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BANKRUPTCY AND INSOLVENCY
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JUDICIAL CENTRE
OF CALGARY

COURT

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

APPLICANT

IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT, RSC 1985, c B-3, AS AMENDED

DOCUMENT

SECOND REPORT OF ALVAREZ AND MARSAL CANADA INC.
IN ITS CAPACITY AS TRUSTEE IN BANKRUPTCY

JUNE 17, 2013

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT TRUSTEE

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INTRODUCTION AND BACKGROUND

- 1. Impact was incorporated on October 7, 1999, in the Province of Alberta. The voting shares of Impact are 100% held by 848891 Alberta Ltd. ("848"), which is owned equally by Mike Wolowich, Patty Wolowich and the Wolowich Family Trust. Impact also has two wholly owned subsidiary corporations operating as Impact 2000 Exploration Consulting Inc. ("Impact Exploration") and Impact 2000 USA Inc. ("Impact USA"). A copy of the corporate organizational chart of Impact and its related companies is attached as Appendix A to this Report.
- 2. On November 2, 2012 (the "Bankruptcy Event"), Impact 2000 Inc. ("Impact" or the "Company") sought protection from its creditors through filing a Notice of Intention to Make a Proposal (the "NOI") under section 50.4(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended ("BIA"), and a stay of proceedings was obtained on that date (the "Proposal Proceedings"). Alvarez & Marsal Canada Inc. ("A&M" or the "Proposal Trustee") was named as Proposal Trustee under the NOI.
- 3. During the course of the Proposal Proceedings, Impact was granted six extensions of time to file its proposal.
- 4. On May 3, 2013, Impact was deemed to have filed an assignment into bankruptcy ("Bankruptcy Date") as it was unable to lodge a proposal with its creditors and the official receiver within the allotted time frame pursuant to section 50.4(8) of the BIA. A&M was appointed as trustee in bankruptcy (the "Trustee"), which was affirmed by the creditors of Impact at the first meeting of creditors ("FMOC").
- 5. Further background information with the bankruptcy proceeding and Impact's previous NOI proceedings and other court filed materials have been posted by the Trustee and Proposal Trustee on its website at: www.amcanadadocs.com/impact.

PURPOSE OF THIS SECOND REPORT

- 6. The purpose of this second report of the Trustee (the "Second Report" or this "Report") is to provide this Court and all interested parties with an update with regards to the Impact insolvency proceedings and information in respect of the following:
 - a) events since the FMOC held on May 23, 2013;
 - b) the application of Takoda Resources Inc. ("Takoda" or the "Secured Creditor") to seek an order to appoint A&M as court-appointed Receiver and Manager (the "Receiver") and an order approving an asset purchase agreement (the "APA") between the Receiver and Takoda with respect to Impact's equipment (the "Assets") for a credit bid purchase price of \$1,150,000 ("Credit Bid"); and
 - c) the Trustee's position on the APA and Credit Bid.
- 7. All references to dollars are in Canadian currency unless otherwise noted.

TERMS OF REFERENCE

8. In preparing this Report, the Trustee has relied upon unaudited financial information, Impact's records and discussions with Impact's management and director. The Trustee has not performed an audit, review or other verification of such information. An examination of the financial forecast as outlined in the Canadian Institute of Chartered Accountants Handbook has not been performed. Future oriented financial information relied upon in this report is based on Impact's assumptions regarding future events and actual results achieved will vary from this information and the variations may be material.

LIMITATION IN SCOPE OF REVIEW

- 9. This Report has been prepared by the Trustee pursuant to the rules and regulations as set out in the BIA. The BIA provides that the Trustee shall incur no liability for any act or omission pursuant to its appointment or fulfillment of its duties, save and except for gross negligence or wilful misconduct on its part.
- 10. This Report is not and should not be construed or interpreted as an endorsement, comment or recommendation to any creditor, prospective investor, or any persons to advance credit and/or goods and services or to continue to provide credit and/or goods and services or to lend monies to Impact during these proceedings and/or at any other such time.
- 11. The Trustee has not audited or reviewed the property of Impact, and with respect to such property, the Trustee has relied to a significant degree upon information available and/or provided by Impact.

FIRST MEETING OF CREDITORS

Overview

- 12. The FMOC was held on May 23, 2013 at 10:00 a.m., at the office of the Trustee located at Suite 570, 202-6th Avenue SW, Calgary, Alberta. The purpose of the FMOC was to consider, amongst other things, the affairs of Impact, affirm the appointment of A&M as Trustee, appoint inspectors and to give such directions to the Trustee as the creditors deemed fit with reference to the administration of the Impact estate.
- 13. The Chairman (Trustee) examined the filed proof of claims and proof of notice and determined that the FMOC was duly convened and the meeting was called to order. A&M was affirmed as Trustee and no inspectors were nominated and/or appointed at this meeting. The Trustee tabled the following documents:
 - a) Certificate of appointment;

- b) Statement of Affairs of Impact;
- c) Proof of publication in the Calgary Herald;
- d) Affidavit of Mailing the Notice to Creditor regarding the bankruptcy proceedings of Impact; and
- e) The Trustee's preliminary report (the "Trustee's Preliminary Report").
- 14. The Trustee presented to the creditors that were present, in person or represented by proxy, the Trustee's Preliminary Report. The Trustee's Preliminary Report is attached as Appendix B to this Report,

Highlights from the Trustee's Preliminary Report

Evaluation of Impact's Property

- 15. In April 2013, during the Impact NOI proceedings, the Assets were appraised by two independent appraisal companies, Century Services Inc. ("Century") and Maynards Appraisals Ltd. ("Maynards"). Century and Maynards valued the Assets at a forced liquidation value ("FLV") of \$687,365 and \$951,500, respectively, and on an orderly liquidation value ("OLV") of \$909,330 and \$1,197,000, respectively. A copy of the Century and Maynards appraisals ("Appraisals") describe the definitions of FLV and OLV, and are attached as Appendix C and Appendix D, respectively, to this Report.
- 16. The office furniture (the "Furniture") of Impact consists of older desks, filing cabinets, chairs, etc. that are not material in value and which remains at Impact's offices with the consent of the Landlord. The Trustee believes that the costs to relocate the Furniture would be greater than the proceeds of sale, so the Furniture has not been moved.
- 17. The seismic data (the "Data") relates to the Wilson Creek South project, as discussed in the Proposal Trustee's Reports located on its website. The Data is

- currently located and stored under the control of a data processing company, CGG. CGG has agreed not to release the Data without the consent of the Trustee and claim a lien on the Data for their outstanding processing costs associated with the Data in the amount of \$16,000.
- 18. The Trustee is in receipt of an agreement (the "Transfer Agreement") that was entered into between Devon Canada Corporation ("Devon") and Impact on August 14, 2012, which appears to transfer 50% ownership in the Data to Devon. A copy of the agreement between Impact and Devon to shoot the original data and a copy of the Transfer Agreement are attached together as Appendix E to this Report.
- 19. Upon review of the Transfer Agreement and in discussion with Mike Wolowich, the Trustee understands that the 50% ownership was sold or transferred by Impact to Devon in exchange for Devon agreeing to pay its account to Impact for the Wilson Creek South project within a shorter time frame as Impact was in need of funds to pay its debts. This Transfer Agreement was further clarified by a letter sent to the Trustee from Devon's internal legal counsel, which is attached as Appendix F to this Report.
- 20. The Trustee informed the creditors at the FMOC that Impact may have transferred 50% ownership in the Data for no or inadequate consideration. The Trustee is aware that CGG provided Devon a copy of the processed data with the understanding that Impact would pay the \$16,000 outstanding account. Impact has not been provided a copy of the processed Data.
- 21. There are no funds in the estate and accordingly the Trustee has not continued its investigation of this transaction to determine whether the Transfer Agreement is a transfer at undervalue pursuant to the provisions of the BIA or other applicable legislation. If the creditors wish the Trustee to investigate this matter further, the creditors will have to provide funding to the estate. Further, Takoda claims a security interest in the Data and any benefit from reversing the Transfer Agreement would firstly go to Takoda.

- During the NOI proceedings, Impact hired an experienced agent (the "Agent") in an attempt to sell licenses of the Data to arm's length parties. The Agent was unable to sell any licenses during this time period. The value of the Data is currently difficult to determine and it appears from the experience of the Agent that this Data has minimal value at this particular time, but may have some value in the future (based on demand and need of the Data from oil and gas companies). The value to the Impact estate is further diminished as Devon claims to have a 50% interest in the Data.
- 23. The Trustee believes that in order to best determine the true value of the Data, the Data should be exposed to the market as part of a sales process. However, given that: (i) Takoda has security over the Data; (ii) there are no funds in the bankruptcy estate to redeem the security or to administer a sales process; and (iii) none of the creditors that were present at the FMOC were willing to fund such a sales process or consider their options afforded to them under section 38 of the BIA, the Trustee is not able to facilitate a sales process.

Details of Security Interests

- Takoda acquired its loans and security interest over Impact through a purchase of the loans and security of Canadian Western Bank ("CWB") on April 15, 2013 at the full value of the loans of approximately \$1.1 million (the "Takoda Security"). CWB originally entered into the loan agreement with Impact on or about April 2011. The Trustee has not received an opinion on the priority of creditor claims. Nothing has come to the attention of the Trustee that would indicate any other creditors have a priority over the Takoda Security.
- 25. Takoda filed a proof of claim and security in the bankruptcy proceedings claiming a security interest in all of Impact's personal and real property. The Takoda proof of claim was accepted the Trustee, which indicates a claim amount required to satisfy Impact's obligation to Takoda is \$1,352,314.17 as at May 3, 2013. The additional Takoda loans arise as it paid claims determined in the NOI Proceeding to be in priority to the CWB security, including professional fees claimed under

the Administrative Charge and a deemed trust claim of Canada Revenue Agency ("CRA"). On June 14, 2013, the Trustee received a filed copy of Takoda's a statement of claim (the "Statement of Claim") against Impact that shows an increased obligation to Takoda of \$1,417,889.80 (the "Takoda Obligation"). The Trustee has consented to the lifting of the stay to allow for the filing of the Statement of Claim by Takoda.

- 26. On June 5, 2013, the Trustee obtained an independent legal opinion on Impact's loan agreement with Takoda and Takoda's security, and the assignment of the original loan agreement and security between Takoda and CWB, and determined that the Impact loan agreements and security are valid and enforceable as against the Trustee.
- 27. The security held by the Secured Creditor charges all of the property of Impact including the Assets, Furniture and the Data, and as such the Secured Creditor has the right to realize on its property notwithstanding Impact is in Bankruptcy.
- On May 3, 2013, the Trustee received a Notice of Proposal to Retain Collateral ("PPSA Notice") of Impact pursuant to s. 62 of the Alberta *Personal Property Security Act*, RSA 2000, c P-7 from the Secured Creditor. The Trustee is aware that one creditor of Impact objected to the PPSA Notice (the "Objecting Creditor") and due to this objection, Takoda has decided not to proceed with this process, but rather, proceed to dispose of its collateral through an application to the Court to appoint a court-appointed Receiver.
- 29. At the FMOC, the Trustee recommended to the creditors that Impact's property, which includes the Assets, the Data and Furniture of Impact, be released to the Secured Creditor, based largely on the Appraisals received during the NOI proceedings, which shows there is no equity in the Assets and the estate has no funds to redeem the Security. The Furniture and Data values appear to not have significant and material value to it. There were no questions raised and no opposition by the creditors at the FMOC in relation to the Trustee's recommendation. The Objecting Creditor did not attend the FMOC and the

Trustee has not received any additional correspondence from the Objecting Creditor other than its unsecured proof of claim and a letter to the Trustee that it is objecting to the PPSA notice.

30. In addition to the security of Takoda, secured proofs of claim were filed by Mike and Patty Wolowich (the "Wolowiches") and by Prolific Energy Services Ltd. ("Prolific"), all of whom are related to Impact. The Trustee notes that these security agreements were filed on the eve of the Bankruptcy Event and may be considered as a potential preferential transaction. The Trustee has not conducted a review as to whether this transaction constitutes a preferential transaction under s. 95 of the BIA, as it is unlikely any distribution of funds would be made to the Wolowiches and Prolific as their security appears to be subordinate to the security of Takoda.

Release of Trustees Interest in the Assets, Data and Furniture

31. Based on the above, the Trustee will be releasing its interest in the Assets, Data and Furniture to the Secured Creditor or the proposed Receiver if the receivership order is granted by this Court.

THE TAKODA COURT APPLICATION

The Appointment of A&M as Receiver

- 32. The Trustee has consented to act as Receiver of Impact upon a Court application by Takoda. The Trustee has received an independent legal opinion advising that the security of Takoda is valid and enforceable against a trustee in bankruptcy. Accordingly, there is no restriction on A&M acting as Receiver in addition to its current role as the Trustee.
- 33. Takoda has agreed to fund an initial Receiver's certificate of \$50,000 towards the Receiver's expected fees and costs and guarantee the Receiver's and Trustee's fees and costs (including costs for its legal counsel) incurred as a result of both proceedings. The proposed receivership order contemplates the ability for the

Receiver to draw on the Receiver's Certificate of up to \$100,000 in total, unless further provided for by this Court.

The Proposed APA and Credit Bid

- 34. The Trustee has received a filed copy of the Takoda application to the Court to direct that A&M (as the proposed Receiver) to sell the Assets to Takoda on the basis of a Credit Bid.
- 35. The Takoda Court Application is asking the Court to direct the proposed Receiver to immediately sell the Assets upon the appointment of A&M as Receiver. The Trustee's interest is congruent with that of a Receiver's, in that, its interest is in seeing the best recoveries for the insolvent estate. The Trustee has an interest in any proceeds that may be surplus over the secured creditor claims and therefore has an interest in assessing whether the process followed and the recoveries achieved would provide for the best recoveries in the circumstances.
- 36. The proposed APA is attached to the affidavit of Lawrence Chua sworn June 13, 2013 (the "June 17th Chua Affidavit"). The main terms and conditions of the APA are as follows:
 - a) Takoda has bid \$1,150,000 and will credit bid that amount of its security plus applicable GST in cash in payment of the purchase price of \$1,150,000;
 - b) Takoda will purchase the Assets of Impact on an "as is where is" basis through a sale and vesting order free and clear of any other claims of any other creditors of Impact;
 - c) Impact's debt obligation to Takoda will be reduced by \$1,150,000 and Takoda's secured proof of claim will be amended down by that amount and up for other costs incurred since filing the proof of claim; and

- d) the sale is subject to the approval of the Court.
- 37. The Trustee has prepared the following analysis of the range of realizable value of the Assets, based on the Appraisals less estimated auction fees and costs and holding costs (but before receiver fees):

Range of Estimated Realizable Value Compare	ed to the			
Credit Bid _				
	Century	Maynards	Century	Maynards
_	FLV	FLV	OLV	OLV
Equipment	687,365	951,500	909,330	1,197,000
Less:				
Auctioning costs and fees	(103,105)	(142,725)	(136,400)	(179,550)
Holding Costs	(10,000)	(10,000)	(10,000)	(10,000)
	(113,105)	(152,725)	(146,400)	(189,550)
Net	574,260	798,775	762,931	1,007,450
Takoda Purchase Price (credit bid)	1,150,000	1,150,000	1,150,000	1,150,000
Est. remaining equity to bankruptcy estate	(575,740)	(351,225)	(387,070)	(142,550)

- 38. The above analysis indicates that the Credit Bid exceeds the estimated realizable value based on the Appraisals by between \$142,550 and \$575,740. Accordingly given the spread between the estimated realizations based on the Appraisals and the amount of the Credit Bid, it is unlikely a sale through an auction would lead to realizations greater than the Credit Bid.
- 39. As previously discussed, the Trustee advised the creditors it would not be objecting to the PPSA Section 62 notice of Takoda and recommended to the creditors at the FMOC that it release of all of Impact's property to Takoda as the Trustee was of the view that Takoda had valid and enforceable security and that based on the Appraisals and the nominal value in the Data and Furniture, there would be no equity left in the estate for the remaining secured creditors and unsecured creditors. The creditors present at the FMOC did not object to the Trustee's recommendation to release the Assets, Furniture and Data to the

Secured Creditor. Again, the Trustee has now received and independent opinion that the Takoda security is valid and enforceable against the estate and as such Takoda has the ability to appoint a Receiver to sell the property of Impact.

- 40. In addition to the comments in paragraphs 37 and 38, the Trustee has considered the following in assessing whether exposing the Assets through a formal sale process would yield any greater recoveries than the immediate sale and Credit Bid:
 - the Assets have been previously exposed to the market by Impact under the NOI proceedings in its attempt to attract a purchaser and/or new financing to achieve a value that would exceed the debt held by the Secured Creditor (formerly the debt held by Canadian Western Bank of \$1.1 million). Takoda was the only interested party;
 - b) during the NOI proceedings equipment of Impact with an appraised value of \$302,500 was sold by auction. The net proceeds received of \$232,000 (pre-GST) were approximately 23.4% less than the appraised FLV of that equipment;
 - c) The business of Impact has essentially been on hold since November 2012 and it ceased with the bankruptcy on May 3, 2013. Therefore it is unlikely there is any interest in a party acquiring the assets *en bloc* to generate additional value as a "going concern"; and
 - d) In the circumstances, absent the Credit Bid, a public auction would be the most likely process to be followed. A formal sale process would add additional time and expense to the administration of the estate. It is unlikely that either a public auction of a formal sale process would generate net proceeds greater than the Credit Bid.

TRUSTEE'S POSITION

41. Based upon the above considerations and analysis, the Trustee has no objection to the application by Takoda to direct A&M as the proposed receiver and to immediately sell the Assets to Takoda as set out in the APA and on the Credit Bid basis.

All of which is respectfully submitted this 17th day of June, 2013.

ALVAREZ & MARSAL CANADA INC., Trustee for the Estate of Impact 2000 Inc.

Tim Reid, CA•CIRP Senior Vice-President Orest Konowalchuk, CA•CIRP Senior Manager

APPENDIX A

APPENDIX A Non-Voting Shares Wolowich Family Class A Shares (500) Class B Shares (500) Class D,E,F Trust (1800)100% Class B Voting Shares Impact 2000 Inc. Patty Wolowich (100)20% 100% Class A Voting Shares Mike Wolowich 20% 100% (100)100% **Corporate Organizational Chart Prolific Energy** Services Ltd. Impact 2000 Inc.

Impact 2000 USA

Inc.

Consulting Inc.

Impact 2000

Exploration

APPENDIX B

IN THE MATTER OF THE BANKRUPTCY OF

IMPACT 2000 INC.

OF THE CITY OF CALGARY, IN THE PROVINCE OF ALBERTA

REPORT ON THE TRUSTEE'S PRELIMINARY ADMINISTRATION

ESTATE NO. 25-094321

On May 3, 2013, Impact 2000 Inc. ("Impact") was deemed to have filed an assignment ("Bankruptcy Date") pursuant to the provisions of the *Bankruptcy and Insolvency Act* ("BIA") and Alvarez & Marsal Canada Inc. was appointed as trustee in bankruptcy ("A&M" or "Trustee") by the official receiver, subject to affirmation by the creditors of the trustee's appointment or substitution of another trustee by the creditors.

Background

Impact was incorporated on October 7, 1999, in the Province of Alberta. The voting shares of Impact are 100% held by 848891 Alberta Ltd. ("848"), which is owned equally by Mike Wolowich, Patty Wolowich and the Wolowich Family Trust. Impact also has two wholly owned subsidiary corporations called Impact 2000 Exploration Consulting Inc. ("Impact Exploration") and Impact 2000 USA Inc. ("Impact USA"). The Trustee understands that Impact USA does not have any assets or operations. The Trustee was advised by the director of Impact (Mr. Wolowich) that Impact USA filed US taxes several years ago, but has since closed the company. Impact Exploration holds a geophysical exploration license and permits which allowed the company to shoot data recording for its customers. The Trustee was advised by Mr. Wolowich that Impact Exploration does not have any operations and has never filed taxes in the past.

Impact was in the business of providing a full suite of front-end seismic consulting services to the oil and gas exploration sector throughout Western Canada and the Northwest Territories. The main services that Impact provided included: (a) providing front end seismic consulting services to oil and gas exploration companies; (b) acquiring and marketing seismic data; and (c) entering into short term rental agreements for its unutilized equipment.

The main cause of Impact's financial difficulty and eventual insolvency of the company was as a result of it being under-capitalized due to a failed recapitalization attempt with an investor, Triple Five Global Group Ltd. This failed recapitalization caused significant operational problems that eventually impaired Impact's ability to properly complete projects and in particular one project that ended in cost overruns and a loss of approximately \$1.1 million. Further detailed information on the causes and events

leading up to Impact's insolvency is discussed in the affidavit of Mr. Mike Wolowich filed on or about November 23, 2012.

On November 2, 2012 (the "Bankruptcy Event"), Impact sought protection from its creditors through filing a Notice of Intention to Make a Proposal (the "NOI") under section 50.4(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended ("BIA") and a stay of proceedings was obtained on that date. Alvarez & Marsal Canada Inc. (the "Proposal Trustee") was named as Proposal Trustee under the NOI. Impact failed to file a proposal to its creditors and Official Receiver within the statutory time allotted under s.62(9) of the BIA. As a result, Impact was deemed to have filed an assignment in bankruptcy on May 3, 2013 (the "Bankruptcy Date").

As at the Bankruptcy Date, Impact operated from two leased locations. It had limited operations and no employees.

Conservatory & Protective Measures and Preliminary Evaluation of Assets and Details of Security Interests

Since the Bankruptcy Date, the Trustee has secured all material capital assets, which included office furniture, equipment and seismic data (the "Assets"), all as more fully detailed in the statement of affairs sent to all known creditors. Impact had no accounts receivable and no inventory. The equipment, which is the most significant asset, is currently stored in a secured leased storage yard. The Trustee has made arrangements with the landlord at this location to pay occupancy rent and retain the storage yard for an interim-period while it is in possession of the equipment. The Trustee has also continued the existing insurance by paying the monthly installments through to June 15, 2013 and the Trustee is listed as the "loss payee" and beneficiary on this policy.

In April 2013 during the Impact NOI proceedings, the equipment was appraised by two independent appraisal companies, Century Services Inc. ("Century") and Maynards Appraisals Ltd. ("Maynards"). Century and Maynards valued Impact's equipment at a forced liquidation value of \$687,365 and \$951,500, respectively.

The security held by the Secured Creditor charges all of the assets of Impact and as a result, the value of the assets is far less than the debt held by the Secured Creditor (i.e. \$1.3 million), which results in there being no equity for the estate.

The office furniture of Impact consists of older desks, filing cabinets, chairs, etc. that is not material in value and it remains at the Impact's offices with the consent of the Landlord. Costs to relocate the furniture would be greater than the proceeds of sale so it has not been moved.

The seismic data relates to the Wilson Creek South project (as discussed in the Proposal Trustee Reports located on its website at: www.amcanadadocs.com/impact). The raw and processed data (the "Data") is located and stored at the data processing company, CGG. The Trustee has contacted CGG and advised them of the Bankruptcy and the Trustee's

interest in the Data and that CGG is not to release the Data without the Trustee's consent. The Trustee received confirmation from CGG that it will store and protect the Data until the Trustee arranges to collect the Data. CGG has also advised they will not release the processed data until their outstanding account processing the Data of \$16,000 is paid in full, but will release the raw data back to the Trustee.

The Trustee is in receipt of an agreement that was entered into between Devon Canada Corporation ("Devon") and Impact on August 14, 2012, which appears to transfer 50% ownership in the Data to Devon. The Trustee was advised that the 50% ownership was sold/transferred by Impact to Devon in exchange for Devon agreeing to pay its account to Impact for the Wilson Creek South project within a shorter time frame as Impact was in need of funds to pay its debts. Therefore, it may be that Impact gave up 50% ownership in the Data for no or inadequate consideration. The Trustee is aware that CGG provided Devon a copy of the processed data with the understanding that Impact would pay the \$16,000 outstanding account. Impact was not provided a copy of the processed Data.

During the NOI proceedings, Impact hired an experienced agent (the "Agent") to sell licenses of the Data to arm's length parties. The Agent was unable to sell any licenses during this time period. The value of this data is currently undeterminable and it appears from the experience of the Agent this data has minimal value at this particular time, but may have some value in the future (based on demand and need of this data from oil and gas companies).

The Trustee, has received a Notice of Proposal to Retain Collateral ("PPSA Notice") of Impact pursuant to s.62 of the Alberta *Personal Property Security Act* from Impact's main secured lender, Takoda Resources Ltd. ("Takoda" or "Secured Creditor"), filed on May 3, 2013. In addition, Takoda has filed a proof of claim and security in the bankruptcy proceedings claiming a security interest in all of Impact's personal and real property. The proof of claim indicates that the amount required to satisfy Impacts obligation to Takoda is \$1,352,314.17.

Based on the information available to the Trustee as discussed above, the Trustee does not believe there is any equity in the property over the secured claim of Takoda and therefore has not objected to the PPSA Notice and recommends the property be released to Takoda. The Trustee is aware that a creditor of Impact has objected to the PPSA Notice and Takoda is responding to the objection.

Books and records

The Trustee has taken possession of the books and records of Impact required to complete the administration of the bankruptcy. The remaining books and records are located at Impact's office located at 2806 Ogden Road SE in Calgary, Alberta, as it is likely that these records will be release to the Secured Creditor.

Provable Claims and Secured Claims

The Trustee is aware of approximately \$2.45 million of indebtedness owed to various secured lenders, including the Takoda claim of approximately \$1.3 million. The remaining secured claims are related party claims by related parties owned directly or indirectly by Mike and Patty Wolowich.

Takoda acquired its loans and security interest over Impact through a purchase of the loans and security of Canadian Western Bank ("CWB") on April 15, 2013 at the full value of the loans of approximately \$1.1 million (the Security Transaction"). CWB originally entered into the loan agreement with Impact on or round April 2011, Takoda, CWB and Impact were all represented by independent legal counsel at the time of the purchase transaction and the Trustee understands that Takoda's legal counsel verified the security of CWB was valid. The remainder of Takoda's indebtedness was incurred as it paid claims determined in the NOI Proceeding to be in priority to the CWB security, including the administrative charge of approximately \$200,000 and a deemed trust claim of Canada Revenue Agency ("CRA").

The Trustee has reviewed the Takoda proof of claim and supporting documents and notes that the security appears to be properly taken and is registered at Alberta Personal Property Registry. Additionally, the recent Security Transaction supports the presumption that the loans and security are valid and enforceable against the Trustee. Accordingly the Trustee will not be objecting to the PPSA Notice nor disallowing the proof of claim of Takoda.

The Trustee understands that Ms. Patricia Wolowich is a minority shareholder of Takoda and Mr. Michael Wolowich is an employee and director of Takoda.

The deemed trust claim owed to CRA during the NOI proceedings was for outstanding source deductions of approximately \$66,000. The Trustee was advised that this claim was paid by Takoda. The administrative charge related to unpaid professional fees and costs of the Trustee, its legal counsel and legal counsel of Impact during the NOI proceedings.

The Trustee has not reviewed in detail the related party secured claims as there does not appear there is any value to their security and they will not receive any distributions from the estate.

The other liabilities that the Trustee is aware of are unsecured claims as listed on the Statement of Affairs. To date, the Trustee has not received any proof of claims indicating a material difference in the claims disclosed in the company's statement of affairs

Legal Proceedings

No legal proceedings have been instituted by the Trustee to date.

The Trustee is not aware of any legal proceedings by or against the Company.

Reviewable Transactions and Preference Payments

The Trustee's preliminary review of the books and records note the following transactions that occurred within three months prior to the Bankruptcy Event:

Related Party Security Agreements (Registered at Alberta Personal Property Registry)

- 1. Michael & Patty Wolowich (owners of 848, which wholly own Impact)
 - a. Registration Type: Security Agreement
 - b. Registration Date: October 17, 2012
 - c. Collateral:
 - i. all present and after-acquired personal property of Impact and all proceeds therefrom; and
 - ii. Specific field equipment; data recording station; software license and supplementary items
- 2. Prolific Energy Services Ltd. ("Prolific") wholly owned by Michael Wolowich
 - a. Registration Type: Security Agreement
 - b. Registration Date: October 19, 2012
 - c. Collateral:
 - i. all present and after-acquired personal property of Impact and all proceeds therefrom

The Trustee has not received proof of claims ("POC") from Michael and Patty Wolowich nor Prolific Energy Services Ltd. The Trustee has not follow up on this matter any further at this time, as it is unlikely any distribution of funds will be made to these creditors, as the security appears to be subordinate to the security of Takoda.

Seismic Data Transaction

As discussed above, Impact transferred 50% ownership of the Data to Devon for what appears to be inadequate or no consideration. This transaction occurred on August 12, 2012, the Trustee has not completed a full investigation of this transaction to determine whether it is reviewable under the provisions of the BIA or other legislation. If the creditors wish the Trustee to investigate this matter further, the creditors will have to provide funding to the estate. As previously discussed, the value of the Data is difficult to assess and it appears from the experience of the Agent the Data has minimal value at this particular time. Further, Takoda claims a security interest in the Data and any monies recovered would firstly go to Takoda.

Trustee's Intention to Act

The Trustee has not acted for any secured creditors, as set out in subsection 13.4(1.1) of the BIA.

Possible Conflict of Interest

A&M was the Proposal Trustee under s.50.4(1) of the BIA prior to Impact becoming a bankrupt. Under the BIA provisions, A&M automatically become the bankruptcy trustee.

During the NOI proceedings, The Trustee did received a retainer in the amount of \$30,000 from Impact to cover the Trustee's administration fees and disbursements in the bankrupt estate.

Anticipated Realization and Projected Distribution

All of the assets of Impact are subject to a security interest from the Secured Creditor and other secured lenders that may be owed approximately \$2.45 million.

Based on the estimated values discussed above and the amount of debt of the Secured Creditor, the Trustee recommends the release of the Assets to the Secured Creditor in accordance with its PPSA notice of proposal and its secured proof of claim.

Consequently, there will be no funds available for dividends to other creditors.

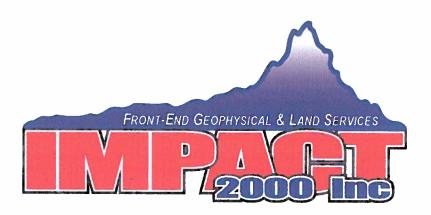
ALVAREZ & MARSAL CANADA INC. Trustee for the Estate of Impact 2000 Inc.

Tim Reid, CA•CIRP Senior Vice-President

May 21, 2013

APPENDIX C





MACHINERY AND EQUIPMENT APPRAISAL

PREPARED FOR:

ALVAREZ & MARSAL CANADA

APPRAISAL TYPE:

ORDERLY LIQUIDATION VALUE & FORCED LIQUIDATION VALUE

APPRAISAL DATE:

APRIL 23, 2013

SITE VISIT DATE:

APRIL 18 & APRIL 22, 2013

CENTURY SERVICES INC. 310, 318 – 11 AVENUE S.E. CALGARY, AB T2G 0Y2



310, 318 - 11th Avenue S.E. Calgary, AB T2G 0Y2 PHONE: (403) 294-9400 FAX: (403) 294-9409

Sent via E-mail: okonowalchuk@alvarezandmarsal.com

April 23, 2013

ALVAREZ & MARSAL CANADA Suite 570, 202 - 6th Avenue SW Calgary, Alberta T2P 2R9

Attention: Mr. Orest Konowalchuk

RE: Impact 2000 Inc.

Dear Sir:

Century Services Inc. ("Century") provides herewith a valuation of certain fixed assets ("Assets") of Impact 2000 Inc. ("Impact" or the "Company"). The value conclusion expressed in this letter of transmittal and in the accompanying report shall be effective as of April 18, 2013 (the "Valuation Date").

The purpose of Century's engagement was to provide a written opinion assessing the gross recovery value of the Assets under an **Orderly Liquidation Value and a Forced Liquidation Value** scenario. Century understands this valuation is being prepared for internal valuation purposes.

This Appraisal is intended for the sole use of Alvarez & Marsal Canada and not intended for general circulation or distribution, nor is it to be reproduced or used for any purpose other than expressly indicated.

SUMMARY OF VALUE CONCLUSION:

Based upon our analysis, data maintained in our work files, and the methodology outlined in the accompanying report, Century estimates the **Orderly Liquidation Value** of the Assets to be **NINE HUNDRED NINE THOUSAND THREE HUNDRED THIRTY DOLLARS (\$909,330)**, as of the Valuation Date.

Based upon our analysis, data maintained in our work files, and the methodology outlined in the accompanying report, Century estimates the **Forced Liquidation Value** of the Assets to be **SIX HUNDRED EIGHTY-SEVEN THOUSAND THREE HUNDRED SIXTY-FIVE DOLLARS (\$687,365)**, as of the Valuation Date.

The value conclusion expressed herein is subject to the Methodology, Analyses, Observations, Comments, Limiting Conditions, and Critical Assumptions identified in the accompanying report. Consequently, the results stated in this

VANCOUVER ● CALGARY ● EDMONTON ● GRANDE PRAIRIE ● MONTREAL ● TORONTO ● PHOENIX

Attn: Mr. Orest Konowalchuk

Re: Impact 2000 Inc.

letter of transmittal cannot be fully understood without the accompanying report, and shall be considered incomplete in the event this letter is separated from the report.

The scope of Century's work included field inspections, a Desktop Analysis of uninspected equipment, and an analysis and valuation of certain Assets identified by Alvarez & Marsal Canada as being property of Impact 2000 Inc. Assets such as real estate, leased equipment, third party property, spare parts, materials and supplies, and any intangible assets have been excluded from this valuation as they have been deemed outside the scope of this engagement.

No investigation has been undertaken by Century to substantiate present or prospective earning capacities of business operations in which the Assets are currently employed. Unless expressly stated otherwise, Century has assumed prospective earnings would provide a fair return on the value of the Assets.

The projection of value identified above and in the accompanying report is based upon an analysis of the Assets and the consideration and reconciliation of the three accepted approaches to value. These valuation approaches include the Cost Approach, the Sales Comparison (Market) Approach, and the Income Approach.

The attached report has been prepared in conformance with the **Uniform Standards of Professional Appraisal Practice** ("**USPAP**") published by the Appraisal Standards Board, and the **Principles of Appraisal Practice and Code of Ethics** of the American Society of Appraisers. Specifically, this report complies with the reporting requirements set forth under Standards Rule 8-2 (c) of USPAP for a Restricted Use Appraisal Report.

The accompanying Restricted Use Appraisal Report provides a summary discussion of the data, analyses, and reasoning used by Century to arrive at the opinions of value identified above and in the accompanying report. A copy of this report and the data, reasoning, and analyses supporting Century's value conclusions shall remain in our files and be retained for a period of at least five (5) years after preparation, or at least two (2) years after final disposition of any judicial proceeding as required by the Records Keeping section of USPAP.

The value opinion expressed in this appraisal is contingent upon the analysis, facts, and conditions presented in the accompanying report.

Respectfully yours, CENTURY SERVICES INC.

Per:

James Carlson Regional Manager

In Col

JC/faa Enclosure

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310, 318 - 11th Avenue S.E. Calgary, AB T2G 0Y2 PHONE: (403) 294-9400 FAX: (403) 294-9409

Sent via E-mail: okonowalchuk@alvarezandmarsal.com

April 23, 2013

ALVAREZ & MARSAL CANADA Suite 570, 202 - 6th Avenue SW Calgary, Alberta T2P 2R9

Attention: Mr. Orest Konowalchuk

RE: Impact 2000 Inc.

I. INTRODUCTION

CLIENT

Century Services Inc. ("Century") was retained by Alvarez & Marsal Canada ("A&M") to provide a valuation of certain fixed assets ("Assets") belonging to Impact 2000 Inc. ("Impact" or "Company").

INTENDED USER

This Appraisal is intended for the sole use of A&M and not intended for general circulation or distribution, nor is it to be reproduced or used for any purpose other than that outlined herein.

PURPOSE OF APPRAISAL AND PREMISE OF VALUE

Century understands this valuation is being prepared for internal valuation purposes. Based upon the aforementioned purpose and discussions with the Client and Intended User, Century has valued the Assets under the premise of Orderly Liquidation Value ("OLV") / Forced Liquidation Value ("FLV"). This appraisal shall not be reproduced or used for any purpose other than expressly indicated.

VALUATION DATE AND INSPECTION DATES

This appraisal and the opinion of value expressed herein shall be effective as of April 18, 2013 (the "Valuation Date"). Inspection of the Assets was executed by James Carlson at the location identified below on April 18 & April 22, 2013.

Century executed site visits and Asset inspections at the following location:

VANCOUVER ● CALGARY ● EDMONTON ● GRANDE PRAIRIE ● MONTREAL ● TORONTO ● PHOENIX

Attn: Mr. Orest Konowalchuk

Re: Impact 2000 Inc.

1416 28 Street NE Calgary, Alberta T2A 7W6

II. SUMMARY OF VALUE CONCLUSION

Based upon our analysis, data maintained in our work files, and the methodology outlined in this report, Century estimates the **Orderly Liquidation Value** of the Assets to be **NINE HUNDRED NINE THOUSAND THREE HUNDRED THIRTY DOLLARS (\$909,330)**, as of April 18, 2013.

Based upon our analysis, data maintained in our work files, and the methodology outlined in this report, Century estimates the **Forced Liquidation Value** of the Assets to be **SIX HUNDRED EIGHTY-SEVEN THOUSAND THREE HUNDRED SIXTY-FIVE DOLLARS (\$687,365)**, as of April 18, 2013.

III. COMPANY AND ASSET DISCUSSION

COMPANY OVERVIEW

Impact 2000 Inc. is a seismic consulting services provider, working with the oil and gas sector of Western Canada and the Northwest Territories.

ASSET OVERVIEW

As set out in the attached Schedule A listing, the Assets appraised within this engagement included Oilfield Services Equipment.

Century deemed the Assets to be in good overall condition. This opinion of overall condition was based upon discussions with Company representatives and information provided by the Company.

IV. SCOPE OF WORK AND CONSIDERATIONS

The scope of Century's work included field inspections, a Desktop Analysis of uninspected equipment, and an analysis and valuation of certain Assets identified by A&M as being property of Impact. Assets such as real estate, leased equipment, third party property, spare parts, materials and supplies, and any intangible assets have been excluded from this valuation as they have been deemed outside the scope of this engagement.

The scope of Century's work did not include investigation of any financial data to substantiate present or prospective earning capacities of business operations in which the Assets are currently employed. Unless expressly stated otherwise, Century has assumed prospective earnings would provide a fair return on the value of the Assets.

The projection of value identified herein is subject to the Methodology, Analyses, Observations, Comments, Limiting Conditions and Critical Assumptions identified below.

As at April 18, 2013 2 of 30

The projection of value identified herein is based upon an analysis of the Assets and a consideration and reconciliation of the three generally accepted approaches to value. These valuation approaches include the **Cost Approach**, the **Sales Comparison (Market) Approach**, and the **Income Approach**.

This report has been prepared in conformance with the **Uniform Standards of Professional Appraisal Practice** ("**USPAP**") published by the Appraisal Standards Board, and the **Principles of Appraisal Practice and Code of Ethics** of the American Society of Appraisers. Specifically, this report complies with the reporting requirements set forth under Standards Rule 8-2 (c) of USPAP for a Restricted Use Appraisal Report.

This Restricted Use Appraisal Report provides a summary discussion of the data, analysis, and reasoning used by Century to arrive at the opinion of value identified herein. A copy of this report and the data, reasoning, and analysis supporting Century's value conclusions shall remain in our files and be retained for a period of at least five (5) years after preparation, or at least two (2) years after final disposition of any judicial proceeding as required by the Records Keeping section of USPAP.

As this is a Restricted Use Appraisal Report, the conclusion and data contained herein may only be used by the Client for the purpose stated. The opinion and conclusion set forth in this report may not be understood properly by anyone else without additional information, which is contained in the appraiser's workfile. Neither this report, nor any data contained herein should be distributed to another party.

USPAP requires the appraiser analyze the appraisal problem to be solved and the work necessary to develop credible results when setting the scope of work for a given appraisal assignment. Century has deemed the scope of work outlined above and in the Valuation Process section below sufficient to produce credible results for this appraisal assignment.

V. VALUATION PROCESS

WETHODOLOGY

Century employed the following procedures to determine the value conclusion rendered herein:

- Consideration of data obtained from Assets at time of site visit including, but not limited to, age, hours, kilometres
 and other readily apparent and discernible operational condition and physical deterioration attributes. Said data
 was in turn measured against available market comparables where appropriate.
- 2. Review and analysis of Century's proprietary in-house auction and liquidation library and archives. Adjustments have been made, where applicable, to reflect differences between the specific Assets and that sold in previous sales.
- 3. Consideration of current market and geographical conditions for Assets of like kind.
- 4. Consideration of applicable functional and economic obsolescence factors.
- 5. Discussions regarding the following factors with various machinery and equipment suppliers, dealers and manufactures:

- a. marketability and timing issues,
- b. general market conditions, and
- c. market trends and prices.
- 6. Consideration of current auction, used machinery and equipment dealer, and alternate end user prices that may be realized for similar Assets, on an "as is condition, where is location" basis.
- 7. Consideration of the cost to acquire similar machinery and equipment, if available, and the expense and difficulty of removal of the Assets from their present location.
- 8. Century relied on supplemental information provided by the Company (including hours, kilometres and serial numbers), and only conducted random checks to verify the information provided.

VI. VALUATION THEORY

APPROACHES TO VALUE

There are three generally accepted approaches to estimate value:

SALES COMPARISON (MARKET) APPROACH

The Sales Comparison Approach relies upon an analysis of recently consummated sales transactions and offering prices of similar property to arrive at an indication of the most probable selling price of the contemplated property. If the comparables are not exactly like the items being appraised, the selling prices are adjusted to equate them to the selling characteristics of the subject property. Examples of possible adjustments include those for the age, condition, and capacity of the assets; the location, date, and type of sale (e.g., retail sale, auction sale, or asking price); and, when appraising under the concept of continued use, the value associated with putting the asset to use.

The logic behind the Sales Comparison Approach is the principle of substitution, wherein a prudent buyer would not pay more for a certain asset than the cost to acquire a similar asset of equivalent utility. The market typically consists of used equipment dealers, auctions, liquidations, and public and private sales transactions. Century also relied on our transactional experience and proprietary database of appraisal, liquidation, and auction results.

COST APPROACH

The Cost Approach begins with current replacement cost of the contemplated property and deducts the loss in value caused by Physical Deterioration, Functional Obsolescence, and Economic Obsolescence.

As with the Sales Comparison Approach, the logic behind the Cost Approach is the principle of substitution, wherein a prudent buyer would not pay more for a certain asset than the cost to acquire a substitute asset of equivalent utility.

INCOME APPROACH

The Income Approach considers the value of the assets in relation to the present worth of future benefits from ownership, and is typically measured through the capitalization of a specific level of income. This approach is

As at April 18, 2013

seldom used for individual pieces of machinery because of the difficulty arising from assigning income to any particular fixed asset.

Century's analysis included a consideration of all three approaches to value. The approaches were then utilized, and the resulting value conclusion was reconciled. Based upon our analysis, the Sales Comparison Approach / Cost Approach were deemed appropriate for this valuation.

HIGHEST AND BEST USE

The process of determining the Highest and Best Use of the Subject Assets includes an analysis of the current use and alternative uses to identify what is profitable, legally permissible, physically possible, and financially feasible, as relevant to the type and definition of value and the intended use of the appraisal.

According to the 2010-2011 version of USPAP, Highest and Best Use in the context of personal property typically equates to choosing: (a.) the appropriate market or market level for the type of item; (b.) the type and definition of value; (c.) and the intended use of the appraisal (Comment to Standards Rule 7-3).

As such, in the process of developing our conclusion of value, Century considered the appropriate market and level of trade for the Subject Assets, the availability of reliable market data, the market conditions as of the Valuation Date, and the marketing period consistent with the purpose and intended use identified above.

VII. OBSERVATIONS AND COMMENTS

The recovery value set out in this Appraisal is based on a review by Century of prior appraisals it has conducted, utilization of a proprietary in-house database, research through contacts in various related industries, the list of Assets and other informational materials supplied to Century by A&M, and our experience as auctioneers and liquidators. Adjustments may have been made, where considered appropriate by Century, to reflect differences between the specific Assets and assets sold in previous sales.

In arriving at its opinion as to the recovery value, Century has taken into consideration, to the extent of the information available to it, various factors it considered relevant in the particular circumstances including physical location of the Assets, difficulty of removal, physical condition, adaptability, specialization, marketability, overall appearance and appeal, and the ability of the Asset group to draw sufficient prospective buyers to insure competitive offers.

Based upon supplied information, Century deemed the Assets to be in good overall condition. Given our opinion of overall condition, no adjustment to market comparables was deemed necessary to account for physical condition differences.

Available data and market comparables may be up to 180 days old. Increased weighting was given to recent regionally specific comparables when available.

Given current market conditions, Century determined economic obsolescence adjustments weren't necessary.

As at April 18, 2013 5 of 30

VIII. DEFINITIONS AND TERMINOLOGY

The definitions and appraisal terminology identified below are taken from the American Society of Appraisers (ASA) 2005 second edition Machinery and Technical Specialties publication entitled "Valuing Machinery and Equipment: The Fundamentals of Appraising Machinery and Technical Assets" (pages 553 -595).

ORDERLY LIQUIDATION VALUE ("OLV")

The estimated amount, expressed in terms of cash in Canadian dollars, that could typically be realized from a liquidation sale, given a reasonable period of time to find a purchaser, with the seller being compelled to sell on an "as-is condition, where-is location basis", as of a specific date.

For the purpose of this appraisal, Century has considered a properly advertised and professionally managed privately negotiated sale scenario, over a period of 90 to 120 days, during normal business operations or while winding down operations, with the buyer responsible for dismantling and removal at their own risk and expense. In arriving at an opinion of value, Century has taken into consideration, among other things, the ability of the Asset group to draw sufficient prospective buyers to insure competitive offers. Any deletions or additions to the total Assets appraised could change Century's opinion as to the projected recovery values set out in this Appraisal. If an acceptable price for the Assets cannot be negotiated within the specified time period of the orderly liquidation, the final option would be to offer the Assets on a Forced Liquidation Value basis.

FORCED LIQUIDATION VALUE ("FLV")

The estimated amount, expressed in terms of cash in Canadian dollars, that could typically be realized from a properly advertised and conducted public auction, with the seller being compelled to sell with a sense of urgency, on an "as-is condition, where-is location" basis, as of a specific date.

For the purpose of this appraisal, Century has considered an unreserved public auction sale, held under present day economic trends, within 30 days of the effective date of this Appraisal, with the buyer responsible for dismantling and removal at their own risk and expense. In arriving at an opinion of value, Century has taken into consideration, among other things, the ability of the Asset group to draw sufficient prospective buyers to insure competitive offers. Any deletions or additions to the total Assets appraised could change Century's opinion as to the projected recovery values set out in this Appraisal.

PHYSICAL DETERIORATION

A form of depreciation where the loss in value or usefulness of a property is due to the using up or expiration of its useful life caused by wear and tear, deterioration, exposure to various elements, physical stresses, and similar factors.

FUNCTIONAL OBSOLESCENCE

A form of depreciation in which the loss in value or usefulness of an Asset is caused by inefficiencies or inadequacies of the Asset itself, when compared to a more efficient or less costly replacement property that new technology has developed. Symptoms suggesting the presence of functional obsolescence are excess operating cost, excess construction (excess capital cost), over-capacity, inadequacy, lack of utility, or similar conditions.

As at April 18, 2013 6 of 30

ECONOMIC OBSOLESCENCE

A form of depreciation or loss in value or usefulness of an Asset caused by factors external to the Asset. These may include such things as the economics of the industry; availability of financing; loss of material and/or labour sources; passage of new legislation; changes in ordinances; increased cost of raw materials; labour or utilities (without an offsetting increase in product price); reduced demand for the product; increased competition; inflation or high interest rates; or similar factors.

IX. LIMITING CONDITIONS AND CRITICAL ASSUMPTIONS

This appraisal report and the above noted recovery value is based on and subject to the following conditions, qualifications, assumptions and limitations:

VALUATION DATE

The Opinion of Value and other conclusions expressed herein shall be valid as of the Valuation Date identified in Section I above.

INTENDED USE AND PURPOSE

This Appraisal is intended for the sole use of A&M and not intended for general circulation or distribution, nor is it to be reproduced or used for any purpose other than indicated in Section I above.

TITLE TO ASSETS

No investigation of title to any of the Assets has been made by Century and A&M's claim to same has been assumed valid. In addition, no investigation has been made by Century to determine if there are any liens, security interest, or other encumbrances registered against, or attaching to, any of the Assets. Unless otherwise noted in this report, title is assumed to be good and marketable.

CONDITION OF ASSETS

Unless explicitly stated otherwise, all Assets have been assumed by Century to be in good working order and functioning condition, and subject to industry standard maintenance and repair programs. Testing and/or confirming the status of individual Assets was beyond the defined scope of work.

INFORMATION AND DATA PROVIDED BY OTHERS

For the purpose of determining its opinion as to recovery value of the Assets, Century has also relied upon certain supplemental information provided by A&M and has assumed, without independent verification, all such information was reasonably prepared, accurate, and complete in all material respects

As at April 18, 2013 7 of 30

CHANGE IN MARKET CONDITIONS

The recovery value set out in this Appraisal is based on Century's assessment of current economic conditions. The amount that could actually be realized from the sale and disposition of the Assets may be affected by changes in economic conditions.

Century shall not be responsible for changes in market conditions and no obligation is assumed to revise this report to reflect events or conditions, which occur subsequent to the Valuation Date. Additionally, Century cannot be held responsible for the inability of the owner to locate a purchaser at the appraised value.

EXTRANEOUS CONDITIONS

The amount that could actually be realized may also be affected by factors such as changes in the condition of the Assets and the occurrence of acts of God, riots, civil disturbances, strikes, lock-outs, acts of war, terrorism, insurrection, or other events that may be beyond the control of the seller and/or the buyer.

REPORT FORMAT

This report is being presented in a restricted format. As such, it presents only a summary or limited discussion of our opinion of value. Supporting documentation concerning the data, reasoning and analyses is retained in Century's files. The depth of discussion contained in this report is specific to the needs of the Client and for the intended use of the report.

REPORT CONFORMANCE

This appraisal has been executed in conformance with, and is subject to, the requirements of the Code of Professional Ethics and Standards of Professional Conduct of the American Society of Appraisers and the Uniform Standards of Professional Appraisal Practice published by the Appraisal Standards Board.

CONFIDENTIALITY

This report and supporting files documentation are confidential. No part of the content of this appraisal (including the report and the supporting file documentation) shall be disclosed to any party, or conveyed orally or in writing through advertising, public relations, news, sales, or in any other manner without the prior written consent and approval of both Century and the Client.

LICENSES AND LAW

It is assumed all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any municipal, provincial, or federal government or private entity or organization have been, or can readily be obtained, or renewed for any use on which the value estimates provided in this report are based.

Full compliance with all applicable federal, provincial and municipal zoning, use, occupancy, environmental, safety codes, and similar laws and regulations is assumed, unless otherwise stated.

As at April 18, 2013

Re: Impact 2000 Inc.

COURT TESTIMONY

Neither Century nor any individuals signing or associated with this report shall be required by reason of this report to give further consultation, to provide testimony, or appear in court or other legal proceedings, unless specific arrangements for such services have been made.

RELIED UPON INFORMATION

While Century believes the information gathered and used for this Appraisal, whether through written, oral, electronic, or other means, to be both reliable and correct, Century does not warrant the reliability or correctness of the information and assumes no liability whatsoever for any errors and/or omissions.

X. GENERAL SERVICE CONDITIONS

Century reserves the right, but shall be under no obligation, to review the recovery value set out in this Appraisal and all calculations included or referred to in, or made for the purpose of, this Appraisal. Should Century consider it necessary to revise this Appraisal in light of any information existing as of the date of this Appraisal, which becomes known after that date, it may do so.

Century assumes no responsibility or liability for losses suffered by any parties as a result of the circulation, distribution, publication, reproduction or other use of this report contrary to the provisions of this paragraph without prior written authorization from Century.

The liability of Century to the Client in relation to this Appraisal, regardless of the basis of liability or form of action, shall in no event exceed the total fees paid by the Client to Century for this Appraisal. In no event shall Century be liable for lost profits, or any indirect, special, incidental, consequential or punitive damages, however caused, whether for breach of contract, negligence or otherwise, and whether or not Century has been advised of the possibility of such damages. These limitations will apply notwithstanding any failure of the essential purpose of any limited remedy.

XI. COMPETENCY

Under USPAP, Century must disclose if there is a lack of knowledge and/or experience that would not allow us to complete this appraisal in a competent manner or to develop credible results.

Century and the appraiser performing this appraisal have performed valuations of assets similar to the Subject Assets for various purposes in the past. In addition, the appraiser performing this appraisal has the appropriate knowledge and experience to be able to develop credible results for the purpose and use outlined in this report.

XII. CERTIFICATIONS

The undersigned appraiser certifies that, to the best of their knowledge and belief:

1. The Statements of fact contained within this report are true and correct.

As at April 18, 2013

Re: Impact 2000 Inc.

- 2. The reported analyses, opinions, and conclusions identified herein are impartial and unbiased, and are limited only by the Limiting Conditions and Critical Assumptions identified above.
- 3. Neither the appraiser, nor any officer of Century, possess any present or prospective financial interest in the valued Assets, or any personal interest with respect to the parties involved.
- 4. Neither the appraiser, nor any officer of Century, possess any bias to the valued Assets or the parties involved with this assignment.
- 5. This engagement was not contingent upon developing or reporting predetermined results.
- 6. Compensation for completing this Valuation was not contingent upon the development or reporting of predetermined opinions of value or direction in value favouring the cause of the client, the attainment of a specified result, or the occurrence of a subsequent event relating to the intended use of this report. Said compensation does not however cover further expenses relating to attendance at hearings, judicial or otherwise, although such attendance may always be available at Century's standard rates.
- 7. This report and all analyses, opinions, and conclusions expressed herein have been prepared in conformity with the Uniform Standards of Professional Appraisal Practice ("USPAP") guidelines..
- 8. The data used in this report was obtained from sources believed to be reliable. All known facts that have bearing on the values presented in this report have been considered, and no facts of importance have been intentionally omitted herein.
- 9. A personal inspection of the valued Assets has been executed.
- 10. No one other than the undersigned and listed personnel provided significant appraisal assistance in the preparation, analysis, opinions, and conclusions concerning the property that is set forth in this appraisal report.
- 11. USPAP requires an appraiser disclose any services regarding the Subject Assets performed by the appraiser within a period of the last three (3) years. Our firm has not performed any services regarding the Subject Assets over the past three (3) years.

ΑL	.VA	NRE	Z &	MA	ARSAL	CANADA
Δŧ	tn:	Mr	Ore	act	Konou	alchuk

APPENDIX C

Re: Impact 2000 inc.

We trust the above is to your satisfaction. Should you require additional information, please do not hesitate to contact the undersigned.

Respectfully yours, CENTURY SERVICES INC.

Per:

James Carlson Regional Manager

Tun Col

JC/faa Enclosure

ALVAREZ & MARSAL CANADA
Attn: Mr. Orest Konowalchuk
Re: Impact 2000 Inc.

APPENDIX C

APPRAISAL SCHEDULES



310, 318 - 11th Avenue S.E. Calgary, AB T2G 0Y2 HONE: (403) 294-9400 FAX: (403) 294-9409

	SCHEDULE "A" Impact 2000 Inc.								
lmage	Unit	VIN/SN	Description	FLV	OLV				
1.	1705	1FTSX21575ED04298	2005 Ford "F250SD XLT" supercab 4WD pickup truck. Gas, automatic transmission, grill guard, headache rack, box rails, illuminating buggy whip, beacon, Westeel slip tank and pump, long box. Minor body damage. 144,574KM.	\$8,000	\$10,000				
NOT VIEWE	D	1FTSX21547EB03185	2007 Ford "F250SD XLT" supercab 4WD pickup truck. Gas, automatic transmission, grill guard, headache rack, box rails, illuminating buggy whip, beacon, Westeel slip tank and pump, long box. 127,480KM.	\$8,000	\$10,000				
NOT VIEWE	2108 D	1FTWW31538EC79320	2008 Ford "F350SD XL" crew cab 4WD pickup truck. Gas, automatic transmission, grill guard, headache rack, box rails, illuminating buggy whip, beacon, Westeel slip tank and pump, long box. 111,870KM.	\$9,000	\$11,000				

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经验收收款的股份		SCHEDL	JLE "A"						
	Impact 2000 Inc.								
Image	Unit		Description	FLV	OLV				
4.	2207	1FTWW31507EB37022	2007 Ford "F350SD XL" crew cab 4WD pickup truck.	\$9,000	\$11,000				
			Gas, automatic transmission, grill guard, headache rack, box rails, illuminating buggy whip, beacon, small slip tank and pump, long box.						
			Minor body damage.						
			113,272KM.						
5.	2309	1FTSW21529EA15693	2009 Ford "F250SD XLT" crew cab 4WD pickup truck.	\$15,000	\$17,000				
West of the second			Gas, automatic transmission, grill guard, headache rack, box rails, illuminating buggy whip, beacon, long box.						
			78,621KM.						
6.	2409	1FTWW31509EA17451	2009 Ford "F350SD XL" crew cab 4WD pickup truck.	\$13,000	\$15,000				
			Gas, automatic transmission, grill guard, headache rack, box rails, illuminating buggy whip, beacon, long box.						
			62,370KM.						
7.	2509	1FTWW31549EA19171	2009 Ford "F350SD XL" crew cab 4WD pickup truck.	\$13,000	\$15,000				
			Gas, automatic transmission, grill guard, headache rack, box rails, illuminating buggy whip, beacon, Westeel slip tank and pump, long box.						
			77,016KM.						
A.L.									

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		Impact 2			
lmage	Unit	VIN/SN	Description	FLV	OLV
8.	2608	1FTWW31538EC72173	2008 Ford "F350SD XLT" crew cab 4WD plckup truck. Gas, automatic transmission, grill guard, headache rack, box rails, illuminating buggy whip, beacon, long box. 92,985KM.	\$13,000	\$15,000
9.	2708	1FTWW31578EC72161	2008 Ford "F350SD XLT" crew cab 4WD pickup truck. Gas, automatic transmission, grill guard, headache rack, box rails, illuminating buggy whip, beacon, long box. 134,968KM.	\$12,000	\$13,000
10.	2809	1FTWW31549EA17470	2009 Ford "F350SD XL" crew cab 4WD pickup truck. Gas, automatic transmission, grill guard, headache rack, box rails, illuminating buggy whip, beacon, Westeel slip tank and pump, long box. 101,135KM.	\$13,000	\$15,000
11.	2909	1FTWW31519EA17460	2009 Ford "F350SD XL" crew cab 4WD pickup truck. Gas, automatic transmission, grill guard, headache rack, box rails, illuminating buggy whip, beacon, Westeel slip tank and pump, 5th wheel hitch, long box. Minor body damage.	\$12,000	\$13,000

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		SCHEDU	ILE "A"		STABLE
		Impact 2			THE SEASON
Image	Unit	VIN/SN	Description	FLV	OLV
12.	3008	1FTWW31568EC72149	2008 Ford "F350SD XLT" crew cab 4WD pickup truck. Gas, automatic transmission, grill guard, headache rack, box rails, illuminating buggy whip, beacon, Westeel slip tank and pump, long box. 129,444KM.	\$12,000	\$13,000
13.	3109	1FTWW31509EA87435	2009 Ford "F350SD XL" crew cab 4WD pickup truck. Gas, automatic transmission, grill guard, headache rack, box rails, illuminating buggy whip, beacon, long box. 44,647KM.	\$13,000	\$15,000
14.	3209	1FTWW31549EA87423	2009 Ford "F350SD XL" crew cab 4WD pickup truck. Gas, automatic transmission, grill guard, headache rack, box rails, illuminating buggy whip, beacon, long box. Minor body damage. 52,874KM.	\$12,500	\$14,000
15.	ГS1106	3FRWF75NX6V356755	2006 Ford "F750SD XL" single axle service truck. Gas, 6-speed manual transmission, IMT service body, IMT "5525" 10,500lb capacity hydraulic crane, IMT compressed air system, 10,000lb front axle, 21,100lb rear axle.	\$40,000	\$50,000

				APPENDIX	С
		SCHEDU	ILE "A"		
		Impact 2	000 Inc.		
lmage	Unit	VIN/SN	Description	FLV	OLV
NOT VIEWED	S01	2BPSGD8AX8V000508	2008 Skl-doo Tundra Rotax "550" snowmobile.	\$2,000	\$3,000
17.	\$02	SN1NT3ASX8C359829	2008 Polaris Transport "340" snowmobile.	\$2,000	\$3,000
NOT VIEWED	S 03	SN1NT3AS38C359798	2008 Polaris Transport "341" snowmobile.	\$2,000	\$3,000
19.	S 05	JYE8BD00X9A044688	2009 Yamaha Bravo "BR250TY" snowmobile. 243KM.	\$1,500	\$2,000
20.	S06	JYE8BD0079A044647	2009 Yamaha Bravo "BR250TY" snowmobile. Parts machine.	\$50	\$100

				APPENDIX	CC				
SCHEDULE "A"									
Impact 2000 Inc.									
lmage	Unit	VIN/SN	Description	FLV	OLV				
21.	S07	JYE8BD0059A044646	2009 Yamaha Bravo "BR250TY" snowmobile. 2,199KM.	\$1,200	\$1,500				
22.	S08	JYE8BD0039A044645	2009 Yamaha Bravo "BR250TY" snowmobile. 2,398KM.	\$1,500	\$2,000				
23.	LP01	4ZJSL151161J25063	2006 Terex Amida "AL5200D-4MH" 20kW portable light tower. Isuzu diesel engine (S/N GOF-25063). 5,438HRS.	\$4,000	\$5,000				
NOT VIEWED	LP02	4ZJSL151361K25404	2006 Terex Amida "AL5200D-4MH" 20kW portable light tower. Isuzu diesel engine. 4,877HRS.	\$4,000	\$5,000				

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	I I PA	Impact 2		ELV	OLV
lmage 25. NOT VIEWED	Unit LP03	VIN/SN 4ZJSL151761H23693	Description 2006 Terex Amida "AL5200D-4MH" 20kW portable light tower. Isuzu diesel engine. 1,961HRS.	\$4,000	\$5,000
26.	T01	2S9PK531X83019919	2008 Royal Cargo "ARCT60-8524-72" tandem axle 8'x24' car hauler. 6,272kg GVWR, insulated, wired interior.	\$5,000	\$7,000
27.	Т02	4X4TSED231N018894	2001 Continental Cargo "SKA8 524TA2" tandem axle 8'x23'6" v-nose 6-place snowmobile trailer. 6,000lb GVWR.	\$6,000	\$7,000
28.	Т03	5M3BE162771023689	2007 Mirage "MUCH716TA2" tandem axle utility trailer. 7,000lb GVWR.	\$1,000	\$1,500

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	W 713 02	SCHEDU	JLE "A"							
	Impact 2000 Inc.									
lmage	Unit	VIN/SN	Description	FLV	OLV					
NOT VIEWED	T04	NVSN	2008 Snake River tandem axle utility trailer. Angled back.	\$2,000	\$3,000					
30.	Т05	4P5FS303371101558	2007 PJ Trailers "FS303" tri- axle gooseneck equipment trailer. Ramps, 8'6"x30' deck, 21,000lb GVWR.	\$7,000	\$8,000					
31.	Т07	2CUL2TG9X72022402	2007 Trailtech "CEL260T-18" tandem axie utility trailer. Ramps, winch, 12,000lb GVWR.	\$3,500	\$4,000					
32.	Т08	NA	Single axle 2-place snowmobile trailer.	\$750	\$1,000					

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lmaga	Heit	Impact 2		ELV	OLV
Image	Unit	VIN/SN	Description	FLV	OLV
33.	WB101	LD21733U583179E	Bombardier Muskeg "321790267" Water Hauler.	\$20,000	\$25,000
			Diesel engine.		
			1,620HRS.		
34.	DL102	MC74-5500D	2001 Bombardler "MC74" low impact seismic drill.	\$40,000	\$50,00
			Diesel engine, DW Jensen drill.		
All and a second			3,537HRS.		
35.	DL103	321310609	2001 Bombardier "M.C.D. 6-	\$40,000	\$50,00
			MC" low impact seismic drill.		
			Diesel engine, DW Jensen drill.		
			4,787HRS.		
			,,		
36.	DB101	4179	2000 Litton Resources Systems "AHV-8-Y900" articulated Buggy mount.	\$70,000	\$80,00
			NL Rucker rotary auger drill, Detroit series "50" diesel engine, 66x43.00-25 tires.		
			4,949HRS.		

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Mark the treatment of the state	SCHEDULE "A" Impact 2000 Inc.									
lmage	Unit	VIN/SN	Description	FLV	OLV					
37.	Q01		2004 Honda "TRX350 KM4" ATV. 2,953KM.	\$2,000	\$3,000					
38.	Q04	4XAMH76A36A	2006 Polaris Sportsman "800" twin ATV.	\$3,000	\$4,000					
39.	A03	V2000G00000011047	2008 Argo Centaur 8WD amphibious off road vehicle. 26HP, diesel engine, snow tracks. 475HRS.	\$10,000	\$12,000					
40.	K502	20106	2009 Kubota "RTV500" 4WD utility vehicle. Gas, automatic transmission, full cab, manual dump box. 661HRS.	\$7,000	\$8,000					
41.	K503	20429	2009 Kubota "RTV500" 4WD utility vehicle. Gas, automatic transmission, full cab, manual dump box. 790HRS.	\$7,000	\$8,000					

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		SCHEE	OULE "A"		
			2000 Inc.		
lmage	Unit	VIN/SN	Description	FLV	OLV
42.	K504	20027	2009 Kubota "RTV500" 4WD utility vehicle. Gas, automatic transmission, full cab, manual dump box. 665HRS.	\$7,000	\$8,000
43.	K506	20401	2009 Kubota "RTV500" 4WD utility vehicle. Gas, automatic transmission, full cab, manual dump box. 545HRS.	\$7,500	\$8,500
44.	H161	AFE-1658	1987 Hagglunds "BV206B" all terrain personnel carrier. Mercedes diesel engine, automatic transmission. 108,424KM.	\$25,000	\$30,000
45.	H160	AFE-1725	1986 Hagglunds "BV206D" all terrain personnel carrier. Mercedes diesel engine, automatic transmission. 2,491KM.	\$25,000	\$30,000

as at April 18, 2013 23 of 30

	Sales III			APPENDIA	
		SCHEDU			
	0.0	Impact 2			
Image	Unit	VIN/SN	Description	FLV	OLV
46.	H135	AFE-5112	1988 Hagglunds "BV206D" all terrain personnel carrier.	\$25,000	\$30,000
			Mercedes diesel engine, automatic transmission.		
			12,657KM.		
NOT	H153	AGE-7511	1991 Hagglunds "BV206D" all terrain personnel carrier.	\$25,000	\$30,000
VIEWED			14,048KM.		
48.	NA	NA	Grizzly tandem axle ATV utility trailer.	\$300	\$400
49.	NA	NA	53' sea container.	\$4,000	\$5,000
50.	NA	NA	53' sea container.	\$4,000	\$5,000

				APPENDIX	(C
		SCHEDL	JLE "A"		
		Impact 2			
lmage	Unit	VIN/SN	Description	FLV	OLV
51.	NA	NA	53' sea container.	\$4,000	\$5,000
52.	NA	47ZW5363X8X059935	2008 Pace American "SCXG8536TTA4" tri-axle enclosed gooseneck trailer. (5) rooftop AC units, with FairfieldNodal Zland data recording system with (6) data collections, node charging racks and transferable licence.	\$100,000	\$200,000
53.	NA	NA	(16) 5' drill stems.	\$800	\$1,600
54.	NA	NA	(12) 10' drill stems.	\$1,200	\$2,400
55.	NA	NA	(2) cheater rods.	\$100	\$200

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		SCHED	ULE "A"		
			2000 Inc.		
Image	Unit	VIN/SN	Description	FLV	OLV
56.	NA	NA	Approximately (62) auger bits.	\$1,240	\$2,480
57.	NA I	NA	(6) snowmobile sleds.	\$300	\$450
58.	NA	NA	Approximately (7) skids of surveyors lathe.	\$700	\$1,400
59.	NA	NA	Equinox rescue sled.	\$250	\$500
60.	NA	NA	Tracker Topper 10' aluminum boat.	\$300	\$500

				APPENDIX	K C
		SCHED	ULE "A"		
			2000 Inc.		
lmage	Unit	VIN/SN	Description	FLV	OLV
61.	NA	NA	Poly tank 220 gallon.	\$200	\$300
62.	NA	NA	Lot of first aid kits, triangle kits, fire extinguishers, backpack sprayers, etc.	\$500	\$1,000
63.	NA	NA	Lot of (2) Honda portable pumps, tool box, etc.	\$250	\$300
64.	NA	NA	Pallet jack.	\$100	\$150
65.	NA	NA	Lot of intake and discharge hoses, totes, etc.	\$300	\$400

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		SCHED	ULE "A"		HISHELLY
			2000 Inc.		
lmage	Unit	VIN/SN	Description	FLV	OLV
66.	NA 1	NA	(3) snowmobile truck ramps.	\$150	\$200
67.	NA	NA	Steel vehicle ramp.	\$300	\$500
68.	NA	NA	Vertical 5hp air compressor.	\$400	\$600
69.	NA	NA	Lot of oxy acetylene torch set and Ridgid shop vacuum.	\$200	\$300
70.	NA	NA	Lot of bench grinder, drill press, circular saw, drill and other assorted power and hand tools throughout.	\$1,500	\$2,000
				1200	-2

	US A CONTRACT	SCHED	ULE "A"	APPENDIA	
			2000 Inc.		
Image	Unit	VIN/SN	Description	FLV	OLV
71.	NA NA	NA	Roll-away tool cabinet. Top chest and contents.	\$1,000	\$1,500
72.	NA NA	NA	Lot of parts washer, battery charger, etc.	\$300	\$500
73.	NA	NA	Lot of (2) parts cabinets and contents.	\$300	\$500
74.	NA NA	NA	Lot of spill kits, ABC fire extinguishers, etc.	\$400	\$500
75.	NA	NA	Mechanics cart and contents.	\$75	\$100

					7411 211011	
			SCHEE	OULE "A"		
			Impact	2000 Inc.		
	lmage	Unit	VIN/SN	Description	FLV	OLV
76.		NA	NA	Honda power pressure washer.	\$200	\$250
77.		NA NA	NA	Lot of assorted shop fluids, fuel cans, etc.	\$500	\$700
			建	Total:	\$687,365	\$909,330



Asset Valuation

Century provides comprehensive and guaranteed appraisal services throughout North America.

Our clients include financial institutions, public and private corporations, court appointed and privately engaged corporate advisers. These clients rely on our veteran appraisers to accurately value assets for the purposes of financing, mergers/acquisitions, insurance, and asset disposal. Valuation assignments range from machinery and equipment, consumer/industrial inventories, real estate and accounts receivables, to commonly undervalued assets such as customer lists, fixtures and leases.

We have experience with:

- Aviation
- Agriculture
- Automotive
- Construction Equipment
- Electronics
- · Energy Generation & Distribution
- Food & Beverage
- Forestry
- Intangibles-leases, fixtures, etc.
- Inventories-retail, wholesale, industrial
- Manufacturing Plants
- Marine

- Metal Fabrication
- Mining
- Oil & Gas
- Plastic
- Printing & Reproduction
- Real Estate
- Restaurant, Food & Beverage
- Retail Apparel, Furniture, etc.
- Textiles
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- Woodworking & Timber Processing

About Us

Established in 1983, Century Services Inc., "Century", has offices in Vancouver, Los Angeles, Calgary, Grande Prairie, Edmonton, Toronto, Montreal, and Chicago. Century provides asset appraisals, specialized financial services and asset-to-cash recovery strategies to companies and their advisors with the goal of identifying and unlocking corporate value.

Century's commitment is to conduct accurate and guaranteed asset appraisals, provide short-term asset-based financing and lead asset recovery transactions to maximize returns.

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APPENDIX D

APPRAISAL

OF

IMPACT 2000 INC. Calgary, AB

MAYNARDS APPRAISAL DIVISION

Suite 300, 5 Richard Way S.W. Calgary, AB | T3E 7M8

Report Date: April 24, 2013

Effective Date: April 17, 2013





Maynards Industries Ltd. Suite 300, 5 Richard Way SW Calgary, AB T3E 7M8 Canada

Via email: okonowalchuk@alvarezandmarsal.com

T: 403 398-6937 E: info@maynards.com

April 24, 2013

IMPACT 2000 INC.
Suite 200, 3016 – 5th Avenue N.E.
Calgary, AB T2A 6K4

Attention: Mr. Mike Wolowich

Dear Sir;

Re: THE VALUATION OF CERTAIN ASSETS OF IMPACT 2000 INC.

At your request, Maynards Appraisals Ltd. ("Maynards") has completed an analysis and valuation of certain assets (the "Assets") understood to be owned by Impact 2000 Inc. ("Impact").

This appraisal assignment has been undertaken to establish an opinion of the gross recovery value of the Assets, as of April 17, 2013, under Orderly Liquidation Value ("OLV") and Forced Liquidation Value ("FLV") scenarios for internal financial consideration purposes.

This appraisal is intended for exclusive use by Impact, and is not intended for general circulation, distribution, or reproduction, nor is it to be used for any purpose other than indicated.

The scope of work used to develop this appraisal included: discussions with Mr. Orest Konowalchuk of Alvarez and Marsal Canada ULC ("A&M"); a field inspection of available assets; analysis and evaluation of informational materials supplied by A&M; consideration of applicable forms of depreciation; and investigation into market conditions and trends for assets of like kind. Certain Assets were unavailable at the time of our site visit and have been valued under a Desktop Analysis basis. Desktop Analyses were also performed on a selection of Assets that were added to the engagement following our field inspection.

The Sales Comparison, Cost, and Income approaches have all been considered in the development of our opinion of value, and have either been utilized where necessary, or deemed inappropriate for the purpose of this assignment.

The enclosed report has been prepared in conformance with the Canadian Uniform Standards of Professional Appraisal Practice ("CUSPAP"), the Principles of Appraisal Practice and Code of Ethics of the American Society of Appraisers, and the Standards and Procedures of Professional Appraisal Ethics and Practice of the Association of Machinery & Equipment Appraisers.

Based upon a thorough analysis of the Assets and reconciliation of information made available to us, Maynards projects the Assets to have the OLV and FLV, in Canadian Funds, shown on the following Certificate of Value. The value opinions expressed within the following certificate are however subject to the analyses, facts, and circumstances presented in the enclosed report, and shall be considered incomplete in the event of separation from it.

Should you require additional information, please don't hesitate to contact the undersigned at your convenience.

Yours truly,

Maynards Appraisals Ltd.

Breat Cheung, A.S.A. Vice-President

bcheung@maynards.com

MAYNARDS APPRAISALS LTD.

DOES HEREBY CERTIFY

AS OF APRIL 17, 2013, THE SPECIFIED ASSETS OF

IMPACT 2000 INC.

ARE WELL AND REASONABLY WORTH THE VALUES LISTED BELOW:

DESCRIPTION

ORDERLY LIQUIDATION VALUE

ASSETS
(Refer to accompanying Schedule A)

\$1,197,000 (rounded)

DESCRIPTION

FORCED LIQUIDATION VALUE

ASSETS
(Refer to accompanying Schedule A)

\$951,500 (rounded)

Date: March 24, 2013

Brent Cheung, A.S.

BY:

Vice-President

This Certificate of Value is subject to the analyses, facts, and circumstances presented in the accompanying report and shall be considered incomplete in the event of separation from it.

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SCHEDULE A

PREMISE AND PURPOSE OF VALUATION

Maynards Appraisals Ltd. has been engaged by Impact 2000 Inc. ("Impact") for the purpose of establishing a gross recovery opinion of the Orderly Liquidation Value ("OLV") and Forced Liquidation Value ("FLV"), as of April 17, 2013, for certain assets (the "Assets") understood to be owned by Impact (or the "Company").

This Summary Appraisal Report has been prepared exclusively for Impact, and is intended to be used for internal financial consideration purposes. Under no circumstances shall this report be generally circulated, distributed, reproduced, or used for any purpose other than expressly indicated herein.

PERTINENT DATES

The following dates are applicable to this appraisal:

Report Date: April 24, 2013
Effective Date: April 17, 2013
Site Visit Date: April 17, 2013

FIELD INSPECTION

The following location was visited by the undersigned appraiser to inspect, analyze and evaluate available Assets:

1415 – 28 Street N.E., Calgary, AB

ASSET DISCUSSION

Inspected Assets have been categorized as: a Data Recording System, Trucks, Seismic Drills, Personnel Carriers, Support Assets, 4WD Utility Vehicles, Trailers, and Snowmobiles.

Visual inspections revealed the Assets to be in "fair" to "good" overall condition. Testing and/or confirming the mechanical status of the Assets was however deemed outside the scope of work for this engagement, and Maynards has assumed no hidden or unapparent condition to render an Asset less valuable.

A summary of the valued Assets is presented in Exhibit A in the Summary of Value Conclusion section below. A detailed listing of the valued Assets, including item by item condition codes (as applicable), is presented in the accompanying Schedule A, with readily apparent deficiencies such as dead batteries, cracked windshields, body damage, etc. noted where possible.



SCOPE OF APPRAISAL

The Canadian Uniform Standards of Professional Appraisal Practice ("CUSPAP") requires an appraiser address the scope of work necessary to develop credible results for a given appraisal assignment. Based upon a review of the appraisal problem defined by our client, the undersigned appraiser and Maynards have deemed the following scope sufficient for this engagement:

- discussions with Mr. Orest Konowalchuk of A&M regarding intended use and intended users of our appraisal report;
- field inspection of available Assets by Maynards personnel;
- · Desktop Analysis of Assets unavailable for inspection at the time of our site visit;
- analysis and evaluation of information and value characteristics associated with the Assets including, but not limited to, composition, condition, quality, and utility;
- consideration and reconciliation of the three generally recognized approaches to determining value:
 Sales Comparison, Cost, and Income;
- analysis of the principle of Highest and Best Use;
- · consideration and analysis of applicable forms of depreciation and obsolescence;
- · investigation into current and historical market conditions and trends for assets of like kind and nature;
- · preparation of a Summary Appraisal Report

DEFINITIONS AND TERMINOLOGY

The following value definitions and appraisal terminology have been taken from the American Society of Appraisers ("ASA") 2011 third edition Machinery and Technical Specialties publication entitled "Valuing Machinery and Equipment: The Fundamentals of Appraising Machinery and Technical Assets" (pages 504 - 569).

VALUE DEFINITIONS

Orderly Liquidation Value: An opinion expressed in terms of money, that typically could be realized from a liquidation sale, given a reasonable period of time to find a purchaser (or purchasers), with the seller being compelled to sell on an as-is, where-is basis, as of a specific date.

Forced Liquidation Value: An opinion expressed in terms of money, that typically could be realized from a properly advertised and conducted public auction, with the seller being compelled to sell with a sense of immediacy on an as-is, where-is basis, as of a specific date.



APPRAISAL TERMINOLOGY

As-Is, Where-Is: A term reflecting the purchase of an item in its present condition and location. Any costs associated with dismantling and removal has not been considered.

Chronological Age: The number of years that have elapsed since an item or property was originally built or placed in service for the first time.

Depreciation: The actual loss in value or worth of a property from all causes including those resulting from physical deterioration, functional obsolescence, and economic obsolescence.

Desktop Analysis: An abbreviated analysis method providing an opinion of the possible value of an asset based upon documents and information provided to the appraiser by the client, and without the benefit of a physical inspection. Unless explicitly stated otherwise, the asset has been assumed to be in good working order and subject to industry standard maintenance and repair. A Desktop Analysis is less precise than an appraisal and should not be used in lieu of an appraisal.

Effective Age: The apparent age of a property in comparison with a new property of like kind; that is, the age indicated by the actual condition of a property. The Effective Age varies with the amount of use, regularity and extent of maintenance, wear and tear, etc. For this reason, the Effective Age for a given asset may be more than, less than, or equal to the Chronological Age.

Economic Obsolescence: A form of depreciation where the loss in value or usefulness of a property is caused by factors external to the property. These may include such things as the economics of the industry; availability of financing; loss of material and/or labor sources; passage of new legislation; changes in ordinances; increased cost of raw materials, labor or utilities (without an offsetting increase in product price); reduced demand for the product; increased competition; inflation or high interest rates; or similar factors.

Functional Obsolescence: A form of depreciation in which the loss in value or usefulness of a property is caused by inefficiencies or inadequacies inherent in the property itself, when compared to a more efficient or less costly replacement property that new technology and changes in design, materials, or process has developed. Symptoms suggesting the presence of functional obsolescence are excess operating cost, excess construction (excess capital cost), over-capacity, inadequacy, lack of utility, or similar conditions.

Highest and Best Use (Personal Property): The most probable and legal use of a property, which is physically possible, appropriately supported, financially feasible, and results in the highest value.

Physical Depreciation: A form of depreciation where the loss in value or usefulness of a property is due to using up or expiration of its useful life caused by wear and tear, deterioration, exposure to various elements, physical stress, and similar factors. Physical depreciation may be curable (or partially curable), by replacement or rebuilding, to some percentage of its full physical life. If curable, the Remaining Useful Life would go no lower than a core or re-buildable life. Cure or partial cure may then change the Effective Age of the property. If no replacement or rebuilding is economically feasible the physical depreciation will be 100%.

Remaining Useful Life: The estimated period during which a property of a certain Effective Age is expected to actually be used before it is retired from service.



APPROACHES TO VALUE

There are three generally accepted approaches used in the determination of value: the Sales Comparison Approach; the Cost Approach; and the Income Approach. Establishing theoretical concepts and systematic methods, these approaches are widely recognized by financial institutions, courts, government agencies, business, and society in general.

All three approaches to value rely upon the principle of substitution and recognize a prudent investor will pay no more for an asset than the cost to replace it new with an identical or similar unit of equal utility.

The three approaches to value are defined as follows:

Sales Comparison Approach: This approach involves the analysis of recent comparable sales (or offerings) of similar assets to the subject. If the comparable sales are not exactly like the subject, adjustments must be made to the price of the comparable sales (or offerings) to make the comparable reflect the subject property. The adjustments may be either up or down in order to estimate what the comparable would have sold for if it had the same characteristics as the subject.

Cost Approach: The appraiser starts with the current replacement cost new of the property being appraised and deducts for the loss in value caused by physical depreciation, functional obsolescence, and economic obsolescence.

Income Approach: This approach considers value in relation to the present worth of future benefits derived from ownership and is usually measured through the capitalization of a specific level of income. This approach is the least common approach used in the valuation of machinery and equipment given the difficulty in isolating income attributable to such assets.

Maynards determined application of the Sales Comparison Approach and the Cost Approach to be appropriate for development of our OLV and FLV opinions of value. Although the Income Approach has been considered, we have concluded it not to be applicable for this assignment given the inability to attribute income to individual assets that are part of an operating business. Specific discussion on the application of each approach follows in the Valuation Methodology section below.

HIGHEST AND BEST USE AND APPROPRIATE MARKET AND MARKET LEVEL

Although no longer a requirement of CUSPAP, ASA requires discussion of Highest and Best Use, the appropriate market, and the appropriate market level.

The process of determining Highest and Best Use includes an analysis of the current use and alternative uses to identify what is profitable, legally permissible, physically possible, and financially feasible, as relevant to the type and definition of value and the intended use of the appraisal.

Given the OLV and FLV definitions of value assume no alternative use for the Assets, and given the stated intended use of this appraisal for internal financial consideration purposes, the Highest and Best Use of the Assets is deemed to be its continued current use.



The process of developing an opinion of value also includes consideration of the appropriate market and level of trade for the Assets, which includes an analysis of the availability of reliable market data, a review of market conditions as of the Effective Date, and selection of a marketing period consistent with the assignment's purpose and intended use.

Under the premise of OLV, the proper market is typically the wholesale market with a marketing period of three to six months. Under the premise of FLV, the proper market is typically the auction market with a marketing period of sixty to ninety days.

VALUATION METHODOLOGY

This valuation assignment included a field inspection of available Assets, gathering and review of pertinent data relative to the Assets, and investigation into market trends and conditions. In arriving at our opinions of value, Maynards considered the following:

- · The composition, condition, quality, and utility of the Assets;
- The estimated cost to purchase the Assets used, where applicable, with adjustments to reflect differences in age, condition, utility, date of sale, etc., between the item appraised and the used market comparable;
- · The estimated cost to replace or reproduce the Assets, where applicable, less various forms of depreciation; and
- · Current prices a dealer in used equipment, or an alternate user, might pay for similar assets in like condition.

The valuation of personal property requires a listing of the Assets. Inspection of the Assets was performed at the location listed below. During our site inspection, we physically inventoried the available Assets and studied local market conditions of all included assets.

During our field inspection, with the assistance of Mr. Tony Juricic, Maynards documented information concerning composition, condition, quality and utility of the Assets.

The Sales Comparison, Cost, and Income approaches were all considered in the development of our opinions of value, and were either utilized where necessary, or deemed inappropriate for the purpose of this assignment.

APPLICATION OF THE SALES COMPARISON APPROACH

The Sales Comparison Approach estimates value by evaluating realized prices from actual market transactions, and considering "asking prices" for similar available assets, as of the Effective Date. Adjustments are then applied to compensate for differences in value factors, which commonly include:

- the age, condition, and capacity of the Assets; and,
- the location, date, and type of sale (e.g., retail sale, auction sale, or asking price).



Given the availability of market comparables for the majority of Assets, the Sales Comparison Approach has been the primary valuation approach employed in this assignment.

Value development through the Sales Comparison Approach is achieved by following one of, or a combination of, three techniques:

- 1. Finding a recent sale of a direct match in the used market;
- 2. Establishing a comparable match, which involves analysis of similar used equipment sales;
- 3. Application of a *percent-to-cost factor*, which involves analysis of the ratio of used sales prices to the Replacement or Reproduction Cost New for assets similar in nature and age to the subject Assets. The relationships between age, selling price, and cost are analyzed to develop percent-to-cost factors. These percent-to-cost factors may then be applied to the cost of similar assets for which only limited or no market data was available in order to reach an estimate of value. This procedure involves direct application of the percent-to-cost factor if the subject Asset is of the same vintage and utility as the assets from which the factor was extracted. If the subject Asset is similar but a different age, the appropriate percent-to-cost factor may be developed through a further relationship analysis.

Maynards has chosen to employ all three of the above techniques in our estimation of value, with the *direct match* technique being predominately used. The above techniques were also used to validate and modify any Cost Approach results.

Our value opinion has also been developed on the basis of web site research, discussions with new and used equipment dealers (and other knowledgeable experts), review of past valuations and realizations contained within Maynards' proprietary database, and our experience with cost/value relationships. Details regarding this data shall be held in our office and may be made available for review upon request.

APPLICATION OF THE COST APPROACH

The Cost Approach assumes a prudent investor will pay no more for an asset than the cost to replace the asset. As such, reproduction and/or replacement cost new normally sets the upper limit of value. The first step in the Cost Approach is to estimate the Replacement Cost New ("RCN") for each subject Asset. Since the subject Assets are not in new condition, depreciation adjustments must then be made to account for loss in value which occurs over time.

For this assignment, the Cost Approach has been used in the projection of values for the Fairfield "Zland" data recording system due to the lack of readily available market comparables.

Application of the Cost Approach requires RCN estimates from the original equipment manufacturer. Replacement Cost is then reduced for diminution in value attributable to depreciation.

To determine physical depreciation, Maynards considered the following information from the subject Asset to estimate Effective Age:

- · current age of the Asset;
- current physical condition of the Asset;
- current utilization;
- · operating history;
- · maintenance history: and
- planned future utility.



The Asset's functional use and current technology was also reviewed with adjustments for each where deemed appropriate. Additional downward adjustments were then applied to arrive at our projection of value.

Age Estimation

Maynards researched the actual age for each asset. This data was obtained through numerous sources including, but not limited to, the supplied asset listing, discussions with Company personnel, review of informational materials supplied by A&M, and serial number research.

As previously stated, Effective Age for each Asset has been estimated. The Effective Age for a given asset varies with the amount of use, regularity and extent of maintenance, wear and tear, etc. For this reason, the Effective Age may be more than, less than, or equal to the Chronological Age.

In order to assist in estimating the Effective Age of each subject Asset (or group of subject Assets) and the potential need for adjustments when using the Sales Comparison Approach, the appraiser assigned a condition code to each inspected asset. These codes were based primarily on the observed condition of the Asset, as of the inspection date, but were adjusted if Company personnel or our research indicated a reason to do so to reflect actual condition as of the Effective Date.

CODE	DESCRIPTION	DEFINITION
N	NEW	New. Uninstalled and unused.
E	EXCELLENT	Near new. Very low use.
VG	VERY GOOD	Outstanding condition. Capable of being used to its specified utilization without any repairs or abnormal maintenance.
G	GOOD	In good operating condition and not in need of repair.
F	FAIR	In operating condition but requiring minor repair or replacement of minor parts.
Р	POOR	In operating condition but requiring extensive repair or replacement of major components.
s	SALVAGE	Requiring major rebuilding or modification to be useful.
Х	SCRAP	No reasonable prospect of sale except for recovery of basic material content.

APPLICATION OF THE INCOME APPROACH

Although the Income Approach has been considered, Maynards has concluded it not to be applicable for this assignment given the inability to attribute income to individual assets.



SUMMARY OF VALUE CONCLUSION

Based upon a thorough analysis of the Assets, reconciliation of various sources of information made available to us, and application of the methodology detailed above, Maynards projects the subject Assets of Impact, as of April 17, 2013, to have the following gross Orderly Liquidation Value and Forced Liquidation Value:

EXHIBIT A

ASSETS	OLV (rounded)	FLV (rounded)	
Data Recording System	\$ 400,000	\$ 300,000	
Trucks	300,500	260,500	
Seismic Drills	182,500	146,500	
Personnel Carriers	160,000	120,000	
Support Assets	55,000	42,000	
4WD Utility Vehicles	46,000	39,500	
Trailers	38,000	32,000	
Snowmobiles	15,000	11,000	
	\$ 1,197,000	\$ 951,500	

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report is subject to the following assumptions and limiting conditions:

- This appraisal report has been completed solely for the purpose stated within the letter of transmittal and the body of this report. It may not be used for any other purpose.
- At the request of our client, the scope of this assignment was limited to the Assets identified in the accompanying Asset Schedule. No consideration has been given to any other assets.
- Unless otherwise stated, all Assets have been valued under a Fee Simple Interest basis where Fee Simple is defined as absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat. As such, no allowance has been made for possible liens or encumbrances that may exist against the Assets considered in this report.
- No investigation has been made into title to the Assets, and all items listed are assumed to be the property of the Company unless otherwise noted. Maynards has relied solely upon Impact and A&M to identify any Asset leased or owned by parties unrelated to the appraisal. Conducting a title search was deemed outside the scope of this appraisal assignment.



- This report is presented in a Summary Appraisal Report format and presents only a summary discussion of our projected opinion of value. All supporting documentation concerning the data, and our reasoning and analyses will be retained in Maynards' files.
- This report and all supporting file documentation shall be considered confidential. Under no circumstances shall the content of this appraisal (including the report and the supporting file documentation) be disclosed to any party, or conveyed orally or in writing through advertising, public relations, news, sales, or in any other manner without the prior written consent and approval of both Maynards and Impact.
- The undersigned appraiser shall not be required to provide further consultation, give testimony, be present in any court or legal proceeding, or appear before any commission or board unless prior arrangements for such services have been made.
- Unless specified otherwise in this report, Maynards has assumed all Assets to be in normal operating condition. Testing the status of individual Assets was deemed outside the scope of this appraisal assignment, and Maynards has assumed no hidden or unapparent conditions to render an Asset more or less valuable.
- Any statements regarding physical condition of an Asset are the result of a visual inspection of the respective Asset plus such background information as available with respect to aging and maintenance.
- · Since conclusions by the appraiser are based upon judgments, isolation of any single element as the sole basis for comparison to the whole appraisal may be inaccurate.
- No allowance has been made nor has any consideration been given to potential environmental problems and the possible impact those problems may have on the findings within this appraisal. Full compliance with all applicable environmental regulations and laws has been assumed unless non-compliance has been explicitly stated, defined, and considered in this appraisal report.
- This report has been prepared in conformance with the Appraisal Foundation's Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP), the American Society of Appraisers' Principles of Appraisal Practice and Code of Ethics, and the Association of Machinery & Equipment Appraisers' Standards and Procedures of Professional Appraisal Ethics and Practice, and reflects the best judgment of the appraiser.
- Other limitations or assumptions, if any, have been clearly defined and individually set out at that point relating to the subject.
- The Effective Date of this appraisal establishes the current value and is not prospective or retrospective.
- Any additions or deletions to the total assets appraised could change the psychological and/or monetary appeal necessary to gain the values indicated.
- Digital pictures of certain inspected Assets shall remain on file and available for review in the offices of Maynards.
- Maynards reserves the right to recall all copies of this report to correct any error or omission.



APPRAISER CERTIFICATIONS

I hereby certify, to the best of my knowledge and belief:

- · the statements of fact contained in this report are true and correct;
- the reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions and conclusions;
- I have no present or prospective interest in the Assets of this report;
- I have no personal interest or bias with respect to the parties involved;
- · I have no bias with respect to the Assets of this report or the parties involved with this assignment;
- my engagement in this assignment was not contingent upon developing or reporting predetermined results;
- my compensation for completing this assignment is not contingent upon the development or reporting
 of a predetermined value or direction in value that favors the cause of the client, the amount of the
 value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly
 related to the intended use of this appraisal;
- my analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP), the American Society of Appraisers' Principles of Appraisal Practice and Code of Ethics, and the Association of Machinery & Equipment Appraisers' Standards and Procedures of Professional Appraisal Ethics and Practice;
- an inspection of the Assets was executed by Brent Cheung on April 17, 2013;
- no person or persons other than the undersigned provided significant professional assistance in the analysis, opinions, and conclusions concerning the Assets reached herein;
- I am a listed senior member of the American Society of Appraisers and am in compliance with the mandatory recertification requirements of all senior members.

Respectfully submitted,

Maynards Appraisals Ltd.

Brent Cheung As.A.

April 24, 2013

Date



QUALIFICATIONS OF THE APPRAISER

BRENT J. W. CHEUNG, VICE PRESIDENT, CALGARY

Maynards Industries Ltd.
Suite 300, 5 Richard Way S.W., Calgary, AB T3E 7M8 (403) 398-6936
bcheung@maynards.com

PROFESSIONAL EXPERIENCE

Mr. Cheung is Vice President of the Calgary office of Maynards Industries Ltd., and possesses over 20 years of valuation and recovery experience in a wide range of industrial and commercial industries.

In addition to business development activities in the Prairie Regions, Mr. Cheung is responsible for the valuation of, and realization on, all manners of industrial and commercial assets. Sectors of particular expertise include:

- Agriculture
- Construction and Road Building
- Metalwork and Metal Fabrication
- Mining
- Oil and Gas
- Printing
- Transportation and Hauling
- Woodwork and Furniture Fabrication

Mr. Cheung's experience includes significant work with individuals and professional firms associated with insolvency and restructuring scenarios; finance and lease opportunities; merger and acquisition transactions; and tax and audit requirements.

PROFESSIONAL BACKGROUND

2012 - present

Maynards Industries Ltd Century Services Inc.

2002 - 20121987 - 2002

Hall's Auction/Hall's Appraisal Services Ltd.

PROFESSIONAL CERTIFICATIONS

- Accredited Senior Appraiser with the American Society of Appraisers
- **CERTIFICATIONS** Commissioner for Oaths in the Province of Alberta

PROFESSIONAL AFFILIATIONS

- Auctioneers Association of Alberta
- National Auctioneers Association
- Turnaround Management Association
- The Risk Management Association



200	08,500	\$9,500	\$13,000	002'68	\$19,000	\$18,000	\$ 16,500	\$16,000	\$14,000
250	\$10,000	\$11,000	\$15,000	\$11,000	\$22,000	\$21,000	\$18,000	\$18,500	\$16,000
ondistant.	L L	O	O	u.	FIG	O	u.	F/G	F/G
MINION	1FTSX21575ED04298	1FTSX21547EB03185	1FTWW31538EC79320	1FTWW31507EB37022	1FTSW21529EA15693	1FTWW31509EA17451	1FTWW31549EA19171	1FTWW31538EC72173	1FTWW3 1578EC72161
Usaffee	148,628	as at November 2012	as at November 2012	113,570	78,621 as at November 2012	68,307	82,811	92,985 as at November 2012	134,968 as at November 2012
199	Supercab 4WD light duty truck. Gas. Automatic. Grill guard. Headache rack. Box rails. Illuminating buggy whip. Beacon. Westeel slip tank and pump. Needs windshield. Body damage to driver's side lear wheel well.	Supercab 4WD light duty truck. Gas. Automatic. Grill guard. Headache rack. Box rails. Illuminating buggy whip. Beacon. Westeel slip tank and pump.	Crew cab 4WD light duty truck. Gas. Automatic. Grill guard. Headache rack. Box rails. Illuminating buggy whip. Beacon. Westeel slip tank and pump.	Cew cab 4WD light duty fruck. Gas. Automatic. Grill guard. Headache rack. Box rails. Illuminating buggy whip. Beacon. Small slip tank and pump. Needs windshield. Body damage to passenger side in multiple areas.	Gew cab 4WD light duty truck. Gas. Automatic. Grill guard. Headache rack. Box rails. Illuminating buggy whip. Beacon. Dead battery.	Crew cab 4WD light duty truck. Gas. Automatic. Grill guard. Headache rack. Box rails. Illuminating buggy whip. Beacon.	Grew cab 4WD light duty truck. Gas. Automatic. Grill guard. Headache rack. Box rails. Illuminating buggy whip. Beacon. Westeel slip tank and pump. Needs windshield. Body damage to driver's side front door.	Grew cab 4WD light duty truck. Gas. Automatic. Grill guard. Headache rack. Box rails. Illuminating buggy white. Beacon. Needs windshield. Dead battery.	Crew cab 4WD light duty truck. Gas. Automatic. Grill guard. Headache rack. Box rails. Illuminating buggy whip. Beacon. Dead battery.
Model	F250SD XLT	F250SD XL	F350SD XL	F350SD XL	F250SD XLT	F350SD XL	F350SD XL	F350SD XLT	F350SD XLT
Make	Ford	Ford	Ford	Ford	Ford	Ford	Ford	Ford	Ford
2000	2005	2007	2008	2007	2009	2003	2009	2008	2008
3.51	1705	2007	2108	2207	2309	2409	2509	2608	2708
Cohomo	Trucks	Trucks	Trucks	Trucks	Trucks	Trucks	Trucks	Trucks	Trucks
шшагу	and the second s	2 NOT VIEWED	3 NOT VIEWED	4	10	0		0	0

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2	\$14,000	\$14,000	\$14,000	\$19,000	\$15,500	\$60,000	\$2,250	\$2,250	\$2,250
	\$16,000	\$16,000	\$16,000	\$22,000	\$18,000	\$70,000	000'8\$	\$3,000	83,000
	F/G	F/G	F/G	O	F/G	O	F/G	F/G	F/G
The state of the s	1FTWW31549EA17470	1FTWW31519EA17460	1FTWW31568EC72149	1FTWW31509EA87435	1FTWW31549EA87423	3FRWF1SNXBV356755	2BPSGD8AX8V000508	SN1NT3ASX8G359829	SN1NT3AS38C359798
1	101,46 5	103,215	136,872	44,647	59,504	119,121		2,400	
D seed to the	Crew cab 4WD light duty truck. Gas. Automatic. Grill guard. Headache rack. Box rails. Illuminating buggy whip. Beacon. Westeel slip tank and pump. Minor body damage.	Gew cab 4WD light duty truck. Gas. Automatic. Grill guard. Headache rack. Box rails. Illuminating buggy whip. Beacon. Westeel slip tank and pump. Needs windshield.	Crew cab 4WD light duty truck. Gas. Automatic. Grill guard. Headache rack. Box rails. Illuminating buggy whip. Beacon. Westeel slip tank and pump. Needs windshield.	Crew cab 4WD light duty truck. Gas. Automatic. Grill guard. Headache rack. Box rails. Illuminating buggy whip. Beacon. Needs windshield.	Crew cab 4WD light duty truck. Gas. Automatic. Crill guard. Headache rack. Box rails, Illuminating buggy whip. Beacon. Body damage to rear driver side door.	Single axle service truck. IMT service body. IMT "5525" 10,500LB capacity hydraulic crane. IMT compressed air system. Cat "Cr" 210HP diesel. 6-speed manual. 10,000LB front axle. 21,000LB rear axle.	Snowmobile.	Snowmobile.	Snowmobile.
Model	F350SD XL	F350SD XL	F350SD XLT	F350SD XL	F350SD XL	F750SD XL	Tundra Rotax 550	Transport 340	Transport 340
Make	Ford	Ford	Ford	Ford	Ford	Ford	Ski-doo	Polaris	Polaris
Vear	2009	2009	2008	5009	2009	2006	2008	2008	2008
1	2809	2909	3008	3109	3209	TS1106	SO1	302	803
Cafegory	Trucks	Trucks	Trucks	Trucks	Trucks	Trucks	Snowmobiles	Snowmobiles	Snowmobiles
Summary of Values		-	12	13 14 15 15 15 15 15 15 15 15 15 15 15 15 15	14	15	NOT VIEWED	14	NOT VIEWED

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	7	\$1,000	\$200	\$1,500	\$1,500	\$8,000	\$8,000	S8,000	\$11,000	86,000
	OLV	\$1,500	8300	\$2,000	\$2,000	\$10,000	\$10,000	\$10,000	\$13,000	\$7,000
	Condition	P/F	Ø	LL.	L.	ဗ	ဗ	O	O	ဗ
	VIN/SN	JYE8BD00X9A044688	JYE8BD0079A044647	JYE8BD0059A044646	JYE8BD0039A044645	4ZJSL151161J25063	4ZJSL151361K25404	4 ZJSL15 1761H23693	2S9PK531X83019919	4X4TSED231N018894
	Hrs/km	2,490		2,200	2,398	5,438 hrs	4,877 hrs	1,961 hrs		
		Snowmobile.	Snowmobile. Parts machine.	Snowmobile.	Snowmobile.	A 20kW portable light tower.	H 20kW portable light tower.	H 20kW portable light tower.	Tandem axie 8'x24' car hauler. 6,272kg GVWR. Insulated and wired interior. Locked. Unable to view interior.	6,000LB GVWR.
	Model	BR250TY	BR250TY	BR250TY	BR250TY	AL5200D-4MH	AL5200D-4MH	AL5 200 D -4MH	ARCT60- 8524-72	SKA8 524TA2
	Make	Yamaha	Yamaha	Yamaha	Yamaha	Terex Amida	Terex Amida	Terex Amida	Royal Cargo	Continental Cargo
	Year	2009	2003	2009	2009	2006	2006	2006	2008	2001
	S	805	908	S07	808	LP01	LP02	LP03	10	102
	Category	Snowmobiles	Snowmobiles	Snowmobiles	Snowmobiles	Support Assets	Support Assets	Support Assets	Tailers	Trailers
Summary of Values	Image						NOT	NOT		
Sun	*	9	50	2	ឧ	ឌ	24	28	98	22

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Trailera TG4 2008 Seute Africa Fig. 2007 Trailera TG4 2008 Seute Africa Trailera TG4 2008 Seute Africa Trailera TG4 2008 Seute Africa Trailera TG4 2000 Trailera TG4 2000 Trailera TG4 2000 Trailera TG5	la La	Summary of Values		1	25.7	- 1					•		
154 2005 Shale River Tandom also with trainer with inged back 1500 11 12 2007 12 13 14 14 15 15 15 15 15 15	mage	ē	Category	200	Year	Make		Description		VIN/SN	Condition	OLV	된
194 2006 Studie River Tandem and willy trailer with ranged back. 176 2007 P.J. Trailers FSS03 Triaine gooseneck epigment trailer with range. 4PSFS03371101656 C	TON	- 1.10	S S S S S S S S S S S S S S S S S S S	50	2007	Mirage		7x16' equipment trailer.		5M3BE162771023689	O	\$3,000	\$2,500
TVA 2006 Shake River Tandern axe utility trailer with paged back. Tandern axe utility trailer with paged back. 47945303371101589 G Total Shake F5500 Thinker Tander Thinker Thinke	VIEWED		-										
TO 2007 P.J. Traillech FESON3 Tri sake gooseneck equipment trailer with ramps 4PSFSSN337101559 C	NOT		Trailers	T04	2008	Snake River		Tandem axle utility trailer with angled back.			ပ	\$3,000	\$2,500
TOS 2007 P-1 Trailech FS903 Trailech FS903 Trailech FS903 Trailech FS903 Trailech FS903 Trailech GELZB0718 Trailech Trailech Trailech GELZB0718 Trailech Trailech Trailech Trailech Trailech Trailech GELZB0718 Trailech Trailech	VIEWED												
Total Trailech CEL260T-18 Tardem axie equipment trailer, 66° x 16° deck. 2CUL2TGSY72022402 G	E		Trailers	T05	2007	PJ Trailers	FS303	Tri-axle gooseneck equipment trailer with ramps. 86 x30' deck. 21,000GVWR.		4P5FS303371101558	ပ	\$6,500	\$5,500
T08 Westlock Trialer. Westlock Trialer. G		N N	Trailers	T07	2007	Trailtech	CEL260T-18	Tandem axle equipment trailer. 6'6" x 16" deck. Champion 2,000LB electric winch. Loading ramps.		2CUL2TG9X72022402	O	\$3,500	\$3,000
WB101 Bombardier Muskeg 32/790267 Crawler Water 1,620 hrs F DL102 2001 Bombardier MC74 Low Impact seismic drill. 3,537 hrs MC74-5500D F DL103 2001 Bombardier M.C.D. 6.MC Low Impact seismic drill. 4,787 hrs 321310609 F DB101 2000 Litton Resources AHV-8-7900 Buggy mount 10' top driver seismic drill. 4,787 hrs 321310609 F Systems Systems Series 50 diesel. 66X43.00.25 tires G G	NOT		Trailers	T08				Westlock Trialer.			9	\$1,250	\$1,000
WB101 Bombardier Muskeg 321790267 Grawler Water 1,620 hrs F DL102 2001 Bombardier MC74 Low Impact seismic drill. 3,537 hrs MC74-5500D F DL103 2001 Bombardier M.C.D. 6-MC Low Impact seismic drill. 4,787 hrs 321310609 F DB101 2000 Litton Resources AHV-8-Y900 Buggy mount 10' top driver seismic drill. 4,787 hrs 4,787 hrs 4,787 hrs	VIEWED	-											
DL102 2001 Bombardier MC74 Low impact seismic drill. A,787 hrs B DB101 2000 Litton Resources AHV-8·Y900 Buggy mount 10' top driver seismic drill. Detroit 4,950 hrs 4179 G Systems Systems Serfies 50 diesel. 66X43.00.25 tires G A179 G	5	1		WB101				321790267	1,620 hrs		L	\$20,000	\$15,000
DL103 2001 Bombardier M.C.D. 6-MC Low impact seismic drill. 4,787 hrs 321310609 F DB101 2000 Litton Resources AHV-8-Y900 Buggy mount 10' top driver seismic drill. Defroit Systems Serties 50 diesel. 66X43.00-25 tires			Seismic Drills		2001	Bombardier	MC74	Low Impact seismic drill.	3,537 hrs	MC74-5500D	L.	\$50,000	\$40,000
DB101 2000 Litton Resources AHV-8-Y900 Buggy mount 10' top driver seismic drill. Detroit 4,950 hrs 4179 G Systems Serties 50 diesel. 66X43.00-25 tires					2001	Bombardier	M.C.D. 6-MC	Low impact seismic drill.	4,787 hrs	321310609	L	\$50,000	\$40,000
						Litton Resources Systems	AHV-8-Y900	Buggy mount 10' top driver seismic drill. Detroit Serties 50 diesel. 66X43.00-25 tires	4,950 hrs	4179	O	\$60,000	\$50,000

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	- 13	\$1,500	\$2,000	\$4.500	29,000	\$6,000	36,000	26,000	36,000	230,000
	FLV	€	₩	₩	8	98	S	\$	98	830
	OLV	\$2,500	\$2,500	\$5,500	\$10,000	\$7,000	\$7,000	\$7,000	\$7,000	\$40,000
	Condition	L.	ц	F/G	O	O	O	O	O	O
	NS/NIA		478TE25654A400135	4XAMH76A36A	V2000G0000011047	20106	20429	20027	20401	AFE-1658
	Hrs/km		2,953		475	661	790	665	54 5	10 8,4 24 km
	Description	12 joints of 10 drill stem 16 joints of 5 drill stem 2 cheaters/bits	Quad.	Quad.	8 wheel drive amphibious off road vehicle. 26HP.	4WD utility vehicle. Electronic fuel injection. Variable hydro plus transmission. 24x9.00-12NHS (ires (90%).	4WD utility vehicle. Electronic fuel injection. Variable hydro plus transmission. 24x9.00-12NHS tires (80%).	4WD utility vehicle. Electronic fuel injection. Variable hydro plus transmission. 24x9,00-12NHS tires (90%).	4WD utility vehicle. Electronic fuel injection. Variable hydro plus transmission. 24x9.00-12NHS tries (90%).	All terrain personnel carrier. 95% undercarriage.
	Mode		TRX350 KM4	Sportsman 800 twin	Centaur	RTV500		RTV500	RTV500	BV206B
	Make		Honda	Polaris	Argo	Kubota	Kubota	Kubota	Kubota	Haggiunds
	Year		5004	2006	2008	2009	5000		2009	1987
	Z C		001	Q04	A03	K502	K503	K504	K506	H161
	Category	Seismic Driis	4WD Utility Vehicles	4WD Utility Vehicles	4WD Utility Vehicles	4WD Utility Vehicles	4WD Utility Vehicles	4WD Utility Vehicles	4WD Utility Vehicles	Personnel
dullinaly of values	Image			Vio		at the second				
	# 6	रें	38	66	04	4	42	43	4	45

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	FLV	000'00\$	\$30,000	\$30,000	\$400	83,500	\$3.500	\$3,500	\$300,000	\$1,200
	OLV	\$40,000	\$40,000	\$40,000	\$500	\$4,500	\$4,500	64,500	\$400,000	\$1,800
	Condition	O	ဗ	O	ш	O	O	Ø	F/G	ပ
	NS/NIA	AFE-1725	AFE-5112	AGE-7511					47ZW5363X8X059935	
	Hrs/km	2,491 km	12,657 km	14,048 km						
	Description	All terrain personnel carrier. 85% undercarriage.	All terrain personnel carrier. 50% undercarriage.	All terrain personnel carrier.	Tandem axle all terrain trailer. 5' x 6' box. AT22x11-8 tires (90%).	53' sea container.	53' sea container.	53' sea container.	Data recording system, per the supplied listing. Includes a 2008 Pace American "SCXG8536TTA4" tri-axle enclosed trailer. 18,000LB GVWR. ST235/80R16 tires (35%).	Approximately 62 auger bits.
	Model	BV206D	B V206D	BV206D					Zland	
	Make	Hagglunds	Hagglunds	Hagglunds	GrizzJy				Fairfield	
	Year	1986	1988	1991						
	Unit	H160	H13 5	H153						
	Category	Personnel Carriers	Personnel Carriers	Personnel Carriers	Trailers	Support Assets	Support Assets	Support Assets	Data Recording System	Support Assets
Summary of Values	Image			NOT			V	4		NO
Sun	#	94	74	8	64	જ	<u>0</u>	52	83	7.5

APPENDIX D

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Sun	Summary of Values	ŀ	ı									
# 1	mage	Category	z C	Year	Make	Model	Description	Hrs/km	VIN/SN	Condition	OLV	FLV
ន	ON	Support Assets					(6) pull-type snowmobile sleighs.			F/G	\$450	\$300
	IMAGE		_		•							
26	ON.	Support Assets					(7) skids of surveyors lath.			z	\$1,400	\$800
	IMAGE											
57	Q	Support Assets			Equinox		Rescue boggan.			F/G	\$300	\$200
	IMAGE											
28	ON.	Support Assets			Tracker Topper		10' two person boat.			F/G	\$300	\$200
	IMAGE											
8	ON O	Support Assets					220 gallon poly tank			F/G	\$300	\$200
	IMAGE		<u>.</u>									
9	ON	Support Assets					Lot of first aid kits, triangle kits, fire extinguishers, backpack sprayers, etc.			F/G	\$450	\$300
	IMAGE											
19	ON	Support Assets		I			Lot of (2) Honda portable pumps, toolbox, etc.			F/G	8350	\$250
	IMAGE											
62	ON	Support Assets	_				Pallet jack.			F/G	\$150	\$100
	IMAGE				, _							
63	ON	Support Assets					Lot of intake and discharge hoses, totes, etc.			F/G	\$200	\$150
	IMAGE		<u>.</u>									
			-	-								

APPENDIX D

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돌.	Summary of Values	Category	* S	Year	Wake	Model	Description	200	New	in the second	2	>
F 8	n Salli	Support Assets	5	ğ	MARK	Model	(3) snowmobile ramps	EX/KI	VINCON	Condition	OLV	FLV \$150
	ON !						of allowingoing ramps.			2	000	2
	IMAGE											0
65	Q	Support Assets					Steel vehicle ramp.			v	\$800	\$500
	IMAGE											-
99	O _N	Support Assets					SHP vertical air compressor.			O	\$750	\$500
	IMAGE											
29	ON	Support Assets					Lot of oxyacetylene torch set and Ridgid shop vacuum.			O	\$300	\$200
	IMAGE							82				
89	Q	Support Assets				0.0	Lot of bench grinder, drill press, circular saw, drill and other assorted power and handtools throughout.			O	\$1,500	\$1,000
	IMAGE											
69	ON.	Support Assets					Roll-away tool cabinet with contents.			ပ	\$750	\$500
	IMAGE											
20	ON	Support Assets					Lot of parts washer, battery charger, etc.			ဖ	\$400	\$300
	IMAGE											
71	ON	Support Assets					Lot of two parts cabinets with contents.			Ø	\$400	\$300
	IMAGE											
72	O	Support Assets			2		Lot of spill kits, ABC fire extinguishers, etc.			Ø	8300	\$200
	IMAGE											
7												

APPENDIX D

8

Immact Long INGT SCHEDOLE A

#	Image	Category	Unit	Year	Make	Model	Description	Hrs/km	VIN/SN	Condition	OLV	FLV
£	ON	Support Assets					Mechanics cart and contents.			ŋ	\$150	\$100
	IMAGE					25						
74	ON	Support Assets					Honda power pressure washer.			ø	\$300	\$200
	IMAGE			2.5%			0.					
											\$1.196.600	\$951,500

T.

APPENDIX D

IMANGET END INCARGOLEGALE

APPENDIX E

THE LICENSING CONTRACT Between Impact 2000 Inc. and Devon NEC Corporation for Wilson Creek South 3D EC-11-EXCON-6256

- 1. Impact 2000 Inc., (The Owner) will create a set of seismic data named Wilson Creek South 3D Program (The Data), which is shown on the map in Appendix A. The Data will be created using the seismic field parameters shown in Appendix B and data processing parameters and deliverables list shown in Appendix C.
- 2. Devon NEC Corporation, (The Licensee) will purchase one (1) non-exclusive license to use copies of The Data under the conditions of the existing Master Seismic Data Licensing Agreement Between Impact 2000 Inc. and Devon NEC Corporation., dated November 30, 2011.
- 3. The Licensee will pay \$85,000.00 CDN per square miles plus GST (Minimum of 9.65 square miles) to The Owner for one (1) non-exclusive license to use copies of The Data. This price includes the cost of reproduction and media for the set of deliverables as listed in Appendix C. Costs for additional copies will be charged to The Licensee at the actual cost charged to The Owner by a third-party reproduction company.
- 4. The Owner will grant the The Licensee rights to exclusive use of The Data for a one (1) month period beginning on the date of delivery of The Data processed as shown in Appendix C. This is the Exclusive Period, during which The Owner will not license any other copies of The Data. At the end of the Exclusive Period The Owner may license The Data to other entities. The Licensee agrees that there is no reason, lease or option that will prohibit The Owner from licensing The Data to other entities after the Exclusive Period expires.
- 5. The Licensee may declare a second entity as a Partner (The Partner), to receive the Second License to all or a portion of The Data. Notice of the intention to declare The Partner must be given to The Owner in writing prior to expiry of the Exclusive Period which has been granted to The Licensee. The Second License will be provided to The Partner as follows:

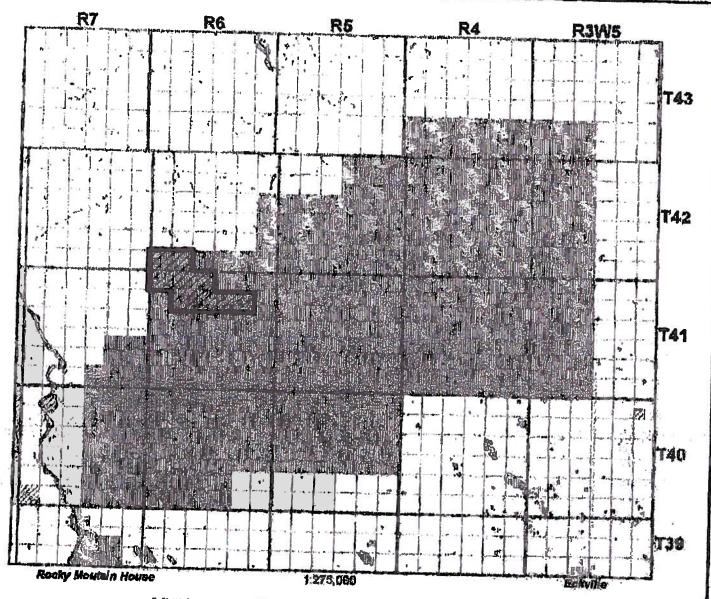
50% of retail (\$85,000.00) = \$42,500.00 per square miles plus GST.

- 6. The Licensee will be invoiced as shown below for The Data, and The Licensee agrees to pay the invoices within thirty (30) days of receipt.
 - ▲ 25% of commitment to be invoiced January 02, 2012
 - △ 25% of commitment to be invoiced when line construction begins
 - ▲ 25% of commitment to be invoiced when drilling begins
 - ▲ 15% of commitment to be invoiced upon data recording commencement
 - A Final 10% to be involced upon delivery of The Data

9.12

- 7. The information in this Licensing Contract will be kept confidential by both The Owner and The Licensee. The Owner will not divulge the name of The Licensee or the licensing of The Data to any other entity.
- 8. The Data will be created and processed by geophysical contractors selected by The Owner using personnel, instrumentation, parameters and techniques to a generally accepted local industry standard. The standards of the industry will be followed regarding testing and calibration of instruments for accuracy and performance specifications.
- 9. The Owner can make changes in both acquisition parameters in Appendix B and the processing details in Appendix C, as it deems necessary or appropriate upon review of field tests and initial processing results to ensure quality data. The Licensee will be notified of the need to make these changes and will be allowed to review the tests and review the proposed changes.
- 10. Changes to the program map in Appendix A, may be required once the project has already commenced due to unpredictable limitations of permitting, access and environmental issues. The Owner reserves the right to make these changes to the programmed work. The Licensee will be consulted regarding any major program change. In addition, the project may be delayed or cancelled due to (but not limited to) weather conditions, availability of permits, environmental considerations, governments or other regulatory bodies, or any other condition beyond the control of The Owner, including any occurrence of force-majeure, as defined in item 11 below. If the project is cancelled by The Licensee, The Licensee will forfeit all payments to date and pay any outstanding invoices. A cancellation fee equal to 10% of the subscription fee referred to in section 3 of this License Agreement will then also become due and payable from The Licensee.
- 11. Any delay or failure to perform any of the work proposed under this Contract arising from a condition of force-majeure event as defined below does not terminate this Contract, but the Contract will be in force until it is mutually agreed by both parties to cancel it. A force-majeure event is defined as: acts of God, carthquakes, fire, freezing, storm, tomadoes, floods, hurricanes, or other like actions of the elements, explosion, accident, malicious mischief, sabotage, insurrections, riots, strikes, lockouts, boycotts, picketing, labor disturbances, less of power, war (declared or undeclared), rebellion, civil disturbance compliance with any federal, state, or municipal law, or with any regulation, order, rule (including, but not limited to, priority, rationing or allocation orders or regulations) of governmental agencies, or authorifies or representatives of any government (foreign or domestic), total or partial failure or loss or shortage of all or part of transportation or other facilities ordinarily available to and used by a party hereto in the performance of the obligations imposed by this Contract. Lack of financial resources is not to be considered an event of force-majeure, The Licensee remains responsible for its obligations to make payments of amounts due to The Owner.
- 12. The Licensee will be exempt from any and all transfer fees in the event of a change of ownership.

	Please indicate voor	agreement with the terms	end acade	tions of this (Tanahum ad Tudo also a	
	returning one signed	copy to Impact 2000 Inc. o	n or before	December 15,	2011,	ing delow and
	Attachments:					
	Appendix A Appendix B Appendix C	Wilson Creek South 3D M Seismic Acquisition Para Processing Sequence & D	meters			
	ACCEPTED AND A	GREED TO THIS	DAY OF	DECEMBER	201	
	Impact 2000 Inc.		Devon]	NEC Corpora	ition	
	By: Richard Mike Wallowith	F. Paul	Ву:	M		
POP	Title: <u>President</u> Posided		Title:	sudar Geographysical Si	arvices	
	Please return one exec	outed copy of this agreemer	ıt to:			
	Impact 2000 Inc. Attention: Mike Wole #200, 3016 - 5 Avenu Calgary, Alberta T2A	e NE				



Wilson Creek South 3D West 5

Approx.

Twp 40-43 Rga 3-7 W5M 324,6 Sq MI / 840.8 Sq Km Approx.

Appendix "A"

Devon 2.65 Sq M /24.89 Sq Km

Parks and Protected Areas



-CONFIDENTIAL-PROPERTY OF IMPACT2000INC 300 3016 dimaya ne Galgaly Albatia 10 Augus Tal: (Augusta) 19700 Fau (403) 204 1162

APPENDIX 'B'

Seismic Acquisition Parameters

THE RESERVE OF THE PARTY OF THE	2612111	C Acquisition	arameters			
Area	TWP 41-42 RGE 6-7 WSM					
Program Name		WILSON CREEK SOUTH 3D				
Project Manager			IMPACT 2000 INC.			
Geophysical License			2045	····		
		Geometry: 9.86 8	iquare Miles	Aud 1941 197	a street til	
Number of Lines:	Receiver	35	Source	22		
					-	
Total KM:	Receiver	109.32	Source	112.25		
Total Linear KM:		221.57				
Reclever Interval		20m				
Source Interval		80m				
		instruments :	ar a senare of the extension of the second of	tion in the	iti ili ilii kessa	
Туре		Fairfield				
Sample Rate	1		2ms		131	
Record Length			6000ms			
Filters	Tag	Low Cut Out = 3Hz Anti-Alias 188HZ OR 3/4 Nyquist OR EQUILAVEN				
					ENT	
Barrier III and III		Receivers:			-	
Receiver Line Spacing		240m	Line Orfe	entation:	N-8	
Total Number of Rece	IVEIS	5501			ومعتد بالتحد	
Type of Geophones		10 Hz				
Number of Geophone Group array	e bei group	On Flag				
Patch		20 Lines X 240 Cha	######################################	, , , , , , , , , , , , , , , , , , , 		
		AND THE PART OF STREET AND ADDRESS OF THE PART OF THE	Contracts	MIN HE SHAPE	E British Fam	
	area intrata Decid	Source;	articles (state of the state of	· · · · · · · · · · · · · · · · · · ·	The No. 14	
Source Line Spacing		240m	Line Orig	ntation	E-W	
Total Number of Soun	ge Points	1426		TO THE PARTY OF THE		
Type		Dynamite				
Pattern / Charge Size	/ Depth	2 X 1.0 kg @ 8m				
Date:			ν,			
Per:						
, et.						

APPENDIX "C" WILSON CREEK SOUTH 3D TWP 40-43 RGE 3-7 W5M Processing Sequence & Client Deliverables

Standard 3D Processing Sequence

Read SEG-D or SEG-Y field data and Reformat to Internal format Geometry confirmation using LMO displays and First-arrival picking Geometry application

Refraction statics: picked at 240 m grid and applied for each source and receiver Spherical Divergence Correction

· and promise

Prestack noise reduction (FX, FK and modelling/subtraction techniques)

Surface Consistent Amplitude Corrections

Deconvolution

Velocity Analysis #1

Every 1920 meters

Surface Consistent Residual Statics Calculation

Velocity Analysis #2

Every 980 meters

Surface consistent Residual Statics Calculation

Pre-stack Time Migration (PSTM)

Velocity Analysis #3

Every 480 meters on PSTM gather data

CMP Stacking with muting

Post-stack noise reduction

Spectral Balancing

SEG-Y format output

Processing Notes:

- data processing to be carried out at 2 msec sample rate
- data to be received on portable USB drives
- field documentation should be in SPS format
- QC Inlines and Xlines every 950 m.

Deliverables List (1 set)

3D PSTM stacked data

3 limited angle-stack datasets

RMS velocity field in SEGY or Handvel format

Static correction files in text format

PSTM gathers on LTO2 tape or USB drive

Geometry applied shot records on LTO2 tape or USB drive

Digital copy of all basic data

Live bin map of reciplent's area

Area map of complete 3D survey

THE LICENSING CONTRACT Between Impact 2000 Inc and Devon Canada Corporation

Wilson Creek South 3D EC-11-EXCON-6256

- 1. Impact 2000 Inc., (The Owner) will create a set of seismic data of approximately 324.6 square miles named Wilson Creek South 3D Program (The Data), which is shown on the map in Appendix A. The Data will be created using the seismic field parameters shown in Appendix B and data processing parameters and deliverables list shown in Appendix C.
- Devon Canada Corporation, (The Licensee) will purchase one (1) non-exclusive license to use copies of The Data under the conditions of the existing Master Seismic Data Licensing Agreement Between Impact 2000 Inc. and Devon Canada Corporation., dated November 30, 2011.
- 3. The Licensee will pay \$85,000.00 CDN per square miles plus GST (Minimum of 8.16 square miles) to The Owner for one (1) non-exclusive license to use copies of The Data. This price includes the cost of reproduction and media for the set of deliverables as listed in Appendix C. Costs for additional copies will be charged to The Licensee at the actual cost charged to The Owner by a third-party reproduction company.
- 4. The Owner will grant the The Licensee rights to exclusive use of The Data for a one (i) month period beginning on the date of delivery of The Data processed as shown in Appendix C. This is the Exclusive Period, during which The Owner will not license any other copies of The Data. At the end of the Exclusive Period The Owner may license The Data to other entities. The Licensee agrees that there is no reason, lease or option that will prohibit The Owner from licensing The Data to other entities after the Exclusive Period expires.
- 5. The Licensee may declare a second entity as a Partner (The Partner), to receive the Second License to all or a portion of The Data. Notice of the intention to declare The Partner must be given to The Owner in writing prior to expiry of the Exclusive Period which has been granted to The Licensee. The Second License will be provided to The Partner as follows:

50% of retail (\$85,000.00) = \$42,500.00 per square miles plus GST.

▲ 25% of commitment to be invoiced when line construction begins

A 25% of commitment to be invoiced when drilling begins

A 15% of commitment to be invoiced upon data recording commencement

A Final 10% to be invoiced upon delivery of The Data



#200, 3018 - 5th Avenue NE • Caigary • Alberta • T2A 6K4 Main Tel: (403) 531-9700 • Main Fex: (403) 294-1162

	IM COLOR				
BILL TO	INVOICE	DATE	INVOICE #		
Devon NEC Corporation 2000, 400 - 3rd Avenue S.W. Calgary, Alberta T2P 4H2	14/08/2		/2012 2012-2503		
	P.O. NO.	TERMS	PROJECT		
		N30	EC-11-444-6293		
		GST/HST No.	86693 1942		
Description			Amount		
RE: WILSON CREEK SOUTH 3D - D					
Data Acquisition 25% remaining of contract			205,062.50		
TOTAL BEFORE GST GST On Sales			205,082,50 10,253,13		
			4		
			(4)		
Total			\$215,315.63		

Trusted People < > Trusted Results

BILL TO DATE INVOICE # 11/04/2012 Devon NEC Corporation 2012-2514 2000, 400 - 3rd Avenue S.W. Calgary, Alberta T2P 4H2 P.O. NO. TERMS PROJECT N30 EC-11-444-6293 GST/HST No. 866931942 Description Amount RE: WILSON CREEK SOUTH 3D - D 205,082.50 25% of Commitment as per Contract TOTAL BEFORE GST 205,082.50 GST On Sales 10,253.13 Total \$215,315.63 Trusted People < > Trusted Results



#200, 3016 - 6th Avenue NE - Calgary - Alberta - T2A 6K4 Main Tel: (403) 531-9700 - Main Fax: (405) 294-1162

BILL TO	INVOICE	DAT	inacice #
Devon NBC Corporation 2000, 400 - 3rd Avenue S.W.		02/01/2	2012 2011-2400
Calgary, Alberta T2P 4H2 ATTENTION: JEFF ALLISON	P.O. NO.	TERMS	PROJECT
		N30	EC-11-EXCON-8256
		GST/HST No	. 866931942
Descrip	dion		Amount
RE: WILSON CREEK SOUTH 3D PROGRAM			
PROGRAM ADVANCE Program Advance - as per contract 25% of commitment to be involced			205,082 .50
FOTAL BEFORE GST GST On Sales			205,082.50 10,253.13
Tota	ı		\$215,315.63

Trusted People < > Trusted Results



#200, 3016 - 5th Avenue NE - Calgary - Alberta - T2A 6K4 Main Tel: (403) 531-9700 - Main Fax: (403) 284-1182

	11.51.01.0			
BILL TO	INVOICE	DAT	TE.	INVOICE #
Devon NEC Corporation 2000, 400 - 3rd Avenue S.W. Calgary, Alberta T2P 4H2		02/04/2	2012	2012-2511
ATTENTION: JEFF ALLISON	P,O. NO.	TERMS		ROJECT
		N30	EC-1	I-EXCON-8258
		GST/HST No		866931942
Description				Amount
WILSON CREEK SOUTH 3D				
Line Construction 25% of Commitment as per Contract				205,082.50
TOTAL BEFORE GST GST On Sales				205,062.50 10,253.13
Total				\$215,316.63

Trusted People < > Trusted Results



#200, 3016 - 5th Avenue NE - Calgary - Alberta - T2A 6K4 Main Tal (403) 531-9700 - Main Fax: (403) 294-1162

7	Devon Canada Corporation (Devon NEC Corporation)
	Suite 2000-400 3 Ave SW Calgary, AB T2P 4H2 (403) 232-7100
7	Déar Jeff Allison,
	Thanks for Meeting with us yesterday and further to our discussion this letter outlines the terms of our verbal agreement dated August 14, 2012.
	Impact 2000 inc (Impact) confirms that upon immediate payment of the attached invoice (Invoice # 2012-2503) for the Wilson Creek South 3D-D (WC-3D) in the amount of \$205,062,50 plus applicable GST of \$10,253.13, for a total invoice amount of \$215,315.63, Devon will have paid in full for WC-3D, inclusive of processing, and will have met all obligations of the seismic spec contract (EC-11-EXCON-6256) with impact. Upon payment impact releases Devon from any and all future liabilities associated with this Seismic program and there will be no future financial obligations from Devon.
]	With the payment of the final invoice # 2012-2503 Impact agrees that Devon will retain ownership of 50% in the WC-3D spec survey and be entitled to half of all resale's and income from the WC-3D, less a 10% management fee, which is the right of Impact.
	Sincerely, Mike Wolowich President
	24.00
	THOUSE Chipmen
7	Mike Wolowich - President Impact 2000 Inc. Devon Ganada Corporation

APPENDIX F



Devon Canada Corporation 2000, 400 - 3rd Avenue S.W. Calgary, Alberta T2P 4H2 403 232 7100 Phone 403 232 7678 Fax www.devonenergy.com

Chandra Mazuryk

chandra mazuryk@dvn com

direct line: (403) 232-7125

fax no.: (403) 232-7388

assistant: Pam Tongsrinark

pamela tongsrinark@dvn.com

direct line: (403) 232-5541

Via Email
Email: jstrueby@alvarezandmarsal.com

June 4, 2013

Alvarez & Marsal Canada Inc. Bow Valley Square I Suite 570, 202 – 6th Avenue SW Calgary, Alberta T2P 2R9 Canada

ATTENTION: Jill Strueby

Dear Ms. Strueby:

RE:

Impact 2000 Inc. ("Impact") Bankruptcy and Ownership of Seismic Acquired by Impact in the Wilson Creek South 3D (TWP 41 – 42 RGE 6-7 W5M) (the "Seismic Data")

It has come to Devon NEC Corporation's ("Devon") attention that a third party may be claiming that Devon does not have a 50% ownership interest in the Seismic Data. By way of background, Devon originally licensed the Seismic Data pursuant to the Licensing Contract between Impact and Devon dated December 7, 2011 (the "Licensing Contract"). The Licensing Contract provided that Devon pay for the Seismic Data in the following installments:

25% of commitment to be invoiced January 2, 2012;

25% of commitment to be invoiced when line construction begins;

25% of commitment to be invoiced when drilling begins;

15% of commitment to be invoiced upon data recording commencement; and

Final 10% to be invoiced upon delivery of the Seismic Data.

Devon paid Impact the first, second and third installments. On August 14, 2012, Impact advised Devon that in order to complete the acquisition of the Seismic Data, Impact required Devon to pay the two final installments in advance. In consideration of such advance payment, Impact agreed to assign a 50% ownership interest in the Seismic Data to Devon and that Devon would be entitled to half of all resale and income from the Seismic Data, less a 10% management fee. As there is increased risk in paying the installments in advance, and Devon would not have agreed to this payment method in its usual course of business. Devon only agreed to pay such amounts in exchange for the 50% ownership. In addition, as Devon paid the final two installments in advance, Devon lost the value of the interest payable on such

June 4, 2013 Page 2

installments. It is our understanding that if Devon did not agree to Impact's revised terms, the data recording would not have commenced and the Seismic Data would not have been delivered.

Please advise as to the current status of the Seismic Data as well any plans to sell or license the Seismic Data. If you would like to discuss this issue further, please do not hesitate to contact me at (403)232-7125.

Yours truly,

Devon Canada Corporation

Chandra Mazuryk Legal Counsel

CDM/pkt

CC:

Devon NEC Corporation Attention: Jeff Allison

Lloyd Chipman