

COURT FILE NUMBER 1601-11809

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

PLAINTIFF(S) THE TORONTO-DOMINION BANK

DEFENDANTS REPERIO RESOURCES CORP. and HEARTLAND AGGREGATES CORP.

DOCUMENT **FIRST REPORT OF THE RECEIVER**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

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Introduction

1. On September 23, 2016, Reperio Resources Corp. and Heartland Aggregates Corp. (individually referred to hereafter as "**Reperio**" and "**Heartland**", respectively, and as the "**Companies**" collectively) were placed into receivership pursuant to an Order (the "**Receivership Order**") issued by the Court of Queen's Bench of Alberta (the "**Court**"). Deloitte Restructuring Inc. ("**Deloitte**") was appointed as receiver and manager (the "**Receiver**").
2. The Companies leased an administrative office at 101, 11324 182 Street, Edmonton, Alberta (the "**Head Office**") and the primary business was owning and operating a gravel mine (the "**Gravel Pit**") located in Lac Ste. Anne County approximately two kilometres south of the Town of Onoway, Alberta.
3. Reperio owns 100% of the common shares of Heartland. Based on the Receiver's activities to date and on discussions with Reperio management, all assets and operations appeared to have been owned and operated by Reperio.

Purpose of this report

4. The purpose of the Receiver's First Report is to:
 - 4.1. Advise the Court on the Receiver's activities to date; and
 - 4.2. Respectfully recommend that this Honourable Court approve the proposed sales process for the Gravel Pit.

Terms of reference

5. In developing this First Report, the Receiver has relied upon unaudited financial information prepared by the Companies' management, the Companies' books and records and discussions with its management. 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 pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance in respect of the information. Future-oriented financial information relied upon in this Report is based on management's assumptions regarding future events. Actual results achieved may vary from this information and these variations may be material, and as such the Receiver expresses no opinion or other form of assurance with respect to the accuracy of any

financial information presented in this First Report, or relied upon by the Receiver in preparing this First Report.

Currency

6. All currency reference in this First Report are in Canadian dollars.

Activities of the Receiver

7. On September 23, 2016, a representative of the Receiver attended the Companies' Head Office and met with Reperio's general manager and only remaining employee, to serve the Receivership Order on the Companies and to obtain information in respect of the Companies' assets, books and records and operations.
8. Subsequent to attendance at the Head Office, the Receiver undertook the following activities:
 - 8.1. Attended at the Gravel Pit to change locks and secure the premises;
 - 8.2. Took possession of the Companies' books and records;
 - 8.3. Filed the Notice and Statement of Receiver with the Superintendent of Bankruptcy;
 - 8.4. Sent the Notice and Statement of Receiver to all known creditors; and
 - 8.5. Notified the Companies' insurance provider of the receivership and requested the addition of the Receiver to the Companies' insurance policy as a named insured and loss payee.
9. Subsequent to taking possession of the books and records from the Head Office, the Receiver elected not to take possession of the Head Office as Reperio's operations had ceased in August 2016. There was limited office furniture, the value of which would not justify the payment of any occupation rent by the Receiver.

Property

Gravel Pit

10. The Gravel Pit is situated upon five quarters of land, three of which are owned and two of which are leased. A description of the owned lands is attached as Appendix "A" to this First Report. The leases are in arrears as Reperio has been unable to meet the terms of the lease agreements.

11. Upon taking possession of the Gravel Pit, the Receiver was advised by individuals previously involved with Reperio, that there were potential environmental issues in respect of the management of surface water runoff and groundwater pooling in certain areas in the Gravel Pit. Accordingly, the Receiver retained an environmental consulting firm, Aspen Land Group Inc. ("**Aspen**"), to determine the extent of any environmental issues that possibly had to be addressed to preserve the Gravel Pit's operational viability through its permits and approvals. To that end, Aspen was retained to perform the following activities:
 - 11.1. Prepare a Five Year Report pursuant to the Code of Practice for Pits which had not been prepared by Reperio;
 - 11.2. Establish a Wetland Monitoring Program pursuant to Reperio's Water Act Approval; and
 - 11.3. Provide a Phase I Site Assessment to prepare for a contemplated sale of the Gravel Pit.
12. The Receiver, as a precaution, also obtained quotes in connection with groundwater monitoring. The Receiver understands that there may be a requirement pursuant to Reperio's Water Act Approval (such approval was granted to Reperio in connection with it obtaining permits to operate the Gravel Pit) to monitor ground water. Currently there is no ground water monitoring in place. The Receiver is in a position to deal with this matter should ground water monitoring be required.
13. The Receiver has notified Alberta Environment and Parks ("**AEP**") of its appointment as required by the Code of Practice for Pits. On November 25, 2016, the Receiver received a letter from AEP advising that the security deposit provided by Reperio on July 17, 2015, in the amount of \$1,223,611.69 is insufficient. AEP has advised the Receiver that the required security deposit totals \$2,582,810.30 and that there is an outstanding amount owing of \$1,359,198.61. The Receiver is assessing the correspondence from AEP with its legal counsel.

Trucks

14. Reperio leased three vehicles from two financing/leasing companies. As at the date of receivership those vehicles were parked in a parking lot located near the Head Office. The Receiver took possession of the vehicle's keys and left the vehicles parked where they were. It was the Receiver's intent to assess whether there was any equity in the vehicles prior to making them available to the lessors. The Receiver contacted the financing/leasing companies and also faxed to them the Receivership Order. The Receiver requested that it be provided with the amount owing in respect of each loan/lease. Notwithstanding the financing/leasing companies were served with the Receivership Order, the finance/leasing companies seized the vehicles and have filed proofs of claim with the Receiver. The Receiver is assessing whether there is any exigible value for the Receiver to pursue.

Accounts receivable

15. The Company's records reflect outstanding accounts receivable totalling \$2,554,712.73. Attached as Appendix "**B**" to this First Report is a summary ageing of Reperio's accounts receivable. The receivables have been signified by the Receiver; however, no amounts have been collected to date. The Receiver is working with the secured creditor in respect of the collection of the outstanding accounts receivable.

Security opinion

16. The Toronto-Dominion Bank (“**TD**”) is owed approximately \$11.5 million plus accruing interest and costs. The Receiver requested that its legal counsel, BLG, opine on the validity and enforceability of TD’s security on Reperio’s assets. Subject to customary and specific assumptions and qualifications contained therein, BLG’s opinion confirms that TD’s security:
 - 16.1. Constitutes legal, valid and binding obligations on Reperio;
 - 16.2. Has been duly registered, filed or recorded in Alberta;
 - 16.3. Creates in favour of TD a first registered security interest against all present and after acquired property of Reperio; and
 - 16.4. Creates a valid first and second mortgage and charge on each of the Reperio mortgaged lands.

Proposed sale process

17. The Receiver proposes that a sales process be undertaken to market the Gravel Pit for sale to maximize recoveries for all stakeholders. The contemplated Sales Process is summarized below:
 - 17.1. The Receiver shall solicit potential purchasers by sending out a Sales and Information Package (“**SIP**”) which is attached as Appendix “**C**” to this First Report as soon as reasonably practical but expected to be in the short term. The Receiver has compiled a mailing list exceeding 400 prospective interested parties comprising aggregate producers and construction companies from members of the Alberta Sand and Gravel Association, the British Columbia Stone, Sand, and Gravel Association and the Saskatchewan Heavy Construction Association. The Receiver has also been contacted directly by parties interested in the Gravel Pit and those parties will be provided with a SIP shortly after the approval of the proposed sale process.
 - 17.2. Providing to any potential purchaser who duly executes and delivers an acceptable confidentiality agreement with access to Reperio’s Gravel Pit and access to an electronic data room to be maintained and controlled by the Receiver. The electronic data room will contain a form of asset purchase agreement (“**APA**”), which is attached as Appendix “**D**” to this First Report.
 - 17.3. Prospective purchasers will be provided the opportunity to view the Gravel Pit by appointment on January 31, 2017, February 1, 7, 8, 2017, or as may be arranged should prospective purchasers be unable to attend the Gravel Pit on the proposed dates.
 - 17.4. Any interested purchaser is to submit its written offer no later than 5:00 pm (Mountain Standard Time) on February 28, 2017, in form and content substantially similar to the APA to be available

in the established electronic data room, and must be accompanied by i) a black-line showing all changes made to the form of APA provided; and ii) a refundable deposit in the amount \$150,000.

- 17.5. It is anticipated that the Receiver would seek Court approval within 15 days of the receipt of any bona-fide acceptable offers with a subsequent closing date as soon as practical thereafter.
18. The two leased quarters of land were anticipated being developed by Reperio concurrent with the mining of the three owned quarters; however, very little development has taken place on the leased lands. The leases have been in arrears for approximately 18 months and approximately \$380,000 is owed to the lessors.

Canada Revenue Agency

19. Canada Revenue Agency has attended at the Receiver's office to complete a trust audit of Reperio's payroll deductions and GST. The Receiver was advised, by the CRA auditor, that Reperio had not remitted employee payroll source deductions since January 2016. Based on a preliminary review of Reperio's books and records, it appears that unremitted employee income tax withholdings, employee Canada Pension Plan withholdings, and employee Employment Insurance withholdings total approximately \$35,000. This generally agrees with the CRA auditor's findings; however, the CRA has not yet issued its assessment nor filed any claim with the Receiver.
20. The Receiver has filed Reperio's GST returns up to September 23, 2016, the date of the Receivership Order, and based on the CRA auditor's findings, it appears that the pre-receivership GST liability will be approximately \$50,000, subject to CRA providing its assessment and claim to the Receiver. Reperio's GST liability may be reduced depending on the collection of outstanding accounts receivable. The Receiver will review any GST liability upon receipt of CRA's assessment and further assess collection of the outstanding accounts receivable.
21. Reperio will likely have a non-capital loss for the year ended December 31, 2016; however, there are no prior years' taxable income to which the loss can be carried back. The Receiver therefore does not anticipate any corporate tax refunds or tax payable for the 2016 year.

Statement of Receipts and Disbursements

22. The Receiver's Interim Statement of Receipts and Disbursements is attached as Appendix "E" to this First Report. The Receiver has collected receipts of \$6,336.59 to date comprised of small rents due to Reperio, a utility refund as well as recovery of funds paid into Court. As the assets of Reperio are not realizable in the short term, the Receiver has arranged to borrow \$100,000 from TD under Receiver's Certificate #1

to address insurance costs, the fees and disbursements of Aspen, initial fees of the Receiver and its legal counsel as well as other contingencies that may arise.

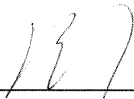
Conclusion and Recommendation

23. Based on the foregoing, the Receiver respectfully recommends that this Honourable Court make an order granting the relief set out in paragraph 4.2 of this First Report and such further and other relief as this Honourable Court deems appropriate in the circumstances.

All of which is respectfully submitted this 21st day of December, 2016.

DELOITTE RESTRUCTURING INC.,

In its capacity as Court-appointed Receiver
and Manager of Reperio Resources Corp. and
Heartland Aggregates Corp. and not in its
personal capacity



Robert J. Taylor, FCPA, FCA, CIRP, LIT, CFE
Senior Vice-President

Appendix "A"

Owned Lands

Parcel 1:

Meridian 5 Range 2 Township 54
Section 15
Quarter North East
Excepting thereout all mines and minerals
Area: 64.7 hectares (160 acres) more or less

Parcel 2:

The North West Quarter of Section twenty two (22)
Township fifty four (54)
Range two (2)
West of the fifth meridian
Containing 64.7 hectares (160 acres) more or less
Excepting thereout:
4.451 hectares (11 acres) more or less for road as shown on road plan 8221032
Excepting thereout all mines and minerals

Parcel 3:

Legal subdivisions three (3), four (4), five (5), and the north half and the south
West quarter of legal subdivision six (6)
All of section twenty two (22)
Township fifty four (54)
Range two (2)
West of the fifth meridian
Containing 60.4 hectares (149.30 acres) more or less.
Excepting thereout:
(A) the portion required for road purposes as shown on plan 4704PX containing
0.829 hectares (2.05 acres) more or less.
(B) 1.68 hectares (4.15 acres) more or less, as shown on road plan 8020036.
Excepting thereout all mines and minerals

Appendix "B"

2:48 PM
12/20/16

Reperio Resources Corp.
A/R Aging Summary
As of September 23, 2016

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
#1805492 Alberta Ltd.	0.00	0.00	0.00	0.00	82,782.00	82,782.00
1840104 Alberta Ltd.	0.00	0.00	0.00	0.00	523.15	523.15
1897081 Alberta Ltd.	0.00	0.00	0.00	0.00	1,810,833.62	1,810,833.62
Bedard Excavating	0.00	0.00	0.00	0.00	-80.48	-80.48
Bob Lynes	0.00	0.00	0.00	0.00	1,165.79	1,165.79
Brian Bensen	0.00	0.00	0.00	0.00	0.00	0.00
Candour Construction Corp	0.00	0.00	0.00	0.00	478.63	478.63
Cash	0.00	0.00	0.00	0.00	-0.16	-0.16
Curtis	0.00	0.00	0.00	0.00	-2.78	-2.78
DDC Trucking & Earthworks	0.00	0.00	0.00	0.00	1,126.60	1,126.60
DKG Mechanical	0.00	0.00	0.00	0.00	1,224.29	1,224.29
Jeff Thomson	0.00	0.00	0.00	0.00	6,753.22	6,753.22
JMB Crushing	0.00	0.00	273,674.75	0.00	0.00	273,674.75
Marvin	0.00	0.00	0.00	0.00	1,853.88	1,853.88
MCL	0.00	0.00	0.00	0.00	300,764.40	300,764.40
MGL Ltd	0.00	0.00	0.00	0.00	-1,915.10	-1,915.10
Octave DeSmart	0.00	0.00	0.00	0.00	1,914.48	1,914.48
Sierra Site	0.00	0.00	0.00	0.00	-22,990.61	-22,990.61
Source Aggregates	0.00	0.00	0.00	0.00	2,208.00	2,208.00
Suniland Contracting	0.00	0.00	0.00	0.00	86,802.19	86,802.19
test	0.00	0.00	0.00	0.00	2,398.68	2,398.68
Town of Onoway	0.00	0.00	0.00	0.00	0.00	0.00
WC Swartz	0.00	0.00	0.00	0.00	624.26	624.26
Weibe Construction	0.00	0.00	0.00	0.00	4,573.92	4,573.92
TOTAL	0.00	0.00	273,674.75	0.00	2,281,037.98	2,554,712.73

Appendix "C"



Sales and Information Package

Reperio Resources Corp.

Onoway Gravel Pit

December [], 2016

Deloitte Restructuring Inc.
2000 Manulife Place
10180 - 101 Street NW
Edmonton, AB T5J 4E4

Tel: 780-421-3759
Fax: 780-421-3782
Email: garrchan@deloitte.ca
Attention: Garrett Chan

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Invitation for Offers

Deloitte Restructuring Inc. was appointed Receiver and Manager (the “**Receiver**”) of Reperio Resources Corp. (“**Reperio**”) pursuant to an order granted by the Court of Queen’s Bench of Alberta (the “**Court**”). The Receiver is offering for sale its right, title and interest in a gravel pit (the “**Pit**”) located in Lac Ste. Anne County approximately two kilometres south of the Town of Onoway, Alberta.

Sealed offers for the Pit will be received by the Receiver until **5 pm MST on February 28, 2017**.

This Sales and Information Package (“**SIP**”) is not intended for general circulation or publication, nor is it to be reproduced or used for any purpose other than that outlined herein. The Receiver does not assume responsibility or liability for losses occasioned to any parties as a result of the circulation, publication, reproduction or use of this SIP.

The information provided herein was obtained from the books and records of Reperio and is being provided by the Receiver for the sole use of prospective purchasers in considering their interest in acquiring the Pit and does not purport to contain all of the information that a prospective purchaser may require. Prospective purchasers should conduct their own investigations and due diligence on the Pit and the information contained in this SIP. The Receiver does not provide any representation or warranty as to the accuracy or completeness of the information contained in this SIP and shall have no liability for any representations expressed or implied herein, or for any omissions from this SIP or for any other written or oral communication transmitted to prospective purchasers in the course of their evaluation of the Pit.

Access to the Pit and the data room will only be provided to those parties who have provided the Receiver with a duly executed and delivered confidentiality agreement in form and substance satisfactory to the Receiver.

The Pit is being offered for sale on an “as is, where is” basis. Any offeror will be asked as a condition of sale to sign an acknowledgement that they have inspected and satisfied themselves as to the condition of the Pit.

All offers to purchase the Pit must be submitted in writing in a form and content substantially similar to the asset purchase agreement that will be available in the data room established for this process and must be accompanied by: a) a black-line showing all changes made to the form of asset purchase agreement provided; and b) a refundable deposit in the amount of CDN \$150,000. The deposit will be returned if the offer is not accepted and forfeited to the Receiver on account of liquidated damages if the offer is accepted and the sale not completed by the offeror. The balance of the offer price will be payable by certified cheque, bank cheque or electronic wire transfer on closing. Offers for the Pit shall be irrevocable for a period of five (5) days after the offer due date unless previously rejected by Deloitte in writing.

The Terms and Conditions of Sale are detailed later in this SIP along with the following key dates for the process:

Event	Timing
Viewings	By appointment on the following days: January 31, 2017; February 1, 7, or 8, 2017 or as may be arranged
Offer deadline	February 28, 2017
Closing date	March 15, 2017 (estimated)

The highest or any offer need not be accepted. Offers shall be subject to Court approval and the Terms and Conditions of Sale which shall be deemed to form part of the offer. **To obtain a confidentiality agreement and to make arrangements to view the Pit, please contact Garrett Chan at 780-421-3759.**

Terms and Conditions of Sale

1. The Vendor is Deloitte Restructuring Inc. in its capacity as Court Appointed Receiver of Reperio Resources Corp. and not in its personal capacity (the "**Vendor**").
2. The Vendor is inviting offers for the purchase of the Onoway Gravel Pit (the "**Pit**") pursuant to these Terms and Conditions of Sale. The Pit is more particularly described in Appendix 1 of the Sales and Information Package.
3. Proposals from auctioneers to auction the Pit on behalf of the Vendor containing a guaranteed minimum net return to the Vendor will be considered.
4. Viewing of the Pit will be by appointment only. Appointments can be made by contacting Garrett Chan at 780-421-3759. The following dates are initially scheduled for viewing by appointment:

January 31, 2017; February 1, 7, or 8, 2017 or as may be arranged

5. **Sealed offers marked "OFFER – ONOWAY GRAVEL PIT" shall be delivered or mailed, postage prepaid, to Deloitte at 2000 Manulife Place, 10180 – 101 Street NW. Edmonton, AB, T5J 4E4, so as to be in its hands by 5:00 pm MST on February 28, 2017. The Vendor reserves the right to conclude sale arrangements on the Pit prior to that date.**
6. Every offer submitted shall be in writing in a form and content substantially similar to the asset purchase agreement that will be available in the data room established for this process. Each offerer shall be signed by the duly authorized officer(s) of the entity making the offer, shall contain the name and address of the offeror and shall be accompanied by a black-line showing all changes made to the form of purchase and sale agreement provided. .
7. **Each offeror shall, with its offer, deliver to Deloitte a certified cheque, bank draft or money order drawn on a chartered bank of Canada, credit union or a trust company payable to Deloitte in the amount of \$150,000.** If an offer is accepted and approved, said cheque, bank draft or money order shall constitute a cash deposit and the successful offeror shall supply the remainder of the purchase price ("**Purchase Price**") together with monies referred to in clause 14 by certified cheque, bank draft or electronic wire transfer drawn on a Chartered Bank of Canada, credit union or trust company prior to closing.
8. By submitting an offer, the offeror acknowledges that it has inspected the Pit, that it is purchasing the Vendor's interest in the Pit on an "as is, where is" basis on the closing date (the "**Closing Date**") and that no representation, warranty or condition is expressed or implied as to title, description, fitness for purpose, existence, merchantability, conditions or quality thereof or in respect of any other matter or thing whatsoever. The offeror acknowledges and agrees that neither the Vendor nor Deloitte is required to inspect the Pit or any part hereof and each offeror shall be deemed, at its own expense, to have relied entirely on its own inspection and investigation. The offeror acknowledges that the Pit is offered as it exists on the Closing Date with no representations, warranty or condition as to any matter and with no adjustment to be allowed to either the Vendor or the offeror for any changes in the condition of the Pit from the date thereof until the Closing Date or for any other reason whatsoever. Furthermore, the offeror agrees to accept the Vendor's right, title and interest in the Pit, and acknowledges that, it shall be the offeror's own and sole responsibility to obtain and pay the cost of any consents, permits, licenses assignments, registration fees, attorney and agent fees, filing fees, issue fees or other authorizations and assignments necessary or desirable for the transfer of such right, title and interest, to the offeror or for the operation or use of the Pit.
9. The highest or any offer will not necessarily be accepted.

10. The Vendor has no obligation to conclude a sale arising out of this process and it reserves the right and unfettered discretion to reject any offer.
11. If any offer is accepted by the Vendor, then such acceptance shall be communicated to the Purchaser by notice in writing sent by the Vendor to the Purchaser at the address set forth in its offer, such notice to be given by email, facsimile, prepaid registered mail, or personal delivery, and to be deemed effectively given and received when sent by email or facsimile or when deposited in the post office or when personally delivered, as the case may be. Personal delivery is meant to include delivery by commercial courier.
12. In the event of a sale, to the extent permitted by law, all of the rights, title and interests of the Vendor in and to the Pit to be acquired will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options and interests thereon and there against, such claims and interests to attach to the net proceeds of the sale of the Pit (without prejudice to any claims or causes of action regarding the priority, validity or enforceability thereof), pursuant to an approval and vesting order made by the Court, upon the application of the Vendor, except to the extent otherwise set forth in the relevant asset purchase agreement (the "APA") with an offeror.
13. Acceptance by the Vendor of an offer is subject to Court approval and the Vendor shall seek Court approval within 15 days after the offer due date of February 28, 2017. The Closing Date shall occur after Court approval of the selected offer, subject to applicable appeal times, and payment of the Purchase Price is due on the Closing Date.
14. The Purchaser shall pay at Closing Date, in addition to the Purchase Price, all applicable federal and provincial taxes unless the Purchaser produces an exemption certificate.
15. The Vendor will deliver to the Purchaser such bills of sale, assignments and other conveyancing documents that the Vendor, acting reasonably, considers necessary to convey to the Purchaser the Vendor's right, title and interest, to the purchased Pit, without representations or warranties of any kind.
16. The Vendor's right, title and interest in the Pit shall not pass to the Purchaser until the Closing Date.
17. The Pit shall be in the possession, and remain at the risk of the Vendor until the Closing Date. From and after the time of closing, the Pit shall be at the risk of the Purchaser.
18. Insurance will remain the responsibility of the Vendor up to and including the Closing Date.
19. The acceptance of any offer shall not be assigned by the Purchaser to any third party without the written consent of the Vendor and such consent shall not be unreasonably withheld.
20. The APA shall enure to the benefit of and be binding upon the parties hereto, and their respective authorized heirs, executors, administrators, successors or assigns as the case may be.
21. If the Purchaser fails to comply with any provision of the provisions contained herein, the deposits and all other payments made in connection with the Purchase Price shall be forfeited as liquidated damages.
22. Payments accompanying an offer that is not accepted by the Vendor shall be returned to the offeror by prepaid registered letter or by commercial courier addressed to the offeror at the address given in its offer. No interest shall be payable by the Receiver to such offeror.
23. No offeror shall be at the liberty to withdraw or countermand an offer once made and, if the offer is withdrawn by the offeror before it is accepted by the Vendor, then the deposit accompanying the offer will be forfeited to the Vendor as liquidated damages.

24. The Vendor shall not be required to produce any abstract of title, title deeds or documents or copies thereof or any evidence as to title, other than those in its possession.
25. Asset listings, information packages, and other material concerning the Pit or the sale thereof provided by or on behalf of the Vendor have been prepared solely for the convenience of the offerors and are not warranted or represented to be complete or accurate and are not part of the Terms and Conditions of Sale. The descriptions of the Pit are for purposes of identification only and no condition, warranty, or representation has been or will be given by the Vendor concerning the accuracy, completeness or any other matter concerning those descriptions.
26. Any term or condition herein or in the advertisement, if any, may, in the Vendor's sole discretion, be waived by it, in whole or in part.
27. All stipulations as to time are strictly of the essence.
28. Any tender of documents or money hereunder may be made upon the Vendor or the Purchaser, or their respective solicitors. Money may be tendered by bank draft certified cheque or electronic wire transfer drawn on a chartered bank or Canada, credit union or a trust company.
29. The Vendor shall have no personal or corporate liability under the APA, or the advertisement, if any, of these Terms and Conditions of Sale.
30. The Vendor shall not be required to pay any finder's fee, commission, expense or other compensation to any agents, consultants, advisors or other intermediaries of any prospective Purchaser under any circumstance unless agreed to separately and in writing.
31. At any time during this process, the Vendor may apply to the Court for advice and directions with respect to the discharge of its powers and duties hereunder.
32. The laws of the Province of Alberta shall govern these Terms and Conditions of Sale. The Vendor and any offeror agree that the Court shall have the exclusive jurisdiction to determine any and all disputes under these Terms and Conditions of Sale and the Vendor and any offeror hereby attorn to the exclusive jurisdiction of the Court.

Dated at Edmonton, Alberta this [] day of December, 2016.

Deloitte Restructuring Inc.
2000 Manulife Place
10180 - 101 Street NW
Edmonton, AB T5J 4E4
Tel: 780-421-3759
Fax: 780-421-3782

Appendix 1

Onoway Gravel Pit (the "Pit")

Excellent opportunity to acquire a pit opened only two years ago with 30 plus years of aggregate supply. A great opportunity for a construction player looking to secure a long term, high quality source of aggregate or for an investor to bring in an operator and collect royalties.

The Pit is located on three quarter sections of land located approximately two kilometers south of the town of Onoway, AB. The Pit provides excellent access to the Edmonton market by its proximity to the City (approximately 66 km away). Reserves on the three owned quarter sections are an estimated 31,000,000 tons of aggregate with an estimated annual production capability of 1,000,000 tons.

There is also a possibility for the successful purchaser to negotiate leases with the landowners on two adjacent quarter sections of land, which have estimated reserves of a further 15,000,000 tons. The leased lands are permitted and registered for aggregate extraction together with the owned lands.

Lands Offered for Sale

Parcel 1:

Meridian 5 Range 2 Township 54
Section 15
Quarter North East
Excepting thereout all mines and minerals
Area: 64.7 hectares (160 acres) more or less

Parcel 2:

The North West Quarter of Section twenty two (22)
Township fifty four (54)
Range two (2)
West of the fifth meridian
Containing 64.7 hectares (160 acres) more or less
Excepting thereout:
4.451 hectares (11 acres) more or less for road as shown on road plan 8221032
Excepting thereout all mines and minerals

Parcel 3:

Legal subdivisions three (3), four (4), five (5), and the north half and the south
West quarter of legal subdivision six (6)
All of section twenty two (22)
Township fifty four (54)
Range two (2)
West of the fifth meridian
Containing 60.4 hectares (149.30 acres) more or less.
Excepting thereout:
(A) the portion required for road purposes as shown on plan 4704PX containing
0.829 hectares (2.05 acres) more or less.
(B) 1.68 hectares (4.15 acres) more or less, as shown on road plan 8020036.
Excepting thereout all mines and minerals

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Appendix "D"

ASSET PURCHASE AGREEMENT

[•], 2016

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ASSET PURCHASE AGREEMENT dated [●], 2016

BETWEEN:

DELOITTE RESTRUCTURING INC., in its capacity as the receiver and manager of all of the current and future assets, undertakings and properties of Reperio Resources Corp. and not in its personal or corporate capacity (the “**Vendor**”)

- and -

[**Purchaser Name**] a corporation subsisting under the laws of [●] (the “**Purchaser**”)

WHEREAS:

- A. Pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”), the Alberta Court of Queen’s Bench (the “**Court**”) granted a receivership order with respect to all of the current and future assets, undertakings and properties of Reperio Resources Corp. (the “**Debtor**”) on September 23, 2016 (the “**Receivership Order**”) appointing the Receiver as the as the receiver and manager of all of the current and future assets, undertakings and properties of the Debtor; and
- B. In connection with the Receivership Proceedings (each as defined herein), the Vendor, subject to approval by the Court, has agreed to sell, transfer and assign to the Purchaser, all of the right, title and interest of the Vendor to the Purchased Assets, and the Purchaser has agreed to purchase the Purchased Assets from the Vendor, on the terms and conditions set forth herein.

NOW THEREFORE this Agreement witnesses that in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged by each Party to the other, the Parties agree as follows:

**ARTICLE 1
INTERPRETATION**

1.1 Definitions

In this Agreement:

- (a) “**Affiliate**” means, with respect to any person, any other person or group of persons acting in concert, directly or indirectly, that controls, is controlled by or is under common control with such person. The term “control” as used in the preceding sentence means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a person whether through ownership of more than 50% of the voting securities of such person, through being the general partner or trustee of the other person, or through contract or otherwise;
- (b) “**Agreement**” means this asset purchase agreement and any Schedule attached hereto;
- (c) “**Applicable Law**” means, in respect of any person, assets, transaction, event or circumstance:
 - (i) statutes (including regulations enacted thereunder);
 - (ii) judgments, decrees and orders of courts of competent jurisdiction;

- (iii) regulations, orders, ordinances and directives issued by Government Authorities; and
 - (iv) the terms and conditions of all permits, licences, approvals and authorizations;
- which are applicable to such person, asset, transaction, event or circumstance;
- (d) “**BIA**” has the meaning ascribed to that term in the recitals;
 - (e) “**Business Day**” means a day other than a Saturday, Sunday or any other day on which the principal chartered banks located in Calgary, Alberta are not open for the transaction of domestic business during normal banking hours;
 - (f) “**Claim**” means any right or claim of any person that may be asserted or made in whole or in part against the Vendor or any of its Affiliates and their respective directors, officers, employees, agents or advisors, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, including without limitation, by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including, without limitation, any legal, statutory, equitable or fiduciary duty) or by reason of any right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present or future, known or unknown, by guarantee, surety or otherwise, and whether or not any right or claim is executory or anticipatory in nature including, without limitation, any right or ability of any person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action whether existing at present or commenced in the future, together with any other rights or claims of any kind that, if unsecured, would be a debt provable in bankruptcy within the meaning of the *Bankruptcy and Insolvency Act* (Canada) had the Vendor become bankrupt;
 - (g) “**Closing**” means the completion of the purchase by the Purchaser and sale by the Vendor of the Purchased Assets and the completion of all other transactions contemplated by this Agreement that are to occur contemporaneously with such sale, all subject to and in accordance with the terms and conditions of this Agreement;
 - (h) “**Closing Date**” means the date that is no later than [●] or such other date as may be agreed to by the Vendor and the Purchaser;
 - (i) “**Court**” has the meaning ascribed to that term in the recitals;
 - (j) “**Court Approval**” means the approval of the Transaction by the Court;
 - (k) “**Data Room Information**” means all information made available (by the Receiver or otherwise) for the Purchaser’s review in relation to the Debtor, its Affiliates or the Purchased Assets;
 - (l) “**Debtor**” has the meaning ascribed to that term in the recitals;
 - (m) “**Deposit**” has the meaning ascribed to that term in Section 3.2;
 - (n) “**Effective Time**” means 12:01 a.m. (Calgary time) on the Closing Date;
 - (o) “**Encumbrances**” means any pledges, liens, security interests, encumbrances, claims, charges, options or interests;

- (p) “**Environment**” means the components of the earth and includes ambient air, land, surface and subsurface strata, groundwater, surface water, all layers of the atmosphere, all organic and inorganic matter and living organisms, and the interacting natural systems that include such components, and any derivative thereof shall have a corresponding meaning;
- (q) “**Environmental Liabilities**” means all past, present and future liabilities, obligations and expenses in respect of the Environment which relate to the Purchased Assets (or lands pooled or unitized with lands which may form part of the Purchased Assets), or which arise in connection with the ownership thereof or operations pertaining thereto, including liabilities related to or arising from:
- (i) transportation, storage, use or disposal of toxic or hazardous substances;
 - (ii) release, spill, escape, emission, leak, discharge, migration or dispersal of toxic or hazardous substances; or
 - (iii) pollution or contamination of or damage to the Environment;
- including liabilities to compensate Third Parties for damages and Losses resulting from the items described in items (i), (ii) and (iii) above (including damage to property, personal injury and death) and obligations to take action to prevent or rectify damage to or otherwise protect the Environment;
- (r) “**Final Statement of Adjustments**” has the meaning ascribed to that term in Section 3.6;
- (s) “**GAAP**” means accounting principles generally accepted in Canada including those recommended or approved by the Canadian Institute of Chartered Professional Accountants at the relevant time including to the extent applicable, international financial reporting standards;
- (t) “**Governmental Authority**” means any domestic or foreign government, whether federal, provincial, state, territorial or municipal; and any governmental agency, ministry, department, tribunal, commission, bureau, board or other instrumentality exercising or purporting to exercise legislative, judicial, regulatory or administrative functions of, or pertaining to, government, having jurisdiction over a Party, the Purchased Assets or the Transaction;
- (u) “**Governmental Order**” means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority;
- (v) “**GST**” means taxes, interest, penalties and fines imposed under Part IX of the *Excise Tax Act* (Canada) and the regulations made thereunder; and “**GST Legislation**” means such act and regulations collectively;
- (w) “**Income Tax Act**” means, collectively, the *Income Tax Act*, R.S.C. 1985, c.1 (5th Supplement), the *Income Tax Application Rules*, R.S.C. 1985, c.2 (5th Supplement) and the *Income Tax Regulations*, in each case as amended to the date hereof;
- (x) “**Interim Statement of Adjustments**” has the meaning ascribed to that term in Section 3.5;
- (y) “**Leases**” means, collectively: (i) the Lease and Materials Removal Agreement between the Debtor, as tenant, and Lesslie Adolf Ertman and Katherine Mary Ertman, as owners, dated February 1, 2009 in respect of the lands and premises legally described as NW1/4-15-54-2-W.5th; (ii) the Lease and Materials Removal Agreement between the Debtor, as tenant, and Lesslie Adolf Ertman and Katherine Mary Ertman, as owners, dated February 5, 2009 in respect of the lands and premises legally described as SE1/4-22-54-2-W5th; and (iii) the lease between the Debtor, as

tenant, and Donald and David Klause, as owners, dated September 4, 2008 in respect of NE 22-054-02-W5;

- (z) **“Legal Proceeding”** means any litigation, action, suit, investigation, hearing, claim, complaint, grievance, arbitration proceeding or other proceeding and includes any appeal or review or retrial of any of the foregoing and any application for same;
- (aa) **“Losses”** means any and all assessments, charges, costs, damages, debts, expenses, fines, liabilities, losses, obligations and penalties, whether accrued or fixed, absolute or contingent, matured or unmatured or determined or determinable, including those arising under any Applicable Law, Claim by any Governmental Authority or Governmental Order and those arising **under any contract, agreement, arrangement, commitment or undertaking and costs and expenses** of any Legal Proceeding, assessment, judgment, settlement or compromise relating thereto, and all interest, fines and penalties and reasonable legal fees and expenses incurred in connection therewith (on a full indemnity basis);
- (bb) **“Notice Period”** has the meaning ascribed to that term in Section 8.2(b);
- (cc) **“Parties”** means, collectively, the Purchaser and the Vendor, and **“Party”** means any one of them;
- (dd) **“Permits”** means [describe current permits]
- (ee) **“Permitted Encumbrances”** means:
 - (i) Encumbrances given as security to a public utility or any Governmental Authority when required in the ordinary course of business but only insofar as they relate to any obligations or amounts not due as at the Closing Date;
 - (ii) applicable municipal by-laws, development agreements, subdivision agreements, site plan agreements, servicing agreements, cost sharing reciprocal agreements and building and zoning restrictions and other similar agreements;
 - (iii) any easements, servitudes, rights-of-way, licences, agreements, restrictions that run with the land and other Encumbrances (including easements, rights-of-way and agreements for railways, sewers, drains, gas and water mains or electric light and power or telephone, telecommunications or cable conduits, poles, wires and cables);
 - (iv) any privilege in favour of any lessor, licensor or permitter for rent to become due or for other obligations or acts, the performance of which is required under contracts of the Vendor so long as the payment or the performance of such other obligation or act is not delinquent and provided that such Encumbrances or privileges do not materially affect the use or the operation of the assets affected thereby; and
 - (v) any Encumbrances permitted by an order of the Court;
- (ff) **“person”** means any individual, corporation, limited or unlimited liability company, joint venture, partnership (limited or general), trust, trustee, executor, Governmental Authority or other entity;
- (gg) **“Prime Rate”** means the rate of interest, expressed as a rate per annum, designated by the main branch in Calgary, Alberta of the Royal Bank of Canada as the reference rate used by it to determine rates of interest charged by it on Canadian dollar commercial loans made in Canada and which is announced by such bank, from time to time, as its prime rate, provided that whenever such bank announces a change in such reference rate then the **“Prime Rate”** for the purposes of this Agreement shall correspondingly change effective on the date the change in such reference rate is effective;

- (hh) **“Purchased Assets”** means the following real property (including all buildings, fixtures and improvements located thereon, if any):

Parcel 1:

Meridian 5 Range 2 Township 54
Section 15
Quarter North East
Excepting thereout all mines and minerals
Area: 64.7 hectares (160 acres) more or less

Parcel 2:

The North West Quarter of Section twenty two (22)
Township fifty four (54)
Range two (2)
West of the fifth meridian
Containing 64.7 hectares (160 acres) more or less
Excepting thereout:
4.451 hectares (11 acres) more or less for road as shown on road plan 8221032
Excepting thereout all mines and minerals

Parcel 3:

Legal subdivisions three (3), four (4), five (5), and the north half and the south
West quarter of legal subdivision six (6)
All of section twenty two (22)
Township fifty four (54)
Range two (2)
West of the fifth meridian
Containing 60.4 hectares (149.30 acres) more or less.
Excepting thereout:
(A) the portion required for road purposes as shown on plan 4704PX containing
0.829 hectares (2.05 acres) more or less.
(B) 1.68 hectares (4.15 acres) more or less, as shown on road plan 8020036
Excepting thereout all mines and minerals

- (ii) **“Purchase Price”** has the meaning ascribed to that term in Section 3.1;
- (jj) **“Receiver”** means Deloitte Restructuring Inc. in its capacity as the receiver and manager of all of the current and future assets, undertakings and properties of Reperio Resources Corp. and not in its personal or corporate capacity;
- (kk) **“Receivership Proceedings”** means Alberta Court of Queen’s Bench Action No. 1601-11809;
- (ll) **“Receivership Order”** has the meaning ascribed to that term in the recitals;
- (mm) **“Representative”** means, in respect of a person, each director, officer, employee, agent, legal counsel, accountant, professional advisor and other representative of such person and its Affiliates, and with respect to the Vendor, includes the Receiver and their respective Affiliates, directors, officers, employees, agents, legal counsel, accountants, professional advisors and other representatives;
- (nn) **“Sales Process”** means the procedures for the sales solicitation process in relation to the Vendor;
- (oo) **“Tax Legislation”** means, collectively, the Income Tax Act and all Canadian federal, provincial, state, territorial, county, municipal and local, foreign, or other statutes, ordinances or regulations

imposing a Tax, including all treaties, conventions, rules, regulations, orders, and decrees of any jurisdiction;

- (pp) **"Tax"** or **"Taxes"** means all taxes, assessments, charges, dues, duties, rates, fees, imposts, levies and similar charges of any kind lawfully levied, assessed or imposed by any Governmental Authority under any applicable Tax Legislation, including, Canadian federal, provincial, state, territorial, county, municipal and local, foreign or other income, capital, capital gains, goods and services, sales, use, consumption, excise, value added (including GST and Harmonized Sales Tax), business, real property, personal property, transfer, franchise, withholding, payroll, or employer health taxes, customs, import, anti-dumping or countervailing duties, Canada Pension Plan contributions, employment insurance premiums, and provincial workers' compensation payments, levy, assessment, tariff, impost, imposition, toll and duty, whether computed on a separate, combined, unitary, or consolidated basis or any other manner, including any interest, penalties and fines associated therewith;
- (qq) **"Third Party"** means any person who is not a Party, Affiliate or Representative;
- (rr) **"Third Party Claim"** means any Claim by a Third Party asserted against the Vendor for which the Purchaser has indemnified the Vendor or is otherwise responsible for pursuant to this Agreement;
- (ss) **"Time of Closing"** means 9:00 am (Calgary, Alberta time) on the Closing Date or such other date and time as the Parties may agree in writing that the Closing shall take place;
- (tt) **"Transaction"** means the transaction for the purchase and sale of the Purchased Assets as contemplated in this Agreement; and
- (uu) **"Vendor's Interest"** means, when used in relation to any asset, undertaking or property, all the right, title and interest, if any, of the Vendor in such asset, undertaking or property.

1.2 Interpretation

The following rules of construction shall apply to this Agreement unless the context otherwise requires:

- (a) All references to monetary amounts, unless indicated to the contrary, are to the lawful currency of Canada.
- (b) Words importing the singular include the plural and vice versa, and words importing gender include the masculine, feminine and neuter genders.
- (c) The word "include" and derivatives thereof shall be read as if followed by the phrase "without limitation".
- (d) The words "hereto", "herein", "hereof", "hereby", "hereunder" and similar expressions refer to this Agreement and not to any particular provision of this Agreement.
- (e) The headings contained in this Agreement are for convenience of reference only, and shall not affect the meaning or interpretation hereof.
- (f) Reference to any Article, Section or Schedule means an Article, Section or Schedule of this Agreement unless otherwise specified.
- (g) If any provision of a Schedule hereto conflicts with or is at variance with any provision in the body of this Agreement, the provisions in the body of this Agreement shall prevail to the extent of the conflict.

- (h) All documents executed and delivered pursuant to the provisions of this Agreement are subordinate to the provisions hereof and the provisions hereof shall govern and prevail in the event of a conflict.
- (i) This Agreement has been negotiated by each Party with the benefit of legal representation, and any rule of construction to the effect that any ambiguities are to be resolved against the drafting Party does not apply to the construction or interpretation of this Agreement.

1.3 Interpretation if Closing Does Not Occur

If Closing does not occur, each provision of this Agreement which presumes that the Purchaser has acquired the Purchased Assets shall be construed as having been contingent upon Closing having occurred.

ARTICLE 2 PURCHASE AND SALE OF PURCHASED ASSETS

2.1 Agreement of Purchase and Sale

Subject to the terms and conditions of this Agreement, the Vendor hereby agrees to sell, assign and transfer to the Purchaser, and the Purchaser agrees to purchase from the Vendor all of the Vendor's Interest in the Purchased Assets free and clear of all Encumbrances other than Permitted Encumbrances.

2.2 Transfer of Purchased Assets

Provided that Closing occurs and subject to the terms and conditions of this Agreement, possession, risk and beneficial ownership of the Purchased Assets shall transfer from the Vendor to the Purchaser on the Closing Date.

2.4 Assumption of Environmental Liabilities

In determining the Purchase Price, the Parties have taken into account Purchaser's assumption of responsibility for the payment of all costs for existing or future Environmental Liabilities associated with the Purchased Assets, as set forth in this Agreement, and the absolute release of the Debtor and Vendor of all and any responsibility or liability therefor.

ARTICLE 3 PURCHASE PRICE

3.1 Purchase Price

The purchase price to be paid by the Purchaser to the Vendor for the Purchased Assets shall be CAD \$[●] (the "Purchase Price") as adjusted pursuant to Section 3.6.

3.2 Deposit

- (a) The Vendor acknowledges receipt of a deposit of CAD \$150,000 (the "Deposit") from the Purchaser.
- (b) The Deposit will be held in trust by the Receiver in an interest-bearing trust account for and on behalf of the Vendor, and shall be releasable in accordance with the terms of this Agreement. If Closing occurs in accordance with the terms and conditions of this Agreement, the Deposit and interest earned thereon shall be credited against the Purchase Price, in partial satisfaction of the Purchaser's obligation to pay the Purchase Price at Closing.
- (c) Following acceptance by the Court of this Agreement, if Closing does not occur for any reason (other than in the case of the Purchaser terminating this Agreement in accordance with Section

9.1), the Vendor shall be entitled to retain the Deposit, the full amount of the Deposit shall be forfeited to the Vendor, this Agreement shall thereupon terminate and each Party shall be released from all obligations and liabilities under or in connection with this Agreement. If Closing does not occur because the Purchaser has terminated this Agreement in accordance with Section 9.1, then the Deposit shall be refunded to the Purchaser. The Parties agree that the amount of the Deposit constitutes a genuine pre-estimate of liquidated damages representing the Vendor's Losses as a result of Closing not occurring and agree that the Vendor shall not be entitled to recover from the Purchaser any amounts that are in excess of the Deposit as a result of Closing not occurring. The Purchaser hereby waives any claim or defence that the amount of the Deposit is a penalty or is otherwise not a genuine pre-estimate of the Vendor's damages.

3.3 Payment of the Purchase Price

The Purchaser shall pay to the Receiver (in trust for and on behalf of the Vendor) at Closing, by certified cheque, bank draft or electronic wire transfer, the adjusted Purchase Price as set forth in the Interim Statement of Adjustments (including applicable GST), less the Deposit and interest earned thereon.

3.4 Allocation of the Purchase Price

The Purchase Price shall be allocated among the Purchased Assets as mutually agreed by the Parties on the Closing Date.

3.5 Adjustments

- (a) Subject to Section 3.5(c), all adjustments relating to the Purchased Assets, both incoming and outgoing, including property taxes, other Taxes, local improvement charges, utilities, costs and revenues incurred, accruing, payable, paid, received or receivable in respect of the Purchased Assets, including rentals, maintenance, development, capital and operating costs, advances, and payments with respect to Permitted Encumbrances and all other matters customarily the subject of adjustment on the sale of assets similar to the Purchased Assets shall, subject to the provisions of this Agreement, be apportioned on an accrual basis between the Vendor and the Purchaser as of the Effective Time, on and subject to the following:
 - (i) except as otherwise provided in this Section 3.5, costs and revenues shall accrue in accordance with GAAP;
 - (ii) all such costs and revenues accruing up to the Effective Time shall be for the Vendor's account and all costs and revenues accruing after the Effective Time shall be for the Purchaser's account;
 - (iii) all costs and revenues of whatever nature pertaining to work performed or goods or services provided with respect to the Purchased Assets prior to the Effective Time shall be borne by and for the account of the Vendor, notwithstanding that such costs may be payable in whole or in part after the Effective Time and all costs and revenues of whatever nature pertaining to work performed or goods or services provided with respect to the Purchased Assets after the Effective Time shall be borne by and for the account of the Purchaser;
 - (iv) all rentals, property taxes and other periodic payments (other than income taxes) shall be apportioned between the Vendor and the Purchaser on a per diem basis as of the Effective Time with all rentals, property taxes and other periodic payments accrued to the Effective Time for the Vendor's account and all rentals, property taxes and other periodic payments accrued after the Effective Time for the Purchaser's account;
 - (v) there shall not be any adjustment on account of income taxes; and

- (vi) the Purchaser shall be solely responsible for all costs in preparing and registering and/or distributing any specific conveyances required in connection with the Transaction.
- (b) The Vendor shall carry out an interim accounting and adjustment and prepare and deliver to the Purchaser at least three Business Days prior to the Closing Date a statement setting forth the Vendor's good faith estimate of all adjustments to be made pursuant to this Section 3.5 (the "**Interim Statement of Adjustments**").
- (c) The Vendor shall carry out a final accounting and adjustment and prepare and deliver to the Purchaser a statement setting forth all adjustments to be made pursuant to this Section 3.5 no later than 30 days following the Closing Date (the "**Final Statement of Adjustments**").
- (d) All adjustments shall be settled by the prompt payment by any Party obliged to make payment pursuant to this Agreement. Interest at the Prime Rate plus 2% per annum shall be paid on any adjustment which remains unpaid by one Party to another Party 30 days after receipt of the notice that adjustment is to be paid from such 30th day to the date of payment.

3.6 GST

- (a) The Purchase Price contemplated under this Agreement does not include GST. The Purchaser shall be liable for and pay to the Vendor the GST payable in connection with the purchase and sale of the Purchased Assets contemplated in this Agreement. **[If the Purchaser is a GST registrant under the GST Legislation, GST shall not be paid provided that the Purchaser provides the Vendor with its GST number, indemnifies the Vendor with respect to GST, and files a return as required by the GST Legislation.]** The Purchaser hereby indemnifies and saves harmless the Vendor from any GST, and related penalty, interest and other amounts which may be payable by or assessed against the Vendor under the GST Legislation as a result of or in connection with the subject transaction or the Vendor's failure to collect and remit the GST applicable on the sale of the Purchased Assets to the Purchaser.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES

4.1 Purchaser's Representations and Warranties

The Purchaser hereby represents and warrants to and in favour of the Vendor that:

- (a) the Purchaser is a corporation duly incorporated and validly subsisting under the laws of the jurisdiction of its incorporation and has the requisite power and authority to enter into this Agreement and to complete the Transaction;
- (b) the Purchaser has taken all necessary corporate action to authorize the entering into and performance by it of this Agreement;
- (c) provided that the Court Approval is obtained, execution, delivery and performance of this Agreement by the Purchaser does not and will not require any consent, approval, authorization or other order of, action by, filing with or notification to, any Governmental Authority, except where failure to obtain such consent, approval, authorization or action, or to make such filing or notification, would not prevent or materially delay the consummation by the Purchaser of the Transaction;
- (d) this Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding obligation of the Purchaser and is enforceable against the Purchaser in accordance with its terms, except as enforceability may be limited by applicable bankruptcy,

insolvency, reorganization or similar Applicable Laws relating to creditors' rights generally and subject to general principles of equity;

- (e) the Purchaser is in compliance with all international trade laws and regulations including: (i) export and re-export controls specified in the U.S. Export Administration Regulations, International Traffic in Arms Regulations (ITAR), and the Bureau of the Census Foreign Trade Statistics Regulations (FTSR), or the Canadian Export and Import Permits Act; (ii) prohibitions on transactions with or transfers to the governments of, parties located in or operated from, or nationals of countries subject to U.S. and Canadian economic sanctions, and (iii) prohibitions on transactions with or transfers to entities or individuals identified on the U.S. government's List of Specially Designated Nationals and Blocked Persons (Treasury Department), Denied Persons List and Entity List (Commerce Department), and the Canadian government's lists of Designated Persons under the *United Nations Act*, *Criminal Code*, *Special Economic Measures Act* and *Freezing Assets of Corrupt Foreign Officials Act*. The Purchaser is not owned or controlled, directly or indirectly, by a prohibited person or entity or by an entity owned or controlled by a prohibited person or entity (or agent acting on such person or entity's behalf) as defined by the foregoing lists;
- (f) there is no requirement for the Purchaser to make any filing with, give any notice to, or obtain any authorization of, any Governmental Authority pursuant to the *Competition Act* (Canada), as a result of, in connection with, or as a condition to the lawful completion of the Transaction; and
- (g) the Purchaser is not a non-Canadian person within the meaning of the *Investment Canada Act* nor a non-resident for the purposes of the Income Tax Act.

4.2 No Representations and Warranties by the Vendor

- (a) Neither the Vendor nor any of its Representatives makes any representations or warranties, and in particular, and without limiting the generality of the foregoing, the Vendor disclaims and neither the Vendor nor any of its Representatives shall be liable for any representation or warranty which may have been made or alleged to be made in any instrument or document related hereto, or in any statement or information made or communicated to the Purchaser in any manner including any opinion, information, or advice which may have been provided to the Purchaser by the Vendor or any of its Representatives in connection with the Purchased Assets or in relation to the Transaction. For greater certainty, neither the Vendor nor any of its Representatives makes any condition, representation or warranty, express or implied, with respect to:
 - (i) the Data Room Information or any other data or information supplied by the Vendor or any of its Representatives in connection with the Purchased Assets, including by way of management presentations or otherwise;
 - (ii) the value of any of the Purchased Assets or the future cash flow therefrom; or
 - (iii) the quality, condition, description, fitness for purpose, suitability, serviceability or merchantability of the Purchased Assets.
 - (iv) any defects, errors or omissions on or in the Purchased Assets, or any other conditions (whether patent, latent or otherwise), including, without limitation, soil quality, environmental contamination (including Environmental Liabilities) and geological stability, affecting the Purchased Assets.
- (b) The descriptions of the Purchased Assets are for purposes of identification only and no condition, warranty, or representation has been or will be given by the Vendor concerning the accuracy, completeness or any other matter concerning those descriptions.

- (c) The Purchaser acknowledges and confirms that it has had an opportunity to conduct any and all due diligence regarding the Purchased Assets and that it is relying on its own investigations concerning the Purchased Assets and it has not relied on advice from the Vendor or any of its Representatives with respect thereto, including with respect to the matters specifically enumerated in Sections 4.2(a) and 4.2(b) the immediately preceding paragraphs in connection with the purchase of the Purchased Assets pursuant hereto. The Purchaser further acknowledges and agrees that it is acquiring the Purchased Assets on an "as is, where is" basis. The Purchaser acknowledges and agrees that it is familiar with the condition of the Purchased Assets, and that the Vendor has provided the Purchaser with a reasonable opportunity to inspect the Purchased Assets at the sole cost, risk and expense of the Purchaser and that the Purchaser is not relying upon any representation or warranty of the Vendor as to the condition of the Purchased Assets.
- (d) Except for its express rights under this Agreement, the Purchaser hereby waives all rights and remedies (whether now existing or hereinafter arising and including all common law, tort, contractual and statutory rights and remedies) against the Vendor and its Representatives in respect of the Purchased Assets or the Transaction or any representations or statements made or information or data furnished to the Purchaser or its Representatives in connection herewith (whether made or furnished orally or by electronic, faxed, written or other means).

ARTICLE 5 COVENANTS

5.1 Leases, Licences and Third Party Consents

- (a) Both before and after Closing, the Purchaser shall use all commercially reasonable efforts to obtain any and all approvals, licences and permits required under Applicable Law and any and all material consents of Third Parties required to permit the Transaction to be completed or that may be required for the Purchaser to own and operate the Purchased Assets. The Purchaser acknowledges that the Vendor has no obligation to transfer any Leases, Permits or other permits or licences to the Vendor and that the Purchaser is solely responsible for obtaining consent to transfer the Leases. Without limiting the generality of the foregoing, it is the sole obligation of the Purchaser, at the Purchaser's sole cost and expense, to:
 - (i) to obtain and pay the cost of any consents, permits, licences assignments, registration fees, attorney and agent fees, filing fees, issue fees or other authorizations and assignments necessary or desirable for the transfer of such right, title and interest, to the Purchaser or for the operation or use of the Purchased Assets;
 - (ii) to obtain all Third Party consents that are required to complete the Transaction and own and operate the Purchased Assets;
 - (iii) obtain the consent to transfer the Leases, if at all; and
 - (iv) provide any and all financial assurances that may be required by Governmental Authorities or any Third Parties to permit the transfer to the Purchaser of any of the Purchased Assets.

However, to the extent the Vendor is able to transfer any Permits and licences to the Purchaser, the Vendor will use reasonable commercial efforts to transfer such Permits and licences to the Vendor, provided that the Purchaser pays all costs associated with such transfer.

- (b) The Purchaser acknowledges that the receipt of applicable permits (including the Permits, if any) and licences that may be required to own and operate the Purchased Assets, the acquisition of the consents of Third Parties and the transfers of Leases shall not be a condition precedent to Closing and that the Purchaser may not obtain the consents of Third Parties or transfers of Leases at all.

5.2 Court Approval

The Vendor shall prepare all materials, and shall promptly apply to the Court for, and use its commercially reasonable efforts to obtain, the Court Approval as soon as reasonably practicable following the date hereof. The Purchaser, at its own expense, shall promptly provide to the Vendor all such information and assistance within the Purchaser's power as the Vendor may reasonably request to obtain the Court Approval, including such information as may be required to reasonably evaluate the Purchaser's financial ability to perform its obligations hereunder. The application for the Court Approval may be adjourned or rescheduled by the Vendor or its Representatives upon notice to the Purchaser.

5.3 Environmental Matters

The Purchaser acknowledges that, insofar as the Environmental condition of the Purchased Assets is concerned, the Purchaser is acquiring the Purchased Assets pursuant hereto on an "as is, where is" basis. The Purchaser acknowledges that it is familiar and satisfied with the condition of the Purchased Assets, including the past and present use of the Purchased Assets, that the Vendor has provided the Purchaser with a reasonable opportunity to inspect the Purchased Assets at the sole cost, risk and expense of the Purchaser (insofar as the Vendor could reasonably provide such access) and that the Purchaser is not relying upon any representation or warranty of the Vendor as to the Environmental condition of the Purchased Assets, or as to any Environmental Liabilities. Provided that Closing has occurred, the Purchaser shall:

- (a) be solely liable and responsible for any and all Losses which the Vendor and its Representatives may suffer, sustain, pay or incur; and
- (b) indemnify, release and save harmless the Vendor and its Representatives from any and all Losses, actions, proceedings and demands, whatsoever which may be brought against or suffered by the Vendor or which the Vendor may sustain, pay or incur,

as a result of any matter or thing arising out of, resulting from, attributable to or connected with any Environmental Liabilities. Once Closing has occurred, the Purchaser shall be solely responsible for all Environmental Liabilities both to Third Parties and as between the Vendor and the Purchaser (whether such Environmental Liabilities occur or accrue prior to, on or after the Closing Date), and hereby releases the Vendor from any Claims the Purchaser may have against the Vendor with respect to all such liabilities and responsibilities. Without restricting the generality of the foregoing, the Purchaser shall be responsible for all Environmental Liabilities (whether such Environmental Liabilities occur or accrue prior to, on or after the Closing Date) in respect of the Purchased Assets. This assumption of liability and indemnity by the Purchaser shall apply without limit and without regard to cause or causes, including the negligence (whether sole, concurrent, gross, active, passive, primary or secondary) or the wilful or wanton misconduct or recklessness of any or all of the Vendor, its Representatives and their respective successors and assigns or any other Person or otherwise. The Purchaser further acknowledges and agrees that it shall not be entitled to any rights or remedies as against the Vendor or its Representatives, or their respective successors and assigns under the common law or statute pertaining to any Environmental Liabilities, including the right to name any or all of the Vendor, its Representatives, and their respective successors and assigns as a 'third party' to any action commenced by any Person against the Purchaser. The Purchaser's assumption of liability and the indemnity obligation set forth in this Section 5.3 shall survive the Closing Date indefinitely.

ARTICLE 6 CONDITIONS

6.1 Mutual Conditions

The respective obligations of the Parties to complete the Transaction are subject to the following conditions being fulfilled or performed as at or prior to the Time of Closing:

- (a) the Court has granted the Court Approval;

- (b) no injunction or other order has been issued to enjoin, restrict or prohibit the Transaction; and
- (c) the Closing is not otherwise prohibited by Applicable Law.

The foregoing conditions are for the mutual benefit of the Vendor and the Purchaser and may be asserted by the Vendor or the Purchaser regardless of the circumstances and may be waived only with the Agreement of both the Vendor and the Purchaser.

6.2 Conditions for the Benefit of the Purchaser

The obligation of the Purchaser to complete the Transaction is subject to the following condition being fulfilled or performed as at or prior to the Time of Closing:

- (a) the Vendor has complied with and performed, in all material respects, all of its covenants and obligations contained in this Agreement.

The foregoing condition is for the exclusive benefit of the Purchaser and may be waived by it in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which the Purchaser may have. If the said condition has not been complied with or waived by the Purchaser at or before the Time of Closing, the Purchaser may terminate this Agreement by written notice to the Vendor.

6.3 Conditions for the Benefit of the Vendor

The obligation of the Vendor to complete the Transaction is subject to the following conditions being fulfilled or performed as at or prior to the Time of Closing:

- (a) all representations and warranties of the Purchaser contained in this Agreement shall be true and correct in all material respects as at the Time of Closing with the same force and effect as if made at and as of such time and the Purchaser shall have delivered to the Vendor a certificate to that effect;
- (b) the Purchaser has complied with and performed in all material respects all of its covenants and obligations contained in this Agreement; and
- (c) no Party comprising the Vendor has lost its ability to convey the Purchased Assets or any of them due to an order of the Court or otherwise pursuant to the Receivership Proceedings, provided such order or other action pursuant to the Receivership Proceedings is not at the voluntary initiative of the Vendor.

The foregoing conditions are for the exclusive benefit of the Vendor and may be waived by it in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which the Vendor may have. If any of the said conditions have not been complied with or waived by the Vendor at or before the Time of Closing, the Vendor may terminate this Agreement by written notice to the Purchaser.

6.4 Satisfaction of Conditions

Each of the Parties shall proceed diligently and in good faith and use all commercially reasonable efforts to fulfill and assist in the fulfillment of the conditions set forth in Sections 6.1, 6.2 and 6.3. In addition, each of the Parties agrees not take any action that could reasonably be expected to preclude, delay or have an adverse effect on the Transaction or, in the case of the Purchaser, that would render, or may reasonably be expected to render, any representation or warranty made by the Purchaser in this Agreement untrue in any material respect.

**ARTICLE 7
CLOSING**

7.1 Closing Date and Place of Closing

Subject to the conditions set out in this Agreement, the Transaction shall close and be completed on the Closing Date. The completion of the Transaction shall take place at the Time of Closing at the offices of the Receiver's solicitors, or at such other time or such other location as the Parties may agree in writing.

7.2 Deliveries on Closing by the Vendor

The Vendor shall deliver to the Purchaser at the Time of Closing:

- (a) a Court certified copy of the Court Approval;
- (b) a registrable transfer of land for the Property duly executed by the Vendor;
- (c) the Interim Statement of Adjustments (which for clarity, shall be delivered prior to Closing as specified in Section 3.5(b));
- (d) all keys, codes, combinations and other access devices to the Purchased Assets in the Vendor's possession and control; and
- (e) such other documents as are required by this Agreement.

7.3 Deliveries on Closing by the Purchaser

The Purchaser shall deliver to the Vendor at the Time of Closing:

- (a) the Purchase Price payable in cash to the Vendor in accordance with Section 3.3; and
- (b) such other documents as are required by this Agreement.

7.4 Risk and Insurance

The risk of loss of the Purchased Assets shall remain with the Vendor until Closing. Any property, liability and other insurance maintained by the Vendor shall not be transferred as of the Time of Closing, but shall remain the responsibility of the Vendor until the Time of Closing. The Purchaser shall be responsible for placing its own property, liability and other insurance coverage with respect to the Purchased Assets in respect of the period from and after the Time of Closing.

**ARTICLE 8
INDEMNITY**

8.1 Indemnification Given by Purchaser

If Closing occurs, the Purchaser shall:

- (a) be liable to the Vendor for; and
- (b) as a separate covenant, indemnify the Vendor and its Representatives from and against,

all Losses suffered, sustained, paid or incurred by any of them to the extent arising or accruing on or after the Effective Time and which relate to the Purchased Assets, including all Losses attributable to the ownership, operation, use, construction or maintenance of the Purchased Assets arising or accruing on or after the Effective

Time and in respect of the indemnities specified in Section 5.3. The Purchaser's indemnity obligation set forth in this Section 8.1 shall survive the Closing Date indefinitely.

8.2 Third Party Claims

- (a) If the Vendor receives notice of the commencement or assertion of any Third Party Claim for which the Purchaser is liable pursuant to this Agreement, the Vendor shall give the Purchaser reasonably prompt notice thereof, but in any event no later than 14 days after receipt of such notice of such Third Party Claim. Such notice to the Purchaser shall describe the Third Party Claim in reasonable detail and shall indicate, if reasonably practicable, the estimated amount (or the method of computation of the amount) of the Loss that has been or may be sustained by the Vendor, and a reference to the provisions of this Agreement upon which such claim is based.
- (b) The Purchaser may participate in the defence of any Third Party Claim by giving notice to that effect to the Vendor not later than 14 days after receiving notice of that Third Party Claim (the "Notice Period") so long as: (i) the Purchaser first acknowledges to the Vendor, in writing, liability to the Vendor under this Agreement with respect to such Third Party Claim and that the outcome of such Third Party Claim does not alter or diminish the Purchaser's obligation to indemnify the Vendor pursuant to this Agreement, subject to the Purchaser's right to contest in good faith the Third Party Claim; (ii) the Purchaser has the financial resources to defend against the Third Party Claim and fulfill any indemnification obligations and has provided the Vendor with evidence thereof; (iii) the Third Party Claim involves monetary damages; and (iv) the Purchaser participates in the defence of the Third Party Claim actively and diligently. The Purchaser's right to do so shall be subject to the rights of any insurer or other third party who has potential liability in respect of that Third Party Claim. The Purchaser shall pay all of its own expenses of participating in or assuming such defence. The Vendor shall cooperate in good faith in the defence of each Third Party Claim and may participate in such defence assisted by counsel of its own choice at its own expense.
- (c) If the Vendor has not received notice within the Notice Period that the Purchaser has elected to participate in the defence of such Third Party Claim, or if the Purchaser has given such notice but thereafter fails or is unable to participate in the defence of such Third Party Claim actively and diligently, the Vendor may, at its option, elect to settle or compromise the Third Party Claim on terms of its choosing, or assume such defence assisted by counsel of its own choosing, and the Purchaser shall be liable for all reasonable costs and expenses paid or incurred in connection therewith and any Loss suffered or incurred by the Vendor with respect to such Third Party Claim.

8.3 Failure to Give Timely Notice

A failure to give timely notice as provided in this Article 8 shall not affect the rights or obligations of any Party except and only to the extent that, as a result of such failure, any Party which was entitled to receive such notice was deprived of its right to recover any payment under any applicable insurance coverage or was otherwise prejudiced as a result of such failure.

8.4 No Merger

There shall not be any merger of any liability or indemnity hereunder in any assignment, conveyance, transfer or document delivered pursuant hereto notwithstanding any rule of law, equity or statute to the contrary and all such rules are hereby waived.

**ARTICLE 9
TERMINATION**

9.1 Grounds for Termination

This Agreement may be terminated at any time prior to Closing by either the Vendor or the Purchaser (as applicable) if the conditions for the benefit of the Vendor or Purchaser (as applicable) pursuant to the provisions of Article 6 are not satisfied or waived by or on the Closing Date.

9.2 Effect of Termination

Notwithstanding any termination of this Agreement by the Vendor or the Purchaser as permitted under Section 9.1, the provisions of Sections 10.1, 10.3, 10.4, 10.10 and 10.13 shall remain in full force and effect following any such permitted termination, and the Deposit shall be governed by Section 3.2.

**ARTICLE 10
MISCELLANEOUS**

10.1 Public Announcements

If a Party intends to issue a press release or other public disclosure of this Agreement, the terms hereof or the Transaction, the disclosing Party shall provide the other Party with an advance copy of any such press release or public disclosure with sufficient time to enable the other Party to review such press release or other public disclosure and provide any comments. The disclosing Party shall not issue such press release or other public disclosure without the prior written consent of the other Party, such consent not to be unreasonably withheld.

10.2 Obligations to Survive

The obligations, covenants, representations and warranties (if any) of the Parties set out in this Agreement shall survive Closing, shall remain in full force and effect, shall not merge as a result of Closing and shall be binding on the Parties thereafter.

10.3 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta, and the federal laws of Canada applicable therein (excluding any conflict of law rule or principle of such laws that might refer such interpretation or enforcement to the laws of another jurisdiction). Each Party irrevocably submits to the exclusive jurisdiction of the Court with respect to any matter arising hereunder or relating hereto.

10.4 Damages

Under no circumstance shall any of the Parties, their Representatives or their respective directors, officers, employees or agents be liable for any punitive, exemplary, consequential or indirect damages (including for greater certainty, any loss of profits) that may be alleged to result, in connection with, arising out of, or relating to this Agreement or the Transaction.

10.5 Further Assurances

Each of the Parties hereto from and after the date hereof shall, from time to time, and at the request and expense of the Party requesting the same, do all such further acts and things and execute and deliver such further instruments, documents, matters, papers and assurances as may be reasonably requested to complete the Transaction and for more effectually carrying out the true intent and meaning of this Agreement.

10.6 No Assignment by Purchaser

The Purchaser shall not, without the Vendor's prior written consent, assign any right or interest in this Agreement, which consent may not be unreasonably withheld.

10.7 Waiver

No failure on the part of any Party in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or remedy preclude any other or further exercise thereof or the exercise of any right or remedy in law or in equity or by statute or otherwise conferred. No waiver by any Party of any breach (whether actual or anticipated) of any of the terms, conditions, representations or warranties contained herein shall take effect or be binding upon that Party unless the waiver is expressed in writing under the authority of that Party. Any waiver so given shall extend only to the particular breach so waived and shall not limit or affect any rights with respect to any other or future breach.

10.8 Amendment

This Agreement shall not be varied in its terms or amended by oral agreement or by representations or otherwise other than by an instrument in writing dated subsequent to the date hereof, executed by a duly authorized representative of each Party.

10.9 Time of the Essence

Time is of the essence in this Agreement.

10.10 Costs and Expenses

Each Party shall be responsible for all costs and expenses (including the fees and disbursements of legal counsel, bankers, investment bankers, accountants, brokers and other advisors) incurred by it in connection with this Agreement and the Transaction. No Party shall be responsible for the costs and expenses of the other Party.

10.11 Notices

Any notice, demand or other communication required or permitted to be given to any Party shall be given in writing and addressed as follows:

- (a) in the case of the Vendor or the Receiver:

Deloitte Restructuring Inc.
2000 Manulife Place, 10180 – 101 Street NW
Edmonton, AB T5J 4E4
Attention: Bob Taylor
Fax: 780-421-3782
Email: bobtaylor@deloitte.ca

And with a copy to the Receiver's solicitors:

Borden Ladner Gervais LLP
1900, 520 – 3rd Ave S W
Calgary, AB, Canada T2P 0R3
Attention: Kevin Barr
Fax: 403.266.1395
Email: kbarr@blg.com

(b) In the case of the Purchaser:

[Purchaser Name]

•

Attention: •

Fax: •

Email: •

And with a copy to the Purchaser's solicitors:

•

Attention: •

Fax: •

Email: •

Any such notice, if personally delivered, shall be deemed to have been validly and effectively given and received on the Business Day of such delivery and if sent by facsimile or other electronic communication with confirmation of transmission, shall be deemed to have been validly and effectively given and received on the Business Day next following the day it was received.

10.12 Enurement

This Agreement shall be binding upon, and enure to the benefit of, the Parties and their respective successors and permitted assigns.

10.13 Third Party Beneficiaries

Each Party intends that this Agreement shall not benefit or create any right or cause of action in or on behalf of any person other than the Parties and their successors and permitted assigns, and no person, other than the Parties and their successors and permitted assigns shall be entitled to rely on the provisions hereof in any action, suit, proceeding, hearing or other forum.

10.14 Severability

If any provision of this Agreement or any document delivered in connection with this Agreement is partially or completely invalid or unenforceable, the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement, all of which shall be construed and enforced as if that invalid or unenforceable provision were omitted. The invalidity or unenforceability of any provision in one jurisdiction shall not affect such provision validity or enforceability in any other jurisdiction.

10.15 Entire Agreement

This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and cancel and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, between the Parties with respect to the subject matter hereof. There are no conditions, covenants, agreements, representations, warranties or other provisions, whether oral or written, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof other than those contained in this Agreement.

10.16 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement. Transmission by facsimile or other electronic means of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

IN WITNESS WHEREOF this Agreement has been properly executed by the Parties as of the date first above written.

DELOITTE RESTRUCTURING INC., in its capacity as the Court-appointed receiver and manager of all of the current and future assets, undertakings and properties of Reperio Resources Corp. and not in its personal or corporate capacity

Per:

Name:

Title:

[Purchaser Name]

Per:

Name:

Title:

Appendix "E"

Estate General Ledger Report

Other

Estate Name: Reperio Resources Corp.

Date Of Insolvency: 23-Sep-2016

Estate Number: 1601 11809

File Name: Reperio Resources Corp.

Administration: Corporate, Receivership

Account Type: Estate Account - VB, 10008, 7707367;

Date	Cheque / Deposit #	Received from / Payee	Transaction #	Deposit Date	Disbursements \$ (DEBITS)	Receipts \$ (CREDITS)	Balance
Account #:33100 - Rental income							
17-Nov-2016	00001	LTS Resources Partnership - Cheque# 55501092 - Dec 9.16 to Dec 8.17 LTS Confirmed no GST	10820738	17-Nov-2016		3,400.00	3,400.00
23-Nov-2016	00002	David Hrasko - Cheque# 389 - Oct 1, 2016 land rental payment	10821702	23-Nov-2016		1,725.00	5,125.00
				Balance:		(CR)	5,125.00
Account #:33180 - Recovery of funds paid to court							
25-Nov-2016	00003	Gov of AB - Cheque# 394738 - 1689042 AB Ltd vs Reperio Disposition of garnishee	10821997	25-Nov-2016		1,092.58	1,092.58
				Balance:		(CR)	1,092.58
Account #:40900 - GST collected							
23-Nov-2016	00002	David Hrasko - Cheque# 389 - Oct 1, 2016 land rental payment	10821702	23-Nov-2016		86.25	86.25
				Balance:		(CR)	86.25
Account #:48052 - Refund-Utilities							
02-Dec-2016	00004	Direct Energy - Cheque# 0610987850 - Direct Energy refund	10822512	06-Dec-2016		32.76	32.76
				Balance:		(CR)	32.76
Account #:60200 - Filing fees paid to Official Receiver							
14-Dec-2016	1	Receiver General for Canada	10823432		70.00		70.00
				Balance:		(DR)	70.00
				Totals By Estate:	70.00	6,336.59	6,266.59

Summary:

Total Receipts: 6,336.59
 Total Disbursements: 70.00

1. Cash Balance: 6,266.59
 2. Accrual Total: 0.00
 3. Estate Balance (1+2): 6,266.59
 4. Term Deposit Balance: 0.00
 5. Total Balance (3+4): 6,266.59

* Deposit prior to conversion to Ascend.