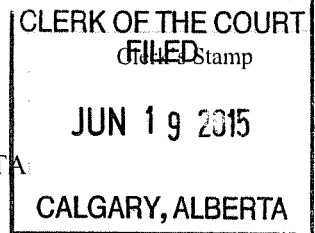


COURT FILE NUMBER 1301-14743

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY



PLAINTIFF CENTURY SERVICES LP, BY ITS GENERAL PARTNER,  
CENTURY SERVICES INC.

DEFENDANT ATIKWA RESOURCES INC.

DOCUMENT **THIRD REPORT OF THE RECEIVER**

**JUNE 19, 2015**

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING THIS  
DOCUMENT

**RECEIVER**

ALVAREZ & MARSAL CANADA INC.  
Bow Valley Square I  
Suite 570, 202 – 6<sup>th</sup> Avenue SW  
Calgary, Alberta T2P 2R9  
Attention: Tim Reid/Orest Konowalchuk  
Telephone: (403) 538-4756 / (403) 538-4736  
Email: [treid@alvarezandmarsal.com](mailto:treid@alvarezandmarsal.com)  
[okonowalchuk@alvarezandmarsal.com](mailto:okonowalchuk@alvarezandmarsal.com)

**COUNSEL**

DENTONS CANADA LLP  
Bankers Court  
15<sup>th</sup> Floor, 850-2<sup>nd</sup> Street SW  
Calgary, Alberta T2P 0R8  
Attention: David LeGeyt  
Phone: (403) 268-3075  
Fax: (403) 268-3100  
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File: 529227-10

## **TABLE OF CONTENTS OF THE THIRD REPORT OF THE RECEIVER**

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## **LISTING OF APPENDICES TO THE THIRD REPORT OF THE RECEIVER**

APPENDIX A	Letters to Lienholders
APPENDIX B	Summary of Receiver’s Fees and Disbursements
APPENDIX C	Summary of Dentons Fees and Disbursements
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APPENDIX E	Summary of Aikins Fees and Disbursements

## INTRODUCTION

1. Effective January 31, 2014 (the “Receivership Date”), pursuant to an order of the Honourable Madam Justice B.E.C. Romaine granted in these proceedings (the “Receivership Order”), Alvarez & Marsal Canada Inc. (“A&M”) was appointed receiver and manager (the “Receiver”), without security, of all of the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the “Property”) of Atikwa Resources Inc. (“Atikwa” or the “Company”) pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c B-3, as amended, (the “BIA”), section 13(2) of the *Judicature Act*, RSA 2000, c J-2, and section 65(7) of the *Personal Property Security Act*, RSA 2000, c P-7, in the within action (the “Receivership Proceedings”).
2. The Receivership Order empowers and authorizes, but does not obligate, the Receiver to, among other things, manage, operate and carry on the business of Atikwa and to take possession and control of the Property of Atikwa and any and all proceeds, receipts and disbursements arising out of or from the Property, and to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business.
3. The purpose of this Third Report of the Receiver (the “Third Report” or the “Report”) is to provide this Honourable Court with information in respect of the following:
  - a) an update on the sales process initiated by the Receiver;
  - b) dealings with Century Services LP, by its general partner, Century Services Inc. (“Century”) and Marquest Asset Management Inc. (“Marquest”) (collectively, the “Significant Stakeholders”) since the Second Report;
  - c) approval of the final statement of receipts and disbursements of the Receiver (the “Final Statement of Receipts and Disbursements”);

- d) approval of the Receiver and its counsel's fees and expenditures in the Receivership Proceedings;
- e) approval of the proposed distribution of additional funds recovered by the Receiver (the "Proposed Final Distribution");
- f) the validity of builders' liens registered against Atikwa's interest in Manitoba;
- g) approving the actions and conduct of the Receiver throughout the Receivership Proceedings and granting the discharge of the Receiver (the "Receiver's Discharge"); and
- h) authorizing the Receiver to destroy any and all documents, accounting records and other papers (the "Records") if not required by the Receiver, purchasers of Atikwa's assets or Century, or not collected by any of the current directors of the Atikwa by July 31, 2015.

#### **TERMS OF REFERENCE**

- 4. In preparing this Third Report, the Receiver has relied primarily upon the representations of certain former management and employees of Atikwa, as well as certain financial information contained in Atikwa's books and records. The Receiver has not performed an audit, review or other verification of such information.
- 5. Capitalized words or terms not defined or ascribed a meaning in the Third Report are as defined or ascribed a meaning in the Receivership Order.
- 6. All references to dollars are in Canadian currency unless otherwise noted.

## **BACKGROUND**

7. Atikwa is a corporation registered in the Province of Alberta and was formed in 2009. Atikwa carried on business as an oil and gas exploration, acquisition, development and production company with operations and Property in the Provinces of Alberta, Saskatchewan and Manitoba. Atikwa is a publically listed company; however, its shares have been “cease traded” since the Receivership Date.
8. Further background to Atikwa and its operations is contained in the First Report and the Second Report and materials filed in support of and relating to the Receivership Order. These documents and other relevant information has been posted by the Receiver on its website at: [www.alvarezandmarsal.com/atikwa](http://www.alvarezandmarsal.com/atikwa) (the “Receiver’s Website”).

## **SALES PROCESS UPDATE**

9. On April 7, 2015, the Receiver sought and obtained an Order (the “MB Sale and Vesting Order”) from this Honourable Court for the sale to and vesting of Atikwa’s Manitoba properties (the “Manitoba Properties”) in 1885683 Alberta Ltd. (“188”). On April 8, 2015, the sale of the Manitoba Properties closed pursuant to the 188 asset purchase agreement (the “188 APA”).
10. Since the closing, the Receiver has been working closely with 188, its counsel and the Receiver’s Alberta and Manitoba counsels’ and the Receiver’s land administrator to convey and assign Atikwa’s interests in the Manitoba Properties to 188. In addition, the Receiver has spent a considerable amount of time working with the Manitoba Petroleum Branch and Brandon Land Titles representatives to ensure these agencies had the appropriate documentation to allow for the transfer of the Manitoba Properties to 188 and to effect the discharge of multiple encumbrances from title to the Manitoba Properties. The majority of this work has now been completed with only certain administrative work remaining for the Receiver.

11. The remaining item to be finalized with respect to the 188 APA is the completion of the final statement of adjustments (“FSOA”). This is required to be carried out within ninety (90) days following the closing time (i.e. July 8, 2015). The Receiver is required to prepare the FSOA and shall provide 188 with all information in its possession necessary to support the FSOA. Upon agreement by the parties on the content of the FSOA, 188 shall pay to the Receiver, or the Receiver shall pay to the 188, as the case may be, the net cash amount owing in respect of the FSOA within 30 days.
12. The proceeds from the closing of the 188 APA are currently being held in trust with the Receiver, pursuant to the MB Sale and Vesting Order. The Receiver contemplates a distribution remaining proceeds from the 188 APA in accordance with the Proposed Final Distribution discussed further below.

#### **SIGNIFICANT STAKEHOLDERS**

13. As outlined in the First Report and Second Report, throughout the receivership proceedings the Receiver and the Significant Stakeholders have been communicating with each other and sharing certain Atikwa information to assist the Significant Stakeholders in evaluating their positions in the receivership.
14. On May 8, 2015, the Receiver was advised of and received a copy of an agreement was reached between Century and Marquest (the “Settlement, Release & Assignment Agreement”) whereby Marquest agreed to assign and transfer to Century its debt and security (including the Pathway GORR) for cash payment from Century.
15. As a result, Century is now the owner of all the Pathway GORR’s and associated debt and security interest.
16. The total unpaid and outstanding Pathway GORR is \$1,320,967.89 (excluding interest), which consists of a pre-receivership amount of \$925,263.83 and a post-receivership amount of \$395,704.06.

17. The total outstanding Century secured loan (including accrued interest) as at June 19, 2015 is \$3,087,080.25.
18. As previously reported in the First Report and Second Report, the Receiver's Manitoba legal counsel has opined that the Pathway Security interest (now held by Century) and Century's security interests as against the Manitoba Properties are both valid and enforceable.

**FINAL STATEMENT OF RECEIPTS AND DISBURSEMENTS – MAY 9, 2014  
TO JUNE 18, 2015**

19. The table below provides a summary of the actual cash flows for the Receivership period, which contains the final cash receipts and disbursements relating to Atikwa:

Atikwa Resources Inc. Final Statement of Receipts and Disbursements January 31, 2014 to June 18, 2015 (\$CAD - Unaudited)		TOTAL Jan.31/14 to June 18/15
<b>RECEIPTS</b>		
Net operating production receipts		315,586
Receiver's Borrowings		355,000
CRA Refunds (ITC's)		46,048
Other		55,676
<u>Net proceeds from sale of:</u>		
Alberta and Saskatchewan Properties		290,225
Manitoba Properties		1,959,223
		<u>3,021,757</u>
<b>Operating Disbursements</b>		
Freehold royalty, surface and crown lease expenses		27,217
Manitoba Rural Municipal Taxes		59,474
Contractor fees and costs		94,252
Software accounting costs		28,781
CRA source deductions (pre-receivership deemed trust)		29,200
Insurance		22,400
NRG marketing commission fee		36,750
Reserve Report		39,068
Miscellaneous		1,674
		<u>338,816</u>
<b>Other disbursements</b>		
Professional fees and costs		511,775
Receivers' Certificate repayment (including interest)		384,153
		<u>895,928</u>
<b>Net change in cash flows</b>		<u>1,787,014</u>
Opening available cash		7,234
Net change in cash flow		<u>1,787,014</u>
Ending available cash		<u>1,794,248</u>

20. The above chart details the following receipts and disbursements reported in the Receivership:

- a) receipts during the Receivership totalled \$3,021,757;
- b) disbursements during the Receivership totalled \$338,816; and



- c) non-operating disbursements during the Receivership totalled \$895,928;

21. Atikwa's ending available cash as at June 18, 2015 was \$1,794,248.

## **PRIORITY & BUILDER LIEN CLAIMS**

### ***Overview***

- 22. The Receiver's Charge relating to the costs incurred by the Receiver to administer the receivership proceedings, including outstanding professional fees of the Receiver and its counsel, has a priority to the Century security interests and the Pathway GORR.
- 23. The other remaining claims outstanding in these Receivership proceedings include builders' lien claims, the Century security, the Pathway Security and the unsecured creditors.
- 24. The Receiver's legal counsel advises that the priority of the builders' liens, Century security, and Marquest security will depend on the order of registration against each applicable real property title and the order of registration at Manitoba personal property registry ("MB PPR"). The Receiver, with the assistance of its Manitoba legal counsel has compiled a summary of Atikwa's Manitoba properties and has reproduced the registrations made against those titles. In some cases, Pathway has registered its interest in priority to Century, but in other cases Century has registered its interest in priority to Pathway (generally properties where Pathway has not registered at all). In addition, there are four parties who have registered builders' liens against the MB Properties totaling approximately \$350,000. These builders' liens were in some cases registered in priority to both Pathway and Century, and in some cases registered in between Pathway and Century.
- 25. The priority between Pathway and Century was once further complicated by the fact that Pathway had not registered its security at the Manitoba PPR, whereas

Century did. However, this matter is now resolved as the Pathway Security and Pathway GORR have been assigned to Century, as discussed above.

26. Before any distribution can be made to Century from the 188 APA net sales proceeds, an analysis is required to determine the validity of the builders' liens registered against the Manitoba Properties.

***Analysis of the Validity of Builders' Lien Claims***

27. A total of four parties have registered builders' liens against Atikwa's real property interests in Manitoba: Three Star Trucking Ltd. ("Three Star"), Forsyth Hauling (2010) Ltd. ("Forsyth"), 2955670 Manitoba Ltd. ("2955"), and Mike Wright ("Wright") (collectively the "Lienholders" and each a "Lienholder").
28. To conduct its analysis the legal counsel to the Receiver wrote to the Lienholders on April 10, 2015 and requested the Lienholders provide the Receiver with their documentation in support of their builders' lien claims. The Lienholders complied with this request and provided the Receiver with invoices and other back-up documentation (the "Initial Information") in respect of their builders' lien claims.
29. However, the Initial Information provided by Lienholders was not sufficient for the Receiver to determine the nature of the work provided by the Lienholders to Atikwa and completely assess the validity of the Lienholders' builders' lien claims. As a result, legal counsel to the Receiver subsequently contacted each Lienholder and requested additional information, including a description of the services provided by the Lienholder to Atikwa. Most but not all of the Lienholders complied with this second request and supplied the Receiver with additional information.
30. The Receiver engaged its Manitoba legal counsel to assess the validity of the builders' lien claims of the Lienholders. The Receiver provided all of the information and documentation received from the Lienholders to its Manitoba legal counsel for that purpose.

31. The Receiver is in receipt of an opinion from its Manitoba legal counsel which concludes that none of the builders' lien claims made by the Lienholders are valid, and that the claims of the Lienholders are pre-receivership unsecured obligations of Atikwa. The reasons in respect of each Lienholder are set out below.

#### Three Star

32. The Three Star builders' lien is not valid on the grounds that:
- a) The services provided to Atikwa do not give rise to a builders' lien under the Builders' Lien Act, R.S.M. 1987, c. B 91 (the "Act");
  - b) The builders' liens were not registered within the 40 day time period prescribed by the Act and therefore ceased to exist; and
  - c) Three Star failed to issue a Statement of Claim within 2 years of the registration of its builders' liens, and the liens therefore ceased to exist.

#### Forsyth

33. The Forsyth builders' lien is not valid on the grounds that:
- a) The services provided to Atikwa do not give rise to a builders' lien under the Act.

#### 2955

34. The 2955 builder's Lien is not valid on the grounds that:
- a) The services provided to Atikwa do not give rise to a builders' lien under the Act.

## Wright

35. The Wright builders' lien is not valid on the grounds that:
- a) The services provided to Atikwa do not give rise to a builders' lien under the Act.
36. The Receiver's legal counsel wrote to each of the Lienholders on June 16, 2015 and advised them of the Receiver's position, and that the Receiver would be making an application in these proceedings on June 30, 2015 for a declaration that the builders' lien claims of the Lienholders are not valid. Copies of these letters are attached as Appendix A.

## ***Conclusion***

37. As a result of the foregoing, Century holds the highest ranking security interests against the Manitoba Properties (as the holder both the Pathway GORR security interests and Century's security interests) and is only subordinate to the Receiver's Charge.

## **PROPOSED FINAL DISTRIBUTION**

38. Pursuant to MB Sale and Vesting Order, the net proceeds arising out of the 188 APA after payment of the costs associated 188 APA and these Receivership proceedings, including the fees and disbursements of the Receiver and its legal counsel and repayment of amounts borrowed by the Receiver pursuant to the Receiver's Certificate, have been held by the Receiver and such net proceeds stand in the place and stead of the Manitoba Properties. All claims against the Manitoba Properties attach solely to such net proceeds with the same validity, priority and in the same amounts and subject to the same defences that were or may have been available immediately prior to the closing of the 188 APA.
39. In addition, as discussed in the Second Report, the net proceeds from the sale of Atikwa's Alberta and Saskatchewan properties to McLand Resources Ltd.

("McLand"), are held on identical terms in respect of claims against the Alberta and Saskatchewan Properties.

40. The Receiver recommends distributing the anticipated remaining funds available in the following manner:

<b>Atikwa Resources Inc. - In Receivership</b>		
<b>Proposed Final Distribution</b>		
<b>June 18, 2015</b>		
<b>Cash balance - June 18, 2015</b>	Note A	1,794,248
<b>Add (minus):</b>		
Manitoba Petroleum Security Deposit	Note B	60,000
Insurance refund	Note C	7,300
GST refund	Note D	TBD
<b>Estimated funds available before Receiver's commitment</b>		<b>1,861,548</b>
<b>Commitment/Contingencies</b>		
Estimated Receiver's Charge		
Professional Fees (incurred and outstanding & forecast)	Note E	(50,000)
Operational costs and obligations outstanding	Note F	(6,500)
Statutory / Priority Creditors	Note G	-
Contingency	Note H	(5,000)
<b>Estimated commitment/contingencies</b>		<b>(61,500)</b>
<b>Estimated funds available for distribution to Century</b>	Note I	<b>1,800,048</b>

41. The above chart summarizes the following Proposed Final Distribution as follows:

- a) Cash balance as at June 18, 2015 of \$1,794,248. This amount includes the net proceeds held in trust by the Receiver from the Manitoba Properties and the Alberta and Saskatchewan Properties as discussed in the Final Statement of Receipts and Disbursements above;

- b) Estimated security deposit held by Manitoba Petroleum Branch of approximately \$60,000;
- c) Estimated insurance refund collections of approximately \$7,300;
- d) Estimated GST refund from the CRA is expected but is not known at this time. The Receiver is filing its remaining GST returns and there will likely be ITC's owing to the Receiver;
- e) Professional fees of the Receiver and its Alberta counsel relating to expected (forecast) fees to be incurred will be approximately \$50,000 to complete the administration of the estate;
- f) Operational costs and obligations estimated at approximately \$6,500 that is owed to vendors in providing services to the Receiver to finalize the administration of these proceedings;
- g) There are no known Statutory/Priority Creditors outstanding;
- h) Contingency costs of approximately \$5,000 for any unknown obligation not previously identified prior to the Receiver's Discharge;
- i) Estimated funds of approximately \$1,800,000 to be distributed to Century pursuant to its secured claims against Atikwa and the Pathway Security it currently holds. The estimated funds available to distribute to Atikwa will change when the actual receipts and disbursements are known.

42. The Receiver is of the view that the Proposed Final Distribution is reasonable under the circumstances and respectfully recommends that this Honourable Court approve the Proposed Final Distribution as discussed above.

## **APPROVAL OF THE RECEIVER'S AND ITS COUNSELS FEES AND EXPENDITURES**

43. The Receiver seeks approval from this Honourable Court of its and those of its legal counsels fees and costs from January 30, 2014 to June 16, 2015.
44. The total fees and disbursements of A&M, in its capacity as the court-appointed Receiver Manager of Atikwa Resources Inc. for the period of January 30, 2014 to May 31, 2015 aggregate \$214,926.15 (excluding GST). A summary of the Receiver's fees and disbursements are attached as Appendix B to this Report.
45. The total fees and disbursements of Dentons Canada LLP ("Dentons"), the Receiver's Alberta independent legal counsel in these proceedings for the period of January 30, 2014 to May 31, 2015 aggregate \$206,829.75 (excluding GST). A summary of Dentons fees and disbursements are attached as Appendix C to this Report.
46. The total fees and disbursements of MacPherson, Leslie & Tyermann LLP ("MLT"), the Receiver's independent Saskatchewan legal counsel in these proceedings for the period of January 30, 2014 to May 28, 2015 aggregate \$12,391.05 (excluding GST and PST). A summary of MLT's fees and disbursements are attached as Appendix D to this Report.
47. The total fees and disbursements of Aikins, MacAulay & Thorvaldson LLP ("Aikins"), the Receiver's independent Manitoba legal counsel in these proceedings for the period of January 30, 2014 to June 16, 2015 aggregate \$49,533.68 (excluding GST and PST). A summary of Aiken's fees and disbursements are attached as Appendix E to this Report.
48. The Receiver and its counsel's fee accounts outline the date of the work completed, the description of the work completed, the length of time taken to complete the work and the name of the individual who completed the work. Copies of the invoices will be made available upon request of the Court, if required.

49. The Receiver and its Alberta counsel's estimate fees and costs to complete this engagement will be approximately \$50,000 (the "Forecast Fees and Costs").
50. The Receiver is respectfully of the view that its and its collective counsel's fees and costs are fair and reasonable under the circumstances and respectfully requests that this Honourable Court approve the accounts of the Receiver's and its counsel (collectively) from January 30, 2014 to June 16, 2015. In addition, the Receiver respectfully requests this Honourable Court approve the Forecast Fees and Costs of the Receiver and its Alberta counsel. The Forecast Fees and Costs are included in the Proposed Final Distribution above, subject to Court approval.

#### **APPROVING CONDUCT AND DISCHARGE OF THE RECEIVER**

51. The Receiver's administration of the estate is essentially complete and the Receiver's Discharge should be granted upon the Receiver making the Proposed Final Distribution. The Receiver may have some miscellaneous administrative items to attend to post-discharge including the filing of GST returns with the Canada Revenue Agency, finalizing conveyancing of the Manitoba Properties to 188 and discharging any remaining encumbrances, the FSOA with 188 and the collection of the security deposit held at the Manitoba Petroleum Branch, but these items are immaterial and should not prevent this Honourable Court from granting an unconditional discharge.
52. The Receiver is of the respectful view that it has conducted itself appropriately during this receivership and is respectfully requesting that this Honourable court approve the actions and conduct of the Receiver throughout the Receivership Proceedings.
53. The Receiver is in custody of numerous Records of Atikwa and is currently incurring costs to store the Records at an offsite location. The Receiver is seeking authorization from this Honourable Court to allow the Receiver to destroy any and all Records by July 31, 2015, if the records are not required or requested by



McLand, 188, Century or the Receiver or are not collected by any of the directors of Atikwa.

54. Lastly, the Receiver respectfully requests that this Honourable Court approve an Order discharging absolutely, forever and unconditionally the Receiver from any claims against the Receiver arising from, relating to, or in connection with, the performance of the Receiver's duties and obligations as Receiver of the Property, save and except for claims based on gross negligence or wilful misconduct on the part of the Receiver.

## **RECOMMENDATION**

55. The Receiver respectfully recommends that this Honourable Court approve the:
- a) Order declaring the Builders' Liens to be invalid;
  - b) Final Statement of Receipts and Disbursements;
  - c) Proposed Final Distribution, which includes releasing the sales proceeds from the McLand APA and the 188 APA out of trust held by the Receiver;
  - d) actions and conduct of the Receiver throughout the Receivership Proceedings;
  - e) Receiver's professional fees and costs and those of its Alberta, Saskatchewan and Manitoba independent legal counsel and the Forecast Fees and Costs;
  - f) authorization of the Receiver to destroy the Records if not required or requested by McLand, 188, or Century or not collected by current directors of Atikwa by July 31, 2015; and
  - g) discharge of the Receiver.

All of which is respectfully submitted this 19<sup>th</sup> day of June, 2015.

**ALVAREZ & MARSAL CANADA INC.,  
in its capacity as Receiver of Atikwa Resources Inc.**

A handwritten signature in black ink, appearing to read 'Tim Reid', with a stylized flourish at the end.

Tim Reid, CA•CIRP  
Senior Vice-President

A handwritten signature in black ink, appearing to read 'Orest Konowalchuk', with a large, sweeping loop at the end.

Orest Konowalchuk, CA•CIRP  
Vice-President

# APPENDIX A



David LeGeyt  
Partner

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T +1 403 268 7000  
F +1 403 268 3100

June 16, 2015

File No.: 529227-10

**VIA EMAIL**

Three Star Trucking  
Box 160  
Railway Avenue  
Alida, SK S0C 0B0

Attention: Mr. Ken Boettcher, Mr. Tim Boettcher

Dear Sirs:

**RE: Century Services Inc., by its General Partner, Century Services Inc. v. Atikwa Resources Inc. (Action No. 1301-14743)**

As previously advised, we act on behalf of Alvarez & Marsal Canada Inc. in its capacity as the Court appointed receiver and manager ("**Receiver**") of Atikwa Resources Inc. ("**Atikwa**").

You previously provided the Receiver with documentation supporting builders' liens you registered against Atikwa's properties in Manitoba. Based on the Receiver's review of that information and advice received from the Receiver's Manitoba legal counsel, the Receiver has concluded that the builders' liens you registered against Atikwa's interests are not valid. The reasons for this include, but are not limited to:

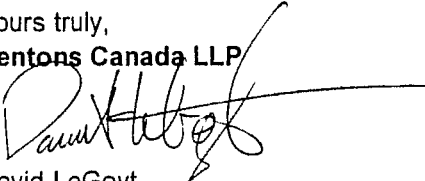
1. The services you provided to Atikwa do not give rise to a builders' lien under the *Builders' Lien Act*, R.S.M. 1987, c. B 91 ("**Act**").
2. Your builders' liens were not registered within the 40 day time period prescribed by the Act and therefore ceased to exist.
3. You have failed to issue a Statement of Claim within 2 years of the registration of your builders' liens, and the lien, therefore ceased to exist pursuant to the Act.

Please be advised that the Receiver has booked time in the Court of Queen's Bench of Alberta (Judicial Centre of Calgary) on June 30, 2015, and at that hearing the Receiver will seek a declaration from the Court that your builders' liens are not valid and the amounts owing to you by Atikwa are pre-receivership unsecured claims. The Receiver will not be making any distribution to Atikwa's unsecured creditors.

Do not hesitate to contact me if you wish to discuss this matter further.

Yours truly,

**Dentons Canada LLP**



David LeGeyt

DLG/gw

c.c. Orest Konowalchuk, Alvarez & Marsal Canada ULC (via email)



David LeGeyt  
Partner

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D +1 403 268 3075

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15th Floor, Bankers Court  
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Calgary, AB, Canada T2P 0R8  
T +1 403 268 7000  
F +1 403 268 3100

June 16, 2015

File No.: 529227-10

**VIA EMAIL**

Forsyth Hauling (2010) Ltd.  
1 Miller Road  
Pierson, MB R0M 1S0

Attention: Mr. Dennis Day

Dear Sir:

**RE: Century Services Inc., by its General Partner, Century Services Inc. v. Atikwa Resources Inc. (Action No. 1301-14743)**

As previously advised, we act on behalf of Alvarez & Marsal Canada Inc. in its capacity as the Court appointed receiver and manager ("**Receiver**") of Atikwa Resources Inc. ("**Atikwa**").

You previously provided the Receiver with documentation supporting builders' liens you registered against Atikwa's properties in Manitoba. Based on the Receiver's review of that information and advice received from the Receiver's Manitoba legal counsel, the Receiver has concluded that the builders' liens you registered against Atikwa's interests are not valid. The reasons for this include, but are not limited to:

1. The services you provided to Atikwa do not give rise to a builders' lien under the *Builders' Lien Act*, R.S.M. 1987, c. B 91 ("**Act**").

Please be advised that the Receiver has booked time in the Court of Queen's Bench of Alberta (Judicial Centre of Calgary) on June 30, 2015, and at that hearing the Receiver will seek a declaration from the Court that your builders' liens are not valid and the amounts owing to you by Atikwa are pre-receivership unsecured claims. The Receiver will not be making any distribution to Atikwa's unsecured creditors.

Do not hesitate to contact me if you wish to discuss this matter further.

Yours truly,

**Dentons Canada LLP**

David LeGeyt

DLG/gw

c.c. Orest Konowalchuk, Alvarez & Marsal Canada ULC (via email)  
Karen Beauchamp, Meighen Haddad Law Firm (via email)



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T +1 403 268 7000  
F +1 403 268 3100

June 16, 2015

File No.: 529227-10

**VIA EMAIL**

2955670 Manitoba Ltd.  
P.O. Box 5  
Lyleton, MB R0M 1G0

Dear Sir:

**RE: Century Services Inc., by its General Partner, Century Services Inc. v. Atikwa Resources Inc. (Action No. 1301-14743)**

As previously advised, we act on behalf of Alvarez & Marsal Canada Inc. in its capacity as the Court appointed receiver and manager ("**Receiver**") of Atikwa Resources Inc. ("**Atikwa**").

You previously provided the Receiver with documentation supporting builders' liens you registered against Atikwa's properties in Manitoba. Based on the Receiver's review of that information and advice received from the Receiver's Manitoba legal counsel, the Receiver has concluded that the builders' liens you registered against Atikwa's interests are not valid. The reasons for this include, but are not limited to:

1. The services you provided to Atikwa do not give rise to a builders' lien under the *Builders' Lien Act*, R.S.M. 1987, c. B 91 ("**Act**").

Please be advised that the Receiver has booked time in the Court of Queen's Bench of Alberta (Judicial Centre of Calgary) on June 30, 2015, and at that hearing the Receiver will seek a declaration from the Court that your builders' liens are not valid and the amounts owing to you by Atikwa are pre-receivership unsecured claims. The Receiver will not be making any distribution to Atikwa's unsecured creditors.

Do not hesitate to contact me if you wish to discuss this matter further.

Yours truly,

**Dentons Canada LLP**

David LeGeyt

DLG/gw

c.c. Orest Konowalchuk, Alvarez & Marsal Canada ULC (via email)  
Karen Beauchamp, Meighen Haddad Law Firm (via email)

June 16, 2015

File No.: 529227-10

**VIA EMAIL**Mr. Mike Wright  
Box 552  
Melita, MB R0M 1L0

Dear Sir:

**RE: Century Services Inc., by its General Partner, Century Services Inc. v. Atikwa Resources Inc. (Action No. 1301-14743)**

As previously advised, we act on behalf of Alvarez & Marsal Canada Inc. in its capacity as the Court appointed receiver and manager ("**Receiver**") of Atikwa Resources Inc. ("**Atikwa**").

You previously provided the Receiver with documentation supporting builders' liens you registered against Atikwa's properties in Manitoba. Based on the Receiver's review of that information and advice received from the Receiver's Manitoba legal counsel, the Receiver has concluded that the builders' liens you registered against Atikwa's interests are not valid. The reasons for this include, but are not limited to:

1. The services you provided to Atikwa do not give rise to a builders' lien under the *Builders' Lien Act*, R.S.M. 1987, c. B 91 ("**Act**").

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Do not hesitate to contact me if you wish to discuss this matter further.

Yours truly,  
**Dentons Canada LLP**  
David LeGeyt

DLG/gw

c.c. Orest Konowalchuk, Alvarez & Marsal Canada ULC (via email)  
Karen Beauchamp, Meighen Haddad Law Firm (via email)

# APPENDIX B



**Atikwa Resources Ltd. - In Receivership****APPENDIX B**

## Summary of Receiver's Fees and Disbursements

January 31, 2014 to May 31, 2015

Inv. No.	Period	Fees	Disbursements	Total Fees & Disbursements	GST	Total
1	December 1, 2013 to February 28, 2014	33,717.50	799.95	34,517.45	1,725.87	36,243.32
2	March 1, 2014 to March 31, 2014	10,002.50	248.95	10,251.45	512.57	10,764.02
3	April 1, 2014 to April 30, 2014	12,677.50	45.00	12,722.50	636.13	13,358.63
4	May 1, 2014 to May 31, 2014	11,455.00	0.00	11,455.00	572.75	12,027.75
5	June 1, 2014 to June 30, 2014	8,060.00	0.00	8,060.00	403.00	8,463.00
6	July 1, 2014 to July 31, 2014	9,642.50	0.00	9,642.50	482.13	10,124.63
7	August 1, 2014 to August 31, 2014	10,070.00	8.25	10,078.25	503.91	10,582.16
8	September 1, 2014 to September 30, 2014	11,352.50	0.00	11,352.50	567.63	11,920.13
9	September 28, 2014 to October 31, 2014	22,200.00	68.51	22,268.51	1,113.43	23,381.94
10	November 1, 2014 to November 30, 2014	6,840.00	155.02	6,995.02	349.75	7,344.77
11	December 1, 2014 to December 31, 2014	15,100.00	90.22	15,190.22	759.51	15,949.73
12	January 1, 2015 to January 31, 2015	2,565.00	0.00	2,565.00	128.25	2,693.25
13	February 1, 2015 to February 28, 2015	5,225.00	230.88	5,455.88	272.79	5,728.67
14	March 1, 2015 to March 31, 2015	28,367.50	163.14	28,530.64	1,426.53	29,957.17
15	April 1, 2015 to April 30, 2015	18,675.00	213.05	18,888.05	944.40	19,832.45
16	May 1, 2015 to May 31, 2015	6,840.00	113.18	6,953.18	347.66	7,300.84
<b>TOTAL</b>		<b>\$ 212,790.00</b>	<b>\$ 2,136.15</b>	<b>\$ 214,926.15</b>	<b>\$ 10,746.31</b>	<b>\$ 225,672.46</b>

# APPENDIX C

**Atikwa Resources Ltd. - In Receivership****APPENDIX C**

Summary of the Receiver's Alberta counsel (Dentons Canada LLP) Fees and Disbursements  
January 31, 2014 to May 31, 2015

Inv. No.	Period	Fees	Disbursements	Total Fees &		GST	Total
				Disbursements			
1	Febraury 28, 2014	\$ 16,084.50	1,093.10	17,177.60		858.89	18,036.49
2	March 31, 2014	\$ 13,477.50	412.34	13,889.84		694.49	14,584.33
3	April 30, 2014	\$ 8,995.00	340.30	9,335.30		466.77	9,802.07
4	May 31, 2014	\$ 14,552.00	167.10	14,719.10		735.96	15,455.06
5	June 30, 2014	\$ 3,960.00	48.05	4,008.05		200.40	4,208.45
6	August 11, 2014	\$ 3,520.00	11.20	3,531.20		176.56	3,707.76
7	August 31, 2014	\$ 9,236.00	151.25	9,387.25		469.36	9,856.61
8	September 30, 2014	\$ 10,851.00	295.20	11,146.20		557.31	11,703.51
9	October 31, 2014	\$ 10,112.50	84.00	10,196.50		509.83	10,706.33
10	Novenber 30, 2014	\$ 10,501.50	320.70	10,822.20		541.12	11,363.32
11	December 31, 2014	\$ 20,916.50	527.83	21,444.33		1,072.22	22,516.55
12	January 31, 2015	\$ 4,025.00	14.40	4,039.40		201.97	4,241.37
13	February 29, 2015	\$ 1,955.00	0.30	1,955.30		97.77	2,053.07
14	March 31, 2015	\$ 33,443.00	214.63	33,657.63		1,682.88	35,340.51
15	April 30, 2015	\$ 32,853.00	1,690.16	34,543.16		1,727.16	36,270.32
16	May 31, 2015	\$ 6,749.00	227.69	6,976.69		348.83	7,325.52
<b>TOTAL</b>		<b>\$ 201,231.50</b>	<b>\$ 5,598.25</b>	<b>\$ 206,829.75</b>		<b>\$ 10,341.51</b>	<b>\$ 217,171.26</b>

# APPENDIX D

**Atikwa Resources Ltd. - In Receivership**

APPENDIX D

Summary of the Receiver's Saskatchewan counsel (MacPherson, Leslie & Tyermann LLP) Fees and Disbursements  
January 31, 2014 to May 28, 2015

Inv. No.	Period	Fees	Disbursements	Total Fees & Disbursements	GST	PST	Total
1	March 23, 2014 to April 3, 2014	\$ 5,248.00	291.00	5,539.00	276.95	0.00	5,815.95
2	March 11, 2015 to May 28, 2015	\$ 6,800.00	52.05	6,852.05	342.58	340.00	7,534.63
<b>TOTAL</b>		<b>\$ 12,048.00</b>	<b>\$ 343.05</b>	<b>\$ 12,391.05</b>	<b>\$ 619.53</b>	<b>\$ 340.00</b>	<b>\$ 13,350.58</b>

# APPENDIX E

**Atikwa Resources Ltd. - In Receivership****APPENDIX E**

Summary of the Receiver's Manitoba counsel (Aikins, MacAulay & Thorvaldson LLP) Fees and Disbursements  
January 31, 2014 to June 16, 2015

Inv. No.	Period	Fees	Disbursements	Total Fees & Disbursements	GST	PST	Total
1	March 12, 2014 to May 29, 2014	\$ 35,326.00	4,072.53	39,398.53	1,969.93	2,826.08	44,194.54
2	September 19, 2014 to May 26, 2015	\$ 2,540.00	0.00	2,540.00	127.00	203.20	2,870.20
3	April 27, 2015 to June 16, 2015	\$ 6,758.00	837.15	7,595.15	379.76	540.64	8,515.55
<b>TOTAL</b>		<b>\$ 44,624.00</b>	<b>\$ 4,909.68</b>	<b>\$ 49,533.68</b>	<b>\$ 2,476.68</b>	<b>\$ 3,569.92</b>	<b>\$ 55,580.28</b>