

COURT FILE NUMBER Q.B. No. 733 of 2021

COURT OF QUEEN'S BENCH FOR SASKATCHEWAN

IN BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE SASKATOON

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 PROPOSED PLAN OF ARRANGEMENT FOR THE
CREDITORS OF ABBEY RESOURCES CORP. (THE "APPLICANT")**

AFFIDAVIT OF MUNIR JIVRAJ

I, Munir Jivraj, of the City of Calgary, in the Province of Alberta, make oath and say as follows:

1. I am Manager of Royalty, Royalty Unit, Indian Oil and Gas Canada (IOGC), and as such, I have personal knowledge of the facts and matters.
2. IOGC is a special operating agency within Indigenous Services Canada and it manages and regulates oil and gas resources on designated First Nation lands. In particular, IOGC manages the oil and gas resources on the reserve land of Carry the Kettle First Nation (CTK).
3. Since entering into a stay of proceedings on August 13, 2021, Abbey Resources Corp. (Abbey Resources) it is still actively extracting and selling gas from CTK reserve lands.
4. Abbey Resources has already made royalty payments for August 2021 and September 2021 production. However, royalty payments from November 2021 and December 2021 production months are still outstanding. Given Abbey Resources' financial status, IOGC is concerned for the monies owed to CTK.

5. Currently, the *Indian Oil and Gas Regulations*, SOR/2019-196 (*IOGR*) allow for royalties to be paid three months after the gas has been extracted.
6. Abbey Resources is responsible for calculating royalties payable to IOGC. This calculation is based upon volume of gas produced and reference price. As a practical matter and out of concern for CTK, it is possible for Abbey Resources to pay estimated royalties within one month of the gas being extracted.
7. Prior to its amendment in 2019, the *IOGR* required royalty payments to be made within one month of the extraction of the gas. When gas is extracted, the volume is immediately measured digitally at the wellhead. It is then immediately transported from the wellhead to the processing facility or purchaser where it is then sold. Abbey Resources, therefore, has knowledge of the reference price, sales and production volumes, and other factors included in the calculation of royalty very shortly after it has extracted the gas.
8. Alternatively, on a monthly basis, Abbey Resources can apply the three-month weighted average price to determine the estimated royalty obligation for the month following production, given the principles of the self-assessment royalty process. After the royalty assessment process is completed, Abbey Resources can finalize and reconcile any payment deficiencies.
9. I make this Affidavit in support of the IOGC's position that Abbey Resources be required to make royalty payments monthly.

[Signature page follows.]

Sworn before me at the City of Calgary, in)
the Province of Alberta, this day of January,)
2022 19)
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Commissioner for Oaths for
the Province of Alberta
My appointment expires:
Or being a Solicitor



Munir Jivraj

I, Kiran Fatima, certify that Munir Jivraj has satisfied
me that he was the person entitled to affirm this affidavit.

CONTACT INFORMATION AND ADDRESS FOR SERVICE

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