

**IN THE MATTER OF THE BANKRUPTCY OF**

**RAIMOUNT ENERGY CORP.**

**OF THE CITY OF CALGARY,  
IN THE PROVINCE OF ALBERTA**

**REPORT ON THE TRUSTEE'S  
PRELIMINARY ADMINISTRATION**

**ESTATE NO. 25-2332610**

On January 10, 2018, Raimount Energy Corp. (“Raimount”) filed a Notice of Intention to File a Proposal (“NOI”) pursuant to Part III, Division I of the Bankruptcy and Insolvency Act (“BIA”). On February 20, 2018, an Order from the Court Queen’s Bench of Alberta (the “Court”) was granted terminating the NOI proceeding and Raimount was deemed bankrupt. Alvarez & Marsal Canada Inc. (“A&M” or “Trustee”) was appointed as the trustee in bankruptcy of Raimount in the bankruptcy proceeding under estate number 25-2332610.

**Background**

Raimount was incorporated on June 8, 2017, in the Province of Alberta. Raimount is a wholly owned subsidiary of Manitek Energy Inc. and the guarantor of the National Bank of Canada (“NBC”) Indebtedness owed by Manitek. Manitek is a public company based in Calgary, Alberta, whose outstanding shares of common stock are listed on the TSX Venture Exchange under the symbol “MEI”.

On January 10, 2018 (the “Bankruptcy Event”), Raimount sought protection from its creditors through filing a NOI pursuant to the BIA and a stay of proceedings was obtained on that date. FTI Consulting Canada Inc. (“FTI”) (the “Proposal Trustee”) was named as Proposal Trustee under the NOI. On February 20, 2018, the Court ordered that the time within which Raimount may file a proposal to their creditors was immediately terminated in accordance with section 50.4(11) of the BIA. As a result, Raimount was deemed bankrupt on the Bankruptcy Date and A&M was substituted, in place of FTI, as the trustee in bankruptcy of Raimount, Manitek and Corinthian Oil Corp. (Manitek’s wholly owned subsidiary).

Simultaneously with the Raimount bankruptcy, on February 20, 2018, A&M was appointed by the Court as the Receiver and Manager (the “Receiver”) of Manitek and Raimount pursuant to a receivership order (the “Order”) granted by the Court.

The receivership and bankruptcy occurred as Raimount was unable to meet its obligations as they generally came due and its assets were less than its liabilities.

Details on the causes and events leading up to Raimount's insolvency can be found on the Receiver's and Trustee's website located at [www.alvarezandmarsal.com/manitok](http://www.alvarezandmarsal.com/manitok) (the "Website")

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

Since the Bankruptcy Date, the Receiver has taken possession and control of all the assets of Raimount and took all necessary conservatory measures. The Receiver continues to operate the Company while it develops a plan to sell and/or disclaim assets. The operations and administrative employees have been retained to assist the Receiver with the ongoing operations.

As discussed below, the NBC has a security interest in the assets of Raimount.

The Trustee's preliminary review of the process and value of the assets indicates that realizations from Raimount's assets will not likely be sufficient to satisfy the secured debt in full.

### **Books and records**

The Receiver has taken possession of the books and records of Raimount and the Trustee will have access as required to complete the administration of the bankruptcy estate. The records of the Company are currently being held at Raimount's office in Calgary, AB.

### **Provable Claims and Secured Claims**

NBC has filed security in the bankruptcy proceedings claiming a security interest in Raimount's real and personal property. The proof of claim indicates that the secured amount required to satisfy Raimount's obligation to NBC is \$36,765,083.44. NBC valued its security at \$36,764,083.44, and as a result, has filed an unsecured claim of \$1,000.00 in the bankruptcy proceedings.

The Trustee has received a number of proof of claims and while there are differences from that noted in the statement of affairs, differences are not material individually or in aggregate.

### **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 has conducted a preliminary review of the books and records of Raimount with respect to reviewable transactions and preference payments and has not noted any transactions of significance.

### **Trustee's Intention to Act and Possible Conflict of Interest**

On February 20, 2018, A&M became the Receiver, without security, of all of Raimount's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situated, including the proceeds thereof. A copy of the Receivership Order and Notice and Statement of Receiver can be found on the Website.

The Receiver had an independent legal opinion of the security of NBC and Stream which indicates both are valid and enforceable against the assets of Manitek. Consequently, the Trustee believes there is no conflict of interest.

### **Anticipated Realization and Projected Distribution**

All of the assets of Raimount are subject to a security interest and as noted above, the Trustee's preliminary review of the realizable value of the assets indicates that realizations will not be sufficient to satisfy the secured debt.

Consequently, it does not appear that there will be any distributions to unsecured creditors or creditors.

**ALVAREZ & MARSAL CANADA INC.**  
**Trustee for the Estate of**  
**Raimount Energy Corp.**



Tim Reid, CPA, CA, CIRP, LIT  
Senior Vice-President

March 20, 2018