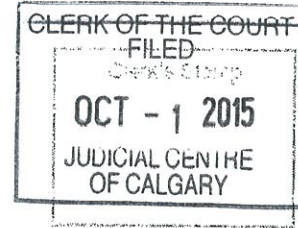


COURT FILE NUMBER 1501-11517
COURT Court of Queen's Bench of Alberta
JUDICIAL CENTRE Calgary
PLAINTIFF HSBC BANK CANADA
DEFENDANT GROUNDFORCE GEODRILLING SOLUTIONS INC.
DOCUMENT AFFIDAVIT of ROBERT ELLIOTT



ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
Fasken Martineau DuMoulin LLP
Barristers & Solicitors
3400 First Canadian Centre
350-7th Avenue S.W.
Calgary, AB T2P 3N9

Attention: Travis Lysak / Theodore Fong
Telephone: (403) 261-5350
Facsimile: (403) 261-5351
Emails: tlysak@fasken.com / tfong@fasken.com
File No: 245056.00294

AFFIDAVIT OF ROBERT ELLIOTT

Sworn on September 28, 2015

I, Robert Elliott, of the City of Vancouver, in the Province of British Columbia, MAKE OATH AND SWEAR AND SAY THAT:

1. I am an Assistant Vice-President in the Special Credit Department of the Applicant HSBC Bank Canada (the "Bank").
2. I am primarily responsible for the administration of the Credit Facilities, as defined below, and as such, I have personal knowledge of the matters hereinafter deposed to, except where stated to be based on information and belief, and where so stated I believe the same to be true. I am authorized by the Bank to swear this affidavit on its behalf.

3. The Defendant GroundForce GeoDrilling Solutions Inc. (the “Borrower”) is a drilling contractor that provides drilling services to oil & gas, mining, geothermal, and groundwater sectors in Western Canada.

The Debt and Security

4. The Bank has established and authorized certain credit facilities (the “Credit Facilities”) in favour of the Borrower pursuant to various agreements, including a most recently executed facility letter dated March 16, 2015, as well as a Line of Credit by Way of Current Account Overdraft Agreement dated January 20, 2011, a MasterCard Indemnity Agreement dated January 20, 2011, an Environmental Indemnity Agreement dated April 27, 2011, a Confirmation and Acknowledgment Agreement dated May 10, 2012, an Agreement for Foreign Exchange Contracts dated November 6, 2012, and a MasterCard Program limit Modification Agreement dated August 25, 2014 (collectively, the “Credit Agreement”). The foregoing documents comprising the Credit Agreement are attached hereto and collectively marked as **Exhibit “A”**.
5. The repayment of the monies from time to time due and owing by the Borrower to the Bank in respect of the Credit Facilities, including interest thereon and all other costs, charges and expenses from time to time due and owing to the Bank in connection therewith and hereunder (collectively, the “Indebtedness”), is secured in whole or in part by various security instruments granted by the Borrower. All security now or hereafter held by the Bank in respect of the Credit Facilities and the Indebtedness is collectively referred to as the “Security Documents” and includes, without limitation, the following:
 - (a) General Security Agreement dated January 20, 2011 granted by the Borrower in favour of the Bank in respect of, *inter alia*, all of the present and after acquired personal property, presently owned and after acquired intellectual property, and presently owned or held and after acquired property, assets, effects and undertakings of the Borrower, attached and marked hereto as **Exhibit “B”**;

- (b) Security with Respect to Business Insurance Policies Agreement dated January 20, 2011 between the Borrower and the Bank, attached and marked hereto as **Exhibit "C"**;
- (c) Security over Cash, Credit Balances and Deposit Instruments Agreement dated January 20, 2011 between the Borrower and the Bank, attached and marked hereto as **Exhibit "D"**;
- (d) MasterCard Indemnity Agreement dated January 20, 2011 between the Borrower and the Bank, attached and marked hereto as **Exhibit "E"**;
- (e) Demand Collateral Mortgage dated April 27, 2011 between the Borrower and the Bank, relating to the lands located at 8010002, Block A, Lots 13 & 14, attached and marked hereto as **Exhibit "F"**;
- (f) Security over Cash, Credit Balances and Deposit Instruments Agreement dated August 8, 2014 between the Borrower and the Bank, attached and marked hereto as **Exhibit "G"**; and
- (g) Security with Respect to Business Insurance Policies Agreement dated November 10, 2014 between the Borrower and the Bank, attached and marked hereto as **Exhibit "H"**.

Default and Forbearance

- 6. The Borrower is in default under the Credit Agreement, and its breaches include, without limitation:
 - (a) the Borrower's Current Ratio, as defined in the Credit Agreement, is below what is permitted under the Credit Agreement;
 - (b) the Borrower's Debt to Tangible Net Worth ratio, as set out in the Credit Agreement, exceeds what is permitted under the Credit Agreement;

- (c) the Borrower's Debt Service Coverage ratio, as set out in the Credit Agreement, is below what is permitted under the Credit Agreement; and
 - (d) the Borrower is in excess of its Margin Requirement on the Operating Facility, as set out in the Credit Agreement
- (collectively, the "**Breaches**").

7. As a result of the ongoing Breaches, the Bank determined it was necessary to issue a demand to the Borrower for the repayment of the Indebtedness and a Notice of Intention to Enforce Security pursuant to s. 244 of the *Bankruptcy and Insolvency Act (Canada)* to the Borrower. Both documents dated August 17, 2015, attached hereto and marked as **Exhibit "I"** (the "**Demand**"), were issued to the Borrower.
8. Leading up to the issuance of the Demand, the Bank and the Borrower were negotiating a forbearance agreement. Concurrently with the issuance of the Demand, the Bank and the Borrower entered into a Forbearance Agreement dated August 17, 2015 (the "**Forbearance Agreement**"), pursuant to which the Bank agreed to forbear from demanding payment of the Indebtedness and enforcing the Security Documents upon the terms and conditions set forth in the Forbearance Agreement. A copy of the Forbearance Agreement is attached hereto and marked as **Exhibit "J"**.
9. As part of the Forbearance Agreement, the Borrower executed a Consent Receivership Order, which the Bank would be entitled to rely on in the event of a default under the Forbearance Agreement.
10. It was hoped that a recently built and commissioned slant drilling rig ("**Rig 14**") would generate significant revenue and cash flow over the balance of 2015 through work to be completed under a newly signed drilling contract with Canadian Natural Resources Limited ("**CNRL**"). This was an important development to the Bank.

Deloitte Monitoring and Reporting

11. It was agreed that Deloitte Restructuring Inc. ("**Deloitte**") would be appointed to, amongst other things, perform a review of the Borrower and its business to assess and

monitor the Borrower's strategy for curing the Breaches, to assess and monitor the collection of accounts receivable and the implementation of that strategy, to review the Borrower's cash flow projections, based on the CNRL contract for Rig 14, and to assess the impact of those projections on the Bank's security position, to determine the estimated net realizable value of the Borrower's assets and to consider any other matters which the Bank from time to time considers to be relevant to the Borrower's financial position and the Bank's security position and to report its findings to the Bank.

12. The Bank has received an initial report from Deloitte dated September 18, 2015.

Deterioration of Business and Default under the Forbearance Agreement

13. During the forbearance period and through discussions with Deloitte, the Bank has learned that the CNRL contract for Rig 14 has been withdrawn, and that the management of the Borrower is uncertain whether it will secure any meaningful additional work for the balance of 2015. Further, during the forbearance period the Borrower had received Requests for Proposals ("RFP") from CNRL and Brion Energy Corporation ("Brion") for additional short-term work. CNRL has subsequently withdrawn its RFP request. All these developments are extremely concerning to the Bank.
14. The Forbearance Agreement expressly provides that the Borrower is in default of the Forbearance Agreement if Deloitte, acting in good faith, reports to the Bank that the business of the Borrower, taken as a whole, is not viable or is insolvent.
15. On September 25, 2015, the bank received a letter from Deloitte, which states:

Further to our letter dated September 18, 2015 and our recent discussions with management, the Company continues to experience negative cash flow and has few prospects for additional work. The RFP from CNRL has now been withdrawn and management is uncertain if it will secure the work recently proposed for Brion Energy Corporation. As a result, the Company remains insolvent and is not viable in its current state.
16. A copy of this letter is attached and marked hereto as **Exhibit "K"** (the "**Deloitte Letter**").

Consent Receivership Order

17. As described above, given the Deloitte Letter, the Bank is entitled to immediately pursue its legal rights against the Borrower, including its rights under the Security Documents (and including making use of the Consent Receivership Order), to recover all of the Indebtedness if there is a default under the Forbearance Agreement.

Urgency

18. In addition to the recent material adverse changes relating to the Borrower, the Borrower also expects to close a sale of lands located at 8010002, Block A, Lots 13 & 14 (the "Crossfield Lands") on September 30, 2015.
19. The Bank would like to ensure that the sale proceeds of the Crossfield Lands will be paid towards the Indebtedness as agreed-to in the Forbearance Agreement and would feel more comfortable if a receiver is appointed over the Borrower.

The Indebtedness

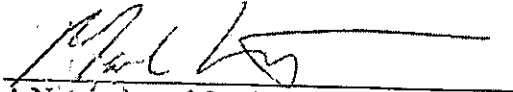
20. As of September 24, 2015, the Indebtedness includes the following:
 - (a) an outstanding principal balance as at September 25, 2015 of \$16,980,531.25;
 - (b) interest thereon, accrued and accruing; and
 - (c) all other costs, charges and expenses from time to time due and owing to the Bank in connection therewith and hereunder.

The Proposed Receiver

21. The Bank proposes to appoint Deloitte as Receiver over the Borrower. Attached hereto and marked as Exhibit "L" is a copy of Deloitte's Consent to Act as Receiver.
22. The Borrower consented to Deloitte acting as a receiver in the Forbearance Agreement and in the Consent and Agreement of Deloitte it signed.

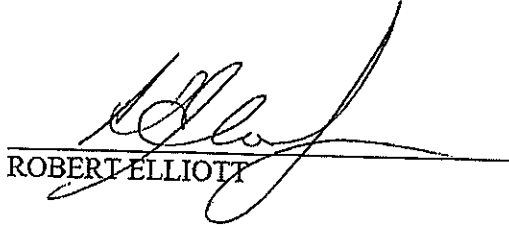
23. I swear this affidavit in support of an application for the appointment of a receiver of the assets of the Borrower.

SWORN BEFORE ME at Vancouver, British Columbia, this 28 day of September, 2015.



A Notary in and for the Province of British Columbia.

MARK LAVITT
A NOTARY PUBLIC IN AND FOR
THE PROVINCE OF BRITISH COLUMBIA
HSBC BANK CANADA
4TH FLOOR, 2910 VIRTUAL WAY
VANCOUVER, B.C. V6Z 1R2



ROBERT ELLIOTT

TAB A



This is Exhibit "A" referred to in the Affidavit of

ROBERT ELLIOTT
Sworn before me this 28 day
of SEPTEMBER A.D. 2015
[Signature]

March 16, 2015

GroundForce GeoDrilling Solutions Inc.
#650, 910 - 7th Ave SW
Calgary, Alberta T2P 3N8

MARK LAVITT
A NOTARY PUBLIC IN, AND FOR
THE PROVINCE OF BRITISH COLUMBIA
HSBC BANK CANADA
4TH FLOOR, 2910 VIRTUAL WAY
VANCOUVER, B.C. V6M 0B2

Attention: Mr. David Hawkins, Chief Executive Officer

Dear Sirs:

HSBC Bank Canada (the "Bank") is pleased to offer you the following amended and restated credit facilities (the "Loans") upon and subject to the terms and conditions set out below. The terms and conditions contained in the Schedule attached hereto are incorporated by reference into and form an integral part of this Facility Letter.

This Facility Letter supersedes and replaces the Bank's previous facility letter with the Borrower dated August 13, 2013, as amended by amending agreements dated March 14, 2014, July 28, 2014 and November 3, 2014, respectively (as amended, the "Original Facility Letter").

Borrower

GroundForce GeoDrilling Solutions Inc. (the "Borrower").

1. Operating Loan

1.1 Amount:

CAD 5,000,000 demand revolving loan (the "Operating Loan")

1.2 Purpose:

To assist in financing the day-to-day operating requirements of the Borrower.

1.3 Availability:

Available by way of account overdraft following satisfaction of the Conditions Precedent. The Borrower shall ensure that the amount advanced and outstanding under the Operating Loan (net of 100% of cash, credit balances and deposits held at the Bank), shall at no time exceed the lesser of: (i) the maximum limit of the Operating Loan referenced above, and (ii) the Margin Requirement, as calculated by the Bank, being the aggregate of:

- (A) 75% of Acceptable Receivables (as defined in the attached Schedule); plus
- (B) CAD 2,000,000 security value supported by a surplus lending value in capital assets of the Borrower (such amount to be reduced or eliminated in connection with the Borrower's sale of its real property municipally described as 805 and 809 Laut Avenue, Crossfield, Alberta); minus
- (C) Priority Claims (as defined in the attached Schedule).

1.4 Repayment:

All amounts outstanding under the Operating Loan shall be repaid on demand by the Bank and, unless and until otherwise demanded, interest shall be paid at the rate set out below and in the manner provided in the attached Schedule.

1.5 Interest and Fees:

Interest shall be paid at the Bank's Prime Rate plus 1.75% per annum.

Monthly administration fee of CAD 150.

2. Consolidation Loan

2.1 Amount:

CAD 8,021,374 demand non-revolving loan (the "Consolidation Loan")

2.2 Purpose:

To refinance previous loans and other indebtedness owing by the Borrower to the Bank.

2.3 Availability:

The Consolidation Loan has been fully advanced.

2.4 Repayment:

All amounts outstanding under the Consolidation Loan shall be repaid on demand by the Bank and, unless and until otherwise demanded, interest only on the last day of each month until May 31, 2015 followed by equal monthly instalments of principal and interest based on the interest rate set out below and a remaining amortization period of 5 years on the last day of each month. The Consolidation Loan, in any event, shall be repaid in full by August 31, 2018.

2.5 Interest:

Interest shall be paid at the Bank's Prime Rate plus 2.00% per annum.

3. Property Loan

3.1 Amount:

CAD 1,982,329 demand non-revolving loan (the "Property Loan")

3.2 Purpose:

To assist financing the Borrower's acquisition of an 8 acre property located at 705, 709, 713 and 717 McCool Street, Crossfield, Alberta (the "New Property").

3.3 Availability:

RESTRICTED

The Property Loan has been fully advanced.

3.4 Repayment:

All amounts outstanding under the Property Loan shall be repaid on demand by the Bank and, unless and until otherwise demanded, interest only on the last day of each month until May 31, 2015 followed by equal monthly instalments of principal and interest based on the interest rate set out below and an amortization period of 15 years on the last day of each month.

3.5 Interest:

Interest shall be paid at the Bank's Prime Rate plus 2.00% per annum.

4. Rig Construction Loan

4.1 Amount:

CAD 4,500,000 demand non-revolving loan (the "Rig Construction Loan")

4.2 Purpose:

To assist in financing the construction costs of a new slant rig for the Borrower.

4.3 Availability:

As at the date hereof, CAD 479,818 has already been advanced. Available by way of multiple advances following satisfaction of Conditions Precedent. Maximum advance to be the lesser of the amount stated above, or 50% of the rig construction costs, with cost overruns to be covered by the Borrower. Minimum draw request amount CAD 250,000. Prior to any advance hereunder, the Bank must receive a finalized rig construction budget for this rig along with being satisfied of its review of all applicable invoices provided to support the cost to build the rig.

4.4 Repayment:

All amounts outstanding under the Rig Construction Loan shall be repaid on demand by the Bank and, unless and until otherwise demanded, interest only monthly payments at the rate set out below until May 31, 2015 or fully advanced, whichever is later, followed by equal monthly instalments of principal and interest based on the interest rate set out below and an amortization period of 5 years on the last day of each month.

4.5 Interest:

Interest shall be paid at the Bank's Prime Rate plus 2.00% per annum.

5. MasterCard Facility

5.1 Amount:

CAD 75,000 MasterCard Facility (the "MasterCard Facility").

5.2 Purpose:

The MasterCard Facility shall be used to provide a credit limit for the Borrower to issue MasterCard
RESTRICTED

expense cards to key employees for sundry business expenses up to a maximum combined limit of CAD 75,000.

6. Electronic Funds Transfer Facility

6.1 Amount:

CAD 300,000 Electronic Funds Transfer Facility (the "EFT Facility")

6.2 Purpose:

To provide a credit limit used by the Borrower to process payroll and management fee payments using HSBC Bank Canada Electronic Funds Transfer software.

7. Fees

A setup and administration fee of CAD 2,500 shall be payable by the Borrower upon acceptance of this Facility Letter.

8. Security

8.1 Security Documents:

The liability, indebtedness and obligations of the Borrower under the Loans and this Facility Letter shall be evidenced, governed and secured, as the case may be, by the following documents (the "Security Documents") completed in form and manner satisfactory to the Bank or its solicitors:

ON HAND:

- (a) line of credit by way of current account overdraft agreement executed by the Borrower;
- (b) general security agreement creating a first priority security interest in all present and after acquired personal property of the Borrower and a floating charge over all of the Borrower's present and after acquired real property, registered initially in each of Alberta, British Columbia and Saskatchewan;
- (c) assignment/endorsements by the Borrower to the Bank of all risk insurance (including extended coverage endorsement) in amounts and from an insurer acceptable to the Bank, on all of the Borrower's real and personal property including, without limitation, lands, buildings, equipment and inventory owned by the Borrower, showing the Bank as first loss payee by way of standard mortgage endorsement, such policy to include business interruption lost profit and public liability insurance;
- (d) security agreement over cash, credit balances and deposit instruments executed by the Borrower;
- (e) demand collateral mortgage in the amount of CAD 3,840,000 from the Borrower creating a first, fixed and specific mortgage charge over the New Property;
- (f) environmental agreement and indemnity over the New Property executed by the Borrower;
- (g) indemnity re: MasterCard Facility; and

RESTRICTED

- (h) associated supporting certificates, undertakings, acknowledgements and opinions.

TO BE OBTAINED:

- (i) such other documents or agreements as the Bank may reasonably request in order to register or otherwise perfect or protect the documents listed above.

8.2 Registration:

The Security Documents will be registered in all jurisdictions and at all registries or public offices as the Bank may determine necessary or beneficial to perfect or protect its interests under the Security Documents. The Security Documents shall rank in priority to all other mortgages, charges, liens, encumbrances and security interests unless otherwise specifically agreed to in writing by the Bank.

9. Conditions Precedent

The conditions precedent to the Bank's obligation to the advance of the Loans and to the continued availability of the Loans are set out below and in Section IV of the attached Schedule (collectively the "Conditions Precedent"):

- (a) one (1) originally executed copy of this Facility Letter executed by the Borrower; and
(b) the payment of all fees payable to the Bank hereunder.

10. Borrower's Covenants and Conditions

The Borrower covenants and agrees with the Bank that, so long as any portion of the Loans remains outstanding, it shall not, without the prior written consent of the Bank;

- (a) Permit its Current Ratio to at any time be less than 1.25:1 (tested monthly).

For the purpose of this calculation, "Current Ratio" is defined as total current assets divided by total current liabilities. Total current assets shall exclude amounts due from related companies. Total current liabilities shall exclude the current portion of long-term debt and capital leases.

The Borrower was in default of its Current Assets to Current Liabilities covenant for the period ending November 30, 2014. The Bank agrees to provide forbearance of this covenant breach however such forbearance shall not constitute a waiver of default. The Bank expressly reserves all rights and remedies with respect to any default or event of default hereafter arising.

- (b) Permit its Debt to Tangible Net Worth to exceed 2.50:1 (tested monthly).

For the purpose of this calculation:

- (i) "Debt" is defined as total liabilities less future taxes, less postponed loans and subordinated debt in favour of the Bank plus the principal portion of non-realty operating lease obligations, and
(ii) "Tangible Net Worth" is defined as the aggregate of paid-in capital, retained earnings, postponed loans, subordinated debt and associated accrued interest less any assets deemed intangible by the Bank which includes, but is not limited to, goodwill, deferred charges, investments in related companies, advances to shareholders and amounts due

from related companies.

- (c) Permit its debt service coverage ratio ("DSCR") to at any time be less than 1.25 to 1.0 (tested annually).

For the purpose of this calculation, DSCR is defined as EBITDA divided by the total of principal payments on long term debt and capital leases plus interest.

The Borrower agrees that the foregoing financial tests shall be calculated by the Bank using internally prepared financial statements of the Borrower or with such other suitable documents as the Bank may agree to use from time to time.

11. Financial Statements and Reports

The Borrower shall deliver to the Bank the following:

- (a) Monthly, within 25 days of each calendar month end:
- (i) an aged list of accounts receivable of the Borrower;
 - (ii) an aged list of accounts payable of the Borrower;
 - (iii) internally prepared income statement and balance sheet of the Borrower; and
 - (iv) signed covenant and margin compliance certificate.
- (b) Annually, within 90 days of the Borrower's fiscal year end:
- (i) audited financial statements for the Borrower;
 - (ii) at the Bank's request, annual financial projections for the following fiscal year;
 - (iii) confirmation that all applicable property taxes are paid and up to date; and
 - (iv) *pro forma* financial statements, cash flow forecast and budget for the following fiscal year of the Borrower; and
- (c) such additional financial statements and information as and when requested by the Bank.

12. Acknowledgement of Security Documents

The Security Documents continue to remain in full force and effect as legal and binding obligations of the Borrower in accordance with their respective terms and such Security Documents are hereby ratified and confirmed in all respects by the Borrower.

13. Amendment and Restatement

Effective as of the date hereof, the Original Facility Letter is hereby amended and restated as set forth herein and the terms and provisions of the Original Facility Letter are superseded and replaced by the terms and conditions of this Facility Letter, provided that, notwithstanding the foregoing, the obligations, rights and remedies which have arisen under the Original Facility Letter remain outstanding thereunder and continue in full force and effect, subject only to the effect of the amendments, modifications and supplements effected by this Facility Letter.

The Borrower confirms that all deliverables made under the Original Facility Letter are deemed to have been delivered under this Facility Letter.

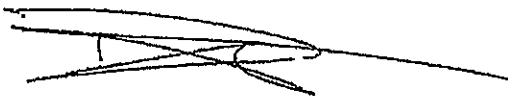
14. Lapse, Periodic Review and Cancellation

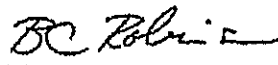
Without limiting the Bank's right to demand repayment of the Loans at any time, the Loans shall be subject to periodic review by the Bank as and when determined by the Bank in its discretion but the Bank shall be under no obligation to conduct any such review or to provide a renewal letter or extension letter or other notification of such review if such review is conducted. Any unadvanced portion of the Loans shall be automatically cancelled upon demand being made by the Bank for repayment of the amount outstanding under the Loans. The Loans under this Facility Letter are uncommitted and, notwithstanding any other provision of this Facility Letter, the Bank may, at any time, in its sole discretion, (i) on same day notice to the Borrower, terminate the Borrower's right to make requests for the Loan(s) hereunder, and (ii) even if the amounts available under the Loans has not terminated, decline any request for the Loans.

15. Acceptance

The terms and conditions of this Facility Letter may be accepted by signing, dating and returning the enclosed duplicate copy of this Facility Letter signed by the Borrower to the Bank by no later than 5:00 pm on March 27, 2015. Failing such acceptance, this offer will automatically expire and shall be of no further force or effect.

Yours truly,
HSBC BANK CANADA


Domenic Niro
Senior Account Manager
Energy & Private Equity Finance

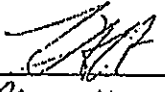

Wade Schuler
Vice-President
Energy & Private Equity Finance

The undersigned hereby acknowledges and agrees to the terms and conditions of this Facility Letter this 16 day of March, 2015.

THE BORROWER:

GroundForce GeoDrilling Solutions Inc.

Per: _____


Dawn Hawkins
CEO

Per: _____

SCHEDULE TO FACILITY LETTER
FROM HSBC BANK CANADA
TO GROUNDFORCE GEODRILLING SOLUTIONS INC.
DATED MARCH 16, 2015

This Schedule shall form part of the Facility Letter and the Loans as described in the Facility Letter shall also be subject to the following terms and conditions:

I. Definitions

For the purpose of the Facility Letter, the following terms shall have the meanings indicated below:

"Acceptable Receivables" means the aggregate of accounts receivable of the Borrower, determined by the Bank from its review of the most recent financial statements and aged listing of accounts receivable of the Borrower, over which the Bank holds a first assignment or first security interest, subject only to Priority Claims from customers approved by the Bank which have been outstanding for not more than 90 days (120 days for Sunco, Pengrowth, Koch Industries, Canadian Natural Resources Ltd and BHP Billiton), from which shall be excluded accounts receivable from affiliated corporations and accounts which are disputed by the Borrower's customers or are subject to set-off;

"Bank's Prime Rate" means the variable annual rate of interest established and adjusted by the Bank from time to time as its reference rate for purposes of determining rates of interest it will charge on loans denominated in Canadian dollars and which was 2.85% on March 16, 2015. A certificate of a manager or account manager of the Bank shall be *prima facie* evidence of the Bank's Prime Rate from time to time;

"Facility Letter" means the letter from the Bank to the Borrower to which this Schedule is attached, together with this Schedule, and includes all amendments and replacements thereof;

"Governmental Authority" means any governmental, legislative, or regulatory authority, agency, commission, board or any court, tribunal or other law, regulation or bill making entity having or purporting to have jurisdiction on behalf of any nation, province or city;

"Guarantor(s)" means the party or parties who have or are to execute a guarantee or guarantees of the indebtedness of the Borrower under or in connection with this Facility Letter and the Security Documents;

"Legal Requirement" means all laws, statutes, codes, ordinances, orders, awards, judgments, decrees, injunctions, rules, regulations, authorizations, consents, approvals, orders, permits, franchises, licences, directions and requirements of any Governmental Authority or otherwise; and

"Priority Claims" means any lien, claim, charge, security interest, trust claim, right or encumbrance of any Governmental Authority or other party (whether arising under any statute, law, contract or otherwise) having priority over the Security Documents and the mortgage, charge and security interest of the Bank in any of the inventory or accounts receivable of the Borrower.

II. Representations and Warranties

If a corporation, the Borrower and each Guarantor (if applicable) represents and warrants, as at the time of drawing under or other utilization of the Loans, that:

RESTRICTED

- (a) it has been duly incorporated and organized, is properly constituted, is in good standing and is entitled to conduct its business in all jurisdictions in which it carries on business or has assets;
- (b) the execution of the Facility Letter and the Security Documents and the incurring of liability and indebtedness to the Bank does not and will not contravene:
 - i) any Legal Requirement applicable to the Borrower and each Guarantor, respectively; or
 - ii) any provision contained in any other loan or credit agreement or borrowing instrument or contract to which the Borrower and each Guarantor, respectively, is a party;
- (c) the Facility Letter and the Security Documents to which it is a party have been duly authorized, executed and delivered by the Borrower and each Guarantor, and constitute valid and binding obligations of the Borrower and each Guarantor, as the case may be, and are enforceable in accordance with their respective terms; and
- (d) all necessary Legal Requirements have been met and all other authorizations, approvals, consents and orders have been obtained with respect to the Loans and the execution and delivery of the Security Documents.

Each of the Borrower and the Guarantor(s) also represents and warrants to the Bank that all financial and other information provided to the Bank in connection with the Loans is true and accurate, and acknowledges that the offer of credit contained in the Facility Letter is made in reliance on the truth and accuracy of this information and the above representations and warranties.

III. Interest, Fees, Payment and Rights

- (a) Interest on the daily balance of the principal amount advanced under the Loans and remaining unpaid from time to time shall be payable by the Borrower as set out in the Facility Letter both before and after demand, maturity, default and judgment;
- (b) Each Loan shall bear interest from the date of advance at the variable annual rate of interest set out in this Facility Letter and shall accrue daily on the basis of a year of 365 days compounded monthly and, unless otherwise stated in the Facility Letter, shall be payable on the last day of each month;
- (c) In addition to the fees described in other portions of the Facility Letter, the Borrower shall also pay to the Bank:
 - (i) a fee of CAD 100 for each week that the Borrower is in default in providing the financial reports contemplated by this Facility Letter; and
 - (ii) a fee of CAD 5 for each cheque of the Borrower which is honoured by the Bank, in its discretion, in excess of the authorized amount of the Loans;
- (d) The fees collected by the Bank shall be its property as consideration for the time, effort and expense incurred by it in the review and administration of documents and financial statements, and the Borrower acknowledges and agrees that the determination of these costs is not feasible and that the fees set out in the Facility Letter represent a reasonable estimate of such costs;
- (e) Any amounts which become payable to the Bank under the Facility Letter or the Security Documents and which are not paid when due shall accrue interest and be payable from the due

RESTRICTED

date at the rate and manner stipulated for the Loans first described in the Facility Letter, if no other interest rate is expressed for such amounts;

- (f) All payments by the Borrower to the Bank shall be made at the address of the branch of the Bank set out on the first page of the Facility Letter or at such other place as the Bank may specify in writing from time to time. Any payment delivered or made to the Bank by 1:00 p.m. local time at the place where such payment is to be made shall be credited as of that day, but if made afterwards shall be credited as of the next day on which the said branch is open for business;
- (g) Notwithstanding anything to the contrary contained in the Facility Letter, the Bank may, in its discretion, make an advance under the Loans to pay any unpaid interest or fees which have become due under the terms of the Facility Letter;
- (h) The Borrower acknowledges that the actual recording of the amount of any advance or repayment thereof under the Loans, and interest, fees and other amounts due in connection with the Loans, in an account of the Borrower maintained by the Bank shall constitute *prima facie* evidence of the Borrower's indebtedness and liability from time to time under the Loans; provided that the obligation of the Borrower to pay or repay any indebtedness and liability in accordance with the terms and conditions of the Loans shall not be affected by the failure of the Bank to make such recording. The Borrower also acknowledges being indebted to the Bank for principal amounts shown as outstanding from time to time in the Bank's account records, and all accrued and unpaid interest in respect of such amounts, in accordance with the terms and conditions of this Facility Letter;
- (i) The obligation of the Borrower to make all payments under the Facility Letter and the Security Documents shall be absolute and unconditional and shall not be limited or affected by any circumstance, including, without limitation:
 - (i) any set-off, compensation, counterclaim, recoupment, defence or other right which the Borrower may have against the Bank or anyone else for any reason whatsoever; or
 - (ii) any insolvency, bankruptcy, reorganization or similar proceedings by or against the Borrower;
- (j) In addition to and not in limitation of any rights now or hereafter available to the Bank whether under applicable law or arising in the Security Documents, the Bank is authorized, at any time and from time to time, upon delivery of written notice to the Borrower to set-off and appropriate and to apply any and all deposits (general and special) and any other indebtedness at any time held by or owing by the Bank to or for the credit of the Borrower against and on account of the obligations and liabilities of the Borrower to the Bank under this Facility Letter. The Bank agrees to provide written notice of the exercise of any of the rights under this section immediately after the exercise of such rights; and
- (k) The remedies, rights and powers of the Bank under this Facility Letter, the Security Documents and at law and in equity are cumulative and not alternative and are not in substitution for any other remedies, rights or powers of the Bank and no delay or omission in exercise of any such remedy, right or power shall exhaust such remedies, rights or powers or be construed as a waiver of any of them.

IV. Conditions Precedent

In addition to the Conditions Precedent previously set out, it shall also be a condition precedent to the

RESTRICTED

initial advance and continued availability of the Loans that the Bank shall have received:

- (a) The Security Documents completed and, where necessary, registered in form and manner satisfactory to the Bank's solicitors;
- (b) Satisfactory bankers' and/or other agency reports on the financial position of the Borrower, the Guarantor(s) and such customers of the Borrower as the Bank may specify from time to time;
- (c) Verification of insurance arranged by the Borrower conforming to the Bank's requirements;
- (d) If deemed necessary by the Bank, an environmental questionnaire, including site profile in applicable provinces, and environmental site investigation report for the Lands prepared by an environmental consultant satisfactory to the Bank, in each case in form and content acceptable to the Bank; and
- (e) Confirmation that the Borrower is in compliance with each of the terms and conditions of the Facility Letter.

V. Borrower's Covenants and Conditions

In addition to the conditions previously set out, the following conditions shall apply until the Loans are repaid in full and cancelled:

- (a) The Borrower shall not, without the prior written consent of the Bank:
 - (i) grant or allow any lien, charge, security interest, privilege, hypothec or other encumbrance, whether fixed or floating, to be registered against or exist on any of its assets, and in particular, without limiting the generality of the foregoing, shall not grant a trust deed or other instrument in favour of a trustee;
 - (ii) become guarantor or endorser or otherwise become liable upon any note or other obligation other than in the normal course of business of the Borrower;
 - (iii) declare or pay dividends or provide any other type of distribution on any class or kind of its shares, repurchase or redeem any of its shares, reduce its capital in any way whatsoever, or repay any shareholders' advances;
 - (iv) amalgamate with or permit all or substantially all of its assets to be acquired by any other person, firm or corporation or permit any reorganization or change of control of the Borrower; and
 - (v) permit any property taxes or strata fees to be past due at any time.
- (b) The Borrower covenants and agrees to apply the net proceeds of its sale of the real property municipally described as 805 and 809 Laut Avenue, Crossfield, Alberta to its working capital.
- (c) The Bank shall have the right to waive the delivery of any Security Documents or the performance of any term or condition of the Facility Letter, and may advance all or any portion of the Loans prior to satisfaction of any of the Conditions Precedent, but waiver by the Bank of any obligation or condition shall not constitute a waiver of performance of such obligation or condition in the future.
- (d) All financial terms and covenants shall be determined in accordance with generally accepted

RESTRICTED

accounting principles, applied consistently.

VI. Environmental Matters

- (a) To the best of the Borrower's knowledge after due and diligent inquiry, no regulated, hazardous or toxic substances are being stored on any of the Borrower's lands, facilities or premises (the "Premises") or any adjacent property, nor have any such substances been stored or used on the Premises or in the Borrower's business or any adjacent property prior to the Borrower's ownership, possession or control of the Premises. The Borrower agrees to provide written notice to the Bank immediately upon the Borrower becoming aware that the Premises or any adjacent property are being or have been contaminated with regulated, hazardous or toxic substances. The Borrower shall not permit any activities on the Premises that directly or indirectly could result in the Premises or any other property being contaminated with regulated, hazardous or toxic substances. For the purposes of the Facility Letter, the term "regulated, hazardous or toxic substances" means any substance, defined or designated as hazardous or toxic wastes, hazardous or toxic material, a hazardous, toxic or radioactive substance or other similar term, by any applicable federal, provincial or local statute, regulation or ordinance now or in the future in effect, or any substance or materials, the use or disposition of which is regulated by any such statute, regulation or ordinance;
- (b) The Borrower shall promptly comply with all statutes, regulations and ordinances, and with all orders, decrees or judgments of governmental authorities or courts having jurisdiction, relating to the use, collection, storage, treatment, control, removal or cleanup of regulated, hazardous or toxic substances [in the Borrower's business] or in, on, or under the Premises or in, on or under any adjacent property that becomes contaminated with regulated, hazardous or toxic substances as a result of construction, operations or other activities on, or the contamination of, the Premises, or incorporated in any improvements thereon. The Bank may, but shall not be obligated to, enter upon the Premises and take such actions and incur such costs and expenses to effect such compliance as it deems advisable and the Borrower shall reimburse the Bank on demand for the full amount of all costs and expenses incurred by the Bank in connection with such compliance activities;
- (c) The assets of the Borrower which are now or in the future encumbered by the Security Documents are hereby further mortgaged and charged to the Bank, and the Bank shall have a security interest in such assets, as security for the repayment of such costs and expenses and interest thereon, as if such costs and expenses had originally formed part of the Loans.

VII. Bank Visits

Representatives of the Bank shall be entitled to attend at the Borrower's business premises and to view all financial records of the Borrower at any time, on reasonable notice.

VIII. Legal and Other Expenses

The Borrower shall pay all reasonable legal fees and disbursements (on a solicitor and own client basis) in respect of the Loans, the preparation, issue and registration of the Security Documents and the enforcement and preservation of the Bank's rights and remedies under this Facility Letter and the Security Documents, and all reasonable fees and costs for appraisals, insurance consultation, credit reporting and responding to demands of any government or any agency or department thereof, whether or not the documentation is completed or any funds are advanced under the Loans.

IX. Non-Merger and Non-Assignment

This Facility Letter shall, on execution by the Borrower and each Guarantor, replace all previous facility letters from the Bank to the Borrower with respect to the Loans. Any existing loan to the Borrower shall be modified, not refinanced, without novation of the Borrower's existing facilities or obligations, by virtue of the Facility Letter unless otherwise provided in the Facility Letter. The terms and conditions of the Facility Letter shall not be merged by and shall survive the execution of the Security Documents. In the event of a conflict between the terms of this Facility Letter and the terms of the Security Documents the terms of this Facility Letter shall prevail to the extent of such conflict.

The benefits conferred by this Facility Letter shall enure to the benefit of the Bank and its successors and assigns and shall be binding on the Borrower and Guarantor(s) and their successors and permitted assigns.

Neither the Borrower nor the Guarantor(s) shall assign all or any of its rights, benefits or obligations under this Facility Letter without the prior written consent of the Bank.

X. Waiver or Variation

No term or condition of the Facility Letter or any of the Security Documents may be waived or varied verbally or by any course of conduct of any officer, employee or agent of the Bank. All waivers must be in writing and signed by the waiving party.

Any amendment to the Facility Letter or the Security Documents must be in writing and signed by a duly authorized officer of the Bank.

XI. Consent and Acknowledgement to Collection, Use and Disclosure of Information

When it is necessary for providing products and services to the Borrower or any Guarantor, the Borrower and each Guarantor consents to the Bank obtaining from any credit reporting agency or from any person any information (including personal information) that the Bank may require at any time. The Borrower and each Guarantor also consent to the disclosure at any time by the Bank any information concerning the Borrower and any Guarantor to any credit grantor, to any credit reporting agency, or to the Bank's subsidiaries and affiliates. If applicable, the Borrower also authorizes the Bank to release the information contemplated by any builder's lien or similar legislation to all persons claiming a right to such information under such legislation. The Borrower and each Guarantor may refuse or withdraw these consents; however, this may result in the Bank canceling or withholding products or services for which these consents are necessary. Unless each Guarantor advises the Bank otherwise, the Bank may use each Guarantor's social insurance number to help ensure accurate credit enquiries.

XII. Time of Essence

Time shall be of the essence of the Facility Letter.

XIII. Governing Law

This Facility Letter and, unless otherwise specified therein, all other documents or instruments delivered in accordance with this Facility Letter shall be governed by and interpreted in accordance with the laws of the Province of Alberta (the "Governing Jurisdiction") and the laws of Canada applicable therein. The Borrower and Guarantor(s) irrevocably submit to the exclusive jurisdiction of the courts in the

RESTRICTED

Governing Jurisdiction.

[END OF SCHEDULE]

RESTRICTED



HSBC Bank Canada

STATEMENT OF CREDIT BY WAY OF CURRENT ACCOUNT OVERDRAFT AGREEMENT

Date

JANUARY 20, 2011

Borrower's Name GROUNDFORCE GEODRILLING SOLUTIONS INC.		Branch Name CALGARY MAIN BRANCH	
Borrower's Address #650, 910-7th Avenue S.W., Calgary, Alberta T2P 3N8		Branch Address 407 - 8th Avenue S.W., Calgary, Alberta T2P 1E5	
Current Account Number 149-107447-001	Loan Limit* \$500,000 CAD	Rate of Interest on Loan* Prime Rate plus 1.75%	Monthly Fee* \$100.00 CAD

*or such other loan limit, rate of interest on loan or monthly fee as may hereafter be agreed upon by the Borrower as evidenced by their agreement in writing from time to time.

In consideration of HSBC Bank Canada (the "Bank") providing the above-noted account (the "Account") for the undersigned (the "Borrower"), the Borrower agrees with the Bank as follows:

- For the purposes hereof, the term "Loan" means the aggregate of all amounts debited to the Account (including cheques, withdrawals, interest service charges and fees imposed by the Bank) in excess of the aggregate at any time and from time to time of all amounts credited to the Account.
- The Borrower shall pay interest to the Bank on the daily closing balance of the Loan at a floating rate equal to the Bank's Prime Rate plus the percentage noted above. Such interest shall be calculated and payable monthly, on the last day of each and every month, both before and after any termination of the Account, or judgment, and until payment of the Loan in full. The "Bank's Prime Rate" shall mean the floating annual rate of interest established and announced by the Bank from time to time as the reference rate for purposes of determining the rates of interest it will charge on loans denominated in Canadian dollars in Canada. A certificate of a vice-president of the Bank shall be conclusive evidence of the Bank's Prime Rate from time to time.

In addition to debiting the Account with the amount of each cheque, payment order or other item drawn on the Account, and each withdrawal, the Bank shall also be entitled to debit the Account with the amount of all interest (including compound interest) payable by the Borrower monthly to the Bank pursuant to this Agreement as well as the said monthly fee and other charges payable by the Borrower, and the amount of any legal costs incurred by the Bank with respect to the Borrower.

- The Borrower shall not permit the Loan to exceed the Loan Limit nor any margin requirement which may be imposed by the Bank. The Bank may refuse to honor any cheque, permit any withdrawal or pay any other item if the Loan exceeds, or would after such payment exceed, the Loan Limit on the date such cheque, withdrawal and other item is presented to the Bank for payment; provided that this Agreement shall continue to apply to the Loan and to the Borrower notwithstanding any Loan in excess of the Loan Limit.
- The Borrower shall use the Account (and incur the Loan) solely for business purposes.
- The Borrower shall deliver to the Bank from time to time, promptly on request by the Bank and in form and substance satisfactory to the Bank, a demand promissory note or other acknowledgement of debt evidencing the amount of all indebtedness and liability then owing by the Borrower to the Bank pursuant to or in respect of this Agreement, and in this regard the Borrower shall deliver to the Bank a supply of blank demand promissory notes which the Bank shall be authorized, at its discretion, to complete on behalf of the Borrower from time to time in pursuance of this clause. In the event that any such promissory note or any other acknowledgement of debt, security or other document is requested by the Bank, the Bank shall not be obligated to honour any cheque or permit any withdrawal or other debit to the Account until such promissory note, other acknowledgement of debt, security or other document is delivered to the Bank.
- The Borrower shall comply with all present and future agreements between the Borrower and the Bank including any operation of account agreement between the Borrower and the Bank; provided that in the event there exists any conflict between the provisions of such operation of account agreement and the provisions hereof, the provisions hereof shall govern.
- The Bank shall have the right at any time to demand immediate payment of the Loan, or any part thereof, together with interest, fees, charges and costs outstanding hereunder and the Borrower shall forthwith comply with any such demand. In addition, the Bank may at any time terminate this Agreement forthwith upon giving notice to the Borrower, in which event all amounts payable by the Borrower to the Bank pursuant to this Agreement shall forthwith become due and payable and thereafter the Bank shall not be obliged to honor any cheque, permit any withdrawal or permit the creation or increase of the Loan.

Upon receipt from the Bank each month of a statement of the Account together with all cheques or vouchers for amounts appearing therein charged to the Account, the Borrower shall examine such statement, cheques or vouchers and check the credit and debit entries in the statement, and, within thirty days after the Bank delivers or mails such statement, cheques and vouchers to the Borrower, the Borrower shall notify the Bank in writing of any errors, irregularities or omissions therein or therefrom; and at the expiration of the said thirty days (except as to any errors, irregularities or omissions of which the Bank has been so notified) it shall be conclusively settled as between the Bank and the Borrower that such statement and the amount of the balance

shown thereon is correct and the said cheques and vouchers are genuine and properly chargeable to and charged against the Account and that the Borrower was not entitled to be credited with any sum not credited, as reflected by the statement. For greater certainty, the Bank shall not, in any legal action to which the Bank is a party, be required to prove the existence of any transaction which is disclosed by any such statement or the accuracy of any such statement.

10. If more than one person signs this Agreement:

- (a) the obligations of the undersigned pursuant to this Agreement are joint and several; and
- (b) the Bank is hereby authorized to honour any cheque drawn on the Account or pay any withdrawal from the Account to create or increase the Loan (or otherwise) if any such cheque or withdrawal request is signed by any one of the undersigned.

11. If this Agreement is signed by a partnership:

- (a) the obligation of the partners of the partnership are joint and several; and
- (b) the Bank is hereby authorized to honour any cheque drawn on the Account or pay any withdrawal from the account to create or increase the Loan (or otherwise) if any such cheque or withdrawal request is signed by one of the partners.

12. All words denoting the singular shall be pluralized throughout this Agreement as the context requires and all words denoting gender shall be construed as the context requires and will include a body corporate where the context requires.

13. Nothing herein contained shall limit the Bank's right to set off the debit balance of the Account from time to time against the credit balance of the Borrower in any other account at the Bank or against any other money which may from time to time be owing to the Borrower from the Bank such right being expressly affirmed hereby.

14. Any security for the Loan held by the Bank shall not be released, discharged, redeemed or extinguished by reason of the Loan being repaid or the Account ceasing to have a debit balance at any time or the Borrower ceasing to be indebted to the Bank, and shall subsist and secure future amounts debited to the Account until such security is returned or released and discharged in writing by the Bank.

15. Any notice or statement referred to herein may be delivered or may be mailed by prepaid ordinary mail to the Borrower at the address set out above and the Borrower shall be deemed to have received such notice or statement on the date of delivery, if delivered, and two days after mailing, if mailed.

16. This Agreement shall be in addition to any other debt instrument, security or agreement between the Bank and the Borrower and shall enure to the benefit of the Bank, its successors and assigns and shall be binding on the Borrower, and the Borrower's heirs, executors, administrators, successors and assigns.

17. This Agreement shall be governed by and construed in accordance with the laws of the Province in which the branch of the Bank is located as set forth above.

18. The parties hereto have expressly required that this Agreement and all deeds, documents and notices relating thereto be drafted in the English language. Les parties aux presentes ont expressement exige que la presente convention, et tous autres actes, documents ou avis qui y sont afferents soient rediges en langue anglaise.

For Individuals:

Signed, Sealed and Delivered by

in the presence of: _____

_____ Witness

_____ Customer

(Seal)

_____ Customer

(Seal)

For a Corporation:

GROUNDFORCE GEODRILLING SOLUTIONS INC.

Customer

By:

[Signature]
Name: DAVID HAWTHORN
Title: CEO

By:

Name:
Title:

For a Partnership:


Signed, Sealed and Delivered in the presence of:

Witness

Name

Address

Customer (Partner) (Seal)



Witness

Name

Address

(Seal)

Witness

Name

Address

(Seal)

(All partners should sign under seal and the signature of each partner should be witnessed individually.)



HSBC Bank Canada
407 - 8th Avenue S.W., Calgary, Alberta T2P 1E5

MASTERCARD INDEMNITY AGREEMENT

In consideration of HSBC Bank Canada (the "Bank") issuing at the request of (the "Undersigned") a MasterCard in favour of each holder described on Schedule "A" to this Indemnity, each MasterCard to have a maximum credit limit in the amount set out opposite the name of such holder, the Undersigned hereby unconditionally and irrevocably agrees as follows:

1. To indemnify and save the Bank harmless against all actions, losses, costs, charges, damages, expenses, liabilities, claims and demands of whatsoever nature, which the bank may incur or sustain by reason of or in connection with such MasterCard, other than loss or damage resulting from the gross negligence or wilful misconduct of the Bank.
2. To pay to the Bank each amount drawn and/or advanced under the MasterCard together with interest thereon all in accordance with the terms and conditions of the Bank's MasterCard Card Agreement, as amended from time to time.
3. To pay to the Bank any and all issuing, annual and other fees levied by the Bank from time to time in connection with the issuance by the Bank and the continued use by the holder of the MasterCard.
4. The Bank is authorized to debit any account or accounts of the Undersigned at the Bank with any amount which is payable hereunder, without any demand being made therefore, and the Bank may create an overdraft in such account or accounts if there is insufficient credit balance to cover such debit entry.
5. The Bank is authorized and empowered by the Undersigned to pay immediately any amounts demanded from the Bank for which the Bank from time to time becomes liable to pay under or by reason of the MasterCard without any reference to or further authority from the Undersigned and without being under any duty to enquire whether any claims or demands on the bank have been properly made notwithstanding that the validity of any such claim or demand, or the amount thereof, may be in dispute.
6. The Bank assumes no liability or responsibility for the good faith or acts of the holder or MasterCard.
7. If i) the MasterCard is renewed; ii) the authorized credit limit is exceeded; or iii) the authorized credit limit is increased, whether upon the application of the Undersigned, or otherwise, it is agreed that all the terms of this Indemnity shall nonetheless remain in full force and effect.
8. Schedule "A" to this Indemnity may be amended from time to time by the addition or deletion of holders and the revision of maximum credit limits in accordance with written instructions received by the Bank from the Undersigned. Each employee of the Bank is hereby authorized to make such additions, deletions and revisions to Schedule "A".

9. In the event that the Bank is instructed by the Undersigned to delete the name of a holder from Schedule "A" to this Indemnity, the Bank shall suspend the credit privileges extended to such holder. The Undersigned shall use its best efforts to obtain possession of the MasterCard from such holder and return the same to the Bank. Notwithstanding the suspension of credit privileges and the return of the MasterCard to the Bank, it is agreed that this Indemnity shall remain in full force and effect.
10. The rights and powers conferred by this Indemnity are in addition to and without prejudice to any other rights which the Bank may now have or hereafter acquire from the Undersigned.
11. The Undersigned shall pay all reasonable legal fees and disbursements of the Bank in respect of the enforcement or preservation of the Bank's rights and remedies under this Indemnity.
12. Time shall be of the essence of this Indemnity.
13. This Indemnity shall be governed by and construed in accordance with the laws of the Province of Alberta which shall be deemed to be the proper law hereof.
14. If any one or more provisions of this Indemnity or any part thereof shall be declared or adjudged to be illegal, invalid or unenforceable under any applicable law, such illegality, invalidity or unenforceability shall not vitiate any other provisions of this Indemnity, which shall remain in full force and effect.
15. The terms of this Indemnity shall ensure to the benefit of and be binding upon the Bank and the Undersigned and their respective successors and assigns.
16. Where the context of this Indemnity so requires, words importing the singular number include the plural vice versa.

Dated at Calgary, Alberta this 20th day of JANUARY, ²⁰¹¹~~2010~~.

GroundForce GeoDrilling Solutions Inc.

By:  _____

By: _____

ENVIRONMENTAL INDEMNITY

THIS AGREEMENT is made the 27th day of April, 2011.

BETWEEN:

GROUNDFORCE GEODRILLING SOLUTIONS INC. a corporation incorporated pursuant to the laws of the Province of Alberta (the "Corporation")

- and -

HSBC BANK CANADA, a Canadian chartered bank having an office in the City of Calgary, in the Province of Alberta (the "Bank")

WHEREAS the Bank agreed to provide to the Corporation certain loan facilities and the Corporation agreed to grant to the Bank certain security in support thereof (all such security being collectively called the "Security"); and

WHEREAS the Bank requires as a condition of its loans, that the Corporation indemnify and hold the Bank harmless against and from certain obligations for which the Bank may incur liability (whether as holder of or assignee under the Security or in the enforcement or the realization of the Security) pertaining to the abandonment or reclamation of the property to which the Security applies including, without limitation, those lands described in Schedule "A" attached hereto (the "Property") or by reason of the threat or presence of any Contaminant, at or near the Property;

NOW THEREFORE, in consideration of the promises set out herein and in the Security and for One Dollar (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Corporation, the Corporation, intending to be legally bound, hereby agrees as follows:

1. Recitals

The foregoing recitals are incorporated into this Agreement by this reference.

2.

Defined Terms

- (a) "Contaminant" includes, but is not limited to, any pollutants, noise, dangerous substances, liquid waste, industrial waste, hauled liquid waste, toxic substances, hazardous wastes, hazardous materials, hazardous substances and contaminants including any of the foregoing as defined in any Environmental Law now or hereafter effective.
- (b) "Environmental Law" means any and all applicable international, federal, provincial, state, municipal or local laws, statutes, regulations, treaties, orders, judgments, decrees, ordinances, official directives and all authorizations, relating to the environment, occupational health and safety, or any Environmental Activity.
- (c) "Environmental Activity" means any past, present or future activity, event or circumstance in respect of a Contaminant, including, without limitation, its storage, use, holding, collection, purchase, accumulation, assessment, generation, manufacture, construction, processing, treatment, stabilization, disposition, handling or transportation, or its Release, escape, leaching, dispersal or migration into the natural environment, including the movement through or in the air, soil, surface water or groundwater.
- (d) "Release" includes discharge, spray, inject, inoculate, abandon, deposit, spill, leak, seep, pour, emit, empty, throw, dump, place and exhaust which might occur in any manner whatsoever.

3.

Indemnity

- (a) The Corporation shall at all times indemnify and hold harmless the Bank against and from any and all claims, suits, actions, debts, damages, costs, losses, obligations, judgments, charges, and expenses, of any nature whatsoever suffered or incurred by the Bank, directly or indirectly, as holder of or assignee under the Security or in the enforcement or realization of the Security or on account of any Environmental Law, including the assertion of any lien thereunder, with respect to:
 - (i) the Release of a Contaminant, the threat of the Release of any Contaminant, or the presence of any Contaminant affecting the Property, whether or not the same

originates or emanates from the Property or any contiguous real property, including any loss of value of property as a result of any of the foregoing;

- (ii) any costs of removal or remedial action incurred by the Government of Canada or any provincial government or any other government or governmental body, or any costs incurred by any other person or damages from injury to, destruction of, or loss of natural resources in relation to the Property or any contiguous real property, including reasonable costs of assessing such injury, destruction or loss incurred pursuant to any Environmental Law;
- (iii) liability for personal injury or property damage arising under any statutory or common law tort theory, including, without limitation, third party, consequential, indirect damages and damages assessed for the maintenance of a public or private nuisance or for the carrying on of a dangerous activity at or near the Property;
- (iv) any other environmental matter affecting the Property within the jurisdiction of any federal environmental agency, or any provincial or local environmental agency; and
- (v) all environmental, health, reclamation and clean up costs and obligations associated with or pertaining to the abandonment or reclamation of the Property or any wells, facilities, buildings, fixtures or equipment located thereon.

The Corporation's obligation under this Agreement shall arise upon the discovery of the presence of any Contaminant or upon the creation of an obligation to abandon, reclaim or clean up any of the Property, whether or not any federal agency or any provincial or local environmental agency has taken or threatened any action in connection with the presence of any Contaminant.

- (b) The Corporation acknowledges that any agreement by the Bank to make advances to the Corporation has been made in reliance upon the Corporation's indemnity in this Agreement. For this reason, it is the intention of the Corporation and the Bank that the provisions of this Agreement shall supersede any provisions in any other agreement or document including, without restricting the generality of the foregoing, the Security or

any other documents thereto which might in any way limit the liability of the Corporation and that the Corporation shall be liable for any obligations arising under this Agreement even if the amount of liability incurred exceeds the total amount of any amounts paid or payable under the Security. All of the representations, warranties, covenants and indemnities of this Agreement shall survive the repayment of any loans by the Corporation to the Bank and the termination or expiration of the Security.

4. Solicitor's Fees

If the Bank retains the services of any solicitor or solicitors in connection with the subject of the indemnity herein, the Corporation shall pay the Bank's costs and solicitor's or solicitors' fees (on a solicitor and its own client basis) thereby incurred. The Bank may employ solicitors of its own choice.

5. Interest

In the event that the Bank incurs any obligations, costs or expenses under this Agreement, including, without limiting the generality of the foregoing, those associated with any environmental assessment or audit, the Bank may require in relation to the Property, the Corporation shall pay the Bank immediately upon demand, and if such payment is not received within ten (10) days, interest on such amount which shall, after the expiration of the ten-day period, accrue at the highest rate of interest stipulated in the Security until such amount, plus interest, is paid in full.

6. Notice

All notices, demands, requests or consents given or made pursuant hereto shall be given in writing in accordance with the provisions of the Security.

7. Waivers

The Corporation waives any right to require the Bank at any time to pursue any remedy in the Bank's power whatsoever. The failure of the Bank to insist upon strict compliance with any of the terms hereof shall not be considered to be a waiver of any such terms, nor shall it prevent the Bank from insisting upon strict compliance with this Agreement or any related documents at any time thereafter.

8. Severability

Any obligation of the Corporation hereunder shall be reduced to the extent necessary to avoid contravention of any law, and subject to the foregoing, if any clause or provision herein contained operates or would prospectively operate to invalidate this Agreement, in whole or in part, then such clause or provision shall be as though not contained herein, and the remainder of this Agreement shall remain operative and in full force and effect.

9. Successors and Assigns


This Agreement shall enure to the benefit of the successors and assigns of the Bank and shall be binding upon the successors, assigns, receivers and trustees of the Corporation.

10. Controlling Laws

This Agreement shall be governed by, and construed in accordance with the laws of the Province of Alberta and the laws of Canada in effect in the Province of Alberta.

IN WITNESS WHEREOF the parties have executed this Indemnity Agreement as of the date first above written.

**GROUNDFORCE GEODRILLING
SOLUTIONS INC.**

Per: 
Name: David Hawkins
Title: Chief Executive Officer

c/s

Schedule "A"

PROPERTY

PLAN 8010002
BLOCK A
LOT 13
EXCEPTING THEREOUT ALL MINES AND MINERALS

PLAN 8010002
BLOCK A
LOT 14
EXCEPTING THEREOUT ALL MINES AND MINERALS

HBdocs - 10179294v1

CONFIRMATION AND ACKNOWLEDGEMENT
(BORROWER)

To: HSBC BANK CANADA (the "Lender")

Re: Credit Facility Letter Agreement dated March 25, 2011 between GroundForce GeoDrilling Solutions Inc. (the "Borrower") and the Lender (the "Initial Loan Agreement")

And Re: Credit Facility Letter Agreement dated May 7, 2012 between the Borrower and the Lender, which amends and restates the Initial Loan Agreement, as amended, supplemented, restated or replaced from time to time (the "Revised Loan Agreement")

Dated: May 10, 2012

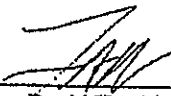
As security for the present and future indebtedness, liabilities and obligations of the Borrower to the Lender, direct or indirect, joint or several, absolute or contingent, matured or unmatured, under the Initial Loan Agreement (collectively, the "Current Obligations"), the Borrower granted or issued or caused to be issued to the Lender the security described in Schedule "A" attached hereto (collectively, the "Security"). In consideration of the Lender agreeing to provide additional and amended credit facilities to the Borrower under the Revised Loan Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Borrower, the Borrower hereby confirms and acknowledges to, and agrees with, the Lender as follows:

1. The Security remains in full force and effect, enforceable against the Borrower in accordance with its respective terms, subject to applicable bankruptcy, reorganization, moratorium and other laws of similar application affecting the rights of creditors generally, and continues to mortgage, charge and grant to the Lender a security interest in and to all of the present and after-acquired real and personal property of the Borrower, as applicable, to secure payment and performance of the Current Obligations.
2. The Security will be enforceable against the Borrower in respect of, and will secure, all present and future indebtedness, liabilities and obligations of the Borrower to the Lender, direct or indirect, joint or several, absolute or contingent, matured or unmatured, under the Revised Loan Agreement (the "Additional Obligations"), and the Current Obligations shall rank *pari passu* with the Additional Obligations.
3. The Security and this Confirmation and Acknowledgement shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein. The Borrower hereby irrevocably and unconditionally attorns to the non-exclusive jurisdiction of the courts of Alberta and all courts competent to hear appeals therefrom.
4. The Borrower shall, at the request of the Lender acting reasonably, do all such further acts and execute and deliver all such further documents as may, in the reasonable opinion of the Lender, be necessary or desirable in order to perform and carry out the purpose and intent of the Revised Loan Agreement, the Security and this Confirmation and Acknowledgement.

5. This Confirmation and Acknowledgement is in addition to, and not in substitution or replacement of, any and all other security or other documents the Bank may require from the Borrower, or any of its guarantors, pursuant to the terms and conditions of the Revised Loan Agreement.
6. This Confirmation and Acknowledgement shall be binding upon and inure to the benefit of and be enforceable by the respective successors and permitted assigns of the Lender and the Borrower, as applicable; provided, however, that the Borrower may not assign or transfer any of its rights or obligations hereunder without the prior written consent of the Lender.

**GROUNDFORCE GEODRILLING
SOLUTIONS INC.**

Per: _____


Name: David Hawkins

Title: Chief Executive Officer

SCHEDULE "A"

SECURITY

The security previously granted by the Borrower to the Lender, and continuing hereafter, is as follows:

1. line of credit by way of account overdraft agreement dated January 20, 2011.
2. general security agreement dated January 20, 2011.
3. Security with Respect to Business Insurance Policies (re: Assignment of Insurance) dated January 20, 2011.
4. indemnity re: mastercard facility dated January 20, 2011
5. security over cash, credit balances and deposit instruments dated January 20, 2011
6. demand collateral mortgage in the amount of \$910,000 dated April 27, 2011.
7. environmental agreement and indemnity dated April 27, 2011.

αβχ

HSBC Bank Canada

1013560-E_2005-09

AGREEMENT FOR FOREIGN EXCHANGE CONTRACTS

HSBC Bank Canada 407 - 8 th Ave SW Calgary AB T2P 1E5 <i>(Branch Address)</i>	Date November 6, 2012
---	--------------------------

In exchange for HSBC Bank Canada ("we", "our" or "us") entering into forward exchange contracts ("Contracts") with you for the purchase and/or sale of foreign currency at a specified future date (the "Delivery Date"), you agree as follows:

1. In this Agreement,

"Authorized Individual" means an Authorized Signatory as specified in your most recent HSBC Certified Copy of Resolutions and Banking Certificate, and any individual listed in schedule 1 to this Agreement.

"Business day" means, unless otherwise specified by us in writing, any day other than a Saturday or Sunday on which commercial banks in both New York, NY, USA and Toronto, ON, Canada, effect deliveries of currency and are not authorized or required by law to close.

"Commercial Account Operating Agreement" means the agreement governing the provision of our banking services to you.

"HSBC Certified Copy of Resolutions and Banking Certificate" means the certified resolutions and banking certificate most recently delivered by you and accepted by us.

"You" and "your" means the Organization (as set out in the HSBC Certified Copy of Resolutions and Banking Certificate), all Authorized Signatories, and if the Organization is a general partnership, limited partnership, limited liability partnership or joint venture, includes every partner, general partner, or joint venture participant, respectively, of the Organization.

Any term not defined in this Agreement will have the meaning given to it in the Commercial Account Operating Agreement and in the relevant Confirmation.

2. This agreement ("Agreement"), the Confirmation for each Contract, and the Commercial Account Operating Agreement, all as amended, together form the agreement between the parties and together constitute a single agreement between the parties. If the terms of the Confirmation or the Commercial Account Operating Agreement conflict with this Agreement or the Confirmation, the terms of this Agreement and Confirmation will prevail in regards to any foreign exchange transaction. If the terms of this Agreement conflict with the Confirmation, the terms of the Confirmation will prevail for the relevant transaction.
3. Upon receiving an oral or written request from your Authorized Individual for a Contract, we will send you a written confirmation (the "Confirmation") of the amount of foreign currency to be purchased or sold, the price payable, the exchange rate applicable, and the Delivery Date. "Written" requests and Confirmations may be sent by fax or other electronic means from which a hardcopy may be produced or through use of a System. Upon receipt of the Confirmation, your Authorized Individual will immediately sign and return a copy to us. The failure to issue a Confirmation or return a signed copy does not prejudice or invalidate the terms of a Contract. You agree that we may act and rely on Electronic Instructions from you even where Security Codes are not used in providing the instructions.
4. The terms of the Confirmation are deemed to be correct and accepted unless there is manifest error or unless a party sends a corrected Confirmation to the other party within three (3) business days of receiving the Confirmation (or such shorter period as appropriate given the Delivery Date). The recipient has three (3) business days from receipt of the corrected Confirmation (or such shorter period as appropriate) to object to the terms of the corrected Confirmation.
5. Delivery of the foreign currencies are to be made to the place specified in the Confirmation, and, unless otherwise specified in the Confirmation, are to be made by wire transfer effective on the Delivery Date. Our obligation to make delivery or payment is contingent on delivery or payment first having been made by you, unless we agree otherwise. The Delivery Date must be a business day.
6. If, on any Delivery Date, more than one delivery of a particular currency under a Contract(s) is to be made between our respective settlement netting offices, then each party will aggregate the amounts of such currency deliverable by it through its settlement netting office and only the difference between these aggregate amounts is to be delivered by the party owing the larger aggregate amount to the other party. If the aggregate amounts are equal, no delivery of the currency is to be made.
7. You represent and warrant that throughout the term of this Agreement:
 - (a) You have duly executed, and have all requisite power, authority and approvals to enter into and to perform your obligations under this Agreement and each Contract;

- (b) The Agreement and each Contract are binding upon and enforceable against you in accordance with their terms (subject to applicable bankruptcy, reorganization, insolvency or similar laws affecting creditor's rights generally and applicable principles of equity) and the execution and implementation of this Agreement and any Contract by you will not cause you to violate or contravene any law, regulation or court or governmental order by which you are bound or to which you are subject;
- (c) No Event of Default, as defined in paragraph 9, or event which, with notice or lapse of time or both, would constitute an Event of Default, has occurred and is continuing with respect to you;
- (d) You act as principal, and not as agent or in any other capacity, fiduciary or otherwise, in entering into each and every Contract;
- (e) You are not relying upon our advice (whether written or oral) and will make your own decisions regarding the entering into any Contract based upon your own judgement and upon advice from such professional advisors as you deem necessary to consult;
- (f) You understand the terms, conditions and risks of each Contract and are willing to assume (financially and otherwise) those risks; and
- (g) If you enter into a Contract through a settlement netting office other than your head or home office, notwithstanding the place of booking office or your jurisdiction of incorporation or organization, your obligations are the same as if you had entered into the transaction through your head or home office. This representation will be deemed to be repeated on each date on which a Contract is entered into.
8. Throughout the term of this Agreement:
- (a) You will, at all times, obtain and comply with the terms of, and do all this is necessary to maintain in full force and effect, all authorizations, approvals, licenses and consents required to enable you to lawfully perform your obligations under the Agreement and each Contract; and
- (b) You will notify us promptly if an Event of Default has occurred.
9. It is an event of default ("Event of Default") under this Agreement if you:
- (a) Fail, when due, to make any payment required of you under this Agreement or any Contract; materially breach your obligations under this Agreement, any Contract, or the Commercial Account Operating Agreement; fail to fulfil any obligations you may have to us (whether under this Agreement, any Contract, or otherwise); or if any of your representations or warranties, is or becomes incorrect, misleading or untrue and such default is not cured within one (1) business day after written notice of the default is sent by us; or
- (b) Repudiate any of your obligations under this Agreement, any Contract or the Commercial Account Operating Agreement or failure by you or your guarantor to perform any of your respective obligations under a credit support document with us; or
- (c) Commence, as debtor, any case or proceeding in bankruptcy, insolvency, reorganization, liquidation, dissolution or similar laws ("Insolvency Proceeding"); or request the appointment of a receiver, liquidator, trustee, custodian or similar official for yourself or any substantial portion of your property; or an Insolvency Proceeding has been commenced against you by any other person and such Insolvency Proceeding (i) is consented to or not contested by you in a timely manner, (ii) results in an order for winding-up, liquidation, reorganization or other similar relief, or (iii) is not dismissed within fifteen (15) calendar days; or make a general assignment for the benefit of creditors; or are otherwise unable to pay your debts as they become due.
10. The "Close-Out Date", means any date we designate provided it is not more than 20 days from:
- (a) In relation to an Event of Default referred to in subparagraph 9(a), the business day immediately following the expiry of the notice period set out in subparagraph 9(a), and
- (b) In relation to an Event of Default referred to in subparagraphs 9(b) and 9(c), the date on which the Contract is closed out.
11. Once an Event of Default occurs, we will no longer be obligated to fulfil any existing Contracts or to enter into any further Contracts and may, in our absolute discretion, purchase or sell on the foreign exchange market at the then current ("spot") exchange rate, the principal amount of the foreign currency which you have agreed to sell or purchase under a Contract, or enter into an offsetting contract in order to prevent any further effect on us of any variation in the exchange rate during the balance of the period ending on the Delivery Date.
12. If an Event of Default has occurred and is continuing, we will further have the right to terminate all, but not less than all, outstanding Contracts, so that they are cancelled immediately, except to the extent that in our good faith opinion, certain of such Contracts may not be terminated by applicable law. Such close-out shall be effective upon receipt by you of notice that we are terminating such Contracts. Notwithstanding the foregoing, in the event of an Event of Default referred to in subparagraph 9(c), termination shall be automatic as to all outstanding Contracts, as of the time immediately preceding the institution of the relevant Insolvency Proceeding. We will have the

right to liquidate all terminated Contracts as follows:

(a) Calculating a "Closing Gain", or, as appropriate, the "Closing Loss" as follows:

(i) for each Contract calculate a "Close-Out Amount" as follows:

- (1) in the case of a Contract whose Delivery Date is the same as or is later than the Close-Out Date, the amount of currency which was to be delivered under such Contract; or
- (2) in the case of a Contract whose Delivery Date precedes the Close-Out Date, the amount of currency which was to be delivered under such Contract increased, to the extent permitted by applicable law, by adding interest thereto from and including the Delivery Date to but excluding the Close-Out Date at our prime commercial lending rate of interest from time to time; and
- (3) for each such amount in a currency other than the base currency described in Schedule 2 (the "Base Currency"), convert such amount into the Base Currency at the exchange rate at which, at the time of the calculation, we can buy such Base Currency with or against the currency to be delivered under the relevant Contract; and

(ii) determine in relation to each Delivery Date: (1) the sum of all Close-Out Amounts which we would otherwise have been entitled to receive from you ("Payments to Us"); and (2) the sum of all Close-Out Amounts which we would otherwise have been obliged to deliver to you ("Payments to You"); and

(iii) if the Payments to Us are greater than the Payments to You, the difference shall be the Closing Gain for such Delivery Date; if the Payments to Us are less than the Payments to You, the difference shall be the Closing Loss for such Delivery Date.

(b) To the extent permitted by applicable law, we will adjust the Closing Gain or Closing Loss for each Delivery Date falling after the Close-Out Date to present value by discounting the Closing Gain or Closing Loss from and including the Delivery Date to but excluding the Close-Out Date, at LIBOR for the Base Currency as at the Close-Out Date or at such other rate as may be prescribed by applicable law. "LIBOR" means the average rate at which deposits in a currency for the relevant amount and time period are offered by major banks in the London interbank market as of 11:00 a.m. (London time) on such date, or, if major banks do not offer deposits in such currency in the London market on such date, the average rate at which deposits in the currency for the relevant amount and time period are offered by major banks in the relevant foreign exchange market at such time on such date as may be determined by the party making the determination.

(c) We will aggregate the following amounts so that all such amounts are netted into a single liquidated amount payable to or by us: (x) the sum of the Closing Gains for all Delivery Dates discounted to present value, where appropriate, in accordance with the provisions of subparagraph 12(b) (which for the purposes of the aggregation shall be a positive figure); and (y) the sum of the Closing Losses for all Delivery Dates discounted to present value, where appropriate, in accordance with subparagraph 12(b) (which for the purposes of the aggregation shall be a negative figure). Each party's obligation to make such payment will be automatically satisfied, discharged and replaced by an obligation upon the party by whom the larger payment would have been payable to pay the other party the excess of the larger aggregate amount over the smaller aggregate amount.

(d) If the resulting net amount is positive, it will be payable by you to us, and if it is negative, then the absolute value of such amount will be payable by us to you, subject to the right of set-off provided for in this Agreement.

13. It is acknowledged that we, as a matter of practice, will be entering into a corresponding contract with respect to each Contract in order to have on hand the foreign currency to be sold, or to dispose of the foreign currency to be purchased, from you on the Delivery Date, as applicable. Accordingly, if you fail to complete the Contract, we will suffer a loss directly proportionate to the amount, if any, by which the exchange rate declines between the date of the Confirmation and the Delivery Date or earlier date of sale of the foreign currency being sold by us under the Contract, or will suffer a loss directly proportionate to the amount, if any, by which the exchange rate increases between the date of the Confirmation and the Delivery Date or earlier date of purchase of the foreign currency being purchased by us under the Contract.

14. You further agree to reimburse and indemnify us, immediately on demand, for all losses (including those set out in paragraph 13), costs, damages, claims, suits, demands and liabilities suffered or incurred by us including any premiums, commissions and solicitor and own client legal fees or other fees paid by us in connection with this Agreement or a Contract. You will also pay to us, on demand, interest on the amount of such losses, costs and expenses calculated and payable monthly from demand date until payment in full at three percent (3%) above our prime commercial lending rate of interest from time to time and will pay interest at the same rate on unpaid interest.

15. In addition to, and not in substitution for, any other rights that we may have, we are expressly authorized to charge, set-off or effect compensation against any of your accounts with us or any amounts we may owe you, any amounts which may be payable by you hereunder, and in this regard to create an overdraft in such account(s) where insufficient credit balances exist. If for the purpose of charging, setting-off or effecting compensation, or for any other purpose hereunder, it is necessary to convert one currency into another, we will apply our exchange rate in effect for conversion of such currency.

16. In addition to the foregoing, you acknowledge and agree that in no case are we responsible for any damages, losses, costs or expenses suffered, incurred or sustained by you as a result of the Contracts, including, without limitation, exchange rate fluctuations, losses and losses of interest.

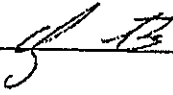
17. The parties agree that the amounts recoverable hereunder in an Event of Default are a reasonable pre-estimate of loss and not a penalty. Such amounts are payable for the loss of bargain and the loss of protection against future risks.
18. Unless otherwise specified in this Agreement, all notices, instructions, demands or other communications issued in connection with this Agreement will be in writing (which may be by fax or other electronic means from which a hardcopy may be produced) and will be deemed to have been given and received:
- On the delivery day - if sent by personal delivery, fax or another form of electronic communication within the recipient's normal business hours on a business day,
 - On the next business day after the delivery day - if sent by personal delivery, fax or another form of electronic communication after the recipient's normal business hours on the delivery day,
 - On the third (3rd) business day after the mailing - if sent by mail.

In each case, delivery must be made to the addresses set out in Schedule 2. A party may unilaterally amend its address in Schedule 2 and the amendment will be effective upon delivery to the other party.

19. If any part of this Agreement is found to be unlawful, void, or for any reason unenforceable, then that provision will be deemed to be severable from the rest of the Agreement and will not affect the validity and enforceability of any remaining provisions.
20. Time is of the essence in the Agreement and each Contract.
21. Each party (a) consents to the monitoring or recording by the other party of any and all communications between trading, back-office and marketing personnel of the parties in connection with this Agreement or any potential Contract, (b) waives any further notice of such monitoring or recording, and (c) agrees to notify (and, if required by law, obtain the consent of) such personnel with respect to such monitoring or recording. The tape recordings may be submitted in evidence in any suit, action or other proceedings relating to this Agreement or any Contract and in the event of any dispute between the parties relating to this Agreement or a Contract, the parties may use such tape recordings as evidence of the terms and conditions of this Agreement or such Contract, despite any writing to the contrary. Neither party is obligated to maintain copies of such recordings and transcripts for the benefit of the other party.
22. No amendments, modification or waiver of this Agreement will be effective unless in writing executed by each of the parties; provided that the parties may agree in a Confirmation to amend the Agreement solely with respect to the Contract that is the subject of the Confirmation, and to amend Schedule 1 as per paragraph 18.
23. For the purpose of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest to which any rate of interest payable under this Agreement which is to be calculated on any basis other than a full calendar year, may be determined by multiplying that rate by a fraction, the numerator of which is the number of days in the calendar year in which the period for which interest at such rate is payable and the denominator of which is the number of days comprising such other basis.
24. The parties agree that each Contract is an "eligible financial contract" as that term is defined in the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) and the *Winding up & Restructuring Act* (Canada).
25. If a party is prevented from, hindered or delayed by reason of force majeure in the delivery or receipt of any currency in respect of a Contract, or if it becomes, or in its good faith judgement believes it may become, unlawful for it to make or receive any payment in respect of a Contract, then that party shall promptly give notice to the other party and either party may, by notice, require the close-out and liquidation of each affected Contract in accordance with paragraph 12 and for such purpose, the party unaffected by the force majeure or illegality (or if both parties are affected, whichever party gave the relevant notice), shall perform the calculation required under paragraph 12 as if it were the non-defaulting party. "Force majeure" means the occurrence of a natural or man-made disaster, armed conflict, act of terrorism, labour disruption, act of state or government, or any other circumstance beyond the party's control.
26. No waiver by us of any breach of or Event of Default under this Agreement shall be deemed to be a waiver of any proceeding or subsequent breach or Event of Default.
27. It is the express wish of the parties that this Agreement and any related documents be drawn up and executed in English. Les parties conviennent que la présente convention et tous les documents s'y rattachant soient rédigés et signés en anglais.
28. This Agreement and all Contracts hereunder shall be governed by, and construed with, the laws of the Province of Ontario and the laws of Canada applicable therein without giving effect to principles of conflicts of law.
29. This Agreement shall govern any existing Contracts between the parties, superceding and replacing any existing agreements ("Prior Agreements") relating to such Contracts and such Prior Agreements shall have no further force and effect. For greater clarity, any Contracts entered into prior to the date of this Agreement, and the Confirmations related thereto, shall be governed by the terms of this Agreement and such Contracts and Confirmations shall continue to be valid and binding on the parties.

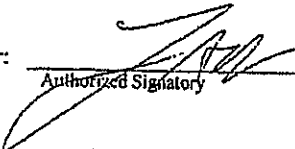
**SCHEDULE I
AUTHORIZED INDIVIDUALS**

- The following are Authorized Individuals and are authorized to deal with you on our behalf in regards to the Agreement and any Confirmations:
- All Authorized Signatories specified in the latest most recent HSBC Certified Copy of Resolutions and Banking Certificate of yours accepted by us; and
 - The following persons:

Name and Title (Print)	Signature
ROONEY, TERESA A. PRESIDENT : CEO	


Date November 6, 2012

To be signed by Authorized Signatory(ies) specified in the banking resolutions.

Per: 

 Authorized Signatory

 David Hawkins
 (Print Name)

Per: 

 Authorized Signatory

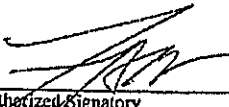
 ROONEY, TERESA A.
 (Print Name)

○ This Schedule may be amended from time to time by you provided it is signed and dated by your Authorized Signatory(ies) as specified in the banking resolutions. Any amendment will be effective upon receipt and acceptance by us.

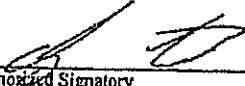
By signing this Agreement, you agree that you are bound by the terms found herein. You acknowledge having carefully read this Agreement and having had the opportunity to ask questions about the Agreement and obtain any advice from your professional advisors as you deemed necessary.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the 6 day of November, 20 12
Signature(s) (to be signed by your Authorized Signatories as per the banking resolutions)

GroundForce geoDrilling Solutions Inc.
Name of Organization

Per: 
Authorized Signatory

David Hawkins
(Print Name)

Per: 
Authorized Signatory

ROONEY TETREAULT
(Print Name)

SCHEDULE 2

 BASE CURRENCY

The Base Currency for this Agreement shall be: CAD

ADDRESSES

CUSTOMER

HSBC BANK CANADA

#650 910 7th Avenue SW
Address

407 8th Avenue SW
Address

Calgary AB
City, Province

Calgary AB
City, Province

T2P 3N8
Postal Code

T2P 1E5
Postal Code

403 387 8020
Telephone

403 261 8910
Telephone

403 514 8050
Fax

403 693 8561
Fax

DHawkins@groundforcedrilling.com
Email Address

Email Address



SEP 11 2014



HSBC BusinessVantage® MasterCard® Program Limit Modification

Branch Transit
10029

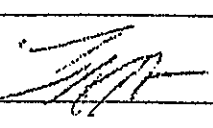
Request For HSBC BusinessVantage MasterCard Program Credit Limit Increase/Decrease

Modify HSBC BusinessVantage MasterCard Card Program Limit

From \$ 50,000.00 To \$ 75,000.00

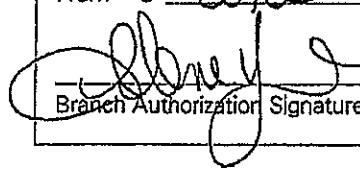
Base ID for Business: (3 digit transit number and 6 digit base ID)

149 107447

Business Authorization	Owner / Partner Authorization
Legal Name of Business <u>GROUNDFORCE GEODRILLING SOLUTIONS INC.</u>	Owner/Partner Signature
Doing Business As	Print Name
Authorized Signature 	Owner/Partner Signature
Authorized Signature	Print Name
Date <u>Aug. 25, 2014</u>	Date

Approved HSBC BusinessVantage MasterCard Program Credit Limit

From \$ 50,000 To \$ 75,000

 12397 ILENE MOREY
Branch Authorization Signature

ILENE MOREY
Senior Officer - Commercial Banking
Print Name

Issued by HSBC Bank Canada

* MasterCard is a registered trademark of MasterCard International Incorporated. Used pursuant to license.

* HSBC BusinessVantage is a registered trademark of HSBC Holdings plc used under license by HSBC Bank Canada.

TAB B

GENERAL SECURITY AGREEMENT
(British Columbia, Alberta, New Brunswick, Nova Scotia, Newfoundland and Labrador, Prince Edward Island)

This General Security Agreement made as of the 20th day of, JANUARY, 2011

This is Exhibit "B" referred to in the Affidavit of

Between:

ROBERT ELLIOTT
Sworn before me this 28 day
of SEPTEMBER A.D. 2010

GroundForce GeoDrilling Solutions Inc.,
#650, 910-7th Avenue S.W., Calgary, Alberta T2P 3N8

Mark Lavitt
MARK LAVITT
A NOTARY PUBLIC IN AND FOR
THE PROVINCE OF BRITISH COLUMBIA
HSBC BANK CANADA
4TH FLOOR, 2910 VIRTUAL WAY
VANCOUVER, B.C. V6Z 0R2

(the "Debtor")

And:

HSBC Bank Canada, a chartered bank of Canada, having a head office in the City of Vancouver, in the Province of British Columbia, and having a branch at

407 - 8th Avenue S.W., Calgary, Alberta T2P 1E5

(the "Bank")

I Security

1.1 For value received, the Debtor grants and creates the security constituted by this General Security Agreement and agrees to the terms, covenants, agreements, conditions, provisos and other matters set out in this General Security Agreement.

1.2 As general and continuing security for the Obligations (as defined in clause 2.1 hereof), the Debtor:

1.2.1 hereby grants to the Bank, by way of mortgage, charge, assignment and transfer, a security interest in all presently owned and hereafter acquired personal property of the Debtor of whatsoever nature and kind and wheresoever situate and all proceeds thereof and therefrom, renewals thereof, Accessions thereto and substitutions therefor, (all of which are herein collectively called the "Personal Property Collateral"), including, without limiting the generality of the foregoing, all the presently owned or held and hereafter acquired right, title and interest of the Debtor in and to all Goods (including all accessories, attachments, additions and Accessions thereto), Chattel Paper, Documents of Title (whether negotiable or not), Instruments, Intangibles (subject to Clause 1.2.2 hereof), Licences, Money, Securities, Investment Property and all:

(a) Inventory of whatsoever nature and kind and wheresoever situate;

- (b) Equipment (other than Inventory) of whatsoever nature and kind and wheresoever situate, including, without limitation, all machinery, tools, apparatus, plant, furniture, fixtures and vehicles of whatsoever nature and kind;
- (c) book accounts and book debts and generally all Accounts, debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured including letters of credit, letters of guarantee and advices of credit, which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by the Debtor (all of which are herein collectively called the "Debts");
- (d) deeds, documents, writings, papers, books of account and other books relating to or being records of Debts, Chattel Paper or Documents of Title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
- (e) contractual rights and insurance claims and all goodwill;
- (f) monies other than trust monies lawfully belonging to others; and
- (g) personal property described in any schedule now or hereafter annexed hereto; and



1.2.2 hereby grants to the Bank, by way of mortgage and charge a security interest in all presently owned and hereafter acquired patents, trade-marks, copyrights, industrial designs and other intellectual property and all proceeds thereof and therefrom, renewals thereof, Accessions thereto and substitutions therefor (all of which is deemed to be included in the definition of "Personal Property Collateral" referred to in Clauses 1.2.1 and 1.3.2 hereof); and

1.2.3 hereby charges as and by way of a floating charge in favour of the Bank all the presently owned or held and hereafter acquired property, assets, effects and undertakings of the Debtor of whatsoever nature and kind and wheresoever situate, other than such of the property, assets, effects and undertakings of the Debtor as are validly and effectively subjected to the security interest granted to the Bank pursuant to clause 1.2.1, (all of which property, assets, effects and undertakings so charged by this clause 1.2.3 are herein collectively called the "Other Collateral") including, without limiting the generality of the foregoing, all presently owned or held and hereafter acquired right, title and interest of the Debtor in and to real and immovable and leasehold property and rights whether in fee or of a less estate and all interest in and rights relating to lands and all easements, rights of way, privilege, benefits, licences, improvements and rights whether connected therewith or appurtenant thereto or separately owned or held and all structures, buildings, plant, machinery, fixtures, apparatus and fixed assets and the charge created by this clause 1.2.3 shall be a floating charge such that the Debtor shall not have power without the prior written consent of the Bank to:

- (a) create or permit to exist any Encumbrance against any of the Other Collateral which ranks or could in any event rank in priority to or pari passu with the security constituted by this General Security Agreement, save for:
 - (1) those Encumbrances shown in the Encumbrance Schedule; and
 - (2) Encumbrances approved in writing by the Bank prior to creation or assumption; or
- (b) grant, sell, exchange, transfer, assign, lease or otherwise dispose of the Other Collateral.

1.3 In this General Security Agreement:

- 1.3.1 any reference to "Premises" shall mean all property owned or leased by the Debtor;
- 1.3.2 the Personal Property Collateral and the Other Collateral are herein together called the "Collateral";

- 1.3.3 any reference to "Collateral" shall, unless the context otherwise requires, be deemed a reference to "Collateral or any part thereof";
- 1.3.4 any reference to "Debtor" and the personal pronoun "it" or "its" and any verb relating thereto and used therewith shall be read and construed as required by and in accordance with the context in which such words are used depending upon whether the Debtor is one or more corporations and, if more than one Debtor executes this General Security Agreement, this General Security Agreement shall apply and be binding upon each of them jointly and severally and all obligations hereunder shall be joint and several;
- 1.3.5 any reference to "Environmental Laws" shall mean any laws, regulations, orders, by-laws, permits or lawful requirements of any governmental authority with respect to environmental protection or regulating hazardous materials;
- 1.3.6 any reference to "General Security Agreement" shall, unless the context otherwise requires, be deemed a reference to this General Security Agreement as amended from time to time by written agreement together with the schedules hereto and any schedules added hereto pursuant to the provisions hereof;
- 1.3.7 any reference to "Hazardous Materials" shall mean any asbestos material, urea formaldehyde, explosives, radioactive materials, pollutants, contaminants, hazardous substances, corrosive substances, toxic substances, special waste or waste of any kind including, without limitation, compounds known as chlorobiphenyls and any substance the storage, manufacture, disposal, treatment, generation, use, transport, remediation or release of which into the environment is prohibited, controlled or licensed under Environmental Laws;
- 1.3.8 any reference to "PPSA" shall mean the Personal Property Security Act of the Province as amended from time to time, including any amendments thereto and any Act substituted therefor and amendments thereto;
- 1.3.9 any reference to the "Province" shall mean the Province of Alberta ;
and
- 1.3.10 the terms "Goods", "Chattel Paper", "Documents of Title", "Equipment", "Accounts" "Consumer Goods", "Instruments", "Intangibles", "Licences"(Alberta and British Columbia only), "Money", "Securities", "Investment Property", "Proceeds", "Inventory" and "Accessions" and other words and expressions which have been defined in the PPSA shall be interpreted in accordance with their respective meanings given in the PPSA (either in the singular or plural thereof), as the context requires unless otherwise defined herein or unless the context otherwise requires.
- 1.4 The Bank and the Debtor have not agreed to postpone the time for attachment of the security interests granted hereby.
- 1.5 The security interest in Consumer Goods hereby granted shall not become effective until, but shall become effective immediately when, the Bank notifies the Debtor in writing that it is effective.
- 1.6 The last day of the term of any lease held by the Debtor with respect to any of the Collateral is excluded from the security constituted by this General Security Agreement.

II Obligations Secured

- 2.1 The security constituted by this General Security Agreement is general and continuing security for payment, performance and satisfaction of each and every obligation, indebtedness and liability of the Debtor to the Bank (including interest thereon), present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, wheresoever and

howsoever incurred, and any ultimate unpaid balance thereof, including all future advances and re-advances, and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and whether the Debtor be bound alone or with another or others and whether as principal or surety, (all of which obligations, indebtedness and liabilities are herein collectively called the "Obligations").

- 2.2 This General Security Agreement and the security constituted hereby are in addition to and not in substitution for any other security or securities which the Bank may now or from time to time hold or take from the Debtor or from any other person whomsoever.

III Representations and Warranties of the Debtor

- 3.1 The Debtor represents and warrants that, and, so long as this General Security Agreement remains in effect, shall be deemed to continuously represent and warrant that:

- 3.1.1 this General Security Agreement has been authorized, executed and delivered in accordance with resolutions of the directors (and of the shareholders as applicable) of the Debtor and all other matters and things have been done and performed so as to authorize and make the execution and delivery of this General Security Agreement, the creation of the security constituted hereby and the performance of the Debtor's obligations hereunder, legal, valid and binding;
- 3.1.2 the Collateral is genuine and is owned by the Debtor free of all security interests, mortgages, liens, claims, charges and other encumbrances (herein collectively called "Encumbrances"), save for the security constituted by this General Security Agreement, those Encumbrances shown on the Encumbrance Schedule and those Encumbrances approved in writing by the Bank;
- 3.1.3 the Debtor has good and lawful authority to create the security in the Collateral constituted by this General Security Agreement;
- 3.1.4 each Debt, Chattel Paper and Instrument included in Collateral is enforceable in accordance with its terms against the party obligated to pay the same (the "Account Debtor"), and the amount represented by the Debtor to the Bank from time to time as owing by each Account Debtor or by all Account Debtors will be the correct amount actually and unconditionally owing by such Account Debtor or Account Debtors, except for normal cash discounts where applicable, and no Account Debtor will have any defense, set off, claim or counterclaim against the Debtor which can be asserted against the Bank, whether in any proceeding to enforce the Collateral or otherwise;
- 3.1.5 with respect to Goods (including Inventory) comprised in the Collateral, the locations specified in the Location Schedule are accurate and complete (save for Goods in transit to such locations and Inventory on lease or consignment) and all fixtures or Goods about to become fixtures which form part of the Collateral will be situate at one of the locations specified in the Location Schedule;
- 3.1.6 none of the Premises are insulated with urea formaldehyde nor contain any asbestos material or underground tanks;
- 3.1.7 the Premises are free of any Hazardous Materials;
- 3.1.8 the Premises are not currently used in a manner, and, to the Debtor's knowledge, after having made due inquiry, no prior use has occurred, which is contrary to any laws, regulations, orders, bylaws, permits or lawful requirements of any Environmental Laws; and
- 3.1.9 there are no existing or threatened claims, actions, orders or investigations under any Environmental Laws against the Debtor or against the Premises;

- 3.1.10 the Debtor is the owner of any intellectual property applications and registrations and there are no outstanding claims of ownership by third parties in respect of these registrations and applications;
- 3.1.11 all intellectual property applications and registrations are valid and in good standing;
- 3.1.12 all trade-mark and industrial designs have been in continuous use and that the use has been proper in relation to the wares and/or services of Debtor;
- 3.1.13 only the Debtor has used the trade-marks, or if there are any third party users of the Debtor's trade-marks, such third party users are properly licensed to use such trademarks;
- 3.1.14 all assignments and other documents affecting intellectual property rights have been disclosed and provided to the Bank;
- 3.1.15 there are no outstanding or threatened claims or proceedings with respect to the intellectual property; and,
- 3.1.16 all necessary assignments and license agreements have been properly executed by the Debtor for use of third party intellectual property.

IV Covenants of the Debtor

- 4.1 The Debtor covenants and agrees that at all times while this General Security Agreement remains in effect the Debtor will:
 - 4.1.1 defend the Collateral for the benefit of the Bank against the claims and demands of all other persons;
 - 4.1.2 not, without the prior written consent of the Bank:
 - (a) create or permit to exist any Encumbrance against any of the Personal Property Collateral which ranks or could in any event rank in priority to or pari passu with the security constituted by this General Security Agreement, save for:
 - (i) those Encumbrances shown in the Encumbrance Schedule; and
 - (ii) Encumbrances approved in writing by the Bank prior to creation or assumption; or
 - (b) grant, sell, exchange, transfer, assign, lease or otherwise dispose of the Collateral; provided always, that, until default, the Debtor may, in the ordinary course of the Debtor's business, sell or lease Inventory and, subject to clause 5.2 hereof, use monies available to the Debtor;
 - 4.1.3 fully and effectively maintain and keep maintained valid and effective the security constituted by this General Security Agreement;
 - 4.1.4 notify the Bank promptly of:
 - (a) any change in the information contained herein or in the Schedules hereto relating to the Debtor, the Debtor's name, the Debtor's business or the Collateral;
 - (b) the details of any significant acquisition of Collateral;
 - (c) the details of any claims or litigation affecting the Debtor or the Collateral;
 - (d) any loss or damage to the Collateral;
 - (e) any default by any Account Debtor in payment or other performance of obligations of the Account Debtor comprised in the Collateral; and
 - (f) the return to, or repossession by, the Debtor of Collateral;
 - 4.1.5 keep the Collateral in good order, condition and repair (in the locations specified in the Location Schedule or such other locations as the Bank may approve in writing)

- and not use the Collateral in violation of the provisions of this General Security Agreement or any other agreement relating to the Collateral or any policy insuring the Collateral or any applicable statute, law, by-law, rule, regulation or ordinance;
- 4.1.6 carry on and conduct the business of the Debtor in a proper and efficient manner and so as to protect and preserve the Collateral and to keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for the Debtor's business as well as accurate and complete records concerning the Collateral and, at the Bank's request, mark any and all such records and the Collateral so as to indicate the security constituted by this General Security Agreement;
- 4.1.7 forthwith pay:
- (a) all obligations to its employees and all obligations to others which relate to its employees when due, including, without limitation, all taxes, duties, levies, government fees, claims and dues related to its employees;
 - (b) all taxes, assessments, rates, duties, levies, government fees, claims and dues lawfully levied, assessed or imposed upon it or the Collateral when due, unless the Debtor shall in good faith contest its obligations so to pay and shall furnish such security as the Bank may require; and
 - (c) all Encumbrances which rank or could in any event rank in priority to or pari passu with the security constituted by this General Security Agreement, other than the Encumbrances, if any, shown in the Encumbrance Schedule hereto and those approved in writing by the Bank;
- 4.1.8 prevent the Collateral, save Inventory sold or leased as permitted hereby, from being or becoming an Accession to other property not covered by this General Security Agreement;
- 4.1.9 insure the Collateral for such periods, in such amounts, on such terms and against loss or damage by fire and such other risks as the Bank shall reasonably direct (but in any event in accordance with prudent business practice and for not less than the full replacement cost thereof) with loss payable to the Bank and the Debtor, as insureds, as their respective interests may appear, and to pay all premiums for such insurance;
- 4.1.10 deliver to the Bank from time to time promptly upon request:
- (a) any Documents of Title, Instruments, Securities and Chattel Paper comprised in or relating to the Collateral;
 - (b) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to the Collateral for the purpose of inspecting, auditing or copying the same;
 - (c) all financial statements prepared by or for the Debtor regarding the Debtor's business;
 - (d) all policies and certificates of insurance relating to the Collateral; and
 - (e) such information concerning the Collateral, the Debtor and Debtor's business and affairs as the Bank may reasonably require;
- 4.1.11 forthwith pay all costs, charges, expenses and legal fees and disbursements (on a solicitor and his own client basis) which may be incurred by the Bank in:
- (a) inspecting the Collateral;
 - (b) negotiating, preparing, perfecting and registering this General Security Agreement and other documents, whether or not relating to this General Security Agreement;
 - (c) investigating title to the Collateral;
 - (d) taking, recovering, keeping possession of and insuring the Collateral;
 - (e) connection with any disclosure requirements under the PPSA; and

- (f) all other actions and proceedings taken in connection with the preservation of the Collateral and the confirmation, perfection and enforcement of this General Security Agreement and of any other security held by the Bank as security for the Obligations;
- 4.1.12 at the Bank's request at any time and from time to time create in favour of the Bank, as security for the Obligations, a fixed charge or charges upon any of the Other Collateral;
- 4.1.13 at the Bank's request at any time and from time to time execute and deliver such further and other documents and instruments and do all other acts and things as the Bank reasonably requires in order to give effect to this General Security Agreement or to confirm and perfect, and maintain perfection of, the security constituted by this General Security Agreement in favour of the Bank;
- 4.1.14 permit the Bank and its representatives, at all reasonable times, access to all the Debtor's property, assets and undertakings and to all its books of account and records for the purpose of inspection and render all assistance necessary for such inspection;
- 4.1.15 comply with the covenants, if any, set out in the Additional Covenants Schedule;
- 4.1.16 develop and use the Premises only in compliance with all Environmental Laws;
- 4.1.17 permit the Bank to investigate the Premises, any goods on the Premises and the Debtor's records at any time and from time to time to verify such compliance with Environmental Laws and this General Security Agreement;
- 4.1.18 upon the request of the Bank, obtain from time to time at the Debtor's cost a report from an independent consultant designated or approved by the Bank verifying compliance with Environmental Laws and this General Security Agreement or the extent of any non-compliance therewith;
- 4.1.19 not store, manufacture, dispose, treat, generate, use, transport, remediate or release Hazardous Materials on or from any of the Premises without notifying the Bank in writing;
- 4.1.20 promptly remove any Hazardous Materials from the Premises in a manner which conforms to Environmental Laws governing their removal; and,
- 4.1.21 notify the Bank in writing of:
 - (a) any enforcement, clean-up, removal, litigation or other governmental, regulatory, judicial or administrative action instituted, contemplated or threatened against the Debtor or the Premises pursuant to any Environmental Laws;
 - (b) all claims, actions, orders or investigations, made or threatened by any third party against the Debtor or any of the Premises relating to damage, contribution, cost recovery, compensation, loss or injuries resulting from any Hazardous Materials or any breach of the Environmental Laws; and
 - (c) the discovery of any Hazardous Materials or any occurrence or condition on any of the Premises or any real property adjoining or in the vicinity of any of the Premises which could subject the Debtor or any of the Premises to any fines, penalties, orders or proceedings under any Environmental Laws;
- 4.1.22 apply to file applications and complete registrations on any present intellectual property which is not currently protected by an application or registration where commercially reasonable, including any and all improvements to intellectual property and apply to file registrations on unregistered trade-marks in Canada and the United States;

- 4.1.23 apply to file applications and complete registrations of all after acquired intellectual property in all jurisdictions where commercially reasonable;
- 4.1.24 keep up-to-date witnessed records regarding intellectual property;
- 4.1.25 enter into confidentiality agreements with employees and other third parties who may invent, create, discover, author and/or reduce to practice intellectual property for the Debtor and who may have access to confidential information of the Debtor;
- 4.1.26 ensure that all after acquired intellectual property obtained from third parties is properly acquired by way of a written license agreement or assignment;
- 4.1.27 provide, upon written request by the Bank, a list of all registered and unregistered trade-marks, patent applications, issued patents, copyright, industrial designs and other intellectual property; and,
- 4.1.28 mark all products and advertising appropriately to maintain the validity of all intellectual property rights.

V Payments and Proceeds

- 5.1 Before or after default under this General Security Agreement, the Bank may notify all or any Account Debtors of the security constituted by this General Security Agreement and may also direct such Account Debtors to make all payments on the Collateral to the Bank.
- 5.2 The Debtor acknowledges that any payments on or other proceeds of the Collateral received by the Debtor from Account Debtors, whether before or after notification of the security constituted by this General Security Agreement to Account Debtors and whether before or after default under this General Security Agreement, shall be received and held by the Debtor in trust for the Bank and shall be turned over to the Bank forthwith upon request.

VI Bank Actions

- 6.1 The Debtor hereby authorizes the Bank to:
 - (a) file such financing statements and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying the Collateral or any permitted Encumbrances affecting collateral or identifying the locations at which the Debtor's business is carried on and the Collateral and records relating thereto are situate) as the Bank may deem appropriate to perfect and continue the security constituted hereby, to protect and preserve the Collateral and to realize upon the security constituted hereby and the Debtor hereby irrevocably constitutes and appoints the Bank the true and lawful attorney of the Debtor, with full power of substitution, to do any of the foregoing in the name of the Debtor whenever and wherever it may be deemed necessary or expedient by the Bank; and
 - (b) make enquiries from time to time of any governmental authority with respect to the Debtor's compliance with Environmental Laws and the Debtor agrees that the Debtor will from time to time provide to the Bank with such written authorization as the Bank may reasonably require in order to facilitate the obtaining of such information.
- 6.2 The Bank may charge for its reasonable costs incurred in connection with any disclosure requirements under the PPSA.
- 6.3 If the Debtor fails to perform any of its Obligations hereunder, the Bank may, but shall not be obliged to, perform any or all of such Obligations without prejudice to any other rights and remedies of the Bank hereunder, and any payments made and any costs, charges, expenses and legal fees and disbursements (on a solicitor and his own client basis) incurred in connection therewith shall be payable by the Debtor to the Bank forthwith with interest until paid at the highest rate borne by any of the Obligations and such amounts shall form part of the

Obligations and constitute a charge upon the Collateral in favour of the Bank prior to all claims subsequent to this General Security Agreement.

- 6.4 The Debtor covenants and agrees that the Bank may, but shall be under no obligation to, at any time or times as the Bank deems necessary and without the concurrence of the Debtor or any other person make such arrangements for the repairing, finishing and putting in order of the Premises, including, without limitation, such repairs, replacements and improvements as are necessary so that the Debtor and the Premises comply with Environmental Laws, and all reasonable costs, charges and expenses including an allowance for the time and services of the Bank, the Bank's servants or agents or any other person or persons appointed for the above purposes including, without limitation, the full amount of all legal fees, disbursements, costs, charges and expenses incurred by the Bank and any amount due hereunder shall be payable forthwith to the Bank, shall be deemed an advance to the Debtor by the Bank, shall be deemed to be Obligations, and shall bear interest at the highest rate per annum from time to time charged by the Bank on any of the other Obligations until paid.

VII Default

- 7.1 The Debtor shall be in default under this General Security Agreement, unless otherwise agreed in writing by the Bank, upon the occurrence of any of the following events:
- 7.1.1 the Debtor makes default in payment when due of any of the Obligations which are indebtedness or liabilities or the Debtor fails to perform or satisfy any other of the Obligations; or
 - 7.1.2 the Debtor is in breach of any term, condition, proviso, agreement or covenant to the Bank, or any representation or warranty given by the Debtor to the Bank is untrue, whether or not any such term, condition, proviso, agreement or covenant, representation or warranty is contained in this General Security Agreement; or
 - 7.1.3 the Debtor makes an assignment for the benefit of its creditors, is declared bankrupt, makes a proposal or otherwise takes advantage of provisions for relief under the Bankruptcy and Insolvency Act (Canada), the Companies Creditors' Arrangement Act (Canada) or similar legislation in any jurisdiction, or makes an authorized assignment; or
 - 7.1.4 there is instituted by or against the Debtor any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against, or winding-up of affairs of, the Debtor; or
 - 7.1.5 the Debtor ceases or threatens to cease to carry on business or makes or agrees to make a bulk sale of assets or commits or threatens to commit an act of bankruptcy; or
 - 7.1.6 a receiver, receiver and manager or receiver-manager of all or any part of the Collateral or of any other property, assets or undertakings of the Debtor is appointed; or
 - 7.1.7 any execution, sequestration, extent or other process of any court becomes enforceable against the Debtor or a distress or analogous process is levied upon the Collateral or any part thereof; or
 - 7.1.8 an order is made or an effective resolution is passed for winding-up the Debtor; or
 - 7.1.9 without the prior written consent of the Bank, the Debtor creates or permits to exist any Encumbrance against any of the Collateral which ranks or could in any event rank in priority to or pari passu with the security constituted by this General Security Agreement; or

- 7.1.10 the holder of any Encumbrance against any of the Collateral does anything to enforce or realize on such Encumbrance; or
- 7.1.11 the Debtor enters into any reconstruction, reorganization, amalgamation, merger or other similar arrangement with any other person; or
- 7.1.12 the Bank in good faith believes and has commercially reasonable grounds to believe that the prospect of payment or performance of any of the Obligations is impaired or that any of the Collateral is or is about to be placed in jeopardy; or
- 7.1.13 any certificate, statement, representation, warranty or audit report herewith, heretofore or hereafter furnished by or on behalf of the Debtor to the Bank, whether in connection with this General Security Agreement or otherwise, and whether furnished as an inducement to the Bank to extend any credit to or to enter into this or any other agreement with the Debtor or not:
 - (a) proves to have been false in any material respect at the time as of which the facts therein set forth were stated or certified; or
 - (b) proves to have omitted any substantial contingent or unliquidated liability or claim against the Debtor;
 or, upon the date of execution of this General Security Agreement, there shall have been any material adverse change in any of the facts disclosed by any such certificate, statement, representation, warranty or audit report, which change was not disclosed to the Bank at or prior to the time of such execution.
- 7.2 For the purposes of Section 203 of the Land Title Act of British Columbia, the floating charge created by this General Security Agreement over land shall become a fixed charge thereon upon the earliest of:
 - 7.2.1 the occurrence of an event described in any of clauses 7.1.3, 7.1.4, 7.1.5, 7.1.6, 7.1.7, or 7.1.8; or
 - 7.2.2 the Bank taking any action to enforce and realize on the security constituted by this General Security Agreement.

VIII Enforcement

- 8.1 The Bank may make demand for payment at any time of any or all of the Obligations which are payable upon demand (whether or not there is any default under this General Security Agreement) and, upon any default under this General Security Agreement, the Bank may declare any or all of the Obligations which are not payable on demand to become immediately due and payable.
- 8.2 Upon default under this General Security Agreement, the security hereby constituted will immediately become enforceable.
- 8.3 To enforce and realize on the security constituted by this General Security Agreement, the Bank may take any action permitted by law or in equity, as it may deem expedient, and in particular, without limiting the generality of the foregoing, the Bank may do any one or more of the following:
 - 8.3.1 appoint by instrument a receiver, receiver and manager or receiver-manager (the person so appointed is herein called the "Receiver") of the Collateral, with or without bond as the Bank may determine, and from time to time in its sole discretion remove such Receiver and appoint another in its stead;
 - 8.3.2 enter upon any of the Premises and take possession of the Collateral with power to exclude the Debtor, its agents and its servants therefrom, without becoming liable as a mortgagee in possession;

8.3.3 preserve, protect and maintain the Collateral and make such replacements thereof and repairs and additions thereto as the Bank may deem advisable;

8.3.4 sell, lease or otherwise dispose of or concur in selling, leasing or otherwise disposing of all or any part of the Collateral, whether by public or private sale or lease or otherwise, in such manner, at such price as can be reasonably obtained therefor and on such terms as to credit and with such conditions of sale and stipulations as to title or conveyance or evidence of title or otherwise as to the Bank may seem reasonable, provided that the Debtor will not be entitled to be credited with the proceeds of any such sale, lease or other disposition until the monies therefor are actually received; and

8.3.5 exercise all of the rights and remedies of a secured party under the PPSA.

8.4 A Receiver appointed pursuant to this General Security Agreement shall be the agent of the Debtor and not of the Bank and, to the extent permitted by law or to such lesser extent permitted by its appointment, shall have all the powers of the Bank hereunder, and in addition shall have power to carry on the business of the Debtor and for such purpose from time to time to borrow money either secured or unsecured, and if secured by a security on any of the Collateral, any such security may rank in priority to or pari passu with or behind the security constituted by this General Security Agreement, and if it does not so specify such security shall rank in priority to the security constituted by this General Security Agreement.

8.5 Subject to applicable law and the claims, if any, of the creditors of the Debtor ranking in priority to the security constituted by this General Security Agreement, all amounts realized from the disposition of the Collateral pursuant to this General Security Agreement will be applied as the Bank, in its sole discretion, may direct as follows:

Firstly: in or toward payment of all costs, charges and expenses (including legal fees and disbursements on a solicitor and his own client basis) incurred by the Bank in connection with or incidental to:

(a) the exercise by the Bank of all or any of the powers granted to it pursuant to this General Security Agreement; and

(b) the appointment of the Receiver and the exercise by the Receiver of all or any of the powers granted to the Receiver pursuant to this General Security Agreement, including the Receiver's reasonable remuneration and all outgoings properly payable by the Receiver;

Secondly: in or toward payment to the Bank of all principal and other monies (except interest) due in respect of the Obligations;

Thirdly: in or toward payment to the Bank of all interest remaining unpaid in respect of the Obligations; and

Fourthly: any surplus will be paid to the Debtor.

IX Deficiency

9.1 If the amounts realized from the disposition of the Collateral are not sufficient to pay the Obligations in full to the Bank, the Debtor will immediately pay to the Bank the amount of such deficiency.

X Rights Cumulative

10.1 All rights and remedies of the Bank set out in this General Security Agreement are cumulative and no right or remedy contained herein is intended to be exclusive but each will be in addition to every other right or remedy contained herein or in any existing or future general

security agreement or now or hereafter existing at law or in equity or pursuant to any other agreement between the Debtor and the Bank that may be in effect from time to time.

XXI Appointment of Attorney

- 11.1 The Debtor hereby irrevocably appoints the Bank or the Receiver, as the case may be, with full power of substitution, to be the attorney of the Debtor for and in the name of the Debtor to sign, endorse or execute under seal or otherwise any deeds, documents, transfers, cheques, instruments, demands, assignments, assurances or consents that the Debtor is obliged to sign, endorse or execute and generally to use the name of the Debtor and to do all things as may be necessary or incidental to the exercise of all or any of the powers conferred on the Bank or the Receiver, as the case may be, pursuant to this General Security Agreement.

XII Liability of Bank

- 12.1 The Bank shall not be responsible or liable for any debts contracted by it, for damages to persons or property or for salaries or non-fulfilment of contracts during any period when the Bank shall manage the Collateral upon entry of the business of the Debtor, as herein provided, nor shall the Bank be liable to account as mortgagee in possession or for anything except actual receipts or be liable for any loss or realization or for any default or omission for which a mortgagee in possession may be liable.
- 12.2 The Bank shall not be bound to do, observe or perform or to see to the observance or performance by the Debtor of any obligations or covenants imposed upon the Debtor nor shall the Bank, in the case of Securities, Instruments or Chattel Paper, be obliged to reserve rights against other persons, nor shall the Bank be obliged to keep any of the Collateral identifiable.
- 12.3 The Bank shall not be obliged to inquire into the right of any person purporting to be entitled under the PPSA to information and materials from the Bank by making a demand upon the Bank for such information and materials and the Bank shall be entitled to comply with such demand and shall not be liable for having complied with such demand notwithstanding that such person may in fact not be entitled to make such demand.
- 12.4 The Debtor will indemnify the Bank and hold the Bank harmless from and against any and all claims, costs, losses, demands, actions, causes of action, lawsuits, damages, penalties, judgments and liabilities of whatsoever nature and kind in connection with or arising out of any representation or warranty given by the Debtor, being untrue, the breach of any term, condition, proviso, agreement or covenant to the Bank, or the exercise of any of the rights and or remedies of the Bank, or any transaction contemplated in this General Security Agreement.
- 12.5 The Debtor hereby waives any applicable provision of law permitted to be waived by it which imposes higher or greater obligations upon the Bank than provided in this General Security Agreement.
- 12.6 The Debtor shall indemnify, reimburse and save harmless the Bank, any receiver, its directors, officers, employees, agents, and successors and assigns, from any and all liabilities, actions, damages, claims, losses, costs and expenses whatsoever (including without limitation, the full amount of all legal fees, costs, charges and expenses and the cost of removal, treatment, storage and disposal of any Hazardous Materials and remediation of the Premises) which may be paid, incurred or asserted against the Bank for, with respect to or as a direct or indirect result of the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission or release from the Premises or into or upon any other land, the atmosphere or any watercourse, body of water or wetland of any Hazardous Materials.
- 12.7 Any amount owing by the Debtor hereunder shall, from the date of disbursement until the date the Bank receives reimbursement, be deemed advanced to the Debtor by the Bank, shall be

deemed to be Obligations and shall bear interest at the highest rate per annum from time to time charged by the Bank on any of the other Obligations until paid.

- 12.8 The Debtor agrees that the indemnity obligations hereunder shall survive the release of the security of this General Security Agreement and the payment and satisfaction of the indebtedness and liabilities hereby secured.

XIII Appropriation of Payments and Offset

- 13.1 Subject to any applicable provisions of the PPSA, any and all payments made in respect of the Obligations from time to time and monies realized from any security held therefor (including monies collected in accordance with or realized on any enforcement of this General Security Agreement) may be applied to such part or parts of the Obligations as the Bank may see fit, and the Bank may at all times and from time to time change any appropriation as the Bank may see fit or, at the option of the Bank, such payments and monies may be held unappropriated in a collateral account or released to the Debtor, all without prejudice to the liability of the Debtor or to the rights of the Bank hereunder.
- 13.2 Without limiting any other right of the Bank, whenever any of the Obligations is immediately due and payable or the Bank has the right to declare any of the Obligations to be immediately due and payable (whether or not it has so declared), the Bank may, in its sole discretion, set off against any of the Obligations any and all monies then owed to the Debtor by the Bank in any capacity, whether or not due and to do so even though any charge therefor is made or entered on the Bank's records subsequent thereto, and the Bank shall be deemed to have exercised such right to set off immediately at the time of making its decision.

XIV Liability to Advance, Etc.

- 14.1 Except to the extent that the Bank:
- 14.1.1 by accepting bills of exchange drawn on it by the Debtor; or
- 14.1.2 by issuing letters of credit or letters of guarantee on the application of the Debtor; is required to advance monies on the maturity of such bills or pursuant to such letters of credit or letters of guarantee, as the case may be, none of the preparation, execution, perfection and registration of this General Security Agreement or the advance of any monies shall bind the Bank to make any advance or loan or further advance or loan, or renew any note or extend any time for payment of any indebtedness or liability of the Debtor to the Bank or extend any term for performance or satisfaction of any obligation of the Debtor to the Bank.
- 14.2 Nothing herein contained shall in any way oblige the Bank to grant, continue, renew, extend time for payment of or accept anything which constitutes or would constitute Obligations or any of them.

XV Waiver

- 15.1 No delay or omission by the Bank in exercising any right or remedy hereunder or with respect to any of the Obligations shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy.
- 15.2 The Bank may from time to time and at any time waive in whole or in part any right, benefit or default under any clause of this General Security Agreement but any such waiver of any right, benefit or default on any occasion shall be deemed not to be a waiver of any such right, benefit or default thereafter, or of any other right, benefit or default, as the case may be.

XVI Extensions

- 16.1 The Bank may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges, refrain from perfecting or maintaining perfection of security, and otherwise deal with the Debtor, Account Debtors of the Debtor, sureties and others and with the Collateral and other security as the Bank may see fit without prejudice to the liability of the Debtor or the Bank's right to hold and realize on the security constituted by this General Security Agreement.

XVII Assignment

- 17.1 The Bank may, without further notice to the Debtor, at any time mortgage, charge, assign, transfer or grant a security interest in this General Security Agreement and the security constituted hereby.
- 17.2 The Debtor expressly agrees that the assignee, transferee or secured party of the Bank, as the case may be, shall have all of the Bank's rights and remedies under this General Security Agreement and the Debtor will not assert any defence, counterclaim, right of set-off or otherwise any claim which it now has or hereafter acquires against the Bank in any action commenced by such assignee, transferee or secured party, as the case may be, and will pay the Obligations to the assignee, transferee or secured party, as the case may be, as the Obligations become due.

XVIII Satisfaction and Discharge

- 18.1 Any partial payment or satisfaction of the Obligations, or any ceasing by the Debtor to be indebted to the Bank, shall be deemed not to be redemption or discharge of the security constituted by this General Security Agreement.
- 18.2 The Debtor shall be entitled to a release and discharge of the security constituted by this General Security Agreement upon full payment, performance and satisfaction of all Obligations, or the securing of the Obligations to the satisfaction of the Bank, and upon written request by the Debtor and payment to the Bank of all costs, charges, expenses and legal fees and disbursements (on a solicitor and his own client basis) incurred by the Bank in connection with the Obligations and such release and discharge.

XIX No Merger

- 19.1 This General Security Agreement shall not operate so as to create any merger or discharge of any of the Obligations, or any assignment, transfer, guarantee, lien, contract, promissory note, bill of exchange or security in any form held or which may hereafter be held by the Bank from the Debtor or from any other person whomsoever.
- 19.2 The taking of a judgment with respect to any of the Obligations will not operate as a merger of any of the terms, conditions, covenants, agreements or provisos contained in this General Security Agreement.
- 19.3 The release and discharge of the security constituted by this General Security Agreement by the Bank shall not operate as a release or discharge of any right of the Bank to be indemnified and held harmless by the Debtor pursuant to clause 12.4 hereof or of any other right of the Bank against the Debtor arising under this General Security Agreement prior to such release and discharge.

XX Interpretation

20.1 In this General Security Agreement:

- 20.1.1 the invalidity or unenforceability of the whole or any part of any clause shall not affect the validity or enforceability of any other clause or the remainder of such clause;
- 20.1.2 the headings have been inserted for reference only and shall not define, limit, alter or enlarge the meaning of any provision of this General Security Agreement; and
- 20.1.3 when the context so requires, the singular shall be read as if the plural were expressed and the provisions hereof shall be read with all grammatical changes necessary dependent upon the person referred to being a male, female, firm or corporation.

XXI Notice

- 21.1 Whenever either the Bank or the Debtor is required or entitled to notify or direct the other or to make a demand upon or request of the other relating to the Collateral, this General Security Agreement or the PPSA, such notice, direction, demand or request shall be sufficiently given if given in writing and delivered to the party for whom it is intended at the address of such party herein or as changed pursuant hereto or if sent by prepaid registered mail addressed to the party for whom it is intended at the address of such party herein set forth or as changed pursuant hereto.
- 21.2 Either the Bank or the Debtor may notify the other in accordance herewith of any change in its principal address to be used for the purposes hereof.

XXII Variation

- 22.1 Save for any schedules which may be added hereto pursuant to the provisions hereof, no modification, variation or amendment of any provision of this General Security Agreement shall be made except by written agreement, executed by the parties hereto and no waiver of any provision hereof shall be effective unless in writing.

XXIII Enurement

- 23.1 This General Security Agreement shall enure to the benefit of the Bank and its successors and assigns and shall be binding upon the respective heirs, executors, personal representatives, successors and permitted assigns of the Debtor.

XXIV Copy of Agreement and Financing Statement

24.1 The Debtor hereby:

- 24.1.1 acknowledges receiving a copy of this General Security Agreement; and
- 24.1.2 waives all rights to receive from the Bank a copy of any financing statement, financing change statement or verification statement filed at any time or from time to time in respect of this General Security Agreement.

XXV Governing Law

- 25.1 This General Security Agreement shall be governed by and construed in accordance with the laws of the Province.

25.2 For the purpose of legal proceedings this General Security Agreement shall be deemed to have been made in the Province and to be performed there and the courts of the Province shall have jurisdiction over all disputes which may arise under this General Security Agreement and the Debtor hereby irrevocably and unconditionally submits to the non-exclusive jurisdiction of such courts, provided always that nothing herein contained shall prevent the Bank from proceeding at its election against the Debtor in the courts of any other Province, country or jurisdiction.

In Witness Whereof the Debtor has executed this General Security Agreement as of the day and year first above written.

FOR BRITISH COLUMBIA

Officer Signature(s)

(For Corporation)

Officer Signature

Name

Address

(For Individual)

Officer Signature

Name

Address

Execution Date

Y	M	D

Debtor(s) Signature(s)

(Corporation Name) by its authorized signatories

Signature

Name

Title

Signature

Name

Title

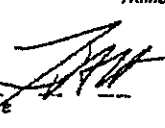
Debtor Signature

Name

Officer Certification: Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the Evidence Act, R.S.B.C. 1996, c. 124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the Land Title Act as they pertain to the execution of this instrument.

FOR ALBERTA, NEW BRUNSWICK, NOVA SCOTIA, NEWFOUNDLAND AND LABRADOR
(For Corporation)

GroundForce GeoDrilling Solutions Inc.
Name of Corporation

Per: _____
Signature 

Name DAVID HAWKINS

Title CEO

Per: _____
Signature

Name

Title



C/S

FOR INDIVIDUAL

Per: _____
Signature of Witness

Name

Address

Occupation

DEBTOR'S SIGNATURE

Signature of Debtor

Name

Encumbrance Schedule

Prior Encumbrances:

NONE

Additional Covenants Schedule

Additional Covenants of the Debtor further to Clause 4.1.15

NONE

GSA
6/8/17

Transmitting Party
HEENAN BLAIKIE LLP
Attention: Courtney Wall
1200 425 1 ST SW
CALGARY, AB T2P 3L8

Party Code: 50091875
Phone #: 403 234 1260
Reference #: 39735.101

Security Agreement

Control #: F01448676

Registration Date: 2011-Jan-17

Registration #: 11011712466

Financing Change Statement

Use this section to Renew or Discharge this Registration. Note before returning, make a photocopy for your file.

Place an (X) in the appropriate box

Renew for: (1-25 years) _____

OR Renew for Infinity:

Total Discharge : Discharge permanently removes ALL record of the registration(s).

Name of Person Authorized to Complete this section	Authorized Signature	Area Code & Telephone #:	Reference #:



Security Agreement

Control #: F01448676

Registration Date: 2011-Jan-17

Registration #: 11011712466

The Registration Term is 5 Years

This Registration Expires at 11:59 PM on 2016-Jan-17

Debtor(s)

Block

1 GROUNDFORCE GEODRILLING SOLUTIONS INC.
#650, 910 - 7th Avenue S.W.
Calgary, AB T2P 3N8

Secured Party / Parties

Block

1 HSBC BANK CANADA
407 - 8th Avenue S.W.
Calgary, AB T2P 1E5

Collateral: General

Block Description

1 All present and after acquired personal property of the Debtor.

End of Verification Statement

**Personal Property Registry
Verification Statement**

Transmitting Party
HEENAN BLAIKIE LLP
Attention: Courtney Wall
1200 425 1 ST SW
CALGARY, AB T2P 3L8

Party Code: 50091875
Phone #: 403 234 1260
Reference #: 39735.101

Land Charge

Control #: F01448702

Registration Date: 2011-Jan-17

Registration #: 11011712653





Land Charge

Control #: F01448702

Registration Date: 2011-Jan-17

Registration #: 11011712653

The Registration Term is Infinity

Debtor(s)

Block

1 GROUNDFORCE GEODRILLING SOLUTIONS INC.
#650, 910 - 7th Avenue S.W.
Calgary, AB T2P 3N8

Secured Party / Parties

Block

1 HSBC BANK CANADA
407 - 8th Avenue S.W.
Calgary, AB T2P 1E5

End of Verification Statement

TAB C

This is Exhibit "C" referred to in the
Affidavit of

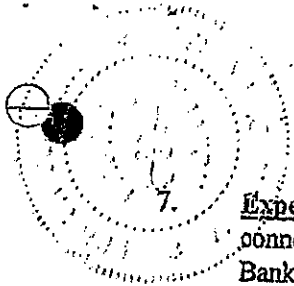
ROBERT ELLIOTT
born before me this 28 day
SEPTEMBER A.D. 2011

Security with Respect to Business Insurance Policies

[Signature]
MARK LAVITT

A NOTARY PUBLIC IN AND FOR
THE PROVINCE OF BRITISH COLUMBIA
HSBC BANK CANADA
4TH FLOOR, 2810 VICTORIA WAY
VANCOUVER, B.C. V5M 0B2

1. **Designation of Beneficiary.** The undersigned hereby designates HSBC BANK CANADA (the "Bank") as the loss payee under the policy(ies) described in Schedule A attached hereto, and further designates the Bank as the loss payee under any and all renewals thereof or substitutions therefor (such policies and the amendments thereto are hereinafter collectively called the "Policies") and grants a security interest in all right, title and interest of the undersigned in, to and under the Policies and all proceeds which may become payable under the Policies. The undersigned may not revoke the loss payee hereby designated without the Bank's written consent.
2. **Indebtedness Secured.** The security constituted hereunder shall secure all indebtedness, obligations and liabilities of any kind, now or hereafter existing, direct or indirect, absolute or contingent, joint or several, of GROUNDFORCE GEODRILLING SOLUTIONS INC. to the Bank, whether as principal or surety, together with all expenses (including legal fees on a solicitor and client basis) incurred by the Bank, its receiver or agent in the preparation, perfection and enforcement of security or other agreements held by the Bank in respect of such indebtedness, obligations or liabilities, and interest thereon (all of which present and future indebtedness, obligations, liabilities, expenses and interest are collectively called the "Indebtedness").
3. **Possession of Policies.** In accordance with the execution of this assignment by the undersigned, the undersigned shall also deliver upon request certified copies of the Policies to the Bank and inform it of any and all events which could result in payment of the sums payable thereunder.
4. **Premiums.** The undersigned shall pay the premiums for the Policies at least ten (10) days before the expiry date thereof and shall deliver to the Bank evidence of such payment. If the undersigned fails to pay such premiums, the Bank may pay them for the undersigned, without however being bound to do so, and any such payment shall be added to the Indebtedness and secured hereby.
5. **Rights of the Bank.** The Bank may, without however being bound to do so, collect any and all sums payable under the Policies and exercise all rights arising from the Policies. All sums collected by the Bank may, at its discretion, be remitted to the undersigned, or they may be held by the Bank as security for the Indebtedness, or applied to the payment of the Indebtedness and any such payment shall be applied to the Indebtedness and obligations secured hereby, whether or not due. The Bank shall have the choice of how any such sums collected shall be applied.
6. **Remedies of the Bank.** The Bank may exercise its rights and recourse without being required to exercise same against the undersigned or any other person, or to realize on any other security.



Expenses. The undersigned shall pay all of the reasonable expenses incurred by the Bank in connection herewith as well as the reasonable expenses arising from the exercise of the Bank's rights, including any premiums which the Bank may pay, and any such payment shall be added to the Indebtedness and secured hereby.

- 8. Mandate. The undersigned constitutes and appoints the Bank its irrevocable attorney, with power of substitution, in order to perform all acts and to sign all documents necessary or expedient for the exercise of the rights conferred on the Bank hereunder, including to endorse all cheques or payment orders made to the order of the undersigned.
- 9. Liability of the Bank. The Bank shall only be required to exercise reasonable care in the exercise of its rights and the performance of its obligations, and it shall be liable only for its intentional fault or gross negligence.
- 10. Additional Security. The rights conferred on the Bank hereunder shall be in addition to and not in substitution for any other security held by the Bank. The Bank may, however, waive any other security without affecting its rights hereunder.
- 11. Successor of the Bank. This agreement shall be binding upon the undersigned and enure to the benefit of the Bank and any of its successors, by way of amalgamation or otherwise.

DATED as of the 20th day of JANUARY 2011.

GROUNDFORCE SOLUTIONS INC. GEODRILLING

By: [Signature] C/S
Name: DAVID HARRISON
Title: CEO

I have the authority to bind the Corporation.

SCHEDULE "A"
to the Security with Respect to Business Insurance Policies
executed by GROUNDFORCE GEODRILLING SOLUTIONS INC.
in favour of HSBC Bank Canada

Type of Insurance	Insurer(s)	Policy Numbers	Effective Expiry Date	Sums Insured or Limits of Liability
Commercial General Liability	CNA Canada	MPR2908920	October 29, 2010 To October 29, 2011	\$2,000,000 Third Party Bodily Injury and Property Damage, Each Occurrence, Annual Aggregate with respect to Products and Completed Operations
Automobile Liability - All Owned or Leased vehicles	CNA Canada	CAE2908965	October 29, 2010 To October 29, 2011	\$2,000,000 Third Party Bodily Injury and Property Damage, Each Occurrence
Umbrella Liability	CNA Canada	MPR2908920	October 29, 2010 To October 29, 2011	\$8,000,000 Per Occurrence, Aggregate Limit Excess of Underlying: Commercial General Liability Automobile Liability
Contractors Equipment	CNA Canada	MPR2908884	October 29, 2010 To October 29, 2011	\$3,000,000 Per Occurrence \$1,100,000 Max Per Item
Rig Boiler	GCAN	4163844	October 29, 2010 To October 29, 2011	\$3,000,000 Per Occurrence, Direct Damage



CERTIFICATE OF INSURANCE

No.: 0004090

Fax 403-263-9656

Dated: January 10, 2010

This is to certify that the policies of insurance listed herein have been issued to the insured named herein for the period of insurance indicated. Notwithstanding any requirement term or condition of any contract or other document with respect to which the certificate may be issued or may pertain, the insurance afforded by the policies listed herein is subject to all the terms, conditions and exclusions of such policies. Limits shown may have been reduced by paid claims.

This certificate is issued as a matter of information only and confers no rights upon the Certificate Holder. This Certificate does not amend, extend or alter the coverage afforded by the policies described herein.

Certificate Holder: HSBC Bank Canada	Named Insured and Address: GroundForce GeoDrilling Solutions Inc. 660, 910 - 7 th Avenue SW Calgary, AB T2P3N8 <i>149-107447 (002)</i>
--	--

This Certificate is issued regarding: Security with Respect to Business Insurance Policies

Type of Insurance	Insurer(s)	Policy Numbers	Effective Expiry Date	Sums Insured or Limits of Liability
Commercial General Liability	CNA Canada	MPR2908920	October 29, 2010 To October 29, 2011	\$2,000,000 Third Party Bodily Injury and Property Damage, Each Occurrence, Annual Aggregate with respect to Products and Completed Operations
Automobile Liability -All Owned or Leased vehicles	CNA Canada	CAE2908965	October 29, 2010 To October 29, 2011	\$2,000,000 Third Party Bodily Injury and Property Damage, Each Occurrence
Umbrella Liability	CNA Canada	MPR2908920	October 29, 2010 To October 29, 2011	\$8,000,000 Per Occurrence, Aggregate Limit Excess of Underlying: • Commercial General Liability • Automobile Liability
Contractors Equipment	CNA Canada	MPR2908884	October 29, 2010 To October 29, 2011	\$3,000,000 Per Occurrence • \$1,100,000 Max Per Item
Rig Boiler	GCAN	4163844	October 29, 2010 To October 29, 2011	\$3,000,000 Per Occurrence, Direct Damage

Additional Information:

It is agreed that HSBC Bank Canada is added as First Loss Payee, but only with respect to property as their interest may appear.



Notice of Cancellation:

Should any of the policies described herein be cancelled before the expiration date thereof, the insurer(s) affording coverage will endeavour to mail 30 days written notice to the certificate holder named herein, but failure to mail such notice shall impose no obligation or liability of any kind upon the insurer(s) affording coverage, their agents or representatives, or the issuer of this certificate.

IRIDIUM RISK SERVICES INC.
1100, Bow Valley Square 3
255 Fifth Avenue SW
Calgary Alberta T2P 3G6
Telephone: (403) 263-9654
Fax: (403) 263-9656

IRIDIUM RISK SERVICES INC.

By:

A handwritten signature in black ink, appearing to be "A. J. R.", written over a horizontal line.

TAB D

This is Exhibit "A" referred to in the
Affidavit of

..... ROBERT ELLIOTT

Sworn before me this 28 day

of SEPTEMBER A.D. 2015

.....
.....

MARK LAVITT

A NOTARY PUBLIC IN AND FOR
THE PROVINCE OF BRITISH COLUMBIA
HSBC BANK CANADA
4TH FLOOR, 2910 VIRTUAL WAY
VANCOUVER, B.C. V6M 0B2

HSBC Bank Canada

SECURITY OVER CASH, CREDIT BALANCES AND DEPOSIT INSTRUMENTS BY CUSTOMER
(All Provinces Except Quebec)

1012009 (06-1999)

To: HSBC Bank Canada

2/1 149-107447 (Emd # 004)

407 - 8th Avenue S.W., Calgary, Alberta T2P 1E5

Branch Address

Date JANUARY 20, 2011

Charge

1. For valuable consideration (the receipt and sufficiency of which is hereby acknowledged by the undersigned), the undersigned hereby lodges and pledges, in favour of HSBC Bank Canada (the "Bank") and grants to the Bank a fixed mortgage, charge, and a security interest in and releases to the Bank the entire right, title, claim and interest of the undersigned in and to:

Delete (b) and (c) for security over specific deposit instrument?

(a) the principal sum, interest, and all other monies owing and payable or hereafter owing and payable to the undersigned pursuant to the terms of the instrument or instruments (the "Instrument"), if any, described in the Schedule of Instruments set out below, and the entire right, title and interest of the undersigned in and to the Instrument;

Delete (a) and (c) for security over monies in cash collateral

(b) all monies in account number(s) _____ at the branch of the Bank set out above, including monies which the Bank has withdrawn or withdraws from any other account of the undersigned and has deposited or deposits in the said account, the Bank being hereby authorized to make such withdrawals and deposits from time to time;

Delete (a) and (b) for security over credit balances

(c) all monies which are now or which may from time to time in the future stand to the credit of the undersigned in any accounts at the branch of the Bank set out above;

All of which are hereinafter collectively referred to as the Deposits".

Obligations Secured

2. The mortgage, charge, security interest, release and pledge granted above shall be general and continuing security for payment, performance and satisfaction of each and every obligation, indebtedness and liability of the undersigned to the Bank (including interest thereon), present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, whosoever and howsoever incurred, and any ultimate unpaid balance thereof (including interest thereon) including all future advances and re-advances, and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and whether the undersigned be bound alone or with another or others and whether as principal or surety (all of which obligations, indebtedness and liabilities are herein collectively called the "Obligations").

Representations and Warranties

3. The undersigned represents and warrants that:

- (a) this Agreement has been duly authorized, executed and delivered by the undersigned to the Bank; and
- (b) the Deposits are legally and beneficially owned by the undersigned free of all security interests, mortgages, liens, claims, charges and other encumbrances, save for the security constituted by this Agreement and any other security in favour of the Bank.

Dealing with Instruments and Renewals

4. The undersigned irrevocably authorizes and directs the Bank to receive the principal, interest and other monies represented by the Instrument, if any, described in the Schedule of Instruments, and, in the Bank's sole and absolute discretion, to retain or to reinvest all or part of such monies in one or more instruments of the same or similar nature on such terms as are in effect at such maturity and to receive another instrument which shall then stand in the place of and be deemed to be the Instrument; Provided that unless otherwise instructed by the undersigned, the Bank shall not be bound to reinvest the monies as provided above and shall not be responsible for any loss occasioned by its failure or neglect to do so. The Bank shall not be responsible for any loss whatsoever occasioned by any retention or reinvestment of the monies or acceptance of a replacement instrument as aforesaid.

5. It is understood and agreed that the security constituted by this Agreement extends to any renewals and replacements of the Deposits and all interest earned thereon and to all proceeds of any type or kind whatsoever, derived directly or indirectly from any dealing with the Deposits or proceeds arising from them.

Default

6. Unless otherwise agreed in writing by the Bank, the occurrence of any of the following events shall be a default under this Agreement:

- (a) the Obligations or any part thereof are not repaid and satisfied when the same become due;
- (b) the undersigned breaches any term, condition, proviso, agreement or covenant with the Bank, or any representation or warranty given by the undersigned to the Bank in this Agreement, or otherwise, is untrue;
- (c) the undersigned makes an assignment for the benefit of its creditors, is declared bankrupt, makes a proposal or otherwise takes advantage of provisions for relief under the Bankruptcy Act (Canada), the Companies' Creditors Arrangement Act (Canada) or similar legislation in any jurisdiction, or makes an authorized assignment; or
- (d) there is instituted by or against the undersigned any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against, or winding up of the affairs of, the undersigned; or
- (e) if the undersigned is a natural person, the undersigned dies or is declared incompetent to manage his or her affairs; or
- (f) the undersigned ceases or threatens to cease to carry on business or makes or agrees to make a bulk sale of assets or commits or threatens to commit an act of bankruptcy; or
- (g) a receiver, receiver and manager or receiver-manager of all or any part of the Deposits or of any other property, assets or undertaking of the undersigned is appointed; or
- (h) any execution, sequestration, extent or other process of any court becomes enforceable against the undersigned or a distress or analogous process is levied upon the Deposits or any part thereof; or
- (i) an order is made or an effective resolution is passed for winding up the undersigned; or
- (j) without the prior written consent of the Bank, the undersigned creates or permits to exist any encumbrance against any of the Deposits other than an encumbrance in favour of the Bank; or

- (k) the undersigned enters into any reconstruction, reorganization, amalgamation, merger or other similar arrangement with any other person; or
- (l) the Bank in good faith believes and has commercially reasonable grounds to believe that the prospect of payment or performance of any of the Obligations is impaired or that any of the Deposits are or are about to be placed in jeopardy.

Enforcement

7. Upon default under this Agreement, the security constituted by this Agreement will immediately become enforceable, and to enforce and realize on the security constituted by this Agreement, the Bank may take any action permitted by law or in equity as it may deem expedient, and in particular, without limiting the generality of the foregoing, the Bank may, subject to applicable law, immediately without notice, demand for payment, or other formality, enforce and realize upon the security constituted by this Agreement as fully and effectually as if the Bank were the absolute owner of the Deposits and the Bank may retain or apply all or any portion of the Deposits against payment of the Obligations or any part of it in such amount and in any manner that the Bank, in its absolute discretion sees fit, and the Bank may apply the Deposits against the Obligations without having to seize or otherwise realize upon the Deposits.

Combination and Set-Off

8. The Bank may, at any time and without notice to the undersigned, combine or consolidate any other account of the undersigned, whether or not otherwise subject to notice, and set off the Deposits and any monies standing to the credit of such account against the Obligations.

Restriction on Withdrawal

9. Notwithstanding any other agreement to the contrary, the undersigned shall not withdraw, assign, transfer or otherwise deal with the Deposits, and the Bank shall not be required to surrender or deliver up the Deposits by reason of any partial payment on account of the Obligations and may retain the Deposits or the proceeds derived from them until the entire Obligations have been satisfied in full.

Continuing Security

10. This Agreement shall:
- (a) be in addition to and not in substitution for any other security held by the Bank;
 - (b) not operate as a merger or a novation of any debt outstanding to the Bank, nor suspend the fulfillment of or affect the rights, remedies and powers of the Bank or any obligations of the undersigned or any other person to the Bank;
 - (c) not be deemed to be redeemed or cancelled pro tanto or otherwise, due to any partial payment made by the undersigned on account of the Obligations or any ceasing by the undersigned to be indebted to the Bank, and this Agreement shall remain valid security for any subsequent Obligations.

Non-Exclusive Remedies, etc.

11. The remedies and rights given to the Bank in this Agreement are not intended to be exclusive. Each and every remedy and right shall be cumulative and shall be in addition to every other right or remedy given by this Agreement or now or hereafter existing at law, inequity, by statute or otherwise. In particular, without limiting the generality of the foregoing, this Agreement does not affect the rights of the Bank to any lien, claim or interest arising by operation of law. The exercise or commencement of exercise by the Bank of any one or more of such remedies or rights shall not preclude the simultaneous or later exercise by the Bank of any or all of such remedies or rights.

12. The Bank shall not be obliged to exercise any remedies which it may have against the undersigned or any other parties or against any other security it may hold before realizing on or otherwise dealing with the Deposits in whatever manner the Bank considers appropriate.

13. The Bank shall not be responsible for any failure to exercise or enforce, or for any delay in the exercise or enforcement of, any powers, rights or discretions of the Bank, or directions to the Bank, and the Bank shall be accountable only for such monies as it shall actually receive.

Dealings

14. The Bank may do all or any of the following:
- (a) grant time, renewals, extensions, indulgences, releases and discharges to;
 - (b) take securities from;
 - (c) abstain from taking additional security from;
 - (d) abstain from perfecting securities of;
 - (e) accept compositions from;
 - (f) obtain judgment against; and
 - (g) otherwise deal with

all persons and securities as the Bank may see fit without prejudice to the Bank's rights under this Agreement, including without limitation, the Bank's right to hold, deal with and realize on the Deposits in whatever way the Bank considers appropriate.

Severability

15. If any provision of this Agreement should be determined to be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

Miscellaneous

16. If the undersigned receives any of the Deposits, the undersigned shall receive the same in trust as depository for and on behalf of the Bank, and shall deal with the Deposits as the Bank may direct.

17. The records of the Bank shall constitute prima facie evidence of the amount of the Deposits and of the amount of the Obligations at any time and of the undersigned being in default or of any demand having been made.

18. The Bank or any manager, acting manager or account manager of the Bank is hereby appointed as the irrevocable attorney of the undersigned with authority to do such acts, execute all documents necessary to give effect to this Agreement (on behalf of and in the name of the undersigned) and to the realization and enforcement of this Agreement by the Bank.

19. The undersigned shall pay all costs, charges and expenses including solicitors' costs, charges and expenses which may be incurred by the Bank in connection with this Agreement and its enforcement.

20. The undersigned:
- (a) acknowledges receiving a copy of this Agreement; and
 - (b) waives all rights to receive from the Bank a copy of any financing statement, financing change statement or verification statement filed at any time or from time to time in respect of this Agreement.
21. If this Agreement is executed by more than one party, the liability of each of the undersigned shall be joint and several with one another.
22. In this Agreement, any word importing the singular number shall include the plural, and, without restricting the generality of the foregoing, where there is more than one undersigned any reference to the undersigned refers to each and everyone of the undersigned. The headings in this Agreement are inserted for convenience only and shall not affect the construction hereof.
23. Any notice, demand or other communication under this Agreement shall be in writing and addressed to the undersigned at the last address shown on the records of the Bank.
24. This Agreement shall be binding upon the undersigned and the heirs, executors, administrators, successors and assigns of the undersigned, and shall enure to the benefit of the Bank and its successors and assigns.
25. This Agreement shall be governed by and construed in accordance with the laws of the jurisdiction where the branch of the Bank indicated above is located and the undersigned irrevocably submits to the non-exclusive jurisdiction of the courts of such jurisdiction, but this Agreement may be enforced in the courts of any competent jurisdiction.
26. The parties hereto acknowledge that they have expressly required that this Agreement and all deeds, documents or notices relating to this Agreement be drafted in the English language. Les parties aux présentes reconnaissent qu'elles ont exigé expressément que la présent convention et tous autres contrats, documents ou avis qui y sont afférents soient rédigés en langue anglaise.

IN WITNESS WHEREOF the undersigned has executed this Agreement as of the day and year first above written.

Schedule of Instruments(s)

Date	Cert. No.	Principal Amount
------	-----------	------------------

Where the Undersigned is an Individual:

Signed, Sealed and Delivered by
in the presence of:

Signature _____	}	_____
Name _____		
Address _____		
Occupation _____		

Where the Undersigned is a Corporation:

GROUNDFORCE GEODRILLING SOLUTIONS INC.

Name of Corporation

Per: [Signature]

Name: DAVID HARRISON

Title: CFO

c/s

Per: _____

Name: _____

Title: _____

TAB E

This is Exhibit "A" referred to in the
 Affidavit of
ROBERT ELLIOTT
 sworn before me this 28 day
 of SEPTEMBER A.D. 2014

SEP 1 2014

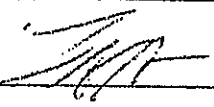


MARK LAVITT
 A NOTARY PUBLIC IN AND FOR
 THE PROVINCE OF BRITISH COLUMBIA
 HSBC BANK CANADA
 411 FLOOR, 290 WATERLOO
 VANCOUVER, B.C. V5M 0B2

HSBC BusinessVantage MasterCard Program Limit Modification

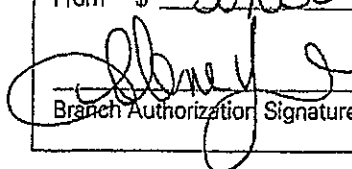
Branch Transit
 10029

Request For HSBC BusinessVantage MasterCard Program Credit Limit Increase/Decrease
 Modify HSBC BusinessVantage MasterCard Card Program Limit
 From \$ 50,000.00 To \$ 75,000.00
 Base ID for Business: (3 digit transit number and 6 digit base ID)
149 107447

Business Authorization	Owner / Partner Authorization
Legal Name of Business GROUNDFORCE GEODRILLING SOLUTIONS INC.	Owner/Partner Signature
Doing Business As	Print Name
Authorized Signature 	Owner/Partner Signature
Authorized Signature	Print Name
Date <u>Aug. 25, 2014</u>	Date

Approved HSBC BusinessVantage MasterCard Program Credit Limit

From \$ 50,000 To \$ 75,000

 12397 ILENE MOREY
 Branch Authorization Signature

ILENE MOREY
 Senior Officer - Commercial Banking
 Print Name

Issued by HSBC Bank Canada

*MasterCard is a registered trademark of MasterCard International Incorporated. Used pursuant to license.

* HSBC BusinessVantage is a registered trademark of HSBC Holdings plc used under license by HSBC Bank Canada.

TAB F

This is Exhibit "F" referred to in the Affidavit of ROBERT ELLIOTT Sworn before me this 28 day of SEPTEMBER A.D. 2015

ALBERTA LAND TITLES ACT PROVINCE OF ALBERTA

LAND MORTGAGE

MARK LAVITT A NOTARY PUBLIC IN AND FOR THE PROVINCE OF BRITISH COLUMBIA

WHEREAS GROUNDFORCE GEODRILLING SOLUTIONS INC. (the "Mortgagor") is indebted to HSBC BANK CANADA (the "Mortgagee") in the amount of NINE HUNDRED AND TEN THOUSAND DOLLARS (\$910,000) Dollars (sometimes referred to as the "Loan"), it being agreed that the Mortgagor would execute and deliver this Mortgage to secure the due payment of the Loan or any amendments thereto or renewals thereof.

NOW THEREFORE, in consideration of the Mortgagee granting the Mortgagor the Loan, the premises herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Mortgagor, a corporation incorporated in the Province of Alberta, having its head office located at 650 - 910 7th Avenue S.W., Calgary, Alberta T2P 3N8 and being the registered owner of an estate in fee simple, in possession, subject to such encumbrances, liens and interests as are notified by memorandum written or endorsed on the Certificate of Title, in all those lands situate in the Province of Alberta and legally described as follows:

All lands as described in Schedule "A" attached hereto.

(herein collectively referred to as the "Lands") hereby covenants with the Mortgagee, having an office at 407 - 8th Avenue S.W., Calgary, Alberta T2P 1E5, as follows:

- 1. The Mortgagor covenants and agrees with the Mortgagee that it will pay ON DEMAND the principal amount of NINE HUNDRED AND TEN THOUSAND DOLLARS (\$910,000) Dollars (sometimes referred to as the "Principal Sum"), or so much thereof as has been advanced and is outstanding at the time of demand, plus interest thereon at the Prime Rate plus two (2.00%) per cent per annum calculated and payable monthly both before and after demand and judgment (the said Principal Sum, interest and other amounts charged to the Mortgagor hereunder being hereinafter referred to as the "Liabilities") and hereby encumbers, mortgages and charges the Lands and each and every building and improvement on the Lands which now or hereafter may be erected thereon (hereinafter referred to as the "Premises") with payment of the Liabilities (the Lands and the Premises being hereinafter collectively referred to as the "Mortgaged Property"). "Prime Rate" means the Mortgagee's prime rate per annum as determined and recorded as such by the Mortgagee from time to time.
2. The granting of this Mortgage to secure the repayment of the Principal Sum is collateral and in addition to, and not in substitution for, the terms of any facility letter or loan agreement or of any other of the security documents arising therefrom. If any of the terms of this Mortgage conflict with those of any facility letter or loan agreement, the terms of such facility letter or loan agreement will prevail.
3. Neither the granting of this Mortgage, nor any proceeding taken hereunder or with respect hereto or under any securities or evidence of securities taken by the Mortgagee, nor any judgement obtained in such proceedings shall operate as a merger of the Liabilities or of any simple contracted debt or in any way suspend payment of, affect or prejudice the rights, remedies or powers, legal or equitable, which the Mortgagee may hold in connection with the Liabilities and any securities which may be taken by the Mortgagee in addition to, by way of renewal of, or in substitution for any present or future bill, promissory note, obligation or security evidencing the Liabilities or a part thereof, or be deemed a payment or satisfaction of the Liabilities, or any part thereof, or merger therein, and any right reserved to the Mortgagee under any document may be

exercised by the Mortgagee concurrently or consecutively with or to any other rights reserved to it.

4. The Mortgagor further covenants with the Mortgagee that the Mortgagor:

- (a) has a good title to the Mortgaged Property;
- (b) has the right to mortgage the Mortgaged Property and that, on default, the Mortgagee shall have possession of the Mortgaged Property free from all encumbrances except those currently registered against the Mortgaged Property or as has been approved by the Mortgagee, acting reasonably;
- (c) will execute such further assurances of the Mortgaged Property as may be requisite; and
- (d) has done no act to encumber the Mortgaged Property except as has been approved by the Mortgagee.

5. The Mortgagor further covenants with the Mortgagee that:

- (a) The Mortgagor will forthwith insure and during the continuance of this Mortgage keep insured in favour of the Mortgagee against loss or damage by the perils of fire and such other perils as the Mortgagee may require, the Premises, both during erection and thereafter, for a total amount not less than the lesser of the replacement cost of the Premises and the amount of the Mortgagee's interest therein, with an insurance company and under policies satisfactory to the Mortgagee. Each policy of insurance shall provide that every loss shall be payable to the Mortgagee as its interest may appear in accordance herewith, subject to a standard form of mortgage clause approved by the Mortgagee. The Mortgagor, at the Mortgagee's request, will forthwith assign, transfer and deliver to the Mortgagee the policies of insurance and all renewal receipts thereto appertaining and no insurance will be carried on the Premises other than such as is made payable to the Mortgagee in accordance with the provisions of this paragraph. The Mortgagor will not do or omit or cause anything to be done, omitted or caused whereby the policies of insurance may become void and the Mortgagor will pay all premiums necessary for such purposes promptly as the same shall become due and will deliver evidence of renewal to the Mortgagee at least three (3) days prior to the expiration of any policy of insurance. On the happening of any loss or damage, the Mortgagor will furnish forthwith at its own expense all necessary proof and do all necessary acts to enable the Mortgagee to obtain payment of the insurance moneys. The production of this Mortgage shall be sufficient authority for the insurance company to pay every such loss to the Mortgagee and the insurance company is hereby directed thereupon to pay the same to the Mortgagee. Any insurance moneys received may, at the option of the Mortgagee, be applied in rebuilding, reinstating or repairing the Premises or be paid to the Mortgagor or be applied or paid partly in one way and partly in another, or it may be applied, in the sole discretion of the Mortgagee, in whole or in part on the Liabilities or any part thereof whether due or not then due and the Mortgagor doth release to the Mortgagee all its claims upon the Mortgaged Property subject to the said provision;
- (b) The Mortgagor will pay when and as the same fall due all taxes, rates, levies, assessments, liens, charges, encumbrances or claims which are or may be or become charges or claims against the Mortgaged Property or on this Mortgage;
- (c) As additional security for the payment of the Liabilities, the Mortgagor hereby gives, grants, assigns, transfers and sets over unto the Mortgagee all agreements which affect the Mortgaged Property whether written, verbal or otherwise howsoever including all

renewals or extensions thereof, together with all rents and other moneys payable thereunder and all rights, benefits and advantages to be derived therefrom; provided that nothing done in pursuance hereof shall have or be deemed to have the effect of making the Mortgagee responsible for the collection of rent or of any part thereof or any income or revenue whatsoever of and from the Mortgaged Property or for the performance or observance of any provision of such agreements;

- (d) The Mortgagor will not remove any fixtures of any kind from the Mortgaged Property, and will keep the Premises and all fixtures, gates, fences and drains for the time being subject to this Mortgage in good and substantial repair, reasonable wear and tear expected, and will at all times make such repairs, and if incomplete, will complete as may be required by the Mortgagee in writing and will not without the consent, in writing, of the Mortgagee commit or permit any kind of waste on the Mortgaged Property;
 - (e) The Mortgagor will not, without the consent of the Mortgagee in writing, not to be unreasonably withheld erect or permit to be erected on the Mortgaged Property any improvement or enter into any contract that may cause the Mortgaged Property to be encumbered by a lien for work done, labour provided, services performed or material supplied and will keep the Mortgaged Property free from same;
 - (f) Without restricting the generality of the term "fixtures", grates, gas and electric fixtures along with all piping, connections, appliances and appurtenances relating thereto which now are or may hereafter be placed upon the Mortgaged Property by the Mortgagor and all machinery, improvements and irrigation systems, fixed or otherwise, and even though not attached to the land otherwise than by their own weight, shall be deemed to be fixtures and a part of the Mortgaged Property and charged by and subject to this Mortgage;
 - (g) The Mortgagee or agent of the Mortgagee may, at any reasonable time, enter upon the Mortgaged Property to inspect the Mortgaged Property and the reasonable costs of such inspection shall be added to the debt secured by this Mortgage; and
 - (h) The Mortgagor will at all times promptly observe, perform, execute and comply with all applicable laws, rules, requirements, orders, directions, by-laws, ordinances, work orders and regulations of every governmental authority and agency whether federal, provincial, municipal or otherwise, including, without limiting the generality of the foregoing, those dealing with zoning, use, occupancy, subdivision, parking, historical designations, fire, access, loading facilities, landscaped area, pollution of the environment, toxic materials or other environmental hazards, building construction, public health and safety, and all private covenants and restrictions affecting the Mortgaged Property or any portion thereof. The Mortgagor will from time to time, upon request of the Mortgagee, provide to the Mortgagee evidence of such observance and compliance and will at its own expense make any and all improvements thereon or alterations to the Mortgaged Property structural or otherwise and will take all such other action as may be required at any time by any such present or future law, rule, requirement, order, direction, by-law, ordinance, work order or regulation.
6. In the event of non-payment when due of the Liabilities or upon breach of or default under any provision of any agreement evidencing or relating to the Liabilities, or upon breach of or default in any provision hereof, or upon breach of or default in any provision of any other security documents by the Mortgagor, or upon the occurrence of an event of default as described in any other security documents:

- (a) The Liabilities shall immediately become due and payable at the option of the Mortgagee unless such non-payment, breach or default is waived or postponed by the Mortgagee;
- (b) The Mortgagee may, on giving the minimum notice, if any, according to applicable law, enter on and lease or sell the Mortgaged Property and the Mortgagee may collect the rents and profits and lease or sell as aforesaid, without entering into possession of the Mortgaged Property and the Mortgagee is hereby irrevocably appointed the attorney of the Mortgagor for the purpose of making such lease or sale and for recovering all rents and sums of money that may become or are due or owing to the Mortgagor in respect of the Mortgaged Property and for enforcing all agreements binding on any lessee or occupier of the Mortgaged Property or on any other person in respect of it and for taking and maintaining possession of the Mortgaged Property and for protecting it from waste, damage or trespass and for executing all instruments, deeds and documents pertaining thereto and for doing all acts, matters and things that may be necessary for carrying out the powers hereby given and any such sale may be either for cash or on credit or part cash and part credit and by private sale or public auction and at such sale the whole or any part of the Mortgaged Property may be sold and the Mortgagee may vary or rescind any contract of sale made by virtue of these presents and may buy in and resell the Mortgaged Property, or any part thereof, without being responsible for any loss or deficiency on resale or expense occasioned thereby and may sell on such terms as to credit or otherwise as to it shall seem appropriate and for such prices as can reasonably be obtained therefor and may make any stipulation as to title or evidence or commencement of title or otherwise as it may deem proper and no purchaser or lessee under such power shall be bound to inquire into the legality or regularity of any sale or lease under the said power or to see to the application of the proceeds thereof nor shall any omission, irregularity or want of notice invalidate or in any way affect the legality of any such sale or lease and out of the money arising from such sale or lease the Mortgagee shall be entitled to retain an amount equal to the Liabilities together with all expenses incurred in or about taking, recovering or keeping possession of the Mortgaged Property, selling or leasing the same or otherwise by reason of any default of the Mortgagor hereunder, including reasonable solicitors' fees and disbursements as between solicitor and client and any balance of moneys remaining after the satisfaction of all claims of the Mortgagee, as hereinbefore provided, shall be paid to the Mortgagor but the Mortgagee shall in no event be liable to pay to the Mortgagor any moneys except those actually received by the Mortgagee;
- (c) The Mortgagee may distrain for arrears of the Liabilities and as part of the consideration for any advance or creation of the Liabilities the Mortgagor agrees to waive, and hereby waives, on the exercise of any such right of distress all rights to exemptions from seizure and distress under any statute of the Province of Alberta;
- (d) The Mortgagee may appoint a receiver of the Mortgaged Property and of the income of the Mortgaged Property, or any part thereof, and every such receiver shall be the agent of the Mortgagor and the Mortgagor shall be solely responsible for the receiver's acts or defaults and such receiver shall have power to demand, recover and receive all the income of the Mortgaged Property, by action, distress or otherwise, either in the name of the Mortgagor or of the Mortgagee and to give effectual receipts for the same and the receiver may lease the Mortgaged Property and execute contracts in the name of the Mortgagor provided that such receiver may be removed and a new receiver appointed from time to time by the Mortgagee, by writing under the hand of any authorized agent or solicitor. It is further agreed that such receiver shall be entitled to retain out of the moneys received by it a commission of five (5%) of the gross receipts, or such higher rate as any judge of any Court having jurisdiction may allow upon application by it for that purpose along with its disbursements in the collection of such income and thereafter the receiver shall apply all moneys received by it as follows: namely, in discharge of all

taxes, rates and accounts payable whatsoever affecting the Mortgaged Property and all annual sums or other payments and interest thereon, if any, having priority to this Mortgage, in payment of the premiums on insurance payable under this Mortgage, in payment of the cost of all necessary or proper repairs to the Mortgaged Property and the balance, if any, thereafter upon the Liabilities; and

- (e) The Mortgagee, as its option, may by and on behalf of the Mortgagor and at the sole cost and expense of the Mortgagor and to such extent as the Mortgagee deems advisable, observe and perform or cause to be observed and performed any provision with respect to which default has occurred and for such purpose make such payments as are contemplated herein and all moneys expended by the Mortgagee for any such purpose shall be payable on demand by the Mortgagor to the Mortgagee and, if not demanded or if not paid forthwith on demand, shall bear interest at the interest rate as described herein and shall be compounded monthly, until paid, and shall be a charge upon the Mortgaged Property; provided however, that nothing herein contained shall be deemed to hold the Mortgagee responsible for and the Mortgagee shall not be responsible for any loss arising out of its or its agents' or employees' observance or performance of any such provision.
7. The Mortgagee may, in its discretion and with or without the consent of the Mortgagor or any co-covenantor, guarantor or surety, in respect of the Liabilities or any part thereof, give an extension of time, take the covenant of any purchaser of the equity of redemption of the Mortgaged Property or any part thereof or any security whatsoever from them or from any other person for the assumption and payment of the whole or any part of the Liabilities or for the due performance of any of the provisions hereof and any such action on the part of the Mortgagee shall not release the Mortgagor or any co-covenantor, guarantor or surety from payment of the Liabilities or any part thereof or the performance of the said provisions or any of them. The Mortgagee may also, in its discretion, compound with or release the Mortgagor or any one claiming under it or any other person liable for payment of the Liabilities or surrender, release or abandon or omit to perfect or enforce any securities, remedies or proceedings which the Mortgagee may now or hereafter hold, take or acquire, and may pay all moneys received from the Mortgagor or others or from securities upon such part of the Liabilities as the Mortgagee may think best without prejudice to or in any way limiting or lessening the liability of the Mortgaged Property or of any surety or obligor or any other person liable for payment of the Liabilities and the Mortgagee shall incur no liability to any person by reason of anything aforesaid, any provision or liability aforesaid shall continue in full force as long as any of the Liabilities remain unpaid but the Mortgagee shall not be bound to exhaust its recourses or remedies against the Mortgaged Property or the Mortgagor or other parties or the securities it may hold before being entitled to payment from any co-covenantor guarantor or surety of the Liabilities.
8. The Mortgagee may, in its discretion and with or without the consent of the Mortgagor or any co-covenantor, guarantor or surety, release any part of the Mortgaged Property or any other security for the Liabilities either with or without any consideration therefor and without being accountable for the value thereof or for any moneys except those actually received by it and without hereby releasing any other part of the Mortgaged Property, or any provision hereof, including any covenants or agreements on the part of any co-covenantor, guarantor or surety for the payment of the Liabilities and the performance of the provisions hereof.
9. The Mortgagor represents and warrants that it has paid all taxes, interest and penalties payable by it under the provisions of federal, provincial and municipal statutes or by-laws relating thereto and which may create a charge or lien upon the Mortgaged Property.
10. The Mortgagee may, at its option, and at any time during any proceedings relating to expropriation of part or all of the Mortgaged Property, declare the Liabilities to become due and payable and any moneys paid to the Mortgagee upon an expropriation either in whole or in part of

the Mortgaged Property shall be applied upon the Liabilities but no payments received upon expropriation shall serve to satisfy the Liabilities nor obligate the Mortgagee to grant a discharge of this Mortgage, except in accordance with paragraph 13 hereof.

11. With respect to any and all existing encumbrances, the Mortgagor shall not allow any default in any provisions thereof, such default to constitute default herein, and the Mortgagee may advance moneys under the security hereof in payment of any prior or subsequent claim, charge or encumbrance against the Mortgaged Property and, in which event, the Mortgagee may, at its option, be subrogated to and entitled to all rights of and stand in the position of the person entitled to such claim, charge or encumbrance and the decision of the Mortgagee as to the validity or amount of any advance or disbursement made under this Mortgage and of any claim so paid off shall be final and binding upon the Mortgagor.
12. If the Mortgaged Property is a condominium within the *Condominium Property Act* (Alberta), the Mortgagor further covenants with the Mortgagee that:
 - (a) The Mortgagor will comply with, observe and perform all provisions of the *Condominium Property Act* (Alberta), its regulations and the by-laws, rules and regulations of the Condominium Corporation from time to time in force.
 - (b) The Mortgagor shall pay on or before the due dates thereof, each and every assessment, contribution, charge, fine or levy made by or on behalf of the Condominium Corporation in respect of any unit charged hereunder (hereinafter collectively called "Assessments"). If the Mortgagor fails to pay the Assessments, on or before their due date, such failure shall constitute default hereunder and shall entitle the Mortgagee to exercise any and all remedies available to the Mortgagee in the event of default hereunder. Upon default under this paragraph and notwithstanding any other right or action of the Condominium Corporation or the Mortgagee, the Mortgagee may pay the assessments, and any assessments so paid, together with all costs, charges, expenses and outlays of the Mortgagee thereby incurred shall be added to the monies payable hereunder, and shall bear interest at the rate aforesaid from the date expended until paid and such amounts and interest shall be payable on demand to the Mortgagee and shall be a charge on the Lands.
 - (c) The Mortgagor hereby irrevocably authorizes the Mortgagee to apply at any time and from time to time to the Condominium Corporation for certification of the amount and manner in which any assessment is payable and the extent to which such Assessment has been paid.
 - (d) The Mortgagor hereby assigns, transfers and sets over unto the Mortgagee the Mortgagor's rights which now exist or may hereafter come into existence to vote at meetings of the Condominium Corporation:
 - (i) in all cases in which a Unanimous Resolution is required by the *Condominium Act of Alberta*, as amended, the By-Laws of the Corporation or any Agreement with the Condominium Corporation;
 - (ii) in all other cases other than as referred to in (i) of this clause provided that, if the Mortgagee is not present in person or by proxy, or if present does not wish to vote, then the Mortgagor may exercise his voting right without further authority.
 - (e) If for any reason whatsoever the Mortgagor has the right to vote at any meeting of the Condominium Corporation it shall, if directed by the Mortgagee, vote in such manner as the Mortgagee directs with respect to each and every matter to be voted on and the

Mortgagor covenants to execute any documents requested by the Mortgagee, including, proxies if required, in order to give effect to the foregoing assignment of voting rights.

- (f) If requested by the Mortgagee, at least five (5) days prior to each and every general meeting of the Condominium Corporation, the Mortgagor shall deliver to the Mortgagee written notice of each such meeting specifying the place, date, hour and purpose of the meeting and in addition, immediately upon receipt of the same shall deliver to the Mortgagee true copies of the by-laws, rules and regulations of the Condominium Corporation from time to time in force, all notices, minutes, resolutions, accounts, financial statements and other documents relating to the financial statements and to the affairs of the Condominium Corporation as the Mortgagor may from time to time receive.
 - (g) Upon default herein and notwithstanding any other right or action of the Condominium Corporation or the Mortgagee, the Mortgagee may distrain for arrears of any assessment, contribution, charge, fine or levy in respect of a unit and paid by it and such distraint shall not result in the Mortgagee being a Mortgagee in possession.
 - (h) In the event this Mortgage is a blanket mortgage against more than one condominium unit, it may not be discharged in part or in whole during the term of the Mortgage. In particular the Mortgagor or its successors may not obtain a discharge of this Mortgage against any particular unit by payment of a pro-rata share of the Mortgage or by any other means whatsoever.
13. The Mortgagor shall not be entitled to a discharge of this Mortgage unless and until the Liabilities have been paid in full, the Mortgagee has no further obligations in respect of any Liabilities and the Mortgagor has kept and performed all of the provisions hereof, whether the Mortgagee has taken legal proceedings thereon and recovered Judgment or likewise; and the Mortgagee shall have a reasonable period of time within which to prepare or have prepared an executed discharge or partial discharge of this Mortgage and the interest aforesaid shall continue to run and accrue until all Liabilities have been paid and actual payment in full has been received by the Mortgagee and all legal and other expenses for the preparation and execution of such discharges shall be borne by the Mortgagor.
 14. Any discretion, option, decision or opinion hereunder on the part of the Mortgagee to be exercised or performed shall be sufficiently exercised or performed if done or subsequently ratified by the manager or acting manager for the time being of an office of the Mortgagee or agent appointed by the Mortgagee for that purpose.
 15. Without prejudice to any rights of the Mortgagee against the Mortgagor or any other person liable for the payment of the Liabilities, this Mortgage may be renewed by an agreement in writing at or before maturity for any term with or without an increased rate of interest notwithstanding that there may be subsequent encumbrances. It shall not be necessary to register any such agreement in order to retain priority of this Mortgage so altered over any instrument registered subsequently to this Mortgage provided, however, that the Mortgagee may at any time, at its option, register a caveat under and by virtue of such renewal agreement.
 16. The Mortgagee shall not be deemed a mortgage in possession by reason of the granting of this Mortgage or the exercise by the Mortgagee of any of the rights or remedies herein granted or reserved and shall not be accountable for any moneys except those actually received.
 17. All reasonable fees, charges, costs (including reasonable solicitors' costs as between solicitor and client on a full indemnity basis) or expenses levied or charged by any solicitors or inspectors retained by or on behalf of the Mortgagee for the preparation, taking, registration, maintenance, protection or enforcement of this Mortgage and any other securities which may be taken by the

Mortgagee in connection with the Liabilities or any part thereof, together with the costs of any abortive sales and of taking, recovering and keeping possession of the Mortgaged Property, the costs of inspecting or managing the same and generally any costs in any other proceeding, matter or thing taken or done in connection with or to protect or realize upon this Mortgage or any other security taken in connection with the Liabilities or to perfect the title of the Mortgaged Property or relating to expropriation of part or all of the Mortgaged Property, shall be payable by the Mortgagor to the Mortgagee on demand, and if not demanded or if not paid forthwith on demand, shall bear interest at the rate set out herein, until paid, and shall be a charge upon the Mortgaged Property.

18. In the event that the Mortgagor shall, without the prior written consent of the Mortgagee, sell, convey, transfer or otherwise dispose of the Mortgaged Property, or enter into any agreement to sell, convey, transfer or otherwise dispose of or lose title thereto, the Liabilities shall forthwith become due and payable.
19. The Mortgagor agrees with the Mortgagee that, if the Mortgagor defaults in the payment of any amount due under any charge or encumbrance having priority over this Mortgage or defaults in the observance or performance of any provision hereof, the Liabilities shall, at the option of the Mortgagee, forthwith become due and payable and the Mortgagee may exercise all the rights and powers of the Mortgagee as if the Mortgagor had defaulted under this Mortgage.
20. Neither the execution nor registration of this Mortgage nor the advancing or creation of any part of the Liabilities shall bind the Mortgagee to advance or create any further Liabilities and, notwithstanding anything herein contained, all payments to be made on or by virtue of this Mortgage shall be made in lawful money of Canada to the Mortgagee at its office specified on Page 1 hereof or at such other place as the Mortgagee may, from time to time, in writing designate.
21. In the event that it may be necessary at any time for the Mortgagee to prove the interest rate applicable as at any time or times, it is agreed that the certificate in writing of the Manager for the time being the branch of the Mortgagee responsible for the collection of the Liabilities setting forth the said interest rate as at any time or times shall be and shall be deemed to be conclusive evidence as to the same.
22. In the event interest chargeable or payable on principal or interest or on arrears of principal or interest as provided for in this Mortgage is in excess of that permitted by the *Interest Act* (Canada) or any other applicable law then, in such event, interest payable and chargeable on such principal or interest or on arrears of principal or interest under the Mortgage shall be chargeable and payable at the highest lawful rate permitted by the *Interest Act* (Canada) or such other applicable law and no other interest on principal or interest or on arrears of principal or interest shall be chargeable or payable hereunder.
23. The words used herein which import the singular number and neuter shall be read and construed as plural and feminine or masculine, as the case may be, and shall apply to the party's heirs, executors, administrators, successors or assigns, as applicable, and in case of more than one Mortgagor, the terms and conditions hereof shall be construed and held to be several as well as joint.
24. And for better securing to the Mortgagee the repayment in the manner aforesaid of the Liabilities, the Mortgagor hereby mortgages to the Mortgagee all of the Mortgagor's estate and interest in the Mortgaged Property.

25. IT IS UNDERSTOOD AND INTENDED that this Mortgage is made with reference to and under the *Land Titles Act* of the Province of Alberta.

IN WITNESS WHEREOF THIS MORTGAGE IS SIGNED, SEALED AND DELIVERED THIS 27th DAY OF APRIL, 2011 in the presence of:

GROUNDFORCE GEODRILLING SOLUTIONS INC.

Per: 

Name: David Hawkins

Title: Chief Executive Officer

c/s

SCHEDULE "A"

THE LANDS

PLAN 8010002
BLOCK A
LOT 13
EXCEPTING THEREOUT ALL MINES AND MINERALS

PLAN 8010002
BLOCK A
LOT 14
EXCEPTING THEREOUT ALL MINES AND MINERALS

DATED APRIL 27, 2011.

GROUNDFORCE GEODRILLING
SOLUTIONS INC.

TO

HSBC BANK CANADA

LAND MORTGAGE

HEENAN BLAIKIE LLP
425 - 1st Street S.W., 12th Floor
CALGARY ALBERTA T2P 3L8

Solicitor's file: JSL
File No. 039735.0098

HBdocs - 10179316v1

TAB G



HSBC Bank Canada

Security Over Cash, Credit Balances and Deposit Instruments by Customer

(All Provinces Except Quebec)

To: HSBC Bank Canada

407-8th Avenue SW, Calgary, AB T2P 1E5
Branch Address

August 8, 2014
Date

This is Exhibit "B" referred to in the
Affidavit of
ROBERT ELLIOTT
Sworn before me this 28 day
of SEPTEMBER A.D. 2014

MARK LAVITT
A NOTARY PUBLIC IN AND FOR
THE PROVINCE OF BRITISH COLUMBIA
HSBC BANK CANADA
4TH FLOOR, 2910 VIRTUAL WAY
VANCOUVER, B.C. V6M 0B2

Charge

1. For valuable consideration (the receipt and sufficiency of which is hereby acknowledged by the undersigned), the undersigned hereby lodges and pledges in favour of HSBC Bank Canada (the "Bank") and grants to the Bank a fixed mortgage, charge, and a security interest in and releases to the Bank the entire right, title, claim and interest of the undersigned in and to:

Delete (b) and (c) for security over specific deposit instrument and have the undersigned initial

~~(a) the principal sum, interest, and all other monies owing and payable or hereafter owing and payable to the undersigned pursuant to the terms of the instrument or instruments (the "Instrument"), if any, described in the Schedule of Instruments set out below, and the entire right, title and interest of the undersigned in and to the Instrument;~~

Delete (a) and (c) for security over monies in cash collateral and have the undersigned initial

(b) all monies in account number(s) _____ at the branch of the Bank set out above, including monies which the Bank has withdrawn or withdraws from any other account of the undersigned and has deposited or deposits in the said account, the Bank being hereby authorized to make such withdrawals and deposits from time to time;

Delete (a) and (b) for security over credit balances and have the undersigned initial

(c) all monies which are now or which may from time to time in the future stand to the credit of the undersigned in any accounts at the branch of the Bank set out above;

All of which are hereinafter collectively referred to as the "Deposits".

Obligations Secured

2. The mortgage, charge, security interest, release and pledge granted above shall be general and continuing security for payment, performance and satisfaction of each and every obligation, indebtedness and liability of the undersigned to the Bank (including interest thereon), present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, wheresoever and howsoever incurred, and any ultimate unpaid balance thereof (including interest thereon) including all future advances and re-advances, and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and whether the undersigned be bound alone or with another or others and whether as principal or surety (all of which obligations, indebtedness and liabilities are herein collectively called the "Obligations").

Representations and Warranties

3. The undersigned represents and warrants that:
(a) this Agreement has been duly authorized, executed and delivered by the undersigned to the Bank; and
(b) the Deposits are legally and beneficially owned by the undersigned free of all security interests, mortgages, liens, claims, charges and other encumbrances, save for the security constituted by this Agreement and any other security in favour of the Bank.

Dealing with Instruments and Renewals

4. The undersigned irrevocably authorizes and directs the Bank to receive the principal, interest and other monies represented by the Instrument, if any, described in the Schedule of Instruments, and, in the Bank's sole and absolute discretion, to retain or to reinvest all or part of such monies in one or more instruments of the same or similar nature on such terms as are in effect at such maturity and to receive another instrument which shall then stand in the place of and be deemed to be the Instrument; **Provided** that unless otherwise instructed by the undersigned, the Bank shall not be bound to reinvest the monies as provided above and shall not be responsible for any loss occasioned by its failure or neglect to do so. The Bank shall not be responsible for any loss whatsoever occasioned by any retention or reinvestment of the monies or acceptance of a replacement instrument as aforesaid.
5. It is understood and agreed that the security constituted by this Agreement extends to any renewals and replacements of the Deposits and all interest earned thereon and to all proceeds of any type or kind whatsoever, derived directly or indirectly from any dealing with the Deposits or proceeds arising from them.

Default

6. Unless otherwise agreed in writing by the Bank, the occurrence of any of the following events shall be a default under this Agreement:
- (a) the Obligations or any part thereof are not repaid and satisfied when the same become due;
 - (b) the undersigned breaches any term, condition, proviso, agreement or covenant with the Bank, or any representation or warranty given by the undersigned to the Bank in this Agreement, or otherwise, is untrue;
 - (c) the undersigned makes an assignment for the benefit of its creditors, is declared bankrupt, makes a proposal or otherwise takes advantage of provisions for relief under the Bankruptcy Act (Canada), the Companies' Creditors Arrangement Act (Canada) or similar legislation in any jurisdiction, or makes an authorized assignment; or
 - (d) there is instituted by or against the undersigned any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against, or winding up of the affairs of, the undersigned; or
 - (e) if the undersigned is a natural person, the undersigned dies or is declared incompetent to manage his or her affairs; or
 - (f) the undersigned ceases or threatens to cease to carry on business or makes or agrees to make a bulk sale of assets or commits or threatens to commit an act of bankruptcy; or
 - (g) a receiver, receiver and manager or receiver-manager of all or any part of the Deposits or of any other property, assets or undertaking of the undersigned is appointed; or
 - (h) any execution, sequestration, extent or other process of any court becomes enforceable against the undersigned or a distress or analogous process is levied upon the Deposits or any part thereof; or
 - (i) an order is made or an effective resolution is passed for winding up the undersigned; or
 - (j) without the prior written consent of the Bank, the undersigned creates or permits to exist any encumbrance against any of the Deposits other than an encumbrance in favour of the Bank; or
 - (k) the undersigned enters into any reconstruction, reorganization, amalgamation, merger or other similar arrangement with any other person; or
 - (l) the Bank in good faith believes and has commercially reasonable grounds to believe that the prospect of payment or performance of any of the Obligations is impaired or that any of the Deposits are or are about to be placed in jeopardy.

Enforcement

7. Upon default under this Agreement, the security constituted by this Agreement will immediately become enforceable, and to enforce and realize on the security constituted by this Agreement, the Bank may take any action permitted by law or in equity as it may deem expedient, and in particular, without limiting the generality of the foregoing, the Bank may, subject to applicable law, immediately without notice, demand for payment, or other formality, enforce and realize upon the security constituted by this Agreement as fully and effectually as if the Bank were the absolute owner of the Deposits and the Bank may retain or apply all or any portion of the Deposits against payment of the Obligations or any part of it in such amount and in any manner that the Bank, in its absolute discretion sees fit, and the Bank may apply the Deposits against the Obligations without having to seize or otherwise realize upon the Deposits.

Combination and Set-Off

8. The Bank may, at any time and without notice to the undersigned, combine or consolidate any other account of the undersigned, whether or not otherwise subject to notice, and set off the Deposits and any monies standing to the credit of such account against the Obligations.

Restriction on Withdrawal

9. Notwithstanding any other agreement to the contrary, the undersigned shall not withdraw, assign, transfer or otherwise deal with the Deposits, and the Bank shall not be required to surrender or deliver up the Deposits by reason of any partial payment on account of the Obligations and may retain the Deposits or the proceeds derived from them until the entire Obligations have been satisfied in full.

Continuing Security

10. This Agreement shall:
- (a) be in addition to and not in substitution for any other security held by the Bank;
 - (b) not operate as a merger or a novation of any debt outstanding to the Bank, nor suspend the fulfillment of or affect the rights, remedies and powers of the Bank or any obligations of the undersigned or any other person to the Bank;
 - (c) not be deemed to be redeemed or cancelled pro tanto or otherwise, due to any partial payment made by the undersigned on account of the Obligations or any ceasing by the undersigned to be indebted to the Bank, and this Agreement shall remain valid security for any subsequent Obligations.

Non-Exclusive Remedies, etc.

11. The remedies and rights given to the Bank in this Agreement are not intended to be exclusive. Each and every remedy and right shall be cumulative and shall be in addition to every other right or remedy given by this Agreement or now or hereafter existing at law, in equity, by statute or otherwise. In particular, without limiting the generality of the foregoing, this Agreement does not affect the rights of the Bank to any lien, claim or interest arising by operation of law. The exercise or commencement of exercise by the Bank of any one or more of such remedies or rights shall not preclude the simultaneous or later exercise by the Bank of any or all of such remedies or rights.
12. The Bank shall not be obliged to exercise any remedies which it may have against the undersigned or any other parties or against any other security it may hold before realizing on or otherwise dealing with the Deposits in whatever manner the Bank considers appropriate.
13. The Bank shall not be responsible for any failure to exercise or enforce, or for any delay in the exercise or enforcement of, any powers, rights or discretions of the Bank, or directions to the Bank, and the Bank shall be accountable only for such monies as it shall actually receive.

Dealings

14. The Bank may do all or any of the following:
 - (a) grant time, renewals, extensions, indulgences, releases and discharges to;
 - (b) take securities from;
 - (c) abstain from taking additional security from;
 - (d) abstain from perfecting securities of;
 - (e) accept compositions from;
 - (f) obtain judgment against; and
 - (g) otherwise deal with

all persons and securities as the Bank may see fit without prejudice to the Bank's rights under this Agreement, including without limitation, the Bank's right to hold, deal with and realize on the Deposits in whatever way the Bank considers appropriate.

Severability

15. If any provision of this Agreement should be determined to be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

Miscellaneous

16. If the undersigned receives any of the Deposits, the undersigned shall receive the same in trust as depository for and on behalf of the Bank, and shall deal with the Deposits as the Bank may direct.
17. The records of the Bank shall constitute prima facie evidence of the amount of the Deposits and of the amount of the Obligations at any time and of the undersigned being in default or of any demand having been made.
18. The Bank or any manager, acting manager or account manager of the Bank is hereby appointed as the irrevocable attorney of the undersigned with authority to do such acts, execute all documents necessary to give effect to this Agreement (on behalf of and in the name of the undersigned) and to the realization and enforcement of this Agreement by the Bank.
19. The undersigned shall pay all costs, charges and expenses including solicitors' costs, charges and expenses which may be incurred by the Bank in connection with this Agreement and its enforcement.
20. The undersigned:
 - (a) acknowledges receiving a copy of this Agreement; and
 - (b) waives all rights to receive from the Bank a copy of any financing statement, financing charge statement or verification statement filed at any time or from time to time in respect of this Agreement.
21. If this Agreement is executed by more than one party, the liability of each of the undersigned shall be joint and several with one another.
22. In this Agreement, any word importing the singular number shall include the plural, and, without restricting the generality of the foregoing, where there is more than one undersigned any reference to the undersigned refers to each and everyone of the undersigned. The headings in this Agreement are inserted for convenience only and shall not affect the construction hereof.
23. Any notice, demand or other communication under this Agreement shall be in writing and addressed to the undersigned at the last address shown on the records of the Bank.



- 24. This Agreement shall be binding upon the undersigned and the heirs, executors, administrators, successors and assigns of the undersigned, and shall enure to the benefit of the Bank and its successors and assigns.
- 25. This Agreement shall be governed by and construed in accordance with the laws of the jurisdiction where the branch of the Bank indicated above is located, and the undersigned irrevocably submits to the non-exclusive jurisdiction of the courts of such jurisdiction, but this Agreement may be enforced in the courts of any competent jurisdiction.
- 26. The parties hereto acknowledge that they have expressly required that this Agreement and all deeds, documents or notices relating to this Agreement be drafted in the English language. Les parties aux présentes reconnaissent qu'elles ont exigé expressément que la présent convention et tous autres contrats, documents ou avis qui y sont afférents soient rédigés en langue anglaise.

IN WITNESS WHEREOF the undersigned has executed this Agreement as of the day and year first above written.

Schedule of Instrument(s)

Date Cert. No. Principal Amount

Where the Undersigned is an Individual:

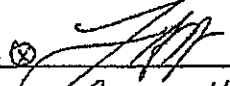
Signed, Sealed and Delivered by <Undersigned's Name>
in the presence of:

Signature _____
 Name _____
 Address _____
 Occupation _____

} _____

Where the Undersigned is a Corporation:

GroundForce GeoDrilling Solutions Inc. _____
 Name of Corporation

Per 
 Name DAVID HAWKINS
 Title CEO
 Per _____
 Name _____
 Title _____

c/s



TAB H

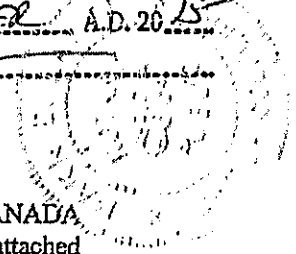
This is Exhibit "H" referred to in the
Affidavit of

ROBERT ELLIOTT

Sworn before me this 28 day

of SEPTEMBER A.D. 2015

[Signature]



Security with Respect to Business Insurance Policies

1. **Designation of Beneficiary.** The undersigned hereby designates HSBC BANK CANADA (the "Bank") as the loss payee under the policy(ies) described in Schedule "A" attached hereto, and further designates the Bank as the loss payee under any and all renewals thereof or substitutions therefor (such policies and the amendments thereto are hereinafter collectively called the "Policies") and grants a security interest in all right, title and interest of the undersigned in, to and under the Policies and all proceeds which may become payable under the Policies. The undersigned may not revoke the loss payee hereby designated without the Bank's written consent.
2. **Indebtedness Secured.** The security constituted hereunder shall secure all indebtedness, obligations and liabilities of any kind, now or hereafter existing, direct or indirect, absolute or contingent, joint or several, of the undersigned to the Bank, whether as principal or surety, together with all expenses (including legal fees on a solicitor and client basis) incurred by the Bank, its receiver or agent in the preparation, perfection and enforcement of security or other agreements held by the Bank in respect of such indebtedness, obligations or liabilities, and interest thereon (all of which present and future indebtedness, obligations, liabilities, expenses and interest are collectively called the "Indebtedness").
3. **Possession of Policies.** In accordance with the execution of this assignment by the undersigned, the undersigned shall also deliver upon request certified copies of the Policies to the Bank and inform it of any and all events which could result in payment of the sums payable thereunder.
4. **Premiums.** The undersigned shall pay the premiums for the Policies at least ten (10) days before the expiry date thereof and shall deliver to the Bank evidence of such payment. If the undersigned fails to pay such premiums, the Bank may pay them for the undersigned, without however being bound to do so, and any such payment shall be added to the Indebtedness and secured hereby.
5. **Rights of the Bank.** The Bank may, without however being bound to do so, collect any and all sums payable under the Policies and exercise all rights arising from the Policies. All sums collected by the Bank may, at its discretion, be remitted to the undersigned, or they may be held by the Bank as security for the Indebtedness, or applied to the payment of the Indebtedness and any such payment shall be applied to the Indebtedness and obligations secured hereby, whether or not due. The Bank shall have the choice of how any such sums collected shall be applied.
6. **Remedies of the Bank.** The Bank may exercise its rights and recourse without being required to exercise same against the undersigned or any other person, or to realize on any other security.

7. **Expenses.** The undersigned shall pay all of the reasonable expenses incurred by the Bank in connection herewith as well as the reasonable expenses arising from the exercise of the Bank's rights, including any premiums which the Bank may pay, and any such payment shall be added to the Indebtedness and secured hereby.
8. **Mandate.** The undersigned constitutes and appoints the Bank its irrevocable attorney, with power of substitution, in order to perform all acts and to sign all documents necessary or expedient for the exercise of the rights conferred on the Bank hereunder, including to endorse all cheques or payment orders made to the order of the undersigned.
9. **Liability of the Bank.** The Bank shall only be required to exercise reasonable care in the exercise of its rights and the performance of its obligations, and it shall be liable only for its intentional fault or gross negligence.
10. **Additional Security.** The rights conferred on the Bank hereunder shall be in addition to and not in substitution for any other security held by the Bank. The Bank may, however, waive any other security without affecting its rights hereunder.
11. **Successor of the Bank.** This agreement shall be binding upon the undersigned and enure to the benefit of the Bank and any of its successors, by way of amalgamation or otherwise.

DATED as of the 10th day of November 2014.

**GROUNDFORCE GEODRELLING
SOLUTIONS INC.**

By: _____

Name: David Hawkins
Title: Chief Executive Officer

I have the authority to bind the Corporation.

SCHEDULE "A"
to the Security with Respect to Business Insurance Policies
executed by GroundForce GeoDrilling Solutions Inc. in favour of HSBC Bank Canada

<u>POLICY NO.</u>	<u>ISSUED BY</u>	<u>COVERING</u>
MPR2908920	Iridium Risk Services Inc.	All Risk Property



CERTIFICATE OF INSURANCE

No.: 0013204

Dated: November 6, 2014

This is to certify that the policies of insurance listed herein have been issued to the insured named herein for the period of insurance indicated. Notwithstanding any requirement term or condition of any contract or other document with respect to which the certificate may be issued or may pertain, the insurance afforded by the policies listed herein is subject to all the terms, conditions and exclusions of such policies. Limits shown may have been reduced by paid claims.

This certificate is issued as a matter of information only and confers no rights upon the Certificate Holder. This Certificate does not amend, extend or alter the coverage afforded by the policies described herein.

Certificate Holder: HSBC Bank Canada 407 – 8 th Avenue SW, 9 th Floor Calgary, Alberta T2P 1E5	Named Insured and Address: GroundForce GeoDrilling Solutions Inc. 650, 910 – 7 th Avenue SW Calgary, AB T2P3N8
--	---

This Certificate is issued regarding: Acquisition of an 8 Acre Property 705, 709, 713, 717 McCool Street Crossfield AB

Type of Insurance	Insurer(s)	Policy Numbers	Effective Expiry Date	Sums Insured or Limits of Liability
All Risk Property	Continental Casualty Company	MPR2908920	October 29, 2014 to October 29, 2015	All-Risks, Direct Physical Loss or Damage, not to exceed Replacement Cost as declared

Additional Information:


It is agreed that HSBC Bank Canada is added as First Loss Payee, but only with respect to property as their interest may appear.

Notice of Cancellation:

Should any of the policies described herein be cancelled before the expiration date thereof, the insurer(s) affording coverage will endeavour to mail 30 days written notice to the certificate holder named herein, but failure to mail such notice shall impose no obligation or liability of any kind upon the insurer(s) affording coverage, their agents or representatives, or the issuer of this certificate.

IRIDIUM RISK SERVICES INC.
1100, Bow Valley Square 3
255 Fifth Avenue SW
Calgary Alberta T2P 3G6
Telephone: (403) 263-9654
Fax: (403) 263-9656

IRIDIUM RISK SERVICES INC.

By: 

TAB I

Fasken Martineau DuMoulin LLP *
Barristers and Solicitors
Patent and Trade-mark Agents

3400 First Canadian Centre
350 - 7th Avenue SW
Calgary, Alberta, Canada T2P 3N9

403 261 5350 Telephone
403 261 5351 Facsimile

August 17, 2015
File No.: 245056.00294

This is Exhibit " I " referred to in the
Affidavit of

ROBERT ELLIOTT

Sworn before me this 28 day
of SEPTEMBER A.D. 2015

Mark Lavitt

www.fasken.com

FASKEN
MARTINEAU



MARK LAVITT
A NOTARY PUBLIC IN AND FOR
THE PROVINCE OF BRITISH COLUMBIA
HSBC BANK CANADA
4TH FLOOR, 2810 VIRTUAL WAY
VANCOUVER, B.C. V6M 0B2

Travis Lysak
Direct +1 403 261-5501
Facsimile +1 403 261-6361
tlysak@fasken.com

VIA COURIER

GroundForce GeoDrilling Solutions Inc.
#650, 910, 7th Ave SW
Calgary, AB T2P 3N8

GroundForce GeoDrilling Solutions Inc.
1600, 333-7th Ave SW
Calgary, AB T2P 2Z1

Attention: David Hawkins

Dear Sir:

Re: *Indebtedness of GroundForce GeoDrilling Solutions Inc. (the "Borrower") to HSBC Bank Canada (the "Bank")*

We are the solicitors for the Bank. The Bank has established and authorized certain credit facilities (the "Credit Facilities") in favour of the Borrower pursuant to various agreements, including a most recently executed facility letter dated March 16, 2015, as may be amended from time to time, as well as a Line of Credit by Way of Current Account Overdraft Agreement dated January 20, 2011, a MasterCard Indemnity Agreement dated January 20, 2011, an Environmental Indemnity Agreement dated April 27, 2011, a Confirmation and Acknowledgment Agreement dated May 10, 2012, an Agreement for Foreign Exchange Contracts dated November 6, 2012, and a MasterCard Program limit Modification Agreement dated August 25, 2014 (collectively, the "Credit Agreement").

The repayment of the monies from time to time due and owing by the Borrower to the Bank in respect of the Credit Facilities, including interest thereon and all other costs, charges and expenses from time to time due and owing to the Bank in connection therewith and hereunder, is secured in whole or in part by various security instruments granted by the Borrower. All security now or hereafter held by the Bank in respect of the Credit Facilities and the Indebtedness is collectively referred to as the "Security Documents" and includes, without limitation, the Security Documents listed in Schedule "A" hereto.

As of August 4, 2015, the aggregate amounts outstanding and owing in respect of the Credit Facilities were as follows:

245056.00294/90427887.2

Fasken Martineau DuMoulin LLP is a member firm of the law firm of Fasken Martineau DuMoulin LLP

Credit Facility	Balance
Operating Facility	\$4,008,236.37
Consolidation Loan	\$8,199,513.36
Rig Construction Loan	\$4,500,000.00
Credit Card Facility	\$75,000.00
Property Loan	\$0.00
TOTAL:	\$16,782,749.73

Accordingly, pursuant to the Security Documents, the Borrower is liable to the Bank for the repayment of all amounts owing to it by the Borrower to the Bank and, on the instructions of the Bank, we hereby make formal demand for payment of the such amounts, being the sum of \$16,782,749.73 (CAD), plus interest thereon from and including August 4, 2015 to and including the date payment is received in our offices, plus all legal and consulting fees incurred by the Bank in respect of this matter (the "Indebtedness"), by certified cheque or bank draft. Please contact us before remitting payment to ascertain the amount of the legal and consulting fees outstanding. Unless the Indebtedness is received in our offices on or before the close of business on August 27, 2015, we are instructed to commence legal proceedings against you to enforce recovery of the amounts outstanding without further notice to you.

The above total of your indebtedness owing to the Bank **DOES NOT** include the Bank's legal and consulting costs, for which you are also liable.

The above balance is based on the records available to the Bank at this date. If the true balance is different from the amount demanded, the Bank reserves all rights to any additional monies which you may owe to the Bank.

We also enclose with this letter a Form 86 Notice of Intention to Enforce Security pursuant to the provisions of Section 244(1) of the *Bankruptcy and Insolvency Act* respecting each of the Guarantors confirming the Bank's intention to enforce its security on August 27, 2015 unless you consent to an earlier enforcement. If you wish to provide such consent, please endorse the enclosed Form 86 and return a copy of same to the writer.

The Bank specifically reserves its right to make application to the Court to appoint an interim receiver under the *Bankruptcy and Insolvency Act* to protect its security during

the demand period. The Bank hereby gives you notice of its intention to apply for such relief at the earliest opportunity.

We trust you will give this matter your immediate attention. We look forward to timely receipt of payment in full of the Indebtedness.

Yours truly,

FASKEN MARTINEAU DuMOULIN LLP

Travis Lyall

TPL/KSJ

Encl.

cc: HSBC Bank Canada - Attn: Bob Elliot

SCHEDULE "A"

Security Documents

1. General Security Agreement dated January 20, 2011 granted by GroundForce GeoDrilling Solutions Inc. in favour of HSBC Bank Canada in respect of, *inter alia*, all of the present and after acquired personal property, presently owned and after acquired intellectual property, and presently owned of held and after acquired property, assets, effects and undertakings of GroundForce GeoDrilling Solutions Inc..
2. Security with Respect to Business Insurance Policies Agreement dated January 20, 2011 between GroundForce GeoDrilling Solutions Inc. and HSBC Bank Canada.
3. Security over Cash, Credit Balances and Deposit Instruments Agreement dated January 20, 2011 between GroundForce GeoDrilling Solutions Inc. and HSBC Bank Canada.
4. MasterCard Indemnity Agreement dated January 20, 2011 between GroundForce GeoDrilling Solutions Inc. and HSBC Bank Canada.
5. Demand Collateral Mortgage dated April 27, 2011 between GroundForce GeoDrilling Solutions Inc. and HSBC Bank Canada, relating to the lands located at 8010002, Block A, Lots 13 & 14.
6. Security over Cash, Credit Balances and Deposit Instruments Agreement dated August 8, 2014 between GroundForce GeoDrilling Solutions Inc. and HSBC Bank Canada.
7. Security with Respect to Business Insurance Policies Agreement dated November 10, 2014 between GroundForce GeoDrilling Solutions Inc. and HSBC Bank Canada.

FORM 86

NOTICE OF INTENTION TO ENFORCE SECURITY

(Subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada))

TO: GroundForce GeoDrilling Solutions Inc. (the "Debtor")

TAKE NOTICE THAT:

1. HSBC Bank Canada (the "Bank"), a secured creditor of the Debtor, intends to enforce its security on all present and after acquired real and personal property of the Debtor including, but not limited to, all of the Debtor's interests in lands legally described as:

Plan 8010002, Block A, Lot 13,
Excepting Thereout All Mines and Minerals; and

Plan 8010002, Block A, Lot 14,
Excepting Thereout All Mines and Minerals.
2. The security that is to be enforced is the security listed on the attached Schedule "A" (the "Security").
3. The total amount of indebtedness secured by the Security is, as of August 4, 2015, the sum of \$16,782,749.73 plus all interest thereon from and including August 4, 2015 to and including the date payment is received in our offices, plus all legal and consulting fees incurred by the Bank in respect of this matter.
4. The Bank will not have the right to enforce its Security until after the expiry of the 10-day period following the sending of this notice, unless the Debtor consents to an earlier enforcement.

DATED at the City of Calgary in the Province of Alberta, this, 17th day of August, 2015.

FASKEN MARTINEAU DuMOULIN LLP,
solicitors and agents for HSBC Bank Canada .

Per: _____

Travis Lysak

SCHEDULE "A"

Security Documents

1. General Security Agreement dated January 20, 2011 granted by GroundForce GeoDrilling Solutions Inc. in favour of HSBC Bank Canada in respect of, *inter alia*, all of the present and after acquired personal property, presently owned and after acquired intellectual property, and presently owned of held and after acquired property, assets, effects and undertakings of GroundForce GeoDrilling Solutions Inc..
2. Security with Respect to Business Insurance Policies Agreement dated January 20, 2011 between GroundForce GeoDrilling Solutions Inc. and HSBC Bank Canada.
3. Security over Cash, Credit Balances and Deposit Instruments Agreement dated January 20, 2011 between GroundForce GeoDrilling Solutions Inc. and HSBC Bank Canada.
4. MasterCard Indemnity Agreement dated January 20, 2011 between GroundForce GeoDrilling Solutions Inc. and HSBC Bank Canada.
5. Demand Collateral Mortgage dated April 27, 2011 between GroundForce GeoDrilling Solutions Inc. and HSBC Bank Canada, relating to the lands located at 8010002, Block A, Lots 13 & 14.
6. Security over Cash, Credit Balances and Deposit Instruments Agreement dated August 8, 2014 between GroundForce GeoDrilling Solutions Inc. and HSBC Bank Canada.
7. Security with Respect to Business Insurance Policies Agreement dated November 10, 2014 between GroundForce GeoDrilling Solutions Inc. and HSBC Bank Canada.

TAB J

This is Exhibit "J" referred to in the Affidavit of

ROBERT ELLIOTT

Sworn before me this 28 day

of SEPTEMBER, A.D. 2015

Mark Lavitt

FORBEARANCE AGREEMENT

THIS AGREEMENT dated as of the 17th day of August, 2015, and made

MARK LAVITT
A NOTARY PUBLIC IN AND FOR
THE PROVINCE OF BRITISH COLUMBIA
HSBC BANK CANADA
4TH FLOOR, 2910 VIRTUAL WAY
VANCOUVER, B.C. V5M 0B2

AMONG:

HSBC BANK CANADA, of 885 West Georgia Street,
Vancouver, British Columbia, V6E 3E9

(the "Bank")

AND:

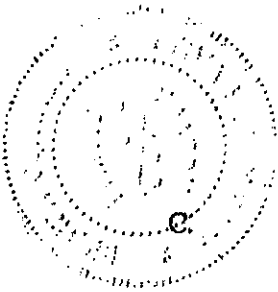
GROUNDFORCE GEODRILLING SOLUTIONS INC. with
registered office of 1600, 333-7th Ave SW, Calgary, Alberta, T2P
2Z1

(the "Borrower")

WHEREAS:

- A. The Bank has established and authorized certain credit facilities (the "Credit Facilities") in favour of the Borrower pursuant to various agreements, including a most recently executed facility letter dated March 16, 2015, as may be amended from time to time, as well as a Line of Credit by Way of Current Account Overdraft Agreement dated January 20, 2011, a MasterCard Indemnity Agreement dated January 20, 2011, an Environmental Indemnity Agreement dated April 27, 2011, a Confirmation and Acknowledgment Agreement dated May 10, 2012, an Agreement for Foreign Exchange Contracts dated November 6, 2012, and a MasterCard Program limit Modification Agreement dated August 25, 2014 (collectively, the "Credit Agreement").
- B. As of August 4, 2015, the aggregate amounts outstanding and owing in respect of the Credit Facilities were as follows:

Credit Facility	Balance
Operating Facility	\$4,008,236.37
Consolidation Loan	\$8,199,513.36
Rig Construction Loan	\$4,500,000.00
Credit Card Facility	\$75,000.00



Property Loan	\$0.00
---------------	--------

The repayment of the monies from time to time due and owing by the Borrower to the Bank in respect of the Credit Facilities, including interest thereon and all other costs, charges and expenses from time to time due and owing to the Bank in connection therewith and hereunder (collectively, the "Indebtedness"), is secured in whole or in part by various security instruments granted by the Borrower. All security now or hereafter held by the Bank in respect of the Credit Facilities and the Indebtedness is collectively referred to as the "Security Documents" and includes, without limitation, the Security Documents listed in Schedule "A" hereto.

D. The Borrower was in default under the Credit Agreement, including, without limitation, the following breaches:

- (i) The Borrower's Current Ratio, as defined in the Credit Agreement, is below what is permitted, as set out in the Credit Agreement;
- (ii) The Borrower's Debt to Tangible Net Worth ratio, as set out in the Credit Agreement, exceeds what is permitted under the Credit Agreement;
- (iii) The Borrower's Debt Service Coverage ratio, as set out in the Credit Agreement, is below what is permitted under the Credit Agreement; and
- (iv) The Borrower is in excess of its Margin Requirement on the Operating Facility, as set out in the Credit Agreement

(collectively, the "Breaches").

E. The Bank has issued a demand to the Borrower for the repayment of the Indebtedness and a Notice of Intention to Enforce Security pursuant to s. 244 of the *Bankruptcy and Insolvency Act (Canada)* has been served on the Borrower (collectively, the "Demand").

F. The Borrower has requested that, notwithstanding that the Credit Facilities are in default and payable on demand, the Bank forebear from pursuing its legal rights against the Borrower including the enforcement of the Security Documents in order that the Borrower can cure the Breaches.

THEREFORE IN CONSIDERATION of the premises and of the covenants and agreements hereinafter entered into, the parties hereto agree as follows:

1. The Borrower acknowledges receipt of the Demand, agrees that it was properly delivered and confirms that the Bank has no further obligation to provide the Borrower with any further demand or notice with respect to pursuing its legal

rights against the Borrower, including the enforcement of the Security Documents.

2. The Borrower acknowledges and agrees with the Bank that the principal amount of the Indebtedness owed by the Borrower to the Bank (exclusive of interest and actual, reasonable, legal costs incurred or to be incurred by the Bank, all of which the Borrower also agrees form part of the Indebtedness in addition to the principal amount) is as set out in the recitals, as of August 4, 2015.
3. The Borrower confirms that the recitals to this Agreement are true and accurate in every respect and further acknowledges and agrees that it is bound by the terms of the Credit Agreement and the Security Documents, and that the same remain in full force and effect and that there are no defences, set-offs or counterclaims available to the Borrower in respect of the enforcement thereof existing as of the date hereof and that the execution and delivery of this Agreement or the enforcement by the Bank of its rights hereunder, will not give rise to any defence, set-off or counterclaim which might impede the Bank in enforcing the Security Documents.
4. Subject to the terms of this Agreement, the Borrower hereby releases and forever discharges the Bank, and its officers, directors, employees, successors and assigns of and from any and all manner of actions, causes of actions, suits, contracts, claims, demands, damages, costs and expenses of any nature or kind whatsoever, whether known or unknown, suspected or unsuspected whether at law or in equity, which the Borrower ever had or now has or which it or its, administrators, officers, agents, successors and assigns hereafter can, shall or may have or by reason of any cause, matter or thing whatsoever existing up to the date hereof and relating to the Credit Agreement, the Indebtedness, the Security Documents or the Bank's actions, errors or omissions with regard thereto.
5. Subject to the terms of this Agreement, the Borrower waives against the Bank, and its successors and assigns any defence which it may have existing up to the present time to any action brought by the Bank to collect the Indebtedness or to enforce or realize upon the Security Documents which said defence arises, whether by counterclaim or defence, by reason of any cause, matter, error, omission, neglect or thing caused or done, whether direct or indirect, by the Bank, its executors, administrators, officers, agents, successors and assigns existing as at the date of this agreement and relating to or arising from the Credit Agreement, the Indebtedness or the Security Documents.
6. The Borrower agrees to duly comply with all of its obligations (monetary, reporting or otherwise) set out in the Credit Agreement and the Security Documents, except as those obligations may be modified or waived in this Agreement.
7. Without limiting it's obligations under the Credit Agreement and the Security Documents, the Borrower agrees to pay to the Bank all reasonable legal fees and

disbursements incurred by the Bank up to the date of this Agreement with respect to its dealings with the Borrower, including, without limitation, legal fees and disbursements incurred with respect to:

- (a) the review of the Credit Agreement, the Security Documents and all related searches;
- (b) the negotiation, drafting, implementation and enforcement of this Agreement and any advice in respect thereof including, without limitation, any dealings with any third party having involvement, direct or indirect, with the Borrower, and the Bank;
- (c) the enforcement of the Security Documents; and/or
- (d) any and all matters related to the Borrower,

and further agrees to pay to the Bank all actual reasonable legal fees and disbursements which the Bank may incur after the date of this Agreement, in connection with any and all matters related to the Borrower, which the Bank shall pay and add the amount paid to the Indebtedness, which amount will be secured by the Security Documents.

8. The Borrower acknowledges and agrees that:

- (a) it is bound by the terms of the Credit Agreement and the Security Documents to which it is a party, as amended hereby, and by the terms of this Agreement, and is bound to carry out the terms of each such document;
- (b) the Credit Agreement, as amended hereby, and the Security Documents continue to constitute valid and legally binding obligations of the Borrower and the Credit Agreement and the Security Documents are enforceable against the Borrower, in accordance with the terms thereof;
- (c) it will execute and deliver to the Bank, concurrent with the execution of this Agreement, a Consent Receivership Order in substantially the form attached hereto as Schedule "B", which the Bank may utilize in accordance with the terms of this Agreement;
- (d) it will execute and deliver to the Bank any replacement security required by the Bank, and will cooperate in any filings or amendments to filings (including executing any financing statements or financing change statements);
- (e) the Bank may, at its sole discretion, assign its position with respect to the Borrower, including the assignment of the Credit Agreement and the Security Documents, to any third party of its choosing (the "Assignment") and, in the course of negotiating any such Assignment, the Bank shall be

permitted to disclose all information in its possession or control with respect to the Borrower to any potential assignee provided that such potential assignee executes a Non-Disclosure Agreement with the Bank; and

- (f) it has consulted with and been advised by its own solicitor before entering into this Agreement and has read and understands the contents hereof.

9. The Borrower agrees that Deloitte & Touche Inc. ("Deloitte") shall forthwith be engaged to perform a review of the Borrower and its business to assess and monitor the Borrower's strategy for curing the Breaches, to assess and monitor the collection of accounts receivable and the implementation of that strategy, to review the Borrower's cash flow projections and to assess the impact of those projections on the Bank's security position, to determine the estimated net realizable value of the Borrower's assets and to consider any other matters which the Bank from time to time considers to be relevant to the Borrower's financial position and the Bank's security position and to report its findings to the Bank, all as set out in the Engagement Letter attached hereto as Schedule "C" (the "Engagement"). The Borrower consents to such Engagement and shall cooperate in all respects with Deloitte in the performance of the Engagement and shall provide Deloitte full access to all of its respective business operations, assets, books and records as Deloitte deems necessary for its engagement. Notwithstanding the foregoing, Deloitte's contact and communications with the Borrower shall be restricted to obtaining the required information from senior management of the Borrower, provided that if Deloitte is of the view that direct contact is necessary with other employees of the Borrower to fulfill its mandate under the Engagement, the Borrower will make all reasonable efforts to make those employees available to Deloitte on two business day's written notice to the Borrower. The Borrower agrees to pay all reasonable fees and expenses incurred by Deloitte in respect of the Engagement in full, which amounts shall be paid by the Bank upon receipt of each invoice from Deloitte, and the amounts will be added to the Indebtedness and secured by the Security Documents.

10. The following will constitute defaults hereunder:

- (a) a default under the Credit Agreement or under the terms of any of the Security Documents, except as permitted herein, as amended hereby, save as those defaults may have been waived by this Agreement;
- (b) if, in the Bank's sole and absolute determination, there is a material adverse change in the financial circumstances of the Borrower after the date of the Agreement, taken as a whole, or if any event occurs which in the Bank's sole and absolute determination increases the likelihood that the Indebtedness as may be outstanding from time to time will not be repaid to the Bank in full. Without limiting the generality of the foregoing, it shall be deemed to be a material adverse change if any other creditor demands or otherwise takes steps to enforce its security, or if

Deloitte reports to the Bank that the Borrower is not providing their full cooperation and assistance to Deloitte to enable Deloitte to carry out its mandate under the Engagement, or Deloitte, acting in good faith, reports to the Bank that the business of the Borrower, taken as a whole, is not viable or is insolvent, or Deloitte, acting in good faith, determines that it is in the Bank's best interest to act on the Security Documents immediately, or Deloitte, acting in good faith, determines that the Borrower's business projections, as set out in the attached Schedule "D", are not achievable; and

- (c) if there is any default in the performance or observance of any of the agreements, covenants or terms in this Agreement.

For the avoidance of doubt, the existence of the Breaches (or their further deterioration), in and of themselves, during the Forbearance Period shall not be considered a default hereunder.

- 11. The Borrower agrees that it shall co-operate with, and provide promptly any information reasonably requested by, the Bank and its advisors, consultants and agents, including Deloitte, with respect to this Agreement and its subject matter.
- 12. Subject to the terms hereof including, without limitation, default hereunder, the Bank agrees to forbear from taking steps to pursue its legal rights against the Borrower, including enforcing its rights under the Security Documents (including utilizing the Consent Receivership Order), until November 15, 2015, unless such time is extended between the parties hereto (the "Forbearance Period").
- 13. The Borrower acknowledges and agrees that the Forbearance Period is a reasonable period in the circumstances.
- 14. Upon and subject to the terms of the Credit Agreement and this Agreement, as amended hereby:
 - (a) until the Borrower closes the sale of the lands located at 8010002, Block A, Lots 13 & 14 (the "Crossfield Lands"), the Bank will continue to make the Operating Facility fully available to the Borrower without any regard to the impact of such use on the Breaches, provided the Operating Facility is only utilized for ordinary course business transactions; and
 - (b) upon the closing of the sale of the Crossfield Lands, the net sale proceeds from the sale shall be applied against the outstanding balance of the Operating Facility and the upper limit of the Operating Facility shall be reduced by an identical amount. The Bank will continue to make the remaining balance on the Operating Facility fully available to the Borrower without any regard to the impact of such use on the Breaches, provided the Operating Facility is only utilized for ordinary course business transactions.

15. As of the date of this Agreement, all Indebtedness, including, without limitation, any components of the Indebtedness that may be described in Credit Agreement as being "term loans", is due and owing to the Bank.
16. The Borrower agrees that during the Forbearance Period it will not permit:
 - (a) the payment of any debt ranking subsequent in priority to the Security Documents, other than trade creditors in the normal course of business; or
 - (b) the occurrence of any further defaults under the Credit Agreement or under the terms of any of the Security Documents.
17. In the event of a default hereunder or under the Credit Agreement or the Security Documents or any of them, as amended hereby, the Bank may immediately pursue its legal rights against the Borrower, including its rights under the Security Documents (and including making use utilizing the Consent Receivership Order) to recover all of the Indebtedness.
18. In consideration of the Bank entering into this Agreement, the Borrower agrees and covenants as follows:
 - (a) the Bank shall be entitled to a forbearance fee in the amount of \$150,000.00 (the "Forbearance Fee"), which shall be immediately added to the Indebtedness and the repayment of which shall be secured by the Security Documents;
 - (b) during the Forbearance Period, the Borrower will make all interest payments due to the Bank in accordance with the terms of the Credit Agreement;
 - (c) the Property Loan facility, as defined and authorized in the March 16, 2015 Amended and Restated Credit Facility letter, and on which no balance is owing, is hereby cancelled; and
 - (d) the \$2,000,000 Daily Settlement Limit is hereby reduced to \$750,000 and the Credit Agreement is hereby amended to give effect to this reduction.
19. Any notice, request, instruction or other document to be given hereunder or under the Credit Agreement or any of the Security Documents, may, in addition to the method of delivery provided for in the Credit Agreement, be given by any party to any other party in writing and will be effective and deemed to be given and received immediately upon receipt thereof when sent by facsimile transmission to the other parties' place of business or delivered personally to the address for that party set forth at the beginning of this Agreement; provided that a party may from time to time change its address for delivery by a written notice delivered to the other parties.
20. The recitals to this Agreement are incorporated into and form an integral part of this Agreement.

21. Capitalized words and terms used in this Agreement will have the meaning ascribed to them in the Credit Agreement unless otherwise defined herein.
22. This Agreement, the Credit Agreement and the Security Documents constitute the entire agreement among the parties relating to the subject matter hereof. This Agreement and the Credit Agreement and the Security Documents, as amended hereby, may be amended or modified only by an instrument in writing executed and delivered by the parties hereto subsequent to the date hereof.
23. The parties covenant to execute such further documents and do such further acts as may be required to implement the terms of this Agreement.
24. All stipulations herein as to time are strictly of the essence.
25. This Agreement will be governed by the laws in effect in the Province of Alberta and the parties hereby attorn to the jurisdiction of the Courts of Queen's Bench of Alberta, Judicial District of Calgary.
26. This Agreement may be executed in counterparts by the parties hereto and such execution shall be valid for all intents and purposes and the executed counterparts shall together form one document and any signed counterpart transmitted by facsimile or other electronic means shall be as valid and effectual as if it were an originally signed copy of such counterpart.
27. Whenever the singular or masculine gender is used throughout this Agreement, the same will be construed as meaning the plural or the feminine or the body corporate or politic where the context or the parties hereto so require.
28. This Agreement will enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

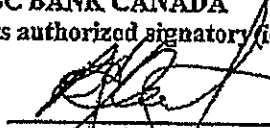
Remainder of Page Left Intentionally Blank.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be duly executed as of the 17th day of August, 2015 to the same extent and effect as if executed under seal.

HSBC BANK CANADA

by its authorized signatory(ies)

Per:



BOB ELLIOTT
ASSISTANT VICE PRESIDENT
SPECIAL CREDIT

Authorized Signatory

Per:



JEFF LOVESTREAD
ASSISTANT VICE PRESIDENT
SPECIAL CREDIT

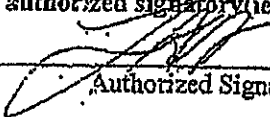
Authorized Signatory

The Borrower

**GROUNDFORCE GEODRILLING
SOLUTIONS INC.**

by its authorized signatory(ies)

Per:



Authorized Signatory

Per:



Authorized Signatory

SCHEDULE "A"

Security Documents

1. General Security Agreement dated January 20, 2011 granted by GroundForce GeoDrilling Solutions Inc. in favour of HSBC Bank Canada in respect of, *inter alia*, all of the present and after acquired personal property, presently owned and after acquired intellectual property, and presently owned of held and after acquired property, assets, effects and undertakings of GroundForce GeoDrilling Solutions Inc..
2. Security with Respect to Business Insurance Policies Agreement dated January 20, 2011 between GroundForce GeoDrilling Solutions Inc. and HSBC Bank Canada.
3. Security over Cash, Credit Balances and Deposit Instruments Agreement dated January 20, 2011 between GroundForce GeoDrilling Solutions Inc. and HSBC Bank Canada.
4. MasterCard Indemnity Agreement dated January 20, 2011 between GroundForce GeoDrilling Solutions Inc. and HSBC Bank Canada.
5. Demand Collateral Mortgage dated April 27, 2011 between GroundForce GeoDrilling Solutions Inc. and HSBC Bank Canada, relating to the lands located at 8010002, Block A, Lots 13 & 14.
6. Security over Cash, Credit Balances and Deposit Instruments Agreement dated August 8, 2014 between GroundForce GeoDrilling Solutions Inc. and HSBC Bank Canada.
7. Security with Respect to Business Insurance Policies Agreement dated November 10, 2014 between GroundForce GeoDrilling Solutions Inc. and HSBC Bank Canada.

SCHEDULE "B"

See Attached Consent Receivership Order

COURT FILE NUMBER

Clerk's Stamp

COURT Court of Queen's Bench of Alberta

JUDICIAL CENTRE Calgary

**IN THE MATTER OF THE RECEIVERSHIP OF GROUNDFORCE
GEODRILLING SOLUTIONS INC.**

PLAINTIFF **HSBC BANK CANADA**

DEFENDANTS **GROUNDFORCE GEODRILLING SOLUTIONS INC.**

DOCUMENT **CONSENT RECEIVERSHIP ORDER**

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT **Fasken Martineau DuMoulin LLP**
Barristers and Solicitors
3400 First Canadian Centre
350 - 7 Avenue SW
Calgary, Alberta T2P 3N9

Attention: Travis Lysak and Kyla Stott-Jess
Tel: (403) 261- 5350
Fax: (403) 261-5351
Email: tlysak@fasken.com
File No.: 245056.00294

DATE ON WHICH ORDER WAS PRONOUNCED:

NAME OF JUDGE WHO MADE THIS ORDER:

LOCATION OF HEARING: Calgary, Alberta

UPON the application of HSBC Bank Canada ("HSBC") in respect of GroundForce GeoDrilling Solutions Inc. (the "Debtor"); **AND UPON** having read the Application, the Affidavit of Bob Elliot, filed; **AND UPON** reading the consent of Deloitte & Touche Inc.. to act as receiver and manager (the "Receiver") of the Debtor, filed; **AND UPON** hearing counsel for HSBC, **AND UPON** noting the consent of the Debtor; **IT IS HEREBY ORDERED AND DECLARED THAT:**

SERVICE

1. The time for service of the notice of application for this order is hereby abridged and service thereof is deemed good and sufficient.

APPOINTMENT

2. Pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 ("BIA"), Deloitte & Touche Inc. is hereby appointed Receiver, without security, of all of the Debtor's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the "Property").

RECEIVER'S POWERS

3. The Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:
 - (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
 - (b) to receive, preserve and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
 - (c) to manage, operate and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part other business, or cease to perform any contracts of the Debtor;
 - (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever

- basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
 - (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
 - (g) to settle, extend or compromise any indebtedness owing to or by the Debtor;
 - (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
 - (i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;
 - (j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding, and provided further that nothing in this Order shall authorize the Receiver to defend or settle the action in which this Order is made unless otherwise directed by this Court.
 - (k) to, market any or all the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate.
 - (l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,

- (i) without the approval of this Court in respect of any transaction not exceeding \$250,000, provided that the aggregate consideration for all such transactions does not exceed \$1,000,000; and
- (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause,

and in each such case notice under subsection 60(8) of the *Personal Property Security Act*, R.S.A. 2000, c. P-7 shall not be required.

- (m) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (s) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations;

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. (i) The Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property (excluding Property subject to liens the validity of which is dependant on maintaining possession) to the Receiver upon the Receiver's request.
5. All Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or documents prepared in contemplation of litigation or due to statutory provisions prohibiting such disclosure.
6. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons

in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

7. No proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

8. No Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court, provided, however, that nothing in this Order shall: (i) prevent any Person from commencing a proceeding regarding a claim that might otherwise become barred by statute or an existing agreement if such proceeding is not commenced before the expiration of the stay provided by this paragraph 8; and (ii) affect a Regulatory Body's investigation in respect of the Debtor or an action, suit or proceeding that is taken in respect of the Debtor by or before the Regulatory Body, other than the enforcement of a payment order by the Regulatory Body or the Court. "Regulatory Body" means a person or body that has

powers, duties or functions relating to the enforcement or administration of an Act of Parliament or of the legislature of a province.

NO EXERCISE OF RIGHTS OF REMEDIES

9. All rights and remedies (including, without limitation, set-off rights) against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" (as defined in the BIA), and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

10. No Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court. Nothing in this Order shall prohibit any party to an eligible financial contract from closing out and terminating such contract in accordance with its terms.

CONTINUATION OF SERVICES

11. All Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and this Court directs that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and

domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

12. All funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further order of this Court.

EMPLOYEES

13. Subject to employees' rights to terminate their employment, all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*, S.C. 2005, c.47 ("WEPPA").
14. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete

one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

15. (a) Notwithstanding anything in any federal or provincial law, the Receiver is not personally liable in that position for any environmental condition that arose or environmental damage that occurred:
- (i) before the Receiver's appointment; or
 - (ii) after the Receiver's appointment unless it is established that the condition arose or the damage occurred as a result of the Receiver's gross negligence or wilful misconduct.
- (b) Nothing in sub-paragraph (a) exempts a Receiver from any duty to report or make disclosure imposed by a law referred to in that sub-paragraph.
- (c) Notwithstanding anything in any federal or provincial law, but subject to sub-paragraph (a) hereof, where an order is made which has the effect of requiring the Receiver to remedy any environmental condition or environmental damage affecting the Property, the Receiver is not personally liable for failure to comply with the order, and is not personally liable for any costs that are or would be incurred by any person in carrying out the terms of the order,
- (i) if, within such time as is specified in the order, within 10 days after the order is made if no time is so specified, within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is

appointed, or during the period of the stay referred to in clause (ii) below, the Receiver:

- A. complies with the order, or
 - B. on notice to the person who issued the order, abandons, disposes of or otherwise releases any interest in any real property affected by the condition or damage;
- (ii) during the period of a stay of the order granted, on application made within the time specified in the order referred to in clause (i) above, within 10 days after the order is made or within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, by,
- A. the court or body having jurisdiction under the law pursuant to which the order was made to enable the Receiver to contest the order; or
 - B. the court having jurisdiction in bankruptcy for the purposes of assessing the economic viability of complying with the order; or
- (iii) if the Receiver had, before the order was made, abandoned or renounced or been divested of any interest in any real property affected by the condition or damage.

LIMITATION ON THE RECEIVER'S LIABILITY

16. Except for gross negligence or wilful misconduct, as a result of its appointment or carrying out the provisions of this Order the Receiver shall incur no liability or obligation that exceeds an amount for which it may obtain full indemnity from the Property. Nothing in this Order shall derogate from any limitation on liability or other protection afforded to the Receiver under any applicable law, including, without limitation, Section 14.06, 81.4(5) or 81.6(3) of the BIA.

RECEIVER'S ACCOUNTS

17. The Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case, incurred at their standard rates and charges. The Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, incurred both before and after the making of this Order in respect of these proceedings, and the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person but subject to section 14.06(7), 81.4(4), 81.6(2) and 88 of the BIA.
18. The Receiver and its legal counsel shall pass their accounts from time to time.
19. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including the legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

20. The Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$1,00,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority

to the Receiver's Charge and the charges set out in sections 14.06(7), 81.4(4), 81.6(2) and 88 of the BIA.

21. Neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.
22. The Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.
23. The monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

ALLOCATION

24. Any interested party may apply to this Court on notice to any other party likely to be affected, for an order allocating the Receiver's Charge and Receiver's Borrowings Charge amongst the various assets comprising the Property.

GENERAL

25. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
26. Notwithstanding Rule 6.11 of the *Alberta Rules of Court*, unless otherwise ordered by this Court, the Receiver will report to the Court from time to time, which reporting is not required to be in affidavit form and shall be considered by this Court as evidence.
27. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

28. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States or other jurisdiction in which the Property might be located, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
29. The Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
30. The Plaintiff shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.
31. Any interested party may apply to this Court to vary or amend this Order on not less than 5 days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

FILING

32. The Receiver shall establish and maintain a website in respect of these proceedings at <http://www.insolvencies.deloitte.ca/> and shall post there as soon as practicable:
 - (a) all materials prescribed by statute or regulation to be made publically available; and
 - (b) all applications, reports, affidavits, orders and other materials filed in these proceedings by or on behalf of the Receiver, or served upon it, except such

Consented to:

BURSTALL WINGER ZAMMIT LLP

Per:

A handwritten signature in black ink, appearing to be 'J. Zammit', written over a horizontal line.

Jay Zammit
Solicitors for the Defendant GroundForce
GeoDrilling Solutions Inc.

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that Deloitte & Touche Inc. the receiver (the "Receiver") of all of the assets, undertakings and properties of GroundForce GeoDrilling Solutions Inc., (the "Debtor") appointed by Order of the Court of Queen's Bench of Alberta and Court of Queen's Bench of Alberta in Bankruptcy and Insolvency (collectively, the "Court") dated the ___ day of _____, ____ (the "Order") made in action numbers _____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily] [monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at ●.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property) as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of _____, 20__.

Deloitte & Touche Inc., solely in its capacity
as Receiver of the Property (as defined in the
Order), and not in its personal capacity

Per: _____
Name:
Title:

- xii -

SCHEDULE "C"

See Attached Engagement Letter



August 6, 2015

Private and Confidential

Deloitte Restructuring Inc.
700, 850 -- 2 Street SW
Calgary, Alberta T2P 0R8

Attention: Jeff Keeble, Senior Vice President

Dear Sirs:

Subject: Borrowings of Groundforce Geodrilling Solutions Inc. from HSBC Bank Canada

This letter confirms the terms of the engagement of Deloitte Restructuring Inc., a subsidiary of the Ontario limited partnership Deloitte LLP (collectively "Deloitte"), by HSBC Bank Canada (the "Lender") to act as a consultant, to review the operations and financial position of Groundforce Geodrilling Solutions Inc. (the "Company") effective as of the date of the signing of this letter.

Scope of services

Deloitte will provide the following financial consulting services:

- A review and assessment of the Company's financial position;
- A review and assessment of the Company's financial forecasts, including projected cash flows, and the reasonableness of the underlying assumptions and future operating outlook including consideration of the various options available to the Company;
- A review and assessment of the Company's business plan and future business prospects and the financial impact of this plan on the future viability of the Company; and
- Upon the specific written request of the Lender and as agreed to by the parties, any other matters which appear to the Lender to be relevant to an assessment of the Lender's security position and future course of action.

Reporting

Deloitte will communicate the status of its work to the Lender throughout the engagement.

Deloitte will not release any information or provide copies of any reports to the Company or any of its Representatives or any other person without the prior written consent of the Lender.

Timing

The timing of the completion of the engagement will be dependent on the co-operation that Deloitte receives from the Company and the availability of its senior management and staff. Deloitte will be relying on the Company's financial and management information systems as well as operational and management reports being current, accurate, and reliable.

Deloitte will use commercially reasonable efforts to carry out its work on a timely basis and will inform the Lender of any difficulties it encounters. Deloitte assumes that the information it requires to carry out

HSBC Bank Canada
Special Credit Department, 3rd Floor, 2910 Virtual Way, Vancouver, BC V5M 0B2
Fax: (604) 641-1909

Deloitte Restructuring Inc.
August 6, 2015
Page 2

Its work will be made available promptly and in good order by the Company. Notwithstanding the above, Deloitte will inform the Lender as soon as possible of any matters of a material nature which come to your attention during the course of your work.

Engagement team

This engagement will be under the direction of Jeff Keeble, who will maintain overall responsibility for the engagement on behalf of Deloitte. The engagement team will include other professionals, as necessary, to complete the engagement on a timely basis.

Professional fees

Deloitte's fees will be based on the amount of professional time required and its standard hourly billing rates, which vary depending upon the experience level of and relative time spent by the professionals involved. Your bills will also include reasonable out-of-pocket expenses.

Disclosure of relationships

An internal search of Deloitte records was performed for any potential Lender conflicts based solely on the names of the parties that the Lender provided.

You have informed us that, based on your conflicts search, you are not aware of any conflict that would affect your ability to act impartially.

General business terms

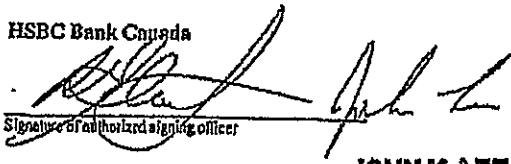
The attached General Business Terms form part of our mutual agreement concerning this engagement. By signing this agreement the parties agree to be bound by these General Business Terms. In the event of a conflict between this letter and the General Business Terms, the General Business Terms shall take precedence, provided that if the letter specifically states that a particular term shall take precedence over the General Business Terms, the letter shall take precedence with respect to that term.

Confirmation

Please confirm your acceptance of this agreement by signing both copies of this letter in the space provided below and returning one signed copy of the letter to us.

Yours very truly,

HSBC Bank Canada


Signature of authorized signing officer

BOB ELLIOTT
ASSISTANT VICE PRESIDENT

JOHN K. LEE
AVP, SPECIAL CREDIT

Name
SPECIAL CREDIT

Title

Deloitte Restructuring Inc.
August 6, 2015
Page 3

Deloitte Restructuring Inc. hereby accepts this appointment and agrees to the terms and conditions.

Dated at CALGARY, this 17TH day of AUGUST, 2015.



Signature of Deloitte Restructuring Inc.

Scott Keeble

Name of Engagement Partner

Senior Vice President

Title

Consent and agreement

Groundforce Geodrilling Solutions Inc. (the "Company") hereby consents and agrees to the appointment of Deloitte Restructuring Inc. ("Deloitte") as a consultant by HSBC Bank Canada (the "Lender") in accordance with the above letter of engagement and the General Business Terms forming part thereof (the "General Business Terms") and acknowledges that they have read and understood the terms and conditions of the letter.

The Company hereby

1. Agrees that Deloitte shall have unrestricted access to all information concerning the Company's undertaking, property and affairs in order to carry out this engagement. Deloitte shall have complete and open access to all premises, offices, files and records of every kind and description, including all business, accounting, legal and other records, documents and files, including copies thereof (the "Information") of the Company. The Company's officers, directors, partners, employees, agents and consultants shall answer all questions put to them truthfully and to the best of their ability and the Company shall instruct its officers, directors, employees, agents, consultants, bankers, accountants, solicitors and other advisors to provide any and all information required by Deloitte. Deloitte may make copies of any and all documents, including electronically stored data and computer records, which Deloitte considers necessary to complete its review.
2. Agrees to use reasonable skill, care and attention to ensure that all information provided to Deloitte is accurate and complete and will notify Deloitte if it subsequently learns that the information provided is incorrect or inaccurate or otherwise should not be relied on.
3. Authorizes the Lender to disclose to Deloitte any information the Lender has concerning the Company, its business and affairs. In addition, the Company authorizes Deloitte to report any financial or other information gathered by Deloitte to the Lender and its advisors.
4. Agrees that neither the Lender nor Deloitte shall have any responsibility for any decisions and activities by the Company during the period of the review by Deloitte and that Deloitte will have no management responsibilities to the Company and that nothing herein or done pursuant to this engagement will constitute an arrangement, agreement or relationship between the Company and Deloitte. The Company will be solely responsible for making all management decisions, performing all management functions and establishing and maintaining internal controls, including, without limitation, monitoring ongoing activities. The Company shall not hold out to any person that Deloitte is acting other than as a consultant to the Lender for the purpose of reporting and making recommendations to the Lender on the operations and affairs of the Company.
5. Acknowledges that all of the terms of the security and guarantees given to the Lender in relation to the credit facilities and indebtedness and liabilities of the Company to the Lender remain in full force and effect and are in no way waived or restrained, notwithstanding this appointment of Deloitte, as consultant. The engagement of Deloitte shall not prejudice or impair or adversely affect the rights and remedies of the Lender against the Company or any guarantor or pursuant to any security, guarantees or agreements the Lender may have or require the Lender to delay in enforcing any of these rights and remedies, nor shall it operate as a waiver by the Lender of any defaults or events of default which may exist in relation to any of the credit facilities of the Company with the Lender or any security, guarantees or other agreements held by the Lender.

Consent and agreement
August 6, 2015
Page 2

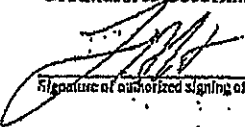
6. Agrees that Deloitte may obtain legal advice from the Lender's legal advisors relative to this engagement.
7. Agrees to indemnify the Lender with respect to the fees and expenses of Deloitte, including legal costs, related to this engagement and authorizes the Lender to debit the Company's account to cover these costs, including goods and services tax. Any fees paid by the Lender on behalf of the Company shall be treated as an advance to the Company, secured by the Lender's security documentation.
8. Agrees that neither Deloitte nor the Lender shall have any liability, responsibility or obligation to the Company, or any persons who have provided guarantees to the Lender, whatsoever, whether in contract, negligence, tort or otherwise, arising in respect of any cause, matter or thing existing as of the date hereof or arising in respect of this engagement of Deloitte by the Lender or any addition to or variation thereof, and the Company agree to indemnify and save each of Deloitte and the Lender harmless of and from any and all claims, demands, liabilities, losses and expenses sustained or incurred by either or both of them arising out of the engagement of Deloitte as consultant in accordance herewith.
9. Agrees that during the course of this engagement, Deloitte may collect personal information about identifiable individuals ("Personal Information"), either from the Company or from third parties. The Company and Deloitte agree that Deloitte will collect, use and disclose Personal Information solely for purposes related to its appointment as consultant by the Lender.

Consent and agreement
August 6, 2015
Page 3

By signature of the undersigned signing officer, the Company further acknowledges and confirms that the Company has received no commitment, representation or warranty from the Lender or Deloitte in connection with this engagement, and the Lender reserves all rights and remedies, including the rights to enforce and realize on the security and guarantees it holds as it in its sole discretion considers appropriate. The Company also acknowledges having been informed that, depending upon subsequent events, Deloitte Restructuring Inc. may be appointed to act as agent, interim receiver, receiver, receiver and manager, CCAA monitor, trustee in bankruptcy, trustee under a *Bankruptcy and Insolvency Act* proposal of any of the undertaking, property and assets of the Company and the Company agrees that it will not object to the appointment of Deloitte Restructuring Inc. in any capacity and that such appointment shall not be a conflict of interest by virtue of Deloitte Restructuring Inc. having been appointed as consultant as provided for herein.

Dated at Calgary this 21 day of August, 2015.

Groundforce Geodrilling Solutions Inc.


Signature of authorized signing officer

DAVID HAWKINS
Name

CEO
Title

General business terms

The following general business terms (the "terms") apply to the engagement agreement between Deloitte LLP / Deloitte Restructuring Inc. ("Deloitte") and HSBC Bank Canada (the "Lender") except as expressly set forth in the engagement letter to which these Terms are attached (the "engagement letter").

1. Contracting parties

- a. **Definitions:** "Deloitte" or "Deloitte Canada" shall mean Deloitte LLP / Deloitte Restructuring Inc. "Deloitte Entities" shall mean the Ontario limited liability partnership Deloitte LLP / Deloitte Restructuring Inc. and where appropriate its directors, officers, partners, principals, professional corporations, employees, agents, subsidiaries and affiliates and to the extent providing services under the engagement letter, the member firms of Deloitte Touche Tohmatsu Limited, the subsidiaries and affiliates of such member firms, and all of their respective directors, officers, partners, principals, professional corporations, employees, agents; and in all cases any successor or assignee.
- b. This engagement letter is between the Lender and Deloitte LLP / Deloitte Restructuring Inc. The Lender agrees that its relationship is solely with Deloitte LLP / Deloitte Restructuring Inc. as the entity contracting with the Lender to provide the services covered by this engagement letter. Notwithstanding the fact that certain services covered by this engagement letter may be carried out by personnel provided to Deloitte Canada from other Deloitte Entities through service or other agreements, Deloitte LLP / Deloitte Restructuring Inc. remains solely responsible and liable to the Lender for all services covered by the engagement letter. Accordingly, the Lender agrees that none of the Deloitte Entities (except Deloitte Canada) will have any liability to the Lender, and the Lender will not bring any claims or proceedings of any nature (whether in contract, tort, breach of statutory duty, or otherwise and including, but not limited to, a claim of negligence) in any way in respect of or in connection with this engagement against any of the Deloitte Entities (except Deloitte Canada) or against any subcontractors that Deloitte Canada may use to provide the services covered by this engagement letter.
- c. To the extent that Deloitte Entities (other than Deloitte Canada) are providing services to Deloitte Canada in connection with this engagement as subcontractors to Deloitte Canada, then the term "Deloitte" should read as "Deloitte Entities" for purposes of these Terms.

2. Services

- a. It is understood and agreed that the services to be provided under the Engagement Letter (the "Services") may include advice and recommendations, but all decisions in connection with the implementation of such advice and recommendations shall be the responsibility of, and be made by, the Lender. In connection with Deloitte's Services, Deloitte shall be entitled to rely on all decisions and approvals of the Lender.
- b. The Services conducted by Deloitte cannot be relied upon to disclose errors or fraud should they exist. The Services will not constitute an audit conducted in accordance with generally accepted auditing standards, an examination or compilation of, or the performance of agreed upon procedures with respect to prospective financial information, an examination of or any other form of assurance with respect to internal controls, or other attestation or review services in accordance with standards

or rules established by the CICA or other regulatory body. Deloitte will not express an opinion or any other form of assurance on any operating or internal controls, financial statements, forecasts, projections or other financial information.

- a. Neither the Services or any advice or reports in connection therewith are intended to be, nor shall be construed to be, "investment advice" within the meaning of the US Investment Advisors Act of 1940. In the performance of the Services, Deloitte will not perform any evaluation of internal controls and procedures for financial reporting upon which the Lender's management can base its assertion in connection with the US Sarbanes-Oxley Act of 2002 or related rules or regulations ("Sarbanes-Oxley"). Deloitte will make no representations or warranties and will provide no assurances that the Company's disclosure controls and procedures are compliant with the certification requirements of and internal controls and procedures for financial reporting are effective as required by Sarbanes-Oxley or any other standards or rules, including, without limitation, Sections 302 and 404 of Sarbanes-Oxley.

3. Term

Unless terminated sooner in accordance with its terms, this engagement shall terminate on the completion of the Services. Either party may terminate this engagement at any time upon giving at least five (5) days written notice to that effect to the other party, provided that in the event of termination for cause, the breaching party shall have the right to cure the breach within the notice period. In the event of termination pursuant to this paragraph, the Lender agrees to compensate Deloitte Canada under the terms of the Engagement Letter for Services performed and expenses incurred through the effective date of termination.

4. Timely performance

Deloitte will endeavour to complete within any agreed upon time-frame the performance of the Services. However, Deloitte will not be liable for failures or delays in performance that arise from causes beyond Deloitte's control, including the untimely performance by the Company of its obligations in assisting Deloitte with respect to this engagement.

5. Fees and payment

- a. Unless otherwise specifically agreed in the engagement letter, Deloitte's fees will be based on standard hourly rates, which vary depending upon the experience level of the professionals involved. In the normal course of business, Deloitte revises its standard hourly rates to reflect changes in responsibilities, increased experience, and increased costs of doing business. Changes in standard hourly rates will be noted on the invoices for the first time period in which the revised rates become effective.
- b. In addition to professional fees, the Lender will reimburse Deloitte Canada for Deloitte's reasonable out of pocket expenses incurred in connection with this engagement, including travel, meals, hotels and disbursements for outside legal counsel or any other consultants engaged by Deloitte with the prior consent of Lender. Deloitte invoices will also include our standard charge of 7% of professional fees for technology, support personnel, telecom, printing and other similar administrative charges. Expenses will be stated separately on the invoices.
- c. All fees and other charges do not include any applicable federal, provincial or other goods and services or sales taxes, or any other taxes or duties whether presently in force or imposed in the future. Any such taxes or duties shall be assumed and paid by the Lender without deduction from the fees and charges hereunder.

- d. Invoices will be rendered on a regular basis as the engagement progresses. All invoices shall be due and payable when rendered. Without limiting its rights or remedies, Deloitte shall have the right to halt or terminate its services entirely if payment is not received within thirty (30) days of the invoice date. Interest shall be calculated at a simple daily rate of 0.0493% (equivalent to 18% per annum). Interest shall be charged and payable at this rate on any part of an invoice that remains unpaid from thirty (30) days after the invoice date to the date on which the outstanding invoice is paid.
- e. To the extent that as part of the Services to be performed by Deloitte as described in the engagement letter, Deloitte Canada personnel are required to perform the services in the United States of America ("US Business"), the Lender and Deloitte Canada agree to assign performance of the US Business to Deloitte Canada LLP, an affiliate of Deloitte. All services performed by Deloitte Canada LLP shall be performed under the direction of Deloitte Canada which shall remain responsible to the Lender for such Services. Deloitte Canada LLP shall invoice the Lender with respect to the US Business and Deloitte will invoice for services performed in Canada ("Canadian Business"). Payment for US business and/or Canadian Business can be settled with one payment to Deloitte.

6. Independence

- a. Deloitte Canada may terminate this engagement upon written notice to the Lender if it determines that (i) a governmental, regulatory or professional entity (including, without limitation, provincial accounting institutes, Canadian and foreign securities commissions, the Canadian Public Accountability Board and the Public Company Accounting Oversight Board) or an entity having the force of law has introduced a new, or modified an existing, law, rule, regulation, interpretation or decision the result of which would render the performance by Deloitte of any part of the engagement illegal or otherwise unlawful or in conflict with independence or professional rules, or (ii) circumstances change (including, without limitation, changes in ownership of the Lender or any of its affiliates) such that the performance by Deloitte of any part of the engagement would be illegal or otherwise unlawful or in conflict with independence or professional rules. Upon termination of the engagement, the Lender will compensate Deloitte Canada under the terms of the Engagement Letter for the Services performed and expenses incurred through the effective date of termination.
- b. The Lender shall provide Deloitte Canada with prompt written notice if the Lender or any of its subsidiaries or affiliates engages Deloitte Canada or a member firm of Deloitte Touche Tohmatsu Limited or any affiliate of such a member firm to provide audit related services. In the event that Deloitte, a member firm of Deloitte Touche Tohmatsu Limited or any affiliate of such a member firm, provides audit services for Lender, parent of Lender or affiliate of Lender, Lender acknowledges that Lender has adhered to all regulatory requirements regarding the provision of non-audit services by Deloitte Canada or member firm of Deloitte Touche Tohmatsu Limited or any affiliate of such a member firm in accordance with applicable laws, regulations and rules that apply to the Lender, including audit committee pre-approval requirements.

7. Conflict of interest

- a. *Notification and resolution.* Should Deloitte Canada determine that there is a potential conflict of interest in connection with its performance of the Services, Deloitte Canada will advise the Lender promptly and endeavour to resolve such potential conflict. Also, the Lender agrees to notify Deloitte Canada promptly of any potential conflict affecting this engagement of which it is, or becomes aware. Where a potential conflict is identified by either party and Deloitte Canada believes the Lender's interests can be properly safeguarded by the implementation of appropriate procedures, Deloitte Canada will discuss such procedures with the Lender.

- b. *Non-exclusivity.* Having engaged Deloitte Canada for the limited purpose set out in the engagement letter, the Lender agrees on behalf of itself and its affiliates that no Deloitte Entity is precluded from acting in any capacity for any other party and that the Lender's engagement of Deloitte Canada in this matter will not be asserted by the Lender as a basis for disqualifying Deloitte Canada, an affiliate of Deloitte Canada or a member firm of Deloitte Touche Tohmatsu Limited or any of their respective affiliates from acting for any other party.

In the event that Deloitte Canada, an affiliate of Deloitte Canada or a member firm of Deloitte Touche Tohmatsu Limited or any of their respective affiliates acts for any other party, (i) Deloitte will not disclose any Confidential Information (defined below) that the Lender provides to Deloitte in connection with this engagement and will not use such Confidential Information for another party's benefit, and (ii) Deloitte will establish appropriate ethical walls between the persons involved in advising the Lender under this engagement and the persons involved in advising another party.

8. Lender responsibilities

- a. *Cooperation.* The Company shall cooperate with Deloitte in the performance by Deloitte of the Services, including, without limitation, providing Deloitte with reasonable facilities and timely access to data, information and personnel of the Company. The Company shall be responsible for the performance of its personnel and agents and for the accuracy and completeness of all data and information provided to Deloitte for purposes of the performance by Deloitte of the Services hereunder.
- b. *Management.* The Lender shall be solely responsible for, among other things: (i) making all management decisions in connection with the loan; (ii) designating a competent management member to oversee the Services; (iii) evaluating the adequacy and results of the Services; (iv) accepting responsibility for the results of the Services.

9. Information

- a. *Access and reliance.* The Lender will make available to Deloitte all information (financial or otherwise) reasonably necessary to enable Deloitte to provide the Services. The Lender will also provide Deloitte with any information, advice and opinions relevant to the engagement that may be delivered by third parties, such as legal counsel (except where necessary to preserve privilege) and accounting, financial, environmental or other advisors, and will ensure that such third parties cooperate with Deloitte on matters considered by Deloitte to be relevant to the engagement. In carrying out its Services, Deloitte will rely on information that is publicly available, prepared or supplied by the Lender or provided to Deloitte by third parties. Deloitte will be entitled to rely on, and is under no obligation to verify, the accuracy or completeness of such information and Deloitte has no responsibility for the accuracy or completeness of the information provided by, or on behalf of, Lender or other parties. This engagement cannot be relied upon to disclose errors or fraud should they exist. Further, Deloitte is under no obligation to investigate any changes that may occur in such information subsequent to the date thereof.
- b. The Company represents and warrants that all information provided to Deloitte Canada, directly or indirectly, orally or in writing, by the Company or its agents and advisors in connection with the engagement will be accurate and complete in all material respects and will not be misleading in any material respect. Upon request, the Company will provide Deloitte Canada with a separate written representation confirming the accuracy and completeness of the information provided to Deloitte Canada and the information included, or to be included, in any information documents with respect to the Company.

- c. *Confidentiality.* To the extent that, in connection with this engagement, Deloitte comes into possession of any proprietary or confidential information of the Company ("Confidential Information") including Personal Information as defined in section 12(b) below, Deloitte will not disclose such information to any third party and the Deloitte Entities, without the Lender's consent, except as may be required or permitted by law, regulation, judicial or administrative process, or in accordance with applicable professional standards, or in connection with litigation pertaining thereto. "Confidential Information" shall not include information which:
- i. shall have otherwise become publicly available (including, without limitation, any information filed with any governmental agency and available to the public) other than as the result of a disclosure by Deloitte in breach hereof;
 - ii. is disclosed by the Lender or the Company to a third party without substantially the same restrictions as set forth herein;
 - iii. becomes available to Deloitte on a non-confidential basis from a source other than the Lender or the Company which Deloitte believes is not prohibited from disclosing such information to Deloitte by obligation to the Lender;
 - iv. is known by Deloitte prior to its receipt from the Lender or the Company without any obligation of confidentiality with respect thereto; or
 - v. is developed by Deloitte independently of any disclosures made by the Lender or the Company to Deloitte of such information.
- d. *Prospective financial information.* Unless Deloitte Canada and the Lender agree otherwise in the Engagement Letter, Deloitte will not compile, examine or apply other procedures to prospective financial information of the Company in accordance with Chartered Professional Accountants of Canada Standards and accordingly, will express no opinion or any other form of assurance or representations concerning its accuracy, completeness or presentation format. Any financial forecasts or projections belong to the Company and are the sole responsibility of such management. There will usually be differences between projected and actual results, because events and circumstances frequently do not occur as expected or predicted, and those differences may be material.
- e. Deloitte will not return or provide records or information obtained in the course of the engagement to the Lender if it is illegal to do so or if Deloitte is requested to withhold the records or information by law enforcement or other public or regulatory authorities (regardless of whether the engagement has been terminated)

10. Reporting

- a. *Qualifications to advice, opinions, and reports.* Any advice, opinions, or reports provided by Deloitte will be made subject to, and will be based upon, such assumptions, limitations, qualifications and reservations as Deloitte, in its judgment, deems necessary or prudent in the circumstances, including without limitation: (i) the time available to perform the Services, (ii) the information, data, opinions, advice and representations made available to Deloitte, and (iii) access to the Lender's management, advisors and agents.
- b. *Amendments to reports.* Deloitte reserves the right to amend its advice, opinions, and reports accordingly, in the event that new information becomes available which may be contrary to or different from that which is set out to the Lender in documents or verbal reports. Notwithstanding the foregoing, Deloitte has no responsibility for performing any services or procedures beyond those agreed to by Lender and Deloitte Canada or for updating the Services performed.
- c. *Limitation on use and distribution.* Except as otherwise agreed in writing, all services in connection with this engagement shall be solely for the Lender's internal purposes and use, and this engagement does not create privity between Deloitte and any person or party other than the Lender ("third party").

General business terms

Page 6

This engagement is not intended for the express or implied benefit of any third party. No third party is entitled to rely, in any manner or for any purpose, on the advice, opinions, reports, or Services of Deloitte. The Lender further agrees that the advice, opinions, reports or other materials prepared or provided by Deloitte are to be used only for the purpose contemplated by the Engagement Letter and shall not be distributed to any third party without the prior written consent of Deloitte Canada.

- d. *Ownership.* Deloitte shall retain all right, title and interest in the reports, opinions and other documents provided by Deloitte to the Lender and the Lender shall be entitled to use such material in accordance with section 10(e).

11. Indemnification and limitation on liability

- a. *Application.* The provisions of this Section 11 shall apply to the fullest extent of the law, whether in contract, statute, tort (such as negligence), or otherwise. This Section shall survive termination or expiry of the engagement. The provisions of this Section are not applicable to the extent that mandatory provisions of applicable regulatory bodies prohibit a professional financial advisor from limiting liability.
- b. *Limitation on liability.* The Lender and Deloitte Canada agree to the following with respect to Deloitte's liability to the Lender:
- i. Deloitte shall not be liable to the Lender for any direct or indirect claims, liabilities, or expenses relating to a breach of contract, negligence or otherwise for an aggregate amount in excess of five (5) times the fees paid by the Lender to Deloitte Canada pursuant to this engagement, to a maximum of \$1 million, except to the extent finally judicially determined to have resulted from the bad faith or intentional misconduct of Deloitte.
 - ii. Notwithstanding the foregoing, Deloitte shall not be liable for punitive or exemplary loss, damage, or expense relating to this engagement.
 - iii. In any action, claim, loss or damage arising out of the engagement, the Lender agrees that Deloitte's liability will be several and not joint and several and the Lender may only claim payment from Deloitte of Deloitte's proportionate share of the total liability based on the degree of fault of Deloitte as finally determined by a court of competent jurisdiction.
- c. *Limitation on actions.* No action, regardless of form, relating to this engagement, may be brought by either party more than two years after the cause of action has accrued, except for an action for non-payment of fees.

12. Other

- a. *Regulatory or legal action.* The Lender will notify Deloitte Canada promptly of any request received by the Lender from any third party, including a regulatory authority, for any material information or for a meeting or hearing; the issuance of any restraining order; or the initiation of a proceeding or litigation relating to this engagement.

Subject to any professional issues including audit independence, if requested and if the parties agree, Deloitte will testify (as a non expert witness) or provide reasonable support services to the Lender before any governmental commission, regulatory authority or court. Any such testimony or support services will be confined to the services performed under this engagement. Deloitte shall have the right to employ counsel in connection with such testimony or support services.

Deloitte shall be paid for any time spent by its personnel in connection with such support at their standard hourly rates, which shall be separate and apart from any other professional fees payable hereunder. The Lender shall also reimburse Deloitte for its reasonable out-of-pocket costs, charges

and expenses, including legal counsel, incurred in connection therewith. These fees and expenses shall be separate and in addition to any other fees or amounts payable under the provisions for payment of fees in the engagement letter.

- b. *Privacy.* Deloitte and the Lender acknowledge and agree that, during the course of this engagement, Deloitte may collect personal information about identifiable individuals ("Personal Information"), either from the Lender or from third parties. The Lender and Deloitte Canada agree that Deloitte will collect, use and disclose Personal Information on behalf of the Lender solely for purposes related to completing this engagement, providing services to the Lender and in a manner consistent with section 9(c) above. Deloitte shall not collect, use and disclose such Personal Information for Deloitte's own behalf or for its own purposes.
- c. *Survival and Interpretation.* The agreements and undertakings of the Lender contained in the Engagement Letter, to which these terms are attached, together with the following sections of these Terms shall survive the expiration or termination of this engagement: 1, 2, 4, 5, 6, 8, 9, 10, 11 and 12.
- d. *Governing law.* These Terms, the Engagement Letter to which these terms are attached and all matters relating to this engagement (whether in contract, statute, tort (such as negligence), or otherwise), shall be governed by, and construed in accordance with, the laws of the Province where Deloitte Canada's principal office performing the engagement is located. Any action or proceeding relating to this engagement shall be brought in the Province where Deloitte Canada's principal office performing the engagement is located, and the parties submit to the jurisdiction of the courts of that Province and waive any defence of inconvenient forum to the maintenance of such action or proceeding.
- e. *Severability.* If any provision of the Terms or the Engagement Letter is found by a court of competent jurisdiction to be unenforceable, such provision shall not affect the other provisions, but such unenforceable provision shall be deemed modified to the extent necessary to render it enforceable, preserving to the fullest extent permissible the intent of the parties set forth herein.
- f. *Entire agreement.* These Terms and the Engagement Letter to which these terms are attached is the complete agreement between the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, proposals, negotiations, representations or warranties of any kind whether oral or written.
- g. *Assignment.* Except as provided below, neither party may assign, transfer or delegate any of its rights or obligations hereunder (including, without limitation, interests or claims relating to this engagement) without the prior written consent of the other party. Lender hereby consents to Deloitte Canada assigning or subcontracting any portion of the Services to any affiliate or related entity, whether located within or outside of Canada, provided that, any such assignment or subcontracting shall not relieve Deloitte Canada of its obligations hereunder. Services performed hereunder by Deloitte Canada's subcontractors shall be invoiced as professional fees on the same basis as Services performed by Deloitte Canada's personnel, unless otherwise agreed. Deloitte Canada may, without the consent of the Lender, assign or subcontract its rights and obligations hereunder to (i) any affiliate or related entity or (ii) any entity which acquires all or a substantial part of the assets or business of Deloitte Canada.
- h. *Currency.* All financial references herein are to Canadian dollars unless specifically indicated otherwise. If it is necessary to convert any amounts into Canadian dollars, a prevailing commercial bank exchange rate at closing or the time of the invoice shall be used.

- i. **Notices.** Any notice or other communication required or permitted to be given under this engagement shall be in writing and shall be sufficiently given or made by delivery or by post or by telecopy or similar facsimile transmission (with confirmation of accurate and complete transmission obtained by the sender) to the respective parties. Any notice so given shall be deemed conclusively to have been given and received when so personally delivered or posted or so telecopied or transmitted, except that any notice delivered after 5:00 p.m. on the day prior to a non-business day shall be deemed to have been received at 9:00 a.m. on the first business day following delivery. Any party may change its address, telephone number or facsimile number by notice to the others in the manner set out above.
- j. **Communication.** Except as instructed otherwise in writing, each party may assume that the other approves of properly addressed fax, email (including email exchanged via Internet media) and voicemail communication of both sensitive and non-sensitive documents and other communications concerning this engagement, as well as other means of communication used or accepted by the other.
- k. **Non-solicitation of personnel.** Each party acknowledges that the other party's personnel who participate in the engagement are critical to the servicing of its customers. Deloitte and the Lender agree not to solicit, hire or otherwise retain the other party's engagement team members for a period of six (6) months following any such engagement team member's involvement in the performance of this engagement. This provision may be waived upon written agreement between the parties. This provision shall not restrict the right of either party to solicit or recruit generally in the media or as part of general recruiting efforts by third party recruiters, and shall not prohibit either party from hiring an employee of the other who answers any advertisement, responds to such general recruiting efforts, or who otherwise voluntarily applies for hire without having been initially personally solicited or recruited by Deloitte or the Lender respectively.
- l. **Language.** The parties have requested that this Agreement and all communications and documents relating hereto be expressed in the English language. Les parties ont exigé que la présente convention ainsi que tous les documents s'y rattachant soient rédigés dans la langue anglaise.
- m. **Quality of Service.** If, at any time, you believe our service to you could be improved or if you are dissatisfied with any aspect of our services you should raise the matter with the engagement partner. Alternatively, if you wish to discuss the matter with someone other than the engagement partner, or make a complaint, please email ntethics@deloitte.ca or call 1 (888) 683-2020 and ask for the National Ethics Leader. We will acknowledge the complaint upon receipt and every effort will be made to investigate expeditiously.

SCHEDULE "D"

See Attached Business Projections

Ground Force geoDrilling Solutions Inc.
Projected Income Statement - Combined Riggs 1 - 14
Twelve Months Ended December 31, 2015

Notes	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Actual	Actual	Actual	Actual	Actual	Actual	5	14	54	131	124	106	106	887
						6	15	60	145	138	118	115	887
Fuel Rate Days													
Total Operating Days													
Fuel Rate													
Other (Move In/out, Inventory)													
Total Revenue	1,658,719	1,892,515	81,495	(115,558)	4,700	41,580	103,950	764,775	1,890,400	1,788,935	1,816,680	1,703,250	10,864,885
Expenses													
Direct Well Expense	9,800	7,500											
Direct Operating Costs	14,800	22,000											
Fuel Costs	14,800	22,000											
Labour Costs	100,000	25,000											
Rig Manpower Expenses	5,800	6,500											
Supply Expenses	5,800	6,500											
Rig Repairs (Callout)	730	1,800											
Rig Repairs (Total Labour)	1,800	4,500											
Total Operating Expenses	1,021,451	896,587	126,115	189,983	49,429	147,520	343,360	598,600	1,504,000	1,411,500	1,217,260	1,291,300	8,658,061
Operating Gross Margin	637,268	995,928	(44,620)	(74,425)	165,271	264,060	695,590	166,175	386,400	377,435	599,420	411,950	2,206,824
30%	382,361	597,557	(26,772)	(44,655)	99,163	158,436	417,252	99,705	231,840	227,502	359,652	247,165	1,324,183
Scientific and Administrative													
Vehicle	199,302	148,020											
Rent	15,000	15,000											
Other	37,000	37,000											
Advertising and promotion	10,000	10,000											
Insurance	5,000	5,000											
Telephone	15,000	15,000											
Professional fees	5,000	5,000											
Travel	5,000	5,000											
Office	5,000	5,000											
Total	229,502	267,285	227,502	231,164	210,938	242,302	243,020	250,619	264,139	262,482	259,235	261,412	2,890,026
Net Income before Interest, depreciation and bonus pool	407,766	728,643	(72,178)	(95,579)	(51,771)	121,758	452,570	115,556	122,261	114,953	340,185	146,543	(663,202)
Loan Term Loan Interest	103,083	102,749	101,173	104,986	104,986	100,000	100,000	100,000	100,000	100,000	100,000	100,000	1,248,353
Accrual	7,711	7,711	7,711	7,711	7,711	7,711	7,711	7,711	7,711	7,711	7,711	7,711	92,532
Depreciation	82,316	69,662	26,727	25,293	2,523	27,700	51,750	82,585	132,910	118,805	98,430	101,533	783,442
Stock based compensation			21,061	(1,160,836)					70,000			70,000	(1,148,557)
Gain on sale of land													
Bonus Pool													
Net Operating Income	224,683	556,261	(72,178)	(1,160,836)	12,235	121,758	452,570	115,556	122,261	114,953	340,185	146,543	(663,202)
Income Taxes	183,655	(12,657)	(531,876)	(626,539)	(655,961)	(553,653)	(422,351)	(234,820)	(132,360)	(105,144)	(167,565)	(339,328)	(1,800,813)
Current	43,591	(6,396)	(102,316)	(57,363)	(102,863)	(138,413)	(105,500)	(57,703)	(24,500)	(26,996)	(41,941)	(34,857)	(557,036)
Future	39,244	(9,741)	(45,500)	(17,000)	(45,500)	(45,500)	(45,500)	(45,500)	(45,500)	(45,500)	(45,500)	(45,500)	(557,036)
Net Income	41,028	568,918	(169,054)	(534,297)	33,286	175,411	452,570	115,556	122,261	114,953	192,618	101,016	(1,148,557)
EBITDA	407,725	1,081,965	(295,745)	(761,921)	(270,741)	(418,242)	(222,370)	(64,424)	(102,281)	(122,373)	(95,175)	(70,038)	(321,514)

Ground Force geobilling Solutions Inc.
Budgeted Statement of Cash Flows
Twelve Months Ended December 31, 2015

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	
Cash provided by (used in)													
Operations:													
Net income before future taxes	199,544	(5,661)	(927,560)	569,147	(283,101)	(415,240)	(316,749)	(191,115)	(103,370)	(78,258)	(125,974)	(164,461)	(1,243,717)
Adjustment for non-cash items:													
Depreciation and amortization	83,316	69,692	26,747	25,232	2,523	27,700	31,750	62,655	102,910	199,806	59,430	191,695	783,442
Accrual	7,711	7,711	7,711	7,711	7,711	7,711	7,711	7,711	7,711	7,711	7,711	7,711	92,532
Stock based Compensation	-	-	23,821	-	-	70,000	-	-	70,000	-	-	70,000	233,821
Future taxes	43,981	(6,395)	(103,816)	57,383	(102,663)	(138,413)	(105,668)	(63,705)	(24,590)	(26,255)	(51,951)	(34,827)	(657,085)
	274,662	66,316	(573,657)	693,539	(375,730)	(448,242)	(382,870)	(184,444)	(72,261)	22,373	(60,825)	(40,038)	(891,016)
Change in A/R	(265,844)	(310,119)	1,920,670	(1,740,993)	2,467,467	318,654	102,525	(695,707)	(1,225,010)	(208,152)	101,150	(114,459)	440,602
Change in prepaid expense	73,357	(77,952)	125,763	(99,136)	2,569,915	45,000	45,000	45,000	-	45,000	45,000	45,000	2,034,655
Change in accounts payable	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in taxes payable	517,490	241,523	(2,078,568)	(963,265)	(185,642)	(429,250)	(151,868)	201,159	606,324	180,744	(32,310)	34,759	(2,054,485)
	670,465	(81,432)	(405,352)	(5,083,047)	4,486,010	(913,909)	(387,233)	(543,993)	(502,424)	19,254	133,015	5,339	(270,215)
Investing:													
Business Acquisitions	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of fixed assets	(918,993)	(105,842)	(178,978)	2,457,800	(6,585,157)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(5,448,172)
	(918,993)	(105,842)	(178,978)	2,457,800	(6,585,157)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(5,448,172)
Financing:													
Repayment of long-term debt	-	-	-	-	(1,981,797)	-	-	-	-	-	-	-	(2,184,740)
Drawdown on long-term debt	56,971	56,971	56,971	56,971	43,280	56,971	56,971	56,971	56,971	56,971	56,971	56,971	4,020,182
Promissory notes	-	-	1,500,000	-	(3,377)	-	-	-	-	-	-	-	675,941
Issue of share capital	56,971	(715,672)	1,450,971	56,971	2,074,255	56,971	56,971	56,971	56,971	56,971	56,971	56,971	1,655,623
	113,942	(715,672)	1,450,971	56,971	2,074,255	56,971	56,971	56,971	56,971	56,971	56,971	56,971	4,020,306
Increase (decrease) in cash	(159,557)	(302,748)	974,791	(566,276)	(39,978)	(486,837)	(350,262)	(517,022)	(476,453)	46,925	159,865	32,310	(1,690,092)
Cash position, beginning of period	(2,958,009)	(3,117,666)	(3,420,314)	(2,461,247)	(3,027,523)	(3,053,402)	(3,650,233)	(3,910,501)	(4,427,823)	(4,902,976)	(4,856,051)	(4,656,065)	(2,958,009)
Cash position, end of period	(3,117,566)	(3,420,414)	(2,445,523)	(3,027,523)	(3,063,402)	(3,540,233)	(3,910,501)	(4,427,523)	(4,904,276)	(4,856,051)	(4,695,186)	(4,623,755)	(2,958,009)

Ground Force Goodfellow Solutions Inc.
 Budgeted Balance Sheet
 Twelve Months Ended December 31, 2015

Assets	Opening Actual	Jan Actual	Feb Actual	Mar Actual	Apr Actual	May Actual	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Current assets													
Cash	(2,558,008)	(3,117,565)	(3,025,953)	(2,451,267)	(3,035,416)	(3,053,402)	(3,519,501)	(4,427,522)	(4,302,876)	(4,336,051)	(4,336,051)	(4,635,055)	(4,635,755)
APR	2,581,441	2,415,445	3,155,904	2,215,524	3,015,321	3,538,650	244,176	743,358	1,553,357	2,207,520	2,073,389	2,073,389	2,440,833
Prepaid expenses and deposits	2,384,451	2,220,094	2,398,046	2,772,293	3,163,981	1,164,873	1,119,873	1,023,873	984,873	933,873	933,873	933,873	848,873
Assets held for resale	1,237,853	1,230,882	1,230,882	1,230,882	1,230,882	1,230,882	1,230,882	1,230,882	1,230,882	1,230,882	1,230,882	1,230,882	1,230,882
Total Current Assets	3,697,745	3,839,858	3,916,529	2,837,942	5,034,872	(48,727)	(838,305)	(1,407,056)	(1,553,410)	(657,854)	(417,677)	(343,520)	(362,161)
Capital Assets	36,001,418	35,735,085	36,771,276	36,321,508	34,438,409	41,008,543	41,911,843	41,910,653	40,377,428	40,374,518	40,784,712	40,715,922	40,649,657
Other assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Assets	39,899,163	40,574,943	40,687,805	39,159,450	39,473,281	40,960,356	40,112,535	39,820,687	39,514,018	40,216,652	40,266,945	40,231,332	40,251,428
Liabilities and Shareholders' Equity													
Current liabilities													
Accounts payable	3,457,380	3,874,870	4,222,269	2,144,651	1,175,876	390,224	550,384	409,085	610,254	1,216,578	1,407,321	1,375,012	1,408,771
Current portion long-term debt	2,210,000	2,220,000	2,220,000	2,220,000	2,220,000	2,220,000	2,220,000	2,220,000	2,220,000	2,220,000	2,220,000	2,220,000	2,220,000
Total current liabilities	5,667,380	6,094,870	6,442,269	4,364,651	3,395,876	610,224	770,384	629,085	830,254	3,436,578	3,627,321	3,595,012	3,628,771
Long-term debt	8,604,763	8,604,763	8,604,763	10,652,120	10,652,120	12,800,505	12,800,505	12,800,505	12,800,505	12,800,505	12,800,505	12,800,505	12,800,505
Provision for income taxes	5,754,702	5,319,284	5,668,644	5,925,615	5,982,388	6,039,556	6,104,238	6,168,320	6,233,602	6,298,244	6,362,968	6,427,648	6,452,230
Finance Taxes	163,533	207,520	201,054	87,238	154,521	51,768	(65,655)	(192,288)	(235,943)	(280,533)	(318,819)	(358,810)	(394,837)
Shareholders' equity													
Share capital	20,998,841	20,998,841	20,998,841	22,522,452	22,627,508	22,824,531	22,894,531	22,894,531	22,764,531	22,764,531	22,764,531	22,764,531	22,804,531
Retained earnings	(1,385,821)	(1,250,196)	(1,255,902)	(1,592,786)	(1,120,227)	(1,425,828)	(1,341,063)	(2,348,931)	(2,462,701)	(2,462,701)	(2,531,559)	(2,657,553)	(2,782,014)
Total Liabilities and Shareholders' Equity	39,899,163	40,574,943	40,687,805	39,159,450	39,473,281	40,960,356	40,112,535	39,820,687	39,514,018	40,216,652	40,266,945	40,231,332	40,251,428

Ground Force Consulting Solutions Inc.
Budgeted Statement of Cash Flows
Twelve Months Ended December 31, 2016

Cash provided by (used in)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Operations:													
Net income before Foure taxes	467,716	541,102	43,357	(393,401)	(322,851)	(224,468)	(65,304)	43,857	(235)	(38,011)	(48,825)	(60,055)	(64,751)
Adjusted for non cash items:													
Depreciation and amortization	158,595	176,656	95,830	25,000	25,000	55,960	24,220	137,221	122,910	102,391	98,430	37,135	1,130,468
Accretion	7,711	7,711	7,711	7,711	7,711	7,711	7,711	7,711	7,711	7,711	7,711	7,711	82,532
Stock based Compensation	155,905	280,367	40,000	-	-	40,000	-	-	40,000	-	-	40,000	160,000
Future taxes	789,338	906,046	201,351	(131,194)	(109,884)	(74,823)	(22,101)	14,622	(85)	(12,570)	(16,208)	(20,018)	(21,577)
				(497,826)	(408,826)	(195,618)	3,528	203,421	189,218	59,221	42,286	64,776	1,356,693
Change in A/R	(19,210)	(114,555)	595,312	947,815	378,126	(124,956)	(308,955)	(407,321)	(131,050)	59,902	61,123	39,245	1,109,076
Change in prepaid expense	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	351,000
Change in assets for resale	764,765	(25,670)	(841,932)	(763,939)	(314,129)	154,226	304,913	305,317	109,759	(88,407)	(57,427)	(52,202)	(244,425)
Change in taxes payable	1,562,363	781,421	287,691	(220,943)	(314,827)	(138,249)	27,483	208,418	179,584	81,516	73,002	78,219	2,672,342
Investing:													
Business Acquisitions	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(360,000)
Purchase of fixed assets	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(360,000)
Financing:													
Repayment of long-term debt	56,971	56,971	56,971	56,971	56,971	56,971	56,971	56,971	56,971	56,971	56,971	56,971	683,652
Drawdown on long-term debt	56,971	56,971	56,971	56,971	56,971	56,971	56,971	56,971	56,971	56,971	56,971	56,971	683,652
Promissory notes	56,971	56,971	56,971	56,971	56,971	56,971	56,971	56,971	56,971	56,971	56,971	56,971	683,652
Issue of share capital	56,971	56,971	56,971	56,971	56,971	56,971	56,971	56,971	56,971	56,971	56,971	56,971	683,652
Increase (decrease) in cash	1,559,364	218,392	309,602	(238,977)	(287,856)	(112,378)	49,454	235,349	266,856	109,867	99,979	105,199	2,995,984
Cash position, beginning of period	(4,859,755)	(3,074,351)	(2,255,999)	(1,346,397)	(2,200,374)	(2,488,230)	(2,800,608)	(3,551,154)	(2,315,765)	(2,108,610)	(1,995,923)	(1,899,951)	(4,683,759)
Cash position, end of period	(3,074,391)	(2,255,999)	(1,946,397)	(2,200,374)	(2,488,230)	(2,600,608)	(2,800,608)	(2,315,765)	(2,108,610)	(1,995,923)	(1,899,951)	(1,784,751)	(1,767,761)

Ground Force goDjilling Solutions Inc.
Budgetary Balance Sheet
Twelve Months Ended December 31, 2016

Assets	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Current assets												
Cash	(4,683,755)	(3,074,391)	(2,253,999)	(1,846,997)	(2,200,374)	(2,600,099)	(2,561,154)	(2,315,765)	(2,108,810)	(1,999,923)	(1,899,951)	(1,794,761)
APR	2,140,628	2,169,048	2,276,003	1,579,691	252,751	377,706	687,662	1,054,383	1,226,033	1,132,131	1,071,009	1,031,783
Prepaid expenses and deposits	849,873	322,873	785,873	741,873	714,873	687,873	650,873	613,873	586,873	549,873	522,873	505,873
Assets held for resale	1,290,882	1,290,882	1,290,882	1,290,882	1,290,882	1,290,882	1,290,882	1,290,882	1,290,882	1,290,882	1,290,882	1,290,882
Total Current Assets	(832,161)	1,198,613	2,105,759	1,693,049	(228,724)	(245,147)	88,264	709,973	1,012,918	1,002,963	1,014,813	1,053,757
Capital Assets												
40,843,647	40,515,141	40,248,275	40,302,445	40,307,445	40,312,445	40,296,465	40,232,265	40,155,044	40,022,134	39,948,743	39,890,313	39,813,176
Other assets	-	-	-	-	-	-	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-	-	-	-	-	-	-
Total Assets	40,261,486	41,714,556	42,274,034	41,995,494	40,084,721	40,092,930	40,310,729	40,319,017	41,037,112	40,953,706	40,905,126	40,866,936
Liabilities and Shareholder's Equity												
Current liabilities												
APR	1,409,771	2,174,526	2,147,855	1,506,834	742,895	428,787	582,992	264,806	1,270,223	1,373,931	1,278,574	1,218,147
Corporate taxes payable	-	-	-	-	-	-	-	-	-	-	-	-
Current portion long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Total current liabilities	1,409,771	2,174,526	2,147,855	1,506,834	742,895	428,787	582,992	264,806	1,270,223	1,373,931	1,278,574	1,218,147
Long-term debt												
12,680,596	12,690,596	12,690,596	12,690,596	12,690,596	12,690,596	12,690,596	12,690,596	12,690,596	12,690,596	12,690,596	12,690,596	12,690,596
Provisionary note												
6,492,300	6,492,300	6,492,300	6,492,300	6,492,300	6,492,300	6,492,300	6,492,300	6,492,300	6,492,300	6,492,300	6,492,300	6,492,300
Future Taxes												
(393,697)	(227,732)	(57,865)	(42,912)	(174,046)	(283,930)	(358,752)	(380,854)	(358,232)	(365,319)	(378,960)	(395,197)	(415,214)
Shareholder's equity												
Share capital	22,834,631	22,834,631	22,834,631	22,834,631	22,834,631	22,834,631	22,834,631	22,834,631	22,834,631	22,834,631	22,834,631	22,834,631
Retained earnings	(2,762,614)	(2,294,284)	(1,763,180)	(1,203,220)	(742,895)	(279,559)	(279,559)	(279,559)	(279,559)	(279,559)	(279,559)	(279,559)
20,072,017	20,540,347	21,071,451	21,631,411	22,091,336	22,441,636	22,557,172	22,557,172	22,557,172	22,557,172	22,557,172	22,557,172	22,557,172
Total Liabilities and Shareholder's Equity	40,261,487	41,714,556	42,274,033	41,995,493	40,084,722	40,092,929	40,310,729	40,319,017	41,037,111	40,952,707	40,905,127	40,866,936

TAB K

Deloitte

Deloitte Restructuring Inc.
700, 850 - 2 Street SW
Calgary AB T2P 0R8
Canada

Tel: 403-503-1458
Fax: 403-718-3681
www.deloitte.ca

September 25, 2015

Private and Confidential

HSBC Bank Canada
Special Credit Department
3rd Floor, 2910 Virtual Way
Vancouver, BC V5M 0B2

Attention: Mr. Bob Elliott

Dear Sir:

Subject: **Groundforce Geodrilling Solutions Inc.**

Further to our letter dated September 18, 2015 and our recent discussions with management, the Company continues to experience negative cash flow and has few prospects for additional work. The RFP from Canadian National Resources Limited ("CNRL") discussed in paragraph 16 of our letter dated September 18, 2015 has now been withdrawn, the prospective revenue for the RFP from Brion Energy Corporation ("Brion") is lower than previously forecast and management is uncertain if it will secure the work proposed for Brion. As a result, the Company remains insolvent and is not viable in its current state.

Should you have any questions, please contact the undersigned at (403) 503-1458 or Luke Alliband at (587) 293-3227.

Yours truly,

DELOITTE RESTRUCTURING INC.



Jeff Keeble, CA, CIRP
Senior Vice-President

This is Exhibit "K" referred to in the
Affidavit of

ROBERT ELLIOTT

Sworn before me this 23 day

of SEPTEMBER A.D. 2015

Mark Lavitt

MARK LAVITT

A NOTARY PUBLIC IN AND FOR
THE PROVINCE OF BRITISH COLUMBIA
HSBC BANK CANADA
4TH FLOOR, 2910 VIRTUAL WAY
VANCOUVER, B.C. V5M 0B2

TAB L

COURT FILE NO.

COURT

JUDICIAL CENTRE

PLAINTIFF

DEFENDANT

DOCUMENT

ADDRESS FOR SERVICE
AND CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT

Court of Queen's Bench of Alberta

Calgary

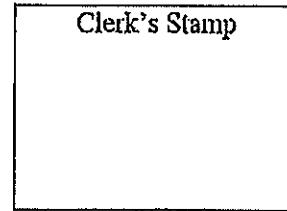
HSBC BANK CANADA

GROUNDFORCE GEODRILLING
SOLUTIONS INC.

Consent of Deloitte Restructuring Inc.
to Act as Receiver

Fasken Martineau DuMoulin LLP
Barristers & Solicitors
Patent & Trade-mark Agents
3400 First Canadian Centre
350 - 7th Avenue S.W.
Calgary, AB T2P 3N9

Travis Lysak / Theodore Fong
Telephone: 403 261-5350
Facsimile: 403 261-5351
Emails: tlysak@fasken.com
tfong@fasken.com
File Reference: 245056.00294



This is Exhibit "L" referred to in the
Affidavit of

ROBERT ELLIOTT

Sworn before me this 28 day

of SEPTEMBER A.D. 2015

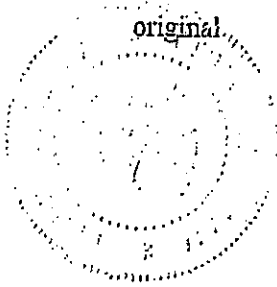
[Signature]

MARK LAVITT
A NOTARY PUBLIC IN AND FOR
THE PROVINCE OF BRITISH COLUMBIA
HSBC BANK CANADA
4TH FLOOR, 2910 VIRTUAL WAY
VANCOUVER, B.C. V6M 0B2

CONSENT TO ACT AS RECEIVER

Deloitte Restructuring Inc., does hereby consent to act as Receiver of
GroundForce GeoDrilling Solutions Inc., a corporation registered under the laws of Alberta and
whose registered office address is 1600, 333 - 7th Avenue S.W., Calgary, Alberta T2P 2Z1.

A facsimile or other electronic copy of this Consent shall be as effective as an



DATED this 25th of September, 2015

DELOITTE RESTRUCTURING INC.

A handwritten signature in cursive script, appearing to read "Jeff Keeble".

Per: _____
Name: Jeff Keeble
Title: Senior Vice-President