

Clerk's stamp:

COURT FILE NUMBER S-1-BK-2019-000 029
ESTATE NO. 24-2561006
COURT SUPREME COURT OF THE NORTHWEST TERRITORIES
JUDICIAL CENTRE YELLOWKNIFE
APPLICANT THE BOWRA GROUP INC. IN ITS CAPACITY AS THE PROPOSAL TRUSTEE IN THE DIVISION I PROPOSAL OF MCCA W NORTH DRILLING & BLASTING LTD.
PROCEEDING IN THE MATTER OF THE PROPOSAL OF MCCA W NORTH DRILLING & BLASTING LTD. UNDER DIVISION I OF THE BANKRUPTCY AND INSOLVENCY ACT, RSC 1985, c B-3
DOCUMENT REPORT OF TRUSTEE ON PROPOSAL

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

The Bowra Group Inc.
Proposal Trustee of McCaw North Drilling & Blasting Ltd.

TD Tower - Suite 1411
10088 102 Avenue
Edmonton, AB T5J 2Z1
Tel: 780 809 1224
Fax: 780 705 1946

Attention: Doug Chivers
dchivers@bowragroup.com

Lawson Lundell LLP
Counsel to McCaw North Drilling & Blasting Ltd.

Suite 1600 Cathedral Place
925 West Georgia Street
Vancouver, BC, Canada V6C 3L2
Phone: 604.631.9142 Fax: 604.669.1620

Attention: Kimberley Robertson
krobertson@lawsonlundell.com



Service will be accepted by delivery or fax. No other form of service will be accepted.

**IN THE SUPREME COURT OF THE NORTHWEST TERRITORIES
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE PROPOSAL OF
MCCAW NORTH DRILLING AND BLASTING LTD.**

FORM 40

REPORT OF TRUSTEE ON PROPOSAL
(Section 59(1) and paragraph 58(d) of the Act)

THE BOWRA GROUP INC., of the City of Edmonton, of the Province of Alberta, the Licensed Insolvency Trustee acting in the Proposal of MCCAW NORTH DRILLING & BLASTING LTD. (the "**Company**"), hereby reports to the Court as follows:

1. That on the 20th day of September 2019 the debtor did file a Notice of Intention to make a Proposal (the "**NOI**") and that The Bowra Group Inc. was appointed Licensed Insolvency Trustee (the "**Trustee**").
2. That on the 18th day of October 2019, the debtor did obtain a Court Order extending the period within which the debtor is required to file a proposal by forty-five (45) days from the 19th day of October 2019 to the 3rd day of December 2019.
3. That a Proposal (the "**Proposal**") was filed with The Bowra Group Inc. on the 3rd day of December 2019 a copy of which is attached and marked as **Exhibit "A"**, and that The Bowra Group Inc. filed a copy of the Proposal with the Official Receiver on the 3rd day of December 2019.
4. That on the 6th day of December 2019, we sent notice to the debtor, to the Superintendent of Bankruptcy (by e-filing) and to every known creditor affected by the Proposal, whose names and addresses are shown in **Exhibit "B"** to this Report, of the calling of a meeting of creditors to be held on the 18th day of December 2019, to consider the Proposal.
5. That with the notice was included a copy of the Proposal, a Condensed Statement of Assets and Liabilities, a list of creditors, a copy of the Trustee's Report to Creditors, a form of proof of claim and proxy in blank and a voting letter. Copies of the Notice, the Condensed Statement, and the Report of Trustee are attached and marked as **Exhibits "C1", "C2" and "C3"**, respectively.
6. That prior to the meeting of creditors we made a detailed and careful inquiry into the liabilities of the debtor, the debtor's assets and their value, the debtor's conduct and the causes of the debtor's insolvency.

IN THE MATTER OF THE PROPOSAL OF
MCCAW NORTH DRILLING & BLASTING LTD.

REPORT OF TRUSTEE ON PROPOSAL

7. That the meeting of creditors was duly held on the 18th day of December 2019 and was presided over by Doug Chivers, Licensed Insolvency Trustee.
8. That the Proposal was discussed, and a motion was proposed and passed under section 52 of the *Bankruptcy and Insolvency Act* (the "BIA") to adjourn the meeting until the 15th day of January 2020 to enable a further investigation of the affairs of the Company.
9. That a copy of the Minutes of the First Meeting of Creditors is attached and marked as **Exhibit "D1"**.
10. That on the 30th day of December 2019, we sent notice to the debtor, to the Superintendent of Bankruptcy (by e-filing), and to every creditor who had filed a proof of claim with the Trustee of the calling of a Subsequent Meeting of Creditors to be held on the 15th day of January 2020, to consider the Proposal.
11. That the Subsequent Meeting of Creditors was duly held on the 15th day of January 2020, and was presided over by Doug Chivers, Licensed Insolvency Trustee.
12. That the Proposal was accepted by the required majority and two thirds in value of creditors. 11 unsecured creditors voted in favor of the Proposal, representing claims totaling \$528,264.99 and 1 unsecured creditor voted against the Proposal, representing claims totaling \$166,976.99.
13. That a copy of the minutes of the Subsequent Meeting of Creditors is attached and marked as **Exhibit "D2"**.
14. That we are of the opinion that:
 - a) the assets of the debtor and the estimated fair realization value thereof are as follows:

IN THE MATTER OF THE PROPOSAL OF
MCCAW NORTH DRILLING & BLASTING LTD.

REPORT OF TRUSTEE ON PROPOSAL

	Book Value	Appraised Value	Estimated Realization
	(000's)		
Cash on Hand at November 29, 2019	27	-	27
Accounts Receivable	1,087	-	211
Clark Builders Judgement	750	-	750
Rental Income	-	-	154
Inventory	-	-	80
Yellowknife Equipment	-	2,146	1,300
Hope Bay Equipment	-	814	550
Newfoundland Equipment	-	642	353
	1864	3602	3425

The above amounts are subject to certain post filing costs, realization costs and professional fees.

b) the liabilities of the debtor are as follows:

	Per Statement of Affairs	Filed as at January 15, 2020
	\$'s	
Preferred Creditors	-	-
Secured Creditors	2,919,527	648,457
Unsecured Creditors	2,668,148	2,506,902
	5,587,675	3,155,359

15. That we are also of the opinion that:

a) the causes of insolvency of the debtor are:

The Company ran into financial difficulty with the downturn of the oil and gas industry. For the period of January 1, 2019 to July 31, 2019, the Company's revenue decreased by approximately \$1.2 million and suffered a net loss of \$827,777. This resulted in

IN THE MATTER OF THE PROPOSAL OF
MCCAW NORTH DRILLING & BLASTING LTD.

REPORT OF TRUSTEE ON PROPOSAL

insufficient working capital and the inability to continue operations. As a result, the Company filed an NOI on September 20, 2019.

- b) the conduct of the debtor is not subject to censure.
- c) in the Trustee's view, none of the facts mentioned in subsections 173(a) to 173(o) of the BIA apply with respect to the debtor.
- d) the Proposal provides for the payment of all amounts owing to Her Majesty in right of Canada or a province mentioned in section 60(1.1) of the BIA, if any;
- e) the Company is not in default of any remittance of an amount referred to in section 60(1.1) of the BIA that became due after the filing of the NOI;
- f) the Proposal provides for all payments to employees of the Company pursuant to section 60(1.3) of the BIA, if any, and the Company can and will make any and all such payments; and,
- g) the Proposal provides for all pension payments pursuant to section 60(1.5) of the BIA, if any, and the Company can and will make any and all such payments.

Sale of Assets

- 16. The Proposal Trustee previously summarized the sales process undertaken by the Company, with the assistance of the Proposal Trustee, in our Report to Creditors dated December 6, 2019. The sales process was also conducted in consultation with the Company's secured creditors.
- 17. The Proposal Trustee is satisfied that the process undertaken was fair and reasonable, that the sale of the assets, namely the sales:
 - (i) Pursuant to the Sale Agreement with Nuna West Mining Ltd. ("Nuna"), attached as appendix C to the Report to Creditors;
 - (ii) Pursuant to the Sale Agreement with McCaw Drilling & Blasting Ltd. ("McCaw"), attached as appendix D to the Report to Creditors; and
 - (iii) Pursuant to an auction of the Newfoundland assets as referenced in the Report to Creditors;

and distribution of the proceeds of sale from those transactions as required under the terms of the Proposal is more beneficial than had this been done in a bankruptcy and will result in fair

IN THE MATTER OF THE PROPOSAL OF
MCCAW NORTH DRILLING & BLASTING LTD.

REPORT OF TRUSTEE ON PROPOSAL

and reasonable consideration being received. No creditors will be prejudiced by these sale transactions.

18. In addition, and specifically in reference to the sale of the assets to McCaw, who the Proposal Trustee believes is a related party to the Company, the Proposal Trustee is satisfied that:

- (i) Through the tender process, good faith efforts were made to sell or otherwise dispose of the assets to person who are not related; and
- (ii) The consideration that will be received will be superior to the consideration that was offered by any other party for those same assets.

Conclusion:

19. The Proposal Trustee is of the opinion that the debtor's Proposal is an advantageous one for the creditors for the following reason:

The Proposal offers all creditors a greater recovery than they would otherwise receive in a bankruptcy and a bankruptcy would result in increased professional fees for the administration of a bankruptcy estate as opposed to completion of the Proposal to creditors. Consequently, the Trustee recommends acceptance of the Proposal.

20. In addition the Proposal Trustee is of the opinion that the sale of the equipment and fixed assets to McCaw and Nuna, and a public auction of the Newfoundland assets as described in the December 6, 2019 Report to Creditors, having regard to the sales process undertaken and factors for consideration as enumerated in section 65.13 of the BIA, is fair reasonable and will result in a recovery that is more beneficial to the creditors than a sale or disposition in a bankruptcy.

21. We did this day forward to the Superintendent of Bankruptcy a copy of this report.

DATED AT the City of Edmonton, in the Province of Alberta this 22nd day of January 2020.

THE BOWRA GROUP INC.
Licensed Insolvency Trustee

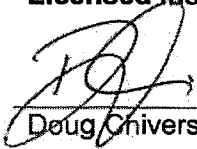
Per:  _____
Doug Chivers, CPA, CIRP, LIT

EXHIBIT A

DIVISION I PROPOSAL

DECEMBER 3, 2019

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

IN THE MATTER OF THE DIVISION I PROPOSAL OF
MCCAW NORTH DRILLING & BLASTING LTD.
DIVISION I PROPOSAL

(Section 50 of the *Bankruptcy and Insolvency Act*)

TABLE OF CONTENTS

Contents

ARTICLE 1 - DEFINITIONS..... 1

ARTICLE 2 - INSOLVENT PERSON.....3

ARTICLE 3 - PURPOSE AND EFFECT OF PROPOSAL 3

ARTICLE 4 - MEETING OF CREDITORS..... 3

ARTICLE 5 -ADMINISTRATION OF THE PROPOSAL.....3

ARTICLE 6 - THIRD PARTY UNDERTAKINGS.....4

ARTICLE 7-DEFAULT BY INSOLVENT PERSON IN PERFORMANCE OF PROPOSAL 4

ARTICLE 8 - DEFINITION OF CREDITOR CLAIMS.....4

ARTICLE 9 - ARRANGEMENTS AFFECTING CERTAIN CREDITORS 5

ARTICLE 10 - ARRANGEMENTS AFFECTING CREDITORS6

ARTICLE 11 - COMPROMISE OF CLAIMS6

ARTICLE 12-ADMINISTRATIVE FEES AND EXPENSES7

ARTICLE 13 - VALUATION OF CLAIMS, VOTING AND APPLICABLE DATES 7

ARTICLE 14- MODIFICATIONS AND AMENDMENTS8

ARTICLE 15 - NOTICE8

**IN THE SUPREME COURT OF THE NORTHWEST TERRITORIES
IN BANKRUPTCY AND INSOLVENCY**

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

MCCAW NORTH DRILLING & BLASTING LTD.

ARTICLE 1 - DEFINITIONS

1.1 Definitions

In this Proposal, the following words and phrases shall have the following respective meanings:

- a) **"Acceptance"** means the acceptance of the Proposal by the Creditors and the ratification of the Proposal by the Court;
- b) **"Act"** means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended;
- c) **"Certain Crown Claims"** means those Creditors defined in Article 8.3 hereof;
- d) **"Claims"** has the meaning ascribed thereto in the Act;
- e) **"Corporation"** means McCaw North Drilling & Blasting Ltd.;
- f) **"Court"** means the Supreme Court of the Northwest Territories, in Bankruptcy and Insolvency;
- g) **"Creditor"** or **"Creditors"** means the creditors of the Corporation affected by the Proposal;
- h) **"Crown Unsecured Claims"** means those Creditors defined in Article 8.2 hereof;
- i) **"Effective Date"** means the date of approval of the Proposal by the Court;
- j) **"Insolvent Person"** means the Corporation;
- k) **"Inspectors"** means those inspectors duly appointed pursuant to the terms of the Act;

- l) **"Meeting of Creditors"** means the meeting of Creditors scheduled to consider and vote on the Proposal;
- m) **"Notice of Meeting"** means the notice of the Meeting of Creditors forwarded to the Creditors;
- n) **"Preferred Creditors"** means all those Creditors of the Insolvent Person defined in Article 8.6 hereof;
- o) **"Professional Fees"** means, individually or cumulatively as the context requires, the fees and disbursements of the Trustee under the Proposal of the Corporation, the fees and disbursements of the Trustee's legal counsel (if any), and the fees and disbursements of legal counsel to the Corporation;
- p) **"Proposal"** means the series of steps and arrangements contemplated herein, by which the debts and obligations owing by the Insolvent Person to the Creditors will be dealt with pursuant to Division I of Part III of the Act;
- q) **"Proposal Fund"** shall mean a fund of money as the result of the disposition of the assets of the Corporation and collection of debts owed to the Corporation, less payments to be made pursuant to the terms of this Proposal before distribution to the Ordinary Unsecured Creditors;
- r) **"Proposal Valuation Date"** means the date the Notice of Intention to File a Proposal was filed by the Corporation, that being September 20, 2019;
- s) **"Secured Creditors"** means those Creditors defined in Article 8.4 hereof;
- t) **"Termination Date"** means the date upon which the claims of all Creditors have been satisfied in accordance with the Proposal or otherwise satisfied;
- u) **"Trust Claimants"** means those Creditors defined in Article 8.7 hereof;
- v) **"Trustee"** means The Bowra Group Inc., trustee under the Proposal;
- w) **"Unsecured Creditors"** means those Creditors defined in Article 8.8 hereof;
- x) **"Valued Claim"** means the claim of a creditor as of the Proposal Valuation Date which has been valued by the Trustee; and
- y) **"Wage Claims"** means the claims advanced against the Insolvent Person by those Creditors defined in Article 8.5 hereof.

ARTICLE 2 - INSOLVENT PERSON

2.1 The Insolvent Person hereby submits the following Proposal pursuant to the Act.

ARTICLE 3 - PURPOSE AND EFFECT OF PROPOSAL

3.1 The purpose of the Proposal is to allow the Insolvent Person to offer a compromise to its Creditors of their claims against the Insolvent Person.

3.2 The Insolvent Person wishes to permit the Creditors to achieve a recovery on their claims against the Insolvent Person.

3.3 The Proposal will become effective on the Effective Date, on which date the claims of the Creditors will be compromised in accordance with the terms hereof.

3.4 This Proposal is not intended to and does not affect any claim of:

- (a) Canada Revenue Agency with respect to the Certain Crown Claims where those claims grant rights in the property of the Corporation;
- (b) Secured Creditors to the extent that they hold valid and enforceable security against the property of the Corporation and to the extent of the value of that security;
- (c) the claims of Trust Claimants to the extent of the value of property held by the Corporation for the benefit of the Trust Claimant.

ARTICLE 4 - MEETING OF CREDITORS

4.1 The Creditors shall be given formal notice to attend a Meeting of Creditors as outlined in the Trustee's notification/information documents accompanying this proposal.

ARTICLE 5 -ADMINISTRATION OF THE PROPOSAL

5.1 The Creditors, with the consent of the Insolvent Person, may include such additional provisions or terms in the Proposal with respect to the supervision of the affairs of the Insolvent Person as they may deem advisable.

5.2 The Creditors may appoint no more than five Inspectors of the Proposal of the Insolvent Person.

5.3 The Proposal shall be terminated upon the bankruptcy of the Insolvent Person.

- 5.4 Notwithstanding that the claims of the Creditors shall be compromised and deemed satisfied upon approval of this Proposal by the Court, the Insolvent Person shall remain liable for completion of this Proposal as provided for herein.

ARTICLE 6 - THIRD PARTY UNDERTAKINGS

- 6.1 There are no Guarantee Agreements or Third Party Deposit Agreements with respect to this Proposal.

ARTICLE 7-DEFAULT BY INSOLVENT PERSON IN PERFORMANCE OF PROPOSAL

- 7.1 Where default is made in the performance of any provision of the Proposal and the default is not remedied by the Insolvent Person or waived by the Inspectors, or in the absence of inspectors, by the Trustee or a majority of the Creditors as defined in dollar value of proven claims, within thirty (30) days immediately following the default, the Trustee shall so inform all of the Creditors and the Official Receiver in the manner prescribed pursuant to the Act.

ARTICLE 8 - DEFINITION OF CREDITOR CLAIMS

- 8.1 The claims of Creditors shall have the respective definitions provided in this Article.
- 8.2 "**Crown Unsecured Claims**" shall mean those claims of Canada Revenue Agency or other claims of the Crown in right of Canada or a Province or Territory, which are either in addition to the Certain Crown Claims or which are the balance of the Certain Crown Claims after application of the value of any property of the Corporation for which the Crown is entitled to enforce their claim for the Certain Crown Claims.
- 8.3 "**Certain Crown Claims**" shall mean any claim of Her Majesty in the Right of Canada or a Province or Territory of all amounts of a kind that could be subject to a demand under:
- a) subsection 224(1.2) of the *Income Tax Act*;
 - b) any provision of the *Canada Pension Plan* or the *Employment Insurance Act* that refers to subsection 224(1.2) of the *Income Tax Act*, and
 - c) any substantially similar provincial or territorial legislation that has a similar purpose to the subsection 224(1.2) of the *Income Tax Act*.
- 8.4 "**Secured Creditor**" means a person holding a mortgage, hypothec, pledge, charge, security interest or lien on or against the property of the Insolvent Person or any part of

that property as security for a debt due or accruing due to the person from the Insolvent Person to the extent of the value of the property of the Insolvent Person over which the Secured Creditor has perfected security, with the balance of the Secured Creditor's claim thereafter being unsecured ("the Secured Creditor's Unsecured Portion").

- 8.5 **"Wage Claim"** includes any claim of employees and former employees of the Insolvent Person for amounts equal to the amounts that such employees may be qualified to receive pursuant to subsection 136(1)(d) of the Act as at the time of the filing of the Notice of Intention to Make a Proposal or of filing the Proposal, whichever occurs first, as well as wages, salaries, commissions, or compensation for services rendered after that date and before the Court approval.
- 8.6 **"Preferred Creditors"** includes any creditor with a claim defined pursuant to subsection 136(1) of the Act. However, "Preferred Creditor" shall exclude any person advancing a Wage Claim.
- 8.7 **"Trust Claimant"** includes all parties who have a valid and enforceable claim against the Insolvent Person that the Insolvent Person holds property in trust for the benefit of the Trust Claimant where that trust is in priority to the claims of all other claims against the Insolvent Person.
- 8.8 **"Unsecured Creditor"** includes all persons to whom the Insolvent Person owes any obligations of any nature and kind whatsoever, whether due or not due for payment at the time of the filing of the Proposal and including contingent or unliquidated claims arising out of any transactions entered into by the Insolvent Person prior to the time of the filing of the Proposal, save and except for the claims of Secured Creditors, Wage Claims, Certain Crown Claims and the claims of Preferred Creditors, provided however, the Crown's Unsecured Claim and the Secured Creditor's Unsecured Claim shall be included as Unsecured Creditors.

ARTICLE 9 - ARRANGEMENTS AFFECTING CERTAIN CREDITORS

- 9.1 Any indebtedness incurred by the Insolvent Person for the provision of goods, services, supplies, or any other considerations subsequent to the filing of this Proposal and prior to the approval of the Proposal by the Court shall be paid in full in the ordinary course of business from proceeds realized in relation to the business operations in priority only to the claims of the Unsecured Creditors as defined in Article 8.8 herein, existing at the time of the filing of the Proposal.
- 9.2 Creditors dealing with the Insolvent Person following the time of the filing of the Proposal shall have no right for set-off.

ARTICLE 10 - ARRANGEMENTS AFFECTING CREDITORS

- 10.1 The Insolvent Person shall collect all of its accounts receivable and amounts claimed for work in progress, and shall cause all of its property including, but not limited to, all of its personal property (the "Corporation's Property"), to be sold and disposed of and the proceeds of such accounts receivable, amounts claimed for work in progress, and such amounts from the sale and disposition of property shall be used and applied as follows:
- (a) in payment of all costs associated with the sale and disposition of the personal property including, but not limited to, Professional Fees;
 - (b) in respect of any proceeds of sale of the Corporation's Property over which a Secured Creditor has a valid and perfected security interest in accordance with the *Personal Property Security Act* in force and effect with respect to that portion of the Corporation's Property over which the security interest has attached;
 - (c) the balance after the foregoing to be paid into and form part of the Proposal Fund.
- 10.2 The Proposal Fund shall be paid and distributed in the following priority:
- (a) in payment in satisfaction of the Professional Fees;
 - (b) in payment in satisfaction of the Wage Claims;
 - (c) in payment in satisfaction of the Preferred Creditors;
 - (d) in payment in satisfaction of the Creditors arising under Article 9;
 - (e) in payment in satisfaction of the claims of Unsecured Creditors.
- (the "Proposal Fund Payments").
- 10.3 To the extent that the Proposal Fund Payments are insufficient to pay any Creditor's claim in full, such payment, if any, shall be deemed to have satisfied the claim of the Creditor.
- 10.4 Notwithstanding anything contained in this Proposal, the Certain Crown Claims shall be paid in full within six (6) months following the date of court approval of the Proposal, or in an extended period of time if approved by Her Majesty the Queen in Right of Canada, as represented by Canada Revenue Agency, from proceeds realized in relation to the disposition of the Corporation's property.
- 10.5 Notwithstanding anything contained herein, all amounts due for Wage Claims shall be paid forthwith upon the approval of the Proposal by the Court.

ARTICLE 11 - COMPROMISE OF CLAIMS

- 11.1 Notwithstanding that the Corporation's Property may not have been fully realized, and the Proposal Fund Payments may not have been fully made, the claims of the Creditors shall be deemed to have been compromised and fully satisfied as of the Effective Date.

ARTICLE 12-ADMINISTRATIVE FEES AND EXPENSES

- 12.1 That all the fees, expenses and disbursements of the Trustee on and incidental to the proceedings arising out of the Proposal, including the Trustee's legal fees and disbursements shall be paid from the Proposal Fund, in accordance with the provisions of Article 10.
- 12.2 That the Trustee and its legal counsel may take interim draws in respect of their fees and disbursements in a total amount which shall not exceed the total reasonable and actual time charges and disbursements at the date of the interim, subject to final taxation by the Court, and without prior approval of the inspectors, if any inspectors are appointed.

ARTICLE 13 - VALUATION OF CLAIMS, VOTING AND APPLICABLE DATES

- 13.1 The Claims of all Creditors who have proven claims against the Insolvent Person shall be valued as at the Proposal Valuation Date by the Trustee, at or before the Meeting of Creditors.
- 13.2 Proofs of claim, proxies and voting letters intended to be used at the Meeting of Creditors must be lodged with the Trustee prior to the Meeting of Creditors.
- 13.3 Creditors may vote their claims by either returning a properly completed voting letter to the Trustee prior to the Meeting of Creditors, or by attending at the Meeting of Creditors and voting in person or by proxy.
- 13.4 Pursuant to section 50(1.2) of the Act, and for the purposes of the Proposal, the Insolvent Person hereby makes this proposal to the Creditors and the Insolvent Person hereby designates such parties to whom it is making the Proposal into the following single class of the Creditors more particularly described below, namely:
- a) Class One - Unsecured Creditors: All Creditors with unsecured Claims against the Insolvent Person for debts and liabilities, present or future, including all Creditors claiming any one or more of the following types of debts or liabilities:
 - i. debts or liabilities to which the Insolvent Person was subject on the Proposal Valuation Date;
 - ii. debts or liabilities to which the Insolvent Person may in future become

subject by reason of any obligation incurred by it or on its behalf on or before the Proposal Valuation Date;

- iii. debts or liabilities arising from claims against the Insolvent Person for indemnity or guarantee; and
- iv. debts or liabilities arising from all unliquidated or contingent claims related to any act or omission of the Insolvent Person which occurred, or any transaction entered into by the Insolvent Person, on or before the Proposal Valuation Date.

ARTICLE 14- MODIFICATIONS AND AMENDMENTS

14.1 The Trustee, with the approval of the Court and without notice to the Creditors, may agree to any modification or amendment to the Proposal after the Creditors have voted on the Proposal, including without limiting the generality of the foregoing, any extension of time for carrying out the terms of the Proposal or for taking any steps or proceedings hereunder, other than any modification or amendments which would materially adversely affect the rights of any creditors.

ARTICLE 15 - NOTICE

15.1 Unless otherwise indicated, any notice required or permitted to be given pursuant to the Proposal shall be sufficiently given or made if delivered, faxed or mailed by prepaid postage as follows:

To the Insolvent Person:

McCaw North Drilling & Blasting Ltd.

•

Email: devonmccaw@mccawnorth.com

Copy to Counsel for the Insolvent Person:

LAWSON LUNDELL LLP

PO Box 818

200, 4915 – 48th Street

Yellowknife NT X1A 2N6

Phone: (867) 669-5500

Email: kniu@lawsonlundell.com

To the Trustee:

THE BOWRA GROUP

1411, 10088-102 Avenue
Edmonton, AB T5J 2Z1
Attention: Doug Chivers
Phone: (780) 705-1717
Email: dchivers@bowragroup.com

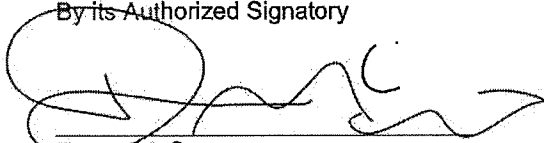
To the Creditors:

At their last known address according to the Insolvent Person or such other addresses as any of the foregoing may designate from time to time.

Any notice delivered as aforesaid shall be deemed to have been received when delivered, if delivered on a day other than Saturday, Sunday or statutory holiday, and otherwise on the next following business day. Any notice mailed as aforesaid shall be deemed to have been received on the 7th business day following the day on which such notice is mailed.

Dated at the City of Yellowknife, in the Northwest Territories, this 2 day of December, 2019

McCaw North Drilling & Blasting Ltd.
By its Authorized Signatory



Deven McCaw

EXHIBIT B
CREDITOR MAILING LIST

Creditor Mailing List

In the matter of the proposal of
MCCA W NORTH DRILLING & BLASTING LTD.
of the City of YELLOWKNIFE, in the Northwest Territories

Creditor Type	Name	Attention	Address
Director	DEVON R. MCCA W		BOX 2250, 4428 47 STREET ROCKY MOUNTAIN HOUSE AB T4T 1B6
Secured	Atlas Copco Canada Inc.		P.O. Box 13103 Station Terminal Vancouver BC V6B 4W6
	Business Development Bank of Canada		5201 Franklin Ave, Suite 900 Yellowknife NT X1A 3S9
	GM Financial Canada Leasing Ltd.		2001 Sheppard Avenue, Suite 600 Toronto ON M2J 4Z8
	Komatsu International (Canada) Inc.		3755 Boul. Matte, Suite B Brossard QC J4Y 2P4
	Maynbridge Capital Inc.		Suite 388, 1111 West Hastings St. Vancouver BC V6E 2J3
	Sissons Enterprises Corp.		Lot 26, 26308 Twp Rd. 525A Acheson AB T7X 5A6
	TD Canada Trust		421 - 7th Ave SW, 10th floor TD Tower Calgary AB T2P 4K9
	Xerox Canada Ltd.		PO Box 1298, Station M Calgary AB T2P 2L2
Unsecured	Air Liquide		PO Box 6789, STN Centre-Ville Montreal QC H3C 4J5
	All West Glass		4 Melville Drive Yellowknife NT X1A 0G1
	Atlantic Explosives Ltd.		360 Topsail Rd. St. Johns NL A1E 2B6
	Aurora Ford - Yellowknife Ford Sales Ltd.		20 Airport Road Yellowknife NT X1A 3T2
	Axel Schnoor		11A Melville Drive Yellowknife NT X1A 0G1
	Battlefield Equipment Rentals		6 Beclin Road Mount Pearl NL A1N 5B8
	Buffalo Parcel Courier Services Ltd.		11310 153rd Street Edmonton AB T5M 1X6
	Bumper to Bumper		316 Woolgar Ave. Yellowknife NT X1A 3B5
	Canuck Concrete Pumping		157 Magrum Cres. Yellowknife NT X1A 3V8
	City of Yellowknife - 11A Melville Drive		Box 580 Yellowknife NT X1A 2N4
	Claims Pro		Suite 101, 5083 Windermere Blvd SW Edmonton AB T6W 0J5
	Costal Outdoors Clarenville		400 Memorial Drive Clarenville NL A5A 1P4
	Denton's Canada LLP		77 King Street West, Suite 400 TD Centre Toronto ON M5K 0A1
	Dyno Nobel Canada Inc.		PO Box 4290, Station A Toronto ON M5W 0E1
	East Coast Hydraulics		9 Sagona Avenue Mount Pearl NL A1N 4P8
	Enterprise		PO Box 1943 STN A Toronto ON M5W 1W9

Creditor Mailing List

In the matter of the proposal of
MCCAW NORTH DRILLING & BLASTING LTD.
of the City of YELLOWKNIFE, in the Northwest Territories

Creditor Type	Name	Attention	Address
Unsecured	Farrell's Excavating Ltd.		PO Box 909, 2700 Trans-Canada Hwy Mount Pearl NL A1N 3C8
	Field Law		601 - 4920 52nd Street Yellowknife NT X1A 3T1
	IronHeadz Industries Inc.		PO Box 3175 Leduc AB T9E 6L9
	J&G Collier		PO Box 66, 185 Main Street St. Albans NL A0H 2E0
	James R. Eales Equipment Rentals Ltd.		PO Box 7105, Stn. C St. Johns NL A1E 3Y3
	Kavanaugh Bros. Ltd.		PO Box 1108 Yellowknife NT X1A 2N8
	King's Transport Company Ltd.		PO Box 910 Bishop's Falls NL A0H 1C0
	Macdonald & Company		204 Lambert Street Whitehorse YT Y1A 3T2
	Mary Beth Macayana		11A Melville Drive YELLOWKNIFE NT X1A 0G1
	Matonabee 7356537		Box 2697 Yellowknife NT X1A 2R1
	Newfoundland Hard-Rok Inc.		PO Box 8776, Station A St. Johns NL A1B 3T2
	NL Vegetation Control Ltd.		PO Box 689, 155 Cpl S. Bouzanne Blvd. Springdale NL A0J 1T0
	Northern Comm. & Nav Systems Ltd.		Box 2317, 11 Coronation Drive Yellowknife NT X1A 0G5
	Northern Industrial Sales		326B Old Airport Road Yellowknife NT X1A 3T3
	Northland Utilities		481 Range Lake Rd. Yellowknife NT X1A 3R9
	Northtech Drilling Ltd.		Box 363 Yellowknife NT X1A 2N3
	Northwestel		Box 1469, 100-5201 Franklin Ave. Yellowknife NT X1A 2P1
	NWT & Nunavut Construction Association		PO Box 2277, 4921 49th Street Yellowknife NT X1A 2P7
	Pacific Bit of Canada Inc.		Unit 204, 9485 - 189th Street Surrey BC V4N 5L8
	Paul Bros Nextreme Inc.		7 Melville Drive, PO Box 566 Yellowknife NT X1A 2N4
	Paul Bros Welding (2005) Ltd.		#5 Melville Drive Yellowknife NT X1A 0G1 ednap@theedge.ca
	Pennock Acheson Nielsen Devany		2201 TD Tower, 10088 - 102nd Ave. Edmonton AB T5J 2Z1
	Pinnacle Drilling Products		5160 Still Creek Ave. Burnaby BC V5C 4E4
	Receiver General of Canada		c/o Pacific Insolvency Intake Centre 9755 King George Boulevard SURREY BC V3T 5E1
	Rideout Tool & Machine Inc.		222 Kenmount Rd. St. Johns NL A1B 3R2

Creditor Mailing List

In the matter of the proposal of
MCCA W NORTH DRILLING & BLASTING LTD.
of the City of YELLOWKNIFE, in the Northwest Territories

Creditor Type	Name	Attention	Address
Unsecured	Rod Jennings		99 Tilley's Road South Keligrews NL A1X 3E3
	Ron's Auto Service Ltd.		Box 185, 103 Kam Lake Rd. Yellowknife NT X1A 0G5
	Ron's Disposal Service Ltd.		12 Cedarcrest Place C.B.S. NL A1X 7K6
	Second Chance Media Blasting		27 Middlebight Rd. Keligrews NL A1X 6B1
	SMS Equipment		14 Ellesmere Drive, PO Box 2220 Yellowknife NT X1A 2P6
	Stewart Mckelvey		Suite 1100, Cabot Place, 100 New Grower St. St. Johns NL A1C 6K3
	Sub-Arctic Surveys Ltd.		226 Utsingi Dr. Yellowknife NT X1A 0E7
	T&J Equipment Management Ltd.		5824 - 60th Street Rocky Mountain House AB T4T 1K7
	Tulk Tire & Services Ltd.		15 Clyde Avenue Mount Pearl NL A1N 4R8
	Wajax Industrial Components		349 Old Airport Road Yellowknife NT X1A 3X6
	WB Water Services		Box 2670 Yellowknife NT X1A 2P9
	Westown Tire Services Ltd.		335 Old Airport Road Yellowknife NT X1A 3T3
	Worker's Safety & Compensation Commission		Box 8888 Yellowknife NT X1A 2R3

EXHIBIT C1

FORM 92 – NOTICE OF PROPOSAL TO CREDITORS

District of:
Division No. -
Court No. S-1 BK2019-000 029
Estate No. 24-2561006

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

In the matter of the proposal of
MCCAW NORTH DRILLING & BLASTING LTD.
of the City of YELLOWKNIFE, in the Northwest Territories

Take notice that MCCAW NORTH DRILLING & BLASTING LTD. of the City of YELLOWKNIFE in the Northwest Territories 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 Suite 200 - 4915 48 Street, YELLOWKNIFE, NT on the 18th day of December 2019 at 11:30 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 6th day of December 2019.

The Bowra Group Inc. - Licensed Insolvency Trustee
Per:



Doug Chivers - Licensed Insolvency Trustee
TD Tower, Suite 1411- 10088 102 Avenue
EDMONTON AB T5J 2Z1
Phone: (780) 809-1224 Fax: (780) 705-1946

(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
All West Glass	4 Melville Drive Yellowknife NT X1A 0G1		1,068.90
Atlantic Explosives Ltd.	360 Topsail Rd. St. Johns NL A1E 2B6		2,314.38
Atlas Copco Canada Inc.	P.O. Box 13103 Station Terminal Vancouver BC V6B 4W6		561,866.74
Aurora Ford - Yellowknife Ford Sales Ltd.	20 Airport Road Yellowknife NT X1A 3T2		1,190.90
Axel Schnoor	11A Melville Drive Yellowknife NT X1A 0G1		3,561.33
Battlefield Equipment Rentals	6 Beclin Road Mount Pearl NL A1N 5B8		756.56
Bumper to Bumper	316 Woolgar Ave. Yellowknife NT X1A 3B5		1,524.28
Business Development Bank of Canada	5201 Franklin Ave, Suite 900 Yellowknife NT X1A 3S9		1,431,205.86
Canuck Concrete Pumping	157 Magrum Cres. Yellowknife NT X1A 3V8		1,575.00
City of Yellowknife - 11A Melville Drive	Box 580 Yellowknife NT X1A 2N4		6,412.15
Claims Pro	Suite 101, 5083 Windermere Blvd SW Edmonton AB T6W 0J5		10,875.00
Costal Outdoors Clarenville	400 Memorial Drive Clarenville NL A5A 1P4		3,840.00
Denton's Canada LLP	77 King Street West, Suite 400 TD Centre Toronto ON M5K 0A1		51,502.63
Dyno Nobel Canada Inc.	PO Box 4290, Station A Toronto ON M5W 0E1		78,305.41
East Coast Hydraulics	9 Sagona Avenue Mount Pearl NL A1N 4P8		7,830.42
Enterprise	PO Box 1943 STN A Toronto ON M5W 1W9		304.00
Farrell's Excavating Ltd.	PO Box 909, 2700 Trans-Canada Hwy Mount Pearl NL A1N 3C8		11,752.47
Field Law	601 - 4920 52nd Street Yellowknife NT X1A 3T1		8,496.53

FORM 92 — Continued

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
IronHeadz Industries Inc.	PO Box 3175 Leduc AB T9E 6L9		9,657.61
J&G Collier	PO Box 66, 185 Main Street St. Albans NL A0H 2E0		13,472.25
James R. Eales Equipment Rentals Ltd.	PO Box 7105, Str. C St. Johns NL A1E 3Y3		5,980.00
Kavanaugh Bros. Ltd.	PO Box 1108 Yellowknife NT X1A 2N8		758.70
King's Transport Company Ltd.	PO Box 910 Bishop's Falls NL A0H 1C0		8,911.35
Komatsu International (Canada) Inc.	3755 Boul. Matte, Sulte B Brossard QC J4Y 2P4		50,479.85
Macdonald & Company	204 Lambert Street Whitehorse YT Y1A 3T2		284.36
Mary Beth Macayana	11A Melville Drive YELLOWKNIFE NT X1A 0G1		4,140.09
Matonabee 7356537	Box 2697 Yellowknife NT X1A 2R1		22,252.45
Maynbridge Capital Inc.	Suite 388, 1111 West Hastings St. Vancouver BC V6E 2J3		246,496.20
Newfoundland Hard-Rok Inc.	PO Box 8776, Station A St. Johns NL A1B 3T2		7,934.22
NL Vegetation Control Ltd.	PO Box 689, 155 Cpl S. Bouzanne Blvd. Springdale NL A0J 1T0		1,794.00
Northern Comm. & Nav Systems Ltd.	Box 2317, 11 Coronation Drive Yellowknife NT X1A 0G5		3,968.00
Northern Industrial Sales	326B Old Airport Road Yellowknife NT X1A 3T3		321.55
Northland Utilites	481 Range Lake Rd. Yellowknife NT X1A 3R9		2,987.57
Northtech Drilling Ltd.	Box 363 Yellowknife NT X1A 2N3		1,334.81
Northwestel	Box 1469, 100-5201 Franklin Ave. Yellowknife NT X1A 2P1		1,943.60
NWT & Nunavut Construction Association	PO Box 2277, 4921 49th Street Yellowknife NT X1A 2P7		525.00

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Pacific Bit of Canada Inc.	Unit 204, 9485 - 189th Street Surrey BC V4N 5L8		146,942.39
Paul Bros Nextreme Inc.	7 Melville Drive, PO Box 566 Yellowknife NT X1A 2N4		2,601.06
Paul Bros Welding (2005) Ltd.	#5 Melville Drive Yellowknife NT X1A 0G1		36,857.84
Pennock Acheson Nielsen Devany	2201 TD Tower, 10088 - 102nd Ave. Edmonton AB T5J 2Z1		48,325.00
Pinnacle Drilling Products	5160 Still Creek Ave. Burnaby BC V5C 4E4		20,029.63
Rideout Tool & Machine Inc.	222 Kenmount Rd. St. Johns NL A1B 3R2		1,674.78
Rod Jennings	99 Tilley's Road South Keligrews NL A1X 3E3		1,334.00
Ron's Auto Service Ltd.	Box 185, 103 Kam Lake Rd. Yellowknife NT X1A 0G5		12,049.62
Ron's Disposal Service Ltd.	12 Cedarcrest Place C.B.S. NL A1X 7K6		402.50
Second Chance Media Blasting	27 Middlebight Rd. Keligrews NL A1X 6B1		1,150.00
SMS Equipment	14 Ellesmere Drive, PO Box 2220 Yellowknife NT X1A 2P6		44,792.12
Stewart Mckelvey	Suite 1100, Cabot Place, 100 New Grower St. St. Johns NL A1C 6K3		276.00
Sub-Arctic Surveys Ltd.	226 Utsingi Dr. Yellowknife NT X1A 0E7		174,542.56
T&J Equipment Management Ltd.	5824 - 60th Street Rocky Mountain House AB T4T 1K7		1,880,161.04
TD Canada Trust	421 - 7th Ave SW, 10th floor TD Tower Calgary AB T2P 4K9		628,696.45
Tulk Tire & Services Ltd.	15 Clyde Avenue Mount Pearl NL A1N 4R8		2,230.96
Wajax Industrial Components	349 Old Airport Road Yellowknife NT X1A 3X6		6,471.98
Westown Tire Services Ltd.	335 Old Airport Road Yellowknife NT X1A 3T3		8,055.81

FORM 92 — Concluded

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Worker's Safety & Compensation Commision	Box 8888 Yellowknife NT X1A 2R3		2,120.00
Xerox Canada Ltd.	PO Box 1298, Station M Calgary AB T2P 2L2		779.86
Total			5,587,117.77

EXHIBIT C2

FORM 78 – CONDENSED STATEMENT OF AFFAIRS

District of
 Division No.
 Court No. S-1 BK2019-000 029
 Estate No. 24-2561006

Original Amended

- Form 78 -

Statement of Affairs (Business Proposal) made by an entity
 (Subsection 49(2) and Paragraph 150(d) of the Act / Subsections 50(2) and 62(1) of the Act)

In the matter of the proposal of
MCCAW NORTH DRILLING & BLASTING LTD.
 of the City of YELLOWKNIFE, in the Northwest Territories

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 3rd day of December 2019. 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"	2,668,148.19	1. Inventory	868,015.94
Balance of secured claims as per list "B"	0.00	2. Trade fixtures, etc.	0.00
Total unsecured creditors	2,668,148.19	3. Accounts receivable and other receivables, as per list "E"	
2. Secured creditors as per list "B"	2,919,526.96	Good	868,015.94
3. Preferred creditors as per list "C"	0.00	Doubtful	0.00
4. Contingent, trust claims or other liabilities as per list "D" estimated to be reclaimable for	0.00	Bad	876,276.08
Total liabilities	5,587,675.15	Estimated to produce	868,015.94
Surplus	NIL	4. Bills of exchange, promissory note, etc., as per list "F"	0.00
		5. Deposits in financial institutions	27,437.83
		6. Cash	0.00
		7. Livestock	0.00
		8. Machinery, equipment and plant	2,202,825.09
		9. Real property or immovable as per list "G"	0.00
		10. Furniture	0.00
		11. RRSPs, RRRIFs, life insurance, etc.	0.00
		12. Securities (shares, bonds, debentures, etc.)	0.00
		13. Interests under wills	0.00
		14. Vehicles	0.00
		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	3,198,278.74
		Deficiency	2,389,396.41

I, DEVON R. MCCAW, of the Township of ROCKY MOUNTAIN HOUSE in the Province of Alberta, 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 3rd day of December 2019 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 EDMONTON in the Province of Alberta, on this 3rd day of December 2019.

Monet Pearl
Newfoundland & Labrador



 DEVON R. MCCAW

EXHIBIT C3

TRUSTEE'S REPORT TO CREDITORS

DECEMBER 6, 2019

**IN THE SUPREME COURT OF THE NORTHWEST TERRITORIES
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE PROPOSAL OF
MCCAW NORTH DRILLING & BLASTING LTD.**

TRUSTEE'S REPORT TO CREDITORS

DECEMBER 6, 2019

1. PURPOSE

On September 20, 2019, McCaw North Drilling & Blasting Ltd. (the "Company" or "McCaw North") filed a Notice of Intention to file a Proposal ("NOI"). On October 18, 2019, the Company applied for and obtained a Court Order extending the time for filing a Proposal to December 3, 2019. A Proposal was filed on December 3, 2019.

The purpose of this report is to provide the creditors the following:

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

2. BACKGROUND AND FINANCIAL SITUATION

The Company operates out of Yellowknife, Northwest Territories and specializes in drilling, blasting, and welding for the energy services industry. The Company also operates in remote locations in Nunavut and Newfoundland and Labrador.

Financial Situation

In the last year McCaw North ran into financial difficulty due to the downturn in the oil and gas industry. For the period of January 1, 2019 to July 31, 2019, the Company's revenue decreased by approximately \$1.2 million and had a net loss of \$827,777. This resulted in insufficient working capital and the inability to continue operations.

The Company previously employed 28 employees but in order to restructure has since downsized and currently employs two people.

Management prepared year-to-date financial statements as at July 2019 are attached as **Appendix A**.

The Company has \$5.7 million of total debt and as such the Company could not meet their financial obligations as they became due. As a result, the Company filed the NOI on September 20, 2019 with the plan of liquidating their assets to pay the secured creditors and provide a compromise to the unsecured creditors for their outstanding claims.

3. SUMMARY OF SALES PROCESS

The Company, with the assistance of the Proposal Trustee, conducted a sales process of the Company's physical assets. The deadline to submit offers to purchase the assets was Wednesday, October 23, 2019.

The Company, with the assistance of the Proposal Trustee, prepared the Request for Offers to Purchase the assets of McCaw North (the "ROP") and distributed the ROP to 42 prospective purchasers, including auctioneers, liquidators, and competitors of the Company on October 2, 2019. A copy of the ROP distribution list is attached as **Appendix B**.

The Company advertised the sales process in the Canadian Mining Journal (www.canadianminingjournal.com) from October 3, 2019 to October 23, 2019, seeking interested parties to participate in the sales process.

The Company contacted 3 liquidators to provide offers under an auction proposal or outright buyout.

Results of Sales Process

The Company received 7 offers, which consist of 2 liquidation offers submitted by auctioneers and 5 cash offers for equipment.

A summary of the offers received are below in Table 1.

Offer	Amount	Notes	Assets
Maynards	N/A	Liquidation	N/A
Ritchie Bros	N/A	Liquidation	N/A
Colton Moran	5,000	Cash	Specific assets
Kavanaugh Bros.	21,025	Cash	Specific assets
No Limit Drilling	233,000	Cash	Specific assets
Nuna West Mining Ltd.	550,000	Cash	Hope Bay assets
McCaw Drilling & Blasting Ltd.	1,300,000	Cash	Yellowknife assets

The Company accepted the offers from Nuna West Mining Ltd. ("Nuna") and McCaw Drilling & Blasting Ltd. ("McCaw"), subject to Court approval.

Nuna's offer includes all assets located in Hope Bay, Nunavut. A copy of Nuna's offer is attached as **Appendix C**.

McCaw's offer includes all assets located in Yellowknife, Northwest Territories. A copy of McCaw's offer is attached as **Appendix D**.

The offers submitted by Nuna and McCaw were determined by the Company and the Proposal Trustee to be the highest and best price that resulted from the sales process and to provide the greatest recovery to McCaw North's creditors.

The sales process did not result in any offers for the Newfoundland assets due to them being in remote locations. The Newfoundland assets will be sold through an auction in January 2020. The Company's estimates the realization from the auction to be approximately \$353,000.

4. SUMMARY OF PROPOSAL

The Proposal provides for the compromise to the Company's creditors to allow the Company to collect its accounts receivables and amounts claimed for work in progress, and the sale and disposition of the Company's assets. The Proposal contemplates the following:

- a) The amounts collected from the collection of accounts receivable, amounts claimed for work in progress, and amounts from the sale and disposition of the property shall be used and applied as follows:
 - a. In payment of all costs associated with the sale and disposition of the Company's assets including, but not limited to, professional fees;
 - b. In respect of any proceeds of sale of the Company's assets over which a secured creditor has a valid and perfected security interest in accordance with the *Personal Property Security Act* in force and effect with respect to that portion of the Company's assets over which the security interest has attached; and,
 - c. The balance after the foregoing to be paid into and form part of the proposal fund.

The proposal fund shall be paid and distributed in the following priority:

- a) In payment in satisfaction of the professional fees;
- b) In payment in satisfaction of the wage claims;
- c) In payment in satisfaction of the preferred creditors;
- d) In payment in satisfaction of the creditors arising under Article 9, as defined below;
 - a. These include any indebtedness incurred by the Company for the provision of goods, services, supplies or any other considerations subsequent to the filing of the Proposal and prior to the approval of the Proposal by the Court shall be paid in full in the ordinary course of business from proceeds realized in relation to the business operations.
- e) In payment in satisfaction of the claims of unsecured creditors.

The Proposal is not intended to and does not affect any claim of:

- a) Canada Revenue Agency with respect to the certain crown claims where those claims grant rights in the property of the Company;

- b) Secured creditors to the extent that they hold a valid and enforceable security against the property of the Company and to the extent of the value of that security; and,
- c) The claims of trust claimants to the extent of the value of property held by the Company for the benefit of the trust claimant.

Cash Flow

The Company has prepared a monthly cash flow forecast for the period of September 20, 2019 to April 30, 2020. The cash flow is attached as **Appendix E**.

The Trustee has reviewed the Company's cash flow projections and believes the projections are reasonable and achievable based on the analysis of offers and discussions with management.

5. IDENTIFICATION AND VALUATION OF ASSETS

Table 2 identifies the estimated realizable value of the Company's assets as stated on the Statement of Affairs.

Table 2			
	Book Value	Appraised Value	Estimated Realizable Value
	\$		
Cash on hand at November 29, 2019	27,438	-	27,438
Account Receivable	1,087,194	-	210,918
Clark Builders Judgement	750,000	-	750,000
Rental Income	-	-	153,979
Inventory	-	-	80,000
Yellowknife Equipment	-	2,146,500	1,300,000
Hope Bay Equipment	-	814,000	550,000
Newfoundland Equipment	-	641,500	352,825
	1,864,632	3,602,000	3,425,160

The net realizable values are before payment of any post filing obligations of the Company and any amounts owing for the professional fees and administration of the estate.

Trustee's Report to Creditors

Outstanding accounts receivable and holdbacks total \$1,087,194. Of this balance, the Company estimates only \$210,918 are collectible due to disputed amounts related to the receivables and holdbacks.

The Company had filed a judgement against Clark Builders in the amount of \$825,452 for unpaid amounts owed to the Company pursuant to a contract. On November 29, 2019 the Company won the judgment in the amount of \$677,098 plus tax and interest. The total estimated value of the judgement, including interest, is \$750,000.

Rental income consists of the outstanding rent payments owed by McCaw and Nuna for the rental of equipment.

An appraisal of the Company's physical assets was conducted by Fortress Machinery Appraisals & Consulting Inc. ("Fortress") on March 29, 2019. The purpose of the appraisal was to establish the fair market value and the orderly liquidation value of the assets. The appraisal values in Table 2 above are the per the orderly liquidation values in the appraisal.

As detailed earlier, the Company ran a sales process during the NOI period requesting offers to purchase the Company's assets. As a result of the sales process, the Company received an offer of \$1.3 million for the Yellowknife equipment from McCaw and received an offer of \$550,000 for the Hope Bay equipment from Nuna.

The offers received from McCaw and Nuna are lower than the appraised values due to the assets being in remote locations and the significant costs associated with moving the assets.

The sales process did not result in any offers for the Newfoundland Assets due to them being in remote locations. The Newfoundland assets will be sold through an auction and the estimated realizable value is \$353,000.

6. CREDITOR'S CLAIMS

Secured Creditors

The Company has secured claims totaling approximately \$3 million that would rank in priority to the unsecured creditors, as detailed in Table 3.

Table 3	
Secured Creditor	Amount of Claim
Atlas Copco Canada Inc.	561,867
Business Development Bank of Canada	1,431,206
GM Financial Canada Leasing Ltd.	Unknown
Komatsu International (Canada) Inc.	50,480
Maynbridge Capital Inc.	268,073
Sissons Enterprises Corp.	Unknown
The Toronto Dominion Bank	691,377
Xerox Canada Ltd.	780

Atlas Copco Canada Inc. ("Atlas") has a registered charge in the Personal Property Registry ("PPR") over a Flexiroc D65 (serial number: AVO13A1434) ("Flexiroc") and all repairs and maintenance made to the Flexiroc. The Company believes Atlas is not a secured creditor as the Flexiroc was returned. There is an ongoing legal action regarding the service agreement and the amount charged by Atlas. Atlas is listed as a secured creditor in accordance to the PPR. Atlas has not filed a proof of claim with the Trustee as of the date of this report and may be an unsecured creditor.

The Business Development Bank of Canada, The Toronto Dominion Bank, and Maynbridge Capital Inc. have registered an all present and after-acquired property charge and a charge over specific serial numbered goods, granting them a priority.

GM Financial Canada Leasing Ltd. has a registered charge in the PPR granting them a priority over a specific serial numbered good.

Trustee's Report to Creditors

Komatsu International (Canada) Inc. has a registered charge in the PPR granting them a priority over specific serial numbered goods.

Sissons Enterprises Corp. ("Sissons") has a registered charge in the PPR granting them a priority over fuel/oil/fluid storage tanks.

Unsecured Creditors

The Company has identified 54 unsecured creditors. The unsecured creditor balance identified to date totals approximately \$2.7 million based on the Company's records. The major unsecured creditors are:

T&J Equipment Management Ltd.	\$1,880,161
Sub-Arctic Surveys Ltd.	\$174,543
Pacific Bit of Canada Inc.	\$146,942
Dyno Nobel Canada Inc.	\$78,305
Pennock Acheson Nielsen Devany	\$48,325

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

7. STATEMENT OF ESTIMATED REALIZATION

Table 4 compares the estimated recovery to unsecured creditors under a Bankruptcy and a Proposal.

Table 4

	Bankruptcy	Proposal Low Recovery	Proposal High Recovery
	\$000's		
Assets			
Cash on Hand at November 29, 2019	27	27	27
Accounts Receivable	150	150	211
Rental Income	90	153	153
Clark Builders Judgement	325	325	750
Inventory	80	80	80
Yellowknife Equipment	1,000	1,300	1,300
Hope Bay Equipment	550	550	550
Newfoundland Equipment	353	353	482
Total Net Proceeds	2,575	2,938	3,553
Recovery Costs - Auction			
Recovery Costs - Auction	53	97	119
Operational Costs for Dec 3, 2019 - April 30, 2020	-	64	64
Professional Fees	100	50	50
Total Costs	153	211	234
Net Funds Available For Distribution	2,422	2,727	3,319
Secured Creditors	2,920	2,920	2,920
Recovery to Unsecured Creditors	-	-	400
Unsecured Creditors	2,834	2,834	2,834
Estimated Recovery Per \$1 of Unsecured Claim	-	-	0.14

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

Under a Proposal, we estimate there will be net proceeds available to unsecured creditors between \$nil and \$400,000 depending on whether Clark Builders judgement amount is collected in full, the amount of account receivables collected, and the proceeds from auctioning the Newfoundland Assets. This would provide unsecured creditors a recovery between \$nil and \$0.14 per \$1 of outstanding claim.

Based on the Company's current assets and liabilities and our discussions with the Company's management, there is no outstanding payroll source deductions owed to Canada Revenue Agency. However, if any payroll source deductions are claimed to be outstanding, this claim would rank in priority of the secured creditors.

8. CONDUCT OF THE DEBTOR

The Company is in the process of providing us with their bank statements and the cheque register. We will review the bank statements and cheque register for any fraudulent preferences payments as set out in the Bankruptcy and Insolvency Act and provide an update at the First Meeting of Creditors.

9. LEGAL ACTIONS

In addition to the judgment against Clark Builders as mentioned above, we are aware of the following legal actions the Company is party to:

- An account dispute in the amount of \$561,886 with Epiroc Canada Inc., formally Atlas Copco Canada Inc. ("Epiroc") in the Ontario Superior Court of Justice in regard to disagreements with the amount billed by Epiroc's service agreement. The Company is unsure about the current status of the legal action as their legal counsel has removed themselves from the motion due to non-payment.

10. CONFLICT OF INTEREST

The Trustee is not aware of any conflict of interest.

11. 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.

A handwritten signature in black ink, appearing to be 'J. H.', written over a horizontal line.

THE BOWRA GROUP INC.

Licensed Insolvency Trustee under the Proposal of
McCaw North Drilling & Blasting Ltd.

APPENDIX A

Management Prepared Year-to-Date Financial Statement as at July 2019

McCaw North Drilling & Blasting
Income Statement
(Canadian Dollars in Thousands)

	<u>YTD</u>	<u>YTD</u>
	<u>Prior Year</u>	<u>Current</u>
Revenue	2,035,209	816,349
Direct Costs		
Wages & Employee Benefits	545,260	260,655
Repairs & Maintenance	162,930	49,663
Equipment Rental	479	13,659
Fuel & Oil	159,172	94,306
Subsistence, LOA and Travel	49,850	7,758
Subcontract	-	-
Materials	480,798	175,650
Third Party	21,958	19,484
Other Job Costs	-	-
Total Direct Costs	1,420,446	621,176
Gross Profit	614,763	195,173
Gross Margin	30.2%	23.9%
SG&A		
Advertising	670	584
Bad Debts	673	-
Bank charges	30,139	48,863
Repairs & Maintenance - Bldgs	6,533	(180)
Insurance & Licenses	56,629	44,886
Insurance - Life	17,768	17,767
Office Costs	20,101	22,744
Professional Fees	2,411	17,606
Property Taxes	17,834	-
Rentals - Shop & Yard	62,525	95,272
Meals, Entertainment & Travel	10,826	3,113
Memberships & Fees	3,086	18,517
Safety Costs	2,700	2,823
Shop Costs	12,872	4,999
Telephone	11,623	18,351
Travel	11,399	13,749
Utilities	41,272	38,042
Management fee	224,000	-
Wages & Employee Benefits	336,439	388,480
	-	-
Total SG&A	869,499	735,617
EBITDA	(254,736)	(540,443)
EBITDA Margin	-12.5%	-66.2%
Amortization (Enter as credit)	(166,224)	(166,497)
EBIT	(420,960)	(706,941)
EBIT Margin	-20.7%	-86.6%
Interest expense	124,342	120,836
Interest income (Enter as Credit)	-	-
Net interest expense	124,342	120,836
Pre-tax income	(545,302)	(827,777)
Current taxes	-	-
Future taxes	-	-
Total taxes	-	-
Net income	(545,302)	(827,777)

McCaw North Drilling & Blasting
Balance Sheet
(Canadian Dollars in Thousands)

	<u>YTD</u> <u>Current</u>
Cash	7,445
Accounts receivable	364,531
Other receivables	73,817
Inventory	1,920,239
Total Current Assets	2,366,032
Fixed Assets	1,205,418
Other Assets	
Due from East Arc	38
Due from Tlicho JV	91,074
Due from FN JV	284,390
Due from Denesoline	1,231
Investment in Westarc	109
Investment in EastArc	109
Total Assets	<u>3,948,401</u>
Accounts payable	1,556,243
Accrued Liabilities	176,703
GST Payable	19,108
Current portion of LTD	
Total Current Liabilities	1,752,054
Bank indebtedness	535,000
Conditional Sales Contracts	310,193
BDC	1,431,206
Due to Komatsu	50,480
Current Portion of LTD	
Total debt	2,326,878
Future taxes	178,000
Shareholder loan	(45,057)
Due to/from McCaw East/6361	(3,408,985)
Due to T&J	1,802,327
Due to/from Westarc	1,560,303
Due to Nuna	
Total Liabilities	<u>4,165,521</u>
T&J Subordinated	1,597,557
Share capital	51
Retained earnings	(1,814,729)
Total Equity	(217,121)
Total Liabilities and Equity	<u>3,948,401</u>

APPENDIX B

Request for Offers to Purchase Distribution List

McCaw North Drilling & Blasting Ltd.
List of Interested Parties

Name	Contact	Email	ROP Sent?
McCaw's Drilling & Blasting Ltd.	Chad, McCaw	mccaw.chad@mccawsdrilling.com	Yes
T&J Equipment	Terry, McCaw	tmccaw@telus.net	Yes
CR Enterprises	Carl Rossignol	carl@crenterprises.ca	Yes
No Limit Drilling	Ryan Moss	ryanmoss@nolimitdrilling.com	Yes
CJ Contracting	Clint Westgaurd	samandclinton@shaw.ca	Yes
Nextreme	Eddie Paul	eddie@nextreme.ca	Yes
Nuna Logistics Ltd.	Len Mcale	lenm@nunalogistics.com	Yes
Ritchie Bros	Devin Norris	dnorris@ritchlebros.com	Yes
Maynards Group of Companies	Aaron Stewardson	AStewardson@maynards.com	Yes
Maynards Industries Canada Ltd	Mike Seibold	Michael@maynards.com	Yes
Rocktec drills	Pat Jolicoeur	pat@rocktecdrills.com	Yes
McDougall Auctioneers	Chad Guay	chad@mcdougallauction.com	Yes
Mirterra Industrial Appraisers	Ron Victor	rvictor@mirterra.com	Yes
GD Auctions and Appraisals	Mickey Spencer	mspencer@gdauctions.com	Yes
Westrail Construction Ltd.	Lyle Ralton	westrail@me.com	Yes
Pro Pile Inc.	Randy Gee	info@propile.ca	Yes
Beaver Drilling Ltd.		edmontonreception@beaverdrilling.com	Yes
Citadel Drilling	Dave Hoffman	dhoffman@citadeldrilling.com	Yes
Excalibur Drilling Ltd. (Brooks, AB)	Brett Martin	bmartin@excaliburdrilling.com	Yes
Bauer Foundations Canada Inc.		info@bauerfoundations.ca	Yes
Pacific Blasting & Demolition Ltd.	Ron Woolf	ron.woolf@norlandlimited.com	Yes
Mining North	Tom Hoefer	executivedirector@miningnorth.com	Yes
Klondike Welding Ltd.	Len Andre	len_andre@hotmail.com	Yes
Cobalt Construction		cobalt@cobaltconstruction.ca	Yes
E Construction Ltd.		edmontonoffice.contact@ecltd.ca	Yes
Agnico Eagle Nunavut	Mary Susan Tapatai	mary.tapatai@agnicoeagle.com	Yes
Denendeh Investments Incorporated		ddc@denendeh.ca	Yes
Canadian Pile Driving Equipment Inc.	Bruce	bruce@canadianpile.com	Yes
Tundra Drilling Services Ltd.	Rick Kemp Trevor Clarke	rkemp@tundradrilling.ca tclarke@tundradrilling.ca	Yes
Jomax Drilling (1988) Ltd.	Duane Carol	dcarol@jomaxdrilling.com	Yes
Joiner Sales Corp.	Kevin Joiner	joiner@shaw.ca	Yes
Northtech Drilling	Bryson Cohkeran	bryson@northtechdrilling.com	Yes
Caisson Consultant Inc.	Chris Wall	chris@caissonconsultant.com	Yes
Homes North	Les Rocher	admin@homesnorth.ca	Yes
Fuel Flo Logistics Inc.	Travis Arychuk	Travis@privateskyaviation.com	Yes
Kavanaugh	Peter Howling	Info@kavwaste.com	Yes
Newfoundland Hard-Rok	Keith Phelan	info@hardrok.ca	Yes
MSE Inc.	Marco Lessard	marco@mse.ca	Yes
Scotia Blast	Hugo Bouchard	hbouchard@dexter.ca	Yes
Break Away	Shawn Ward	shawnward@shaw.ca	Yes
Det'on cho Corp.	Jessica Deleary	Jessicadeleary@detoncho.com	Yes
Major Drilling	Kevin Norberg	majorcanada@majordrilling.com	Yes

APPENDIX C

Nuna West Mining Ltd. Offer

BILL OF SALE

Made the 5TH day of November, 2019

BETWEEN:

McCaw North Drilling & Blasting Ltd.

(the "Seller")

AND:

Nuna Logistics Partnership

(the "Purchaser")

WHEREAS the Seller has certain right, title and interest in and to certain personal property of the Company hereinafter set forth in the attached Schedule "A" (the "Assets") and has agreed with the Purchaser for the absolute sale of all of the Seller's interests in and to the Assets as listed in Schedule "A", **ON THE TERMS AND CONDITIONS SET OUT HEREIN;**


IN CONSIDERATION of the sum of \$550,000 (plus applicable Goods and Services Tax) (the "Purchase Price") of lawful money of Canada and other good and valuable consideration, paid by the Purchaser to the Seller, the receipt and sufficiency of which are hereby acknowledged. The Seller hereby covenants and agrees with the Purchaser as follows:

1. Subject to paragraph 2, the Seller hereby bargains, sells, assigns, transfers and sets over unto the Purchaser, the Assets of the Company, and all of the Seller's rights, title, and interest in and to the Assets and every part therein.
2. The Purchaser acknowledges and agrees that that:
 - (a) This sale is subject to the approval of the Supreme Court of the Northwest Territories in Action No. S1-BK2019-000 029 and a vesting order pronounced therein (the "Court Approval");
 - (b) the Assets are sold on an "as is, where is" basis and that there are no collateral agreements, conditions, representations or warranties of any nature whatsoever made by the Seller, express or implied, arising at law, by statute or in equity or otherwise, with respect to the Assets and in particular, without limiting the generality of the foregoing, there are no collateral agreements, conditions, representations or warranties made by the Seller, express or implied, arising at law, by statute or in equity or otherwise, as to title, state of title, description, fitness, suitability for any particular purpose, merchantability, operating condition, the value of the Assets or the future cash flows from the Assets. The Purchaser further acknowledges that it has relied entirely on its own judgment and investigation with respect to the purchase of the Assets, and is satisfied in all respects with the due diligence and investigations it has conducted;

3. Closing of the sale of the Assets shall occur on the 5th business day after Court Approval (the "Closing Date").
4. Payment of the Purchase Price must be made one business day before the Closing Date by certified cheque or bank draft.
5. Title of the Assets does not vest to the Purchaser until payment of the Purchase Price has been made and the Closing Date occurred. Title to the Assets shall vest free and clear of all liens, charges and encumbrances in accordance with s. 60(15) of the *Personal Property Security Act*, SNL 1998, c. P-7.1
6. This Bill of Sale shall be governed by and construed in accordance with the laws of the Northwest Territories and the federal laws of Canada applicable therein. The Purchaser and Seller hereby attorn to the jurisdiction of the courts of the Northwest Territories.
7. The Bill of Sale shall enure to and be binding upon the Purchaser and Seller and their respective successors, trustees and assigns, as the case may be.
8. The Bill of Sale may be executed in any number of counterparts, when all taken together, shall constitute a fully executed agreement that shall be binding upon all parties, with the same force and effect as if all parties had signed the same document. Any party to this agreement may affect delivery of its respective execution by counterpart *via* telecopy or other electronic transmission to any other party to this agreement and, in such case, shall provide an originally executed version of its execution upon request of any other party to this agreement.


IN WITNESS WHEREOF the Purchaser and Seller have executed this Bill of Sale by the properly authorized representatives on the date first above written.

McCaw North Drilling & Blasting Ltd.



Per: Colton Moran
Chief Operating Officer

Nuna Logistics Partnership



Per: LEN MICHALE
VP, OPERATIONS

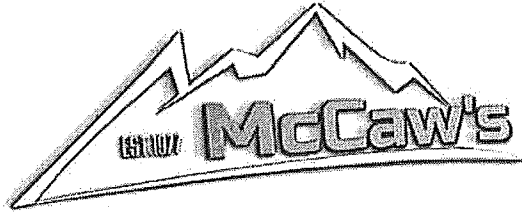
SCHEDULE A – ASSETS
Sold "as is and where is"

McCaw Hope Bay Equipment

Unit #	Year	Make	Model	Serial #	Meter Hours Sept-19
D1128	2011	Sandvik	DX800	111T16260-1	9799.00
D1011	2010	Sandvik	DX800	110T16702-1	13348.00
D1010	2010	Sandvik	DX800	110T16614-1	13879.00
D0708	2007	Sandvik	DX800	107T12982-1	9074.00
T1228	2012	Ford	F350	1FT8W3BT5CEA14588	
T1226	2012	Ford	F350	1FT7W2BTOCEA62408	
T1119	2011	Ford	F350	1FT8W3BT18EA19527	
T0607	2006	Ford	F550 Service Truck	1FDAF57P86EC57823	
T0634	2006	International	4300 Explosives Truck	1HTMMAAP26H221829	
Lump Sum Purchase Price including PST					\$550,000.00
GST, 5%					\$27,500.00
Total Purchase Price					\$557,500.00
<p>It is understood and agreed that the purchase price above includes all parts / spares currently on the Hope Bay site but excluding tooling (drill steel, bits, etc.) that was shipped to the site this past summer by Pacific Bit of Canada Inc. (Invoice # 923544 dated 7/10/2019) for McCaw North Drilling & Blasting Ltd.</p> <p>Nuna agrees to purchase separately the tooling supplied by Pacific Bit once the invoicing / payment issues between McCaw and Pacific Bit is settled.</p>					

APPENDIX D

McCaw Drilling & Blasting Ltd. Offer



McCaw's Drilling & Blasting Ltd.

Box 2250 • 4228 - 47th Ave
Rocky Mountain House, AB T4T 1B6
☎ (403) 845-3101 ☎ (403) 845-6410
✉ info@mccawsdrilling.com
🌐 www.mccawsdrilling.com

November 25, 2019

To whom it may concern

Offer to Purchase -- revised #4

Please accept this offer for all equipment on site in Yellowknife but not including equipment in Hope Bay or Newfoundland.

Lump sum - \$1,300,000

This offer is also to include all parts, supplies and inventory at the Yellowknife site.

This offer is subject to the following terms and conditions:

Total rent owing to McCaw North on the above equipment to be applied to the purchase price.

Respectfully Submitted

Chad McCaw

YK Equipment

Unit #	Year	Make	Model	Serial #	FMV	OLV	Location	
Drills								
D9002	1990	Gardener Denver	BV3500 Hydraulic Track Drill	3511758	\$35,000	\$25,000	\$25,000	Yellowknife
D0003		Interoc	AN109	9102	\$90,000	\$63,000	\$45,000	
D8101		Krupp	DHR 80	7872	\$10,000	\$10,000	\$10,000	
D0806	2008	Sandvik	DC120 4WD Drill Rig & Winch	108M13626-1	\$115,000	\$100,000	\$30,000	
D0707	2007	Interoc	AN140 Track Drill Rig, 82000 Hammer	14023	\$175,000	\$150,000	\$55,000	Yellowknife
D1112	2010	Sandvik	DC120 RWD Drill & HL810T-21 Hammer	110M14595-1	\$165,000	\$135,000	\$86,000	
D0013	2000	Reed Svedala	400 CR Crawler Drill Rig	1P58J61	\$35,000	\$30,000	\$2,500	Baker Lake
D0014	2000	Reed Svedala	400CR Crawler Drill Rig	1P58J18	\$35,000	\$30,000	\$30,000	Yellowknife
D0715	2007	Atlas Copco	ROC D9-11 Track Drill	AVO07A1196	\$190,000	\$165,000	\$82,500	
D0716	2007	Atlas Copco	ROC D9-11 Track Drill	AVO06A1144	\$190,000	\$165,000	\$82,500	
D0219	2002	Ingersoll Rand	DML - LP1250 HR25 Drill Rig	7730	\$190,000	\$165,000	\$100,000	Yellowknife
D9720	1997	Ingersoll Rand	DML - LP1250 HR25 Drill Rig	7358	\$150,000	\$125,000	\$125,000	Yellowknife
D0724	2007	Atlas Copco	ECM-590 Drill	G11493HO	\$100,000	\$90,000	\$50,000	
DA0801	2008	Traxxon	TR-EX2000 Drill Attachment	TRXB551108BA0225	\$90,000	\$80,000	\$25,000	
DA1002		Interoc	Attachment BAS 2200	2200102	\$110,000	\$90,000	\$63,000	
DA0003	2017	Hy-Ram	805 Hydraulic Breaker		\$20,000	\$17,000	\$10,000	
Trucks								
T9123	1991	Ford	Ford F7000 Water Truck	1FDPR72P2MVA01209	\$8,000	\$5,600	\$3,000	
T9203	1992	Ford	F700 4x4 Grout Van	1FD8F77J6NVA09206	\$12,000	\$10,000	\$5,000	
T9204	1992	International	2900 T/A 16Tone Picker Deck Truck	1HTSHPCR2NH439703	\$20,000	\$17,000	\$12,000	
T0713	2007	Ford	F350 King Ranch Dually	1FTWW33PX7E845272	\$12,000	\$10,000	\$5,500	Yellowknife
T8014	2008	Ford	F550 Silver	1FDAF57R08E814157			\$1,000	
T1017	2010	Ford	F150 Platinum	1FTFW1EV9AFB51744	\$18,000	\$15,000	\$5,000	
T1120	2011	Ford	F150 Pickup	1FTFX1EF1BFA66646	\$15,000	\$12,000	\$8,000	
T1227	2012	Ford	F350 SD Crewcab Pickup Truck	1FT8W38TXCEA18829	\$35,000	\$30,000	\$15,000	
T0329	2003	Kenworth	W900B Tandem Tractor	1XKWD49X13R968697	\$40,000	\$35,000	\$20,000	Yellowknife
T1035	2010	Freightliner	M2 Tandem Fuel Truck	1FYACY8S3ADAT6128	\$85,000	\$75,000	\$50,000	Yellowknife
T0537	2005	Ford	350 Service Picker Truck	1FDWW37P35EB94221	\$15,000	\$12,000	\$5,000	
T0816	2008	Ford	F350 Super Duty Crewcab Pickup Truck	1FTWW31R68EA67840	\$15,000	\$12,000	\$5,000	
T9901	1999	International	4700 S/A 18' Service Van Truck	IHTSCAAP0XH612697	\$12,000		\$2,000	
Trailers								
TR0901	2009	Felling	FT 503 LP Tridem Telt Equipment Trailer	5FTDA323691032150	\$15,000	\$12,000	\$7,250	
TR1103	2011	Double A	20' Cushion Tilt Trailer	2DACC6270BT011870	\$6,000	\$5,000	\$3,500	
TR1104	2011		200 UA Utility Trailer	1MDFDHJ198A407213	\$2,500			
TR0706	2007	Bobcat	T/A Equipment Trailer	2E9F518287R038964	\$5,000	\$4,000	\$2,800	
TR1108	2011	XL Specialized 110 HDG	Tridem Hyd GN Lowboy Trailer	4U3J05333BL011279	\$65,000	\$55,000	\$30,000	Yellowknife
TR9509	1995	Wabash	53' Tandem Heated Van Trailer	1JUV532U3SL248275	\$8,000	\$6,000	\$4,200	
TR1610	2016	Renn	53' Tridem Step Deck Trailer	2S9NC0466G1036860	\$12,000	\$10,000	\$7,000	Yellowknife
Other								
B0501	2003	Bobcat	S300 Skid Steer Loader	531112005	\$18,000	\$15,000	\$7,500	
B7001			Boretrack Deviation Tool	2384	\$8,000	\$6,000	\$2,500	
C0804	2004	Ingersoll Rand	185 Compressor	64Z12499	\$5,000	\$4,000	\$2,800	
C1205	2012	Doosan	XP375WJD-FX-T3 Compressor	441642UFWE69	\$20,000	\$17,000	\$10,000	
EX0601	2006	Caterpillar	330DL Hydraulic Excavator	MWV00867	\$80,000	\$70,000	\$35,000	
EX0802	2008	Caterpillar	330DL Hydraulic Excavator	CAT0330DHMWP02360	\$100,000	\$90,000	\$50,000	
EX0503	2005	Caterpillar	322 CL Hydraulic Excavator	CAT0322CJHK00810	\$55,000	\$45,000	\$25,000	
L1601	2016	Komatsu	WA270-7 Wheel Loader and Attachments	80898	\$185,000	\$160,000	\$100,000	
LP0501	2005	Ingersoll Rand	L6 Portable Light Plant	349731	\$6,000	\$5,000	\$3,500	
MH0701	2007	Allmand	MaxHeat Portable Heater Trailer	0276MXH07	\$6,000	\$5,000	\$3,500	
CR001			Diamond Core Rig DD200	279558-12-053463-AM				
PW004			300 PSI Hot Water Washer 230V	11090850-100180				
PW002			Dewalt Pressure Washer					
P8802		Brahma	Air Pump/Water Pump					
PL002		IR	Plugger	G08L51951				
WE003			Miller Welder					
WE006			Power Mig 180 Dual	M3140601581				
WD004		Miller	Miller 302 (Mechanics Truck T9901)					
WD005			Vantage 300 DSL Welder	U1111012683				
TT0001			Red Tidy Tank					
Z0701	2007	Genie	GTH-55 Telescopic Handler		\$25,000	\$20,000	\$5,000	
Q0801	2008	Kubota	RTV-1100CWh All Terrain		\$12,000	\$10,000	\$5,000	

\$2,620,500 \$2,212,600 \$1,263,550

Offer bump to include all misc including sea cans


\$1,300,000
50%

APPENDIX E

Monthly Cash Flow Forecast for the Period of September 20, 2019 to April 30, 2020

Receiv North Printing & Binding Ltd.
 Cash Flow - September 20, 2019 - April 30, 2020

	BUDGET		ACTUAL					TOTAL BUDGET
	September 20 - December 2	September 19 - December 1	October	January	February	March	April	December 3, 2019 - April 30, 2019
Receipts								
Accounts receivable	138,244	26,696	62,177	1,609	-	-	-	144,282
Machinery and Equipment Sales	3,071,202	-	-	1,936,000	352,825	-	-	3,760,025
Rental Income	77,385	-	59,633	18,096	45,000	-	-	192,879
Client Biller's Land Settlement	250,000	-	57,059	-	-	-	-	677,098
	3,476,828	45,696	829,159	1,948,501	397,825	-	-	2,257,185
Disbursements								
Payroll	21,223	65,674	5,250	21,225	21,223	5,250	5,250	122,980
Professional Fees	65,000	10,000	20,000	10,000	-	-	-	50,000
BDC	1,852,106	-	-	1,431,206	-	-	-	1,481,206
Rentals	50,480	-	-	50,480	-	-	-	50,480
TD Canada Trust	787,560	-	891,277	-	-	-	-	891,277
Maplebridge	412,972	-	-	246,496	-	-	-	246,496
CRJ Payments	137,800	13,267	-	-	-	-	-	15,267
MISC Payments	-	1,498	-	-	-	-	-	1,498
Employee PRSP Arrears	6,000	-	-	-	-	-	-	-
Building Rent	1,575	2,150	1,575	1,575	1,575	-	-	7,495
Miscellaneous Expenses	1,000	9,497	500	500	500	-	-	5,937
	3,519,947	109,117	719,702	1,761,518	23,938	5,250	5,250	2,692,166
Cash Flow	150,461	(61,421)	144,456	181,985	374,487	(5,250)	(5,250)	(35,917)
Opening Cash Balance		29,028	186,076	330,534	518,529	893,026	887,776	83,038
Ending Cash Balance		21,537	320,536	518,528	893,026	887,776	887,526	716,345


 Byron McGow
 Date Dec 2, 2019.

Schedule A

Assumptions for Projected Cash Flow

This cash flow assumes that McCaw North Drilling & Blasting Ltd. (the "Company") continues to operate. This statement of Projected Cash Flow of the Company is prepared in accordance with Section 50.4(2) of the Bankruptcy and Insolvency Act and should be read in conjunction with The Trustee's Report on Cash Flow Statement.

1. The cash flow extends to the completion of all current and ongoing work.
2. Receivables are primarily derived from the McCaw North and Westarc Invoices and takes into consideration of the holdbacks and bad debts. Receivables will continue on the normal course with the expected receipts consistent with historical results.
3. Asset sales are based on equipment sales based on the offers to purchase received by McCaw Drilling & Blasting and Nuna West Mining and the Probable Liquidation Values per the appraisal conducted by Fortress Machinery Appraisals & Consulting Inc. on March 29, 2019 for the remaining assets.
4. The application against Clark Builders is settled for \$677,098 on November 29, 2019. It is assumed the amount will be collected in full.
5. Payroll is based on an average of 3 employees. CRA and GST remittances have are kept current.
6. Professional fees consist of the Trustee's fees and disbursements and legal fees.
7. No capital assets expenditures during the cash flow period.



Devon McCaw

Dec 2, 2019

Date

EXHIBIT D1

MINUTES OF THE MEETING OF CREDITORS

DECEMBER 18, 2019

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

**IN THE MATTER OF THE PROPOSAL OF
MCCAW NORTH DRILLING & BLASTING LTD.**

Minutes of the Meeting of the Creditors to consider the Proposal of McCaw North Drilling & Blasting Ltd. (the "Company"), held at Suite 200, 4915 - 48 Street Yellowknife, Northwest Territories on Wednesday, December 18, 2019 at 11:30am.

PRESENT:

Doug Chivers, Trustee, The Bowra Group Inc.

Devon McCaw, Director of McCaw North Drilling and Blasting Ltd.

Kimberley Robertson, Lawson Lundell LLP by teleconference

Andrea Willey, Duncan Craig LLP by teleconference

David Ward and Erin Craddock, Blakes, Cassels & Graydon LLP by teleconference

All others as listed in attendance in person or by proxy.

MEETING:

Doug Chivers called the meeting to order at 11:33am and introduced himself and Devon McCaw of the Company.

Doug Chivers announced he was acting as Chairman under the authority of Section 51(3) of the Bankruptcy and Insolvency Act.

The Chairman declared the meeting properly called and, a quorum being present, duly constituted. The Chairman tabled the following documents:

- Certificate of Filing a Notice of Intention to Make a Proposal;
- Certificate of Filing a Proposal;
- Notice to creditors / Mailing affidavit;
- Trustee's Report on the Proposal; and
- The Proposal.

The Chairman explained that the purpose of the meeting was to confirm the appointment of the Trustee, review the Trustee's preliminary report, vote on the Proposal of the Company, and appoint Inspectors.

The Chairman called for a vote on a resolution affirming the appointment of The Bowra Group Inc. as Licensed Insolvency Trustee.

UPON MOTION IT WAS UNANIMOUSLY RESOLVED THAT: The Bowra Group Inc. is affirmed in its appointment as Licensed Insolvency Trustee.

-CARRIED-

After asking if everyone present was familiar with the Amended Proposal and reviewing the Trustee's Report to Creditor's dated December 6, 2019, the Chairman asked if there were any questions about the Proposal or in general.

The following questions were asked:

Q: David Ward of Blakes, Cassels and Graydon LLP asked a question regarding how the monetary assessment for the Clark Builders Claim was determined under a bankruptcy scenario.

A: The Trustee responded that in a bankruptcy scenario, any action taken to collect the outstanding moneys would need to be funded which could result in a settlement for a lesser amount than the judgement was granted for.

Q: Ron's Auto Service asked a question regarding the Epiroc Canada Inc. claim.

A: The Trustee explained that Epiroc Canada Inc. submitted an unsecured claim for the amount of \$1,765,676.08. Further, the Trustee indicated that due to the complexity of the claim the Trustee has not been able to thoroughly review the claim and supporting documentation.

The Chairman advised the attendees of the meeting that Canada Revenue Agency ("CRA") had requested a resolution pursuant to Section 52 of the Bankruptcy and Insolvency Act to adjourn the meeting in order to enable a further investigation of the affairs of the Company.

In addition, the claim filed by Epicor Canada Inc. was received at 9:15am. Given the size and quantum of the claim the Chairman felt an adjournment would be beneficial to attempt to value the claim.

A motion was made to adjourn the meeting.

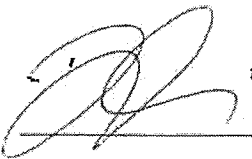
UPON MOTION IT WAS UNANIMOUSLY RESOLVED THAT: The meeting will be adjourned to 10:30am on January 15, 2020.

-CARRIED-

The Chairman asked if there were any additional questions.

There were none.

There being no further business, the meeting was adjourned at 11:56am.



Doug Chivers, Chairman, LIT

Proxy Holders

Estate Name: MCCAW NORTH DRILLING & BLASTING
Estate Number: 24-2561006
File Name: MCCAW NORTH DRILLING & BLASTING

Total Liability

Proxy Holder

<i>Creditor Name</i>	<i>Address</i>	<i>POC?</i>	<i>SOA \$</i>	<i>Filed \$</i>	<i>Voiting \$ Name</i>	<i>Address</i>	<i>Telephone</i>	<i>E-mail</i>
Canada Revenue Agency	c/o Pacific Insolvency Intake Centre 9755 King George Boulevard SURREY BC V3T 5B1	Yes	1.00	166,976.99	166,976.99 Doug Chivers	TD Tower, Suite 1411 - 10088 102 Avenue EDMONTON AB T5J 2Z1	(780) 809-1224	dchivers@howmagnu p.com
Matonabee Petro	15630 118 Avenue EDMONTON AB T5V 1C4	Yes	22,252.45	26,720.83	26,720.83 Mike Dove of Matonabee Petro		() -	

EXHIBIT D2

MINUTES OF THE SUBSEQUENT MEETING OF CREDITORS

JANUARY 15, 2020

COURT NO.: 24-2561006
ESTATE NO.: 24-2561006
YELLOWKNIFE REGISTRY

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

**IN THE MATTER OF THE PROPOSAL OF
MCCAW NORTH DRILLING & BLASTING LTD.**

Minutes of the Meeting of the Creditors to consider the Proposal of McCaw North Drilling & Blasting Ltd. (the "Company"), held at Suite 200, 4915 - 48 Street Yellowknife, Northwest Territories on Wednesday, January 15, 2020 at 10:30am.

PRESENT:

Doug Chivers, Trustee, The Bowra Group Inc.

Devon McCaw, Director of McCaw North Drilling and Blasting Ltd.

Kimberley Robertson, Lawson Lundell LLP by teleconference

All others as listed in attendance in person or by proxy.

MEETING:

Doug Chivers called the meeting to order at 10:30am and introduced himself and Devon McCaw of the Company.

Doug Chivers announced he was acting as Chairman under the authority of Section 51(3) of the Bankruptcy and Insolvency Act.

The Chairman declared the meeting properly called and, a quorum being present, duly constituted. The Chairman tabled the following documents:

- Certificate of Filing a Notice of Intention to Make a Proposal;
- Certificate of Filing a Proposal;
- Notice to creditors / Mailing affidavit;
- Trustee's Report on the Proposal;
- The Proposal;
- Minutes of the First Meeting of Creditors; and,
- Notice to creditors subsequent meeting / Mailing affidavit.

The Chairman advised the attendees of the meeting that this meeting was reconvened from the previous meeting on December 18, 2020. The prior meeting was adjourned to further investigate the affairs of the Company and to evaluate the claim filed by Epicor Canada Inc.

After asking if everyone present was familiar with the Proposal and reviewing the Trustee's Report to Creditor's dated December 6, 2019, the Chairman asked if there were any questions about the Proposal or in general.

No questions were asked.

The Chairman advised the attendees of the meeting that he had proxies and/or voting letters from 11 unsecured creditors voting in favour of the Proposal, representing claims totalling \$528,264.99 and 1 unsecured creditor voting against the Proposal, representing claims totalling \$166,976.99.

The number of creditors voting against the Proposal was 8.33% in number, with votes accounting for 24.02% of claim value. The number of creditors voting in favour of the Proposal was 91.67% in number, with votes accounting for 75.98% of claim value.

The Chairman declared the Proposal ACCEPTED by the creditors.

The Chairman called for nomination for Inspectors to assist with the duties as set out in the Proposal.

The Chairman briefly explained the role and responsibilities of an Inspector.

Colton Moran, an employee of the Company, expressed interest in acting as Inspector.


UPON MOTION IT WAS UNANIMOUSLY RESOLVED THAT: Colton Moran is appointed as Inspector.

-CARRIED-

The Chairman asked if there were any additional questions.

There were none.

There being no further business, the meeting was adjourned at 10:35am.



Doug Chivers, Chairman, LIT

Proxy Holders

Estate Name: MOCAN NORTH DRILLING & BLASTING LTD
Estate Number: 24-2561006
File Name: MOCAN NORTH DRILLING & BLASTING.LTC

Creditor Name	Address	POC?	Total Liability			Voting \$ Name	Address	Telephone	E-mail
			SOA \$	Filed \$	Yes				
Canada Revenue Agency	c/o Pacific Insolvency Incake Centre 9755 King George Boulevard SURREY BC V3T 5E1	Yes	1.00	166,976.59	166,976.59	Doug Chivers	TD Tower, Suite 1411 - 10088 102 Avenue EDMONTON AB T5J 2Z1	(780) 809-1224	dchivers@bowngroup.com
Manoabea Petro	15630 118 Avenue EDMONTON AB T5V 1C4	Yes	22,252.45	26,720.83	26,720.83	MITE Dove of Manoabea Petro		() -	
Worknet's Safety & Compensation Commission	Box 8888 Yellowknife NT X1A 2R3	Yes	2,120.00	8,352.00	8,352.00	Doug Chivers	TD Tower, Suite 1411 - 10088 102 Avenue EDMONTON AB T5J 2Z1	(780) 809-1224	doug@bowngroup.com