Form 49
[Rule 13.19]

JUDICIAL CENTRE OF CALGARY
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CLERK OF THE COURT

COURT FILE NUMBER	2501-09028
COURT	COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
	IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT, RSC 1985, C B-3, AS AMENDED AND IN THE MATTER OF THE RECEIVERSHIP OF CLEO ENERGY CORP.
APPLICANT	**UCAPITAL – ULOANS SOLUTIONS INC.**
RESPONDENT	**CLEO ENERGY CORP.**
DOCUMENT	**AFFIDAVIT**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Department of Justice Canada 444, 7th Ave SW, 10th Floor Calgary, Alberta T2P 0X8 Attention: Amy Reperto / Tristen Cones Tel.: (403) 390-2672 / 403-461-4723 Fax: (403) 299-3507 Email: amy.reperto@justice.gc.ca / tristen.cones@justice.gc.ca File No.: LEX-500224254

AFFIDAVIT OF DEBBIE MITCHELL

AFFIRMED ON NOVEMBER 5, 2025

I, Debbie Mitchell, of the City of Regina, Saskatchewan, **MAKE OATH AND SAY THAT**:

1. I am employed in the service of His Majesty the King in right of Canada as a Resource/Complex Case Officer in the Alberta Tax Services Office of the Canada Revenue Agency ("**CRA**").

2. I am authorized to make this affidavit on behalf of the Minister of National Revenue (the "**Minister**") who acts on behalf of His Majesty the King in right of Canada (the "**Crown**").

3. I have lawful access to the tax files and records of the CRA pertaining to Cleo Energy Corp. ("**Cleo**") and I have referred to the same in order to inform myself for the purpose of making this affidavit.

4. I have reviewed the relevant files and have personal knowledge of the matters referred to, except where stated to be based on information and belief and, where so stated, I believe them to be true.

5. In some cases, I have informed myself from books or records maintained by the CRA, and where I have done so, I affirm that, to the best of my knowledge:

   a. these books or records were part of CRA's ordinary books or records;

   b. any entries in these books or records were made in the usual and ordinary course of CRA's business;

   c. these books and records were and are in the custody and control of CRA;

   d. any copies of these books or records appended to this Affidavit are true copies thereof; and

   e. I believe the information set out in CRA's records concerning Cleo to be true.

CRA'S Deemed Trust Claim for GST

6. Cleo was required to collect Goods and Services Tax (**GST**) on behalf of the Crown.

7. Any GST collected by Cleo from third parties is deemed, despite any security interest in the amount, to be held in trust for the Crown less any input tax credits claimed in a return.

8. From the GST period ending July 31, 2022, Cleo collected GST from third parties and failed to remit it to the Crown.

9. The Crown has a claim in the amount of $1,355,296.64 of unpaid GST, of which, $899,907.51 is subject to a GST deemed trust (the "**GST Deemed Trust**").

10. On June 12, 2025, the CRA sent a letter to the Receiver to advise them of the GST Deemed Trust claim. Attached as **Exhibit "A"** is a copy of the letter dated June 12, 2025 sent to the Receiver outlining the periods outstanding and amounts of GST payable for each period, which comprise the net GST collected less input tax credits claimed by Cleo.

11. The total amount of GST outstanding for the periods from July 31, 2022 to December 8, 2024, inclusive of interest and penalties is $1,355,296.64. The Crown is not asserting a deemed trust over the penalties and interest or the amount assessed pursuant to paragraph 296(1)(b) of the *Excise Tax Act* for the period ending December 8, 2024, leaving the GST Deemed Trust owing in the amount of $899,907.51. Attached as **Exhibit "B"** is a copy of the audit letter that was sent to the director of Cleo.

12. According to paragraph 24 of the First Report of the Receiver, approximately $2.1 million was raised through the sale of Cleo's assets.

13. On September 17, 2025 the CRA's payroll deemed trust, in the amount of $70,346.84 was paid by the Receiver. Attached as **Exhibit "C"** is a copy of the letter dated June 26, 2025 sent to the Receiver outlining the payroll deemed trust claim.

14. The GST Deemed Trust Claim, in the amount of $899,907.51 has not been paid and remains owing.

Conclusion

15. I make this affidavit in support of the Minister's application for payment of the GST Deemed Trust claim to be paid to the Receiver General for Canada.

AFFIRMED BEFORE ME at the City of Regina, in the Province of Saskatchewan, This 5th day of November, 2025.	))))	
G Shepherd A Commissioner for Oaths in and for Saskatchewan	))))	Debbie Mitchell **Debbie Mitchell**

Gloria Shepherd
A Commissioner for Oaths for Saskatchewan
My appointment expires: February 29, 2028

This is **Exhibit "A"** referred to in the Affidavit of Debbie Mitchell affirmed before me this 5th day of November, 2025, at the City of Regina, in the Province of Saskatchewan.

G Shepherd

A Commissioner for Oaths
in and for the Province of Saskatchewan

Gloria Shepherd
A Commissioner for Oaths for Saskatchewan
My appointment expires: February 29, 2028

Canada Revenue Agency | Agence du revenu du Canada

Tax Services Office
Regina SK S4P 2N9

June 12, 2025

CLEO ENERGY CORP.
C/O ALVAREZ & MARSAL CANADA
BOW VALLEY SQUARE 4
SUITE 1110, 250 6TH AVENUE SW
CALGARY AB T2P 3H7

Account Number
[redacted]

Dear Sir or Madam:

Subject: Cleo Energy Corp.

We understand that you have been appointed receiver or receiver-manager (receiver) for the above GST/HST registrant. Currently, the registrant owes goods and services tax / harmonized sales tax (GST/HST) of $1,355,296.64.

Period outstanding	GST/HST payable	Penalty & interest	Total
2024-12-08	$ 293,181.76	$ 5,383.20	$ 298,564.96
2024-11-30	$ 24,530.40	$ 494.12	$ 25,024.52
2024-10-31	$ 14,008.19	$ 363.21	$ 14,371.40
2024-07-31	$ 22,361.52	$ 1,098.88	$ 23,460.40
2024-06-30	$ 15,060.19	$ 860.97	$ 15,921.16
2024-05-31	$ 4,138.65	$ 270.08	$ 4,408.73
2024-04-30	$ 5,256.61	$ 389.11	$ 5,645.72
2023-12-31	$ 202,517.35	$ 22,301.09	$ 224,818.44
2023-10-31	$ 33,996.00	$ 4,931.87	$ 38,927.87
2023-09-30	$ 37,222.83	$ 5,081.85	$ 42,304.68
2023-08-31	$ 17,366.94	$ 2,522.46	$ 19,889.40
2023-07-31	$ 13,800.42	$ 2,121.78	$ 15,922.20
2023-06-30	$ 54,346.39	$ 8,836.65	$ 63,183.04
2023-05-31	$ 57,289.84	$ 9,826.27	$ 67,116.11
2023-04-30	$ 34,335.63	$ 6,187.81	$ 40,523.44
2023-03-31	$ 34,693.44	$ 6,566.43	$ 41,259.87
2023-02-28	$ 38,609.12	$ 7,648.43	$ 46,257.55
2023-01-31	$ 30,369.60	$ 6,264.22	$ 36,633.82
2022-12-31	$ 22,264.86	$ 4,757.80	$ 27,022.66
2022-11-30	$ 6,008.19	$ 1,425.38	$ 7,433.57

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2022-10-31	$ 49,360.10	$ 11,315.82	$ 60,675.92
2022-09-30	$ 71,469.34	$ 16,891.26	$ 88,360.60
2022-08-31	$ 68,187.59	$ 16,618.29	$ 84,805.88
2022-07-31	$ 42,566.44	$ 20,198.26	$ 62,764.70
Total	$1,192,941.40	$162,355.24	$1,355,296.64

Under the Excise Tax Act, $899,907.51 of the above totals represents property of the Crown held in trust and does not form part of Cleo Energy Corp.'s property, business, or estate. This is the case whether or not those funds are kept separate and apart from the registrant's own money or from the estate's assets.

You must pay the Receiver General for Canada $899,907.51 out of the realization of any property subject to the trust created by subsection 222(3) of the Act before paying any other creditor. Please send us your payment right away. If this is not possible, please tell us when you will make the payment. Also, please tell us when you will pay the remaining balance of $455,389.13.

As a receiver, you must collect and remit the registrant's GST/HST for the period you are acting as a receiver. You also must file the registrant's returns for any periods ending while you were acting as receiver. This includes any returns the registrant did not file for a period ending in or immediately before the fiscal year you became receiver.

For more information or clarification, please call us at 1-587-337-0512.

Yours truly,

Debbie Mitchell (1222)
Resource/Complex Case Officer

This is **Exhibit "B"** referred to in the Affidavit of Debbie Mitchell affirmed before me this 5th day of November, 2025, at the City of Regina, in the Province of Saskatchewan.

G Shepherd

A Commissioner for Oaths
in and for the Province of Saskatchewan

Gloria Shepherd
A Commissioner for Oaths for
Saskatchewan
My appointment expires: February 29, 2028

Attn: Chris Lewis
Cleo Energy Corp.
200 - 117 8 Ave SW
Calgary AB T2P 1B4

Dear Chris Lewis:

Subject: Final adjustments to the goods and services tax / harmonized sales tax (GST/HST) return for the period from 2024-12-01 to 2024-12-08
Business number: [redacted]

We have completed our examination of the GST/HST return for the above period.

We received your letter dated April 2, 2025, in which you identified which creditors have and have not provided taxable supplies. After reviewing your representations, we are making the following adjustments to your GST/HST return for the period noted.

Period ending	Net tax as filed	Changes to net tax	Revised net tax
2024-12-08	$147.87	$293,033.89	$293,181.76

This assessment is based on the list of creditors, it is taken as current and accurate as of the date of this letter. Canada Revenue Agency, through the provisions of 296(1)(b) of the Excise Tax Act, has assessed the GST/HST portion of the debt owed to your creditors. Therefore, we suggest that you make the necessary adjustments to your books and records in respect to your creditors payable.

We have enclosed a summary of final adjustments and detailed working paper which provides more details on the changes to the return. In the coming weeks, you will receive a notice of (re)assessment that will reflect these adjustments.

If you do not agree with the (re)assessment, you have the right to object. Your objection must be filed within 90 days of the date on the notice of (re)assessment. For more information, go to GST/HST objections.

The completion of our examination should not be considered as permission to destroy any books and records. For more information, please go to GST/HST and payroll records.

If you have any questions, please call me at 431-374-5659 or toll free at 1-833-659-2783. My team leader, Sheila Boyle, can also be reached at 431-335-5419.

Thank you for your assistance and cooperation during the examination.

Sincerely,

Tony Governo
GST/HST Examiner
GST/HST Audit Division
Eastern Prairie Tax Service Office

Telephone:	431-374-5659
Toll free:	1-833-659-2783
Facsimile:	1-833-545-2885
Address:	400-360 Main Street PO Box 1022 Stn Main Winnipeg MB R3C 2W2
Website:	**canada.ca/taxes**

Enclosures

This is **Exhibit "C"** referred to in the Affidavit of Debbie Mitchell affirmed before me this 5th day of November, 2025, at the City of Regina, in the Province of Saskatchewan.

GShepherd

A Commissioner for Oaths
in and for the Province of Saskatchewan

Gloria Shepherd
A Commissioner for Oaths for
Saskatchewan
My appointment expires: February 29, 2028

Tax Services Office
Regina SK S4P 2N9

June 26, 2025

CLEO ENERGY CORP.
C/O ALVAREZ & MARSAL CANADA
BOW VALLEY SQUARE 4
SUITE 1110, 250 6TH AVENUE SW
CALGARY AB T2P 3H7

Account Number
[redacted]

Dear Sir or Madam:

Subject: Cleo Energy Corp.
Account number: [redacted]

We were told that you have been appointed as receiver-manager for the above-named. There is a debt owed to the Canada Revenue Agency for source deductions amounting to $82,335.84 for income tax and Canada Pension Plan (CPP) contributions, as well as employment insurance (EI) premiums.

Details of the debt are as follows:

Tax deductions:	$69,379.24
CPP:	$1,674.74
EI:	$312.56
Penalties and interest:	$10,969.30
Total:	$82,335.84

Further to the Income Tax Act, the Canada Pension Plan, and the Employment Insurance Act, the following amounts, which are included in the above totals, are trust funds and form no part of the property, business, or estate of Cleo Energy Corp. in receivership.

Federal income tax:	$42,177.06
Provincial income tax:	$27,202.18
CPP employee part:	$837.37
EI employee part:	$130.23
Total:	$70,346.84

Payment for the total amount of this trust, namely $70,346.84, must be made to the Receiver General for Canada out of the realization of any property that is subject to these statutory trusts in priority to all other creditors.

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Please let us know when payment of this trust amount and the remaining balance of $11,989.00 will be made.

This letter also serves as notice that should payment be made for any amount described in subsection 153(1) of the Income Tax Act for periods before or after your appointment, you must withhold tax deductions and remit payments in accordance with that subsection and sections 101 and 108 of the Income Tax Regulations.

Also, see section 5 of the Employment Insurance Act and section 8 of the Canada Pension Plan Regulations.

For more information or clarification, please call me at 1-587-337-0512.

Yours truly,

Debbie Mitchell (1222)
Resource/Complex Case Officer