

COURT FILE NUMBER QBG-SA-00151-2022

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

JUDICIAL CENTRE SASKATOON

IN THE MATTER OF THE RECEIVERSHIP OF ABBEY RESOURCES CORP.

**NOTICE OF APPLICATION
(Auction Approval, Vesting, and Sealing Order)**

NOTICE TO RESPONDENTS: All parties listed on the Service List

This application is made against you. You are a respondent. You have the right to state your side of this matter before the Court. To do so, you must be in Court when the application is heard as shown below:

Where: Court of Queen's Bench for Saskatchewan
Judicial Centre of Saskatoon
520 Spadina Crescent East
Saskatoon, SK S7K 3G7

Date: August 31, 2022

Time: 10:00 a.m.

Due to the health risks posed by the COVID-19 pandemic, this chambers application will be heard by Webex. If you wish to appear at this chambers application you must immediately contact Craig Frith via email at cfrith@mcdougallgauley.com in order to obtain the Webex call-in particulars. *(Read the Notice at the end of this document to see what else you can do and when you must do it.)*

Remedy claimed or sought:

1. The applicant, MNP Ltd. (the "**Receiver**"), in its capacity as the court-appointed receiver of all the assets, undertakings, and properties (the "**Property**") of Abbey Resources Crop. ("**Abbey**"), seeks an order pursuant to the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the "**BIA**");

- (a) deeming service of this 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 Receiver's execution of the contract (the "**Ritchie Bros. Contract**") with Ritchie Bros. Auctioneers (Canada) Ltd. ("**Ritchie Bros.**") for the sale of Abbey's non-essential mobile equipment and field surplus assets (collectively, the "**Surplus Assets**") by way of auction (the "**Auction**");
- (c) authorizing the Receiver to utilize Ritchie Bros.' services to market and sell the Surplus Assets in accordance with the terms of the Ritchie Bros. Contract;
- (d) vesting title to the Surplus Assets in the name of the successful bidders (or their nominees) free and clear of all liens, charges, security interests, and other encumbrances;
- (e) approving the Receiver's execution of the contract (the "**Sayer Engagement Letter**") with Sayer Energy Advisors ("**Sayer**") to market and sell Abbey's natural gas assets (the "**Assets**");
- (f) amending Schedule "B" to the sale approval, vesting, and sealing order of the Honourable Mr. Justice G.A. Meschishnick dated June 10, 2022 (the "**June 10th SAVO**");
- (g) sealing the Confidential Supplement to the Second Report of the Receiver (the "**Confidential Supplement**") until further order of the Court, or written confirmation from the Receiver to the Local Registrar that the sealing order is no longer necessary;
- (h) approving the professional fees of the Receiver and its legal counsel;
- (i) approving the Receiver's activities and actions described in the Second Report of the Receiver (the "**Second Report**"); and
- (j) granting such further and other relief as counsel may request and this Honourable Court may allow.

Grounds for making this application:

2. Capitalized terms not otherwise defined in this notice of application shall have the meanings given to them in the order of the Honourable Mr. Justice G.A. Meschishnick dated February 28, 2022 (the "**Receivership Order**") and the Second Report.

(i) *The RFP, Ritchie Bros. Contract, and Vesting Order*

3. The Surplus Assets are comprised of mobile equipment and field surplus assets that are not essential to the day-to-day operations of Abbey. The latter category of Surplus Assets have been listed for sale with Fuelled since before the *CCAA* proceedings with minimal success, and the Surplus Assets as a whole are of a type that, in the Receiver's experience, are appropriately liquidated by way of auction.

4. The Receiver therefore issued the RFP to multiple auctioneers. Out of the proposals received, the Receiver accepted Ritchie Bros.' proposal and entered into the Ritchie Bros. Contract conditional upon receiving Court approval. The Receiver recommends that the Court approve the Receiver's sale of the Surplus Assets by way of Auction in accordance with the Ritchie Bros. Contract for (among others) the following reasons:

- (a) the auction process is easily understood and open to the public at large;
- (b) in the Receiver's experience, auctions are an efficient and effective way to liquidate movable assets (such the Surplus Assets);
- (c) the longstanding listing of the surplus field assets failed to generate significant offers, such that there is no basis to presume that a further listing of the Surplus Assets as a whole will yield a better result; and
- (d) the Receiver ran a robust, fair and transparent RFP process to solicit competitive responses from reputable auctioneers.

(ii) *Approving the Sayer Contract*

5. As alluded to in the Second Report, the Receiver is working on an additional Sales Process for the Assets, and has engaged Sayer pursuant to the Sayer Engagement Letter to assist with the same, conditional upon Court approval.

6. The Receiver is seeking the Court's approval of the Sayer Engagement Letter for the following reasons:

- (a) the Receiver has had success engaging Sayer on other matters; and

- (b) the terms of the Sayer Engagement Letter are, in the Receiver's respectful view, commercially reasonable and in line with similar agreements the Receiver has entered into on different engagements.

(iii) *Sealing the Second Confidential Supplement*

7. The Confidential Supplement contains:

- (a) the Technical Assessment; and
- (b) commercially sensitive information, including the Receiver's analysis of the responses to its RFP and the core commercial terms of both the Ritchie Bros. Contract and Sayer Engagement Letter.

(collectively, the "**Confidential Information**")

8. The Receiver recommends approving the sealing of the Confidential Supplement because:

- (a) the Receiver does not have SolutionsCorp.'s authorization to publicly disclose the Technical Assessment at this time;
- (b) publicly disclosing the Confidential Information prior to the completion of the transactions would be prejudicial to any further sale efforts in the event the Court does not approve the Ritchie Bros. Contract, the Sayer Engagement Letter, or the transactions fail to close, for whatever reason; and
- (c) the Confidential Information that the Receiver seeks to seal from the public record is not overly broad and strikes a balance between restricting the open-Court principle and the prejudicial effects described in the above sub-paragraph.

(iv) *Approving the Receiver's Activities, Actions, Interim SRD, and Professional Fees*

9. The Receiver's activities and actions are described in detail in the Second Report, and have included (among other things) the following:

- (a) negotiating contracts to ensure that Receiver is able to continue operations and generate revenue;

- (b) working with SAML and legal counsel to address ongoing regulatory issues, such as the MER's underlying concerns which gave rise to MRO 14/22;
- (c) overseeing the day-to-day operations of Abbey; and
- (d) generally performing activities that are required of a court-appointed officer under the Receivership Order and the *BIA*.

10. On the evidence before this Honourable Court, the Receiver has carried out its mandate honestly, in good faith, and in compliance with the Receivership Order and the duties imposed on the Receiver by the *BIA*, *The Queen's Bench Act*, 1998 SS 1998, c. Q-1.02 (the "*QB Act*"), and common law.

Material or evidence to be relied on:

11. The Receiver relies on the following:

- (a) this Notice of Application;
- (b) the Service List;
- (c) the Second Report;
- (d) the Confidential Supplement (filed under seal);
- (e) the Draft Order;
- (f) the Receiver's brief of law;
- (g) Affidavit of Service in respect of items (a) to (c) and (e) to (f);
- (h) proof of compliance with General Application Practice Directive #3;
- (i) the pleadings and proceedings had and taken herein; and
- (j) such further and other material as this Honourable Court may allow.

Applicable Rules:

12. N/A

Applicable Acts and Regulations:

13. The Receiver relies upon the *BIA* and *QB Act*.

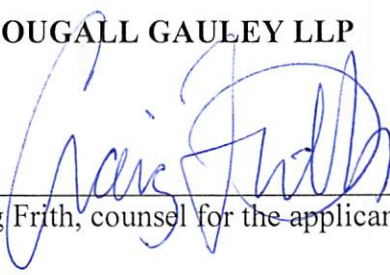
NOTICE

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to rely on an affidavit or other evidence when the application is heard or considered, you must reply by giving reasonable notice of the material to the applicant.

Dated at the City of Saskatoon, in the Province of Saskatchewan this 26th day of August, 2022.

McDOUGALL GAULEY LLP

Per:



Craig Frith, counsel for the applicant, MNP Ltd.

CONTACT INFORMATION AND ADDRESS FOR SERVICE

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