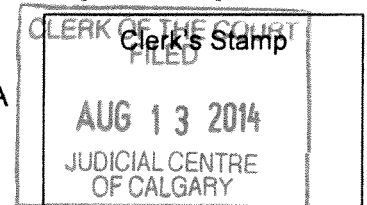


COURT FILE NUMBER 1401- 08528
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
PLAINTIFF NATIONAL BANK OF CANADA
DEFENDANT EAGLE RANCH RESOURCES LTD.



DOCUMENT APPLICATION

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
McCarthy Tétrault LLP
Barristers & Solicitors
Sean F. Collins
Walker W. MacLeod
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wmacleod@mccarthy.ca

NOTICE TO RESPONDENT(S)

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

You have the right to state your side of this matter before the master/judge.

To do so, you must be in Court when the application is heard as shown below:

Date August 15, 2014
Time 11:30 am
Where Calgary Courts Center (Commercial List)
Before Whom The Honourable Justice P.R. Jeffrey

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

Remedy claimed or sought:

National Bank of Canada ("**NBC**") applies for relief in respect of Eagle Ranch Resources Ltd. (the "**Debtor**") substantially in the form of Order attached as Schedule "**A**" hereto:

1. Abridging the time required for service of this application (the "**Application**") and supporting materials to the date service was effected, declaring that the Application is properly returnable on August 15, 2014, that service of the Application in the manner described in the Affidavit of Service is good and sufficient and that no persons other than those on the Service List are entitled to service of the Application or any orders arising therefrom.
2. Appointing Alvarez & Marsal Canada Inc. ("**A&M**") as the receiver and manager of the Debtor's books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, record and information of any kind related to the business or affairs of the Debtor, and any computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**").
3. Such further and other relief as counsel for NBC may advise.

Grounds for making this application:

4. The Debtor is presently indebted to NBC in an amount in excess of \$600,000, plus interest, costs, fees and expenses, pursuant to various credit facilities granted by NBC to the Debtor.
5. The obligations of the Debtor to NBC are secured by various security over all of the Debtor's assets, properties, and undertaking.
6. The Debtor has experienced numerous material adverse effects and has defaulted on various credit and security agreements with NBC, including a fixed and floating charge demand debenture, dated July 11, 2006 (the "**Debenture**"), that expressly allows NBC to access and review the Records and for the appointment of a receiver.
7. The Records of the Debtor are at risk of being abandoned and the appointment of a receiver is the only available alternative in order to secure such Records.
8. Such further and other grounds as counsel for NBC may advise.

Material or evidence to be relied on:

9. The Affidavit of Elizabeth Pineda; and

10. Such further and other material as counsel for NBC may advise and this Honourable Court may permit.

Applicable rules:

11. Rule 6.3(1) and 11.27 of the *Alberta Rules Of Court*, Alta. Reg. 124/2010.
12. Such further and other rules as counsel for NBC may advise and this Honourable Court may permit.

Applicable acts and regulations:

13. Section 243 of the *Bankruptcy and Insolvency Act* (Canada).
14. Such further and other acts and regulations as counsel for NBC may advise or this Honourable Court may permit.

Any irregularity complained of or objection relied on:

15. There are no irregularities complained of or objections relied on.

How the application is proposed to be heard or considered:

16. NBC proposes that the Application be heard in person or by telephone with one, some or all of the parties present.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to rely on an affidavit or other evidence when the application is heard or considered, you must reply by giving reasonable notice of the material to the applicant.

Schedule "A"

Clerk's Stamp

COURT FILE NUMBER 1401-
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE Calgary

APPLICANT NATIONAL BANK OF CANADA

RESPONDENT EAGLE RANCH RESOURCES LTD.

DOCUMENT **RECEIVERSHIP ORDER**

ADDRESS FOR SERVICE AND CONTACT
INFORMATION OF PARTY
FILING THIS DOCUMENT
Sean F. Collins/Walker W. MacLeod
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Calgary, AB T2P 4K9
Telephone: 403-260-3531/403-260-3710
Facsimile: (403) 260-3501
Email: scollins@mccarthy.ca
wmacleod@mccarthy.ca

DATE ON WHICH ORDER WAS PRONOUNCED: August 15, 2014

NAME OF JUDGE WHO MADE THIS ORDER: Justice P.R. Jeffrey

LOCATION OF HEARING: Calgary, Alberta

UPON the application of National Bank of Canada in respect of Eagle Ranch Resources Ltd. (the "**Debtor**") AND UPON having read the Application, the Affidavit of Elizabeth Pineda and the Affidavit of Service of •; AND UPON reading the consent of Alvarez & Marsal Canada Inc. to act as receiver of the Records (as defined herein); AND UPON hearing counsel for the Applicant; **IT IS HEREBY ORDERED AND DECLARED THAT:**

SERVICE

1. The time for service of the notice of application for this order is hereby abridged and service thereof is deemed good and sufficient.

APPOINTMENT

2. Pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 ("BIA"), Alvarez & Marsal Canada Inc. is hereby appointed Receiver, without security, of all of the Debtor's books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**").

RECEIVER'S POWERS

3. The Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Records without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Records;
- (b) to receive, preserve and protect the Records, or any part or parts thereof, including, the copying, transfer and/or relocating of Records to safeguard them;
- (c) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate all matters relating to the Records and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable; and
- (d) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations;

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. (i) The Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Records in such Person's possession or control, shall grant the Receiver with immediate, unfettered and continued access to the Records and the use of any accounting, computer, software and physical facilities relating thereto and shall deliver Records to the Receiver upon the Receiver's request.
5. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give immediate, unfettered and continued access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of paragraphs 4 and 5 of this Order all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information. Nothing in paragraphs 4 or 5 of this Order shall require the delivery of Records subject to a solicitor's lien or the granting of access to Records which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or documents prepared in contemplation of litigation or due to statutory provisions prohibiting such disclosure.

NO PROCEEDINGS AGAINST THE RECEIVER

6. No proceeding or enforcement process in any court or tribunal (each, a **"Proceeding"**), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

LIMITATION ON THE RECEIVER'S LIABILITY

7. Except for gross negligence or wilful misconduct, as a result of its appointment or carrying out the provisions of this Order the Receiver shall incur no liability or obligation that exceeds an amount for which it may obtain full indemnity from the assets, properties and undertakings of the Debtor (the **"Property"**). Nothing in this Order shall derogate from any limitation on liability or other protection afforded to the Receiver under any applicable law, including, without limitation, Section 14.06, 81.4(5) or 81.6(3) of the BIA.

RECEIVER'S ACCOUNTS

8. The Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case, incurred at their standard rates and charges. The Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the **"Receiver's Charge"**) on the Property, as security for such fees and disbursements, incurred both before and after the making of this Order in respect of these proceedings, and the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person but subject to section 14.06(7), 81.4(4) and 81.6(2) and 88 of the BIA.
9. The Receiver and its legal counsel shall pass their accounts from time to time.
10. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including the legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

11. The Receiver be at liberty and it is hereby empowered to borrow from the Plaintiff or an affiliate thereof, by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$25,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges set out in sections 14.06(7), 81.4(4) and 81.6(2) and 88 of the BIA.
12. Neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.
13. The Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "**A**" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.
14. The monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

ALLOCATION

15. Any interested party may apply to this Court on notice to any other party likely to be affected, for an order allocating the Receiver's Charge and Receiver's Borrowings Charge amongst the various assets comprising the Property.

DISCHARGE OF RECEIVER

16. The Receiver shall be discharged as receiver of the Records upon the Receiver filing a certificate with this Honourable Court confirming that the Receiver has completed its administration of the Records (the "**Discharge Certificate**"). Upon the filing of the Discharge Certificate the Receiver may take such steps it considers necessary or appropriate to dispose of the Records including, without limitation, returning the records to any current or former director or officer of the Debtor or otherwise completing the destruction of the Records. Notwithstanding anything contained herein, the Receiver be and is hereby entitled to apply for advice, directions and further relief in respect of its discharge as receiver of the Records.

GENERAL

17. Nothing in this Order shall operate to prevent the Debtor from making payments of principal or interest to NBC in accordance with the terms of the loan and credit agreements as between NBC and the Debtor.
18. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
19. Notwithstanding Rule 6.11 of the Alberta *Rules of Court*, unless otherwise ordered by this Court, the Receiver will report to the Court from time to time, which reporting is not required to be in affidavit form and shall be considered by this Court as evidence.
20. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.
21. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

22. The Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
23. The Plaintiff shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.
24. Any interested party may apply to this Court to vary or amend this Order on not less than 7 days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

FILING

25. The Receiver shall establish and maintain a website in respect of these proceedings at **[insert website address]** and shall post there as soon as practicable:
- (a) all materials prescribed by statute or regulation to be made publically available; and
 - (b) all applications, reports, affidavits, orders and other materials filed in these proceedings by or on behalf of the Receiver, or served upon it, except such materials as are confidential and the subject of a sealing order or pending application for a sealing order.

Justice of the Court of Queen's Bench of Alberta

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that **[RECEIVER'S NAME]**, the interim receiver and receiver and manager (the "**Receiver**") of all of the assets, undertakings and properties of **[DEBTOR'S NAME]** appointed by Order of the Court of Queen's Bench of Alberta and Court of Queen's Bench of Alberta in Bankruptcy and Insolvency (collectively, the "**Court**") dated the _____ day of _____, _____ (the "**Order**") made in action numbers _____, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$_____, being part of the total principal sum of \$_____ which the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded **[daily]** [monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at ●.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the

Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property) as authorized by the Order and as authorized by any further or other order of the Court.
7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of _____, 20__.

[RECEIVER'S NAME], solely in its capacity as
Receiver of the Property (as defined in the Order),
and not in its personal capacity

Per: _____

Name:

Title: