

COURT FILE NUMBER KBG-SA-00151-2022
COURT OF KING'S BENCH FOR SASKATCHEWAN
IN BANKRUPTCY AND INSOLVENCY
JUDICIAL CENTRE SASKATOON

IN THE MATTER OF THE RECEIVERSHIP OF ABBEY RESOURCES CORP.

CIVIL CHAMBERS APPEARANCE MEMO

For Chambers on November 2, 2023

1. Participants:
 - a. This Memo is filed on behalf of the Receiver, MNP Ltd. (“MNP”)¹. MNP is represented by McDougall Gauley LLP (Ian Sutherland, K.C. and Craig Frith).
 - b. The other party/parties and counsel are as follows: As set out in the Service List.

2. MNP applies for two orders: the SAVO and the Sealing Order, the particulars of which are as follows:

The SAVO:

 - (a) deeming service of the notice of application and all other materials filed in support of the same on the parties listed in the service list to be good, valid, timely, and sufficient;
 - (b) approving the Transaction contemplated by the Sale Agreement between the Receiver and the Purchaser dated September 25, 2023 and appended to the Fourth Report, for the sale of the Debtor's right, title, and interest in and to the Purchased Assets;
 - (c) declaring the Transaction to be commercially reasonable and in the best interests of the Debtor and its creditors and other stakeholders;
 - (d) authorizing and directing the Receiver to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction or for the conveyance of the Purchased Assets to the Purchaser, subject to such amendments as the Receiver and the Purchaser may agree upon;
 - (e) declaring that:

¹ Unless otherwise defined herein, all capitalized terms have the meanings ascribed to them in the Notice of Application dated October 30, 2023.

- (i) upon delivery of the Receiver's Certificate (as defined in the SAVO), all of the Debtor's right, title and interest in and to the Purchased Assets described in the Sale Agreement shall, save and except for the Permitted Encumbrances (as defined in the SAVO), vest absolutely in the name of the Purchaser free and clear of and from any and all security interests, liens, judgments, enforcement charges, levies, charges, or other financial or monetary claims, and all rights of others;
 - (ii) the Net Sale Proceeds (as defined in the SAVO) shall stand in place and stead of the Purchased Assets; and
 - (iii) from and after the delivery of the Receiver's Certificate to the Purchaser, all Encumbrances (as defined in the SAVO) and all rights of others shall attach to the Net Sale Proceeds with the same priority as they had with respect to the Purchased Assets immediately prior to the sale;
- (f) granting such further and other relief as counsel may request and this Honourable Court may allow.

The Sealing Order:

- (a) sealing the Confidential Supplement to the Fourth Report (the "**Confidential Supplement**") until further order of the Court, or the Receiver advising the Local Registrar in writing that the sealing is no longer necessary;
- (b) amending and restating paragraph 3(1)(i) of the Receivership Order (as defined below) to allow the Receiver to sell, convey, transfer, lease, or assign the Property or any part or parts thereof out of the ordinary course of business without court approval in respect of any transaction not exceeding \$400,000, provided that the aggregate consideration for all such transactions does not exceed \$1,000,000;
- (c) amending paragraph 20 of the Receivership Order to increase the Receiver's borrowing limit and the Receiver's Charge from \$500,000 to \$3,000,000;
- (d) approving the professional fees and disbursements of the Receiver and the Receiver's counsel, McDougall Gauley LLP, as set out in the Fourth Report without the necessity of a formal passing of their accounts;
- (e) approving and confirming the Actions of the Receiver (as defined in the Sealing Order) to date in relation to the discharge of the Receiver's duties and mandate as Receiver pursuant to the Receivership Order (as defined below) and other Orders granted in these proceedings, as well as the Receiver's statement of receipts and disbursements, as set out in the Fourth Report and other reports filed in these proceedings;

- (f) empowering and authorizing, but not obligating, the Receiver to disclaim the Unsold Natural Gas Assets (as defined below), and transfer (or, alternatively, destroy) the Remaining Books and Records (as defined in the Fourth Report); and
- (g) granting such further and other relief as counsel may request and this Honourable Court may allow.

3. A description of the position that will be advanced on the hearing date respecting readiness to proceed is: MNP is ready to proceed.

4. A concise summary of the legal aspects of the substantive position of the party filing this Memo is:

- (a) based on the evidence filed, the Receiver has satisfied the test described in *Royal Bank of Canada v Soundair Corp.* and, accordingly, the SAVO should issue;
- (b) based on the evidence filed, the Receiver has satisfied the test described in *Sherman Estate v Donovan* and, accordingly, the Sealing Order should issue;
- (c) the amendments to section 3(1)(i) and 20 of the Receivership Order are necessary for the Receiver to prepare the Unsold Natural Gas Assets for abandonment, pay outstanding obligations, and sell the Residual Assets without the need to re-apply to Court; and
- (d) in the absence of a challenge or concern of the Court, the Activities and professional fees and charges of the Receiver and its legal counsel should be approved.

5. The following relief is consented to/unopposed: N/A

6. Materials filed and served:

Describe Document	Date Served	Date Filed
Notice of Application	October 30, 2023	October 30, 2023
Fourth Report of the Receiver, MNP dated October 30, 2023	October 30, 2023	October 30, 2023
Confidential Supplement to the Fourth Report of the Receiver, MNP	N/A	October 30, 2023
Affidavit of Paul Fedoroff sworn October 30, 2023	N/A	October 30, 2023

Draft Order (Sealing and Other Relief)	October 30, 2023	October 30, 2023
Draft Sale and Vesting Order (blacklined and clean)	October 30, 2023	October 30, 2023
Brief of Law dated October 31, 2023	October 31, 2023	October 31, 2023

7. Other proceedings and applications:

a. The following is a summary of other applications and matters pending in this action:

i. Other applications pending:

- none
 returnable on _____
 reserved on _____ by Justice _____

ii. Pre-trial: Not scheduled Scheduled for: _____

iii. Trial: Not scheduled Scheduled for: _____

b. The following is a summary of any other relevant or related proceedings: N/A

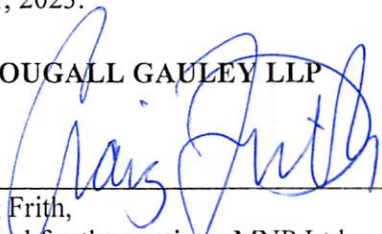
8. This is the:

first Memo filed respecting this application.

DATED at Saskatoon, Saskatchewan, this 1st day of November, 2023.

McDOUGALL GAULEY LLP

Per:



 Craig Frith,
 Counsel for the receiver, MNP Ltd.

CONTACT INFORMATION AND ADDRESS FOR SERVICE

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