

**Form 13-31  
(Rule 13-31)**

COURT FILE NUMBER QBG 733 of 2021

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

JUDICIAL CENTRE REGINA

APPLICANT ABBEY RESOURCES CORP.

**IN THE MATTER OF *THE COMPANIES' CREDITORS ARRANGEMENT ACT*,  
RSC 1985, c C-36, AS AMENDED (the "CCAA")**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT  
OF ABBEY RESOURCES CORP.**

**AFFIDAVIT CHIEF BRADY O'WATCH**


AFFIDAVIT OF CHIEF BRADY O'WATCH

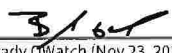
I, CHIEF BRADY O'WATCH , of the Carry the Kettle First Nation, in the Province of Saskatchewan,  
MAKE OATH AND SAY:

1. I am the duly elected Chief of Carry the Kettle First Nation ("CTK") and as such, I have personal knowledge of the facts and matters herein deposed to, except where stated to be sworn based upon information and belief, and where so stated, I verily believe the same to be true.
2. On September 13, 2021, Jim Gettis, the principle operator of Abbey Resources Corporation ("Abbey") made a proposal to amend the lease agreement for natural gas wells on CTK's reserve lands to reduce the acreage of reserve lands leased. This would have correspondingly reduced the lease payments due, as well as likely the property taxes owing.
3. Chief and Council resolved to reject Abbey's proposal to amend the lease agreements.
4. On November 22, 2021, legal counsel to CTK, Sonia Eggerman of MLT Aikins LLP, on behalf of CTK, wrote to Kevin Hoy of DLA Piper (Canada LLP), legal counsel for Abbey, advising that CTK resolved to reject the proposal to amend the lease agreements for natural gas wells on CTK's reserve lands and does not consent and opposes any amendments to the lease agreements. A copy of the letter described in this paragraph is attached hereto as Exhibit "A".

5. On November 22, 2021, legal counsel to CTK, Sonia Eggerman of MLT Aikins LLP, on behalf of CTK, wrote to Lori Williams, legal counsel for Indian Oil and Gas Canada, that CTK resolves to reject the proposal to amend the lease agreements for natural gas wells on CTK's reserve lands and does not consent and opposes any amendments to the lease agreements. A copy of the letter described in this paragraph is attached hereto as Exhibit "B".
6. I am advised by Sonia Eggerman of MLT Aikins LLP, that Abbey has raised a concern as to whether CTK had sent the Tax Notice for the 2021 property taxes. CTK is presently in the process of determining whether the Tax Notice was properly sent.
7. On November, 23, 2021, Chief and Council passed a Band Council Resolution, a copy of which is attached as Exhibit "C".
8. I make this affidavit in opposition to the application of Abbey and not for any improper purpose.

SWORN (OR AFFIRMED) BEFORE ME at, Regina  
Saskatchewan, this 23 day of November, 2021.

  
A Commissioner for Oaths in Saskatchewan  
My Commission expires: \_\_\_\_\_  
Or being a Solicitor

  
Brady O'Watch (Nov 23, 2021 13:59 CST)

(signature)


#### CONTACT INFORMATION AND ADDRESS FOR SERVICE

##### If prepared by a lawyer for the party:

Name of firm:	MLT Aikins LLP
Name of lawyer in charge of file:	Sonia Eggerman
Address of legal firms:	1500 Hill Centre – 1874 Scarth Street Regina, SK S7P 4E9
Telephone number:	(306) 347-8000
Fax number (if any):	(306) 352-5250
E-mail address (if any):	seggerman@mlyaikins.com
File Number:	139106-21

**MLT AIKINS**  
WESTERN CANADA'S LAW FIRM

This is Exhibit "A" referred to  
in the Affidavit of Chief Brady O'Watch  
sworn before me this 23rd day  
of November, 2021

  
A Commissioner for Oaths for  
Saskatchewan, being a solicitor

MLT Aikins LLP  
1500 - 1874 Scarth Street  
Regina, SK S4P 4E9  
T: (306) 347-8000  
F: (306) 352-5250

**Sonia Eggerman**  
Direct Line: (306) 347-8412  
E-mail: seggerman@mltaikins.com

**Michael W. Marschal**  
Lawyer  
Direct Line: (306) 347-8632  
E-mail: mmarschal@mltaikins.com

November 22, 2021

**VIA EMAIL**

Kevin Hoy  
DLA Piper (Canada) LLP  
Suite 1000, Livingston Place West  
250 2<sup>nd</sup> St SW  
Calgary, AB T2P 0C1

Dear Mr. Hoy

**Re: Abbey Resources Corp – Carry the Kettle Nakoda Nation**  
**File No.: 139106-21**

We write in regard to the proposal provided by Jim Gettis on September 13, 2021 on behalf of Abbey Resources Corp (“Abbey”) to Carry the Kettle Nakoda Nation (“CTK”).

CTK rejects the proposal to amend the lease agreement for natural gas wells on CTK’s reserve lands, and will be advising Indian Oil and Gas Canada (“IOGC”), who are the holders of the leases for the benefit of CTK, that CTK does not consent and opposes any amendments to the lease agreements. CTK expects Abbey to pay what is owed pursuant to the terms of the lease agreements that Abbey voluntarily entered into, and will request that IOGC take enforcement measures permitted at law for any non-payment of post-filing lease payments that become due, which are not protected by the current creditor protection order that Abbey has obtained in the active CCAA proceedings.

Further, Abbey’s 2021 property taxes were due and owing on September 30, 2021 yet remain unpaid. These debts are post-filing debts and are not protected by the creditor protection order that Abbey has obtained in the active CCAA proceedings. **CTK demands immediate payment of the 2021 property taxes.** Should payment not be received, CTK will take enforcement measures as permitted by law to recover the debts, which may include a cancellation of Abbey’s interests in CTK’s reserve lands.

Sincerely,

**MLT AIKINS LLP**

Per:

  
Sonia Eggerman

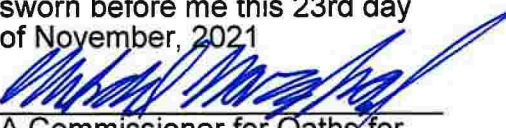
SE:mwm

cc Lori William – IOGC

26805044v1



This is Exhibit "B" referred to  
in the Affidavit of Chief Brady O'Watch  
sworn before me this 23rd day  
of November, 2021

  
A Commissioner for Oaths for  
Saskatchewan, being a solicitor

MLT Aikins LLP  
1500 - 1874 Scarth Street  
Regina, SK S4P 4E9  
T: (306) 347-8000  
F: (306) 352-5250

**Sonia Eggerman**  
Direct Line: (306) 347-8412  
E-mail: [seggerman@mltaikins.com](mailto:seggerman@mltaikins.com)

**Michael W. Marschal**  
Lawyer  
Direct Line: (306) 347-8632  
E-mail: [mmarschal@mltaikins.com](mailto:mmarschal@mltaikins.com)

November 22, 2021

VIA EMAIL

Indian Oil and Gas Canada  
Lori Williams, Counsel  
Prairie Regional Office (Calgary)  
601, 606 4<sup>th</sup> Street, S.W., Calgary, AB T2P 1T1  
Department of Justice/Government of Canada  
[Lori.Williams@justice.gc.ca](mailto:Lori.Williams@justice.gc.ca)

Dear Ms. Williams,

**Re: Carry the Kettle Nakoda Nation – Abbey Resources Corporation**  
**File No.: 139106-21**

We write to you in regards to the outstanding offer of Abbey Resources Corporation (“Abbey”) to amend the surface leases for natural gas wells on Carry the Kettle Nakoda Nation (“CTK”) reserve lands.

As you are aware, on September 13, 2021, Jim Gettis, the principle operator of Abbey made a proposal to amend the lease agreements to reduce the acreage of reserve lands leased. I am advised that my colleague, Michael W. Marschal with our office, previously spoke to you regarding this and it was understood that the best approach would be consider the proposal in conjunction with Indian Oil and Gas Canada (“IOGC”).

Chief and Council have considered the proposal of Abbey, and must reject the proposal and will be advising legal counsel of Abbey of the same. As such, we are advising IOGC that CTK does not support any proposed amendment to the existing lease agreements and would insist that Abbey pay the full amounts owing thereunder.

As we have discussed, presently Abbey is involved in proceedings under the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36 (“CCAA”) and has been granted creditor protection with the present order expiring on November 30, 2021. However, the CCAA is clear that the creditor protection provided under such proceedings only extends to pre-filing debts. Any debts accruing post filing must be paid in the ordinary course as they become due (section 19(1)).

Since the filing in the CCAA proceeding, Abbey has failed to make payment of the 2021 property taxes owing, which were due on September 30, 2021. CTK intends to take further enforcement action as permitted by the Carry the Kettle First Nation Property Assessment & Taxation By-law No. 1-2003.



# MLT AIKINS

WESTERN CANADA'S LAW FIRM

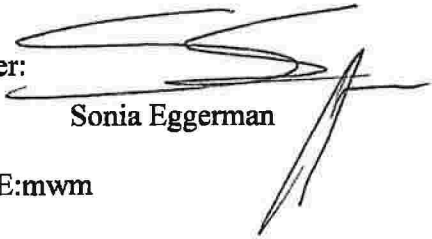
Our office is aware that further payment of annual lease payments will be or have come due since the filing under the CCAA. CTK would like to know whether these payments have been made in full since the filing; and if not, CTK would like to know what enforcement measures IOGC is permitted and intends to take against Abbey as a result.

Ultimately, Chief and Council are of the view that they have given Abbey enough leniency and would like they to ensure payment in full of the amounts owing to CTK, failing which CTK would like to see Abbey removed from CTK's reserve lands immediately.

Sincerely,

MLT AIKINS LLP

Per:

  
Sonia Eggerman

SE:mwm

**BAND COUNCIL RESOLUTION**

Note: The words "from our Band funds" "capital" or "revenue" whichever is the case, must appear in all resolutions requesting expenditures from Band Funds

The council of the: <b>Carry The Kettle First Nation</b>					Cash free balance
Date of duly convened meeting:	Day 23	Mo. 11	Year 2021	Province Sk	Capital account \$ _____
					Capital Account \$ _____

**WHEREAS:** at a duly convened meeting of the **Carry the Kettle Nakoda First Nation #76 Band Council** on the 23 day of **November, 2021** request the following;

**THEREFORE BE IT RESOLVED :** Carry The Kettle First Nation gives notice to Abbey Resources to cease all operations on Carry The Kettle First Nation Cypress Hills Reserve Lands and serves 14 days eviction notice on the said properties. Abbey Resources has not lived up to its obligations to the nation"

This is Exhibit "C" referred to in the Affidavit of Chief Brady O'Watch sworn before me this 23rd day of November, 2021

*[Signature]*  
 A Commissioner for Oaths for Saskatchewan, being a solicitor

**Quorum:** 4  
*[Signature]*  
 Councillor  
 \_\_\_\_\_  
 Councillor

*[Signature]*  
 Chief

\_\_\_\_\_  
 Councillor  
*[Signature]*  
 Councillor  
 \_\_\_\_\_  
 Councillor  
*[Signature]*  
 Councillor

FOR DEPARTMENT USE ONLY											
Expenditure	Authority (Indian Act Sec.)	Source of Funds				Expenditure	Authority (Indian Act Sec.)	Source of Funds			
		Capital	Revenue					Capital	Revenue		
_____ Recommending Officer					_____ Recommending Officer						
_____ Signature					_____ Signature						
_____ date					_____ Date						
_____ Approving Officer					_____ Approving Officer						
_____ Signature					_____ Signature						
_____ Date					_____ Date						