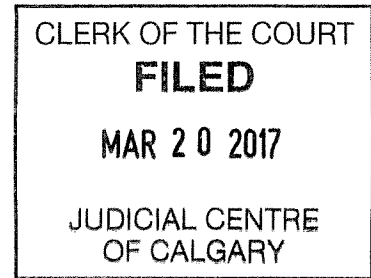


Clerk's stamp:



COURT FILE NUMBER	1501-12220
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
APPLICANT	ALBERTA TREASURY BRANCHES
RESPONDENT	COGI LIMITED PARTNERSHIP, CANADIAN OIL & GAS INTERNATIONAL INC., CONSERVE OIL GROUP INC. AND CONSERVE OIL 1 <sup>ST</sup> CORPORATION
DOCUMENT	<u>SIXTH REPORT OF THE RECEIVER</u>
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	G. Brian Davison, Q.C. DLA Piper (Canada) LLP, 250 2 <sup>nd</sup> Street SW, Suite 1000 Livingston Place West Calgary, AB T2P 0C1 Phone: 403-294-3590 Fax: 403-776-8864 E-mail: brian.davison@dlapiper.com File No. 16155-00002

**APPENDICES**

- APPENDIX A:** Cushman & Wakefield Lamont Lands Sale Status Reports
- APPENDIX B:** Offer to Purchase and Interim Agreement
- APPENDIX C:** Statement of Receipts and Disbursements for the Period ending February 28, 2017

## INTRODUCTION AND BACKGROUND

1. MNP Ltd. (the "**Receiver**") was appointed as Receiver and Manager of COGI Limited Partnership ("**COGI LP**"), Canadian Oil & Gas International Inc. ("**COGI Inc.**") and Conserve Oil Group Inc. ("**Conserve**") (collectively "**COGI**" or the "**Company**") pursuant to an October 26, 2015 Court of Queen's Bench of Alberta Order (the "**Receivership Order**").
2. MNP was further appointed Receiver of the assets and undertakings of Conserve Oil 1st Corporation ("**COC1**") on January 6, 2016.
3. COGI LP is a limited partnership pursuant to the laws of the province of Alberta. COGI Inc. is the general partner of COGI LP. The limited partners of COGI LP represent between 14,000 and 18,000 German investors.
4. The only business of COGI Inc. is as general partner of COGI LP and to hold title to various assets for the benefit of COGI LP.
5. Conserve is a private company and the 100% shareholder of COGI Inc. as well as several other companies.
6. This is the Receiver's sixth report to the Court (the "**Sixth Report**" and each a "**Report**") which should be read in conjunction with the Receiver's prior Reports. Capital terms not defined in this Sixth Report are as defined in prior Reports or the Receivership Order. All references to currency are in Canadian dollars unless otherwise stated.
7. In preparing the Sixth Report and making comments herein, the Receiver has been provided with, and has relied upon, certain unaudited, draft and/or internal financial information of COGI, the books and records of COGI, and information from other third-party sources (collectively, the "**Information**"). The Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with generally accepted assurance standards or other standards established by the Chartered Professional Accountants of Canada.
8. Copies of the relevant documents relating to these proceedings are available on the Receiver's website at [www.mnpdebt.ca/cogi](http://www.mnpdebt.ca/cogi).

## PURPOSE OF THE REPORT

9. The purpose of the Sixth Report is to provide this Honourable Court with an update as to the Receiver's activities, including the Receiver's comments and information in respect of:
  - (i) Activities of the Receiver since the date of the Fifth Report; and
  - (ii) Information in support of the Receiver's application for approval of the sale of approximately 304.9 acres of land located in Lamont County, Alberta (the "**Lamont Lands**").

### ACTIVITIES OF THE RECEIVER

10. Since its last Report, the Receiver has:
- (i) Together with its consultant Niven Fischer, continued to operate the oil and gas properties of COGI;
  - (ii) Managed the Company's oil and gas assets.
  - (iii) Pursued a material accounts receivable via court application;
  - (iv) Subject to the approval of the Court, negotiated a sale of the Lamont Lands;
  - (v) Negotiated a settlement of a claim, backed by mortgage security, against the Lamont Lands;
  - (vi) Monitored the status of the COC1 note receivable;
  - (vii) Initiated work on oil and gas recompletion opportunities; and
  - (viii) Held further discussions and negotiations with Proven Oil Asia Ltd. and Arrow Point Oil & Gas Ltd. regarding outstanding material receivables.

### SALE OF THE LAMONT LANDS

11. As stated, the Receiver has negotiated a sale of the Lamont Lands. The COGI LP December 31, 2014 Statement of Financial Position includes the Lamont Lands as an asset described as "Real estate held for future development" at \$4,870,000.
12. The registered owner of the Lamont Lands is Canadian Heartland Lamont Ltd. ("**Canadian Heartland**"). Canadian Heartland holds the Lamont Lands in trust for COGI LP as beneficial owner pursuant to a Bare Trust Agreement dated July 12, 2012.
13. The Receiver listed the Lamont Lands for sale with the commercial real estate firm of Cushman & Wakefield ("**Cushman**") on February 22, 2016. The initial listing price was \$7,927,400 (or \$26,000 per acre), based on Cushman's December 18, 2015 Opinion of Value of the Lamont Lands.
14. Cushman has reported its marketing initiatives related to the Lamont Lands to the Receiver. Copies of the Cushman Sale Status Reports dated March 2016, July 2016, September 2016, and February 2017 are attached to this Report as **Appendix "A"**.
15. Cushman marketed the Lamont Lands by, among other things:
- (i) Posting signage on site at the Lamont Lands facing Highway 15;
  - (ii) Posting the property on Cushman's website;
  - (iii) Developing and distributing a brochure for circulation;



- (iv) Conducting a direct email marketing campaign to 875 contacts on Cushman's Master Investment Database;
  - (v) Determining a top prospects list of 250 contacts, with multiple follow ups after reductions to the Lamont Lands' listing price;
  - (vi) Conducting targeted phone calls to approximately 500 Landlords in the Lamont County region; and
  - (vii) Tracking comments from above contacts for review of market conditions.
16. Based on its marketing efforts, and comparable properties listed in the area, Cushman concluded that the market for the Lamont Lands was extremely limited through most of 2016. The Receiver contacted a separate commercial realtor servicing Lamont County, who confirmed Cushman's general view of the real estate market in that area, and specific expectations for the Lamont Lands.
17. The listing price of the Lamont Lands was reduced to \$5,945,550 (or \$19,500 per acre) on June 7, 2016, and then to \$4,573,500 (or \$15,000 per acre) on September 26, 2016.
18. The Receiver was presented with three offers over the period that the Lamont Lands were listed for sale. The first offer was for a small portion of the Lamont Lands at \$10,000 per acre. The second offer was for the entirety of the Lamont Lands at \$8,000 per acre. The Receiver attempted to negotiate the terms related to the first two offers, however was not able agree to terms on a sale of the full Lamont Lands.
19. The Receiver, as vendor (the "**Vendor**"), negotiated the terms of a sale of the Lamont Lands with regards to an offer from Five River Group Inc. (the "**Purchaser**"), and agreed to the terms included in the Offer to Purchase and Interim Agreement (the "**Purchase Agreement**") on or about January 27, 2017, a copy of which is attached hereto as **Appendix "B"**. The agreed purchase price for the Lamont Lands is \$2,591,650 (or \$8,500 per acre).
20. The Purchaser removed its Conditions Precedent under the Purchase Agreement on February 22, 2017. Pursuant to the terms of the Purchase Agreement, the Vendor's Conditions Precedent are to be removed 30 days after the removal of the Purchaser's conditions or as soon thereafter as the Vendor is able to secure time on the Commercial List of the Court of Queen's Bench in Calgary.
21. The Vendor's Conditions Precedent include:
- (i) Obtaining a Sale Approval and Vesting Order from the Court of Queen's Bench of Alberta, in a form acceptable to the Vendor, which will:
    - (i) Approve the offer to purchase included in the Purchase Agreement; and
    - (ii) Vest the Lamont Lands and the Lease Interests in the Purchaser on Closing and on payment of the Purchase Price, free and clear of any and all mortgages, liens, encumbrances or adverse claims save and except for the Permitted Encumbrances (as those capitalized terms are defined in the Purchase Agreement);

- A. Making arrangements satisfactory to the Vendor in its sole discretion with respect to the discharge of the mortgage currently registered against the Certificate of Title to the Lamont Lands as instrument no 152 278 273 (the "**Mortgage**"); and
- (ii) Providing a direction to Canadian Heartland, pursuant to the terms of the Bare Trust Agreement to execute all necessary documents in connection with the sale of the Lamont Lands and obtaining the same.
22. The Mortgage was granted by COGI LP in favour of Summer Green Corporation ("**Summer Green**") in August 2015, related to an debenture of \$2,500,000 granted shortly before COGI entered protection under the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36.
23. The Receiver has investigated the circumstances surrounding the granting of the Mortgage and underlying debenture and has negotiated a settlement with Summer Green for the release of the Mortgage, payable from the proceeds of the Lamont Lands sale. COGI's secured creditor, Alberta Treasury Branches, has been advised and is in support of the settlement of the Mortgage.
24. The Receiver is expecting to realize approximately \$2,000,000 for the receivership from the sale of the Lamont Lands, after the payment of the Summer Green settlement, realtor commission, applicable taxes, and other standard costs and adjustments to a sale of real property.
25. The Receiver has obtained an executed Power of Attorney from Canadian Heartland, allowing the Receiver to execute all necessary documents in connection with the sale of the Lamont Lands.
26. The Receiver is of the view that the Lamont Lands have been extensively marketed over the last 11 months, and the agreed terms included in the Purchase Agreement are a reasonable realization on this asset given the current real property market in the Lamont County area.
27. The Receiver requires the Court's approval to be able to remove its conditions to the Purchase Agreement, and close the sale of the Lamont Lands.

#### **INTERIM RECEIPTS AND DISBURSEMENTS**

28. Attached hereto as **Appendix "C"** is a copy of the Receipts and Disbursements Statement for the period ending January 31, 2017.

**CONCLUSION**

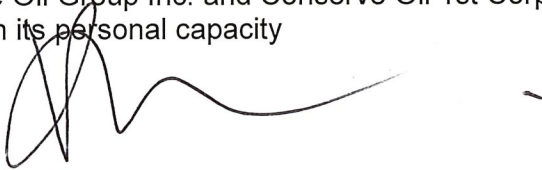
29. Based upon the foregoing the Receiver seeks the Court's approval for the following;

- (i) The activities of the Receiver with respect to the Lamont Lands; and
- (ii) An order approving the sale of, and vesting in the Purchaser, the Lamont Lands in accordance with the Purchase Agreement.

All of which is respectfully submitted this 17 day of March, 2017.

**MNP Ltd.**

In its capacity as Receiver-Manager of  
COGI Limited Partnership, Canadian Oil & Gas International Inc.,  
Conserve Oil Group Inc. and Conserve Oil 1st Corporation  
and not in its personal capacity



Per: Victor P. Kroeger, CIRP, LIT, CPA, CA, CFE  
Senior Vice President

**RECEIVERSHIP OF COGI  
SIXTH REPORT OF THE RECEIVER**

**APPENDIX "A"**

**Cushman & Wakefield Lamont Lands Sale Status Reports**



**LAMONT COUNTY HEARTLAND INDUSTRIAL LANDS**  
 Highway 15 & Range Road 201  
 Lamont County, Alberta  
**SALE STATUS REPORT**  
 February, 2017

**PROJECT DETAILS**

304.90 Acres Heartland Industrial Zoned Land

**A. ACTIVE PROSPECTS**

PROSPECT	COMMENTS
Five River Group Inc.	<p>Jan 27, 2017: Conditionally accepted written Offer to Purchase for \$2,591,650 (\$8500/Acre) for entire lands, 30 day conditions which have been satisfied and waived on February 23<sup>rd</sup>, Closing Date May 3<sup>rd</sup> (to be amended to April 13<sup>th</sup>) total non-refundable deposits upon unconditional acceptance \$250,000.</p> <p>Jan 26, 2017: Purchaser counter at \$2,591,650 (\$8500/Acre) and accepting Purchaser condition period of 30 days and first deposit of \$50,000 and second deposit of \$200,000.</p> <p>Jan 25, 2017: Vendor counter offer submitted at \$2,744,100 (\$9000/Acre) with Purchaser Condition period of 30 days with closing date of May 3<sup>rd</sup>, 2017. First Deposit of \$50,000 and second deposit of \$200,000.</p> <p>Jan 18, 2017: Written offer submitted at \$2,439,200.00 (\$8000/Acre) with Purchaser condition period of 60 days with closing date of May 3<sup>rd</sup>, 2017. First deposit of \$25,000 and second deposit of \$50,000.</p>
Harold Jahn, Prosperity Investments LLC	<p>Dec 21, 2016: Vendor Counter Offer at \$3,049,000 (\$10,000/Acre) and offer was subsequently rescinded by Purchaser.</p> <p>Nov 9<sup>th</sup>, 2016: unconditional cash offer for \$2,439,200.00 (\$8,000/Acre) for entire lands, March 1, 2017 closing date, \$100,000 non-refundable deposit.</p>
Global Advisory Services Inc.	<p>Dec 8<sup>th</sup>, 2016: Submitted offer directly to MNP Ltd. Contemplating assumption of mortgage registered on title by Summer Green Corporation at a purchase price of \$2,800,000 (\$9183.33/Acre). MNP suspicions about legitimacy of offer and was arranged by principal in receivership and assuming potentially fraudulent mortgage.</p>

PROSPECT	COMMENTS
Alberta Midland Rail Terminal	Communicated interest in placing an offer on all 304.90 acres. Update: CW met with AMRT in Calgary Late October 2016, no progress on a potential offer.  Interested only in 26.81 Acre parcel they have an easement on.
Prahbjot Lamba	Went and drove the site again with CW in November – not willing to present offer.
Sunnyside Group	Toured the site with CW in November, contemplated writing offer – ultimately did not write offer.
Symmetry Asset Management	Assembling land in region through options/acquisitions and shown interest in subject lands. Interest has not progressed, unlikely to present offer.
MacLab Enterprises	CW met November 9 <sup>th</sup> , 2016, not willing to present offer.
Sureway Construction Group	Interest decreasing, potentially interested at farmland valuation roughly \$4000/acre
Remington Group	Limited interest.

## B. MARKETING ACTIVITIES

### DECEMBER 2016/JANUARY 2017

1. Worked to further interest of groups contemplating and submitting offers
2. Presented Vendor Counter to Prosperity Investments LLC at \$10,000/acre for entire lands which was rejected by the Purchaser
3. Obtained Conditional Acceptance on offer from Five River Group Inc. at \$8,500/Acre for entire lands
4. Continued marketing in Western Investor magazine and online on CW website.

### OCTOBER/NOVEMBER 2016

1. Revised List Price to \$15,000/Acre;
2. Direct email marketing with revised list price to stake holders in region and groups that had previously showed interest in the lands
3. Targeted calls to previously interested parties to discuss revised pricing;
4. Met with principals of AMRT and Archie Timmerman – no progress on offer has been made since
5. Met with Maclab Enterprises – no progress on offer has been made, unlikely to offer
6. Received verbal offer from Prosperity Investments LLC at \$8,000/acre for entire lands
7. Continued marketing in Western Investor magazine and online on CW website.

### SEPTEMBER 2016

1. Email marketing campaign to stake holders in region and general investment community of Edmonton;
2. Meeting with Manager of Economic Development for Lamont County;

3. Targeted calls to Landlords in Region that CW has not previously contacted; and
4. Continued marketing in Western Investor magazine and online on CW website.

### C. MARKETING CONTACT DATABASE

LIST	COMMENTS
Master Investment List	875 Contacts (To date)
Owner/User	250 Contacts (To date)
Targeted Phone Blitz Campaign	500 Contacts (To date)

### D. DISQUALIFIED

PROSPECT	COMMENTS
Terry Jones	No longer interested.
GKC Financial	No longer interested.
Walton International Group	No longer interested, price too high
Cenovus	No longer interested.
Haliburton	Not purchasing land at this time, selling land owned in Nisku.
Bruno Mastroprimiano	No longer Interested, looking for more immediately developable land
Panattoni Development Corporation	Recently made large acquisition in Acheson not looking for additional land
Oxford Properties Group	Land is too far out from being developed
Alberta Investment Management Corp (AIMCo)	Not enough income in place
Amnor Group	Not enough income in place
Melcor Developments Ltd.	Would require prospective tenant or subdivided lot purchasers
Urban Life Management	Looking for different asset class

#### Comments:

- NAI Edmonton has 143 acres available for purchase directly East of the town of Lamont approx. 5 kilometers from our lands zoned AG (designated light industrial) previously listed at \$1,750,000 (\$12,237.76/Acre) recently reduced to \$1,450,000 (\$10,000/Acre).

- CW Edmonton has 526 acres of future industrial land available for purchase also through receivership in the Horse Hills area (between Edmonton and Lamont County) whose price was recently reduced from \$56,813/Acre to \$48,291 per acre. **UPDATE: LENDER HAS REDEEMED**

**LAMONT COUNTY HEARTLAND INDUSTRIAL LANDS**  
 Highway 15 & Range Road 201  
 Lamont County, Alberta  
**SALE STATUS REPORT**  
 March 24, 2016

**PROJECT DETAILS**

304.90 Acres Heartland Industrial Zoned Land

**A. ACTIVE PROSPECTS**

PROSPECT	COMMENTS
Sureway Construction Group	Recently Acquired #10, #11 on Comparables Map Info sent, Discussed in Length Asked to Confirm Debt on Lands Pricing Expectations well below Asking Price
Alberta Midland Rail Terminal	Own Land directly N of Parcel 1 Info sent, Discussed in Length, reviewing opportunity
Terry Jones	Recently Acquired #5 on Comparables Map Info sent, Discussed in Length, Reviewing Opportunity Pricing Expectations well below Asking Price
Cenovus	Recently Acquired Canexus Nato Rail Terminal, Info Sent, Reviewing Opportunity
Atco Group	Recently Acquired #1 on Comparables Map Info Sent, Reviewing Opportunity
Remington Group	Info sent, meeting completed, Reviewing Opportunity
Bruno Mastroprimiano	Info sent, meeting scheduled to discuss in detail
Prabhjot Lamba	Info Sent, Conference Call Completed, Reviewing Opportunity
Providence Grain	Info sent, Reviewing Opportunity
Tervita	Info sent, Reviewing Opportunity
MacLab Enterprises	Info Sent, Conference Call & Meeting Completed, Reviewing Opportunity

**B. MARKETING ACTIVITIES**

**MARCH 2016**

1. Direct E-mail marketing campaign to Constant Contacts Master Investment Database (853 Contacts) ;
2. Installed Double-Sided For Sale Sign facing Highway 15 on Parcel 1;
3. Brochure designed, and posted on our website;
4. Gathered a top prospects list according to suitability to be used for owner/user;
5. Direct Email to owner/user prospects;
6. Targeted calls to Landlords in Region;
7. Added Property to Cushman & Wakefield Advertisement in the Western Investor magazine.
8. Introduced Property to Lamont County Business Development Officer

**C MARKETING CONTACT DATABASE**

LIST	COMMENTS
Master Investment List	853 Contacts (March 2016)
Owner User Investment List	100 Contacts (March 2016)
Targeted Phone Blitz Campaign	124 Contacts (March 2016)

**D. DISQUALIFIED**

PROSPECT	COMMENTS
Panattoni Development Corporation	Recently made large acquisition in Acheson not looking for additional land
Oxford Properties Group	Land is too far out from being developed
Alberta Investment Management Corp (AIMCo)	Not enough income in place
Amnor Group	Not enough income in place
Melcor Developments Ltd.	Would require prospective tenant or subdivided lot purchasers
Urban Life Management	Looking for different asset class

**Comments:**

- Meeting with Lamont County occurred March 2016 regarding marketing the properties, zoning, MIACC requirements confirmation, servicing locations, Heavy Load Corridor highways.

-Subsequent phone calls with Lamont County and service providers in the County

- Awaiting confirmation from MNP for Survey Plan of subject properties with location of services and encumbrances on Title & other reports such as Geotechnical and Environmental reports.

-Following consistent feedback from Investors & Owner/User Investors on the subject property:

1. Good Piece of Land with excellent access to rail line.
2. Large Acreage and Price Acquisition at this time due to the market conditions and economic environment
3. No shortage of Land Opportunities within Lamont County, Industrial Heartland & Greater Northern Alberta Region
4. Very hard for any potential purchaser to write an unconditional offer without survey plan, Geotechnical & Environmental reports provided.



**LAMONT COUNTY HEARTLAND INDUSTRIAL LANDS**  
 Highway 15 & Range Road 201  
 Lamont County, Alberta  
**SALE STATUS REPORT**  
 July 22, 2016

**PROJECT DETAILS**

304.90 Acres Heartland Industrial Zoned Land

**A. ACTIVE PROSPECTS**

PROSPECT	COMMENTS
Alberta Midland Rail Terminal	Communicated interest in placing an offer on all 304.90 acres. Continuously following up to further this interest and produce an offer.
Symmetry Asset Management	Assembling land in region through options/acquisitions and shown interest in subject lands. Decision maker on holidays until mid August, CFO and COO currently reviewing opportunity.
MacLab Enterprises	Modest interest remains, reviewing price reduction.
Prabhjot Lamba	Interest, reviewing price reduction.
Sureway Construction Group	Interest at \$5,000 Per Acre.
Remington Group	Limited interest, reviewing price reduction.
Terry Jones	Limited interest, reviewing price reduction.
GKC Financial	Limited interest, reviewing price reduction.

**B. MARKETING ACTIVITIES**

**JULY 2016**

1. Revised List Price to \$19,500/Acre;
2. Email marketing campaign with revised list price to Master Investment Database (875 contacts)
3. Direct email marketing with revised list price to stake holders in region and groups that had previously showed interest in the lands;
4. Targeted calls to previously interested parties to discuss revised pricing;
5. Targeted calls to Landlords in Region that CW has not previously contacted; and
6. Continued marketing in Western Investor magazine and online on CW website.

**C MARKETING CONTACT DATABASE**

LIST	COMMENTS
Master Investment List	875 Contacts (July 2016)
Owner/User	115 Contacts (July 2016)
Targeted Phone Blitz Campaign	325 Contacts (July 2016)

**D. DISQUALIFIED**

PROSPECT	COMMENTS
Walton International Group	No longer interested, price too high
Cenovus	No longer interested.
Haliburton	Not purchasing land at this time, selling land owned in Nisku.
Bruno Mastroprimiano	No longer Interested, looking for more immediately developable land
Panattoni Development Corporation	Recently made large acquisition in Acheson not looking for additional land
Oxford Properties Group	Land is too far out from being developed
Alberta Investment Management Corp (AIMCo)	Not enough income in place
Amnor Group	Not enough income in place
Melcor Developments Ltd.	Would require prospective tenant or subdivided lot purchasers
Urban Life Management	Looking for different asset class

**Comments:**

- NAI Edmonton has 143 acres available for purchase directly East of the town of Lamont approx. 5 kilometers from our lands zoned AG (designated light industrial) previously listed at \$1,750,000 (\$12,237.76/Acre) recently reduced to \$1,450,000 (\$10,000/Acre).
- CW Edmonton has 526 acres of future industrial land available for purchase also through receivership in the Horse Hills area (between Edmonton and Lamont County) whose price was recently reduced from \$56,813/Acre to \$48,291 per acre
- Best lead continues to be Alberta Midland Rail Terminal, will continue to solicit new groups and market to groups that have shown previous interest
- Feedback from investors generally not enough income in place/appeal to lands to warrant investing considerable amount of capital into the lands at this time until more activity in region or price continues to drop
- Difficult to connect with decision makers at this time due to summer holidays

**LAMONT COUNTY HEARTLAND INDUSTRIAL LANDS**

Highway 15 & Range Road 201

Lamont County, Alberta

**SALE STATUS REPORT**

September, 2016

**PROJECT DETAILS**

304.90 Acres Heartland Industrial Zoned Land

**A. ACTIVE PROSPECTS**

PROSPECT	COMMENTS
Alberta Midland Rail Terminal	Communicated interest in placing an offer on all 304.90 acres. Update: CW has called numerous times over previous 4 weeks without receiving a return call.
Symmetry Asset Management	Assembling land in region through options/acquisitions and shown interest in subject lands. Update: CEO still has not returned from holidays – spoke with executive assistant early September who spoke to CEO while out of office who asked to re-send marketing materials and is reviewing.
MacLab Enterprises	Modest interest remains, reviewing price reduction. Update: CW meeting with MacLab mid September to discuss.
Prabhjot Lamba	Low Interest, primary interest is revenue generating assets.
Sureway Construction Group	Interest at \$5,000 Per Acre.
Remington Group	Limited interest.

**B. MARKETING ACTIVITIES**

**SEPTEMBER 2016**

1. Email marketing campaign to stake holders in region and general investment community of Edmonton;
2. Meeting with Manager of Economic Development for Lamont County;
3. Targeted calls to Landlords in Region that CW has not previously contacted; and
4. Continued marketing in Western Investor magazine and online on CW website.

**JULY 2016**

1. Revised List Price to \$19,500/Acre;
2. Direct email marketing with revised list price to stake holders in region and groups that had previously showed interest in the lands;
3. Targeted calls to previously interested parties to discuss revised pricing;
4. Targeted calls to Landlords in Region that CW has not previously contacted; and

5. Continued marketing in Western Investor magazine and online on CW website.

### C MARKETING CONTACT DATABASE

LIST	COMMENTS
Master Investment List	875 Contacts (Sept + July 2016)
Owner/User	145 Contacts (Sept + July 2016)
Targeted Phone Blitz Campaign	350 Contacts (Sept + July 2016)

### D. DISQUALIFIED

PROSPECT	COMMENTS
Terry Jones	No longer interested.
GKC Financial	No longer interested.
Walton International Group	No longer interested, price too high
Cenovus	No longer interested.
Haliburton	Not purchasing land at this time, selling land owned in Nisku.
Bruno Mastroprimiano	No longer Interested, looking for more immediately developable land
Panattoni Development Corporation	Recently made large acquisition in Acheson not looking for additional land
Oxford Properties Group	Land is too far out from being developed
Alberta Investment Management Corp (AIMCo)	Not enough income in place
Amnor Group	Not enough income in place
Melcor Developments Ltd.	Would require prospective tenant or subdivided lot purchasers
Urban Life Management	Looking for different asset class

#### Comments:

- Will continue to solicit new groups and follow up with groups that have previously shown interest.
- NAI Edmonton has 143 acres available for purchase directly East of the town of Lamont approx. 5 kilometers from our lands zoned AG (designated light industrial) previously listed at \$1,750,000 (\$12,237.76/Acre) recently reduced to \$1,450,000 (\$10,000/Acre).
- CW Edmonton has 526 acres of future industrial land available for purchase also through receivership in the Horse Hills area (between Edmonton and Lamont County) whose price was recently reduced from \$56,813/Acre to \$48,291 per acre. **UPDATE: LENDER IS REDEEMING**

**RECEIVERSHIP OF COGI  
SIXTH REPORT OF THE RECEIVER**

**APPENDIX "B"**

**Offer to Purchase and Interim Agreement**



OFFER TO PURCHASE AND INTERIM AGREEMENT

TO: MNP LTD. in its sole capacity as Receiver-Manager of COGI Limited Partnership, its General Partner Canadian Oil & Gas International Inc. and Conserve Oil Group Inc., and not in its personal capacity, by its solicitors and agents DLA Piper (Canada) LLP

(the "Vendor")

FROM: ♦ FIVE RIVER GROUP INC. and/or Nominee

(the "Purchaser")

## WHEREAS:

- A. The Vendor wishes to sell the Lands;
- B. The Purchaser wishes to offer to purchase the Lands in accordance with the following terms and conditions; and
- C. The Lands are held in trust by the Trustee pursuant to the terms of a Bare Trust Agreement dated July 12, 2012.

THIS OFFER AND AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements herein contained, the parties agree as follows:

1. In this Offer, the following words shall be defined as follows:

- (a) "Acceptance Deadline" means 5:00 p.m., Edmonton time, ♦: January 31, 2017 *GR*
- (b) "Brokerage" shall have the meaning set out in paragraph 12 herein;
- (c) "Business Day" means a day other than a Saturday, Sunday or Statutory Holiday in the Province of Alberta;
- (d) "Closing Date" means ♦ or such other dates as the Vendor and Purchaser may agree: MAY 3<sup>rd</sup> 2017.
- (e) "First Deposit" means the sum of \$♦: ~~25,000~~ \$50,000 *GR*
- (f) "Inspection" shall have the meaning set out in paragraph 15 herein;
- (g) "Interim Period" means the period between the date of acceptance of this Agreement and the Closing Date;
- (h) "Lands" means the lands legally described in Schedule "A" attached hereto;
- (i) "Lease Interests" means the interests of the Vendor, if any, in respect of any lease in respect of the Lands;
- (j) "Permitted Encumbrances" means those encumbrances described in Schedule "B" attached hereto;
- (k) "Purchaser's Condition Removal Date" means 5:00 pm Edmonton time, ~~60/60~~ 30 *GR* DAYS from the date of acceptance of this Offer.

*GR*

- (l) "Purchaser's Conditions Precedent" means those for the benefit of the purchaser conditions set forth in Schedule "C" attached hereto;
- (m) "Purchase Price" means the sum of \$ ~~2,459,200.00~~ <sup># 2,744,100</sup> ~~2,744,100.00~~ <sup>2,591,650.00</sup> *AP*
- (n) "Purchaser' Solicitors" means ~~♦~~ *P*
- (o) "Sale Approval and Vesting Order" has the meaning ascribed thereto in Schedule "C" hereof;
- (p) "Second Deposit" means the sum of \$ ~~50,000.00~~ <sup>\$ 200,000</sup> *SA*
- (q) "Trustee" means Canadian Heartland Lamont Ltd.;
- (r) "Transaction Facilitator" shall have the meaning set out in paragraph 13 hereto;
- (s) "Vendor's Condition Removal Date" means 5:00 p.m. Edmonton time, on the day that is 30 days after the removal of the Purchaser's Conditions Precedent or such day as soon thereafter as the Vendor is able to secure time on the Commercial List of the Court of Queen's Bench of Alberta in Calgary, Alberta in order to satisfy the Vendor's Conditions Precedent;
- (t) "Vendor's Conditions Precedent" means those conditions for the benefit of the Vendor set forth in Schedule "C" attached hereto; and
- (u) "Vendor's Solicitors" mean DLA Piper (Canada) LLP.
2. The Purchaser hereby offers to purchase the Lands, subject to the satisfaction or waiver of the Purchaser's Conditions Precedent. This offer remains open for acceptance by the Vendor until the Acceptance Deadline.
3. The Purchase Price shall be paid as follows:
- The First Deposit to be paid within SEVEN (7) Days from the date the Vendor accepts this Offer, and held by CW Edmonton Inc. for the Purchaser in a non-interest bearing trust account.
  - The Second Deposit to be paid within SEVEN (7) Days from the removal of the Vendor's Conditions Precedent and be held by CW Edmonton Inc. for the Purchaser in a non-interest bearing trust account.
  - The balance of the Purchase Price by way of a certified cheque, mortgage proceeds or bank draft payable to the Vendor's Solicitor, in trust, subject to adjustments on the Closing Date as hereinafter provided.
4. The Purchase Price will be subject to all usual adjustments including taxes, rents, security deposits and utilities. The Closing Date shall be on account of the Purchaser. Any adjustments to the Purchase Price that cannot be adjusted on the Closing Date by virtue of the same being unknown shall be adjusted on a post-closing basis once the same becomes known.
5. Upon payment of the Purchase Price, the Purchaser shall be given possession of the Lands at 12:00 p.m. on the Closing Date.
6. The Vendor warrants and represents that:
- The Vendor is not and shall not at the Closing Date be a non-resident of Canada within the meaning of the Income Tax Act (Canada).

*AP* *SA*

7. The Lands shall be and remain at the risk of the Vendor until the Closing Date.
8. The Purchaser warrants and represents that:
- (a) it is a corporation duly existing under the laws of the Province of Alberta and has the necessary corporate authority, power and capacity to enter into this Agreement and the documents and transactions contemplated herein and to carry out the agreement of purchase and sale constituted on the execution and delivery of this Agreement and the documents and transactions contemplated herein on the terms and conditions herein contained;
  - (b) the completion of the transaction contemplated by this Agreement will not constitute a violation of any of the terms and provisions of its constituting documents or by-laws;
  - (c) it has viewed the Lands and agrees to, subject to its Purchaser's Conditions Precedent as more particularly described in Schedule "C" herein, accept same in its present condition and, subject to the satisfaction of its Purchaser's Conditions Precedent, the Lands are suitable for the Purchaser's purpose;
  - (d) it will obtain possession of the Property at its own expense and subject to the Permitted Encumbrances;
  - (e) the Lands and any development thereon shall be subject to the provisions of any applicable Zoning By-law of the County of Lamont, and all amendments thereto;
  - (f) it shall be responsible for all costs and charges applicable to the extension of any public utility services, which include but may not be limited to electrical, gas/propane service, to the Property and any buildings thereon from the main electrical feeder cables and main gas lines; and
  - (g) it has and shall have full power and authority to enter into the transactions contemplated by the acceptance of this Agreement.
9. The Vendor's Solicitors shall provide the Purchaser's Solicitor with a Certified Copy of the Sale Approval and Vesting Order, statement of adjustments setting forth the adjustments set out in paragraph 4 herein, a certificate of residency, undertaking to readjust, and any such other documentation reasonably required to give effect to the terms hereof, at least TEN (10) Business Days prior to the Closing Date on reasonable trust conditions which will allow the transaction to close in accordance with the terms hereof, including without restriction the registration of mortgage security documentation.
10. On or before the Closing Date, the Purchaser covenants and agrees to provide the Vendor's Solicitors with the balance of the Purchase Price to be paid in accordance with paragraph 3 and 4 herein and an acceptance of the statement of adjustments provided by the Vendor's Solicitors, or as may have been amended by agreement between the Vendor's and Purchaser's Solicitors.
11. In the event the Purchaser does not remove the Purchaser's Conditions Precedent by the Purchaser's Condition Removal Date with written notice, then this Agreement will be deemed null and void and the First Deposit shall be returned by CW Edmonton Inc. to the Purchaser without any deduction or penalty.
12. In the event the Vendor does not remove the Vendor's Conditions Precedent by the Vendor's Condition Removal Date with written notice, then this Agreement will be deemed null and void and the First Deposit and the Second Deposit shall be returned by CW Edmonton Inc. to the Purchaser without any deduction or penalty.
13. The Vendor and Purchaser acknowledge that Ian Newman (Associate Partner) of CW Edmonton Inc. (the "Brokerage") has disclosed that the Brokerage (including its broker, associate brokers, and associates) ~~concurrently represents~~ <sup>represents solely</sup> the interests of the Vendor and Varan Ghumman (Associate) SUTTON Premiere Real

solely

Estate represents the Purchaser interest in this transaction. The Vendor agrees to be responsible to pay one hundred (100%) per cent of the real estate commission payable to CW Edmonton Inc. for this transaction and is documented in a separate agreement. The real estate commission to be equally shared between CW Edmonton and Sunon premiere upon the successful closing of the transaction.

- 14. The Vendor shall co-operate with the Purchaser with respect to the satisfaction of the Purchaser's Conditions Precedent.
- 15. The Purchaser shall co-operate with the Vendor with respect to the satisfaction of the Vendor's Conditions Precedent.
- 16. During the Interim Period, the Purchaser and its agents and employees shall have access to the Lands at reasonable times approved by the Vendor in writing at the Purchaser's sole risk and expense, for the purpose of making any of the Purchaser's inspections, including any physical and structural inspections, tests (including soil tests) and environmental audits (the "Inspection"). After any such Inspection, the Purchaser agrees to return the Lands to the Vendor in the same condition as the Lands were prior to such Inspection, failing which the Purchaser agrees to repair forthwith any damage, alteration or otherwise change to the Lands arising from such Inspection at the Purchaser's sole expense.
- 17. All normal conveyancing and other closing documents typically prepared in a transaction of this nature shall be prepared at the Vendor's expense. The Purchaser shall be responsible for the cost of any new mortgage and for all land titles registration fees with respect to the registration of the Sale Approval and Vesting Order and new mortgage, if any.
- 18. The Purchaser represents and warrants it will be registered pursuant to the *Excise Tax Act* (Canada) for the purposes of remission of the Goods and Service Tax on taxable supplies made by the Purchaser and shall provide its GST registration number to the Vendor prior to the Closing Date. The Purchaser hereby indemnifies the Vendor against any and all obligations to remit the GST and from any claims, losses or damages suffered or incurred by the Vendor arising from the Purchaser's failure to properly account for GST.
- 19. The Purchaser shall be liable for and shall pay all applicable land transfer fees and GST properly payable on and in connection with the conveyance and transfer of the Lands to the Vendor. The Purchaser shall provide the Vendor, on or before the Closing Date, with a certificate of an officer of the Buyer confirming its status as a GST Registrant and shall represent and warrant that it is a registrant within the meaning of Part IX of the Excise Tax Act (Canada), all within the time limits prescribed in such Act.
- 20. This Offer and the Agreement constituted by the acceptance hereof shall endure to the benefit of and be binding upon the successors and assigns of any corporate parties and the heirs, executors, administrators and assigns of any individual parties.
- 21. Notwithstanding anything contained herein, time shall in every respect be of the essence.
- 22. Any notice required or permitted to be given hereunder or any tender of delivery of documents may be sufficiently given by personal, courier delivery, fax or email to the parties as follows:

To the Vendor  
 MNP LTD.  
 Suite 1500, 640 5th Avenue SW  
 Calgary, Alberta  
 T2P 3G4

Attention: Gregory Ibbott (Vice-President)  
 Email: greg.ibbott@mnp.ca  
 Phone: 404-637-1541 or 587-702-5957

Handwritten initials/signature

With a copy to the Vendor's Solicitor's:

DLA Piper (Canada) LLP  
Suite 1100, Livingston Place West  
250 - 2<sup>nd</sup> Street SW  
Calgary, Alberta  
T2P 0C1

Attention: Brian Davison, Q.C.  
Email: [brian.davison@dlapiper.com](mailto:brian.davison@dlapiper.com)  
Phone: 1-403-294-3590  
Fax: 1-403-296-4474

To the Purchaser:

◆  
◆  
◆  
◆

Attention: ◆ Vatan Ghuman  
Email: ◆ [vatan@fiveivergroup.com](mailto:vatan@fiveivergroup.com)  
Phone: ◆ 780-932-0041  
Fax: ◆ 780-475-0041

With a copy to Purchaser's Solicitor: Contact info .To be given after condition removal.

◆  
◆  
◆  
◆

Attention: ◆  
Email: ◆  
Phone: ◆  
Fax: ◆

Each such notice with a copy to:

Cushman & Wakefield Edmonton Inc.  
Suite 2700, TD Tower  
10088 102 Avenue NW  
Edmonton, Alberta  
T5J 2Z1

Attention: Ian Newman & Kyle Barton  
Email: [ian.newman@cwedm.com](mailto:ian.newman@cwedm.com) & [kyle.barton@cwedm.com](mailto:kyle.barton@cwedm.com)  
Fax: ◆

Any notice delivered personally or by courier shall be deemed to be received when left during normal business hours on a day other than Saturday, Sunday or a legal holiday in the Province of Alberta at the addresses set forth above.



Any notice given by fax or email shall be deemed to be received at the time of actual receipt unless that receipt occurs other than during normal business hours or on a Saturday, Sunday or a legal holiday in the Province of Alberta in which event it will be deemed to have been received at the commencement of normal business hours on the next day other than Saturday, Sunday or a legal holiday in the Province of Alberta. Either party shall be entitled, by providing notice to the other party in accordance with this provision, to change its fax number, email address or physical address for notice to an address elsewhere in Alberta at which personal delivery may be made.

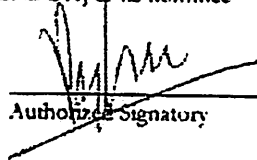
23. In the event that the Purchaser should fail to complete the purchase of the Lands in breach of the Agreement arising upon acceptance of this Offer, the First Deposit and the Second Deposit shall be wholly forfeited to the Vendor as predetermined liquidated damages payable as a result of any breach by the Purchaser of the Agreement arising upon acceptance of this Offer and this Offer shall be considered null and void.
24. In making this Offer, the Purchaser relies entirely on its own inspection and knowledge of the Lands.
25. The Vendor makes no representations and warranties of any kind whatsoever with respect to the Lands or the Lease Interests, including without limitation as to the title, condition, fitness or environmental state of the Lands. The Purchaser acknowledges it is buying the Lands on an as-is basis and is not relying on any representations, warranties or collateral agreements from the Vendor.
26. The parties of this Offer and Agreement acknowledge that CW Edmonton Inc. has recommended that legal, tax and accounting advice be obtained through the Vendor and Purchaser's own professional advisors and that no information by CW Edmonton Inc. is to be considered as expert legal, tax or accounting advice.
27. The Offer, if accepted in writing by the Vendor and the Purchaser is notified of such acceptance within the time permitted herein, shall constitute a binding agreement of purchase and sale of the Lands between the parties hereto.
28. This Offer and the Agreement created by the acceptance thereof shall be governed by the law of the Province of Alberta and the courts of the Province of Alberta shall have exclusive jurisdiction over any dispute arising herefrom.
29. A waiver by either party of the strict performance by the other of any covenant or provisions of this Agreement shall not constitute waiver of any subsequent breach of any such covenant or provision, or of any other covenants, provisions or terms of this Agreement.
30. This Offer, when accepted by the Vendor, shall constitute the entire agreement between the Purchaser and the Vendor and there is no representation, warranty, collateral agreement or condition affecting such agreement or supported thereby other than as expressed herein in writing.
31. Time is and remains of the essence with respect to this agreement.
32. This Offer may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which shall be construed together as one Offer. Execution and delivery of a copy by facsimile transmission or a copy by electronic transmission in portable document format will be of the same effect as execution and delivery of an original document.

*[signature page to follow]*

DATED at the City of EDMONTON in the Province of ALBERTA this 18 day of JAN 2017.

[NAME OF VENDOR] or its nominee

Per:

  
Authorized Signatory

Print Name:

VATIN P GHIUMMAN  
Authorized Signatory

Disclosure- One of the Director of Purchaser is an licenced realtor in province of Alberta.

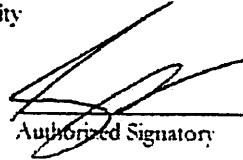
ACCEPTANCE

The Vendor of the within described Lands hereby accepts this Offer and agrees to complete the sale on the terms and conditions as set out herein.

DATED at the City of VANCOUVER, in the Province of BRITISH COLUMBIA this 25<sup>th</sup> day of January, 2017.

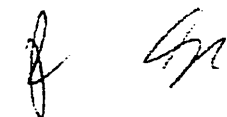
MNP LTD. in its sole capacity as Receiver-Manager of COGI Limited Partnership, its General Partner Canadian Oil & Gas International Inc., and Conserve Oil Group Inc. and not in its personal capacity

Per:

  
Authorized Signatory

Print Name:

CHRISTOPHER CHAN, CPA, CFP, LIT  
Authorized Signatory  
VICE PRESIDENT



## SCHEDULE "A"

## LEGAL DESCRIPTION

## Parcel 1:

LINC	SHORT LEGAL	TITLE NUMBER
0018 911 933	4:20:55:25:SW	112 396 169

## LEGAL DESCRIPTION

THE SOUTH WEST QUARTER OF SECTION TWENTY FIVE (25)  
TOWNSHIP FIFTY FIVE (55)  
RANGE TWENTY (20)  
WEST OF THE FOURTH MERIDIAN  
CONTAINING 64.7 HECTARES (160 ACRES) MORE OR LESS  
EXCEPTING THEREOUT: 2.19 HECTARES (5.41 ACRES) MORE OR LES, FOR RIGHT-OF-WAY  
OF THE CANADIAN NORTHERN RAILWAY AS SHOWN ON RAILWAY PLAN 4217 S.  
(B) 1.03 HECTARES (2.55 ACRES) MORE OR LESS, AS SHOWN ON ROAD PLAN 3700 J.Y.  
EXCEPTING THEREOUT ALL MINES AND MINERALS

ESTATE: FEE SIMPLE

MUNICIPALITY: LAMONT COUNTY

REFERENCE NUMBER: 092 218 098

## Parcel 2:

LINC	SHORT LEGAL	TITLE NUMBER
0024 803 405	9320911::1	112 396 169 -1

## LEGAL DESCRIPTION

DESCRIPTIVE PLAN 9320911  
LOT 1  
EXCEPTING THEREOUT ALL MINES AND MINERALS  
AREA: 3.07 HECTARES (7.59 ACRES) MORE OR LESS

ATS REFERENCE: 4:20:55:26:NE

ESTATE: FEE SIMPLE

MUNICIPALITY: LAMONT COUNTY

REFERENCE NUMBER: 092 218 099

Parcel 3:

LINC	SHORT LEGAL	TITLE NUMBER
0022 056 774	4:20:55:26:NE	112 396 169 +2

LEGAL DESCRIPTION

MERIDIAN 4 RANGE 20 TOWNSHIP 55  
SECTION 26  
ALL THAT PORTION OF THE NORTH EAST QUARTER  
LYING TO THE SOUTH OF THE RIGHT OF WAY OF THE CANADIAN NORTHERN  
RAILWAY. AS SHOWN ON RAILWAY PLAN 4217S, CONTAINING 30.6 HECTARES  
(75.5 ACRES) MORE OR LESS.  
EXCEPTING THEREOUT ALL MINES AND MINERALS  
AND THE RIGHT TO WORK THE SAME

ESTATE: FEE SIMPLE

MUNICIPALITY: LAMONT COUNTY

REFERENCE NUMBER: 092 218 100

Parcel 4:

LINC	SHORT LEGAL	TITLE NUMBER
0024 803 397	4:20:55:26:NE	112 396 169 +3

LEGAL DESCRIPTION

MERIDIAN 4 RANGE 20 TOWNSHIP 55  
SECTION 26  
ALL THAT PORTION OF THE NORTH EAST QUARTER  
WHICH LIES TO THE NORTH OF THE RIGHT OF WAY OF THE CANADIAN NATIONAL  
RAILWAY, AS SHOWN ON RAILWAY PLAN 4217S. CONTAINING 31.3 HECTARES  
(77.36 ACRES) MORE OR LESS.  
EXCEPTING THEREOUT:

	HECTARES	(ACRES) MORE OR LESS
A) PLAN 9320911 - DESCRIPTIVE	3.07	7.59

EXCEPTING THEREOUT ALL MINES AND MINERALS  
AND THE RIGHT TO WORK THE SAME

ESTATE: FEE SIMPLE

MUNICIPALITY: LAMONT COUNTY

REFERENCE NUMBER: 092 218 101

## SCHEDULE "B"

Permitted Encumbrances

Parcel 1 LINC # 0018 911 933		
Registration Number	Date (D/M/Y/)	Particulars
2311KU	15/07/1957	UTILITY RIGHT OF WAY GRANTEE - ATCO GAS AND PIPELINES LTD.
752 114 838	29/08/1975	UTILITY RIGHT OF WAY GRANTEE - LAMCO GAS CO-OP LTD.
762 135 483	30/07/1976	CAVEAT CAVEATOR - PETROLEUM ROYALTIES CORP LTD.
802 102 583	07/05/1980	CAVEAT RE : PIPELINE RIGHT OF WAY CAVEATOR - PETROLEUM ROYALTIES LIMITED.
802 266 586	07/11/1980	UTILITY RIGHT OF WAY GRANTEE - NSM RESOURCES LTD.
832 072 254	29/03/1983	UTILITY RIGHT OF WAY GRANTEE - HER MAJESTY THE QUEEN IN RIGHT OF ALBERTA AS REPRESENTED BY MINISTER OF THE ENVIRONMENT AS TO PORTION OR PLAN: S122005
962 311 603	13/11/1996	CAVEAT RE : SURFACE LEASE CAVEATOR - TAMARACK ACQUISITION CORP.
972 195 981	07/07/1997	CAVEAT RE : PIPELINE RIGHT OF WAY CAVEATOR - TAMARACK ACQUISITION CORP.
972 290 827	24/09/1997	CAVEAT RE : PIPELINE RIGHT OF WAY CAVEATOR - TAMARACK ACQUISITION CORP.
072 638 059	26/10/2007	UTILITY RIGHT OF WAY GRANTEE - BATTLE RIVER RURAL ELECTRIFICATION ASSOCIATION LIMITED.
072 655 827	05/11/2007	CAVEAT RE : LEASE INTEREST CAVEATOR - STANLY WILTEN ARNDT CAVEATOR - MARLENE RUTH ARNDT
152 142 267	14/05/2015	EASEMENT AS TO PORTION OR PLAN: PORTION OVER AND FOR BENEFIT OF: SEE INSTRUMENT



Parcel 2 LINC # 0024 803 405		
Registration Number	Date (D/M/Y/)	Particulars
782 054 262	13/03/1978	CAVEAT CAVEATOR - TAMARACK ACQUISITION CORP.
802 266 586	07/11/1980	UTILITY RIGHT OF WAY GRANTEE - NSM RESOURCES LTD.
102 412 838	24/11/2010	CAVEAT RE : UTILITY RIGHT OF WAY CAVEATOR - BATTLE RIVER RURAL ELECTRIFICATION ASSOCIATION LIMITED

Parcel 3 LINC # 0022 056 774		
Registration Number	Date (D/M/Y/)	Particulars
782 054 262	13/03/1978	CAVEAT CAVEATOR - TAMARACK ACQUISITION CORP.
802 266 586	07/11/1980	UTILITY RIGHT OF WAY GRANTEE - NSM RESOURCES LTD.
812 223 677	18/09/1981	UTILITY RIGHT OF WAY GRANTEE - TAMARACK ACQUISITION CORP.
972 195 981	07/07/1997	CAVEAT RE : PIPELINE RIGHT OF WAY CAVEATOR - TAMARACK ACQUISITION CORP.

Parcel 4 LINC # 0024 803 397		
Registration Number	Date (D/M/Y/)	Particulars
802 266 586	07/11/1980	UTILITY RIGHT OF WAY GRANTEE - NSM RESOURCES LTD.

## SCHEDULE "C"

PURCHASER'S CONDITIONS PRECEDENT

The following Purchaser's Conditions Precedent are inserted solely for the benefit of the Purchaser and may be unilaterally waived by the Purchaser in writing at any time on or before the Purchaser's Condition Removal Date.

This Offer is conditional upon the Purchaser approving and being fully satisfied with:

- (a) Reviewing all legal encumbrances as noted in Schedule 'B' that shall be left on title after the closing of this sale.
- (b) Satisfactory Approval of the JV partners and, or shareholders.

Such approval and satisfaction to be communicated by the Purchaser to the Vendor in writing on or before the Purchaser's Condition Removal Date.

VENDOR'S CONDITIONS PRECEDENT

The following Vendor's Conditions Precedent are inserted solely for the benefit of the Vendor and may be unilaterally waived by the Vendor in writing at any time on or before the Vendor's Condition Removal Date.

This Offer is conditional upon the Vendor:

- (a) Obtaining a Sale Approval and Vesting Order from the Court of Queen's Bench of Alberta, in a form acceptable to the Vendor, which will:
  - a. Approve this Offer to Purchase;
  - b. Vest the Lands and the Lease Interests in the Purchaser on Closing and on payment of the Purchase Price, free and clear of any and all mortgages, liens, encumbrances or adverse claims save and except for the Permitted Encumbrances;

Such approval and satisfaction to be communicated by the Vendor to the Purchaser in writing on or before the Vendor's Condition Removal Date.

- (b) Making arrangements satisfactory to the Vendor in its sole discretion with respect to the discharge of the mortgage currently registered against the Certificate of Title to the Lands as instrument no 152 278 273.
- (c) Providing a direction to the Trustee pursuant to the terms of the Bare Trust Agreement to execute all necessary documents in connection with the sale of the Lands and obtaining the same.

Handwritten signatures and initials, including a large 'X' and a stylized signature.

**RECEIVERSHIP OF COGI  
SIXTH REPORT OF THE RECEIVER**

**APPENDIX "C"**

**Receipts and Disbursements Statement for the period ending January 31, 2017**

**COGI Limited Partnership, Canadian Oil & Gas International Inc. and Conserve Oil Group Inc. - In Receivership**

**Interim Statement of Receipts and Disbursements  
For the Period October 26, 2015 to January 31, 2017**

**October 26/15  
January 31/17  
\$**

**Receipts**

Net Receipts from Operations	674,190.65
Receiver's Certificate	5,000,000.00
Cash in Bank	1,491,497.38
Cash in Bank - Proven Oil Canada	845.00
Interest Income	1,502.58
Rental Income	71,389.30
Accounts Receivable	414,543.16
Sale of Assets	1,020,356.46
Miscellaneous Refunds	7,833.80
GST Collected (Net)	289,227.42
<b>Total Receipts</b>	<u>8,971,385.75</u>

**Disbursements**

Bank Charges	1,216.43
Filing Fees	280.00
Interest Expense	184,491.77
Change of locks	247.50
Pre-Receivership Payroll	64,404.50
Legal Fees and Disbursements	1,425,878.26
Consulting Services - Niven Fischer Energy Services Inc.	3,047,913.20
Receiver's Fees	1,255,765.72
CCAA Administration Charge	200,000.00
Payments to Arrow Point and POA	435,175.48
Funds transferred to bky estate	42,800.71
Funds Paid in Escrow	163,751.96

**Total Disbursements**

6,821,925.53

**Excess of Receipts over Disbursements**

2,149,460.22

Represented By:

General Bank Account	197,962.79
Funds Held in Interest Bearing Account	1,951,497.43
	<u>2,149,460.22</u>