address as any such party may from time to time notify the others in accordance with this Section. Any such communication so given or made will be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of faxing, email or sending by other means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered, faxed, emailed or sent before 5:00 p.m. (Saskatchewan time) on such day. Otherwise, such communication will be deemed to have been given and made and to have been received on the next following Business Day.



#### 10.9 **Paramountcy**

From and after the Effective Time on the Proposal Implementation Date, any conflict between this BIA Proposal and the covenants, warranties, representations, terms, conditions, provisions or obligations, express or implied, of any contract, mortgage, security agreement, indenture, note, loan agreement, commitment letter, agreement for sale, lease or other agreement, written or oral, and any and all amendments or supplements thereto existing between any Person and the Company as at the Proposal Implementation Date, will be deemed to be governed by the terms, conditions and provisions of this BIA Proposal and the Approval Order, which will take precedence and priority.

#### 10.10 **Further Assurances**

Each of the Persons named or referred to in, or subject to, this BIA Proposal will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of this BIA Proposal and to give effect to the transactions contemplated herein.

DATED as of the 8<sup>th</sup> day of July, 2016.

**SCHEDULE "A"**  
**AFFECTED CLAIMS**

**Part I - Affected Secured Claims**

<b>Affected Creditor</b>	<b>Proven Claim</b>
Procon Mining & Tunnelling Ltd.	\$30,668,755
Procon Mining Partnership	\$23,128,473
Procon Resources Inc.	\$23,572,935

**Part II - Affected Unsecured Claims**

<b>Affected Creditor</b>	<b>Proven Claim</b>
Procon Mining & Tunnelling Ltd.	\$18,177,315

## SCHEDULE "B"

### ARTICLES OF REORGANIZATION



Information  
Services  
Corporation  
OF SASKATCHEWAN

**Articles of Reorganization**  
*The Business Corporations Act*  
(Section 185)

**Form 14**

1. 

Name of Corporation: <b>Golden Band Resources Inc.</b>	Entity No.: 101157258
---	--------------------------
2. In accordance with the order for reorganization, the articles of incorporation are amended as follows:
  - (a) By replacing paragraph 2 thereof with "See attached Schedule Exhibit "C" which is incorporated in this form", and thereby amending the authorized share capital as follows:
    - (i) by deleting from the authorized share capital the Common Shares, the Class "A" Preferred Shares and the Class "B" Preferred Shares;
    - (ii) by creating and authorizing 1 class of shares in the capital stock of the Corporation, namely Class "A" shares with the rights, privileges, restrictions, prohibitions and conditions as more particularly set forth in the attached Schedule Exhibit "C".
  - (b) By replacing paragraph 3 with the following:

No securities of the Corporation, other than non-convertible debt securities, shall be transferred to any person without approval of the board of directors.
  - (c) By restating paragraph 4 as follows:
  - (d) Not less than 3 nor more than 11 directors, as determined by the directors from time to time.
  - (e) By restating paragraph 5 as follows:
  - (f) Nil.
  - (g) By replacing paragraph 6 with the following:

Subject to *The Business Corporations Act* (Saskatchewan) the board of directors may, between annual general meetings of the shareholders, appoint one or more additional directors of the Corporation to serve until the next annual meeting of shareholders, provided that the total number of directors so appointed may not exceed one-third of the number of directors elected at the previous annual meeting of the shareholders of the Corporation.

**SCHEDULE "C"**  
**SHARE PROVISIONS SCHEDULE**  
**TO THIS BIA PROPOSAL**

The classes and any maximum number of shares that Golden Band Resources Inc. (the "**Corporation**") is authorized to issue:

an unlimited number of Class A Common Shares;

all without nominal or par value and subject to the rights, privileges, restrictions and conditions as set out below.

**1. CLASS A COMMON SHARES**

The Class A Common Shares shall confer on the holders thereof and shall be subject to the following rights, restrictions, privileges and conditions:

(a) Voting:

The holders of the Class A Common Shares shall be entitled to one (1) vote in respect of each such Class A Common Share held at all meetings of the shareholders of the Corporation.

(b) Dividends and Distributions:

The Class A Common Shares shall rank equally with respect to the declaration and payment of all dividends and distributions of any kind (including any returns of capital). The Class A Common Shares shall, in each year, in the absolute discretion of the directors, be entitled, out of any or all profits or surplus available for dividends, to non-cumulative dividends at a rate to be determined by the directors.

(c) Liquidation:

In the event of the liquidation, dissolution or winding-up of the Corporation or other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs or upon a reduction of capital, the holders of the Class A Common Shares will be entitled to participate equally, share for share, in the distribution of the assets of the Corporation.

**2. RIGHT OF PARTICIPATION**

(a) Right of Participation:

Each holder of Class A Common Shares (each such holder being a "**Holder**" and all of such holders being collectively the "**Holders**", and such shares held by a Holder being the "**Shares**") shall be entitled to participate in any proposed issuance of securities by the Corporation from treasury, which participation right shall be offered *pro rata* to each Holder (based upon the proportion of such Holder's Shares to the Shares of all Holders) in accordance with the number of Class A Common Shares held by such Holder, regardless of the classes of securities. The Corporation shall offer the securities (the "**Offered Securities**") as provided for herein by notice in writing to each Holder, which notice shall include: the terms of the offer; the time, which shall not be less than fifteen (15) business days, for acceptance; and current financial information on the Corporation. The right of participation set forth in this Section 2 shall not apply to the

granting of options and/or the issuance of securities pursuant to any permitted stock option or share purchase plan.

(b) Expiration of Time:

After expiration of the acceptance period detailed in Section 2(a) hereof, the Corporation may, for a period of ninety (90) days thereafter allot and issue such Offered Securities which are not purchased by a Holder pursuant to Section 2(a) hereof to the persons and in the manner determined to be most beneficial to the Corporation, but any such allotment and issuance shall not be at a price less than, or on terms more favourable than the offer to the Holders. In the event the Corporation has not sold the Offered Securities within such ninety (90) day period, the Corporation shall not thereafter issue or sell the Offered Securities without first again complying with the provisions of Section 2(a) hereof.

(c) Payment for Offered Shares:

The payment for Offered Securities by a Holder shall be by certified cheque, bank draft or wire transfer against delivery of the certificate representing the Offered Securities at the head office of the Corporation.

**3. RESTRICTIONS ON TRANSFER**

No securities of the Corporation, other than non-convertible debt securities, shall be transferred to any person without the approval of the board of directors.

**SCHEDULE "D"**  
**TRADE LIABILITY CLAIMS**

The following are the Trade Liability Claims as defined in the BIA Proposal:

<b>Creditor</b>	<b>Amount of Proven Claim</b>
Aon Reed Stenhouse Inc.	\$17,605.00
Archibald J. Nesbitt	\$4,239.31
CanmiX Enterprises Ltd.	\$7,712.26
Clifton Associates Ltd.	\$62,588.00
Comtech (Telecom) Solutions Ltd.	\$3,780.00
EECOL Electric Corp.	\$1,055.16
Ford Credit Canada Limited	\$2,550.73
Frank Wrighter and Metals	\$277.63
John Tosneying Ltd.	\$23,100.00
MacPherson Leslie & Tyerman LLP	\$1,732.50
Minister of Finance (Ministry of Environment)	\$108,516.83
Northern Municipal Trust Account	\$115,109.70
PricewaterhouseCoopers LLP	\$14,360.00
Quadrant Newmedia	\$621.50
R.G. Orr Consulting Ltd.	\$3,500.04
SaskPower	\$69,464.27
Tetra Tech	\$4,379.26

District of: Saskatchewan  
Division No. 02 - Saskatoon  
Court No. 23-2111657  
Estate No. 23-2111657

☒ Original ☐ Amended

- Form 78 -

Statement of Affairs (Business Proposal) made by an entity  
(Subsection 49(2) and Paragraph 158(d) of the Act / Subsections 50(2) and 62(1) of the Act)

IN THE MATTER OF THE PROPOSAL OF  
GOLDEN BAND RESOURCES INC.

To the debtor:

You are required to carefully and accurately complete this form and the applicable attachments showing the state of your affairs on the date of the filing of your proposal (or notice of intention, if applicable), on the 11th day of July 2016. When completed, this form and the applicable attachments will constitute the Statement of Affairs and must be verified by oath or solemn declaration.

LIABILITIES (as stated and estimated by the officer)		ASSETS (as stated and estimated by the officer)	
1. Unsecured creditors as per list "A" .....	18,706,378.17	1. Inventory .....	1.00
Balance of secured claims as per list "B" .....	97,327,193.51	2. Trade fixtures, etc. ....	0.00
Total unsecured creditors .....	116,033,571.68	3. Accounts receivable and other receivables, as per list "E"	
2. Secured creditors as per list "B" .....	4.00	Good .....	0.00
3. Preferred creditors as per list "C" .....	0.00	Doubtful .....	0.00
4. Contingent, trust claims or other liabilities as per list "D"	0.00	Bad .....	0.00
estimated to be reclaimable for .....		Estimated to produce .....	0.00
Total liabilities .....	116,033,575.68	4. Bills of exchange, promissory note, etc., as per list "F" ..	0.00
Surplus .....	NIL	5. Deposits in financial institutions .....	0.00
		6. Cash .....	0.00
		7. Livestock .....	0.00
		8. Machinery, equipment and plant .....	1.00
		9. Real property or immovable as per list "G" .....	1.00
		10. Furniture .....	0.00
		11. RRSPs, RRIAs, life insurance, etc. ....	0.00
		12. Securities (shares, bonds, debentures, etc.) .....	0.00
		13. Interests under wills .....	0.00
		14. Vehicles .....	1.00
		15. Other property, as per list "H" .....	0.00
		If debtor is a corporation, add:	
		Amount of subscribed capital .....	0.00
		Amount paid on capital .....	0.00
		Balance subscribed and unpaid .....	0.00
		Estimated to produce .....	0.00
		Total assets .....	4.00
		Deficiency .....	116,033,571.68

I, PAUL F. SAXTON, of the Community of FURRY CREEK in the Province of British Columbia, do swear (or solemnly declare) that this statement and the attached lists are to the best of my knowledge, a full, true and complete statement of my affairs on the 11th day of July 2016 and fully disclose all property of every description that is in my possession or that may devolve on me in accordance with the Act.

SWORN (or SOLEMNLY DECLARED)

before me at the City of VANCOUVER in the Province of British Columbia, on this 11th day of July 2016.



  
PAUL F. SAXTON

**DEREK DEACON**  
BARRISTER & SOLICITOR  
MLT  
1800 - 365 BURNARD STREET  
VANCOUVER, B.C. V6C 2G8  
TELEPHONE: 604-608-4598

District of: Saskatchewan  
Division No. 02 - Saskatoon  
Court No. 23-2111657  
Estate No. 23-2111657

FORM 31  
Proof of Claim  
(Sections 50.1, 81.5, 81.6, Subsections 65.2(4), 81.2(1), 81.3(8), 81.4(8), 102(2), 124(2), 128(1),  
and Paragraphs 51(1)(e) and 66.14(b) of the Act)

IN THE MATTER OF THE PROPOSAL OF  
GOLDEN BAND RESOURCES INC.

All notices or correspondence regarding this claim must be forwarded to the following address:

\_\_\_\_\_  
\_\_\_\_\_

In the matter of the proposal of GOLDEN BAND RESOURCES INC. of the City of SASKATOON in the Province of Saskatchewan and the claim of \_\_\_\_\_, creditor.  
I, \_\_\_\_\_ (name of creditor or representative of the creditor), of the city of \_\_\_\_\_ in the province of \_\_\_\_\_, do hereby certify:

1. That I am a creditor of the above named debtor (or I am \_\_\_\_\_ (position/title) of \_\_\_\_\_, creditor).
2. That I have knowledge of all the circumstances connected with the claim referred to below.
3. That the debtor was, at the date of proposal, namely the 11th day of July 2016, and still is, indebted to the creditor in the sum of \$ \_\_\_\_\_, as specified in the statement of account (or affidavit) attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled. (The attached statement of account or affidavit must specify the vouchers or other evidence in support of the claim.)

4. (Check and complete appropriate category.)

- ☐ A. UNSECURED CLAIM OF \$ \_\_\_\_\_  
(other than as a customer contemplated by Section 262 of the Act)

That in respect of this debt, I do not hold any assets of the debtor as security and  
(Check appropriate description.)

- ☐ Regarding the amount of \$ \_\_\_\_\_, I claim a right to a priority under section 136 of the Act.  
☐ Regarding the amount of \$ \_\_\_\_\_, I do not claim a right to a priority.  
(Set out on an attached sheet details to support priority claim.)

- ☐ B. CLAIM OF LESSOR FOR DISCLAIMER OF A LEASE \$ \_\_\_\_\_

That I hereby make a claim under subsection 65.2(4) of the Act, particulars of which are as follows:  
(Give full particulars of the claim, including the calculations upon which the claim is based.)

- ☐ C. SECURED CLAIM OF \$ \_\_\_\_\_

That in respect of this debt, I hold assets of the debtor valued at \$ \_\_\_\_\_ as security, particulars of which are as follows:  
(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.)

- ☐ D. CLAIM BY FARMER, FISHERMAN OR AQUACULTURIST OF \$ \_\_\_\_\_

That I hereby make a claim under subsection 81.2(1) of the Act for the unpaid amount of \$ \_\_\_\_\_  
(Attach a copy of sales agreement and delivery receipts.)



- ☐ E. CLAIM BY WAGE EARNER OF \$\_\_\_\_\_
- ☐ That I hereby make a claim under subsection 81.3(8) of the Act in the amount of \$\_\_\_\_\_,
- ☐ That I hereby make a claim under subsection 81.4(8) of the Act in the amount of \$\_\_\_\_\_,
- ☐ F. CLAIM BY EMPLOYEE FOR UNPAID AMOUNT REGARDING PENSION PLAN OF \$\_\_\_\_\_
- ☐ That I hereby make a claim under subsection 81.5 of the Act in the amount of \$\_\_\_\_\_,
- ☐ That I hereby make a claim under subsection 81.6 of the Act in the amount of \$\_\_\_\_\_,
- ☐ G. CLAIM AGAINST DIRECTOR \$\_\_\_\_\_

*(To be completed when a proposal provides for the compromise of claims against directors.)*

That I hereby make a claim under subsection 50(13) of the Act, particulars of which are as follows:

*(Give full particulars of the claim, including the calculations upon which the claim is based.)*

- ☐ H. CLAIM OF A CUSTOMER OF A BANKRUPT SECURITIES FIRM \$\_\_\_\_\_

That I hereby make a claim as a customer for net equity as contemplated by section 262 of the Act, particulars of which are as follows:

*(Give full particulars of the claim, including the calculations upon which the claim is based.)*

5. That, to the best of my knowledge, I \_\_\_\_\_ (am/am not) (or the above-named creditor \_\_\_\_\_ (is/is not)) related to the debtor within the meaning of section 4 of the Act, and \_\_\_\_\_ (have/has/have not/has not) dealt with the debtor in a non-arm's-length manner.

6. That the following are the payments that I have received from, and the credits that I have allowed to, and the transfers at undervalue within the meaning of subsection 2(1) of the Act that I have been privy to or a party to with the debtor within the three months (or, if the creditor and the debtor are related within the meaning of section 4 of the Act or were not dealing with each other at arm's length, within the 12 months) immediately before the date of the initial bankruptcy event within the meaning of Section 2 of the Act: (Provide details of payments, credits and transfers at undervalue.)

7. (Applicable only in the case of the bankruptcy of an individual.)

- ☐ Whenever the trustee reviews the financial situation of a bankrupt to redetermine whether or not the bankrupt is required to make payments under section 68 of the Act, I request to be informed, pursuant to paragraph 68(4) of the Act, of the new fixed amount or of the fact that there is no longer surplus income.
- ☐ I request that a copy of the report filed by the trustee regarding the bankrupt's application for discharge pursuant to subsection 170(1) of the Act be sent to the above address.

Dated at \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Creditor

Phone Number: \_\_\_\_\_  
Fax Number : \_\_\_\_\_  
E-mail Address : \_\_\_\_\_

NOTE: If an affidavit is attached, it must have been made before a person qualified to take affidavits.

WARNINGS: A trustee may, pursuant to subsection 128(3) of the Act, redeem a security on payment to the secured creditor of the debt or the value of the security as assessed, in a proof of security, by the secured creditor.

Subsection 201(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.

District of: Saskatchewan  
Division No. 02 - Saskatoon  
Court No. 23-2111657  
Estate No. 23-2111657

FORM 36

Proxy

(Subsection 102(2) and paragraphs 51(1)(e) and 66.15(3)(b) of the Act)

IN THE MATTER OF THE PROPOSAL OF  
GOLDEN BAND RESOURCES INC.

I, \_\_\_\_\_, of \_\_\_\_\_, a creditor in the above matter, hereby  
appoint \_\_\_\_\_, of \_\_\_\_\_, to be  
my proxyholder in the above matter, except as to the receipt of dividends, \_\_\_\_\_ (with or without)  
power to appoint another proxyholder in his or her place.

Dated at \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Individual Creditor

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Name of Corporate Creditor

Per \_\_\_\_\_

\_\_\_\_\_  
Name and Title of Signing Officer

Return To:

The Bowra Group Inc.  
430 - 505 Burrard Street, PO Box 72  
VANCOUVER BC V7X 1M3  
Phone: (604) 689-8939 Fax: (604) 689-8584  
E-mail: claims@bowragroup.com

District of: Saskatchewan  
Division No. 02 - Saskatoon  
Court No. 23-2111657  
Estate No. 23-2111657

FORM 37

Voting Letter  
(Paragraph 51(1)(f) of the Act)

IN THE MATTER OF THE PROPOSAL OF  
GOLDEN BAND RESOURCES INC.

I, \_\_\_\_\_, creditor (or I, \_\_\_\_\_, representative  
of \_\_\_\_\_, creditor), of \_\_\_\_\_, a creditor in the above matter  
for the sum of \$ \_\_\_\_\_, hereby request the trustee acting with respect to the proposal of  
GOLDEN BAND RESOURCES INC., to record my vote \_\_\_\_\_ (for or against) the acceptance of  
the proposal as made on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

Dated at \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Individual Creditor

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Name of Corporate Creditor

Per \_\_\_\_\_  
Name and Title of Signing Officer

Return To:  
The Bowra Group Inc.  
Per:

\_\_\_\_\_  
Doug Chivers - Licensed Insolvency Trustee  
430 - 505 Burrard Street, PO Box 72  
VANCOUVER BC V7X 1M3  
Phone: (604) 689-8939 Fax: (604) 689-8584  
E-mail: claims@bowragroup.com