



SUPERIOR COURT OF JUSTICE

COUNSEL SLIP

COURT FILE NO.: CV-23-00692786-00CL DATE: 10 February 2023

NO. ON LIST: 2

TITLE OF PROCEEDING: Arehada Mining Limited

BEFORE JUSTICE Steele

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party, Crown:

Name of Person Appearing	Name of Party	Contact Info
Counsel for Applicant Philip Cho	Arehada Mining Limited	pcho@weirfoulds.com

For Defendant, Respondent, Responding Party, Defence:

Name of Person Appearing	Name of Party	Contact Info

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
The Monitor Tom McElroy	The Monitor	tmcelroy@albertgelman.com

ENDORSEMENT OF JUSTICE STEELE:

1. Arehada Mining Limited (the “Applicant”) seeks an order to wind up Arehada Mining Limited pursuant to section 207 of the *Business Corporations Act* (Ontario) (the “OBCA”), to appoint a liquidator under section 210 of the OBCA and to approve and establish a procedure for the identification, resolution and barring of certain claims against the Applicant.
2. The Applicant brings the application under section 207 of the OBCA as the shareholders have already unanimously passed and approved a special resolution for the wind up and dissolution of the company.
3. Section 207(1) of the OBCA provides that:

A corporation may be wound up by order of the court, ...

(b) where the court is satisfied that,

...

(ii) proceedings have been begun to wind up voluntarily and it is in the interest of contributories and creditors that the proceedings should be continued under the supervision of the court,

(iii) the corporation, though it may not be insolvent, cannot by reason of its liabilities continue its business and it is advisable to wind it up, or

(iv) it is just and equitable for some reason, other than the bankruptcy or insolvency of the corporation, that it should be wound up....

4. Section 208(1) of the OBCA provides that a winding-up order may be made upon the application of the corporation. Sections 209 and 210 of the OBCA confer on the Court the jurisdiction to make an order winding up the company and appointing a liquidator.
5. Although the Applicant has limited financial resources and business has ceased, the Applicant is not insolvent. This is due, in part, to the fact that there is a significant receivable owing to the Applicant in respect of the sale of the Tiancheng Investment (the “Receivable”), which the Applicant has been unable to collect, despite efforts to do so.
6. The Applicant submits that as it has limited resources to pursue the repayment of the Receivable from a foreign entity, it is in the interests of the minority shareholders and any creditors to continue or initiate the wind up proceedings under the supervision of the Court.
7. The Applicant further submits that while the Applicant may not meet the test of insolvency, due to the sizable Receivable, its limited resources may impact its ability to continue paying liabilities as they become due. Accordingly, the Applicant submits that it is advisable to order the Applicant’s wind up.
8. The Applicant states that it is just and equitable in this case to order the wind up of the Applicant and appoint a liquidator to manage the wind up and dissolution. The proposed liquidator, a licensed insolvency trustee, could determine the value of the Receivable and ensure that any creditors are dealt with fairly. If appropriate, the liquidator will determine if the Applicant should be assigned into bankruptcy.

9. Section 207 of the OBCA allows the Court to wind up a corporation where it is just and equitable to do so. It is not necessary for the Court to make a finding of oppression: *Libfeld v. Libfeld*, 2021 ONSC 4670 (CanLII), at para. 150.
10. I am satisfied in the circumstances, including the fact that the shareholders have already unanimously passed a resolution for the wind up and dissolution of the Applicant, and the fact that the Applicant has ceased operations and has limited financial resources, it is just and equitable to order the wind up of the Applicant under the OBCA and appoint the liquidator.
11. The Applicant also seeks an order authorizing the liquidator to establish and implement a claims solicitation and claims bar process (the "Claims Solicitation and Bar Order"). Through the Claims Solicitation and Bar Order, the liquidator will determine the universe of claims and the potential distribution to creditors and ensure that no creditors exist prior to any distributions are made to shareholders.
12. Orders to go in accordance with the attached.

A handwritten signature in blue ink, appearing to be "J. Libfeld", is located in the lower right quadrant of the page.