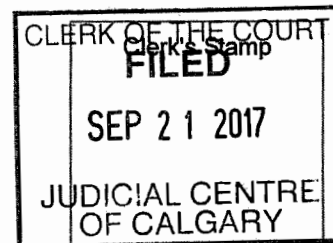


COURT FILE NUMBER 1701-05559
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
PLAINTIFF TOPANGA RESOURCES LTD.
DEFENDANT VERITY ENERGY LTD.
APPLICANT HARDIE & KELLY INC., IN ITS CAPACITY AS RECEIVER
AND NOT IN ITS PERSONAL CAPACITY
DOCUMENT **THIRD REPORT OF THE RECEIVER,
HARDIE & KELLY INC.
SEPTEMBER 20, 2017**

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT

Osler, Hoskin & Harcourt LLP
Suite 2500, TransCanada Tower
450 - 1st Street SW
Calgary, Alberta T2P 5H1
Attention: Randal Van de Mosselaer
Phone: 403.260.7060
Fax: 403.260.7024
Email: rvandemosselaer@osler.com



**THIRD REPORT OF THE RECEIVER
HARDIE & KELLY INC.
SEPTEMBER 20, 2017**

I N D E X

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INTRODUCTION

1. On April 28, 2017, Topanga Resources Ltd. (“Topanga”) made an application to the Court of Queen’s Bench of Alberta (the “Court”) for the appointment of a receiver (the “Receiver”) of certain non-operated interests in the Sexsmith Plant located at 04-08-075-07W6 and related assets (collectively referred to as the “Receivership Property”) belonging to Verity Energy Ltd. (“Verity” or the “Company”).
2. On April 28, 2017, the Court granted an Order (the “Receivership Order”), appointing Hardie & Kelly Inc. as the Receiver of the Receivership Property.
3. On May 30, 2017, the Receiver prepared a report to the Court (the “First Report”) in contemplation of the Receiver’s application seeking the Court’s approval of the sale of the Receivership Property to Husky Oil Operations Limited (“Husky”) for \$2.5 Million (the “Sales Proceeds”) plus the applicable Goods and Services Tax (“GST”).
4. On June 6, 2017, the Court granted an Order approving the sale of the Receivership Property to Husky.
5. On July 10, 2017, the Receiver prepared a report in advance of the Receiver’s application seeking the Court’s approval of the Receiver’s recommendation as to the distribution of the substantial majority of the Sales Proceeds.
6. On July 18, 2017, the Court granted an Order (the “Distribution Order”) directing the distribution of the majority of the Sales Proceeds (the “Initial Distribution”).
7. The purpose of this report (the “Third Report”) is to provide the Court with:
 - a. An update as to the status of the Initial Distribution;
 - b. A Statement of Receipts and Disbursements as at September 19, 2017;
 - c. Details of the Receiver’s accounts and those of the Receiver’s legal counsel in contemplation of the passing of the respective accounts and the Receiver’s discharge; and

- d. The Receiver's recommendation with respect to the disposition of the residual balance of the Sales Proceeds.

INITIAL DISTRIBUTION

8. Pursuant to the Distribution Order, the Receiver has made the following distributions from the Sales Proceeds:
 - \$157,500 to NRG Divestitures Ltd. on account of sales commissions, plus GST, in respect of the sale to Husky;
 - \$4,650.36 to Canada Revenue Agency ("CRA") in respect of a deemed trust claim;
 - \$56,588.52 to the Alberta Energy Regulator; and
 - \$2,141,193.92 to Topanga of which \$150,000 was distributed directly to a Encana Corporation ("Encana") on behalf of Topanga pursuant to a Direction to Pay issued to the Receiver by Topanga in respect of a settlement agreement between Topanga and Encana.
9. As discussed further below, the Receiver has also paid its initial account and the accounts rendered to date by its respective legal counsel.

GST

10. The Receiver collected \$125,000 of GST in respect of the sale to Husky.
11. The Receiver has written to CRA on three occasions requesting the establishment of a post-receivership GST account in order to facilitate the remittance of the GST collected by the Receiver. Attached as Appendix "A" are copies of the correspondence from the Receiver to CRA.
12. To date, the Receiver has not received notification that an account has been established as requested, nor has the Receiver received any correspondence or feedback from CRA indicating that the Receiver's requests to establish a post-receivership account have been deficient in some manner.

13. With the assistance of Justice Canada, the Receiver did receive some general guidelines from CRA in respect of options available to a Receiver to remit post-receivership GST collected as follows:
 - a. Use the Receiver's personal business account number;
 - b. Utilize the Company's business account number; or
 - c. Establish a post-receivership account (which the Receiver has attempted to do).
14. In respect of option a) above, the Receiver believes it is not appropriate and is not prepared to comingle estate accounting matters and funds with its personal accounting records.
15. In respect of option b) above, because the nature of the Receiver's appointment is limited to a single asset, the Receiver is not prepared to accept responsibility for or incur any costs that may be associated with addressing any deficiencies with respect to the Company's pre-receivership GST account.
16. Consequently, the Receiver believes that the most prudent course of action is to have a post-receivership account established by CRA in order to permit the Receiver to remit the \$125,000 in GST to CRA. The Receiver does not know why there is a delay in having this post-receivership account established, or why it has not received any response to the three letters that the Receiver has written to CRA seeking to have this account established so that the appropriate GST can be paid to that account. The Receiver intends to continue to work with CRA with assistance of the Department of Justice to have a post-receivership account established so that GST can be remitted, the final distribution completed, and the Receiver discharged. Until then, the Receiver proposes to maintain \$125,000 in its trust account.

PROFESSIONAL FEES*Receiver*

17. To date, The Receiver has rendered one account in the amount of \$18,438, plus GST, (the "Receiver's Fees") in relation to the proceedings. A copy of the invoice will be made available for review upon request.
18. The Receiver anticipates issuing a final account estimated not to exceed \$8,000 (the "Receiver's Final Account") in connection with unbilled WIP, preparing for its discharge application and ultimately attending to the remittance of GST.

Receiver's Legal Counsel

19. The Receiver was required to utilize two law firms as the Receiver's initial counsel encountered a potential conflict situation with respect to the review of Topanga's security interest. During the course of the proceedings, the Receiver's respective legal counsel has issued a total of seven accounts totalling \$82,188.52, plus GST, (the "Receiver's Counsel's Fees and Disbursements"). Copies of these accounts will be made available for review upon request.
20. The Receiver's initial legal counsel anticipates issuing a final account in connection with unbilled WIP and the Receiver's discharge application in an amount not estimated to exceed \$10,000 (the "Receiver's Counsel's Final Account").
21. The Receiver is of the opinion that the Receiver's Fees, the Receiver's Counsel's Fees and Disbursements, the Receiver's Final Account and the Receiver's Counsel's Final Account are appropriate and reasonable in the circumstances. Given the limited scope of the appointment and the nature of the Receivership Property, the emphasis of the proceedings was geared toward legal matters.

PROPOSED DISTRIBUTION

22. Attached as Appendix "B" to this Third Report is a Statement of Receipts and Disbursements (the "R&D") as at September 19, 2017 indicating that the Receiver currently maintains approximately \$160,000 in its estate trust account.
23. After providing for accruals totalling \$142,000 in respect of the anticipated remaining disbursements to be made being the remittance of GST and payment of the Receiver's Final Account and the Receiver's Counsel's Final Account (collectively referred to as the "Accruals"), the Receiver estimates a residual balance of \$16,879.73. The Receiver has received an independent legal opinion confirming the validity and enforceability of Topanga's security. Consequently, the Receiver recommends a further distribution of funds to Topanga in the amount of \$16,879.73.
24. In addition the Receiver recommends that any final residual balance that may ultimately exist, if any, after satisfaction of the Accruals and following the filing of the Receiver's Certificate effecting the Receiver's discharge should also be distributed to Topanga (the "Potential Final Residual").

RECOMMENDATIONS

25. The Receiver respectfully recommends that this Honourable Court:
 - a) Approve the R&D;
 - b) Approve the Receiver's Fees and the Receiver's Counsel's Fees and Disbursements;
 - c) Approve the Receiver's Final Account and the Receiver's Counsel's Final Account without the need for attending for a further taxation;
 - d) Authorize a further distribution of \$16,879.73 to Topanga;
 - e) Authorize a distribution of the Potential Final Residual to Topanga if applicable; and

- f) Grant the discharge of the Receiver subject to the remittance of GST to CRA and the filing of the Receiver's Certificate certifying the remittance.

All of which is respectfully submitted this 20th day of September 2017.

Hardie & Kelly Inc., in its capacity as
Receiver of the Receivership Property
and not in its personal capacity

Per:



Marc Kelly
Senior Vice President

APPENDIX “A”



LICENSED INSOLVENCY TRUSTEE

Fax: 1-866-219-0311
Canada Revenue Agency
Pacific Insolvency Intake Centre
9755 King George Blvd.
Surrey, BC V3T 5E1

May 25, 2017

Dear Sirs:

Re: Verity Energy Ltd. ("Verity")

We are writing to advise that on April 28, 2017, Hardie & Kelly Inc. ("H&K") was appointed receiver (the "Receiver"), by Order (the "Order") of the Court of Queen's Bench of Alberta (the "Court"), over a certain oil and gas asset belonging to Verity, being Verity's non-operated interest in a natural gas processing plant known as the "Sexsmith Plant" and all right title and interest in and to those interests, facilities, assets, and any related assets (the "Property") as described in Schedule "A" of the Order. A copy of the Order is enclosed herewith for your records. For greater clarity, we confirm that H&K has not been appointed as Receiver over all of Verity's assets as we understand that Verity still has other assets remaining under its own control.

The Receiver will soon be consummating a sale of the Property and will be collecting GST on the pending sales transaction (the "Transaction"). Consequently, we request that a RT0002 GST account be established and sent to the Receiver's attention for the express purpose of remitting the GST collected in respect of the Transaction. In light of the limited scope of the Receiver's appointment, the Receiver is not in possession of the entirety of the books and records of Verity; however, we understand that Verity's business number may be 806010468.

For the sake of clarity, other than establishing the requested RT0002 account for the Receiver, and as the Receiver has not been appointed to take control of all of Verity's affairs generally, all other correspondence related to Verity's accounts with Canada Revenue Agency should continue to be addressed to Verity and not to the Receiver.

Should you have any questions or concerns, please contact the undersigned at 403-536-8510.

Yours very truly,
Hardie & Kelly Inc., in its capacity as Receiver of
the Property and not in its personal capacity

COPY

Per: Marc Kelly
Senior Vice President

Hardie & Kelly Inc.
110, 5800 – 2nd Street SW
Calgary, AB T2H 0H2

Tel 403-777-9999
Fax 403-640-0591
www.insolvency.net



LICENSED INSOLVENCY TRUSTEE

FAX: 1-902-432-6287
Canada Revenue Agency
Prince Edward Island Tax Centre
275 Pope Road
Summerside, PEI C1N 6A2

July 10, 2017

Attention: BNS Unit

**Re: Verity Energy Ltd., in receivership ("Verity")
Business number 80601 0468**

We are writing to advise that on April 28, 2017, Hardie & Kelly Inc. ("H&K") was appointed receiver (the "Receiver"), by Order (the "Order") of the Court of Queen's Bench of Alberta (the "Court"), over a certain oil and gas asset belonging to Verity, being Verity's non-operated interest in a natural gas processing plant and all right title and interest in **and to those interests, facilities, assets, and any related assets** (the "Property") as described in **Schedule "A" of the Order**. For **greater clarity**, we confirm that H&K has not been appointed as Receiver over all **of Verity's assets as we understand** that Verity still has other assets remaining under its own control.

A copy of the Order is enclosed herewith for your records. We have also enclosed a duly completed form RC59.

The Receiver has recently consummated a sale of the Property and has collected GST on the sales transaction (the "Transaction"). Consequently, we request that a division account be established for the limited purpose of allowing the Receiver to remit the GST collected in respect of the Transaction. We ask that an RT0002 account be established as of the date of receivership for purposes of the administration of the receivership proceedings. In this connection, the contact information should be:

Hardie & Kelly Inc.,
Receiver of the Property of Verity Energy Ltd.
110, 5800 - 2nd Street SW
Calgary, AB T2H 0H2
Attention: Marc Kelly

Should you have any questions or concerns or require any additional information, please contact the undersigned at 403-536-8526.

Thank you for your cooperation in this matter.

Yours very truly,
Hardie & Kelly Inc., in its capacity as
Receiver of the Property of Verity Energy Ltd.
and not in its personal capacity

Per: **COPY**
Kevin Meyler, C.A., C.I.R.A.
Senior Vice President

enclosure: Receivership Order
RC59

Hardie & Kelly Inc.
110, 5800 - 2nd Street SW
Calgary, AB T2H 0H2

Tel 403-777-9999
Fax 403-640-0591
www.insolvency.net

Business Consent

Representatives

Get access to your clients' business information faster online using "Represent a Client." Go to cra.gc.ca/logging-services and log in. On the "Welcome" page, select "Review and update," then your "RepID," "Group ID" or "Business number." Open the "Manage clients" tab, then select "Authorization request" and follow the instructions.

Business owners

Give your representative instant access to your business information online using My Business Account. Go to cra.gc.ca/logging-services and log in. On the "Welcome" page, select "Manage," then "Representatives" and follow the instructions.

Use this form to give a representative access to your business number program accounts.

The Canada Revenue Agency (CRA) needs your permission to deal with a representative. There are two kinds of representatives: an individual or a firm. Some examples of individual representatives include accountants, lawyers, or employees.

Do not use this form to:

- Authorize a representative for your individual tax and benefit, or trust accounts. Use Form T1013, *Authorizing or Cancelling a Representative* or use the "Authorize my representative" service at cra.gc.ca/myaccount. Online access is not available for trust accounts.
- Authorize a third party to act on your behalf for tax ruling or interpretation requests. For more information, see Income Tax Information Circular IC70-6R7, *Advance Income Tax Rulings and Technical Interpretations*, or GST/HST Memorandum 1.4, *Excise and GST/HST Rulings and Interpretations Service*.

Do not use this form if both of the following apply:

- you are a selected listed financial institution (SLFI) for goods and services tax/harmonized sales tax (GST/HST) purposes, or Quebec sales tax (QST) purposes, or both; and
- you have a GST/HST (RT) program account that includes QST information.

Instead, use Form RC7259, *Business Consent for Certain Selected Listed Financial Institutions*. For more information, including the definition of an SLFI for GST/HST and QST purposes, go to cra.gc.ca/slfi.

Part 1 – Business information

Enter the business name and the business number (BN) as registered with the CRA.

Business name
Verity Energy Ltd.

Business number
81061010468

Part 2 – Authorize a representative

Authorize access by telephone and mail

If you are giving consent to an individual, enter their full name and BN if applicable. If you are giving consent to a firm, enter the name and BN of the firm. If you want us to deal with a specific individual in that firm, enter the individual's name and the firm's name and BN. If you do not identify an individual of the firm, then you are giving us consent to deal with anyone from that firm.

Name of individual
Marc Kelly

Telephone number
4035368510

Name of firm
Hardie & Kelly

Business number
838540870

Note: Online access must be requested through My Business Account at cra.gc.ca/mybusinessaccount or Represent a Client at cra.gc.ca/representatives.

Part 3 – Select the program accounts and authorization level

Complete either Option 1 or Option 2.

For update and view options, tick the **allow update access** box. Your representative can view and make changes to your information and CRA can disclose and accept changes to information on your program accounts. Otherwise, your representative will have view only access by default and CRA will only disclose information to your representative.

Option 1 – Give access to all your program accounts

All program accounts

Allow update access
(view only if not ticked)

Optional expiry date
(YYYY-MM-DD)

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Option 2 – Give access to certain program accounts

For a list of supported program identifiers, see page 2.

Program identifier
(two letters)

RT

All reference numbers or specific reference number
(four digits)

or

or

or

or

Allow update access
(view only if not ticked)

Optional expiry date
(YYYY-MM-DD)

20171231

If more than four program identifiers are required, fill in another RC59 form.

Part 4 – Certification

You must sign and date this form. The CRA must receive this form within six months of the date it was signed or it will not be processed. This form must only be signed by an individual with proper authority for the business (see the choices below). An authorized representative cannot sign this form unless they have delegated authority. If the name of the individual signing this form does not exactly match CRA records, this form will not be processed. Forms that cannot be processed, for any reason, will be returned to the business. To avoid processing delays and before you sign this form, you must make sure that the CRA has complete and valid information on file for your business. We may contact you to confirm the information you have given.

The individual signing this form is (tick one box only):

- an owner a partner of a partnership a corporate director a corporate officer
 an officer of a non-profit organization a trustee an individual with delegated authority

Court appointed Receiver (see attached order)

First name

Kevin

Last name

Meyler

Title

Senior Vice President

Telephone number

4035368526

I certify that the information given on this form is correct and complete.

Signature

Kevin Meyler

Date (YYYY-MM-DD)

210170710

Once completed, send this form to your tax centre. For more information, go to cra.gc.ca/taxcentre.

Our goal is to process RC59 forms within 15 business days from when we get them.

Personal information is collected under the *Income Tax Act*, *Excise Tax Act*, and other legislation to administer tax, benefits, rebates, elections, and related programs. It may also be used for any purpose related to the administration or enforcement of these Acts such as audit, compliance and the payment of debts owed to the Crown. It may be shared or verified with other federal, provincial/territorial government institutions to the extent authorized by law. Failure to provide this information may result in interest payable, penalties or other actions. Under the *Privacy Act*, individuals have the right to access their personal information and request correction if there are errors or omissions. Refer to Info Source at cra.gc.ca/agency/infocentre/eng.html, Personal Information Bank CRA PPU 047.

Your responsibilities

You should have a list of people with proper authority for your business. If your list changes, you need to let us know right away. Send us official documents about the change so our records on your business are up to date.

Other responsibilities include:

- updating our list of people with proper authority to sign this form;
- making sure that representative information is up to date;
- monitoring and understanding what your representative is doing for your business;
- reviewing services available to your representative; and
- deciding if your representative should continue to represent you.

You can view your representative's activity online with "My Business Account." We may add new services that your representative can access. For a list of online services, go to cra.gc.ca/representatives.

Cancel consent

To cancel consent, use Form RC59X, *Cancel Business Consent or Delegated Authority* or go to cra.gc.ca/mybusinessaccount.

Delegated authority

To authorize a delegated authority, see the online services:

- My Business Account at cra.gc.ca/mybusinessaccount
- Represent a Client at cra.gc.ca/representatives

Business number program accounts

A program account number has three parts:

- a nine-digit business number (BN) to identify the business;
- a two-letter program identifier to identify the program type; and
- a four-digit reference number to identify each account a business has within a program type.

List of supported program identifiers

You can use only the following program identifiers on this form:

- RA children's special allowances
- RC corporation income tax
- RD excise duty
- RE excise tax
- RG air travellers security charge
- RM import/export (no online access available)
- RN excise tax on insurance premiums
- RP payroll deductions
- RR registered charities
- RT goods and services tax/harmonized sales tax (GST/HST)
- RZ information returns: T5, T5007, T5008, T5013, T5018, TFSA, Shelter Allowance for Elderly Renters (SAFER), RRSPP contribution receipts, RRSPP and RRIF non-qualified investments, Pooled Registered Pension Plan (PRPP), Part XVIII – International Exchange of Information on Financial Accounts, Part XIX – International Exchange of Information on Financial Accounts
- SL softwood lumber products export charge



LICENSED INSOLVENCY TRUSTEE

FAX: 1-902-432-6287
Canada Revenue Agency
Prince Edward Island Tax Centre
275 Pope Road
Summerside, PEI C1N 6A2

July 26, 2017

Attention: BNS Unit

Re: Verity Energy Ltd., in receivership ("Verity")
Business number 80601 0468

We are writing to advise that on April 28, 2017, Hardie & Kelly Inc. ("H&K") was appointed receiver (the "Receiver"), by Order (the "Order") of the Court of Queen's Bench of Alberta (the "Court"), over a certain oil and gas asset belonging to Verity, being Verity's non-operated interest in a natural gas processing plant and all right title and interest in and to those interests, facilities, assets, and any related assets (the "Property") as described in Schedule "A" of the Order. For greater clarity, we confirm that H&K has not been appointed as Receiver over all of Verity's assets as we understand that Verity still has other assets remaining under its own control.

A copy of the Order is enclosed herewith for your records. We have also enclosed a duly completed form RC59.

The Receiver has recently consummated a sale of the Property and has collected GST on the sales transaction (the "Transaction"). Consequently, we request that a division account be established for the limited purpose of allowing the Receiver to remit the GST collected in respect of the Transaction. We ask that an RT0002 account be established as of the date of receivership for purposes of the administration of the receivership proceedings. We have enclosed a GST 10 form in respect of this request. In this connection, the contact information should be:

Hardie & Kelly Inc.,
Receiver of the Property of Verity Energy Ltd.
110, 5800 - 2nd Street SW
Calgary, AB T2H 0H2
Attention: Marc Kelly

Should you have any questions or concerns or require any additional information, please contact the undersigned at 403-536-8526.

Thank you for your cooperation in this matter.

Yours very truly,
Hardie & Kelly Inc., in its capacity as
Receiver of the Property of Verity Energy Ltd.
and not in its personal capacity

Per: **COPY**
Kevin Meyle, C.A., CFP
Senior Vice President

enclosure: Receivership Order
RC59
GST 10

Hardie & Kelly Inc.
110, 5800 - 2nd Street SW
Calgary, AB T2H 0H2

Tel 403-777-9999
Fax 403-640-0591
www.insolvency.net

Business Consent

Representatives

Get access to your clients' business information faster online using "Represent a Client." Go to cra.gc.ca/efiling/services and log in. On the "Welcome" page, select "Review and update", then your "RepID", "Group ID", or "Business number." Open the "Manage clients" tab, then select "Authorization request" and follow the instructions.

Business owners

Give your representative instant access to your business information online using "My Business Account." Go to cra.gc.ca/login/services and log in. On the "Welcome" page, select "Manage", then "Representatives" and follow the instructions.

Use this form to give a representative access to your business number program accounts.

The Canada Revenue Agency (CRA) needs your permission to deal with a representative. There are two kinds of representatives: an individual or a firm. Some examples of individual representatives include accountants, lawyers, or employees.

Do not use this form to:

- Authorize a representative for your individual tax and benefit, or trust accounts. Use Form T1013, *Authorizing or Cancelling a Representative* or use the "Authorize my representative" service at cra.gc.ca/myaccount. Online access is not available for trust accounts.
- Authorize a third party to act on your behalf for tax ruling or interpretation requests. For more information, see Income Tax Information Circular IC70-6R7, *Advance Income Tax Rulings and Technical Interpretations*, or GST/HST Memorandum 1.4, *Excise and GST/HST Rulings and Interpretations Service*.

Do not use this form if both of the following apply:

- you are a selected listed financial institution (SLFI) for goods and services tax/harmonized sales tax (GST/HST) purposes, or Quebec sales tax (QST) purposes, or both; and
- you have a GST/HST (RT) program account that includes QST information.

Instead, use Form RC7259, *Business Consent for Certain Selected Listed Financial Institutions*. For more information, including the definition of an SLFI for GST/HST and QST purposes, go to cra.gc.ca/slfi.

Part 1 – Business information

Enter the business name and the business number (BN) as registered with the CRA.

Business name

Verity Energy Ltd.

Business number

8 0 6 0 1 0 4 6 8

Part 2 – Authorize a representative

Authorize access by telephone and mail

If you are giving consent to an individual, enter their full name and BN if applicable. If you are giving consent to a firm, enter the name and BN of the firm. If you want us to deal with a specific individual in that firm, enter the individual's name and the firm's name and BN. If you do not identify an individual of the firm, then you are giving us consent to deal with anyone from that firm.

Name of individual

Marc Kelly

Telephone number

4035368510

Name of firm

Hardie & Kelly

Business number

8 3 8 5 4 0 8 7 0

Note: Online access must be requested through My Business Account at cra.gc.ca/mybusinessaccount or Represent a Client at cra.gc.ca/representative.

Part 3 – Select the program accounts and authorization level

Complete either Option 1 or Option 2.

For update and view options, tick the **allow update access** box. Your representative can view and make changes to your information and CRA can disclose and accept changes to information on your program accounts. Otherwise, your representative will have view only access by default and CRA will only disclose information to your representative.

Option 1 – Give access to all your program accounts

All program accounts

Allow update access
(view only if not ticked)

Optional expiry date
(YYYY-MM-DD)

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Option 2 – Give access to certain program accounts

For a list of supported program identifiers, see page 2.

Program Identifier
(two letters)

R T

All reference numbers or specific reference number
(four digits)

or

or

or

or

Allow update access
(view only if not ticked)

Optional expiry date
(YYYY-MM-DD)

2 0 1 7 1 2 3 1

If more than four program identifiers are required, fill in another RC59 form.

Part 4 – Certification

You must sign and date this form. The CRA must receive this form within six months of the date it was signed or it will not be processed. This form must only be signed by an individual with proper authority for the business (see the choices below). An authorized representative cannot sign this form unless they have delegated authority. If the name of the individual signing this form does not exactly match CRA records, this form will not be processed. Forms that cannot be processed, for any reason, will be returned to the business. To avoid processing delays and before you sign this form, you must make sure that the CRA has complete and valid information on file for your business. We may contact you to confirm the information you have given.

The individual signing this form is (tick one box only):

- | | | | |
|--|---|--|--|
| <input type="checkbox"/> an owner | <input type="checkbox"/> a partner of a partnership | <input type="checkbox"/> a corporate director | <input type="checkbox"/> a corporate officer |
| <input type="checkbox"/> an officer of a non-profit organization | <input type="checkbox"/> a trustee | <input checked="" type="checkbox"/> an individual with delegated authority | |

Court appointed Receiver (see attached order)

First name Kevin Last name Meyler

Title Senior Vice President Telephone number 4035368526

I certify that the information given on this form is correct and complete.

Signature  Date (YYYY-MM-DD) 20170710

Once completed, send this form to your tax centre. For more information, go to cra.gc.ca/taxcentre.
Our goal is to process RC59 forms within 15 business days from when we get them.

Personal information is collected under the *Income Tax Act*, *Excise Tax Act*, and other legislation to administer tax, benefits, rebates, elections, and related programs. It may also be used for any purpose related to the administration or enforcement of these Acts such as audit, compliance and the payment of debts owed to the Crown. It may be shared or verified with other federal, provincial/territorial government institutions to the extent authorized by law. Failure to provide this information may result in interest payable, penalties or other actions. Under the *Privacy Act*, individuals have the right to access their personal information and request correction if there are errors or omissions. Refer to Info Source at cra.gc.ca/encyclo/mfarc/mfarc-eng.html. Personal Information Bank CRA PPU 047.

Your responsibilities

You should have a list of people with proper authority for your business. If your list changes, you need to let us know right away. Send us official documents about the change so our records on your business are up to date.

Other responsibilities include:

- updating our list of people with proper authority to sign this form;
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- deciding if your representative should continue to represent you.

You can view your representative's activity online with "My Business Account." We may add new services that your representative can access. For a list of online services, go to cra.gc.ca/representatives.

Cancel consent

To cancel consent, use Form RC59X, *Cancel Business Consent or Delegated Authority* or go to cra.gc.ca/mybusinessaccount.

Delegated authority

To authorize a delegated authority, see the online services:

- My Business Account at cra.gc.ca/mybusinessaccount
- Represent a Client at cra.gc.ca/representatives

Business number program accounts

A program account number has three parts:

- a nine-digit business number (BN) to identify the business;
- a two-letter program identifier to identify the program type; and
- a four-digit reference number to identify each account a business has within a program type.

List of supported program identifiers

You can use only the following program identifiers on this form:

- RA children's special allowances
- RC corporation income tax
- RD excise duty
- RE excise tax
- RG air travellers security charge
- RM import/export (no online access available)
- RN excise tax on insurance premiums
- RP payroll deductions
- RR registered charities
- RT goods and services tax/harmonized sales tax (GST/HST)
- RZ information returns: T5, T5007, T5008, T5013, T5018, TFSA, Shelter Allowance for Elderly Renters (SAFER), RRSP contribution receipts, RRSP and RRIF non-qualified investments, Pooled Registered Pension Plan (PRPP), Part XVIII – International Exchange of Information on Financial Accounts, Part XIX – International Exchange of Information on Financial Accounts
- SL softwood lumber products export charge

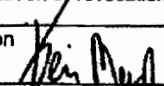
Application or Revocation of the Authorization to File Separate GST/HST Returns and Rebate Applications for Branches or Divisions

Use this form if you are an eligible GST/HST registrant and you want to file separate GST/HST returns for your branches or divisions. You can also use this form if you are an eligible public service body that is entitled to rebates and you want to file separate rebate applications for your branch(es) or division(s). Public service bodies that are also registrants should complete all sections of this form.

This form must be completed by your head office. Once we authorize you to file separate GST/HST returns and rebate applications, your authorization will be in effect until we revoke it in writing.

Please tick the box(es) that apply to you:

a registrant a public service body a selected listed financial institution

Identification – Head office			
Complete name Verity Energy Ltd., in receivership		Business number 8 0 6 0 1 0 4 6 8 0 0 0 1	
Trading name (if different from name)			
Mailing address c/o Hardie & Kelly Inc., in its capacity as Receiver and Manager of Specified Property of Verity Energy Ltd.			
City Calgary		Province or territory Alberta	Postal code T 2 H 0 H 2
Contact person Marc Kelly	Contact person's title Senior Vice President	Telephone number for contact person 403-536-8510	Extension
Major business activity Oil and gas exploration and development			
Identification – Branch or division			
Complete name Verity Energy Ltd., in receivership		Business number 8 0 6 0 1 0 4 6 8 0 0 0 2	
Trading name (if different from name)			
Mailing address c/o Hardie & Kelly Inc., in its capacity as Receiver and Manager of Specified Property of Verity Energy Ltd.			
City Calgary		Province or territory Alberta	Postal code T 2 H 0 H 2
Contact person Marc Kelly	Contact person's title Senior Vice President	Telephone number for contact person 403-536-8510	Extension
Major business activity Oil and gas exploration and development			
List the required information for any additional branches or divisions on the back of this form or on a separate sheet of paper, and attach it to this form.			
Eligibility – You must answer yes to the following questions to be eligible to apply for this authorization. Do not complete this part if you are revoking an authorization.			
Are you the head office of the registrant or the public service body?		<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is each branch or division specified in this application separately identifiable by location or by the nature of its activities?		<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Are separate records, books of account, and accounting systems maintained for each branch or division listed in this application?		<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Registrants – Is each branch or division specified in this application engaged in commercial activities in Canada?		<input type="checkbox"/> N/A	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Public service bodies – Are you entitled to GST/HST rebates?		<input type="checkbox"/> N/A	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Application or revocation of authorization			
The head office of the registrant or public service body listed on this form applies for, or revokes, the authorization to file separate GST/HST returns and rebate applications for each branch or division listed on this form.			
I, <u>Kevin Mayler</u> (print name), certify that the information given on this form and in any attached document is, to the best of my knowledge, true, correct, and complete in every respect, and that I am authorized to sign on behalf of the registrant or the public service body specified on this form.			
		<input checked="" type="checkbox"/> Application	<input type="checkbox"/> Revocation
Effective date of this application or revocation:		Year 2 0 1 7	Month Day 0 7 0 1
Signature of authorized person 	Title Senior Vice President	Year 2 0 1 7	Month Day 0 7 2 6

APPENDIX “B”

**Limited Receivership of Verity Energy Ltd.
Statement of Receipts and Disbursements
as at September 19, 2017**

Receipts

Sale of Assets	\$ 2,500,000.00	
GST collected	125,000.00	
Interest	463.56	
		2,625,463.56

Disbursements

Distribution to Topanga Resources Ltd. (Note 1)	2,141,193.92	
NRG Divestitures - commission	150,000.00	
Legal fees	82,188.52	
Alberta Energy Regulator	56,588.52	
Receiver's fees	18,438.00	
GST paid	12,524.51	
Canada Revenue Agency - deemed trust claim	4,650.36	
		2,465,583.83
Funds on hand		159,879.73

Estimated Outstanding Disbursements

GST remittance	125,000.00	
Final legal account including GST	10,000.00	
Receiver's second account including GST	8,000.00	
		143,000.00
Estimated residual		\$ 16,879.73

Note 1 - includes \$150,000 paid directly to Encana Corporation ("Encana") pursuant to a Direction to Pay issued to the Receiver by Topanga Resources Ltd. ("Topanga") in respect of a settlement agreement between Topanga and Encana.