



**MNP LTD. / ABBEY RESOURCES CORPORATION**

**RECEIVERSHIP SALE**

**MNP**  
LTD



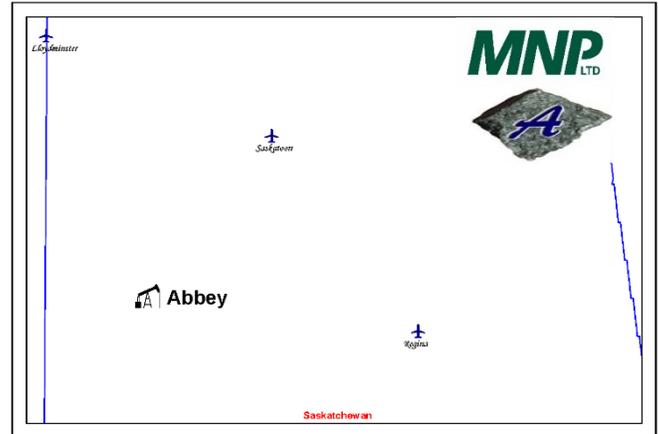
# **OVERVIEW INFORMATION**

**Bid Deadline: 12:00 pm December 15, 2022**

**Receivership Sale:  
Abbey Area, SW Saskatchewan  
5.7 MMcf/d of Natural Gas (944 boe/d)**



On February 28, 2022, **MNP Ltd.** was appointed as the receiver (the “Receiver”) of **Abbey Resources Corporation** (“Abbey” or the “Company”) pursuant to an Order of the Court of Queen’s Bench of Saskatchewan (as at then was). The Receiver has engaged **Sayer Energy Advisors** to assist it with a sale of all of Abbey’s oil and natural gas properties located in Saskatchewan (the “Properties”). The Receiver has also provided a Sales Solicitation Process document (the “SSP”) outlining the details of the receivership sale. A copy of the SSP is found on our website at [www.sayeradvisors.com](http://www.sayeradvisors.com)



The Properties are located in the *Greater Abbey* area of southwestern Saskatchewan. The Properties are situated on Carry the Kettle First Nation, Crown and freehold lands.

The Properties in the *Greater Abbey* area are comprised of distinct operational areas in the *Lacadena South, Shackleton, Abbey, Lacadena North, Cramersburg, Miry Bay, and Snipe Lake* areas.

The Properties provide low-decline shallow natural gas production primarily from the late Cretaceous Milk River, Medicine Hat and Colorado formations.

Average daily production net to Abbey from the Properties for the month of August 2022 was approximately 5.7 MMcf/d of natural gas (944 boe/d).

Operating income net to Abbey from the Properties for the month of August of 2022 was approximately \$401,000 per month, or \$4.8 million on an annualized basis.

**PROCESS & TIMELINE**

Sayer Energy Advisors is accepting offers as outlined in the SSP to acquire the Properties until **12:00 pm on Thursday, December 15, 2022.**

Timeline		
Week of October 17, 2022		Preliminary Information Distributed
Week of October 17, 2022		Data Room Opens
<b>December 15, 2022</b>	<b>12:00 noon</b>	<b>Bid Deadline</b>
February 1, 2023		Effective Date
January/February 2023		Closing Date

*Sayer Energy Advisors does not conduct a “second-round” bidding process; the intention is to attempt to conclude transaction(s) with the party(ies) submitting the most acceptable proposal(s) at the conclusion of the process.*

**Sayer Energy Advisors is accepting offers as outlined in the SSP from interested parties until noon on Thursday, December 15, 2022.**



### Production & Financial Overview

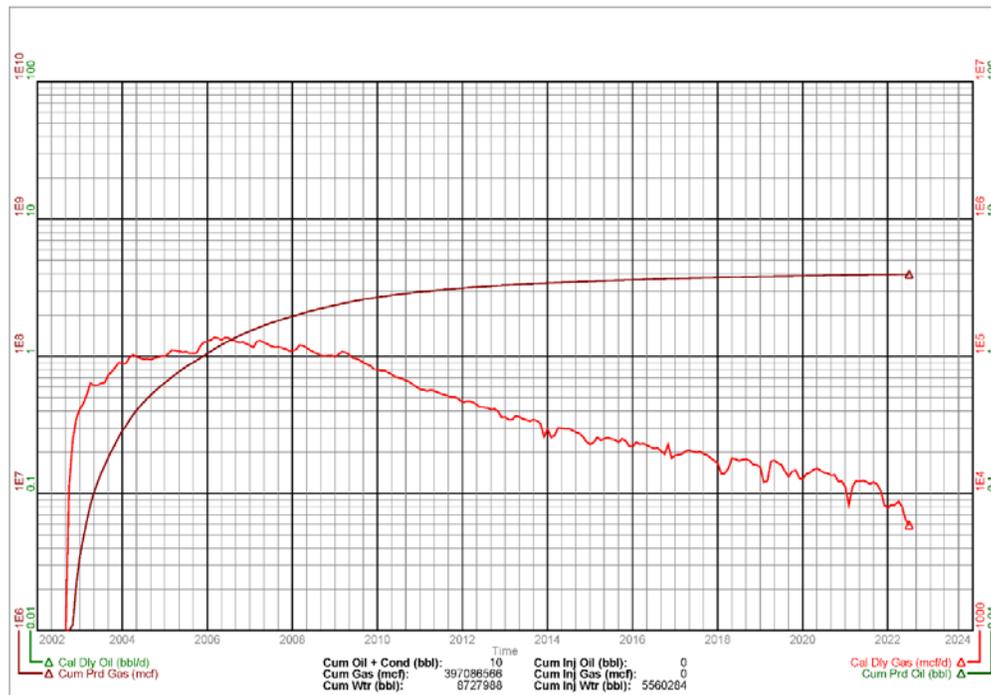
Average daily production net to Abbey from the Properties for the month of August 2022 was approximately 5.7 MMcf/d of natural gas (944 boe/d).

Operating income net to Abbey from the Properties for the month of August of 2022 was approximately \$401,000 per month, or \$4.8 million on an annualized basis.

PROPERTY	AUGUST 2022 NET PRODUCTION (Average Daily)				NOI
	Oil	Ngl	Nat. Gas	Total	AUG. 2022
	bbl/d	bbl/d	Mcf/d	boe/d	Monthly
Lacadena South	-	-	1,802	300	\$134,000
Shackleton	-	-	1,461	244	\$117,000
Abbey	-	-	1,268	211	\$133,000
Lacadena North	-	-	618	103	\$32,000
Cramersburg	-	-	513	86	\$21,000
Miry Bay*	-	-	-	-	(\$10,000)
Snipe Lake*	-	-	-	-	(\$26,000)
<b>TOTAL</b>	-	-	<b>5,662</b>	<b>944</b>	<b>\$401,000</b>

\*Production from the Miry Bay and Snipe Lake properties is currently shut-in.

### Greater Abbey, Saskatchewan Gross Production Group Plot of Abbey’s Natural Gas Wells





## LMR Summary

As of September 28, 2022, Abbey's net deemed asset value for the Properties was (\$48.4 million) (deemed assets of \$31.0 million and deemed liabilities of \$79.4 million), with an LMR ratio of 0.39.

Deemed Assets	Deemed Liabilities	Net Deemed Assets	LMR
\$31,016,726*	\$79,369,800	(\$48,353,074)	0.39

\*The Company currently has a \$27.7 million deposit in place with the Saskatchewan Ministry of Energy and Resources which is not included in the table above. There is an outstanding security balance owing of approximately \$20.7 million.

## Cash Flow Forecast

A cash flow forecast of the Properties was prepared for this divestiture ("Cash Flow Forecast"). The Cash Flow Forecast was developed using the currently producing wells as a production base with an effective date of October 1, 2022, using an average of GLJ Ltd., McDaniel & Associates Consultants Ltd. and Sproule Associates Limited forecast pricing as of October 1, 2022.

The Cash Flow Forecast estimates that, as of October 1, 2022, the future natural gas production of the Properties to be 13.9 Bcf of natural gas (2.3 million boe), with an estimated net present value of \$12.7 million using forecast pricing at a 10% discount rate.

## Marketing Overview

The Company has a natural gas processing agreement in place with **Twin Eagle Resources Management Canada, LLC**. The Company has an evergreen transportation agreement with **TransGas Limited** for transportation of natural gas in each of the operational areas.

Natural gas is sold at meters located at:

- 02-02-023-16W3 in the *Lacadena South* area,
- 14-36-020-19W3 in the *Shackleton* area,
- 16-29-021-19W3 in the *Abbey* area,
- 13-18-022-20W3 in the *Cramersburg* area,
- 01-19-022-17W3 in the *Lacadena North* area; and
- 16-24-021-19W3 in the *Miry Bay* area.





**Greater Abbey Area**

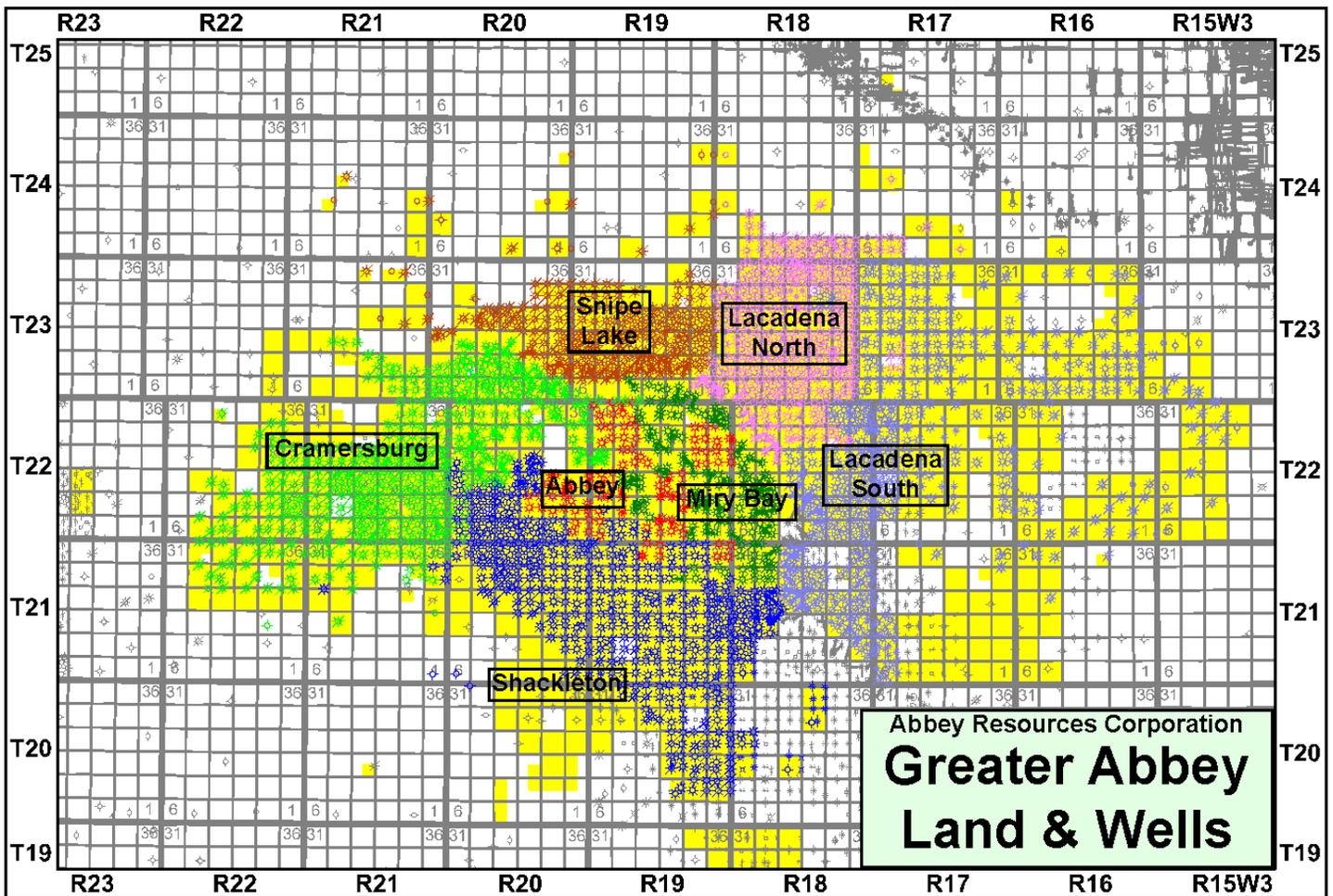
**Township 19-25, Range 14-26 W3**

In the *Greater Abbey* area of southwestern Saskatchewan, the Company holds a 100% working interest in approximately 418,300 gross acres of land with 2,348 wells.

Average daily production net to Abbey from the Properties for the month of August 2022 was approximately 5.7 MMcf/d of natural gas (944 boe/d).

Operating income net to Abbey from the Properties for the month of August of 2022 was approximately \$401,000 per month, or \$4.8 million on an annualized basis.

The Properties in the *Greater Abbey* area are comprised of distinct operational areas in the *Lacadena South*, *Shackleton*, *Abbey*, *Lacadena North*, *Cramersburg*, *Miry Bay*, and *Snipe Lake* areas as shown on the following map.



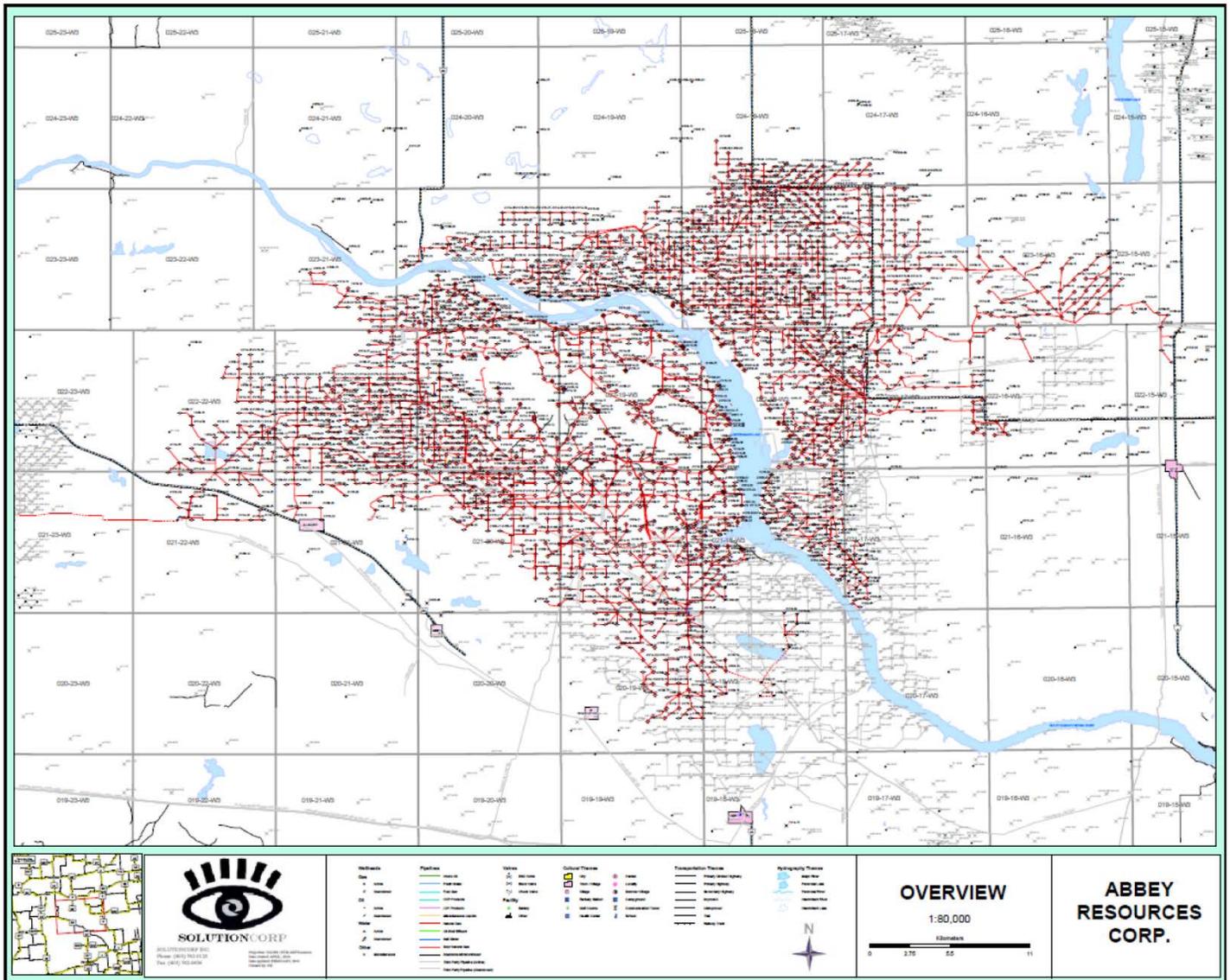


The Properties were acquired by Abbey in three separate transactions between 2016 and 2017. The gathering system exists in two sections: the north and south systems. The north system was previously owned by **Husky Oil Operations Limited**, and the south system was previously owned by **Enerplus Corporation**.

The Company initially filed for creditor protection under the Companies' Creditors Arrangement Act on August 13, 2021. MNP was initially appointed the Monitor of Abbey, and Sproule was retained by MNP as asset manager of Abbey.

Sproule engaged **SolutionCorp Inc.** to provide a technical assessment of the failure mechanisms that have caused the high rates of corrosion-related failures in the Abbey pipeline gathering system. The following is a map from the *Abbey Pipeline Gathering System Technical Assessment* authored by SolutionCorp for Sproule.

**Overview of the Abbey Gathering System**



Further information on the Company's gathering system and facilities will be made available in the virtual data room to parties which execute a confidentiality agreement.





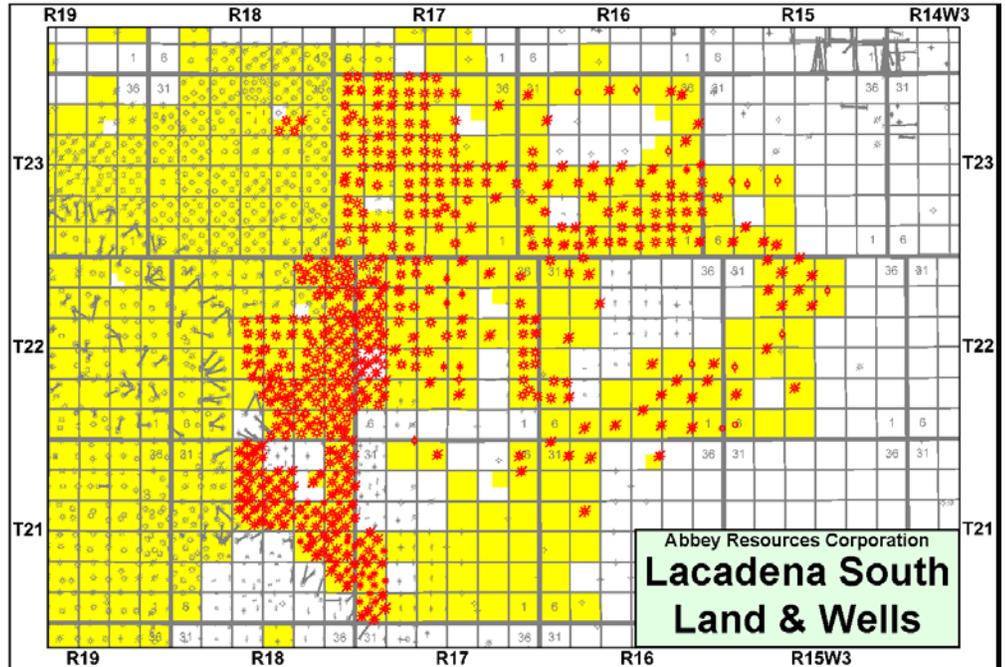
### Lacadena South Property

### Township 21-23, Range 14-18 W3

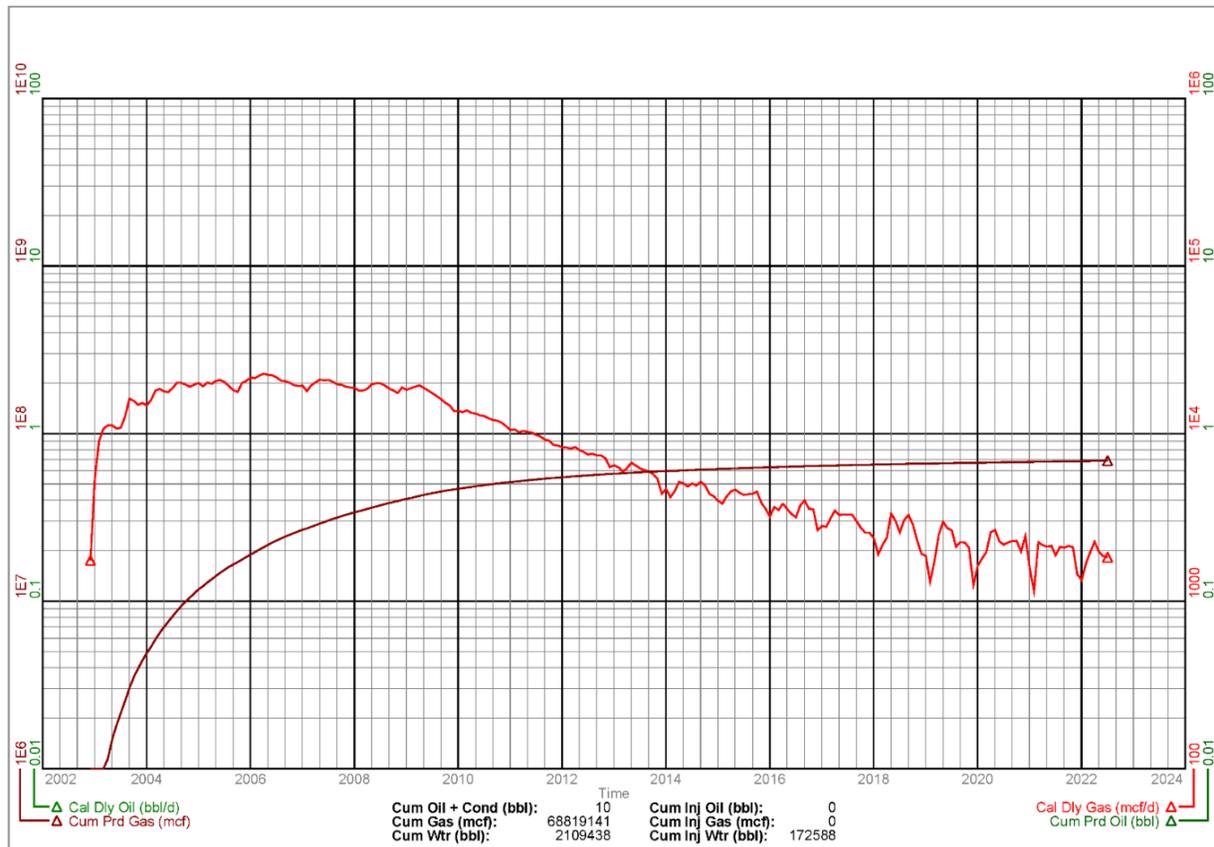
In the *Lacadena South* area, the Company holds a 100% working interest in 535 wells.

Daily production net to the Company from the *Lacadena South* property for the month of August 2022 was approximately 1.8 MMcf/d of natural gas (300 boe/d).

The Company's net operating income from *Lacadena South* for the month of August 2022 was approximately \$134,000 per month or \$1.6 million on an annualized basis.



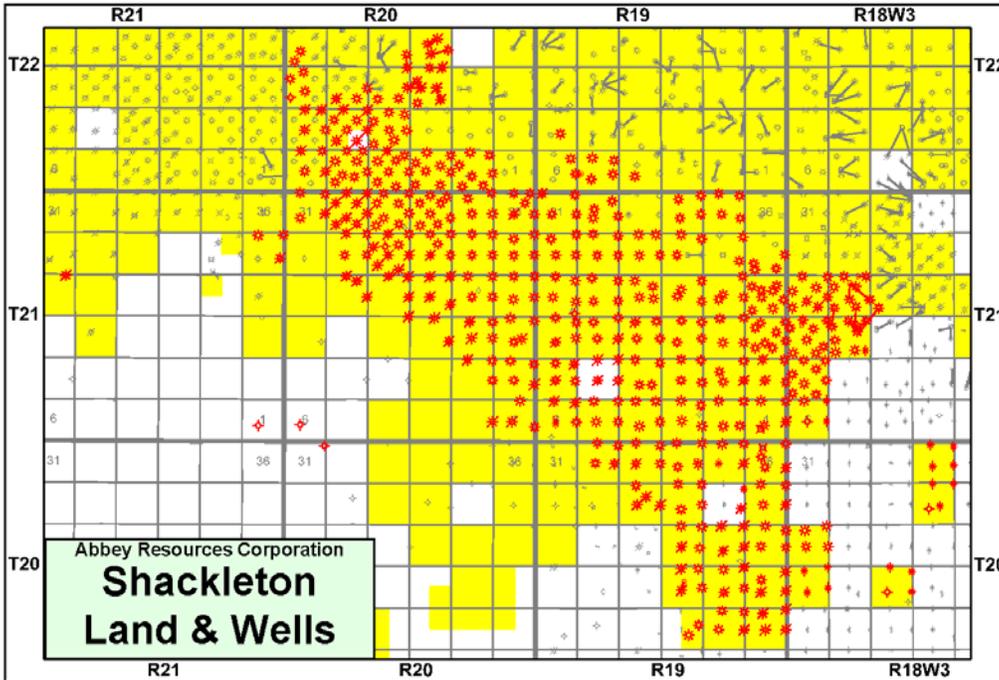
**Lacadena South, Saskatchewan Gross Production Group Plot of Abbey's Natural Gas Wells**





### Shackleton Property

### Township 20-22, Range 18-21 W3

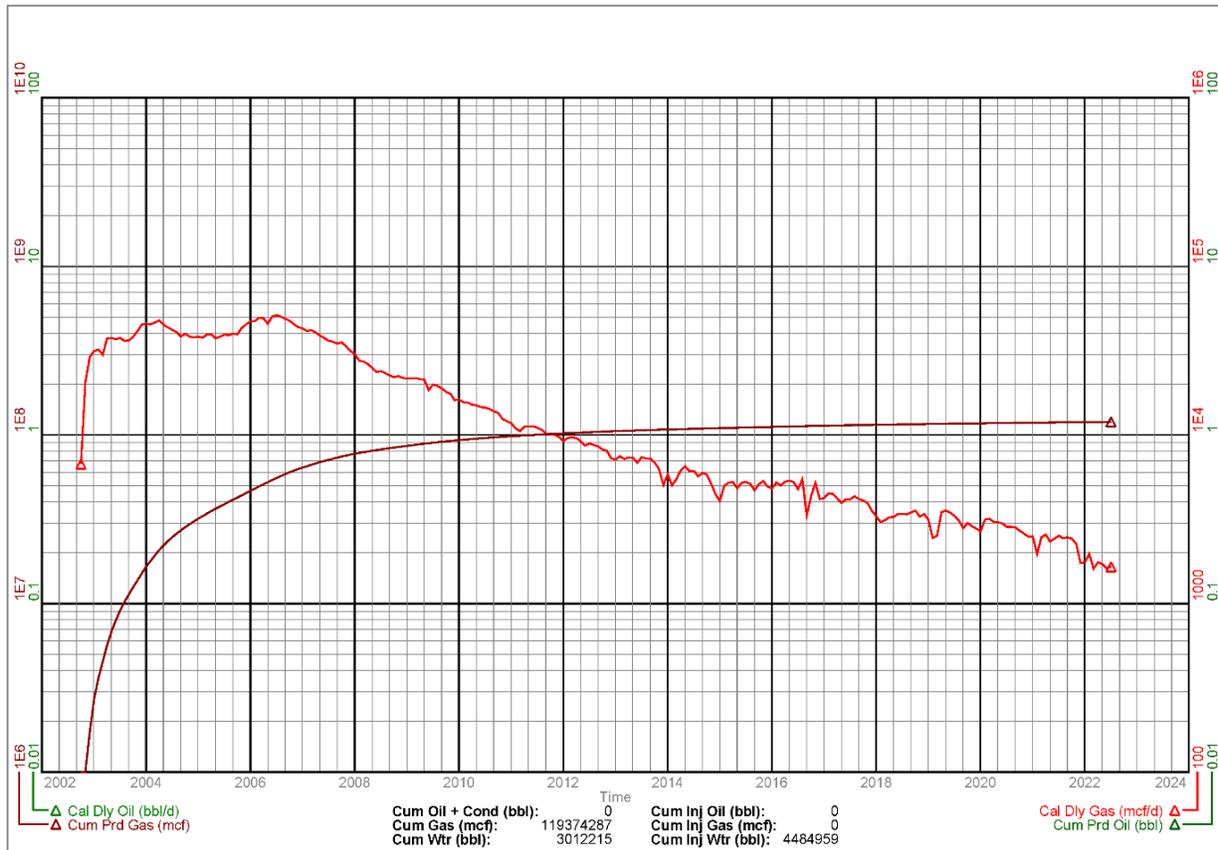


In the *Shackleton* area, the Company holds a 100% working interest in 478 wells.

Daily production net to the Company from the *Shackleton* property for the month of August 2022 was approximately 1.5 MMcf/d of natural gas (244 boe/d).

The Company's net operating income from *Shackleton* for the month of August 2022 was approximately \$117,000 per month or \$1.4 million on an annualized basis.

### Shackleton, Saskatchewan Gross Production Group Plot of Abbey's Natural Gas Wells





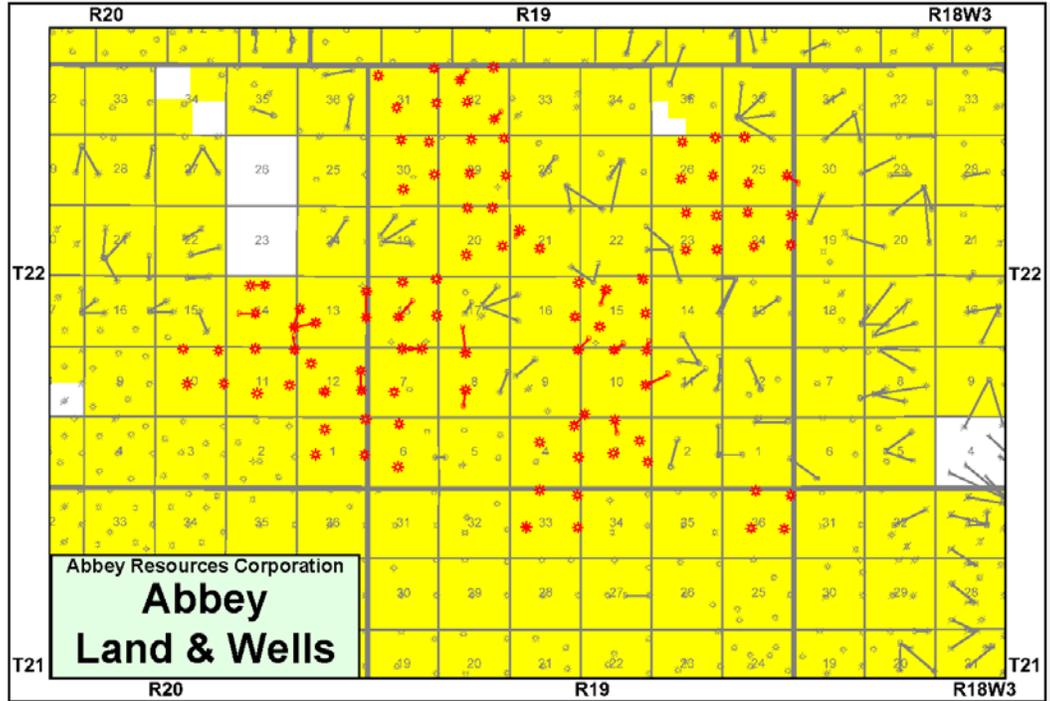
### Abbey Property

### Township 21-22, Range 19-20 W3

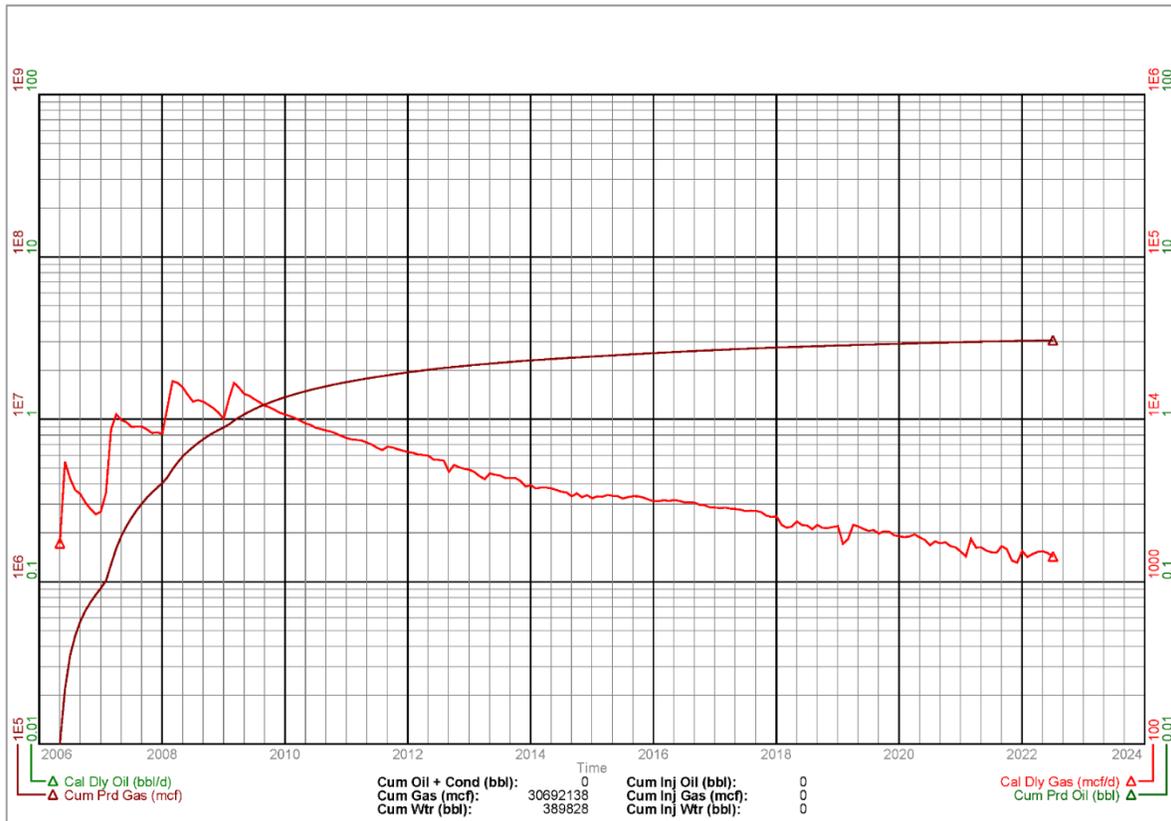
In the *Abbey* area, the Company holds a 100% working interest in 99 wells.

Daily production net to the Company from the *Abbey* property for the month of August 2022 was approximately 1.3 MMcf/d of natural gas (211 boe/d).

The Company's net operating income from *Abbey* for the month of August 2022 was approximately \$133,000 per month or \$1.6 million on an annualized basis.



Abbey, Saskatchewan Gross Production Group Plot of Abbey's Natural Gas Wells





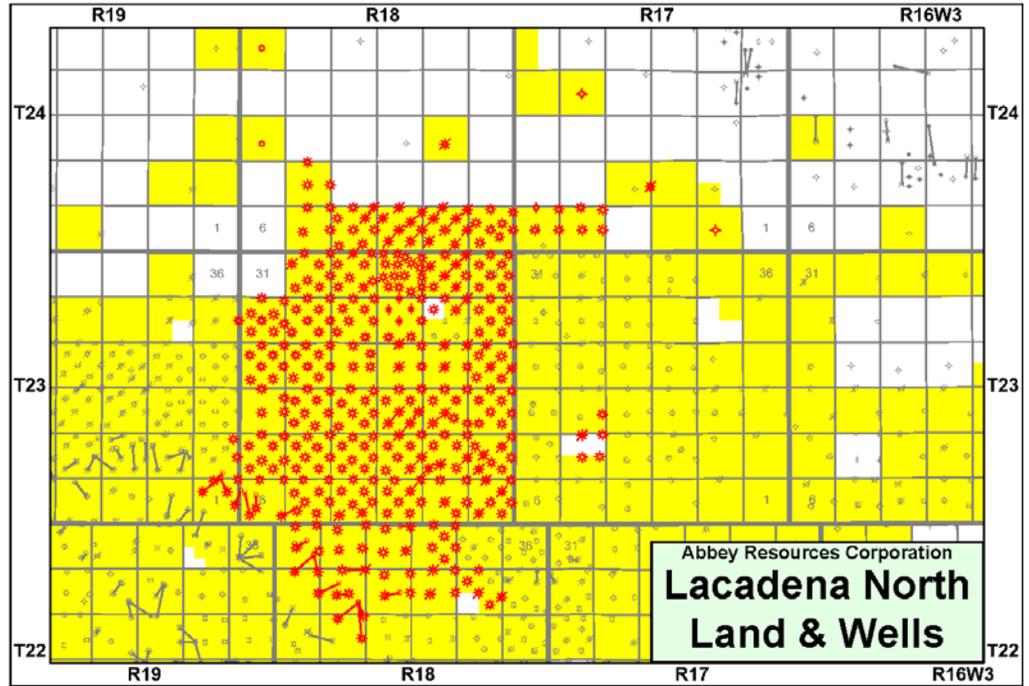
### Lacadena North Property

### Township 22-24, Range 17-19 W3

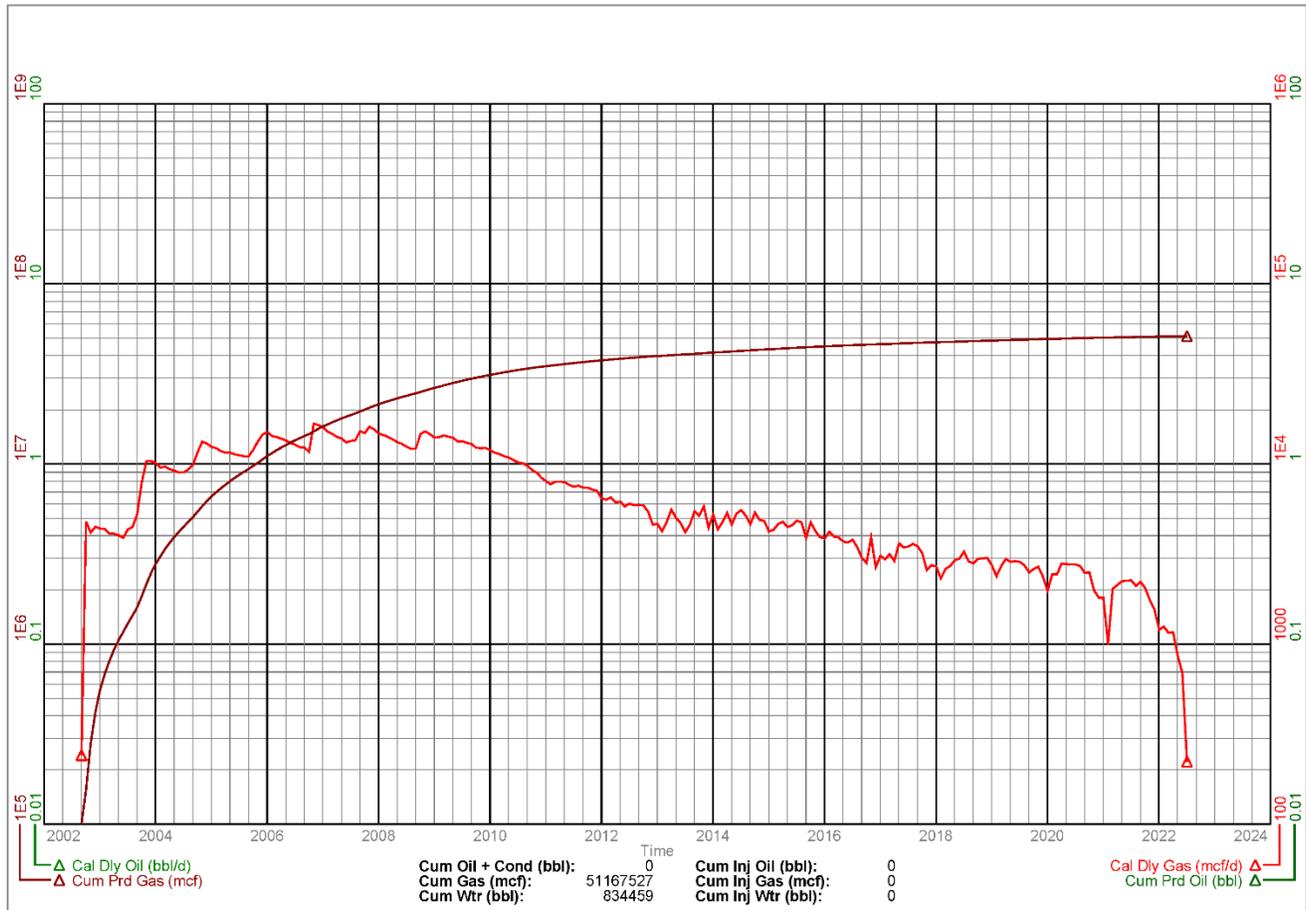
In the *Lacadena North* area, the Company holds a 100% working interest in 369 wells.

Daily production net to the Company from the *Lacadena North* property for the month of August 2022 was approximately 618 Mcf/d of natural gas (103 boe/d).

The Company's net operating income from *Lacadena North* for the month of August 2022 was approximately \$32,000 per month or \$384,000 on an annualized basis.



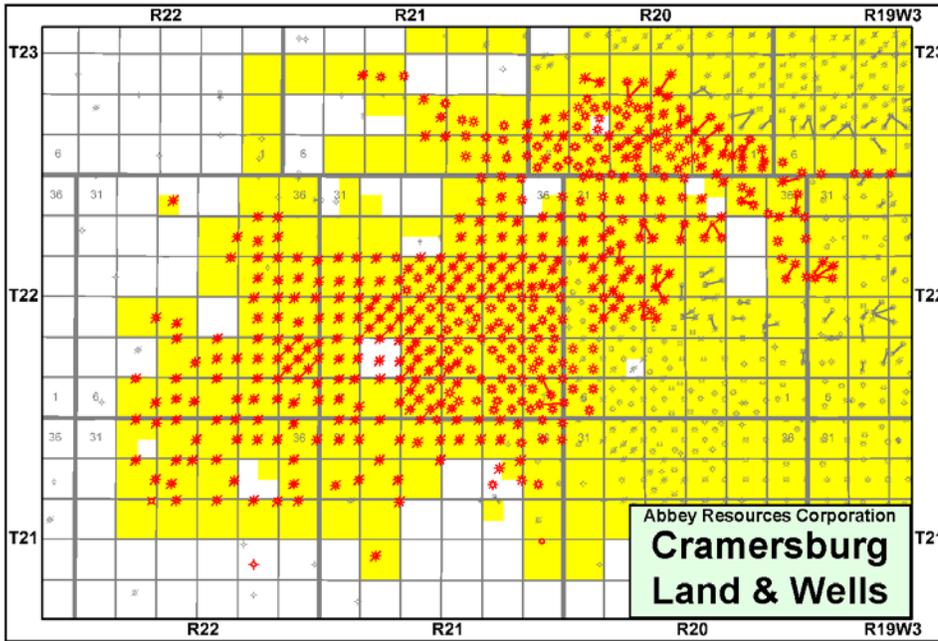
**Lacadena North, Saskatchewan Gross Production Group Plot of Abbey's Natural Gas Wells**





### Cramersburg Property

### Township 21-23, Range 19-22 W3

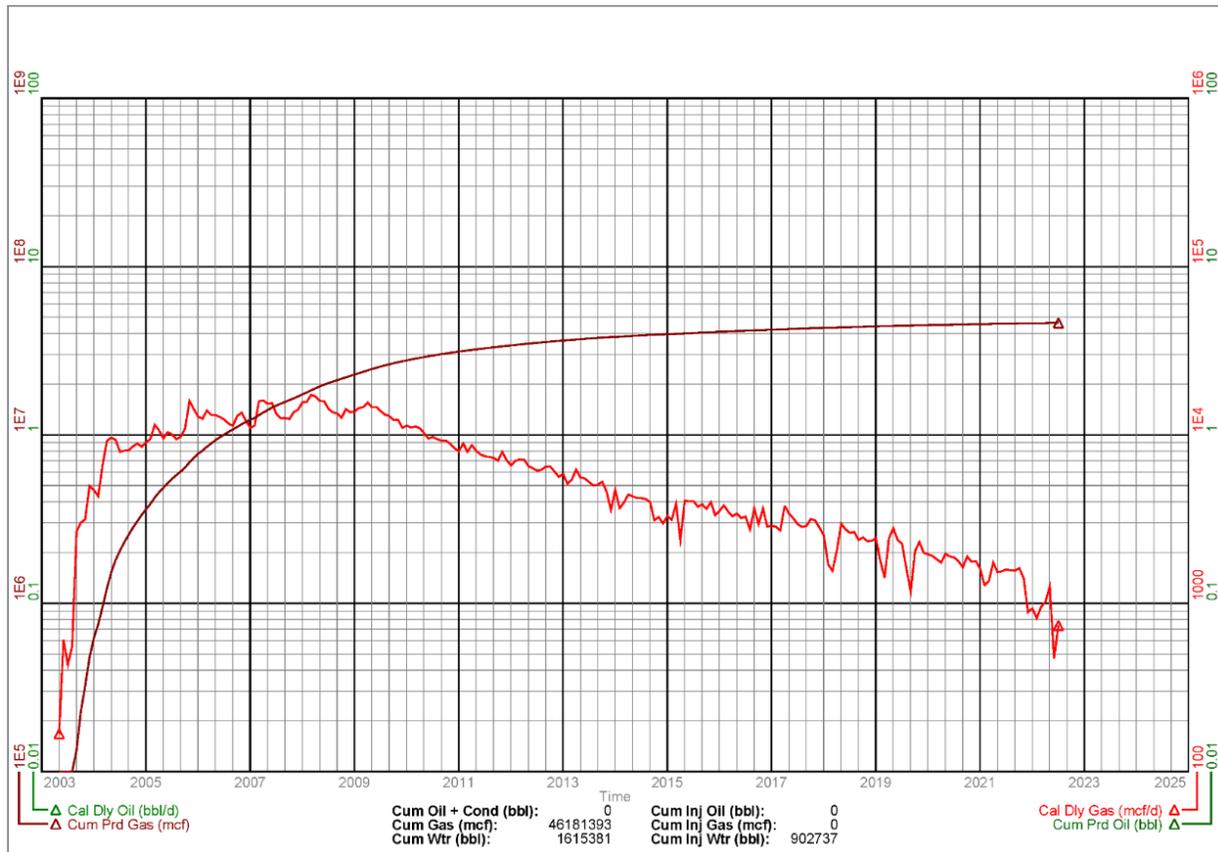


In the *Cramersburg* area of southwestern Saskatchewan, the Company holds a 100% working interest in 489 wells.

Daily production net to the Company from the *Cramersburg* property for the month of August 2022 was approximately 513 Mcf/d of natural gas (86 boe/d).

The Company's net operating income from *Cramersburg* for the month of August 2022 was approximately \$21,000 per month or \$252,000 on an annualized basis.

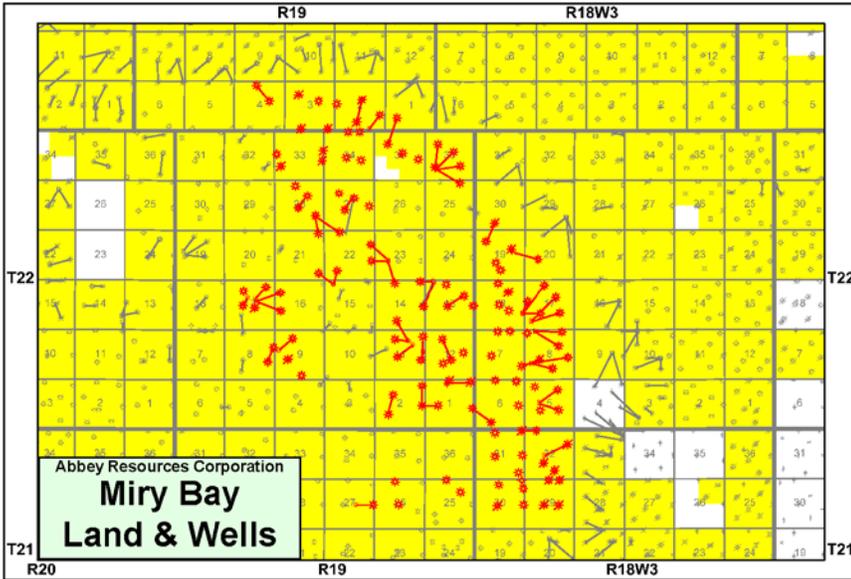
**Cramersburg, Saskatchewan Gross Production Group Plot of Abbey's Natural Gas Wells**





### Miry Bay Property

### Township 21-23, Range 18-19 W3



In the *Miry Bay* area, the Company holds a 100% working interest in 134 wells.

The *Miry Bay* property was shut-in in June 2022. The Company's pipelines have been shut-in as a result of specific pipeline leaks. Two high-risk lines contributed to the shut-in of the greater system.

After examination of the gathering system, it is recommended that these two high-risk lines be suspended and capped. This would isolate these two lines from the main group lines associated gathering system and remaining wells.

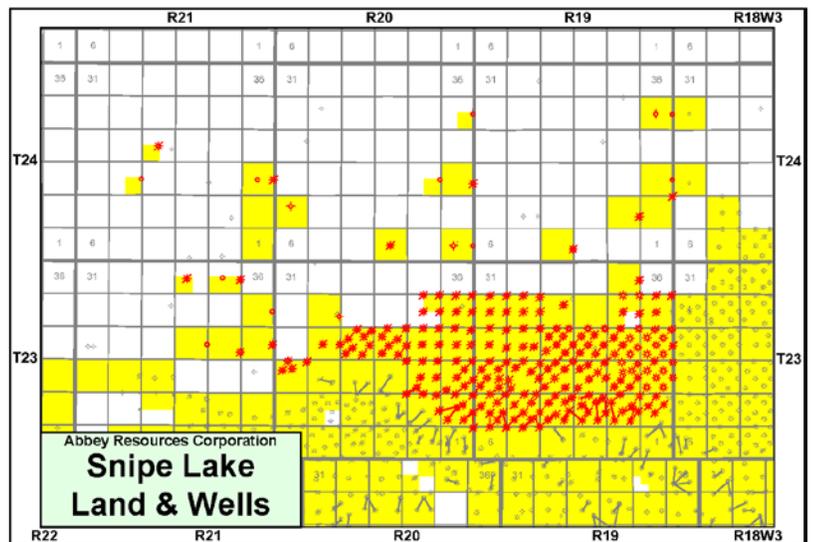
Once the identified lines have been isolated, the balance of the wells and gathering system can return to service with approval from the Saskatchewan Ministry of Energy and Resources. It is proposed that the pipelines be excavated where they enter the main 8" group line location at 15-06-022-18W3 and 13-07-022-18W3. Once exposed, the high-risk laterals will be cut, cleaned out via 'pigging', and capped, leaving them in a state to be easily and properly abandoned in the future. On the main gathering line, a very short stub will remain to enable a cap to be welded on and restore pressure integrity. The operations would adhere to proper CSA Z662 procedures to retain the integrity of the group line. It is estimated that the operations would enable approximately 49 wells and the facility at *Miry Bay* to be returned to production at an expected rate of between 850 Mcf/d to 1.0 MMcf/d of natural gas.

### Snipe Lake Property

### Township 23-24, Range 19-21 W3

In the *Snipe Lake* area, the Company holds a 100% working interest in 239 wells.

The *Snipe Lake* property is currently shut-in.



### Miscellaneous Property

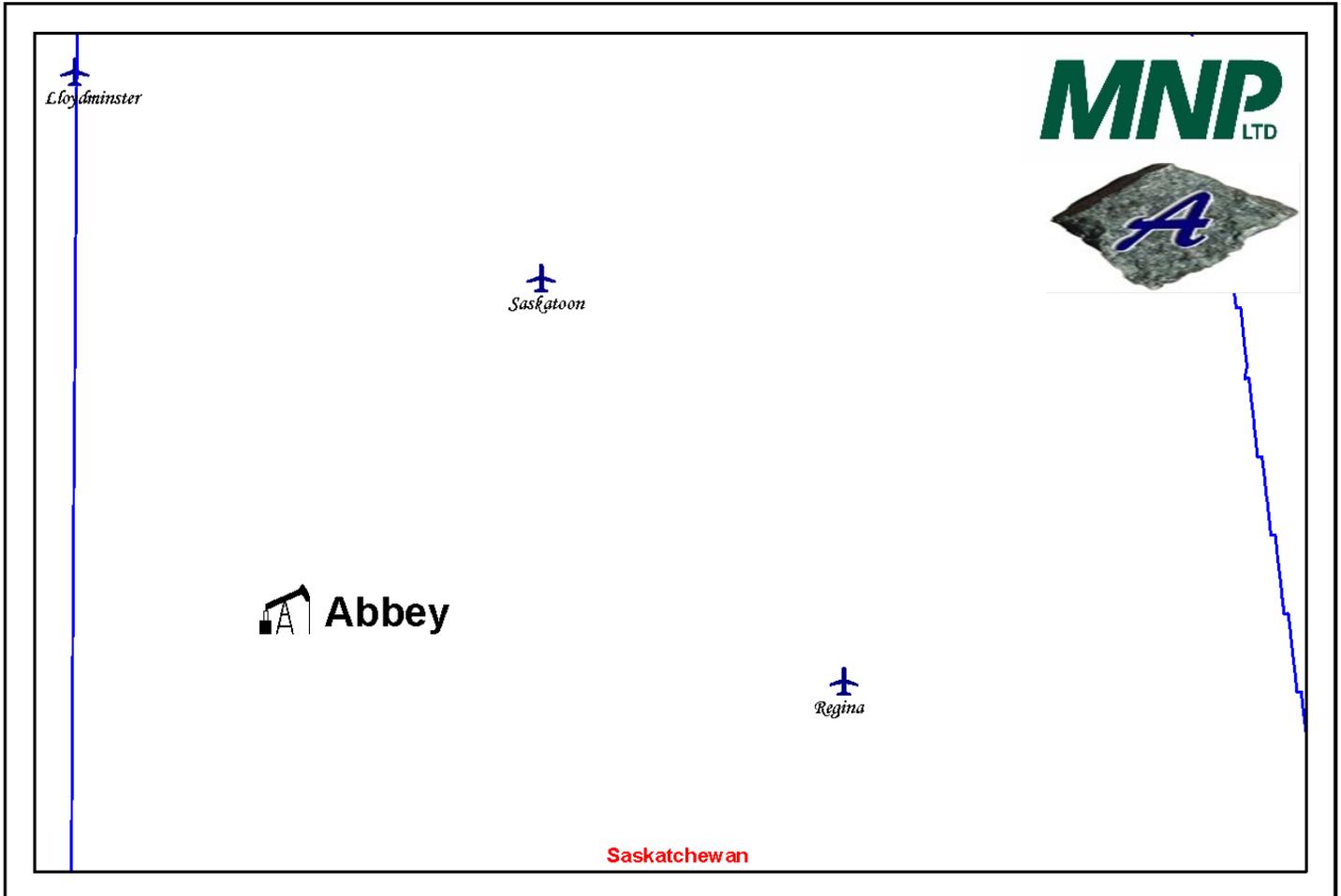
### Township 18-24, Range 18-26 W3

In the *Greater Abbey* area of southwestern Saskatchewan, the Company holds a 100% working interest in five miscellaneous wells. There is no production from the miscellaneous wells.





# MNP Ltd. Abbey Resources Corporation Fall 2022 Receivership Sale



## CONTACT

Parties wishing to receive access to the confidential information with detailed technical information relating to this opportunity should execute the Confidentiality Agreement which is available on Sayer Energy Advisors' website ([www.sayeradvisors.com](http://www.sayeradvisors.com)) and return one copy to Sayer Energy Advisors by courier, email ([tpavic@sayeradvisors.com](mailto:tpavic@sayeradvisors.com)) or fax (403.266.4467).

Included in the confidential information is the following: summary land information, financial information, the Cash Flow Forecast and other relevant technical information.

To receive further information on the Properties please contact Tom Pavic, Ben Rye or Grazina Palmer at 403.266.6133.



## APPENDIX “A”

### SALES SOLICITATION PROCESS

#### Preamble

1. MNP Ltd. (the “**Receiver**”) was appointed as receiver of all the assets, undertakings, and properties of Abbey Resources Corp. (the “**Debtor**”) pursuant to an Order of the Court of King’s Bench for Saskatchewan (the “**Court**”) dated February 28, 2022 (the “**Receivership Order**”) in KBG-SA-00151-2022 (the “**Receivership Proceedings**”).
2. This sales solicitation process (the “**SSP**”) for the Debtor’s natural gas wells, facilities, pipelines, mineral and surface leases (the “**Surface Leases**”), and the associated licences, permits, and approvals, and related property (collectively, the “**Natural Gas Assets**”) was approved by an order of the Court dated October 11, 2022 (the “**Approval Order**”) on application by the Receiver.
3. The Approval Order, the procedures in respect of the SSP as contained herein (the “**Procedures**”), and any subsequent order issued by the Court pertaining to the Procedures shall exclusively govern the process for soliciting and selecting bids for the sale of the Debtor’s Natural Gas Assets (each a “**Transaction**” and, collectively, the “**Transactions**”).
4. All dollar amounts expressed herein are in Canadian currency. Unless otherwise indicated herein, any event that occurs on a day that is not a Business Day shall be deemed to occur on the next Business Day.

#### Defined Terms

5. All capitalized terms used and not otherwise defined herein shall have the meanings given to them in **Schedule “A”** hereto.

#### Acknowledgements

6. Any interested party (each a “**Potential Bidder**”) participating in the SSP understands and acknowledges that:
    - (a) the Receiver’s ability to conclude any Transaction is subject to obtaining Court approval of the Transaction;
    - (b) the Receiver’s ability to convey certain of the Natural Gas Assets is dependant upon the Potential Bidder:
      - i) obtaining approvals from regulatory, governmental, or other entities pursuant to the applicable legislation;
      - ii) negotiating the assignment of any Surface Leases, or new surface lease agreements to be concluded in lieu of such an assignment, with the affected counterparties; and
      - iii) following the prescribed assignment process set out in section 25 of the *Indian Oil and Gas Regulations*, SOR/2019-196;
- (collectively, the “**Conditions Precedent**”)

- (c) it is the Potential Bidder's responsibility to satisfy any Conditions Precedent required to conclude any Transaction; and
- (d) the Receiver, the Marketing Agent, and their respective professionals and advisors are not responsible for, and shall have no liability with respect to, the Potential Bidder's inability or failure to satisfy any Conditions Precedent, including, but not limited to, any Conditions Precedent required by:
  - i) the Minister of Indigenous Services, as represented by Indian Oil and Gas Canada, pursuant to the *Indian Oil and Gas Act*, RSC 1985, c I-7 and the *Indian Oil and Gas Regulations*, SOR/2019-196;
  - ii) section 25 of the *Indian Oil and Gas Regulations*, SOR/2019-196;
  - iii) the Government of Saskatchewan, as represented by the Ministry of Energy and Resources ("MER"), pursuant to *The Oil and Gas Conservation Act*, RSS 1978, c O-2 and *The Pipelines Act, 1998*, SS 1998, c P-12.1;
  - iv) counterparties to the Surface Leases; and
  - v) such further and other Conditions Precedent that may apply to any given Transaction.

#### **Sales Solicitation Process**

- 7. These Procedures describe, among other things:
  - (a) the manner and timelines by which any Potential Bidder may gain access to due diligence materials concerning the Debtor, the Natural Gas Assets, and the Debtor's business;
  - (b) the manner and timelines by which Potential Bidders may submit an offer to purchase some or all of the Natural Gas Assets;
  - (c) the manner and timelines for a Qualified LOI to be submitted for participation in the SSP and the required content of a Qualified LOI;
  - (d) the manner and timelines for Qualified Phase 2 Binding Bids to be submitted for participation in Phase 2 of the SSP and the required content of Qualified Phase 2 Binding Bids; and
  - (e) the process for obtaining Court approval of one or more Successful Bids.
- 8. The closing of any Transactions may involve additional intermediate steps or Transactions to facilitate consummation of such Transaction, including additional Court filings.
- 9. In the event that there is a disagreement or clarification is required as to the interpretation or application of the Procedures or the responsibilities of any Person hereunder, the Court will have the jurisdiction to resolve such dispute or provide such clarification, and provide any advice or directions as is necessary, upon application of the Receiver or any other interested Person.

### Appointment of Marketing Agent

10. Sayer Energy Advisors (the "**Marketing Agent**") is engaged as marketing agent to administer these Procedures with the Receiver supervising and assisting as necessary.

### As Is, Where Is

11. Any Transaction will be on an "**as is, where is**" basis and without surviving representations, warranties, covenants, or indemnities of any kind, nature, or description by the Receiver, the Marketing Agent, or any of their respective agents, estates, advisors, professionals, or otherwise, except to the extent set forth in a written agreement with the Person who is a counterparty to such a Transaction.

### Solicitation of Interest

12. As soon as reasonably practicable after the granting of the Approval Order, the Marketing Agent, in consultation with the Receiver, will prepare:
  - (a) a list of prospective bidders. Such list will include both strategic and financial parties who, in the reasonable business judgment of the Marketing Agent and the Receiver, may be interested in and have the financial capacity to make a bid ("**Prospective Bidders**"); and
  - (b) an initial offering summary (the "**Teaser**") describing and outlining the SSP and inviting Prospective Bidders to express their interest in making a bid.
13. After the issuance of the Approval Order, the Receiver shall instruct the Marketing Agent to:
  - (a) cause a notice regarding the SSP and such other relevant information which the Receiver, considers appropriate to be published in the BOE Report and Daily Oil Bulletin; and
  - (b) distribute to Prospective Bidders the Teaser and a Confidentiality Agreement among any Prospective Bidder and the Receiver in a form that is satisfactory to the Receiver.

### Participation Requirements

14. Unless otherwise ordered by the Court, any Person who wishes to participate in this SSP must deliver the following to the Marketing Agent and the Receiver:
  - (a) an executed Confidentiality Agreement; and
  - (b) an executed letter acknowledging receipt of a copy of the Approval Order (including these Procedures) and agreeing to accept and be bound by the provisions contained therein and herein.
15. If, in the opinion of the Receiver, a Person has complied with each of the requirements described in section **14** hereof, such Person shall be deemed a "**Potential Bidder**" hereunder.
16. The Marketing Agent will provide to each Potential Bidder the Teaser, the Confidentiality Agreement, and access to an online database created for the SSP for Potential Bidders due diligence purposes ("**Data Room**"). Each Potential Bidder shall have such access in the Data Room to materials and financial, tax, and other information relating to the Natural Gas Assets and the

business of the Debtor as the Receiver, in its reasonable business judgment and in consultation with the Marketing Agent, deems appropriate for Potential Bidders to conduct their due diligence.

17. At the discretion of the Receiver, in consultation with the Marketing Agent, due diligence access may also include access to physical data rooms, on-site inspections, and such other items as a Potential Bidder may reasonably request.
18. The Receiver, the Marketing Agent, and their respective professionals and advisors are not responsible for, and shall have no liability with respect to, any information obtained by any Potential Bidder. The Receiver, the Marketing Agent, and their respective advisors do not make any representations or warranties whatsoever as to the information or the materials provided, including as to the accuracy of same.

#### **Phase 1 Bid Deadline**

19. A Potential Bidder will be deemed a "**Qualified Bidder**" if, in the opinion of the Receiver, such Potential Bidder submits a non-binding, qualified letter of intent (a "**Qualified LOI**") to the Receiver at anytime before 12:00 pm (Saskatchewan time) on **December 15, 2022** (the "**Phase 1 Bid Deadline**"). A letter of intent will only qualify as a Qualified LOI if it meets all of the following conditions:
  - (a) it is received by the Receiver on or before the Phase 1 Bid Deadline;
  - (b) it includes a summary of:
    - i) the type and amount of consideration to be paid by the Qualified Bidder;
    - ii) the Natural Gas Assets to be included in the Transaction;
    - iii) a specific indication of the anticipated sources of capital and/or credit for such Person and satisfactory evidence of the availability of such capital and/or credit so as to demonstrate that such Person has the financial capacity to complete a Transaction;
    - iv) the structure and financing of the Transaction (including, but not limited to, the sources of financing and evidence of the availability of such financing);
    - v) any anticipated corporate, shareholder, internal, or other approvals required to close the Transaction and the anticipated time frame and any anticipated impediments for obtaining such approvals;
    - vi) any additional due diligence required or desired to be conducted prior to the Phase 2 Binding Bid Deadline (as defined below), if any;
    - vii) any conditions to closing that the Qualified Bidder may wish to impose; and
    - viii) any other terms or conditions of the Transaction which the Qualified Bidder believes are material to the Transaction;

- (c) it fully discloses the identity of each Person that is bidding or that will otherwise be sponsoring or participating in the forthcoming Qualified Phase 2 Binding Bid, including the identification of the Qualified Bidder's:
    - i) directors, officers, and shareholders, and their contact information; and
    - ii) indirect owners, their principals, and the full and complete terms of any such participation;
  - (d) it includes such other information reasonably requested by the Receiver.
20. The Receiver may waive non-compliance with any one or more of the requirements specified in paragraph **19** of these Procedures and may deem any non-compliant letter of intent to be a Qualified LOI.
21. The Receiver, in consultation with the Marketing Agent, will assess any Qualified LOIs received and determine whether or not there is a reasonable prospect that one or more of the Transactions that are the subject of the Qualified LOIs are likely to close. Such assessment will be made within five (5) Business Days following the Phase 1 Bid Deadline (or such other deadline as the Receiver may determine). In the event that the Receiver determines that one or more Qualified LOIs contemplate Transactions that are likely to close, the SSP shall proceed to the next phase as described below.

#### **Phase 2 Binding Bid Deadline**

22. In order to continue to participate in the SSP after the Phase 1 Bid Deadline, a Qualified Bidder must deliver a binding offer to the Receiver by no later than 12:00 p.m. (Saskatchewan time) on **January 31, 2023** (or such other deadline as the Receiver may determine) (the "**Phase 2 Binding Bid Deadline**"). A binding offer will only qualify as a qualified phase 2 bid (a "**Qualified Phase 2 Bid**") in the event that it meets the following conditions:
- (a) it is received by the Receiver on or before the Phase 2 Binding Bid Deadline;
  - (b) it includes the sources of capital and/or credit for such Person and definitive evidence of the availability of such capital and/or credit so as to demonstrate that such Person shall have the financial capacity to complete a Transaction;
  - (c) it includes a fully binding, duly authorized, and executed purchase and sale agreement, together with all exhibits and schedules thereto, and such ancillary agreements as may be required with all exhibits and schedules thereto, which agreement will be substantially in the form of the sample asset purchase agreement deposited by the Receiver in the Data Room, with any proposed changes identified in the form of blackline (a "**Definitive Agreement**")
  - (d) it is irrevocable for a minimum of thirty-five (35) days following the Phase 2 Binding Bid Deadline;
  - (e) it is not conditional on (i) the outcome of unperformed due diligence; or (ii) obtaining any credit, capital, or other form of financing;

- (f) it is accompanied by a refundable deposit (the "**Deposit**") in the form of a wire transfer (to a trust account specified by the Receiver) payable to the Receiver, in trust, in an amount equal to ten percent (10%) of the cash consideration or other consideration to be paid pursuant to the Qualified Phase 2 Bid, to be held and dealt with in accordance with these Procedures;
  - (g) it fully discloses the identity of each Person that is bidding or that will otherwise be sponsoring or participating in the Qualified Phase 2 Bid, including the identification of the Qualified Bidder's:
    - i) directors, officers, and shareholders, and their contact information; and
    - ii) any indirect owners of the Qualified Bidder, their principals, and the full and complete terms of any such participation;
  - (h) it provides confirmation that it has submitted a pre-transfer liability assessment to the Ministry of Energy and Resources on the IRIS system and is aware of any security required to transfer the assets; and
  - (i) it includes such other information reasonably requested by the Receiver.
23. The Receiver may waive non-compliance with any one or more of the requirements specified in these Procedures and may deem any non-compliant Definitive Agreement, as the case may be, a Qualified Phase 2 Bid.
24. If the Receiver is not satisfied with the number or terms of the Qualified Phase 2 Bids, the Receiver may extend the Phase 2 Bid Deadline without Court approval.
25. The Receiver, in consultation with the Marketing Agent, will assess any Definitive Agreement and will determine whether any such Definitive Agreement constitutes a Qualified Phase 2 Bid. Such assessment will be made within five (5) Business Days after the Phase 2 Bid Deadline (or such other deadline as the Receiver may determine) (the "**Qualified Phase 2 Bid Assessment Deadline**").
26. The Receiver shall, subject to paragraph 36 of these Procedures, determine the Person who submitted the most favourable Qualified Phase 2 Bid or, in the event there are multiple Qualified Phase 2 Bids for different Natural Gas Assets, the Persons who submitted the most favourable Qualified Phase 2 Bids (each a "**Successful Bid**" and together the "**Successful Bids**") and file an application to the Court to approve such Successful Bid or Successful Bids within thirty (30) Business Days of the Qualified Phase 2 Bid Assessment Deadline (or such other deadline as the Receiver may determine), and seek a hearing of such application (the "**Approval Hearing**") as soon as practicable thereafter.
27. Should Court approval of any Successful Bid be obtained, the Receiver shall thereafter complete the Transaction(s) contemplated by the Successful Bid in accordance with the terms thereof and any order(s) issued by the Court.

#### **Court Approvals and Orders**

28. For greater certainty, the Court approvals and orders to be obtained by the Receiver at the Approval Hearing are in addition to, and not in substitution for, any Conditions Precedent required by the

applicable laws or any regulatory, governmental, or other entity, including, but not limited to, any Conditions Precedent required by:

- (a) the Minister of Indigenous Services, as represented by Indian Oil and Gas Canada, pursuant to the *Indian Oil and Gas Act*, RSC 1985, c I-7 and the *Indian Oil and Gas Regulations*, SOR/2019-196;
- (b) section 25 of the *Indian Oil and Gas Regulations*, SOR/2019-196;
- (c) the Government of Saskatchewan, as represented by the Ministry of Energy and Resources (“**MER**”), pursuant to *The Oil and Gas Conservation Act*, RSS 1978, c O-2 and *The Pipelines Act, 1998*, SS 1998, c P-12.1;
- (d) counterparties to the Surface Leases; and
- (e) such further and other regulatory, government, or other entities under any additional legislation that may apply to any given Transaction.

#### **Deposits**

- 29. All Deposits shall be retained, without interest, by the Receiver in a trust account located at a recognized financial institution in Canada.
- 30. All Qualified Phase 2 Bidders are to provide return wire instructions for their deposits in the event their bid is not successful.
- 31. If there is a Qualified Phase 2 Bid that constitutes a Successful Bid, the Deposit (plus accrued interest) paid by the Person making such Successful Bid shall be applied to the consideration to be paid by such Qualified Bidder upon closing of the Transaction constituting the Successful Bid.
- 32. The Deposit(s) from all Qualified Bidders submitting Qualified Phase 2 Bids that do not constitute a Successful Bid shall be returned to such Qualified Bidder within five (5) Business Days of the earlier of the date that the Receiver selects a Successful Bid or Successful Bids pursuant to section 26 hereof or the Court declares a Successful Bid or Successful Bids pursuant to section 27 hereof.
- 33. If the Qualified Bidder making a Qualified Phase 2 Bid is selected as a Successful Bid and breaches or defaults on its obligation to close the Transaction in respect of the Successful Bid, it shall forfeit its Deposit to the Receiver for the benefit of the creditors in the Receivership Proceedings.
- 34. If the Receiver is unable to complete a Successful Bid as a result of its own actions and not as a result of steps or conditions contained in the Successful Bid (or the actions of a Successful Bidder), then the Deposit shall be returned to the Successful Bidder.

#### **Notice**

- 35. The addresses used for delivering documents as prescribed by the terms and conditions of these Procedures are set out in **Schedule "B"** hereto. A bid and all associated documentation shall be delivered to the Receiver by electronic mail. Persons requesting information about these Procedures should contact the Receiver at the contact information contained in **Schedule "B"**.

**Reservation of Rights**

36. The Receiver, in its sole discretion, may at any time reject or choose not to accept any bid, offer, or proposal made in respect of the Natural Gas Assets.

**No Amendment**

37. Except for amendments which are: (i) non-substantive in nature and necessary to ensure the efficacy of the SSP and (ii) approved by the Receiver, there shall be no amendments to these Procedures unless ordered by the Court upon application by the Receiver.

**Further Orders**

38. At any time during the SSP, the Receiver may apply to the Court for advice and directions with respect to the discharge of its powers and duties hereunder.

## **Schedule "A" – Defined Terms**

**"Business Day"** means a day other than a Saturday, Sunday, or statutory holiday on which banks are open for business in the City of Saskatoon.

**"Confidentiality Agreement"** means a confidentiality agreement in favour of the Receiver executed by a Prospective Bidder, in form and substance satisfactory to the Receiver, which shall enure to the benefit of any Prospective Bidder.

**"Person"** means any individual, firm corporation, limited or unlimited liability company general or limited partnership, association, trust, unincorporated organization, joint venture, government or any agency or instrumentality thereof or any other entity.

## **Schedule "B"**

### **Address for Notices and Deliveries**

To the Receiver:

**MNP Ltd.**  
1500, 640 - 5th Avenue SW  
Calgary, AB T2P 3G4

Attention: Victor P. Kroeger / Rick Anderson  
Email: [vic.kroeger@mnp.ca](mailto:vic.kroeger@mnp.ca) / [rick.anderson@mnp.ca](mailto:rick.anderson@mnp.ca)

With a copy to:

**McDougall Gauley LLP**  
500 – 616 Main Street  
Saskatoon, SK S7H 0J6

Attention: Ian Sutherland / Craig Frith  
Email: [isutherland@mcdougallgauley.com](mailto:isutherland@mcdougallgauley.com) / [cfrith@mcdougallgauley.com](mailto:cfrith@mcdougallgauley.com)

To the Marketing Agent:

**Sayer Energy Advisors**  
1620, 540 – 5<sup>th</sup> Avenue SW  
Calgary, AB T2P 0M2  
Attention: Tom Pavic / Ben Rye  
Email: [tpavic@sayeradvisors.com](mailto:tpavic@sayeradvisors.com) / [brye@sayeradvisors.com](mailto:brye@sayeradvisors.com)

## Overview

On February 28, 2022, **MNP Ltd.** was appointed as the receiver (the “Receiver”) of **Abbey Resources Corporation** (“Abbey” or the “Company”) pursuant to an Order of the Court of Queen’s Bench of Saskatchewan (as at then was). The Receiver has engaged **Sayer Energy Advisors** to assist it with a sale of all of Abbey’s oil and natural gas properties located in Saskatchewan (the “Properties”). The Receiver has also provided a Sales Solicitation Process document (the “SSP”) outlining the details of the receivership sale. [Click here for a copy of the SSP.](#)

The Properties are located in the *Greater Abbey* area of southwestern Saskatchewan. The Properties are situated on Carry the Kettle First Nation, Crown and freehold lands.

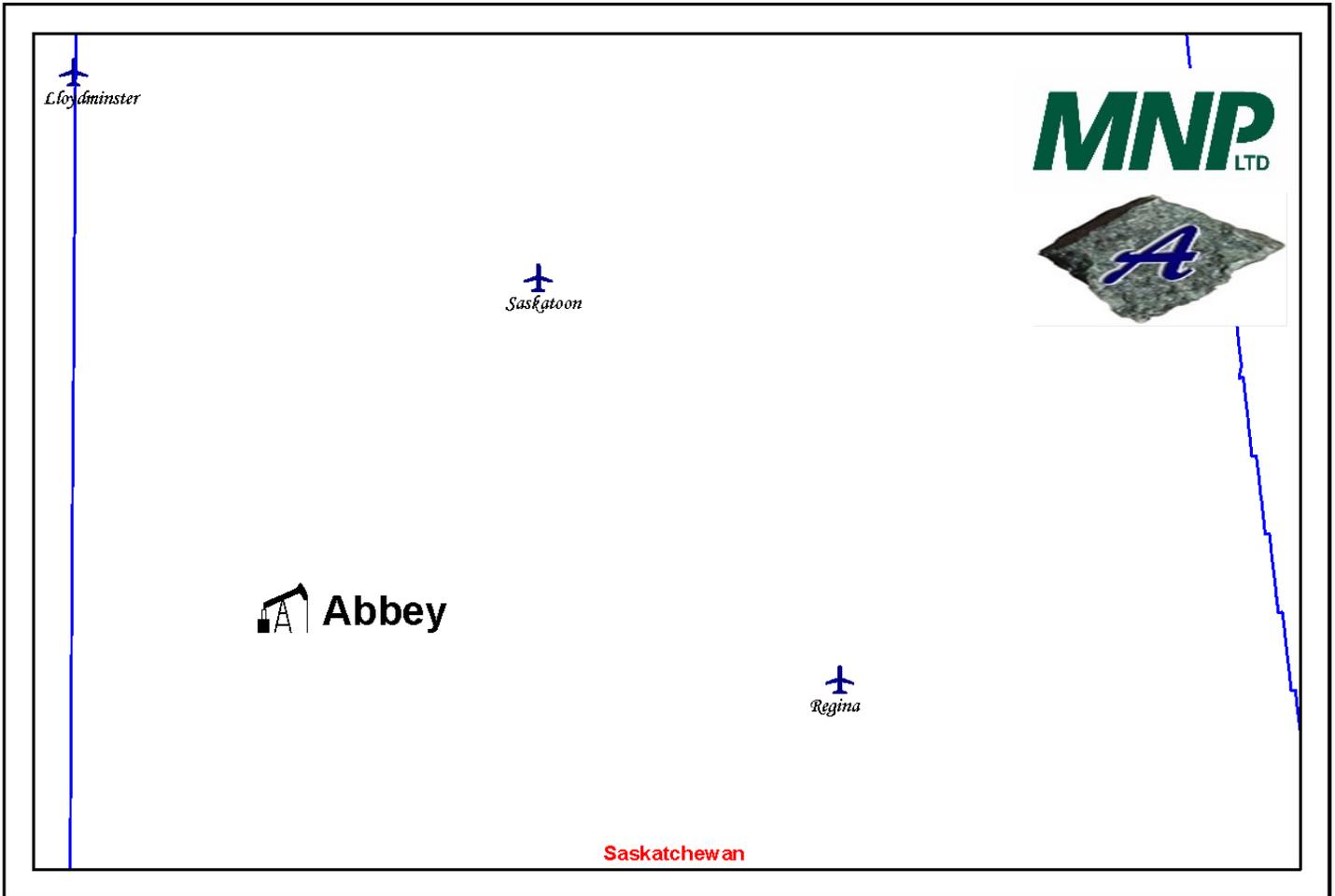
The Properties in the *Greater Abbey* area are comprised of distinct operational areas in the *Lacadena South, Shackleton, Abbey, Lacadena North, Cramersburg, Miry Bay, and Snipe Lake* areas.

The Properties provide low-decline shallow natural gas production primarily from the late Cretaceous Milk River, Medicine Hat and Colorado formations.

Average daily production net to Abbey from the Properties for the month of August 2022 was approximately 5.7 MMcf/d of natural gas (944 boe/d).

Operating income net to Abbey from the Properties for the month of August of 2022 was approximately \$401,000 per month, or \$4.8 million on an annualized basis.

Overview Map Showing Location of Abbey's Properties



## Production & Financial Overview

Average daily production net to Abbey from the Properties for the month of August 2022 was approximately 5.7 MMcf/d of natural gas (944 boe/d).

Operating income net to Abbey from the Properties for the month of August of 2022 was approximately \$401,000 per month, or \$4.8 million on an annualized basis.

PROPERTY	Q2 2022 NET PRODUCTION (Average Daily)				NOI
	Oil	Ngl	Nat. Gas	Total	Q2 2022
	bbl/d	bbl/d	Mcf/d	boe/d	Monthly
Lacadena South	-	-	1,802	300	\$134,000
Shackleton	-	-	1,461	244	\$117,000
Abbey	-	-	1,268	211	\$133,000
Lacadena North	-	-	618	103	\$32,000
Cramersburg	-	-	513	86	\$21,000
Miry Bay*	-	-	-	-	(\$10,000)
Snipe Lake*	-	-	-	-	(\$26,000)
<b>TOTAL</b>	-	-	<b>5,662</b>	<b>944</b>	<b>\$401,000</b>

\*Production from the Miry Bay and Snipe Lake properties is currently shut-in.

## LMR Summary

As of September 28, 2022, Abbey's net deemed asset value for the Properties was (\$48.4 million) (deemed assets of \$31.0 million and deemed liabilities of \$79.4 million), with an LMR ratio of 0.39.

Deemed Assets	Deemed Liabilities	Net Deemed Assets	LMR
\$31,016,726*	\$79,369,800	(\$48,353,074)	0.39

\*The Company currently has a \$27.7 million deposit in place with the Saskatchewan Ministry of Energy and Resources which is not included in the table above. There is an outstanding security balance owing of approximately \$20.7 million.

## Cash Flow Forecast

A cash flow forecast of the Properties was prepared for this divestiture (“Cash Flow Forecast”). The Cash Flow Forecast was developed using the currently producing wells as a production base with an effective date of October 1, 2022, using an average of GLJ Ltd., McDaniel & Associates Consultants Ltd., and Sproule Associates Limited forecast pricing as of October 1, 2022.

The Cash Flow Forecast estimates that, as of October 1, 2022, the future natural gas production of the Properties to be 13.9 Bcf of natural gas (2.3 million boe), with an estimated net present value of \$12.7 million using forecast pricing at a 10% discount rate.

## Marketing Overview

The Company has a natural gas processing agreement in place with **Twin Eagle Resources Management Canada, LLC**. The Company has an evergreen transportation agreement with **TransGas Limited** for transportation of natural gas in each of the operational areas.

Natural gas is sold at meters located at:

- 02-02-023-16W3 in the *Lacadena South* area,
- 14-36-020-19W3 in the *Shackleton* area,
- 16-29-021-19W3 in the *Abbey* area,
- 13-18-022-20W3 in the *Cramersburg* area,
- 01-19-022-17W3 in the *Lacadena North* area; and
- 16-24-021-19W3 in the *Miry Bay* area.

## Seismic Overview

The Company does not have ownership in any seismic data.

## Abbey Well List

See well list in Excel.

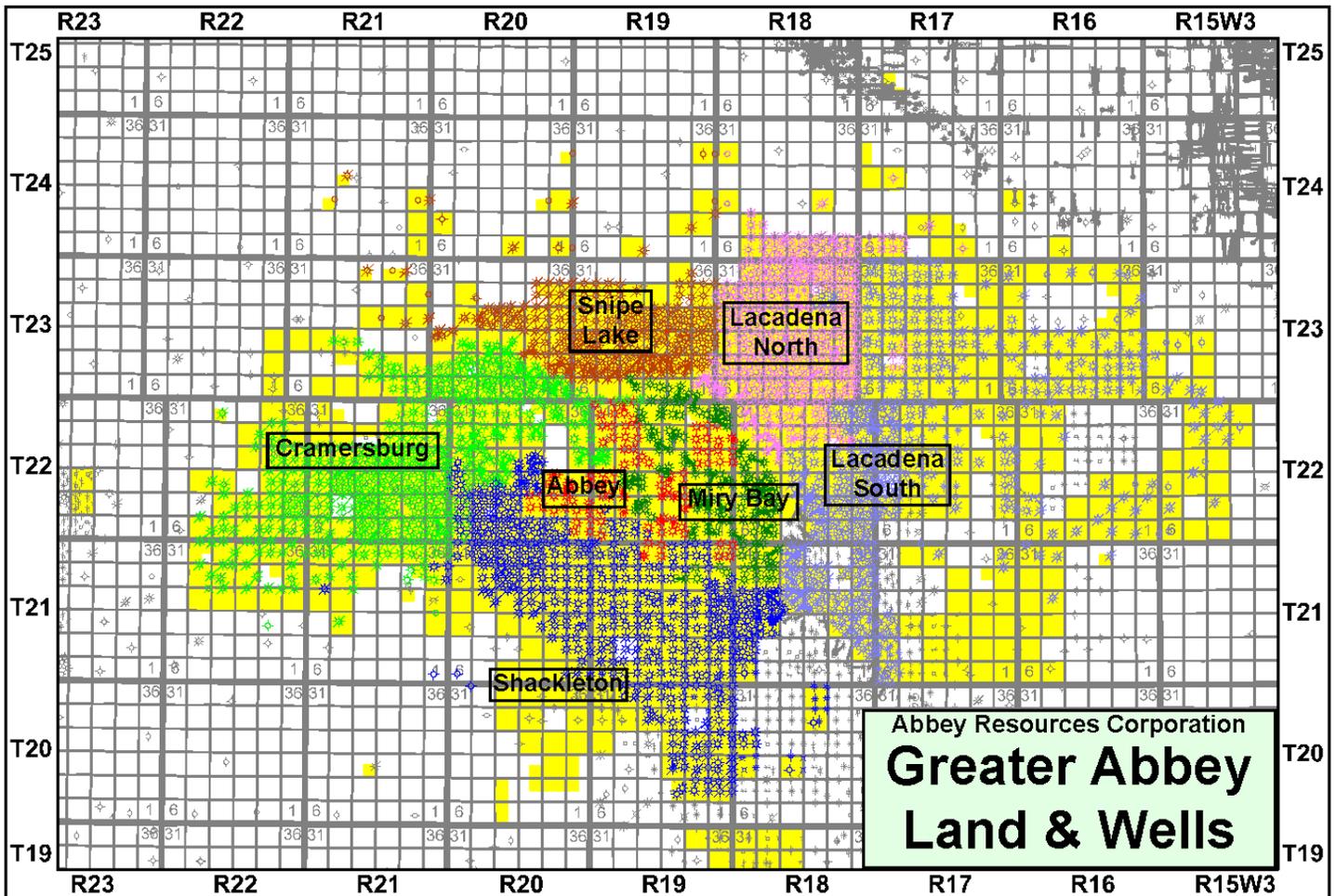
**Greater Abbey Area**

**Township 19-25, Range 14-26 W3**

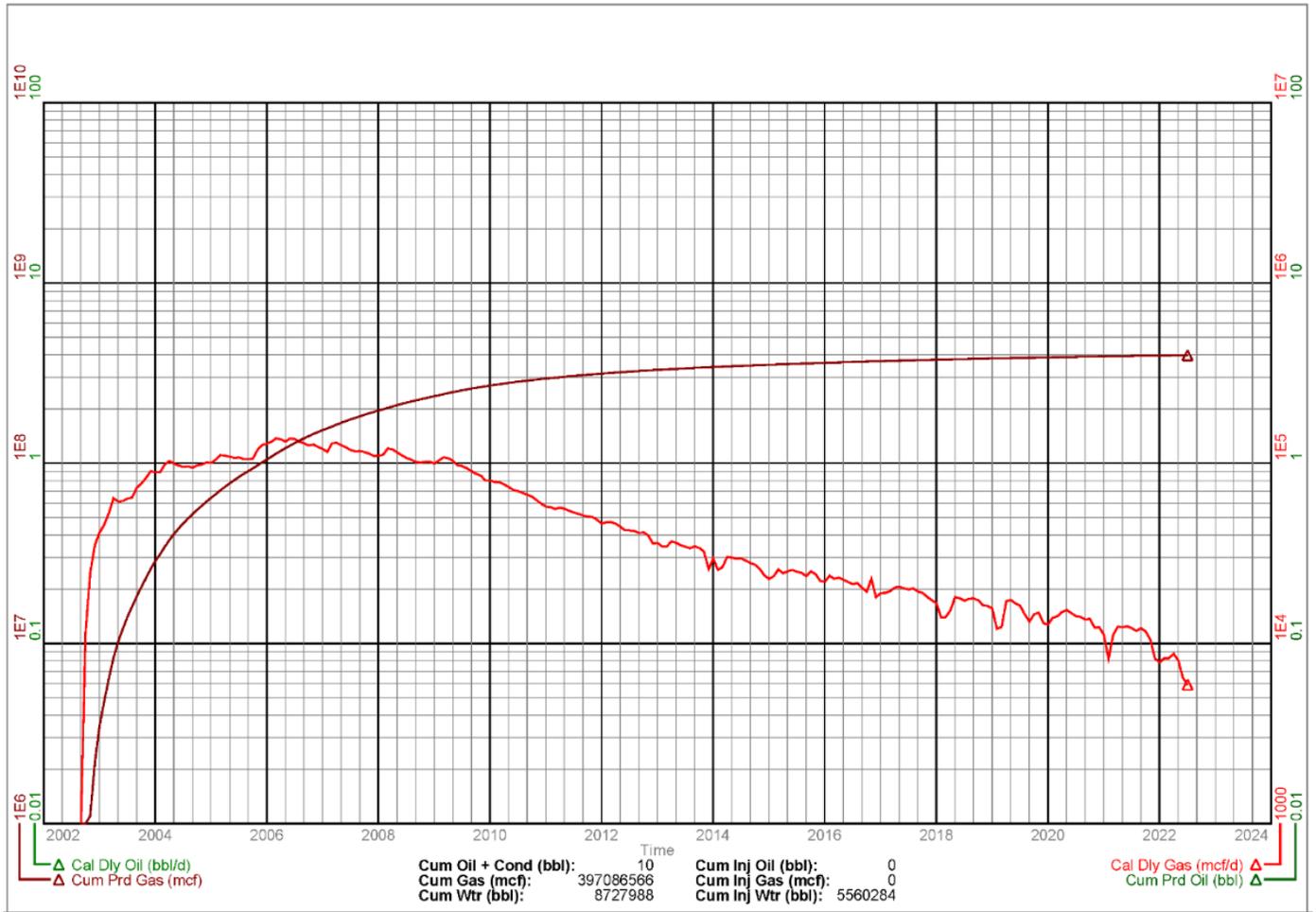
In the *Greater Abbey* area of southwestern Saskatchewan, the Company holds a 100% working interest in approximately 418,300 gross acres of land with 2,348 wells.

Average daily production net to Abbey from the Properties for the month of August 2022 was approximately 5.7 MMcf/d of natural gas (944 boe/d).

Operating income net to Abbey from the Properties for the month of August of 2022 was approximately \$401,000 per month, or \$4.8 million on an annualized basis.



**Greater Abbey, Saskatchewan  
Gross Production Group Plot of Abbey's Natural Gas Wells**

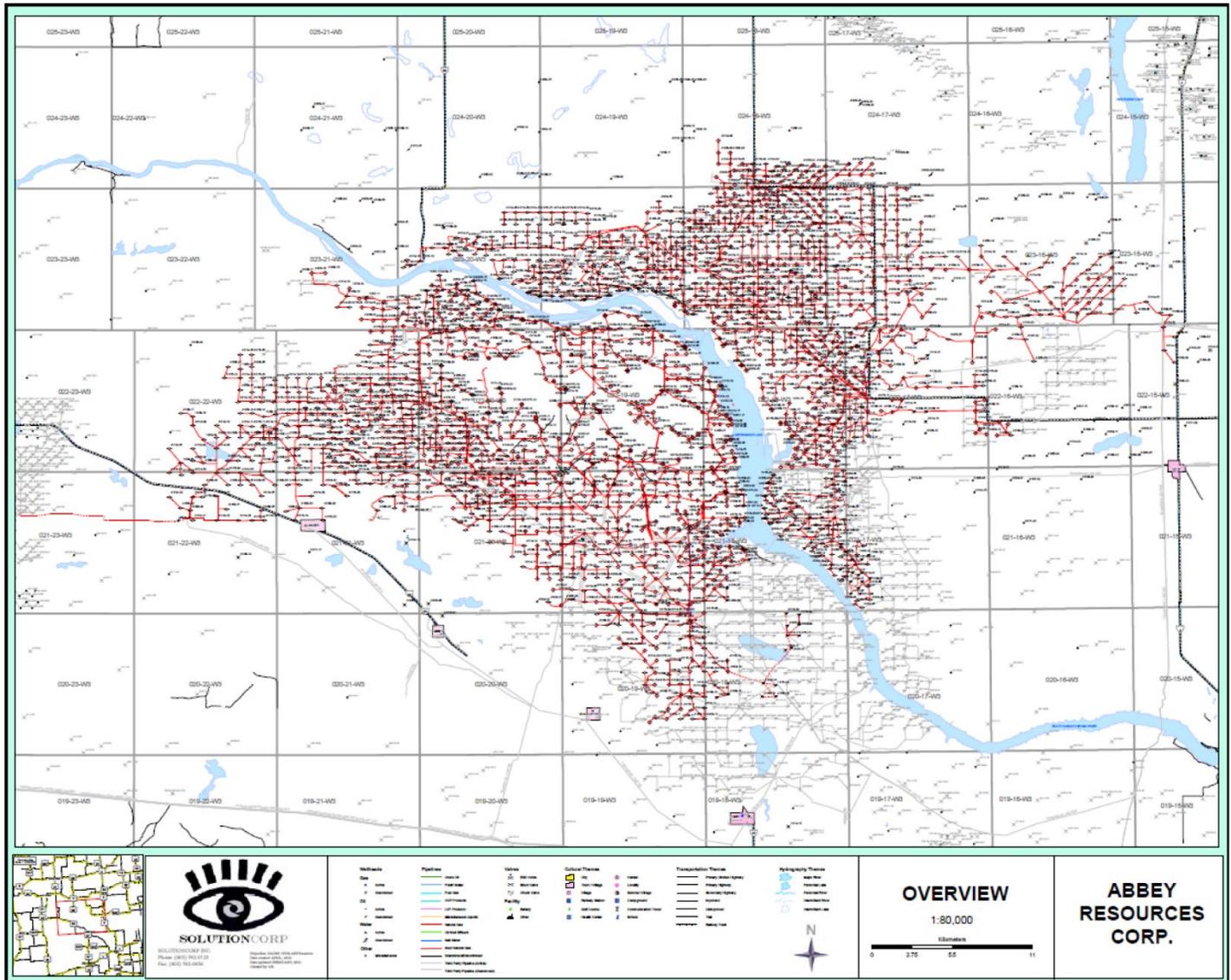


The Properties were acquired by Abbey in three separate transactions between 2016 and 2017. The gathering system exists in two sections: the north and south systems. The north system was previously owned by **Husky Oil Operations Limited**, and the south system was previously owned by **Enerplus Corporation**.

The Company initially filed for creditor protection under the Companies' Creditors Arrangement Act on August 13, 2021. MNP was initially appointed the Monitor of Abbey, and Sproule was retained by MNP as asset manager of Abbey.

Sproule engaged **SolutionCorp Inc.** to provide a technical assessment of the failure mechanisms that have caused the high rates of corrosion-related failures in the Abbey pipeline gathering system. The following is a map from the *Abbey Pipeline Gathering System Technical Assessment* authored by SolutionCorp for Sproule.

### Overview of the Abbey Gathering System



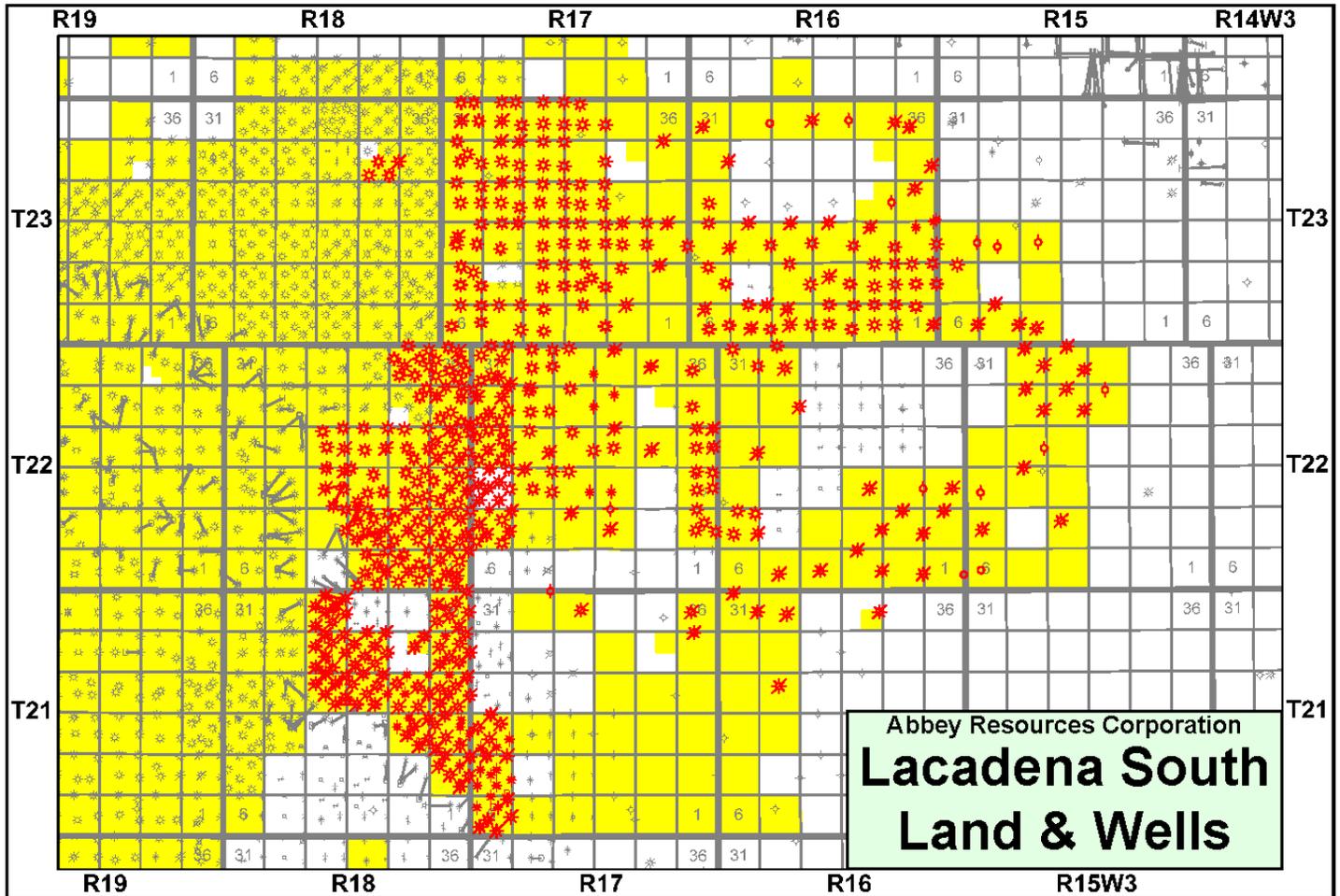
**Lacadena South Property**

**Township 21-23, Range 14-18 W3**

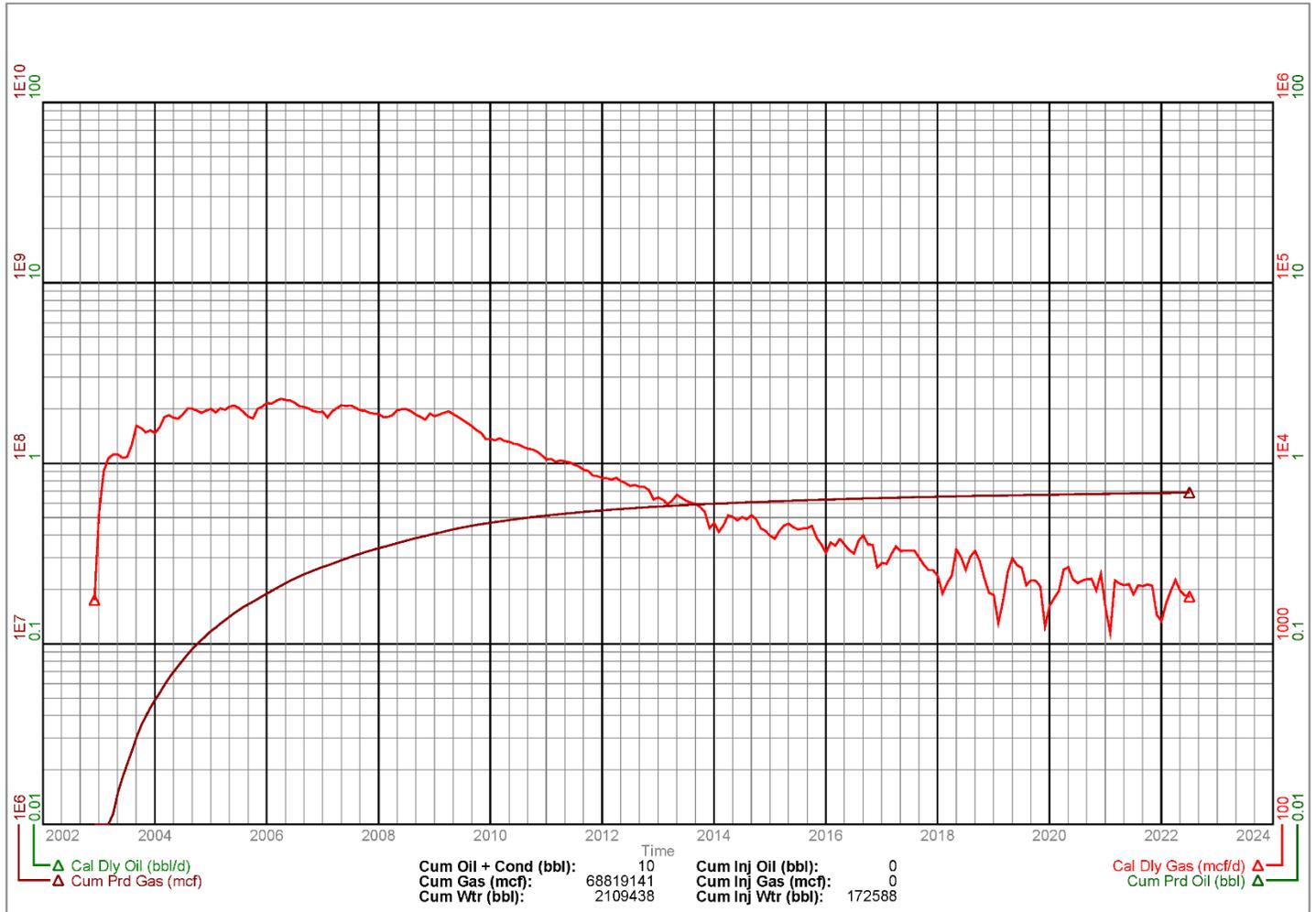
In the *Lacadena South* area, the Company holds a 100% working interest in 535 wells.

Daily production net to the Company from the *Lacadena South* property for the month of August 2022 was approximately 1.8 MMcf/d of natural gas (300 boe/d).

The Company's net operating income from *Lacadena South* for the month of August 2022 was approximately \$134,000 per month or \$1.6 million on an annualized basis.



**Lacadena South, Saskatchewan**  
**Gross Production Group Plot of Abbey's Natural Gas Wells**



## Lacadena South Facilities

At *Lacadena South*, the Company holds a 100% working interest in a compressor station located at 01-19-022-17W3 with an inlet separator, water storage tanks and water injection. There are two Ariel JGK4 compressor units with Waukesha 5790 GL and Waukesha 7042 GK drivers. Natural gas throughput was 1,750 Mcf/d in July 2022 and the maximum throughput was 3,150 Mcf/d.

## Lacadena South Well List

See well list in Excel.

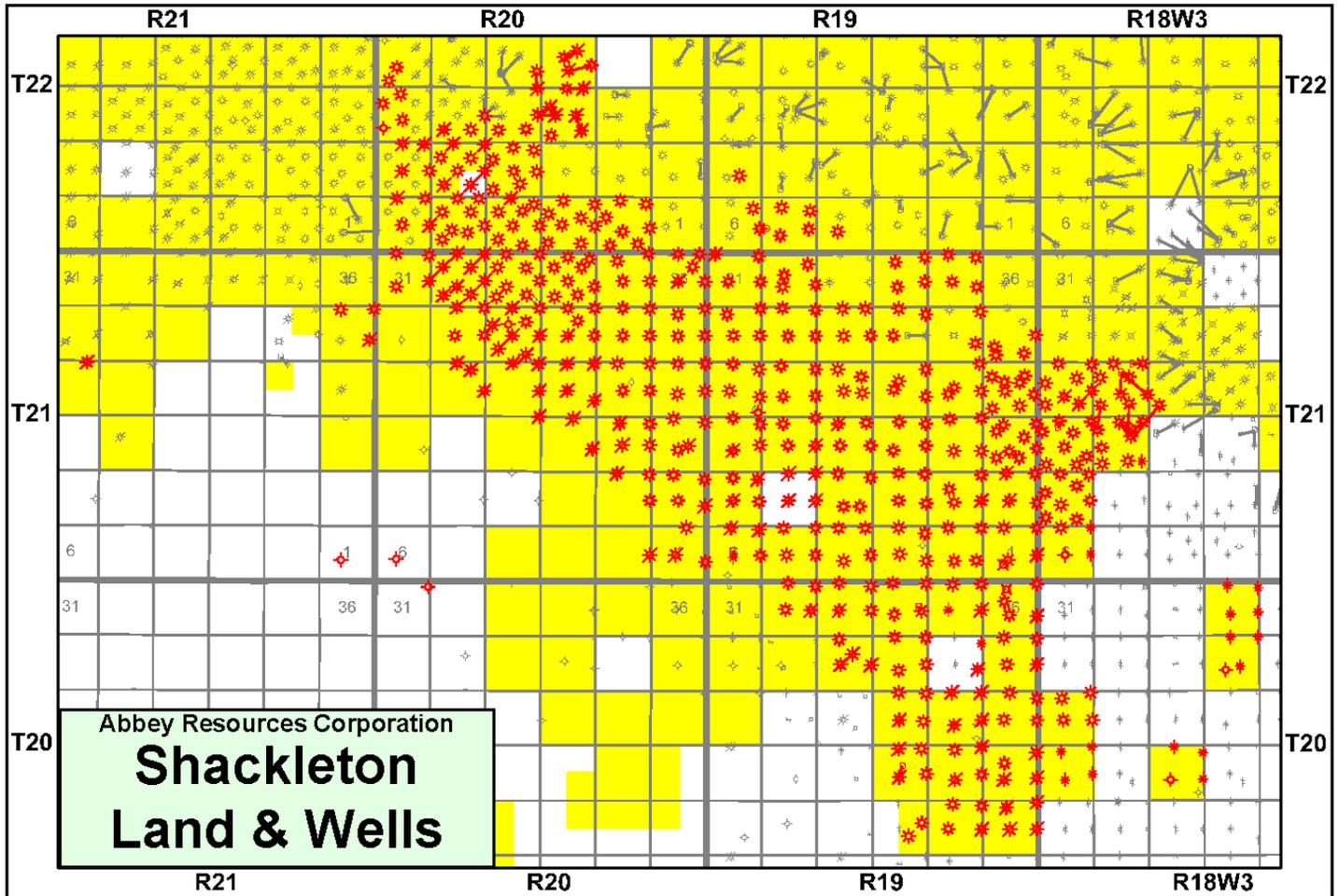
## Shackleton Property

## Township 20-22, Range 18-21 W3

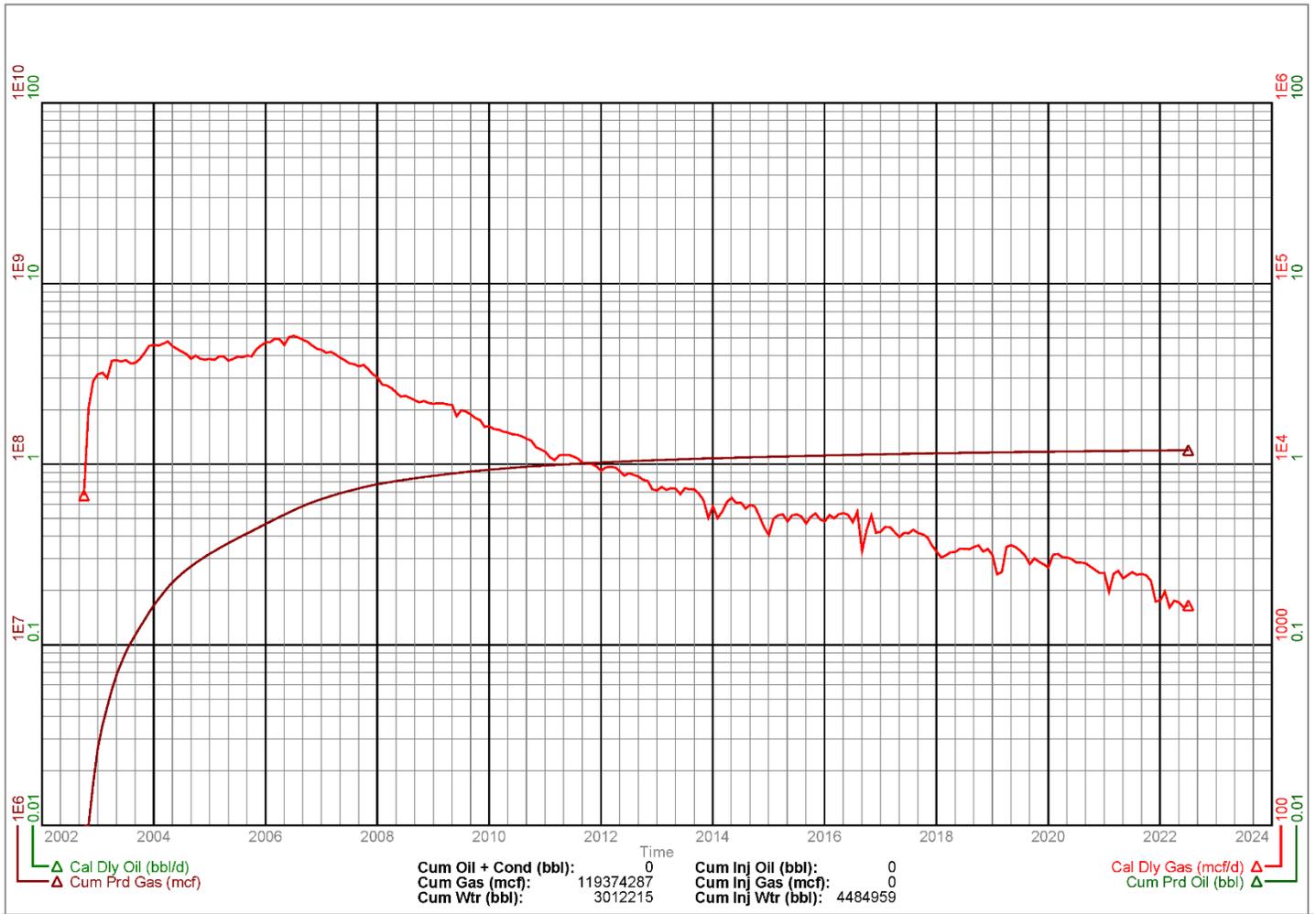
In the *Shackleton* area, the Company holds a 100% working interest in 478 wells.

Daily production net to the Company from the *Shackleton* property for the month of August 2022 was approximately 1.5 MMcf/d of natural gas (244 boe/d).

The Company's net operating income from *Shackleton* for the month of August 2022 was approximately \$117,000 per month or \$1.4 million on an annualized basis.



**Shackleton, Saskatchewan**  
**Gross Production Group Plot of Abbey's Natural Gas Wells**



## Shackleton Facilities

At *Shackleton*, the Company holds a 100% working interest in two compressor stations located at 14-36-020-19W3 and 12-26-021-30W3. The 14-36 compressor station has an inlet separator, water storage tanks, and water injection. The single unit is an Ariel JGK4 compressor with a Waukesha L7042GL driver. Natural gas throughput was 1,600 Mcf/d in July 2022 and maximum gas throughput was 3,150 Mcf/d. The 12-26 compressor station has an inlet separator, water storage tanks, and water injection. The single unit is a Gemini D602D compressor with a Caterpillar 3512 driver. The facility is currently suspended and the maximum throughput was 1,750 Mcf/d.

## Shackleton Well List

See well list in Excel.

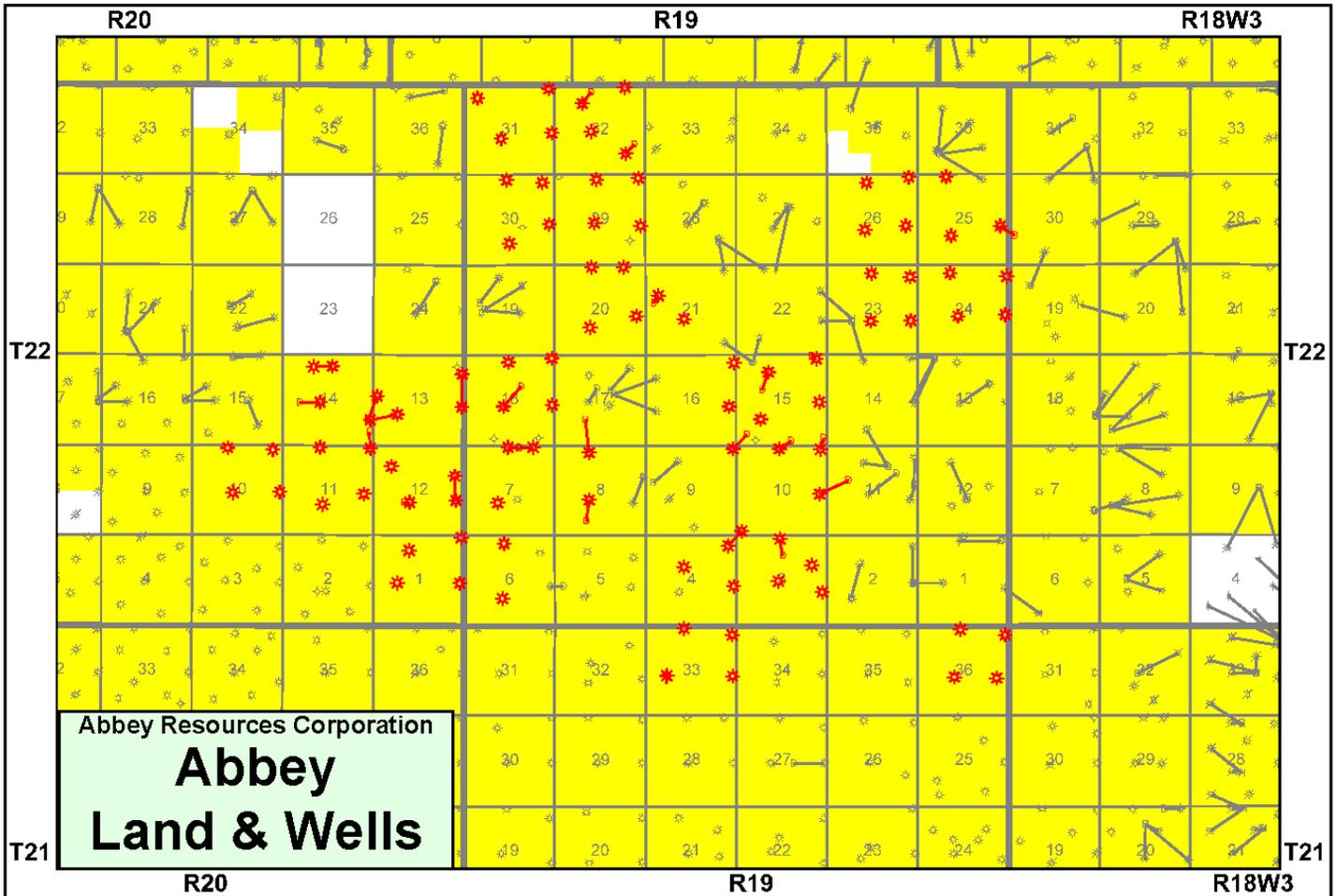
**Abbey Property**

**Township 21-22, Range 19-20 W3**

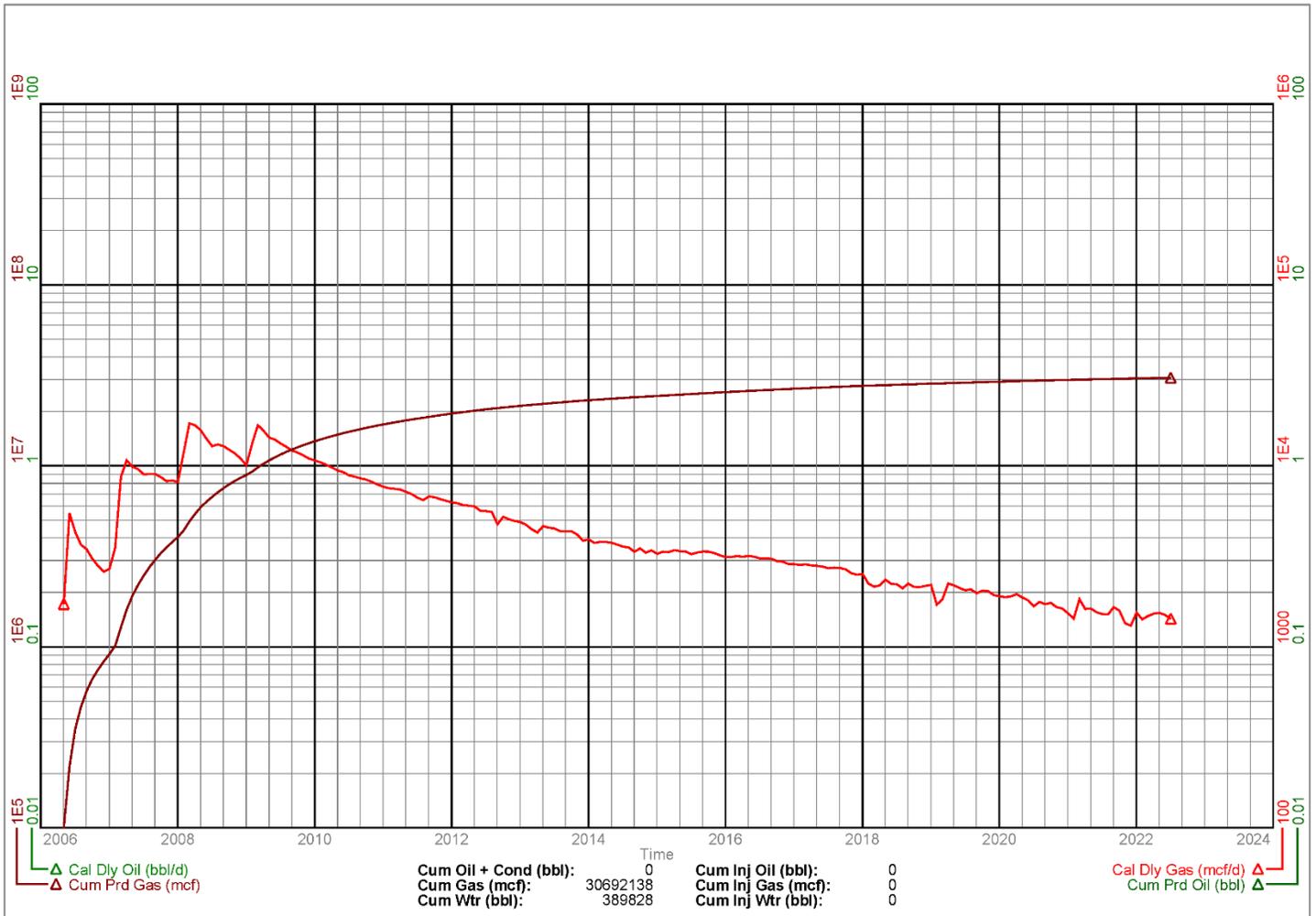
In the *Abbey* area, the Company holds a 100% working interest in 99 wells.

Daily production net to the Company from the *Abbey* property for the month of August 2022 was approximately 1.3 MMcf/d of natural gas (211 boe/d).

The Company's net operating income from *Abbey* for the month of August 2022 was approximately \$133,000 per month or \$1.6 million on an annualized basis.



### Abbey, Saskatchewan Gross Production Group Plot of Abbey's Natural Gas Wells



## Abbey Facilities

At *Abbey*, the Company holds a 100% working interest in a compressor station located at 16-29-021-19W3 with an inlet separator, a water storage tank, and water injection. There are two Ariel JGK4 compressor units with Waukesha L5664LT drivers. Natural gas throughput was 1,400 Mcf/d in July 2022 and the maximum throughput was 2,800 Mcf/d.

## Abbey Well List

See well list in Excel.

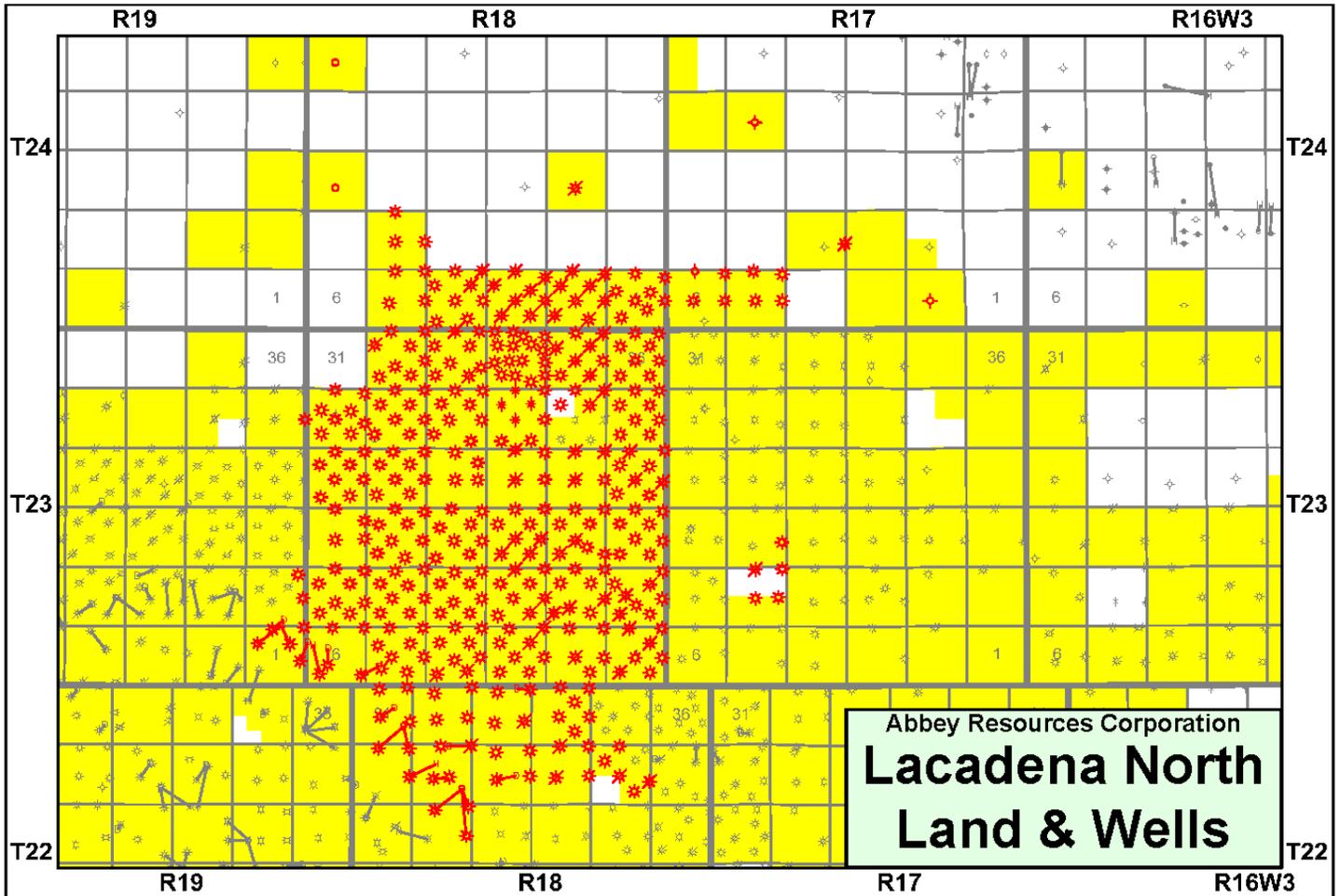
**Lacadena North Property**

**Township 22-24, Range 17-19 W3**

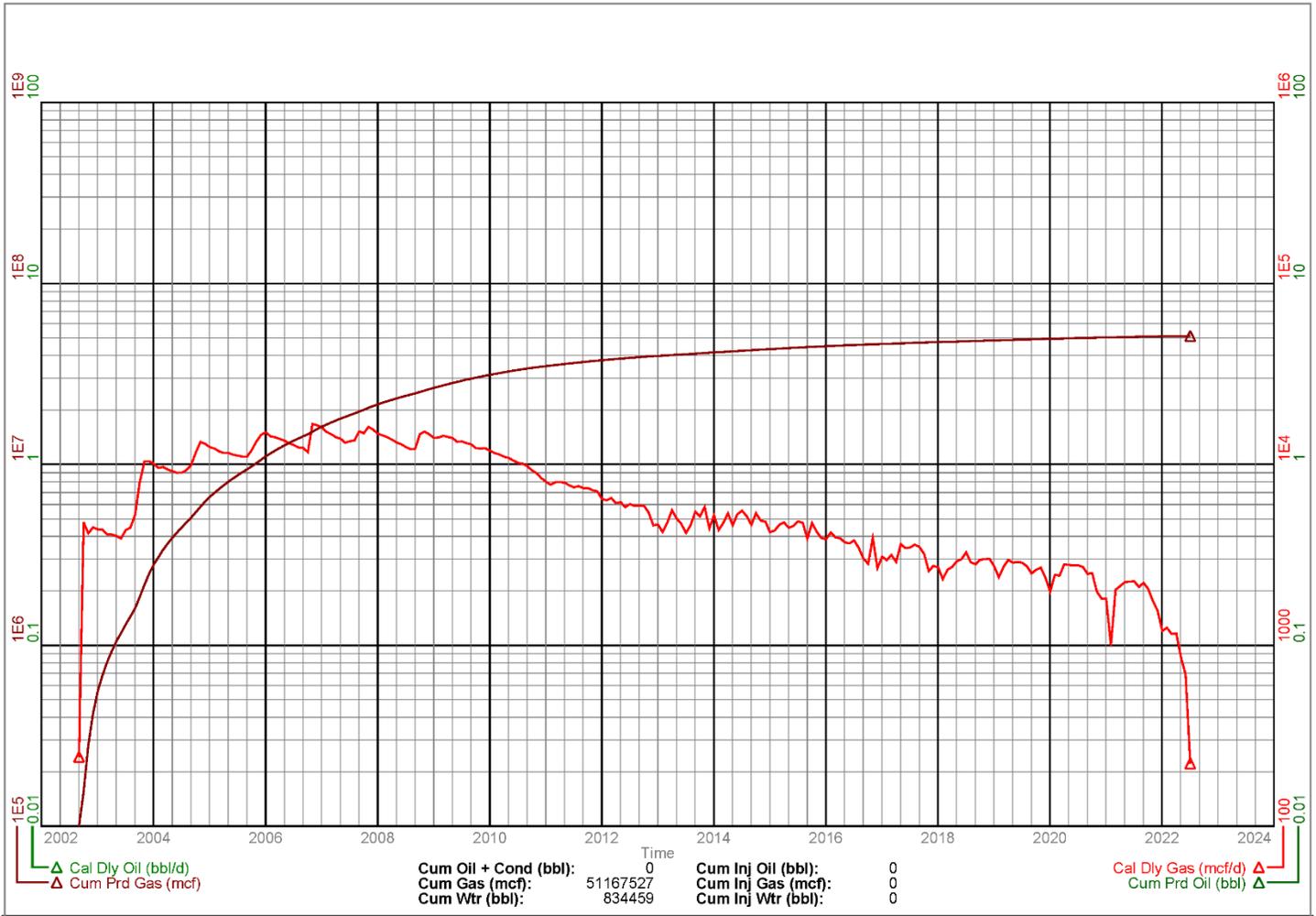
In the *Lacadena North* area, the Company holds a 100% working interest in 369 wells.

Daily production net to the Company from the *Lacadena North* property for the month of August 2022 was approximately 618 Mcf/d of natural gas (103 boe/d).

The Company's net operating income from *Lacadena North* for the month of August 2022 was approximately \$32,000 per month or \$384,000 on an annualized basis.



**Lacadena North, Saskatchewan  
Gross Production Group Plot of Abbey's Natural Gas Wells**



## Lacadena North Facilities

At *Lacadena North*, the Company holds a 100% working interest in a compressor station located at 04-10-023-18W3 with an inlet separator, water storage tanks, and water injection. The single unit is a Gemini Kobelco booster compressor with a Waukesha 7042 driver. Natural gas throughput was 700 Mcf/d in June 2022 and the maximum throughput was 3,500 Mcf/d.

## Lacadena North Well List

See well list in Excel.

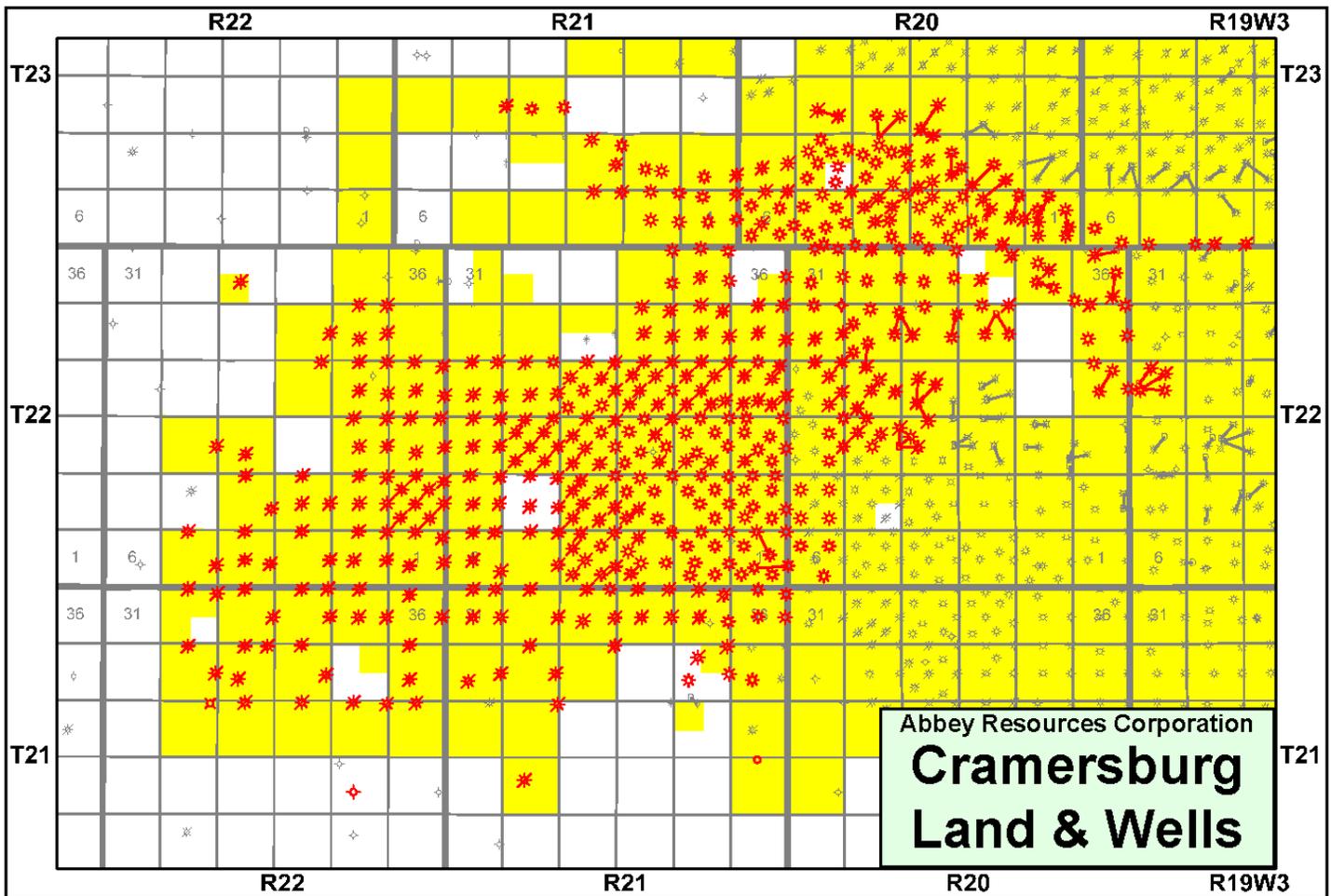
**Cramersburg Property**

**Township 21-23, Range 19-22 W3**

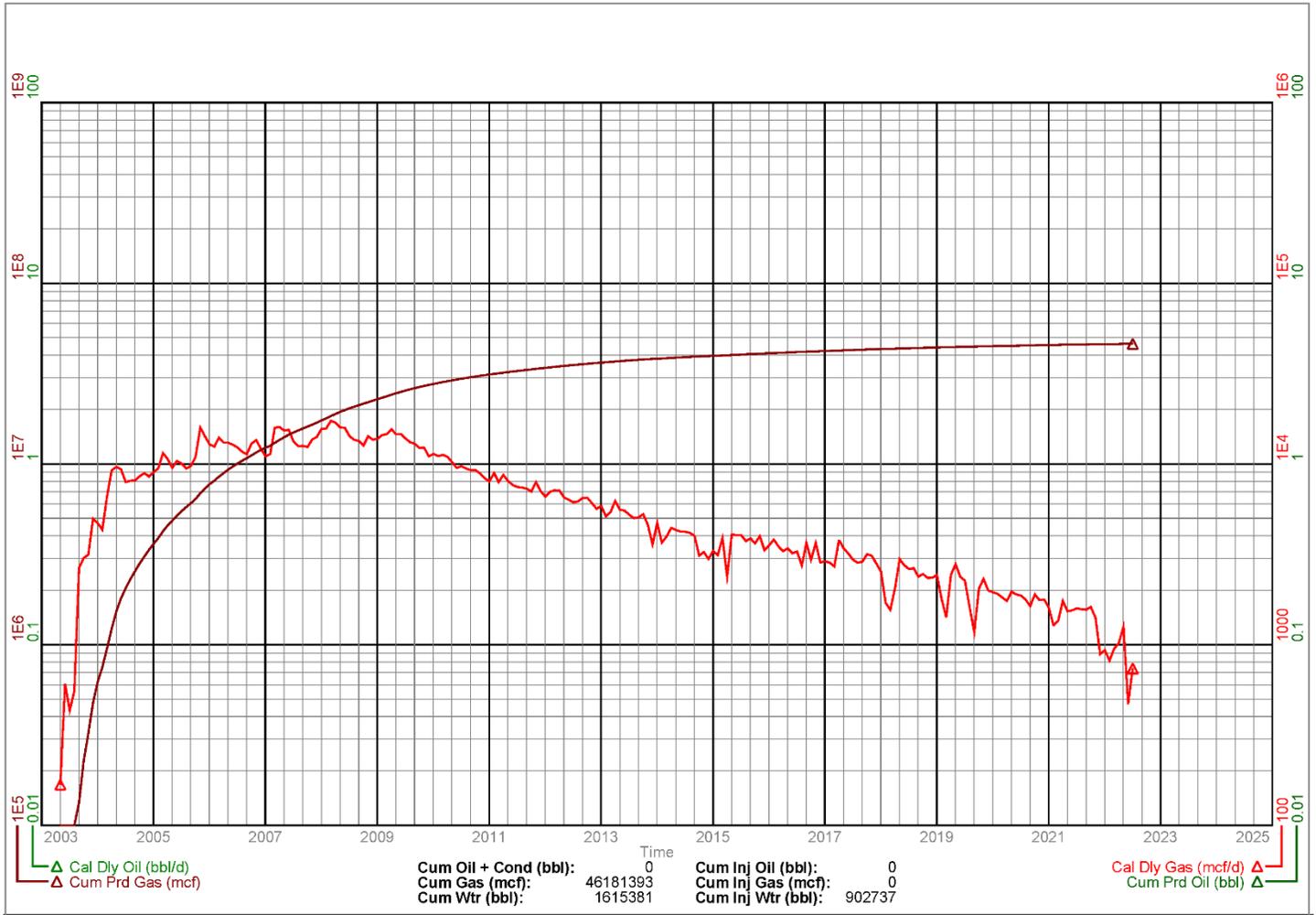
In the *Cramersburg* area of southwestern Saskatchewan, the Company holds a 100% working interest in 489 wells.

Daily production net to the Company from the *Cramersburg* property for the month of August 2022 was approximately 513 Mcf/d of natural gas (86 boe/d).

The Company's net operating income from *Cramersburg* for the month of August 2022 was approximately \$21,000 per month or \$252,000 on an annualized basis.



**Cramersburg, Saskatchewan**  
**Gross Production Group Plot of Abbey's Natural Gas Wells**



## **Cramersburg Facilities**

At *Cramersburg*, the Company holds a 100% working interest in a compressor station located at 13-18-022-20W3 with an inlet separator, water storage tanks, and water injection. The single unit is a Gemini DS604 compressor with a Caterpillar 3516 driver. Natural gas throughput was 700 Mcf/d in July 2022 and the maximum throughput was 3,500 Mcf/d.

## **Cramersburg Well List**

See well list in Excel.

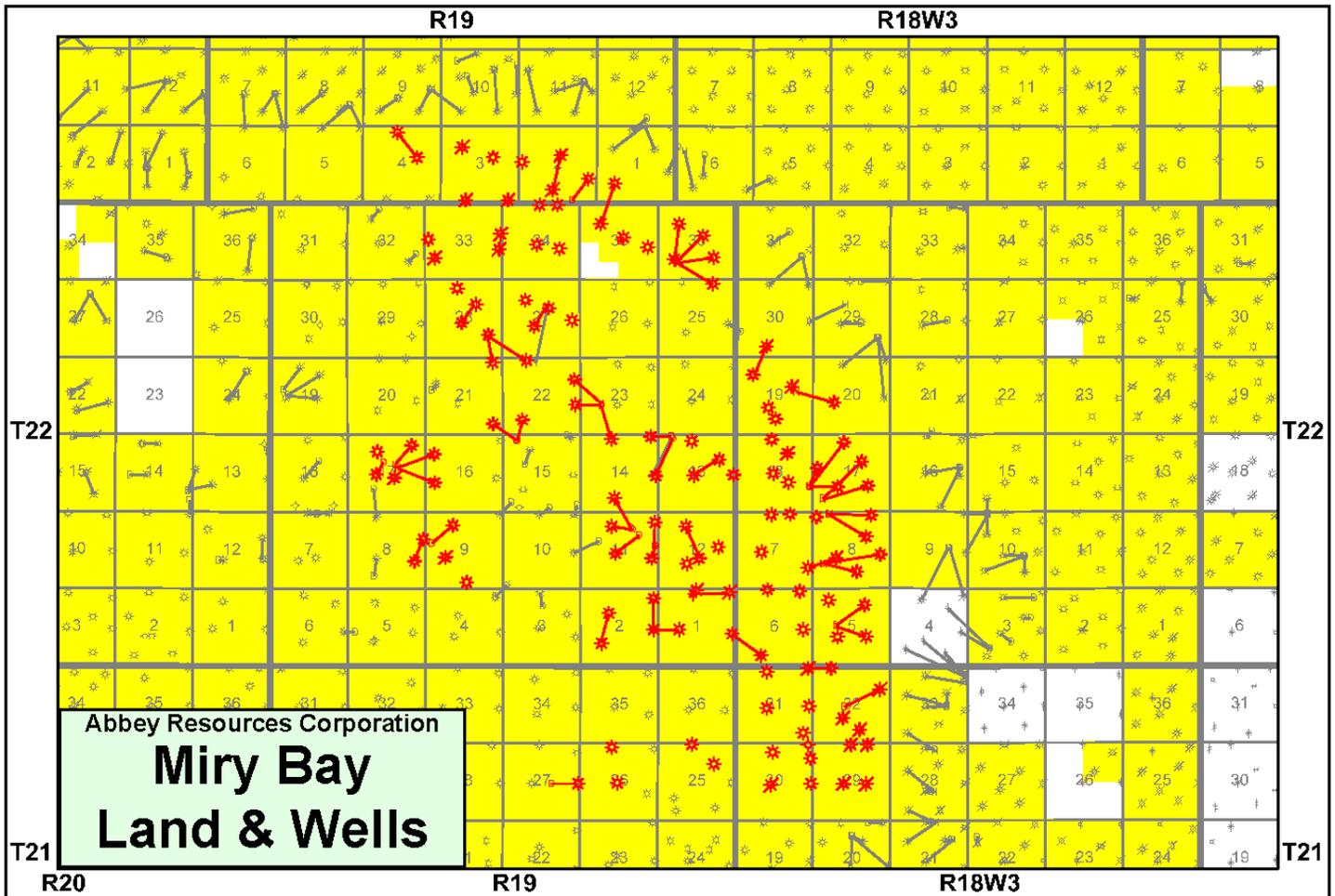
**Miry Bay Property**

**Township 21-23, Range 18-19 W3**

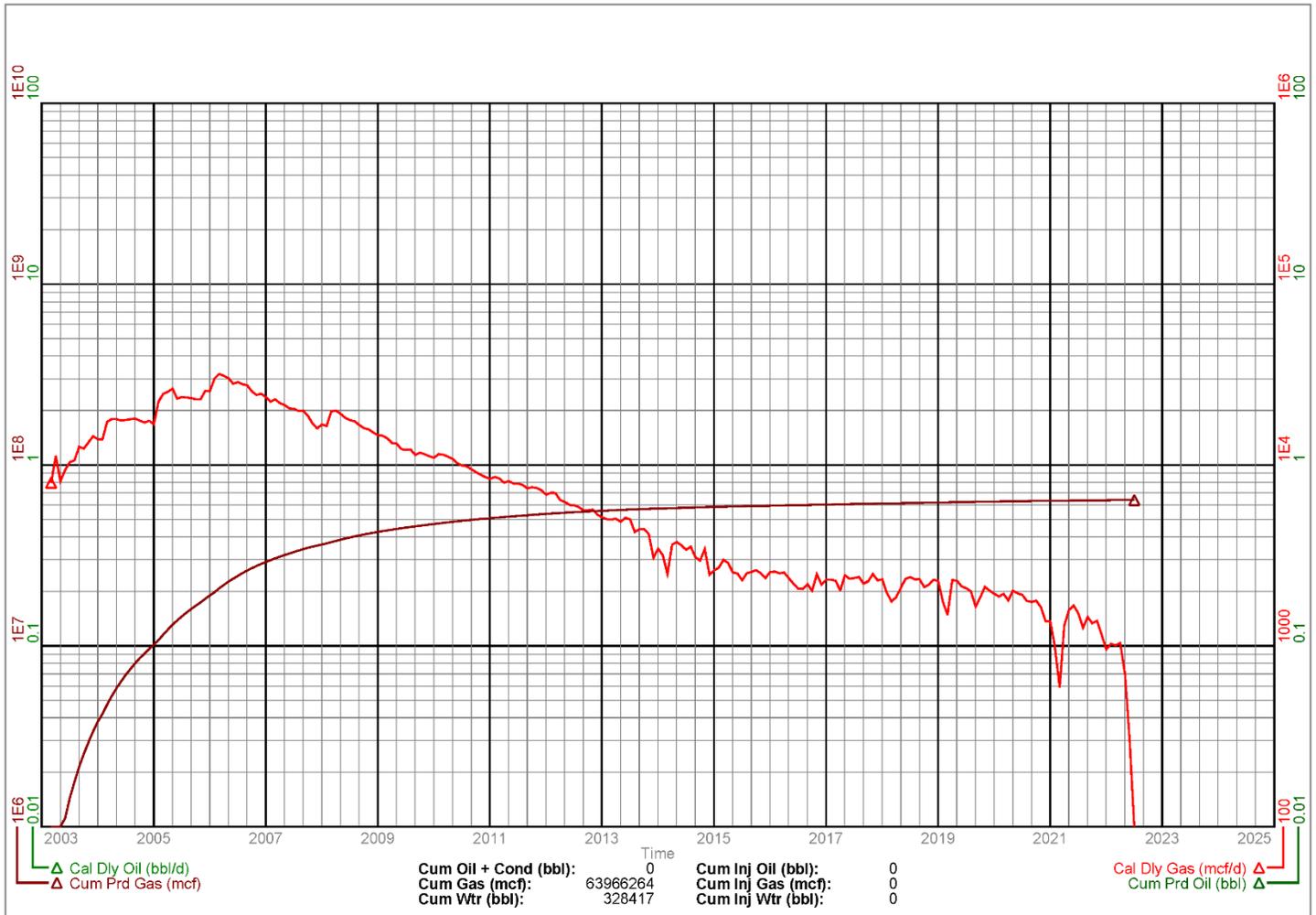
In the *Miry Bay* area, the Company holds a 100% working interest in 134 wells.

The *Miry Bay* property was shut-in in June 2022. The Company's pipelines have been shut-in as a result of specific pipeline leaks. Two high-risk lines contributed to the shut-in of the greater system. After examination of the gathering system, it is recommended that these two high-risk lines be suspended and capped. This would isolate these two lines from the main group lines associated gathering system and remaining wells.

Once the identified lines have been isolated, the balance of the wells and gathering system can return to service with approval from the Saskatchewan Ministry of Energy and Resources. It is proposed that the pipelines be excavated where they enter the main 8" group line location at 15-06-022-18W3 and 13-07-022-18W3. Once exposed, the high-risk laterals will be cut, cleaned out via 'pigging', and capped, leaving them in a state to be easily and properly abandoned in the future. On the main gathering line, a very short stub will remain to enable a cap to be welded on and restore pressure integrity. The operations would adhere to proper CSA Z662 procedures to retain the integrity of the group line. It is estimated that the operations would enable approximately 49 wells and the facility at *Miry Bay* to be returned to production at an expected rate of between 850 Mcf/d to 1.0 MMcf/d of natural gas.



**Miry Bay, Saskatchewan  
Gross Production Group Plot of Abbey's Natural Gas Wells**



## Miry Bay Facilities

At *Miry Bay*, the Company holds a 100% working interest in a compressor station located at 16-24-021-19W3 with an inlet separator, a water storage tank, and water injection. The single unit is a Gemini D604 compressor with a Caterpillar 3512 LE driver. The facility is currently suspended and the maximum throughput was 2,450 Mcf/d of natural gas.

## Miry Bay Well List

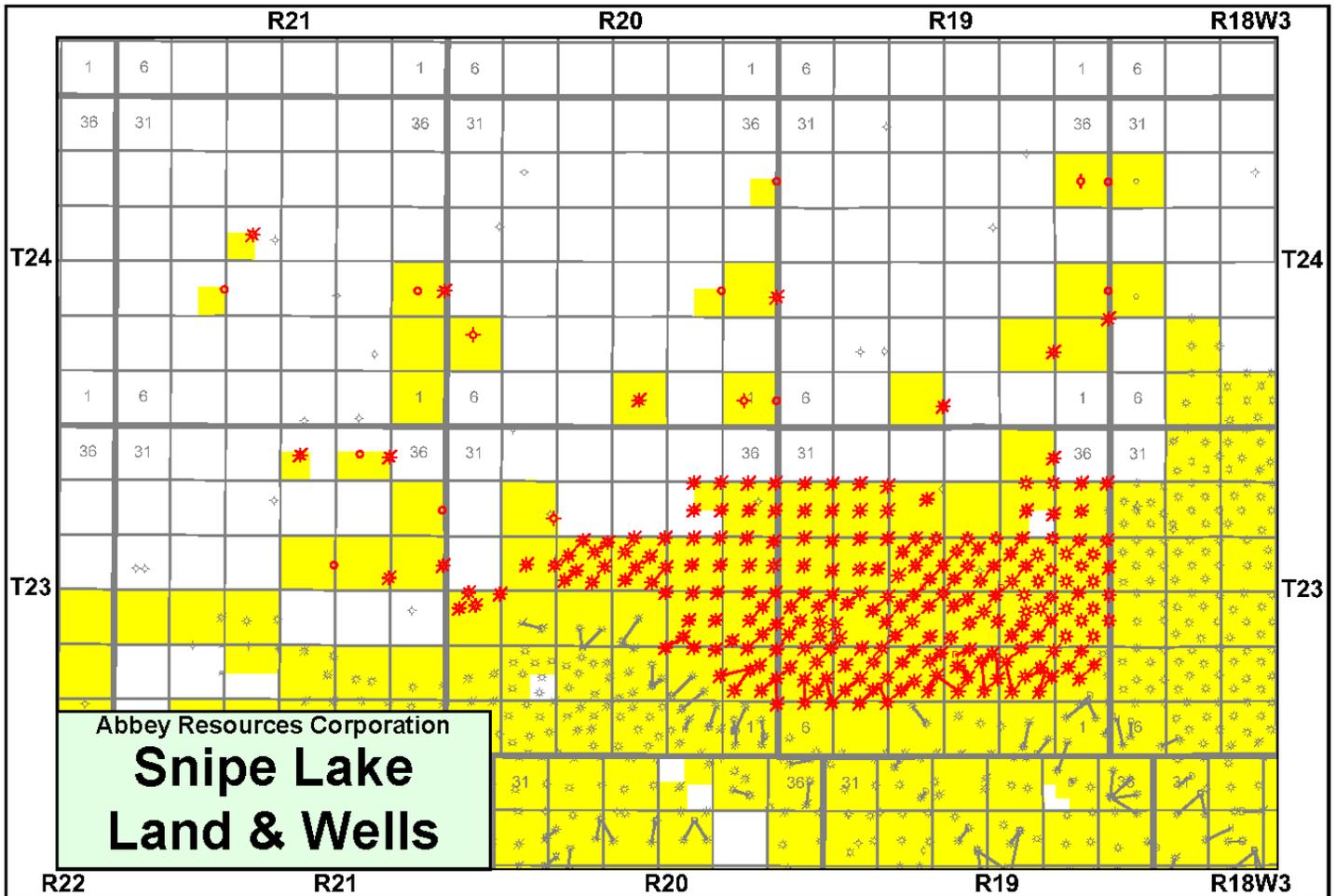
See well list in Excel.

# Snipe Lake Property

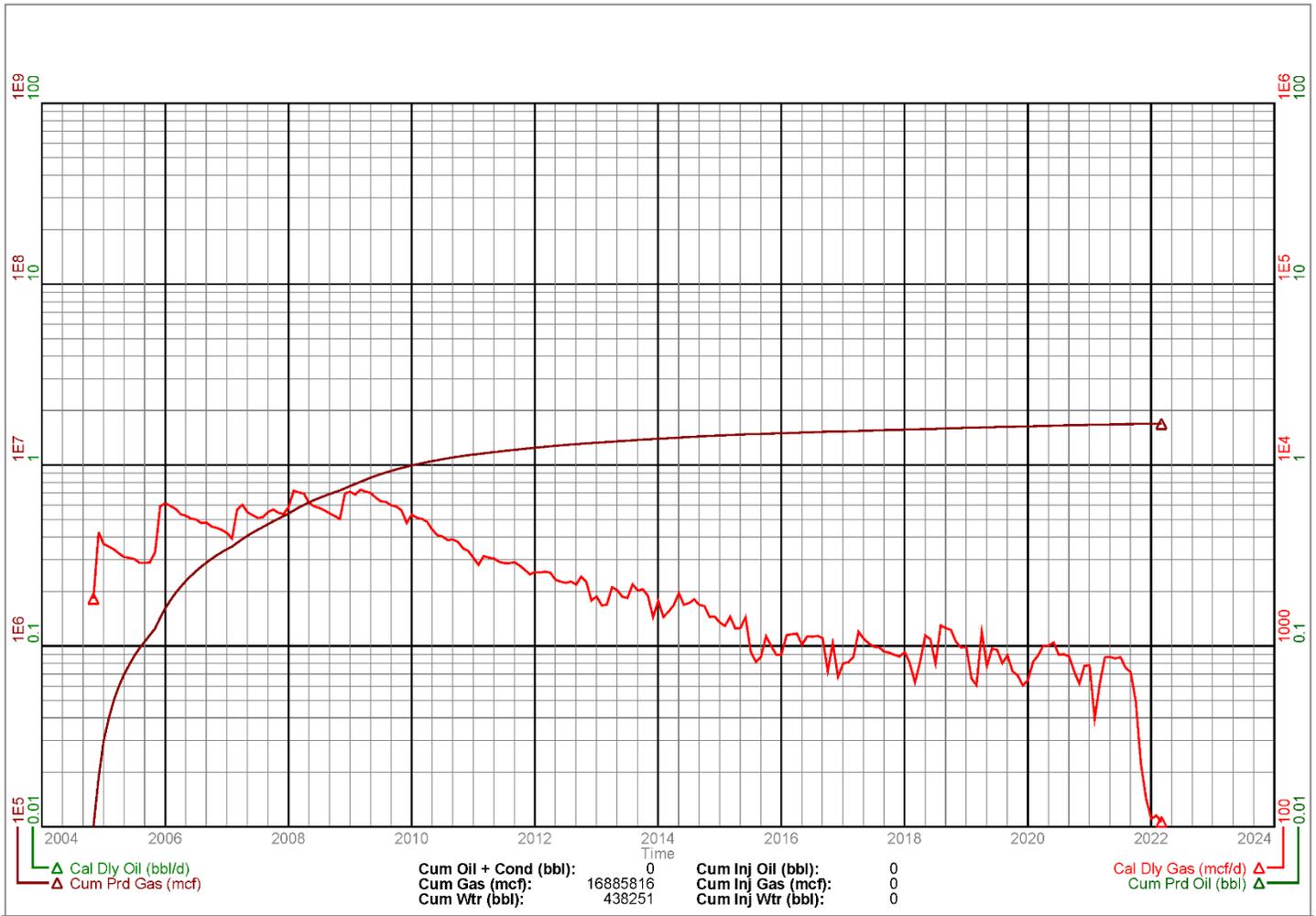
# Township 23-24, Range 19-21 W3

In the *Snipe Lake* area, the Company holds a 100% working interest in 239 wells.

The *Snipe Lake* property is currently shut-in.



### Snipe Lake, Saskatchewan Gross Production Group Plot of Abbey's Natural Gas Wells



## Snipe Lake Facilities

At *Snipe Lake*, the Company holds a 100% working interest in a compressor station located at 13-21-023-19W3 with an inlet separator, a water storage tank, and water injection. There are two units including a Gemini D602.2 compressor with a Caterpillar 3512 driver and a 29.9 booster compressor with a Caterpillar 3412 driver. The facility is currently suspended and the maximum throughput was 700 Mcf/d of natural gas.

## Snipe Lake Well List

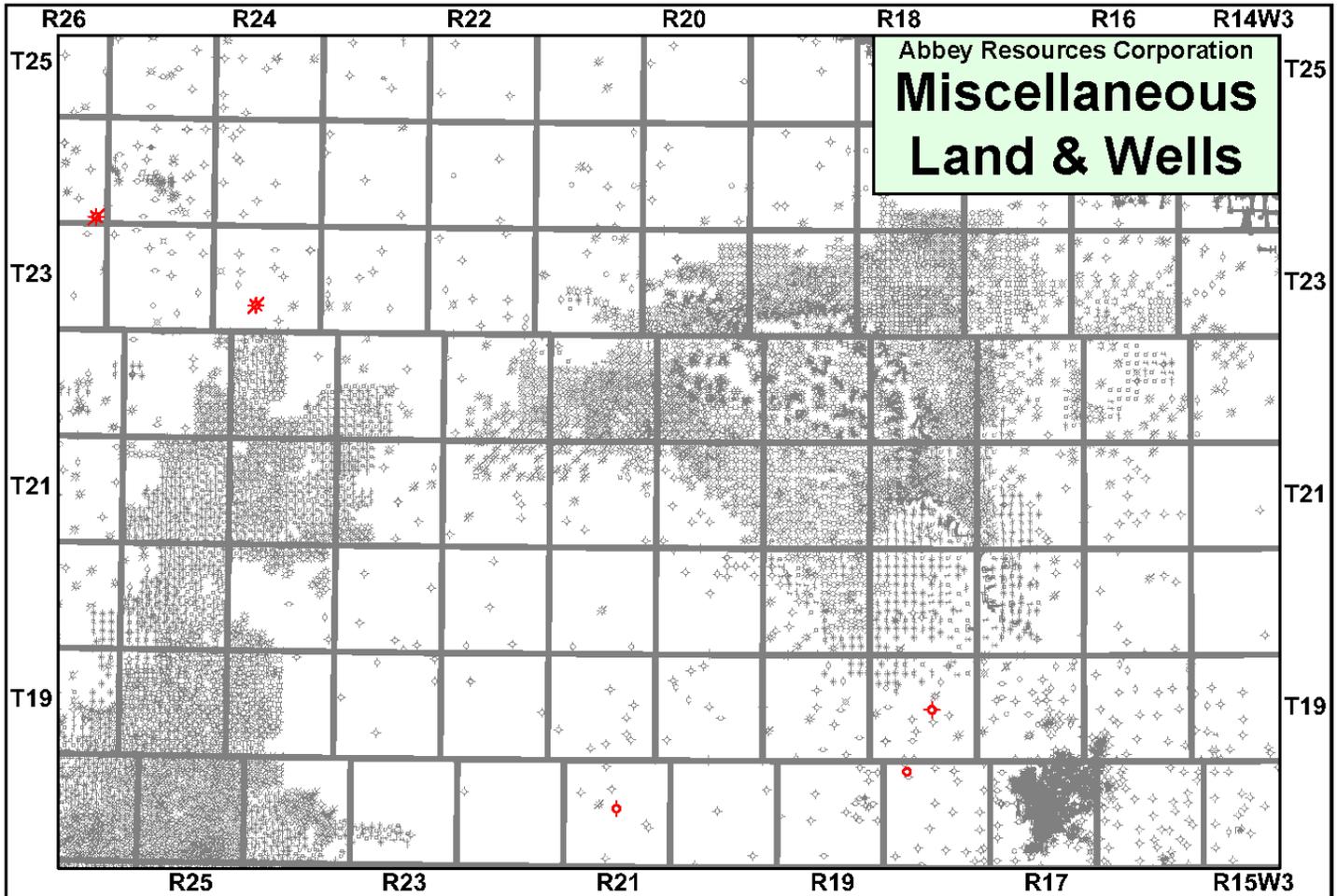
See well list in Excel.

Miscellaneous Property

Township 18-24, Range 18-25 W3

In the *Greater Abbey* area of southwestern Saskatchewan, the Company holds a 100% working interest in five miscellaneous wells.

There is no production from the miscellaneous wells.



## Miscellaneous Facilities

The Company holds a 100% working interest in compressor stations located at *Spring Creek* and *White Bear*.

At *Spring Creek*, the facility is a compressor station located at 13-26-021-20W3 with an inlet separator, water storage tanks, and water injection. The single unit is an Ariel JGK4 compressor with a Waukesha L7042GL driver. The facility is currently suspended and the maximum throughput was 2,100 Mcf/d of natural gas.

The *White Bear* facility is a compressor station located at 03-02-023-16W3 with an inlet separator, water storage tanks, and water injection. The single unit is a Gemini D604 compressor with a Caterpillar 3512LE driver. The facility is currently suspended and the maximum throughput was 700 Mcf/d of natural gas.

## Miscellaneous Well List

See well list in Excel.



## **CONFIDENTIALITY AGREEMENT**

**Please send an executed Confidentiality Agreement to  
Sayer Energy Advisors at the address listed below:**

**MNP Ltd.,  
in its capacity as court-appointed receiver of Abbey Resources Corp.,  
and not in its personal or corporate capacity  
c/o Sayer Energy Advisors  
Suite 1620, 540 – 5<sup>th</sup> Avenue SW  
Calgary, Alberta T2P 0M2  
Attention: Mr. Tom Pavic  
Phone: 406.266.6133  
Fax: 403-266.4467  
Email: [tpavic@sayeradvisors.com](mailto:tpavic@sayeradvisors.com)**

## CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT

THIS AGREEMENT made effective as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_ (the "**Effective Date**")

**AMONG:**

**MNP Ltd., in its capacity as court-appointed receiver of Abbey Resources Corp.,  
and not in its personal or corporate capacity**

(the "**Discloser**")

**AND:**

---

(the "**Recipient**")

**RECITALS:**

- A. The Discloser is the court-appointed receiver of Abbey Resources Corp. (the "**Company**") pursuant to an Order of the Court of King's Bench for Saskatchewan dated February 28, 2022 in KBG-SA-00151 of 2022.
- B. The Recipient is desirous of evaluating a potential transaction (the "**Transaction**") with the Discloser to purchase some or all of the assets of the Company (a "**Bid**");
- C. The Discloser is willing to make certain Confidential Information (as defined below) available to the Recipient for the sole purpose of permitting the Recipient to consider, evaluate, and if a Transaction proceeds, implement a Transaction (the "**Permitted Purpose**") all subject to the terms and conditions of this Agreement (as defined below);
- D. As a pre-condition to the Discloser, its representatives, or agents providing information to the Recipient concerning the Company, its business, its property, and the assets for the purposes of making a Bid (the "**Opportunity**"), the Discloser requires, and the Recipient has agreed, to execute and deliver to the Discloser, a confidentiality agreement in form and substance satisfactory to the Discloser.

**NOW THEREFORE**, in consideration of good and valuable consideration, the receipt and sufficiency of which is acknowledged, the Discloser and the Recipient (collectively, the "**Parties**") agree as follows:

### **1. Definitions and Interpretation**

1.1 **Definitions:** In this Agreement, except as otherwise expressly provided:

- (a) "**Agreement**" means this Confidentiality and Non-Disclosure Agreement and the expressions "herein", "hereby", "hereof", "hereto", "hereunder" and similar expressions refer to this Agreement and not to any particular article, section or other subdivision of it;

- (b) **“Bid”** has the meaning set out in Recital B;
- (c) **“Closing”** shall have the meaning set out in section 4.1(b);
- (d) **"Confidential Information"** means
  - (i) all data and information, in whatever form communicated or maintained, whether orally, in writing, electronically, in computer readable form or otherwise, that the Discloser or any of its Representatives (in each case on behalf of the Discloser) has disclosed to, or that is gathered by, the Recipient or any of the Recipient's Representatives, whether provided before or after the date of this Agreement, including, information that contains or otherwise reflects information concerning the Company, the Opportunity, the business or affairs, operations, prospects, activities, and intellectual property rights of the Company and specifically includes, without limitation, all data, records, reports, studies, projections, knowledge, patents, theories, information (financial, corporate, business or otherwise), intellectual property, designs, drawings, plans, opportunities, prototypes, specifications, manuals, photographs, software, hardware, equipment, printouts, reports, market research, business plans, customer lists, supply sources, trade secrets, information relating to existing and potential financiers and investors, trade lists, processes, techniques, ideas, improvements, innovations, know-how, research and development, calculations, opinions, and documents, and any information provided to the Discloser or any of their Representatives by third parties under circumstances in which the Discloser or any of their respective Representatives has an obligation to protect the confidentiality of such information, including all information received by the Discloser and/or the Discloser's Representatives in connection with the Company, the Opportunity, or its business and disclosed and communicated to, or gathered by, the Recipient or any of the Recipient's Representatives;
  - (ii) all plans, proposals, reports, analyses, notes, studies, forecasts, compilations or other information, in any form, that are based on, contain or reflect any Confidential Information regardless of the identity of the Person preparing same (**“Notes”**);
  - (iii) the existence and terms of this Agreement and any other agreements related to a possible Transaction;
  - (iv) the fact that information has been disclosed or made available to the Recipient or the Recipient's Representatives; and
  - (v) the fact that discussions or negotiations are or may be taking place with respect to a possible Transaction, the proposed terms of any such

Transaction, and the status of any discussions or negotiations under this Agreement or in connection with any possible Transaction;

"**Confidential Information**" does not include any information that:

- (vi) is available to the Recipient or the Recipient's Representatives on a non-confidential basis from a source other than the Discloser or any of the Discloser's Representatives; provided that such source is not known by the Recipient, after reasonable investigation, to be bound by a contractual, legal, or fiduciary obligation of confidentiality to the Discloser or any other person with respect to such information; or
- (vii) is at the time of disclosure known to the Recipient or thereafter becomes generally available to the public, other than as a result of a disclosure by the Recipient or any of the Recipient's Representatives in breach of this Agreement.

The foregoing exclusions do not apply to Confidential Information that is personal information;

- (e) "**Definitive Agreement**" means a binding definitive written agreement to consummate a Transaction;
- (f) "**Effective Date**" means the date of this Agreement as set forth at the top of the first page of this Agreement;
- (g) "**Notes**" has the meaning set out in the definition of Confidential Information;
- (h) "**Opportunity**" shall have the meaning set out in Recital D;
- (i) "**Parties**" shall have the meaning set out in the preamble;
- (j) "**Permitted Purpose**" shall have the meaning set out in Recital C;
- (k) "**Person**" means a natural person; sole proprietorship; syndicate; estate; an individual in his capacity as trustee, executor, administrator or other legal or personal representative; firm; trust; pension plan; partnership; joint venture; association; corporation; unincorporated organization; union; governmental body; or other entity and a successor to any such Person;
- (l) "**Personal Information**" shall have the meaning set out in section 4.1;
- (m) "**Representatives**" means, in respect of a party, such party's agents, directors, officers, employees, representatives, consultants and advisers (including legal counsel); and
- (n) "**Transaction**" shall have the meaning set out in Recital B.

1.2 **Interpretation:** In this Agreement, except as otherwise expressly provided:

- (a) all words and personal pronouns will be read and construed as the number and gender of the party or parties require and the verb will be read and construed as agreeing with the required word and pronoun;
  - (b) any reference in this Agreement to the Discloser or the Recipient will include and will be deemed to be a reference to such party's successors, affiliates, and permitted assigns; and
  - (c) the division of this Agreement into articles and sections and the use of headings is for convenience of reference only and will not modify or affect the interpretation or construction of this Agreement or any of its provisions.
- 1.3 Any article, section, or other subdivision or any other provision of this Agreement which is, is deemed to be, or becomes void, illegal, invalid, or unenforceable will be severable from this Agreement and ineffective to the extent of such voidability, illegality, invalidity, or unenforceability and will not invalidate, affect, or impair the remaining provisions of this Agreement which will be severable from any void, illegal, invalid, or unenforceable article, section, or other subdivision or provision.
- 1.4 This Agreement and its application and interpretation will be governed by and construed in accordance with the laws in force in the Province of Saskatchewan, and each of the parties irrevocably submits to the jurisdiction of the courts of the Province of Saskatchewan for the interpretation and enforcement of this Agreement.

## **2. Confidentiality and Non-Disclosure**

- 2.1 As a condition to receiving the Confidential Information, the Recipient agrees to treat confidentially, and not to disclose, and to cause the Recipient's Representatives to treat confidentially and not disclose (except as permitted herein), any Confidential Information.
- 2.2 The Recipient hereby recognizes and acknowledges the competitive value and confidential nature of the Confidential Information and the damage that would result to the Discloser's ability to market and sell the Company's assets, if any of the Confidential Information is disclosed to any third party. Accordingly, the Recipient hereby agrees that the Confidential Information will be used solely for the Permitted Purpose and not any other purpose.
- 2.3 The Recipient may disclose Confidential Information only to the limited group of the Recipient's Representatives, who are actually engaged in and need to know the Confidential Information for the Permitted Purpose, who have been informed of the confidential nature of the Confidential Information, and who agree to keep such information confidential and not use such Confidential Information for any purpose other than the Permitted Purpose. The Recipient shall ensure that each of the Recipient's Representatives will observe all terms and conditions of this Agreement. The Recipient further agrees that it shall be responsible for any breach of this Agreement by any of the Recipient's Representatives, and that the Recipient shall take all reasonable measures, including, without limitation, court proceedings, at the Recipient's sole expense, to restrain the Recipient's Representatives from making unauthorized disclosure or use of the Confidential Information.
- 2.4 The Confidential Information shall remain at all times the property of the Company. No rights to use, license, or otherwise exploit the Confidential Information are granted to the Recipient, by implication or otherwise, by virtue of Confidential Information being made available to the Recipient or any of the Recipient's Representatives.

### 3. Enforcement

- 3.1 The Recipient acknowledges and agrees that the Discloser would not have an adequate remedy at law and would be irreparably damaged by any unauthorized disclosure or use of any Confidential Information or in the event that any of the provisions of this Agreement were not performed by the Recipient and the Recipient's Representatives in accordance with their specific terms or were otherwise breached by the Recipient or any of the Recipient's Representatives.
- 3.2 Without prejudice to the rights and remedies otherwise available to the Discloser, the Recipient agrees that the Discloser shall be entitled, without the requirement of posting a bond or other security, to equitable relief, including an injunction or specific performance, in the event of any breach or threatened breach of the provisions of this Agreement by the Recipient or the Recipient's Representatives. Such remedies shall not be deemed to be exclusive remedies but shall be in addition to all other remedies available at law or equity to the Discloser. In the event of litigation relating to this Agreement, if a court of competent jurisdiction determines that the Recipient or any of the Recipient's Representatives have breached this Agreement, then the Recipient shall be liable and pay to the Discloser the reasonable costs and expenses (including attorney's fees on a full indemnity solicitor and his own client basis) incurred by the Discloser in connection with such litigation, including any appeal therefrom. The Recipient shall indemnify and hold harmless the Discloser and the Discloser's directors, officers, employees, consultants, representatives, advisors, and agents from all damages and losses of any nature whatsoever (including consequential damages) arising out of a breach by the Recipient or any of the Recipient's Representatives of any of the terms and conditions of this Agreement.

### 4. Personal Information

- 4.1 The Recipient agrees that the Discloser shall not disclose to the Recipient or any of the Recipient's Representatives information about identifiable individuals forming part of the Confidential Information ("**Personal Information**") unless required by the Recipient, acting reasonably, for the purpose of evaluating the Transaction. If Personal Information is provided to the Recipient, then:
- (a) the Recipient shall comply with the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, as amended, and any similar provincial legislation governing the protection of personal information in the private sector applicable to the Recipient in the course of collecting, using and disclosing Personal Information in connection with the Transaction;
  - (b) prior to the closing of the Transaction (the "**Closing**"), the Recipient shall: (i) collect and use Personal Information only for the purpose of evaluating the Transaction; (ii) only disclose Personal Information to those of the Recipient's Representatives who need to know such Personal Information for the purpose of evaluating the Transaction; and (iii) use appropriate security measures to safeguard all Personal Information against unauthorized collection, access, use or disclosure; and
  - (c) if the Transaction proceeds, following the Closing, the Recipient shall, and shall cause its Representatives to, use or disclose Personal Information obtained as a result of the Transaction only for purposes of carrying on the business conducted by the Company or the carrying out of the objects for which the Transaction took place or otherwise for purposes for which such Personal Information was collected by the Company, unless the

consent for other use or disclosure has been obtained from the individuals to whom such Personal Information relates has been obtained as permitted or required by law.

## **5. Disclosure**

- 5.1 In the event you or any of the Recipient's Representatives become legally compelled (by deposition, interrogatory, request for documents, subpoena, civil investigation, demand, order, or other legal process) to disclose any of the contents of the Confidential Information, or either the fact that discussions or negotiations are taking place concerning a possible Transaction between the Discloser and you, or any of the terms, conditions, or other facts with respect to any such possible Transaction, including the status thereof, the Discloser agrees that you and the Recipient's Representatives may do so without liability provided you (i) cooperate with the Discloser in any attempts it may make to obtain a protective order or other appropriate assurance that confidential treatment will be afforded the Confidential Information, and (ii) if no protective order is obtained and disclosure is required, (a) furnish only that portion of the Confidential Information that, in your counsel's opinion, you are legally compelled to disclose, and (b) take all reasonable measures to obtain reliable assurance that confidential treatment will be accorded the Confidential Information.

## **6. General**

- 6.1 This Agreement will continue for a period of two (2) years, unless otherwise agreed in writing by the Discloser. Notwithstanding the forgoing, or the destruction of the Confidential Information as contemplated herein, the Recipient agrees that its covenants in Articles 2, 3, 4, and 6 hereof shall survive the termination of this Agreement.
- 6.2 The Discloser may elect at any time to terminate further access by the Recipient to the Confidential Information. If at any time the Recipient determines not to proceed with the possible Transaction, the Recipient will promptly notify the Discloser in writing. Following any request by the Discloser or any of its Representatives, the Recipient agrees (i) to promptly re-deliver to the Discloser all written Confidential Information and any other written material containing or reflecting any of the Confidential Information in the possession of the Recipient or the Recipient's Representatives, (ii) the Recipient and the Recipient's Representatives will not retain any copies, extracts or other reproductions in whole or in part, mechanical or electronic, of such written material, and (iii) all Notes prepared by the Recipient or the Recipient's Representatives will be destroyed, with all such destruction being confirmed by the Recipient to the Discloser in writing.
- 6.3 Except to the extent necessary to carry out the Permitted Purpose, none of the Recipient or its Representatives are allowed to make copies of Confidential Information without the prior written approval of the Discloser (excepting that copies made by virtue of electronic communications or storage or printed copies for review by a permitted individual shall not be a breach of this prohibition).
- 6.4 Notwithstanding Section 6.3 or anything to the contrary in this Agreement, the Recipient and its Representatives are not required to destroy any computer files containing the Confidential Information that are created during automatic computer system backup provided that such files are stored securely by the Recipient and its Representatives, cannot be destroyed without undue efforts, and access to such files are limited. With respect to such backup computer files, the non-use and confidentiality obligations set forth in this Agreement shall apply in perpetuity and survive expiration or termination of this Agreement.

- 6.5 If the Recipient or any of the Recipient's Representatives are provided with physical access to any properties or facilities of the Company, the Recipient agrees that neither the Recipient nor any of the Recipient's Representatives shall have, and shall not make, any claims whatsoever against the Discloser, or any of its Representatives as a result of such access including, without limitation, any and all claims and causes of action for personal injury, death, or property damage occurring as a result of the Recipient or any of the Recipient's Representatives' access to such properties or facilities and the Recipient agrees to indemnify, defend, and hold harmless the Discloser, or any of its Representatives from and against any and all liabilities, claims, and causes of action for personal injury, death, or property damage occurring on or to such property or facility as a result of entry onto the premises by the Recipient or any of the Recipient's Representatives. You shall, and shall cause your Representatives to, comply fully with all rules, regulations, and instructions issued by the Discloser regarding you or the Recipient's Representatives' access to such properties or facilities.
- 6.6 The Recipient understands and acknowledges that neither the Discloser nor any of its Representatives makes any representation or warranty, express or implied, as to the accuracy or completeness of the Confidential Information. The Recipient agrees that neither the Discloser nor any of its Representatives shall have any liability to the Recipient or any of the Recipient's Representatives relating to or resulting from use of the Confidential Information by the Recipient or the Recipient's Representatives. The Recipient further understands and agrees that (i) the Discloser (a) shall be free to conduct the process for a Transaction as it in its sole discretion shall determine (including changing or terminating such process, providing any information to any other Person, negotiating with any other Person or entering into a Definitive Agreement with any other Person with respect to any transaction, in each case, at any time and without notice to you or any other Person) and (b) shall be free at its sole discretion to at any time accept or reject any proposal relating to the Opportunity for any reason without notice to you or any other Person, and (ii) the Recipient shall have no claim against the Discloser or any of its Representatives in connection with any of the foregoing.
- 6.7 The Recipient hereby represents and warrants that:
- (a) it is not bound by the terms of any agreement with a third party that would conflict with any of the Recipient's obligations under this Agreement and;
  - (b) in accepting and reviewing the Confidential Information, the Recipient represents and warrants that it is acting solely for itself. Further, the Recipient represents and warrants that neither the Recipient nor any of the Recipient's Representatives have discussed or shared, and the Recipient hereby covenants that unless it has first received the written consent of the Discloser neither the Recipient nor any of the Recipient's Representatives will discuss or share, with any third party any aspect of the Confidential Information, except in accordance with Section 2.3 or 5.1 of this Agreement;
  - (c) the Recipient acknowledges that the effect of this covenant is that without the full disclosure to and the written consent of the Discloser, neither the Recipient nor any of the Recipient's Representatives can act as agent, partner, co-participant or co-venturer for any third party or third parties with respect to a proposed Transaction; and
  - (d) in order to obtain the consent of the Discloser, which the Discloser is entitled to withhold in its sole discretion, the Recipient shall notify the Discloser of the identity of each Person for whom or with whom the Recipient or any of the Recipient's Representatives

had considered pursuing a possible Transaction and the nature and interest the Recipient or any of the Recipient's Representatives and each such Person would have in respect of such possible Transaction.

- 6.8 The Recipient agrees that, unless and until a Definitive Agreement is entered into between the Discloser and the Recipient with respect to the Transaction, neither the Discloser nor the Recipient will be under any legal obligation of any kind whatsoever with respect to the Transaction by virtue of this or any other written or oral expression, except with respect to the matters specifically agreed to herein. Except for the matters set forth in this Agreement or in any Definitive Agreement, neither party shall be entitled to rely on any statement, promise, agreement or understanding, whether oral or written, any custom, usage of trade, course of dealing or conduct.
- 6.9 The Recipient agrees that all (i) communications regarding the Transaction, (ii) requests for additional information, (iii) requests for facility tours or management meetings, and (iv) discussions or questions regarding procedures will be submitted or directed only to the Discloser. Without the Discloser's prior written consent, the Recipient shall not, and shall direct the Recipient's Representatives not to, make any contact of any nature regarding a proposed Transaction (including inquiries or requests concerning Confidential Information) with any employee, supplier, customer, creditor, bank, or other lender of or to the Company.
- 6.10 The Recipient agrees that the restrictions contained in this Agreement are reasonable in order to protect the legitimate interests of the Discloser and all defences to the strict enforcement of the restrictions by the Discloser are hereby waived by the Recipient.
- 6.11 No waiver of any particular requirement hereunder shall be construed as a general waiver of this Agreement, and any failure by or delay by the Discloser in enforcing its rights against any particular breach of this Agreement shall not limit or affect its rights to enforce its rights against any other breach hereof.
- 6.12 This Agreement may not be assigned by the Recipient without the prior written consent of the Discloser.
- 6.13 This Agreement shall enure to the benefit of the Discloser and their successors and assigns and shall be binding upon the Recipient and its successors and permitted assigns.
- 6.14 This Agreement constitutes the entire agreement between the Parties hereto and supersedes all prior contracts, agreements, and understandings pertaining to the subject matter of this Agreement. No amendment, modification or alteration of this Agreement shall be binding unless executed in writing by the parties hereto. There are no representations, warranties, collateral agreements or conditions affecting this transaction other than as are expressed or referred to herein in writing.
- 6.15 Nothing contained in this Agreement shall in any way limit the rights or remedies available to the Discloser at law, in equity or under statute arising in any way in connection with the disclosure of the Confidentiality Information in the event of a breach or a threatened breach of this Agreement.
- 6.16 If the Recipient consists of more than one Person, the covenants of the Recipient will be joint and several covenants of each such Person.

- 6.17 This Agreement may be executed and delivered by facsimile or other electronic means of transmission and the parties hereto may rely upon such copies of the Agreement so delivered as though such copies are originals of this Agreement.
- 6.18 This Agreement may be executed by the parties in separate counterparts, each of which when so executed and delivered will be deemed to be an original, and all such counterparts together will constitute one and the same instrument and, notwithstanding the date of execution, will be deemed to be dated as of the date written at the beginning of this Agreement.

**The balance of this page is intentionally blank.**

**Signature page follows.**

**IN WITNESS WHEREOF** the parties have duly executed this Agreement as of the Effective Date.

**MNP Ltd., in its capacity as court-appointed receiver of Abbey Resources Corp.**

Per: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**[COUNTERPARTY]**

\_\_\_\_\_  
Per: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

I certify that no changes have been made to this Confidentiality Agreement that have not been clearly marked and initialed.

**CONFIDENTIAL INFORMATION DELIVERY OPTIONS: (please check one)**

\_\_\_\_\_ **Electronic**      or      \_\_\_\_\_ **Hard copy (binder)**

\_\_\_\_\_  
NAME OF CONTACT PERSON TO FORWARD INFORMATION

\_\_\_\_\_  
CONTACT ADDRESS

\_\_\_\_\_  
TELEPHONE NUMBER

\_\_\_\_\_  
EMAIL ADDRESS

**Option to Attach Business Card Here:**