

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**

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

NOTICE OF APPLICATION
(Re: Application for Initial Order)

NOTICE TO THE RESPONDENT

This application is made against you. You are a respondent.

You have the right to state your side of this matter before the Court. To do so, you must be in Court when the application is heard as shown below:

Where	Court of Queen's Bench 520 Spadina Crescent East, Saskatoon Saskatchewan
Date	Tuesday, July 20, 2021
Time	10:00. A.M.

Due to the health risks posed by the COVID-19 pandemic, all chambers applications will be heard by telephone unless the presiding judge has decided otherwise. To confirm the telephone number where you can be reached on the date of the application, you must immediately contact the office of the local registrar at (306) 933-5135 and provide your telephone number. You must remain available by telephone at that number on that date until your matter is heard.

Go to the end of this document to see what you can do and when you must do it.

**APPLICATION FOR INITIAL ORDER AND OTHER RELIEF PURSUANT TO THE *COMPANIES'*
*CREDITORS ARRANGEMENT ACT***

1. The Applicant, Abbey Resources Corp., seeks an Order pursuant to sections 11, 11.02, 11.03, 11.1, 11.7, 11.51, and 11.52 of the *Companies' Creditors Arrangement Act*, RSC 1985 c C-36, (the "**CCAA**") and the inherent jurisdiction of this Honourable Court, substantially in the form of the draft CCAA Initial Order filed herewith:

- a. declaring that the Applicant is a “company” within the meaning of section 2(1) of the CCAA to whom the CCAA applies;
 - b. staying all proceedings taken or that might otherwise be taken in respect of the Applicant under the *Bankruptcy and Insolvency Act*, RSC, 1985, c B-3, or the *Winding-up and Restructuring Act*, RSC, 1985, c W-11, for an initial period of 10 days;
 - c. restraining further proceedings in any action, suit or proceeding against the Applicant for an initial period of 10 days;
 - d. prohibiting the commencement of any action, suit or proceeding against the Applicant for an initial period of 10 days;
 - e. prohibiting the commencement or continuation of actions against James Gettis (“**Gettis**”), the director of the Applicant, for debts of, or claims against, the Applicant for which Gettis may be liable at law in his capacity as a director of the Applicant;
 - f. appointing MNP Ltd. (the “**Proposed Monitor**”) as “monitor” within the meaning of section 11.7(1) of the CCAA to monitor the business and financial affairs of the Applicant in these proceedings;
 - g. granting a first-priority interest or charge under section 11.52 of the CCAA over the real and personal property of the Applicant to secure the professional fees of the Applicant’s counsel, the Proposed Monitor, and counsel for the Proposed Monitor in the amount of \$250,000; and
 - h. providing such further and other relief that Court may deem appropriate or necessary.
2. The Applicant’s grounds for making this Application are as follows:
- a. the Applicant is a company within the meaning of section 2(1) of the CCAA;
 - b. the Applicant is an insolvent company whose total liabilities exceed \$5,000,000 and, therefore, fall within the ambit of section 3(1) of the CCAA;
 - c. the Applicant’s chief place of business in Saskatchewan. Saskatchewan is, therefore, the appropriate jurisdiction in which to commence CCAA for the within Application pursuant to section 9(1) of the CCAA;
 - d. section 11.02(1) of the CCAA provides the Court with the discretionary authority to stay, restrain and prohibit the procession or commencement of actions or potential actions against applicant debtors so as to facilitate the making of a compromise or arrangement to enable debtor applicants in CCAA proceedings to carry on business until the Court has had the opportunity to review a proposed compromise or

arrangement. The Applicant is presently unable to satisfy its debts as they become due and therefore requires time to restructure its financial affairs so as that it may continue to carry on business as a going concern. The granting of such relief pursuant to section 11.02(1) will further the Applicant's efforts towards the reorganization of its business and financial affairs, such that it may continue to carry on business in the future;

- e. section 11.03(1) of the CCAA provides that the Court may include in an Initial Order made pursuant to 11.02(1) of the CCAA an Order prohibiting the commencement or continuation of actions against a director of a debtor applicant for debts arising prior to the commencement of CCAA proceedings, provided that the director may be liable under any law in his capacity as a director for the payment of such debts. Gettis bears theoretical personal liability for debts of the Applicant pursuant to, *inter alia*, section 2-68 of *The Saskatchewan Employment Act*, SS, 2013, c S-15.1, section 112(4) of Alberta's *Employment Standards Code*, RSA, 2000, and c E-9, and, section 227.1(1) of the *Income Tax Act*, RSC, 1985, c 1. Gettis is, therefore, eligible to receive temporary creditor protection pursuant to section 11.03(1) of the CCAA;
 - f. section 11.51(1) provides that the Court may, on notice to secured creditors likely to be affected, grant a charge in favour any director or officer of a debtor application to indemnify the director or officer against liabilities they may incur as a director or officer subsequent to the commencement of CCAA proceedings; and
 - g. section 11.52(1) provides that the Court may, on notice to secured creditors likely to be affected, grant a charge in favour of the professionals engaged to assist the company with its restructuring in CCAA proceedings.
3. The Applicant's summary of the material facts is as follows:
- a. the Applicant is a natural resources company and is in the business of natural gas extraction and sales;
 - b. the Applicant's assets chiefly consist of 2,363 natural gas wells located within the vicinity of Swift Current, Saskatchewan, and equipment used in connection with natural gas extraction;
 - c. the Applicant is indebted to various creditors for amounts in excess of \$5,000,000;
 - d. the Applicant's current level of cash flow is insufficient to allow it to meet its financial obligations as they become due;
 - e. ongoing and potential future enforcement actions taken by various creditors will jeopardize the Company's ability to continue to carry on business as a going concerns;
 - f. the Applicant wishes to explore options for a compromise or arrangement with its

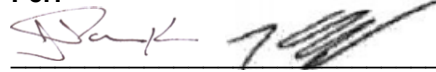
various creditors so as to enable it to emerge from these proceedings able to carry on business as a going concern; and

- g. MNP Ltd. has consented to act as Monitor in these proceedings.
4. The Applicant relies on the following materials in support of its Application:
- a. Notice of Application;
 - b. Affidavit of James Gettis, dated July 13, 2021;
 - c. Consent of MNP Ltd. to act as Monitor;
 - d. Draft CCAA Initial Order, including a copy of such draft order redlined against the Saskatchewan Template CCAA Initial Order;
 - e. Brief of Law (to be filed);
 - f. Service List; and
 - g. Such further and other material as counsel may advise and the Court may allow.

DATED at Edmonton, Alberta, this 13th day of July, 2021.

DLA PIPER (CANADA LLP)

Per:



Jerritt R. Pawlyk and Kevin N. Hoy,
Counsel to Abbey Resources Corp.

CONTACT INFORMATION AND ADDRESS FOR SERVICE

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