

COURT FILE NO. QB No. 151 of 2022

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

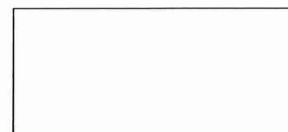
JUDICIAL CENTRE SASKATOON

RESPONDENTS ABBEY RESOURCES CORP.

DOCUMENT SECOND REPORT OF THE RECEIVER, MNP LTD.

DATED AUGUST 26, 2022

Clerk's Stamp



ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

Counsel to the Receiver

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Attention: Ian Sutherland / Craig Frith

Receiver

MNP Ltd.
Suite 1500, 640 5th Avenue SW
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Email: vic.kroeger@mnp.ca / rick.anderson@mnp.ca

Attention: Victor P. Kroeger / Rick Anderson

APPENDICES

Appendix A	Sayer Energy Advisors redacted agreement dated August 22, 2022
Appendix B	Surplus asset listing
Appendix C	Receiver's Request for proposal
Appendix D	Ritchie Bros redacted auction agreement
Appendix E	Interim statement of receipts and disbursements from February 28, 2022 to July 31, 2022
Appendix F	Summary of professional fees to July 31, 2022

INTRODUCTION AND BACKGROUND

- 1 On August 13, 2021, an Initial Order was granted by the Court of Queen's Bench of Saskatchewan in Bankruptcy and Insolvency (the "**Court**") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36, as amended (the "**CCAA**") in respect of Abbey Resources Corp. ("**Abbey**" or the "**Company**") that granted a stay of proceedings until August 23, 2021. MNP Ltd. ("**MNP**") was appointed as Monitor (the "**Monitor**") in the CCAA proceedings. The stay of proceedings remained in place until February 28, 2022. MNP in its capacity as Monitor of Abbey was discharged on March 4, 2022.
- 2 On February 28, 2022, upon the application of the Government of Saskatchewan, as represented by the Minister of Energy and Resources ("**MER**"), the Rural Municipality of Lacadena No. 228, the Rural Municipality of Snipe Lake No. 259, and the Rural Municipality of Miry Creek No. 229, the Court granted an Order appointing MNP as receiver (the "**Receiver**") of the assets, undertakings, and properties (the "**Assets**") of Abbey (the "**Receivership Order**").
- 3 The Receiver issued its first report on May 31, 2022 (the "**First Report**") to obtain approval of the Court regarding the sale of certain surplus assets to Fuelled Energy Marketing Inc. ("**Fuelled**"). The Court granted a Sale Approval and Vesting Order on June 10, 2022 (the "**June 10th SAVO**"). The Court also granted an Order sealing the financial details relating to the sale agreement reached between Fuelled and the Receiver to protect the financial details of that transaction.
- 4 This is the second report of the Receiver (the "**Second Report**").
- 5 Information on the Receivership proceedings can be accessed on MNP's website at: <https://mnpdebt.ca/en/corporate/corporate-engagements/abbey-resources> (the "**Receiver's Website**").
- 6 All amounts included herein are in Canadian dollars unless otherwise stated.

NOTICE TO READER

- 7 In preparing the Second Report and making comments herein, the Receiver has relied upon certain unaudited, draft or internal financial information, including Abbey's books and records, and information from other third-party sources (collectively, the "**Information**"). The Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with generally accepted assurance standards or other standards established by the Chartered Professional Accountants of Canada (the "**Standards**"). Additionally, none of the Receiver's procedures were intended to disclose defalcations or other irregularities. If the Receiver were to perform additional procedures or to undertake an audit examination of the Information in

accordance with the Standards, additional matters may come to the Receiver's attention. Accordingly, the Receiver does not express an opinion, nor does it provide any other form of assurance on the financial or other information presented herein. The Receiver may refine or alter its observations as further information is obtained or brought to its attention after the date of the Second Report.

- 8 The Receiver assumes no responsibility or liability for any loss or damage occasioned by any party as a result of the use of the Second Report or the First Report. Any use which any party makes of the Second Report or the First Report of the Receiver or any reliance or decision to be made based on the Second Report or the First Report is the sole responsibility of such party.

PURPOSE OF REPORT

- 9 The purpose of the Second Report is to provide this Honourable Court with an update on the Receiver's activities since the date of the Receiver's appointment as well as information in respect of the Receiver's request for an Order:
 - a. approving the Receiver's activities from the date of the Receiver's appointment;
 - b. approving the Receiver having entered into an agreement with Ritchie Bros. Auctioneers (Canada) Ltd. ("**Ritchie Bros.**") for the sale of the Company's Surplus Assets (as that term is defined below) by auction;
 - c. vesting all of the Company's right, title, and interest in and to the purchasers of the Surplus Assets;
 - d. approving the Receiver's retention of Sayer Energy Advisors ("**Sayer**") to conduct a sales and marketing campaign for the shallow gas exploitation assets of the Company;
 - e. granting a sealing order in relation to the Confidential Supplement to the Second Report (the "**Confidential Supplement**"); and
 - f. approving the interim statement of receipts and disbursements of the Receiver, along with the professional fees of the Receiver and its legal counsel, McDougall Gauley LLP ("**McDougall Gauley**").

RECEIVER'S ACTIVITIES

- 10 Since the granting of the Receivership Order, the Receiver's activities have included:
 - a. engaging Sproule Asset Management Ltd. ("**SAML**") to assist the Receiver with the ongoing operation of Abby's wells, pipelines, and facilities, the particulars of which are described in more detail below;
 - b. entering into gas purchase and transportation contracts with Twin Eagle Resource Management and TransGas for continued sale of ongoing shallow gas production;

- c. continuing the employment of five Abbey employees to maintain ongoing operations of the producing shallow gas assets;
- d. entering into independent contractor agreements with Abbey's field operators;
- e. continuing production accounting function to ensure the required gas production reporting to the MER is maintained;
- f. contacting the Company's banking institutions to request that the bank accounts be frozen, control be provided to the Receiver, and a new bank account be opened in the Receiver's name;
- g. issuing the Notice and Statement of Receiver as required under Sections 245 (1) and (2) and 246 (1) of the *Bankruptcy and Insolvency Act*;
- h. reviewing Abbey's existing insurance policy for adequacy and contacting Abbey's insurer to renew and continue the same;
- i. communicating with:
 - i. Abbey's creditors;
 - ii. leaseholders and landowners;
 - iii. Indian Oil & Gas Company's environmental analyst; and
 - iv. Carry the Kettle First Nation ("CTK").
- j. identifying and inventorying the Company's Surplus Assets;
- k. together with SAML, holding meetings with MER to provide updates about ongoing operations and recommended courses of action and address MER concerns arising from Abbey's historical management of the infrastructure and pipeline leaks;
- l. at the MER's request, proceeding with cleanup and repair work for three old pipeline leaks/spills that occurred prior to the date of the Receivership Order;
- m. reporting, cleaning up, and repairing twenty-one new leaks that occurred since the date of the Receivership Order being granted;
- n. conducting an aerial survey via fixed wing aircraft over the entire field to identify pipeline leaks that may have gone undetected, which located additional sites requiring cleanup and repairs;
- o. holding regular meetings with SAML and McDougall Gauley to debrief and manage ongoing operational and receivership matters;
- p. negotiating a revised lease agreement with Abbey's Swift Current landlord;

- q. registering the Assets under the Saskatchewan output based pricing system (“OBPS”) aggregate registration process system to reduce the carbon tax liability payable to the Federal Government and work toward reducing the emissions arising from the operations;
- r. completing the sale transaction approved by the June 10th SAVO;
- s. preparing sales processes for the Assets;
- t. creating and implementing procedures, with input from the MER, to ensure full transparency of spills, cleanups and repairs to pipelines;
- u. documenting and monitoring all spills through Millennium Land Ltd. to ensure reporting to the MER is complete and that the Integrated Resource Information System submissions are completed as required on a timely basis;
- v. utilizing third party services for on site soil testing on all leak locations to provide a high degree of confidence that all contaminated soil has been removed and backfilling can be done;
- w. installing fencing on the 14 unrepaired historical (pre-receivership) pipeline leak sites that have existing ground disturbances where the leaks occurred for the purposes of ensuring farming equipment can avoid the soft disturbed ground. Soil compaction testing has been accomplished to determine where the ground is not fully competent and remedial action has been taken on problematic sites to fill in the low/soft spots to prevent accidents with people or animals being injured;
- x. obtaining regulatory approval to expedite excavation and remediation associated with pipeline leaks/repairs. This process significantly reduces the amount of time excavations are required to remain open and exposed;
- y. editing and updating the emergency response plan that had been drafted by Abbey; and
- z. issuing a request for proposals to auction the Surplus Assets, analyzing the results, and entering into an agreement with Ritchie Bros. conditional on receiving Court approval.

UPDATE ON THE ABBEY INFRASTRUCTURE

Status at the Conclusion of the CCAA Proceedings

- 11 The CCAA proceedings were terminated on March 4, 2022.
- 12 At that time, the continued operation and viability of Abbey’s natural gas wells, pipelines, and facilities (collectively, the “Infrastructure”) were uncertain as a result of the issuance of a Minister’s Order on January 24, 2022 (“MRO 14/22”) requiring:

- a. Abbey to suspend operation of all flowline segments identified as *High* and *Very High Risk* in the Company's pipeline risk assessment submitted to MER in December 2021 (the "**Pipeline Risk Assessment**");
 - b. the suspension of the associated licenses; and
 - c. the requirement to shut in the flowlines by February 7, 2022.
- 13 The Receiver's recommendation, which was based on SAML's analysis, was that:
- a. The Pipeline Risk Assessment was a desktop study with no root cause analysis and therefore it was an unreliable guide for identifying high risk portions of the Infrastructure; and
 - b. A technical assessment of the Infrastructure's integrity should be completed to identify what portions of the Infrastructure were actually at a high risk of failing and why this was the case (the "**Technical Assessment**").
- 14 On March 4, 2022, the MER agreed to extend the suspension of MRO 14/22 until April 4, 2022 to allow the Receiver and SAML to complete the Technical Assessment.

Completion of the Technical Assessment and Inline Inspection

- 15 In late March 2022, SAML completed a request for proposals for the purposes of completing the Technical Assessment. SolutionsCorp Inc. ("**SolutionsCorp**") was the successful company.
- 16 SolutionsCorp estimated that it would be able to complete the Technical Assessment by May 15, 2022, and the MER subsequently agreed to extend the suspension of MRO 14/22 until June 1, 2022 to accommodate this timeline.
- 17 The Technical Assessment was completed on May 17, 2022 and a copy is attached to the Confidential Supplement as Appendix "A." Broadly described, SolutionsCorp's conclusions with respect to the Infrastructure were that:
- a. internal pipeline corrosion due to bacteria was the primary cause of ongoing failures;
 - b. oxygen corrosion was the secondary cause of ongoing failures;
 - c. the high risk portions of the Infrastructure identified should be taken out of service; and
 - d. a chemical program should be implemented to reduce the bacteria and corrosion rate in the balance of the Infrastructure.
- 18 The Receiver and SAML reviewed the Technical Assessment with the MER, following which SAML has been working to:
- a. isolate and depressurize the high risk lines to remove them from service and implement the recommended chemical program in the remaining lines in the Infrastructure;

- b. complete a cathodic protection survey to collect data and confirm the system is protecting the external parts of the pipeline system; and
 - c. isolate wellheads from pipelines to prevent future repressuring of shut-in pipelines through leaking wellhead and riser valves.
- 19 In consultation with MER, the Receiver and SAML next performed an inline inspection (the "ILI") on four select areas of the larger group pipelines contained within the Infrastructure to quantify the current state of corrosion.
- 20 The results of the ILI confirmed that the lines in the Infrastructure were in very good shape and suitable for continued operation.
- 21 As a result of the foregoing, the MER rescinded MRO 14/22 effective June 1, 2022.

Forthcoming Sales Process and Retention of Sayer

- 22 The Receiver currently operates 940 of the approximate 2,600 shallow gas wells licensed to Abbey.
- 23 The Receiver originally approached Sayer to provide a draft valuation when the Receivership Order was granted; however, due to the concerns regarding the integrity of the gathering system, this work was postponed to complete the Technical Assessment, the outcome of which would determine whether the Assets were saleable.
- 24 With the Technical Assessment and the ILI complete, the Receiver, in consultation with SAML and Sayer, determined that Abbey's natural gas assets are saleable; accordingly, the Receiver is in the process of formulating a sales process for the Assets (the "**Sales Process**"), with the goal of transferring licences to a prudent operator (or multiple prudent operators). Court approval of the Sales Process will be sought on a future application.
- 25 On August 22, 2022 the Receiver entered into an Engagement Agreement with Sayer (the "**Sayer Engagement Letter**") to assist the Receiver in preparing and overseeing the Sales Process. A redacted copy of the Sayer Engagement Letter is attached hereto as Appendix "**A**." The redactions have been made to keep the commercial terms of the Sayer Engagement Letter confidential and a sealing order is being sought in respect of the same. An unredacted copy of the Sayer Engagement Letter is attached to the Confidential Supplement as Appendix "**B**."
- 26 The Receiver has worked with Sayer many times in the past on similar engagements. In the Receiver's view, the commercial terms of the Engagement Letter are reasonable and consistent with the Receiver's past experience with agreements of this nature. The Receiver is therefore requesting that its retention of Sayer on the terms set out in the Sayer Engagement Letter be approved.

PROPOSED AUCTION OF THE SURPLUS ASSETS

- 27 Prior to the CCAA proceedings, the Company had engaged Fuelled to market and sell field equipment (the “**Surplus Field Equipment**”). Abbey continued to list those assets with Fuelled through the course of the CCAA proceedings, which resulted in two sales approved by the Court by Order dated October 14, 2021.
- 28 The Receiver continued the Fuelled listing after its appointment, while also working with SAML to refine and add to the Company’s list of non-essential equipment which had not been listed by Fuelled or exposed to the market as being available for sale (the “**Additional Surplus Equipment**”), with a view to liquidating the Surplus Field Equipment and the Additional Surplus Equipment. The list of the Surplus Field Equipment and the Additional Surplus Equipment is attached hereto as Appendix “**B**” (collectively, the “**Surplus Assets**”).
- 29 With the Surplus Field Equipment having already been extensively exposed to the market with minimal sales, the Receiver decided to change the Surplus Field Equipment sales strategy.
- 30 The Additional Surplus Equipment is comprised of mobile equipment and field surplus assets (i.e., movables) that, in the Receiver’s experience, are appropriate to liquidate by way of auction.
- 31 Accordingly, the Receiver issued a request for proposals to auction companies servicing the oil and gas industry (the “**RFP**”) for the auction of the Surplus Assets. A copy of the RFP is attached hereto as Appendix “**C**.”
- 32 The RFP resulted in five proposals being presented to the Receiver. Three of the proposals were solely related to the mobile equipment due to the perceived risks associated with safely detaching and removing the Surplus Field Equipment from the gathering system. The remaining two proposals were for the Surplus Assets.
- 33 In order to obtain additional interest in the Surplus Field Equipment, the Receiver obtained cost estimates to detach and remove the Surplus Field Equipment from the Infrastructure to determine whether this would create additional interest and financial benefit for the receivership proceedings.
- 34 Based on this information, two of the three auctioneers provided revised proposals to the Receiver as outlined in the Confidential Supplement; however, the Receiver’s conclusion was that the financial benefit that would be gained by accepting one of the revised proposals was not sufficient to cover the additional costs that would be incurred by completing the additional work.
- 35 The Receiver’s detailed analysis of the proposals is set out in the Confidential Supplement. Based on the Receiver’s analysis of the proposals, the Receiver entered into an agreement with Ritchie Bros., subject to obtaining Court approval, to auction the Surplus Assets (the “**Ritchie Bros. Contract**”) on

or about October 18, 2022. A redacted copy of the Ritchie Bros. Contract is attached hereto as Appendix "D" and an unredacted version is attached to the Confidential Supplement as Appendix "C."

36 The Receiver is seeking Court approval of the Ritchie Bros. Contract and a vesting order so that title to the Surplus Assets may vest in the name of individual purchasers free and clear of any encumbrances or claims once the purchase price is paid to Ritchie Bros. The Receiver is of the opinion that the auction presents the best opportunity to maximize the proceeds to be realized from the Surplus Assets in the circumstances, given the lengthy exposure to the market through the Fuelled listing of the Surplus Field Equipment and the salability of the Additional Surplus Assets .

37 The Receiver's analysis of the auction proposals and the commercial terms of the Ritchie Bros. Contract constitute commercially sensitive information, the release of which would be prejudicial to future attempts to sell the Surplus Assets, were it necessary for the Receiver to subsequently retain an alternative party to liquidate the same. Accordingly, the Receiver is seeking a sealing order in respect of the unredacted copy of the Ritchie Bros Contract.

UPDATE ON THE SALE APPROVED BY THE JUNE 10th SAVO

38 The transaction approved by the June 10th SAVO closed in the ordinary course with the purchase price being paid and the Receiver's Certificate being delivered accordingly.

39 On August 10, 2022, the Receiver was advised that Appendix A to the asset purchase agreement contained an error. Specifically, the Appendix references a 40" separator, whereas the separator purchased was a 48" separator, serial number 15484-01 MWP:720psi.

40 The same error was repeated in Schedule "B" to the June 10th SAVO. The Receiver is therefore requesting that the June 10th SAVO be amended as set out in the draft order filed with this application.

RECEIVER'S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

41 The Receiver's interim statement of receipt and disbursements for the period February 28, 2022 to July 31, 2022 (the "Interim SRD") is attached hereto as Appendix "E."

42 Production and associated cash flow have continued through the receivership process resulting in monthly production rates averaging 7,000 mcf/d and sales revenue averaging \$1,350,000/month. The Receiver has generated \$6,436,783 in production revenue and total receipts of \$7,095,733 to date, while incurring operating costs, SAML fees, and professional fees totaling \$3,273,436, resulting in a current cash surplus of \$3,510,387.

43 The Receiver has made post-receivership annual surface lease payments as they have fallen due for the active wells from which the Receiver is taking production.

- 44 Post-receivership royalty payments, Crown lease payments, and surface lease payments to CTK are also being made as these obligations fall due.
- 45 In due course, the Receiver will be making a \$90,589 payment for crown lease payments on producing properties and crown royalty payments that have accrued since the date of the receivership to the end of July 2022.
- 46 The Receiver is currently calculating the amount due for crown mineral rental payments for producing properties.

SEALING OF THE CONFIDENTIAL SUPPLEMENT

- 47 The Confidential Supplement contains the:
 - a. Technical Assessment, which SolutionsCorp has not authorized the Receiver to release to the general public;
 - b. auction proposals received in response to the RFP;
 - c. Receiver's analysis of the auction proposals;
 - d. copy of the unredacted Ritchie Bros Contract, that discloses its commercial terms; and
 - e. unredacted Sayer Engagement Letter, that also contains sensitive commercial information.
- 48 At the August 31, 2022 hearing, the Receiver is seeking to seal the Confidential Supplement in order that:
 - a. the Technical Assessment can be shared with the Court while also respecting the terms of its use; and
 - b. the commercially sensitive information contained in the Ritchie Bros Contract and the Sayer Engagement Letter together with the other auction proposals received in response to the RFP and the Receiver's analysis of the proposals will remain confidential so as to not prejudice future attempts to retain another auctioneer or firm to market the Assets, should either the auction or Sayer engagement not proceed for any reason.
- 49 The only information in the Ritchie Bros. Contract and Sayer Engagement Letter in relation to which a Sealing Order is being sought are the Confidential Details and there are no reasonable alternative measures to keeping this information confidential while also providing the Court the information it needs to approve the two agreements.

APPROVAL OF PROFESSIONAL FEES AND DISBURSEMENTS

- 50 The Receiver is requesting approval of the professional fees and disbursements of the Receiver and McDougall Gauley for the time period of February 28, 2022 to July 31, 2022.

- 51 A summary of professional fees of the Receiver's fees and disbursements by invoice for the time period of February 28, 2022 to July 31, 2022 is attached hereto as Appendix "F." The fees and disbursements total \$216,866.55 (exclusive of GST). The accounts themselves (redacted where appropriate due to privilege) can be provided to the Court upon request.
- 52 A summary of McDougall Gauley's fees and disbursements by invoice for the time period of February 28, 2022 to July 31, 2022 is also attached in Appendix F. The fees and disbursements total \$207,125.80 (exclusive of PST and GST). The accounts themselves (redacted where appropriate due to privilege) can be provided to the Court upon request.
- 53 The Receiver and McDougall Gauley's accounts set out the date the work was completed and contain a description of the work, the length of time taken to complete each task, and the name and hourly rate of the individual providing the services.
- 54 The Receiver and McDougall Gauley's professional fees and disbursements have been paid from the Receiver's operating accounts with operating revenue generated in the course of these proceedings.
- 55 The Receiver respectfully submits that its professional fees and disbursements and those of McDougall Gauley are fair and reasonable in the circumstances. For example, the Receiver has needed to extensively meet with McDougall Gauley, SAML, and sometimes both advisors to:
- a. address ongoing operational issues (e.g., spill activity and employee, contractor, and service provider issues);
 - b. substantively respond to, or prepare and meet with, MER and its counsel to address ongoing regulatory matters; and
 - c. navigate the complex Federal and Provincial carbon tax legislation schemes to have Abbey registered pursuant to Saskatchewan's OBPS Program.

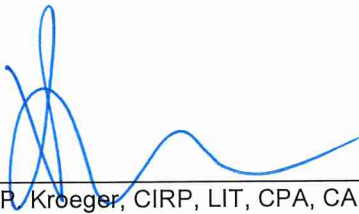
CONCLUSION AND RECOMMENDATION

- 56 Based upon the foregoing, the Receiver respectfully recommends the following relief be granted:
- a. approval of the reported actions of the Receiver in administering these receivership proceedings to date;
 - b. approval of the Receiver's interim statement of receipts and disbursements, from the date of appointment to July 31, 2022;
 - c. approval of the Ritchie Bros. Contract for the sale of the Surplus Assets by auction with an Order vesting all of the Company's right, title, and interest in and to the purchasers of the Surplus Assets;
 - d. approval of the Receiver's retention of Sayer on the terms set out in the Sayer Engagement Letter;

- e. granting a sealing Order in relation to the Confidential Supplement; and
- f. approving the Interim SRD, along with the Receiver and McDougall Gauley's professional fees and disbursements from the date of appointment to July 31, 2022.

All of which is respectfully submitted this 26th day of August 2022.

MNP Ltd., in its capacity as Receiver of Abbey Resources Corp
and not in its personal or corporate capacity

Per: 
Victor P. Kroeger, CIRP, LIT, CPA, CA, CFE
Senior Vice President

APPENDIX A



August 22, 2022

MNP Ltd.

Receiver of Abbey Resources Corporation.

Suite 1500, 640 – 5th Avenue SW

Calgary, Alberta T2P 3G4

Attention: **Mr. Rick Anderson, CPA, CMA, CIRP, LIT, CFE**
Vice President, Corporate Recovery and Restructuring

Dear Rick:

RE: **Abbey Resources Corporation**
Receivership Sale
Engagement Agreement

We understand that MNP Ltd., the court-appointed Receiver of Abbey Resources Corporation (“Abbey”) (the “Receiver”), wishes to retain Sayer Energy Advisors (“Sayer”, “we” or “us”) to act as exclusive financial advisor and agent with respect to the sale (the “Transaction(s)”) of certain oil and natural gas assets of Abbey (the “Properties”) as further described in the information brochure mailed out by Sayer as part of this engagement. The purpose of this letter is to outline the services to be performed by Sayer in this regard, and the basis of its compensation.

Sayer will provide assistance to the Receiver in:

- a) reviewing, compiling and analyzing all available information regarding the Properties and assist with preparing an information summary and an informal evaluation summary;
- b) identifying and contacting parties that might have an interest in the Properties (the “Candidates”);
- c) coordinating the execution of confidentiality agreements between the Receiver and potential Candidates;
- d) providing information on the Properties to the Candidates;
- e) providing information on the Candidates to the Receiver;
- f) dealing with inquiries from Candidates and negotiating the Transaction(s);
- g) evaluating offers submitted to the Receiver with respect to the Transaction(s);
- h) presenting or discussing the proposed sale of the Properties with the Receiver; and/or
- i) assisting in the closing of the Transaction(s).

We agree to act as the Receiver’s financial advisor and agent with respect to the sale of the Properties and will use our best efforts to accomplish the Transaction(s) on terms favourable to the Receiver. Throughout this process, Sayer will keep the Receiver fully informed of its activities on the Receiver’s behalf through written and/or verbal reports, and the Receiver will keep Sayer fully informed regarding its contacts with Candidates.

The Receiver will provide Sayer with such information, as in the possession of the Receiver and as Sayer may reasonably require to fulfill this assignment. Both parties agree that, during the continuance of the mandate of Sayer, they will treat all documents and information relating to this



assignment as strictly confidential. This agreement may under no circumstances be transferred or assigned by the Receiver or Sayer.

It is understood that any Transaction(s) requires the approval of the Court of Queen's Bench for Saskatchewan and the Ministry of Energy and Resources, and that the Receiver is under no obligation or duty to complete any Transaction(s). It is further understood that Sayer provides financial advice and conducts merger and acquisition services for clients other than the Receiver and shall continue to provide these services to other parties, provided they do not conflict with the mandate accepted pursuant to this agreement.

The term of this agreement shall commence on August 22, 2022 and continue until March 31, 2023 subject to extension thereafter by written agreement of the parties hereto.

The Receiver agrees to pay Sayer a work fee of [REDACTED] ("Work Fee") upon signing of this engagement agreement, at which time we will begin preparations for the commencement of the public marketing of the Properties. The Work Fee includes all costs associated with this engagement, including all printing and mailing costs, with the exception of the costs specified later in this agreement.

Upon closing of the Transaction(s), the Receiver agrees to pay Sayer a success fee based on the following (the "Success Fee"):

[REDACTED]

The minimum Success Fee will be paid ninety (90) days after the public bid deadline, with the balance paid on the closing of individual Transaction(s), after the [REDACTED] minimum fee has been credited.

The Success Fee is to be paid in cash upon closing of the Transaction(s).

The Success Fee is to be paid if any Transaction(s) is closed within the term of this agreement or if any Transaction(s) is closed within twelve (12) months following the term of this agreement. The Success Fee is to be calculated as a percentage of the value received by the Receiver for the Transaction(s), and is to be based on the fair market value of the consideration paid (the "Value").

For greater certainty, the Value is to be defined as the cash price to be paid to the Receiver as a result of the Transaction(s). With respect to other forms of consideration accepted in the Transaction (s), the Value shall be the fair market value of the consideration received by the Receiver for the Transaction(s). Sayer will receive a copy of the closing documentation of the Transaction(s) and will have the right to cause an audit to be made of the books of account and records kept by the Company for the calculation of the Success Fee, with the cost of such audit to be borne by Sayer.

THE Receiver also agrees to reimburse Sayer for all its legal expenses and out-of-pocket costs incurred in carrying out this assignment, with such costs amounting to more than \$500 to be subject to the Receiver's prior approval. We do not anticipate incurring any additional expenses in carrying out this assignment.

GST will be in addition to all other charges.

In consideration of the fact that the role of Sayer is limited to acting as a financial advisor to the Receiver, the Receiver hereby indemnifies and saves harmless Sayer, its directors, officers, agents, employees, and affiliates, to the full extent permitted by the laws of the Province of Saskatchewan, from any claims, demands, causes of action, and costs, including legal fees, arising out of Sayer's performance under this agreement and any litigation that may arise between the Receiver and a buyer and/or a potential buyer, unless the cause of the action is proven to be due to the willful misconduct, fraud, or misrepresentations by Sayer during the marketing of the Properties.

If we perform other services for The Receiver in connection with this engagement (other than those specifically contemplated hereunder), it is agreed that we will be able to negotiate additional fees on mutually satisfactory terms on a specific service basis, depending on the nature of the services to be provided. Such other services will be agreed to in a separate letter agreement between the parties.

We will have the right to publicize our role in the Transaction(s), such publicity being subject to the Company's prior approval.

Notices shall be served to the parties at their respective addresses given in this agreement, shall be sent by prepaid registered mail and shall be deemed to be received by the addressees on the third business day thereafter. Notices may also be given by email or facsimile and shall be deemed to be received upon confirmation of receipt.

This agreement and the relationship between the parties hereto shall be construed and determined according to the laws of the Province of Saskatchewan and each party hereto does attorn to the jurisdiction of the courts of the Province of Saskatchewan with respect to any matter arising out of this agreement.

If the foregoing accurately sets forth the terms of our agreement, please acknowledge your acceptance by signing the enclosed duplicate of this letter where indicated and return the same to us.

Sincerely,

SAYER ENERGY ADVISORS

A division of Sayer Securities Limited



Tom Pavic, CFA
President

AGREED TO AND ACCEPTED THIS 22nd DAY OF AUGUST 2022

**MNP LTD. in its sole capacity as
Receiver of Abbey Resources Corporation
And not in its personal capacity**

Victor P, Kroeger
Senior Vice President

APPENDIX B

Fuelled Appraisals



Abbey Resources - Surplus Equipment

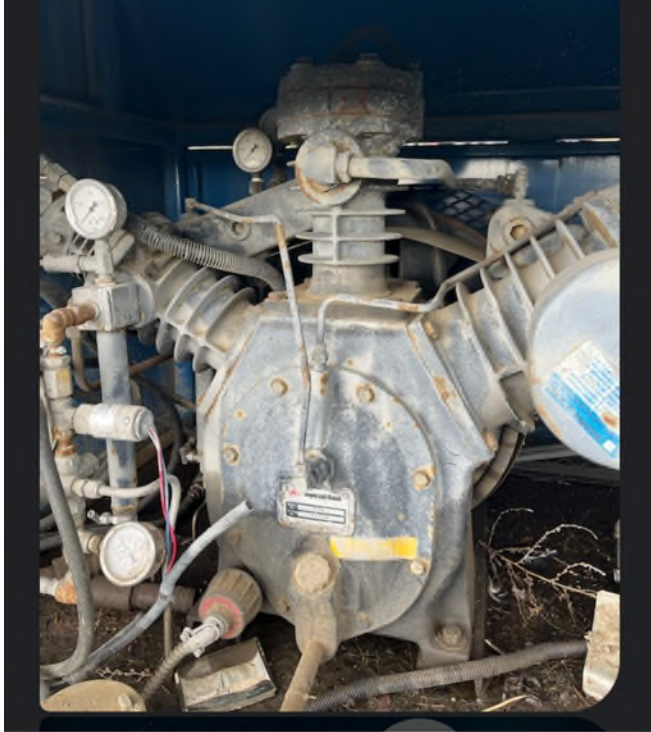
June 3, 2020

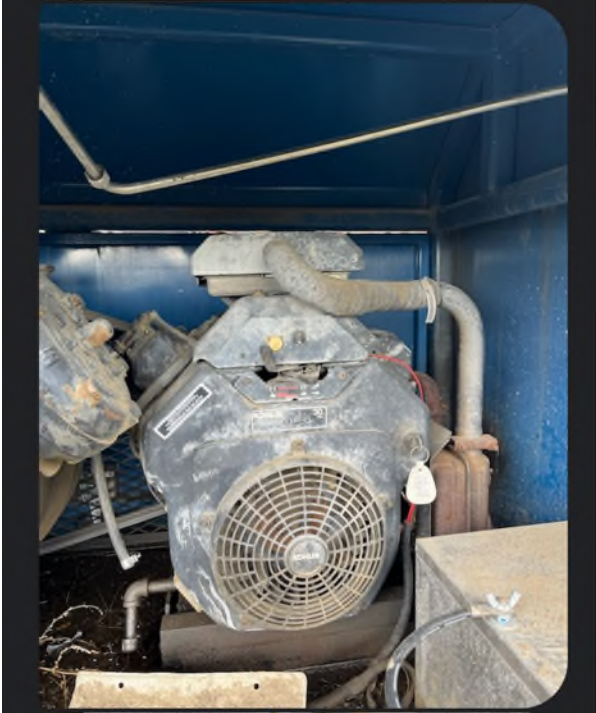
Type of Equipment	Description	Location	Fuelled Listing ID	Replacement Value	Fair Market Value	Orderly Liquidation Value	Forced Liquidation Value
Compressor	Cummins GTA855P3 Gardner Denver SSUG990	Booster Station 14-29-21-19W3	10779				
Filter Skid	Filter Package (2) x 24" x 8" and Filter	Booster Station 14-29-21-19W3	10780				
Filter Skid	34" x 10' Filter Vessel 275 psi	Booster Surplus Equipment 5-18-22-18W3	10778				
Separator	16" 1440 PSI Sweet Separator	Booster Surplus Equipment 5-18-22-18W3	10777				
Compressor	CAT G3516LE Frick TDSH355XL Sweet	Cramersburg Plant 13-18-22-20W3	10754				
Compressor	CAT G3516LE Gemini E602 2-Std Sweet	Cramersburg Plant 13-18-22-20W3	10757				
Compressor	CAT G3516LE Gemini E602 2-Std Sweet	Cramersburg Plant 13-18-22-20W3	10756				
Separator	48" x 10' Horizontal Separator 720 PSI	Cramersburg Plant 13-18-22-20W3	10755				
Compressor	CAT G3512LE Gemini D602 2-Std Sweet	Lacadena Gas Plant 4-10-22-18W3	10783				
Compressor	CAT G3512LE Gemini D602 2-Std Sweet	Lacadena Gas Plant 4-10-22-18W3	10782				
Dehy	24" x 28" Dehy 250,000 BTU 1440 PSI	Lacadena Gas Plant 4-10-22-18W3	10781				
Tank	750 BBL Producer Water Tank w/ Mixer	Lacadena Gas Plant 4-10-22-18W3	10862				
Tank	750 BBL Insulated Cone Bottom Slop Tank	Lacadena South 1-19-22-17-W4	11969				
Compressor	Waukesha 5790GL Ariel JGE-4 3 Stage	Lacadena South Gas Plant 1-19-22-17W3	10785				
Dehy	30" x 28" Dehy 375,000 BTU 1660 PSI	Lacadena South Gas Plant 1-19-22-17W3	10784				
Compressor	CAT G3512LE Frick SGCH3515 Sweet	Lancer Gas Plant 12-26-21-20W3	10758				
Compressor	CAT G3512LE Gemini D602 2-Std Sweet	Lancer Gas Plant 12-26-21-20W3	10763				
Dehy	30" x 28" 1650PSIG Sweet Dehy Package	Lancer Gas Plant 12-26-21-20W3	10759				
Separator	40" x 10' 720 PSI Sweet Hz Separator	Lancer Gas Plant 12-26-21-20W3	10764				
Separator	40" x 10' 720 PSI Sweet Hz Separator	Lancer Gas Plant 12-26-21-20W3	10761				
Tank	400 BBL Insulated Skidded Tank	Lancer Gas Plant 12-26-21-20W3	10765				
Compressor	Waukesha 5790GL / Ariel JGK-4 3 Stage	Matador Gas Plant 14-24-21-18W3	10790				
Compressor	Gemini D602 Compressor Unit - No Engine	Matador Gas Plant 14-24-21-18W3	10792				
Dehy	24" x 28" Dehy 1415 PSIG 250,000 BTU	Matador Gas Plant 14-24-21-18W3	10789				
MCC	225A 1-PH 120/240 60HZ MCC	Matador Gas Plant 14-24-21-18W3	11981				
Tank	750BBL Producer Water Tank w/ Mixer	Matador Gas Plant 14-24-21-18W3	10864				
Compressor	CAT G3512LE Gemini E602 2-Std Sweet	Miry Bay Gas Plant 16-24-21-19W3	10773				
Compressor	Jenbacher Frick TDSH355L 675HP	Miry Bay Gas Plant 16-24-21-19W3	10769				
Compressor	Waukesha L7042GL Frick TDSH 355XL Sweet	Miry Bay Gas Plant 16-24-21-19W3	10749				
Instrument Air	Quincy Dual Air Compressor QT-5	Miry Bay Gas Plant 16-24-21-19W3	10768				
Tank	751 BBL Insulated Storage Tank	Miry Bay Gas Plant 16-24-21-19W3	10776				
Compressor	Jenbacher Frick283SX Screw Package 675HP	Miry Creek 11-24-21-19W3	10797				
Compressor	CAT G3512LE Gemini D602 2-Std Sweet	Miry Creek 11-24-21-19W3	10770				
Compressor	CAT G3512LE Gemini D602 2-Std Sweet	Miry Creek 11-24-21-19W3	10767				
Dehy	24" x 28" Dehy 250,000 BTU 1440 PSI	Miry Creek 11-24-21-19W3	10794				
Dehy	24" x 28" Dehy 250,000 BTU (1440 PSI)	Miry Creek 11-24-21-19W3	10793				
Filter Skid	Horizontal Sand Filter Separator 720psi	Miry Creek 11-24-21-19W3	10798				
Separator	16" x 76" 1480 PSI Sweet Separator	Miry Creek 11-24-21-19W3	10795				
Separator	16" x 76" 1480 PSI Sweet Separator	Miry Creek 11-24-21-19W3	10799				
Tank	750BBL Painted Produced Water Tank	Miry Creek 11-24-21-19W3	10800				
Dehy	24" x 32" 340 MBTU Sweet 1440 PSI	Portreeve Gas Plant 04-28-21-22W3	10802				
Filter Skid	Moss Fabrication 275psi Peco Filter Unit	Portreeve Gas Plant 04-28-21-22W3	10803				
Filter Skid	Clark-Reliance Coalescing Filter 720 psi	Portreeve Gas Plant 04-28-21-22W3	10804				
Office	AltaFab MCC and Office Building	Portreeve Gas Plant 04-28-21-22W3	10806				
Separator	48" x 15' 720 PSI Sweet Separator	Portreeve Gas Plant 04-28-21-22W3	10805				
Tank	750BBL Cone Bottom Slop Tank (Damaged)	Portreeve Gas Plant 04-28-21-22W3	10807				
Dehy	30" x 30' Dehy 1415 PSI 625,000 BTU	Shackleton Gas Plant 14-36-20-19W3	10788				
Separator	36" x 12' 1440 PSI Sour Hz Separator	Shackleton Gas Plant 14-36-20-19W3	10786				

Compressor	CAT G3408TA Ariel JGU-2 3 Stg Sweet	Snipe Lake Gas Plant 13-21-23-19W3	10811				
Compressor	Caterpillar 3512 Gemini D602 810HP	Snipe Lake Gas Plant 13-21-23-19W3	10810				
Dehy	24' x 32' S/S Dehy 1440 psi 250,000 BTU	Snipe Lake Gas Plant 13-21-23-19W3	10809				
Dehy	30' x 29' Dehy 370,000 BTU 1415 PSI	Spring Creek Compressor Station 13-26-21-20W3	10813				
Flare Knock Out Drum	Flare Knockout Housed Size Pressure TBD	Spring Creek Compressor Station 13-26-21-20W3	10816				
Tank	750 BBL Insulated Coated Tank	Spring Creek Compressor Station 13-26-21-20W3	10819				
Tank	50 BBL Insulated Waste Oil Tank	Spring Creek Compressor Station 13-26-21-20W3	10818				
Dehy	30' x 29' Dehy 400,000 BTU 1415 PSI	White Bear Gas Plant 3-2-23-16W3	10821				
Flare Knock Out Drum	4' x 12'6" Underground 50psi Coated FKO	White Bear Gas Plant 3-2-23-16W3	10824				
Separator	72' x 20' 285 psi Horizontal Separator	White Bear Gas Plant 3-2-23-16W3	10822				
Tank	750 BBL Insulated Tank 5HP Side Mixer	White Bear Gas Plant 3-2-23-16W3	10823				
Tank	750 BBL Insulated Storage Tank	White Bear Gas Plant 3-2-23-16W3	10863				
Tank	750 BBL Insulated Storage Tank	White Bear Gas Plant 3-2-23-16W4	11970				
			TOTAL				

Abbey Resources Corp – in Receivership

Photos of additional surplus mobile equipment for request for proposal









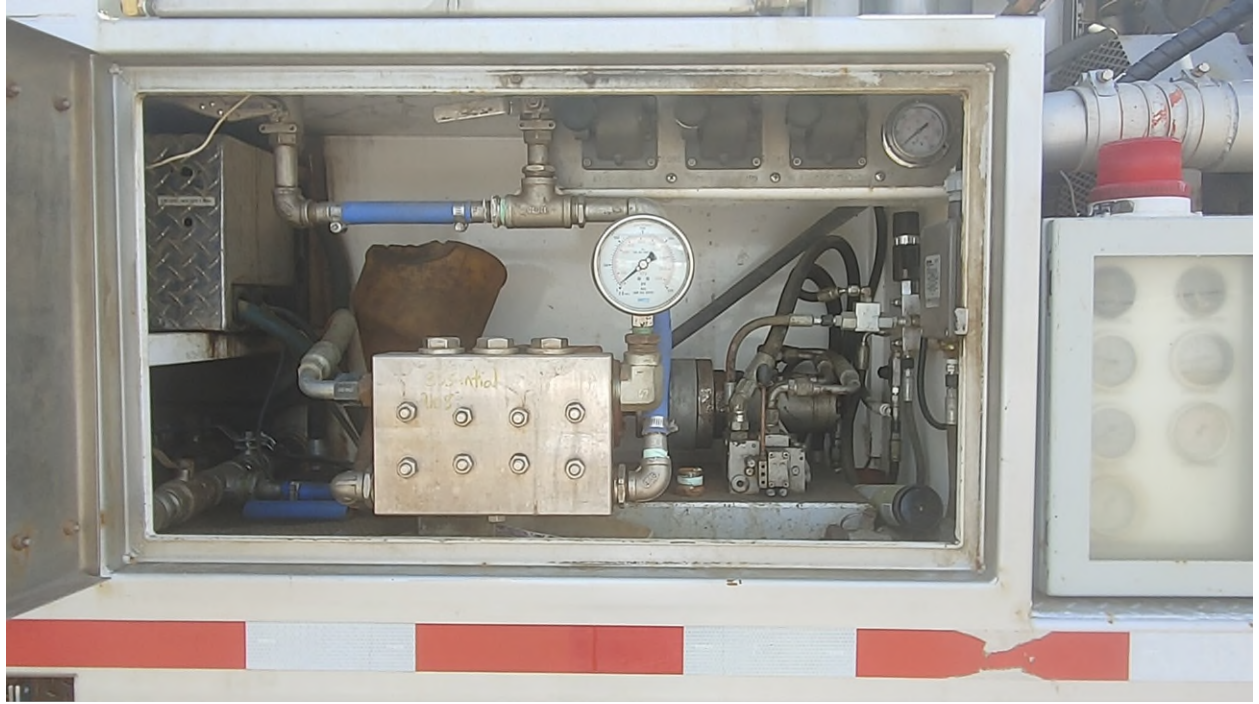












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A DIVISION OF PACCAR

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Statement of Values - Mobile Contractors

Company Name: Abbey Resources Corp.

Contractors Equipment
2005 Kenworth Coil Tubing Unit, Serila No. 1XKDDBEXX5R980254
2006 Utility Trailer, Serial No. 2SWUW11A56G297553
2007 Cargo Trailer, Serial No. 5NHUAS21071030309
2004 Joyner Atv, Serial No. L5BG2MV64E1023458
2009 Joyner ATV, Serial No. L5BG2MV69B1018762
2009 Joyner ATV, Serial No. L5BG2MV69B1018763
Masey Ferguson Tractor Loader and Farming King Mower
High Pressure Steam Boiler, Model No. OTS-O20H, Serial No. 4842 mounted in a Pintle Hitch Trailer, FX9 Series, Model No. FX9-816-78-T70, Serial No. 2JAAH7626J1004081
2002 Kenworth T-800 Vac Truck, Serial No. 1NKDL49X02R965633
1997 Scona Vac Trailer, Tri Axle, Serial No. 2E9H45D36V3003746
2015 Back hoe - Case 580SN WT, Serial No. JJGN58WRTFC723535
2019 Diamond C FMAX210 30' Gooseneck Trailer, Serial No. 46UF43021K1212797
John Deere Gator, Serial No. 1M0825GSKEM080225 Snow Tracks, Serial No. 6722IR00091-0 / 6722IR00091-1 / 6722IR00091-2 / 6722IR00091-3
John Deere Gator, Serial No. 1M0825GSCEM080356 Snow Track, Serial No. 6522NIA3639-0 / 6522NIA3639-1 / 6522NIA3639-2 / 6522NIA3639-3
John Deere Gator, Serial No. 1M0825GSABM022911 Snow Tracks, Serail No. 6522NIA3638-0 / 6522NIA3638-1 / 6522NIA3638-2 / 6522NIA3838-3
John Deere Gator, Serial No. 1M0825GSCBM022906 Snow Tracks, Serial No. 6522NIA3637-0 (RF) / 6522NIA3637-1 (LF) / 6522NIA3637-2 (RR) / 6522NIA3637-03 (LR)
John Deere Gator, Serial No. 1M0825GSTDM064232 Snow Tracks, Serial No. 6822IT22227-0 / 6822IT22227-01 / 6822IT22227-02 / 6822IT22227-3
Kubota RTV, Side by Side, Serial No. Snow Tracks, Seral No.
2016 Trailer with a portable Compressor Unit, Serial No. 2H9TL23C771068796
2008 Transport Trailer, Serial No. 4J6TC16258B098851
2005 10 Cube Mud Tank, Serial No. 2C9MAS2155B193004
920 Catterpillar Payloader, Serial No.

APPENDIX C

ABBEY RESOURCES CORP – IN RECEIVERSHIP PROPOSALS FOR AUCTION

INTRODUCTION

On February 28, 2022, MNP Ltd. was appointed Receiver by the Court of Queen’s Bench For Saskatchewan in Bankruptcy and Insolvency of Abbey Resources Corp. (the “Company”). The Receiver is soliciting proposals to auction surplus equipment of the Company (the “**Surplus Equipment**”).

The Company was headquartered in Calgary, Alberta and operated shallow gas fields located near Swift Current, Saskatchewan.

Information regarding the Surplus Equipment for your proposal can be found on the following website prepared by the Company’s former sales representative Fuelled Energy Marketing Inc. which they are allowing us to use for this purpose.

To access the Surplus Equipment webpage, please go to: https://armouree.com/users/sign_in

Username: rick.anderson

Password: MNP123

LIMITATIONS

The information on the website is being provided solely for the convenience of prospective bidders and has not been audited or otherwise verified by the Receiver

The Receiver does not make any representations or warranties as to the accuracy or completeness of the information and shall have no liability for any representations (be they expressed or implied) or omissions contained herein nor in any other written or oral communications transmitted to prospective bidders in the course of the evaluations of the Surplus Equipment. Furthermore, the information provided on the website may not contain all of the information a prospective party may require and therefore, prospective bidders should conduct their own investigations, analysis and due diligence relating to the Company’s Surplus Equipment and any of the information contained on the website.

TIMELINE

Milestones	Estimated deadlines
Issuance of request for proposals	July 15, 2022
Due diligence period for potential bidders	July 15 – July 28, 2022
Deadline for receipt of proposals for auction	July 29, 2022
Selection of successful offeror(s)	August 3, 2022
Closing of transaction (dependant on timing of any required Court approval)	August 31, 2022

CONTACTS: Rick Anderson, CPA, CMA, CIRP, LIT, CFE
Corporate Recovery and Restructuring
403-537-8424
Rick.anderson@mnp.ca

ABBEY RESOURCES CORP – IN RECEIVERSHIP PROPOSALS FOR AUCTION



SALES PROCESS

The Receiver reserves the right to:

- Amend or terminate the sales procedures during the sales process.
- Accept an Offer to Purchase that may not necessarily be the highest bid.
- Negotiate with one or more prospective parties at any time.
- Set a minimum offer price for the assets.
- Enter into a definitive transaction agreement without prior notice to other prospective parties at any time during the transaction process.
- Not accept any proposal.

Please note that any proposal the Receiver accepts will be subject to the approval of the Court of Queen's Bench for Saskatchewan in Bankruptcy and Insolvency, and accordingly, is not binding on the Receiver until such Court approval has been obtained.

**Written proposals must be received by the Receiver no later than 4:00pm
(Mountain Time) on July 29, 2022.**

CONTACTS: Rick Anderson, CPA, CMA, CFE
Corporate Recovery and Restructuring
403-537-8424
Rick.anderson@mnp.ca

APPENDIX D

CONTRACT TO AUCTION

DATED this 25th day of August, 2022.

BETWEEN:

RITCHIE BROS. AUCTIONEERS (CANADA) LTD., having its head office at 9500
Glenlyon Parkway, in the City of Burnaby, in the Province of British Columbia, V5J 0C6

Web Site: www.rbauction.com

(the "Auctioneer")

OF THE FIRST PART

AND:

**MNP LTD., IN ITS CAPACITY AS COURT APPOINTED RECEIVER OF ABBEY
RESOURCES CORP. AND NOT IN ITS PERSONAL OR CORPORATE CAPACITY**
having a place of business at 1500, 640 - 5th Avenue SW, in the city of Calgary, in the Province
of Alberta, T2P 3G4

Telephone No. 403-537-8424
E-Mail Address rick.anderson@mnp.ca,

(the "Receiver", or "MNP")

OF THE SECOND PART

TERMS AND CONDITIONS OF THIS CONTRACT

Agreement

- A. Pursuant to an Order of the Court of Queen's Bench Saskatchewan (the "Court") dated February 28th, 2022 (the "Receivership Order"), MNP has been appointed as the receiver of all assets, undertakings, and properties of Abbey Resources Corp. (the "Debtor").
- B. The Receiver wishes to sell, by unreserved public auction, of all those items described on **Schedule "A"** (the "**Schedule A Equipment**") and **Schedule "B"** (the "**Schedule B Equipment**"), and together with the Schedule A Equipment, the "**Equipment**") attached hereto belonging to the Debtor.
- C. The acceptance of the terms of this contract (the "**Contract**") are conditional upon and subject to the Receiver obtaining an order or orders from the Court approving this Contract and authorizing the sale of the Equipment pursuant to the terms of this Contract (the "**Approval Order**").
- D. For valuable consideration, the above parties enter into this Contract which sets out their respective rights, obligations and undertakings regarding the sale.

SECTION 1: AUCTIONEER'S OBLIGATIONS AND RESPONSIBILITIES

- 1.01 **Sale Date** – The Auctioneer shall, as agent of the Receiver, offer the Equipment together with any additional items delivered by the Receiver to the auction site, for sale at unreserved public auction on or about the 18th day of October, 2022, at the City of Saskatoon in the Province of Saskatchewan.
- 1.02 **Payment** – The Auctioneer shall make payment to the Receiver within twenty-one (21) days after the auction, the amount due and owing to the Receiver from monies collected from the sale of the Equipment after making all deductions permitted under this Contract.
- 1.03 **Commission** – The Auctioneer shall be entitled, at the time of the auction, to a commission of [REDACTED] per lot (exclusive of any applicable tax).
- 1.04 Intentionally Deleted
- 1.05 **Other** – The Auctioneer shall:
- (a) allow the Receiver access to records concerning the sale of the Equipment at the auction, excluding the names or contact information of the buyers thereof;
 - (b) supervise the preparation and organization of the auction;
 - (c) provide auctioneers and accountants required for an auction of this type;
 - (d) provide listing catalogs of the lots offered for sale to potential buyers at the auction; and
 - (e) collect and remit Federal and Provincial sales tax arising upon the sale of the Equipment at the auction.
- 1.06 **Sale Site** – The Auctioneer shall provide, at no cost to the Receiver, a suitable site for conduct of the auction.

SECTION 2: RECEIVER'S REPRESENTATIONS AND WARRANTIES:

2.01 **Title and Condition**

The Receiver represents and warrants that:

- (a) conditional upon the Receiver obtaining the Approval Order, it has due and lawful authority to sell the Equipment and to proceed with the auction process set out herein and to provide for the sale of the Equipment to the buyer free and clear of any registered and unregistered liens, security interests, tax or duty obligations or other financial encumbrances or contrary claims whatsoever upon confirmation from the Auctioneer of the receipt of the full purchase price;
- (b) to the best of the Receiver's knowledge, the description of the Equipment is accurately set forth on **Schedule "A"** and **Schedule "B"** attached; and
- (c) the Receiver and its signatories are duly authorized to enter into this Agreement.

The Receiver acknowledges that the Auctioneer is specifically relying upon the representations and warranties furnished by the Receiver, and the completeness and accuracy thereof.

SECTION 3: RECEIVER'S OBLIGATIONS AND RESPONSIBILITIES:

3.01 **Refurbishing** – The Receiver shall:

- (a) weld, sandblast, paint, clean, and refurbish (the "Refurbishing"), prior to the auction, the Equipment to a standard acceptable to the Auctioneer, acting reasonably. Should the Auctioneer organize and pay for the Refurbishing of any part of the Equipment, the Auctioneer shall be reimbursed for these costs [REDACTED] provided that the total cost shall not exceed [REDACTED] without the express written authorization from the Receiver; and
- (b) reimburse the Auctioneer for the cost of fuel and batteries as the Auctioneer deems necessary for demonstration and sale of the Equipment.

3.02 Delivery – Schedule A equipment shall be delivered, at the Receiver’s cost, to the auction site on or before the 16th day of September, 2022:

- (a) in good operating condition, free of material defects except as disclosed to the Auctioneers, with adequate fuel and batteries and starting at the key;
- (b) free of hazardous materials other than normal operating fuels, oils, and lubricants;

The Receiver shall reimburse all costs [REDACTED] for any transportation arrangements made by the Auctioneer.

Schedule B Equipment shall remain at the Receiver’s Site (as defined below) and be sold in-situ from its installed location. The Parties agree that purchasers will be informed prior to the auction that the disconnection and removal of the Schedule B Equipment shall be at purchasers’ sole cost and expense and within the time stipulations agreed upon by the Receiver and the Auctioneer prior to the auction.

3.03 Transfer of Ownership and Title Documents – The Receiver shall pay a document administration fee of [REDACTED] per unit for each item of Equipment requiring title or registration documents. The Receiver shall provide, upon reasonable request, do, execute and deliver all further assurances, acts, and documents necessary for the purpose of conveying right, title and interest of, and permit the registration of, the Equipment to any purchaser thereof.

3.04 Risk of Loss, Insurance – The Receiver shall:

- (a) be responsible for loss or damage to the Equipment, other than loss or damage arising as a result of the negligence of the Auctioneer, its agents or employees, until the Equipment is sold;
- (b) insure the Equipment until such time that the Equipment is sold; and
- (c) upon request, provide Auctioneer with proof of insurance on the Equipment.

For the avoidance of any doubt, at no point will the Auctioneer be responsible for loss or damage to the Equipment, other than loss or damage arising as a result of the negligence of the Auctioneer, its agents or employees.

3.05 Indemnity – The Receiver shall defend, indemnify and save the Auctioneer, its parents, subsidiaries and affiliates, and each of their officers, directors, shareholders, employees, and agents, harmless against any and all claims, demands, suits, actions, causes of action, damages, costs or charges whatsoever arising from:

- (a) any breach of the representations, warranties or covenants set out herein; and
- (b) any negligence, unlawful act, or willful misconduct of the Receiver in connection with this Contract.

3.06 No Buybacks, Unreserved Auction Sale – The parties agree that the Debtor shall not bid, directly or indirectly, nor allow any other person to bid on the Debtor’s behalf or for the Debtor’s benefit, by agency or otherwise, on the Equipment or any part thereof at the auction.

The Receiver acknowledges the auction is unreserved and the Auctioneer shall have no obligation or duty to withdraw the Equipment or any part thereof from the auction sale or to cancel the auction. The Equipment shall be sold to the highest bidder on the date of the auction.

- 3.07 **No Guarantee** – The Receiver acknowledges that there is no guarantee whatsoever as to the gross proceeds to be realized from the sale of the Equipment at auction.
- 3.08 **Specific Performance** – Once the Approval Order is obtained, the Receiver shall not withdraw the Equipment or any part thereof from the auction sale. If the Receiver is in breach of this provision within forty (40) days prior to the auction, then in addition to any other remedies set out in this Contract, the parties hereto agree:
- (a) the damages to the Auctioneer’s business reputation and customer relations are not readily ascertainable;
 - (b) available remedies at law are not adequate in the event of breach; and
 - (c) the Auctioneer may not be made whole solely by monetary recompense;
- therefore, the Auctioneer may elect, at its sole option, to apply for an order for specific performance of this Contract and the Receiver hereby waives all rights to object to such application.

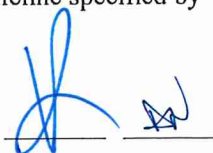
- 3.09 **Other** – The Receiver shall:
- (a) comply with all legislation, regulations, or requirements of any authority of competent jurisdiction relating to the sale of the Equipment; and
 - (b) be responsible for the payment of any tax or duty whatsoever that may legally be construed as being the responsibility of the Receiver.

- 3.10 **Receiver’s Site** – The Receiver ensures that:
- (a) the Auctioneer is provided with proper coordinates and site descriptions for all the Schedule B Equipment (the “Receiver’s Site”);
 - (b) the Auctioneer and its employees and subcontractors are provided with access to the Receiver’s Site as the Auctioneer deems necessary for preparation and conduct of the auction of the Schedule B Equipment;
 - (c) prospective bidders are provided with access to enter and use the Receiver’s Site to inspect the Schedule B Equipment in advance of the auction, upon providing reasonable notice to the Auctioneer and the Receiver;
 - (d) purchasers are provided with access to enter and use the Receiver’s Site to pick up Schedule B Equipment after the auction; and
 - (e) property damage and public liability insurance is maintained in full force and effect throughout the period described in this section to cover third party personal injury, death or property damage claims.

The Receiver acknowledges that the Auctioneer shall have no responsibility for the Receiver’s Site prior to, during or post auction, including clean-up or remediation of the Receiver’s Site. Buyers of the Schedule B Equipment will be responsible for removal of the Schedule B Equipment from the Receiver’s Site.

In advance of the auction, the Auctioneer shall notify prospective buyers of:

- (a) such obligation to safely remove the Schedule B Equipment by the timeline specified by the Receiver; and

Initials 

- (b) that the prospective buyers shall:
- (i) conduct any associated removal activities on the applicable well sites in a safe and efficient manner with regard to applicable laws, good industry practices, and operating standards;
 - (ii) take steps to leave the applicable well sites in a clean and orderly condition acceptable to the Receiver after the completion of such activities; and
 - (iii) maintain sufficient industry standard insurance while working on the well sites and provide proof of same to the Receiver.

The Receiver acknowledges that any cost related to disconnecting the Schedule B Equipment from its current state at the Receiver's Site shall be borne by the buyer of such Schedule B Equipment. The Auctioneer shall notify prospective buyers of this obligation in advance of the auction. The Auctioneer shall have no responsibility in the event a buyer fails to properly disconnect, disassembly or remove the Schedule B Equipment from the Receiver's Site.

SECTION 4: MUTUAL AGREEMENTS

4.01 Timeliness – Time is of the essence of this Contract.

4.02 Waiver – A waiver by either party of any breach of any of the provisions herein shall be limited to such particular instance and shall not operate as a waiver of, or be deemed to waive, any other or future breaches of the same or any other provisions hereof.

4.03 Legal Costs – Should either party be required to participate in any action or proceeding in respect of this Contract, the prevailing party shall be entitled to recover all costs, including attorney's fees, incurred as a result thereof.

4.04 Prohibition of Pre-Sale – Neither the Auctioneer nor the Receiver shall sell or offer for sale any part of the Equipment prior to the auction without the written permission of the other.

4.05 Receiver's Right to Withdraw from Contract

The Parties agree that, if the Receiver is unable to obtain the Approval Order, it shall have the right to withdraw from this Contract by providing written notice to the Auctioneer.

4.06 Auctioneer's Right to Withdraw From Contract / Rescind Sale – Notwithstanding any other provisions of this Contract, the Auctioneer shall have the right, at its discretion, to (i) withdraw from this Contract and its obligations hereunder shall be unenforceable by the Receiver, or (ii) rescind the sale of the Equipment to a purchaser in whole or in part, if:

- (a) the Receiver is in breach of any of its representations or warranties hereunder.
- (b) the Receiver does not obtain court approval to sell the Equipment.

4.07 Repayment of Deficiency – Notwithstanding any other provision of this Contract, if the Equipment or any part thereof is sold by the Auctioneer, any deficiency resulting from the lack of the Receiver's equity therein shall be paid to the Auctioneer upon demand.

4.08 Creation of Lien – In addition to any other rights or remedies available to the Auctioneer, this Contract creates a lien and charge upon the Equipment and may be registered under any applicable personal property security legislation as may be in effect from time to time and entitles the Auctioneer to seize and retain possession of the Equipment as security for, and/or to sell the Equipment to recover, all sums owing hereunder.

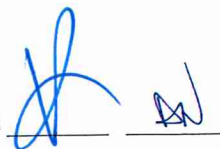
- 4.09 **Use of Equipment** – The Receiver authorizes the Auctioneer to operate the Equipment for purpose of demonstrating it at the auction.
- 4.10 **Lots** – The Auctioneer shall divide the Equipment into such lots as it may in its absolute discretion deem desirable for sale at the auction. The Auctioneer shall not be liable for any loss or damages claimed in respect of the manner in which the Equipment is divided into lots nor in respect of any failure to divide the Equipment into lots.
- 4.11 **Transaction Fee** – The Receiver acknowledges that the Auctioneer may charge purchasers a transaction fee based on the selling price of each lot.
- 4.12 **Collection of Proceeds** – The Auctioneer shall collect the full proceeds from the sale of the Equipment and the Receiver assigns to the Auctioneer:
- (a) the amount required to discharge and satisfy all charges, liens, claims and encumbrances in respect of the Equipment; and
 - (b) all amounts payable to the Auctioneer hereunder, including commission, together with interest thereon which shall be repayable at the time of the sale.
- 4.13 **Auctioneer’s Right of Set-Off** – The Auctioneer may, in its discretion, apply any proceeds from the sale of the Equipment towards any outstanding amounts otherwise due and owing to the Auctioneer in connection with any purchases, deficiencies or services rendered by the Auctioneer.
- 4.14 **Uncollected Proceeds** – The Auctioneer may, as it deems necessary, re-auction any part of the Equipment not sold or paid for at the auction and the Receiver acknowledges that no monies shall be payable by the Auctioneer for any part of the Equipment until it has been paid for in full by the purchaser thereof.
- 4.15 **Other Consignments** – Equipment belonging to other Receivers may be sold at the auction.
- 4.16 **Debtor’s Name** – The Receiver authorizes the Auctioneer to use the Debtor’s name, trademark and logo in advertising the auction.
- 4.17 **Entire Agreement** – This Contract:
- (a) constitutes the entire agreement between the parties and supersedes and takes the place of all prior contracts, understandings, representations or warranties;
 - (b) may not be amended except in writing. There are no understandings, agreements, promises, terms, conditions, or warranties expressed or implied, whether orally or by law, statute or trade usage, other than as specifically stated herein; and
 - (c) shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.
- 4.18 **Internet Bidding and Timed Auction Lot System** – The Auctioneer may in its sole discretion offer certain lots for sale, in conjunction with its public unreserved auction, to registered bidders using its proprietary online bidding service or using its silent “timed auction lot” system. The Auctioneer shall use its best effort to ensure that such technologies and systems are available at all auctions for which they have been advertised, however at any given sale
- (a) only those lots which the Auctioneer deems appropriate shall be offered using such technologies and systems, and

- (b) certain circumstances concerning the Internet and the technology in use are beyond the Auctioneer's control, and such systems may not be available at any given time or auction.

The Debtor agrees that the Auctioneer shall be held harmless from any and all claims, demands, suits, actions, causes of action, damages, costs or charges arising from the Auctioneer's decision whether or not to use such technologies or systems or its failure to offer such systems at any time.

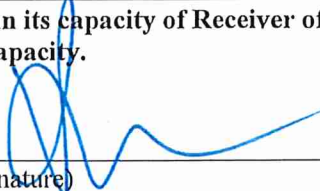
- 4.19 **Force Majeure** – Neither party shall be held liable or responsible to the other party nor be deemed to have defaulted under or breached this Contract for failure or delay in fulfilling or performing any term of this Contract when such failure or delay is caused by or results from causes beyond the reasonable control of the affected party, including but not limited to fires, strikes, floods, adverse weather that has the potential to injure persons or damage property, acts of war, terrorism, riot, or public disorder, acts of God, lawful acts of public authorities or electronic failures and internet service provider disruptions.
- 4.20 **Jurisdiction** – This Contract is subject to and governed by the laws of the Province of Saskatchewan. Any legal action brought by the Receiver or the Auctioneer arising from or relating to this Contract shall be litigated exclusively in the Court of Queen's Bench for Saskatchewan, Judicial Centre of Saskatoon, and the parties irrevocably attorn to the exclusive jurisdiction of such courts for the resolution of such disputes.
- 4.21 **Notice** – Any notice given hereunder shall be delivered by prepaid registered mail to the parties hereto at the address set out on page 1, with any notice to the Auctioneer sent to the attention of Legal Affairs (legal@ritchiebros.com).
- 4.22 **Headings** – All headings in this Contract are for reference purposes only and this Contract shall be interpreted without reference to such headings.
- 4.23 **Severability** - If any provision of this Contract is held by a court of competent jurisdiction to be contrary to law, then the remaining provisions of this Contract will remain in full force and effect.
- 4.24 **Execution by Facsimile, Electronic Transmission and Counterpart** – This Contract may be executed by fax, PDF, or other electronic transmission and in counterpart, each of which when taken together shall be deemed to constitute an original and form part of the same document, and, upon acceptance by the Auctioneer, be effective and binding on both parties.
- 4.25 **Privacy** – Information provided in this Contract will be retained by the Auctioneer in accordance with its formal Privacy Statement, provided on the Auctioneer's website at www.rbauction.com.
- 4.26 **Further Assurances** - The parties shall execute such further documents and do any and all such further things as may be necessary to implement and carry out the intent of this Contract.

[Remainder of page intentionally left blank.]



IN WITNESS WHEREOF this Contract has been executed by the parties hereto as of the date first above written.

MNP Ltd., in its capacity of Receiver of Abbey Resources Corp., and not in its personal or corporate capacity.


Per: 

(Signature)
Victor P. Kroeger
Senior Vice President

(Print Name of person signing)

Cust. #:

RITCHIE BROS. AUCTIONEERS (CANADA) LTD.

Per: 

(Signature)
DEVIN NORRIS

(Print Name)

Initials  

Attached to and forming part of
CONTRACT TO AUCTION

LIENHOLDER INFORMATION

RECEIVER NAME: _____
SALE SITE: _____ SALE DATE: _____

Sch A #	Lienholder	Contact Person	Phone # & Fax #	Amount

To Whom It May Concern:

The undersigned party hereby authorizes Ritchie Bros. Auctioneers (Canada) Ltd. (the "Auctioneer") to conduct searches and contact creditors as required for the disclosure of liens, charges and encumbrances and to determine amounts claimed against the equipment (the "Equipment") described on the attached Schedule "A". The undersigned further consents to the release to the Auctioneer of any and all information pertaining to any such lien, charge or other encumbrance or security interest claimed in any assets of the undersigned.

Dated this _____ day of _____, 20____.

Name of Receiver

Signature

Name of Signatory (if different from Receiver)

Position

OWNER CODE: _____

Initials *RB* *AW*

APPENDIX E

Abbey Resources Corp - In Receivership
Interim Statement of Receipts and Disbursement
For the Period February 28, 2022 to July 31, 2022

RECEIPTS	To July 31, 2022
Operating Revenue	\$ 6,436,782.79
Opening Cash on Hand	500,511.39
GST net and payable updated	- 102,954.31
Sale of assets	245,310.00
Shop and Yard Rental Income	16,083.09
TOTAL RECEIPTS	7,095,732.96
ROYALTY PAYMENTS	
Freehold Royalty	15,910.46
GORR Royalty	167,401.54
IOGC Royalty	128,597.70
TOTAL NET RECEIPTS	6,783,823.26
DISBURSEMENTS	
Registration fees - Official Receiver	72.97
Bank charges	547.81
PST paid	15,390.60
Receiver's fees and disbursements	216,866.55
Legal fees and disbursements	222,398.44
Operations consultant (Sproule Asset Management)	359,693.33
Annual freehold surface rentals - producing wells	503,952.00
Annual Carry the Kettle surface rentals - producing wells	13,287.00
Software expenses	28,279.12
Prepaid amounts:	
TransGas	\$ 76,484.13
Crazy Cowboys Instrumentation	15,000.00
Field operating expenses	753,237.02
Field operators	493,940.19
Vehicle leases	6,521.25
Transportation	270,152.74
Field staff payroll and benefits	212,108.04
Consulting Contractors	85,505.00
TOTAL DISBURSEMENTS	3,273,436.19
EXCESS OF RECEIPTS OVER DISBURSEMENTS REPRESENTED BY CASH IN BANK:	\$ 3,510,387.08
Estimated commitments re: July 2022 to be paid in August 2022	
Freehold Royalty - re: April revenues, due July 15,2022	3,492.38
GORR Royalty - re: April revenues, due July 15,2022	36,416.59
IOGC Royalty - re: April revenues, due July 15,2022	46,833.68
Crown Royalty	4,718.00
Annual Crown Rentals - producing well	85,107.00
Annual Freehold Surface Rentals - Leases that came due in July 2022 for producing wells only	56,515.00
Annual Carry the Kettle Surface Rentals (IOGC) - Leases that came due in June 2022 for producing wells only	5,382.81
Estimated Field operating expenses	666,949.57
Estimated Field Operator expenses	57,956.21
Estimated Staff payroll and benefits	968.24
Estimated Federal Carbon Tax (Mar- May 2022)	211,355.04
Total estimated committments	1,175,694.52
Estimated receipts over disbursements after estimated commitments	\$ 2,334,692.56

APPENDIX F

Abbey Resources Corp - in Receivership
Summary of professional fees

MNP Ltd. - Receiver

<u>Invoice number</u>	<u>Date</u>	<u>Description</u>	<u>Receiver's fees</u>	<u>Disbursements</u>	<u>Total fees and disbursements</u>	<u>GST</u>	<u>Total</u>	
10284449	04-Apr-22	Services to March 31, 2022	\$77,741.00	\$0.00	\$77,741.00	\$3,887.05	\$81,628.05	
10390987	02-May-22	Services to April 30, 2022	39,296.00	10,273.35	49,569.35	2,478.47	52,047.82	
10457407	03-Jun-22	Services to May 31, 2022	39,328.00	0.00	39,328.00	1,966.40	41,294.40	
10496131	04-Jul-22	Services to June 30, 2022	21,865.50	5,099.50	26,965.00	1,348.25	28,313.25	
10533653	02-Aug-22	Services to July 31, 2022	18,124.00	5,139.20	23,263.20	1,163.16	24,426.36	
			<u>\$196,354.50</u>	<u>\$20,512.05</u>	<u>\$216,866.55</u>	<u>\$10,843.33</u>	<u>\$227,709.88</u>	

McDougall Gauley LLP

<u>Invoice number</u>	<u>Date</u>	<u>Description</u>	<u>Legal fees</u>	<u>Disbursements</u>	<u>Total fees and disbursements</u>	<u>GST</u>	<u>PST</u>	<u>Total</u>
670276	31-Mar-22	Services to March 30, 2022	\$73,210.00		\$73,210.00	\$3,660.50	\$4,392.60	\$81,263.10
672193	02-May-22	Services to April 29, 2022	28,822.50	24.40	28,846.90	1,442.35	1,729.35	32,018.60
673645	30-May-22	Services to May 27, 2022	44,205.00	1.60	44,206.60	2,210.33	2,652.30	49,069.23
675724	04-Jul-22	Services to June 30, 2022	43,539.50	178.90	43,718.40	2,182.93	2,612.37	48,513.70
677003	29-Jul-22	Services to July 28, 2022	17,100.00	43.90	17,143.90	857.20	1,026.00	19,027.10
			<u>\$206,877.00</u>	<u>\$248.80</u>	<u>\$207,125.80</u>	<u>\$10,353.31</u>	<u>\$12,412.62</u>	<u>\$229,891.73</u>

Other legal fees paid under CCAA Administration Charge

Anderson & Company	3,608.93	67.50	3,676.43	180.45	138.38	3,995.26
DLA Piper(Canada) LLP	11,522.50	73.71	11,596.21	579.65		12,175.86
	<u>15,131.43</u>	<u>141.21</u>	<u>15,272.64</u>	<u>760.10</u>	<u>138.38</u>	<u>16,171.12</u>
Total legal fees	<u>\$222,008.43</u>	<u>\$390.01</u>	<u>\$222,398.44</u>	<u>\$11,113.41</u>	<u>\$12,551.00</u>	<u>\$246,062.85</u>