

District of Alberta
Division No: 01-Edmonton
Court No. 24-2737477
Estate No. 24-2737477

**In the Matter of the Bankruptcy of
Hyduke Drilling Solutions Inc.
Trustee's Preliminary Report**

MNP Ltd.
Licensed Insolvency Trustee

APPOINTMENT:

Hyduke Drilling Solutions Inc. (the "Bankrupt") filed a voluntary assignment into bankruptcy on May 14, 2021 and MNP Ltd. was appointed Licensed Insolvency Trustee.

Equipment, Machinery and Other Assets:

The bankrupt owns a piece of equipment as outlined on the Statement of Affairs. Estimated gross value of the equipment and machinery is approximately \$2,000.

In accordance with its Statement of Affairs, the Bankrupt has funds held in Trust estimated at a value of \$140,000.

Building and Real Estate:

In accordance with the Statement of Affairs, the Bankrupt does not own any Real Property.

Books and Records:

The books and records are in the possession of the shareholders and directors of the Bankrupt. The Trustee has obtained copies of the books and records relevant to the bankrupt estate.

Property Placed Under the Guardianship of the Bankrupt:

No property has been placed under the guardianship of the Bankrupt.

Conservatory and Protective Measures:

The Trustee is seeking additional information in relation to the equipment located in the United States and will be seeking confirmation of the funds held in trust.

Insurance:

Due to the limited value of the equipment assets the Trustee does not anticipate placing insurance coverage.

Legal Proceedings or Opinions Sought:

The Trustee may require a legal opinion in relation to the funds held in trust.

Secured Creditors:

In accordance with the books and records of the Bankrupt there are no balances owed to creditors with registered secured interests (not including judgement creditors) as against the Bankrupt.

In accordance with an April 4, 2021 Personal Property Registry (“PPR”) search the following creditors have registered a secured interest against the Bankrupt:

- Red-D.Arc Limited – in relation to serial numbered equipment;
- Brelcor Holdings Ltd. o/a Nisku Not & Bolt – in relation to a default judgment;
- Northbridge General insurance Corporation – in relation to the right and title of the Bankrupt to certain contracts; and
- North River LP – in relation to a judgement.

While the Canada Revenue Agency (“CRA”) has not yet completed a trust exam of the Bankrupt’s books and records, a CRA debt is not anticipated at this time.

Anticipated Realization and Projected Distribution:

Estimated realizations and projected distributions are undetermined at this time. The Canada Revenue Agency has not yet completed a trust exam of the payroll source deduction account to determine whether or not a deemed trust claim is expected.

Reviewable Transactions and Preference Payments:

The Trustee has not identified any Reviewable Transactions or Preference Payments at this time.

Dated at the City of Edmonton in the Province of Alberta this 25th day of May 2021.

MNP Ltd.

In its capacity as Licensed Insolvency Trustee of

Hyduke Drilling Solutions Inc.

And not in its personal capacity



Per: Eric Sirrs, CIRP, LIT
Senior Vice President