Court File No. M/M/114-12

IN THE COURT OF QUEEN'S BENCH OF NEW BRUNSWICK

TRIAL DIVISION

JUDICIAL DISTRICT OF MONCTON

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF LANDDRILL INTERNATIONAL INC. (A BRITISH COLUMBIA CORPORATION), LANDDRILL INTERNATIONAL LTD. (A NEW BRUNSWICK CORPORATION), LANDDRILL ATLANTIC LTD. (A NEW BRUNSWICK CORPORATION), LANDDRILL CONTRACT MINING LTD. (A NEW BRUNSWICK CORPORATION), LANDDRILL INTERNATIONAL MEXICO S.A. DE C.V. (A MEXICAN CORPORATION), LANDDRILL INTERNATIONAL LLC (A MONGOLIAN CORPORATION) and LANDDRILL INTERNATIONAL INC. (A BARBADOS CORPORATION)

FIRST REPORT OF THE MONITOR

September 26, 2012

INTRODUCTION

1. On August 31, 2012, Landdrill International Inc. ("**Landdrill Inc.**"), a British Columbia corporation, Landdrill International Ltd. ("**Landdrill Ltd**"), a New Brunswick corporation, Landdrill Atlantic Ltd., a New Brunswick corporation, Landdrill Contract Mining Ltd., a New Brunswick corporation (collectively "**Landdrill Canada**"), Landdrill Mexico S.A. de C.V., a Mexican corporation ("**Landdrill Mexico**"), Landdrill International LLC, a Mongolian corporation ("**Landdrill Mongolia**"), and Landdrill International Inc., a Barbados corporation, (collectively, the "**Applicants**" or the "**Companies**"), filed an application with the Court of Queen's Bench of New Brunswick (Trial Division) in the judicial district of Moncton (the "**Court**") to initiate proceedings pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, (the "***CCAA***").

2. On August 31, 2012 this Court made an order (the "**Initial Order**") that granted various relief including the appointment of Ernst & Young Inc. as *CCAA* Monitor of the

Applicants (the "**Monitor**") and imposing a stay of proceedings against creditors of the Companies until September 28, 2012, or such later date as this Court may order.

PURPOSE

3. This First Report of the Monitor (the "**First Report**") is filed for the purpose of providing information to this Court with respect to the following:

   a. Update on the activities of the Monitor since its appointment;

   b. Issuance of a cease trade order and corporate governance issues;

   c. Applicants' Updated Cash Flow Projection;

   d. Update on the Sale Process;

   e. Applicants' request for increased priority for Court-ordered charges;

   f. Applicants' request to extend the Stay Period

   g. Applicants' request for approval of the sale of certain redundant assets in Mexico;

   h. Motion filed by Gold Canyon; and

   i. Monitor's conclusions and recommendations.

TERMS OF REFERENCE

4. In preparing this report, the Monitor has been provided with, and has relied upon unaudited historical financial statements, other unaudited financial information and projections prepared by the Companies, the books and records of the Companies, discussions with the management and employees of the Companies and other information from various sources. The Monitor has assumed that the information it has been provided is accurate and complete. The Monitor did not audit, review or otherwise attempt to verify the accuracy or completeness of the information. Accordingly, the Monitor expresses no opinion or other form of assurance with respect to the information presented in this report or relied upon by the Monitor in preparing this report. Further, the nature of

the Monitor's work completed in these *CCAA* proceedings will not necessarily disclose errors, misstatements, irregularities or illegal acts, if such exist, on the part of the Companies, or its officers or employees or in the information.

5. This report is based solely on the information, financial or otherwise, made available to the Monitor by the Companies.

6. All references to monetary amounts in this report are in Canadian dollars unless otherwise noted.

7. Capitalized terms not defined in this report are as defined in the Initial Order.

8. Copies of this report and other court materials in these *CCAA* proceedings may be obtained from the Monitor's website established in connection with the Companies (www.ey.com/ca/landdrill) (the "**Monitor's Website**").

UPDATE ON THE ACTIVITIES OF THE MONITOR SINCE ITS APPOINTMENT

Service and Notices Update

9. Pursuant to paragraph 51 of the Initial Order, the Monitor:

   a. mailed a notice of the CCAA proceedings (the "**Notice to Creditors**") within five business days of the issuance of the Initial Order to all known creditors (except those which the Applicants' books and records indicated were owed less than $1,000 as of August 30, 2012) as well as counsel on the service list (as defined below) and the Applicants' employees. A copy of the Notice to Creditors is attached hereto as Appendix "A";

   b. caused a notice containing the information prescribed by section 23 of the CCAA to be published in the Monday, September 10, 2012 edition of the Globe & Mail (National Edition). A copy of the relevant page of the newspaper is attached hereto as Appendix "B"; and

   c. prepared and posted on the Monitor's Website a list of creditors, including the names (redacted for personal information, as applicable) and addresses of those creditors and the estimated amounts of those claims (the "**List of Creditors**"). A copy of the List of Creditors for each of the Applicants is attached hereto as Appendix "C".

10. The Monitor has also established a toll free hotline number (1 855 806 6640) to allow creditors and other interested parties in Canada and the U.S. to contact the Monitor to obtain additional information concerning the CCAA proceedings. To date representatives of the Monitor have received and responded to approximately 17 creditor calls.

11. On or about September 13, 2012, the Monitor caused a notice to be posted on the Monitor's Website informing all stakeholders of the adjournment of the Comeback Hearing (originally scheduled for September 17, 2012) until September 27, 2012. In addition, the Companies caused a copy of the notice to be posted on the Companies' website. A copy of the notice is attached hereto as Appendix "D".

12. The Monitor has made various materials relating to these proceedings available on the Monitor's Website which is accessible to creditors and other stakeholders in Mexico, Mongolia, Russia, Barbados and around the world, including, inter alia, the Applicants' Initial CCAA Application Record, the Pre-filing Report of the Proposed Monitor, all orders of the Court, including the Initial Order, the Notice to Creditors, the List of Creditors, and the service list created and periodically updated by the Applicants (the "**Service List**").

<u>Discussions with Stakeholders</u>

13. The Monitor and its counsel have been in regular communication with the Applicants and their counsel and representatives of Norrep Credit Opportunities Fund, LP ("**Norrep**"), GE Canada Equipment Financing GP ("**GE**") and Sprott Resource Lending Partnership ("**Sprott**") (collectively, the "**Secured Lenders**") and their counsel regarding various aspects of these CCAA proceedings.

14. Counsel to the Monitor has engaged in discussions with counsel to Gold Canyon Resources Inc. ("**Gold Canyon**") regarding provision of the cash-flow statements and their motion seeking certain relief with respect to monies paid by Gold Canyon to the Applicants (described below).

15. Counsel to the Monitor very recently received a telephone call from counsel to First Insurance Funding of Canada Inc. ("**First Insurance**") in order to set up a conference call to discuss a potential motion by First Insurance and from counsel to the Superintendent of Pensions in New Brunswick regarding the Comeback Motion.

Confidentiality Agreement

16. In accordance with paragraph 50 of the Initial Order, creditors of the Applicants are entitled to disclosure of any cash-flow statements provided that they sign a confidentiality agreement in a form satisfactory to the Monitor. To date, only Gold Canyon has requested disclosure of the cash-flow statements. Following execution of an acceptable confidentiality agreement the cash-flow statements were delivered to counsel to Gold Canyon on September 14, 2012.

Monitor's Independence

17. As detailed in the Pre-filing Report of the Monitor dated August 31, 2012, the Monitor advised the Court that Ernst & Young Inc. ("**EYI**") is not subject to any of the restrictions on who may be appointed Monitor set out in section 11.7(2) of the CCAA.

18. As part of its established due diligence process, prior to its appointment as financial advisor to the Applicants and its appointment as Monitor, EYI conducted conflict checks to ascertain if there was any conflict of interest that would preclude it from accepting the aforementioned appointments. The results of the conflict checks indicated no conflicts of interest existed.

19. In accordance with EYI's established practice, the conflict checks included a search of all known corporate entities that may have an interest in the Applicants, but did not include a search in respect of individual directors and officers of the Applicants.

20. Forthwith after the issuance of the Initial Order on August 31, 2012, the Monitor, in accordance with its usual practice, notified all of the partners and personnel of EYI and its affiliates in Atlantic Canada by email of EYI's appointment as Monitor of the

Applicants (the "**Notification**") and instructed its partners and personnel to direct all creditor and other inquiries to certain staff of the Monitor.

21. In response to the Notification, the Monitor was advised that Ernst & Young LLP, an affiliate of EYI, performs certain income tax and notice to reader financial statement engagements for Mr. Ron Goguen Sr., a director and officer of the Applicants, and certain companies privately owned by Mr. Goguen Sr. which are independent of the Applicants. The Monitor was also informed that the partner of Ernst & Young LLP principally responsible for such tax work is in a common law relationship with another officer of the Applicants.

22. Based on discussions with its counsel and members of EYI's quality and risk management compliance team, the Monitor determined that this information did not constitute a conflict of interest. However, in the interests of addressing any possibility of a perceived conflict, the Monitor immediately put a "ring-fence" around those members of Ernst & Young LLP providing tax advice to Mr. Goguen and his companies and those members of EYI working in connection with the Applicants' CCAA proceedings.

23. The "ring-fence" procedure will ensure that:

    a. members of each team will not communicate or otherwise disclose any information relating to the matter on which they are working to members of the other team;

    b. access to any and all computer files and documents relating to client information will be restricted to each team and will be inaccessible by the other team; and

    c. files relating to client information will be segregated from the regular file system and shall be maintained in designated, locked locations. These ring-fencing procedures have been documented in writing and have been completed.

24. In addition, in accordance with the Canadian Association of Insolvency and Restructuring Professionals Rules of Professional Conduct, which state that "A member shall not permit himself to be placed or remain in a position where a conflict of interest may exist, or may appear to exist, without making full disclosure to, and obtaining the written consent of all

interested parties" in keeping with this principle, either the Monitor or its counsel informed the director and officers of the Applicants and the Senior Lenders, including the DIP Lender, and their counsel of this information. The Monitor understands that none of the director and officers of the Applicants or the Senior Lenders have expressed any concerns regarding this information or the procedures put in place by EYI. As an officer of this Court, the Monitor also felt it appropriate to bring this information to the attention of this Court.

CEASE TRADE ORDER & CORPORATE GOVERANCE

25. Landdrill Inc. is a publically traded company on the TSX Venture Exchange (the "**TSXV**"), traded under the symbol LDI. Landdrill Inc.'s shares are also traded on the Frankfurt Stock Exchange under the symbol L1I.

26. On August 29, 2012, Landdrill Inc. issued a press release stating that its financial statements and management discussion and analysis would be delayed until at least September 6, 2012. A copy of August 29 press release is attached hereto as Appendix "E".

27. On August 31, 2012, prior to the initial CCAA application hearing, all members of the Board of Directors of Landdrill Inc., except Ronald J. Goguen, Landdrill Inc.'s President and Chief Executive Officer, resigned.

28. On September 6, 2012, Landdrill Inc. announced that as a result of the issuance of the Initial Order it no longer met the Tier 1 Continued Listing Requirements of the TSXV. A copy of the September 6, 2012 press release is attached hereto as Appendix "F". The TSXV issued a bulletin reclassifying Landdrill Inc. to Tier 2 effective that same day.

29. In addition, as a result of Landdrill Inc. having only one director it no longer complied with its statutory corporate requirements or TSXV listing requirements to have at least three directors. The TSXV halted trading in Landdrill Inc.'s shares effective September 6, 2012. The Investment Industry Regulatory Organization of Canada had previously halted trading in Landdrill's shares effective September 4, 2012. The trading halts are for an indefinite term.

30. On September 17, 2012, Landdrill Inc. announced the appointment of Jacques Monette, its Vice President of Marketing, and William MacDonald, its Manager of Logistics, to the Board of Directors.

APPLICANTS' UPDATED CASH-FLOW PROJECTION

Actual Cash Receipts and Disbursements

31. The Applicants, with the assistance of the Monitor, prepared a consolidated summary of the actual receipts and disbursements as compared to the cash flow projection included at Exhibit B of the Supplemental Affidavit of Ronald J. Goguen sworn on August 31, 2012 (the "**Projection**"). In accordance with paragraph 50 of the Initial Order, which orders that any cash-flow statement or part of a cash-flow statement filed with this Court shall not be released to the public and shall be kept confidential, a summary of the actual receipts and disbursements as compared to the Projection is attached as Confidential Appendix "A" to this First Report.

32. While both Landdrill Mexico and Landdrill Mongolia are both Applicants in these CCAA proceedings, as of the date of this First Report no proceedings have begun in either jurisdiction to recognize the provisions of the Initial Order. Consequently, both of these Applicants have been forced to make minimal pre-filing supplier payments in order to satisfy certain governmental authorities or other small foreign domiciled vendors.

Updated Projection

33. The Applicants, with the assistance of the Monitor, have prepared an updated consolidated twelve week cash flow projection (the "**Updated Projection**") for the purpose of projecting the estimated results of the Companies' planned operations and other activities during the Period (as defined in the Updated Projection), in order to determine whether the Applicants and certain of the Non-Applicants (as defined in the Updated Projection) have sufficient cash to continue operating during the requested extension of the stay of proceedings. In accordance with paragraph 50 of the Initial Order, which orders that any cash-flow statement or part of a cash-flow statement filed

with this Court shall not be released to the public and shall be kept confidential, the Updated Projection is attached hereto as Confidential Appendix "B" to this First Report.

34. The Updated Projection is presented on a weekly basis during the Period and represents the estimates of management of the Applicants ("**Management**") of the projected cash-flow during the Period.

35. The Updated Projection has been prepared by Management using the probable and hypothetical assumptions set out in notes 1 to 20 of the Updated Projection.

36. Subject to this Court approving the increase in priority of the DIP Lender's Charge, which is a condition of the DIP Agreement, the Updated Projection projects that the Applicants will have sufficient liquidity to continue operating during the Period.

37. The Canadian Association of Insolvency and Restructuring Professionals Standards of Professional Practice include a standard for monitors fulfilling their statutory responsibilities under the CCAA in respect of a monitor's report on a Cash-Flow Statement. A copy of Standard 09-1 Cash Flow Statement was attached as an appendix to the Pre-filing Report of the Proposed Monitor (the "**Standard**").

38. Pursuant to the Standard, the Monitor's review of the Updated Projection consisted of inquiries, analytical procedures and discussion related to information supplied to the Monitor by certain key members of Management and employees of the Applicants. Since hypothetical assumptions need not be supported, the Monitor's procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Updated Projection.

39. The Monitor also reviewed the support provided by Management for the probable assumptions, and the preparation and presentation of the Updated Projection.

40. Based on the Monitor's review, nothing has come to its attention that causes it to believe that, in all material respects:

    a. the hypothetical assumptions are not consistent with the purpose of the Updated Projection;

b. as at the date of this First Report, the probable assumptions developed by Management are not suitably supported and consistent with the plans of the Applicants or do not provide a reasonable basis for the Updated Projection, given the hypothetical assumptions; or

c. the Updated Projection does not reflect the probable and hypothetical assumptions.

41. Since the Updated Projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, the Monitor expresses no assurance as to whether the Projection will be achieved. The Monitor expresses no opinion or other form of assurance with respect to the accuracy of any financial information presented in this First Report, or relied upon by the Monitor in preparing this First Report.

SALES PROCESS

Overview

42. As stated in the Affidavit of Ronald J. Goguen sworn on August 26, 2012, the Applicants engaged Clarus Securities Inc. ("**Clarus**") to solicit interest for the purchase of the Companies or certain of their assets (the "**Sale Process**"). Schedule "B" of the Initial Order ("**Schedule B**") sets forth a timelime for the Sale Process, which timeline also forms part of the DIP Agreement.

Monitor Duties

43. In addition to the Monitor's statutory duties with respect to any sale of assets, the Initial Order included a number of specific duties of the Monitor with respect to the Sale Process.

44. In paragraph 28 of the Initial Order, the Monitor was directed and empowered to, inter alia:

a. (after having discussed such matters with the Applicants, where circumstances permit it to do so), have and exercise sole and exclusive authority (in the name of and on behalf of the Applicants) to instruct Clarus Securities Inc. with respect to the development and implementation of an orderly process for the sale of the Business and/or the Property to be completed within 90 days (the "Sale Process") in accordance with the timelines set out in Schedule "B" hereto, and to take such steps and execute such documentation in the name of and on behalf of the Applicants as may be necessary or incidental to the Sale Process;

b. have and exercise the authority (in the name of and on behalf of the Applicants), with the consent of the Senior Lenders, to replace Clarus Securities Inc. and disclaim the engagement letter with Clarus Securities Inc.;

c. have and exercise sole and exclusive authority (in the name of and on behalf of the Applicants) to negotiate with potential purchasers of the Business and/or the Property pursuant to the Sale Process;

d. have and exercise sole and exclusive authority (in the name of and on behalf of the Applicants) to accept one or more offers to purchase the Business and/or the Property pursuant to the Sale Process (subject to approval of the Court);"

45. Since its appointment, the Monitor has taken a number of steps in order to satisfy its duties and obligations under the Initial Order. A brief summary of these steps is set out below.

46. The Monitor conducted an assessment of Clarus' capacity to execute the Sales Process. The Monitor determined that the Clarus team has relevant experience and is active in this industry.

47. The Monitor communicated directly with Clarus regarding the Sales Process and the sales activities it has conducted to date in order to gain a clear understanding of the status of the specific requirements set out in Schedule B.

48. The Monitor is satisfied with Clarus' responses to the Monitor's enquiries concerning the Sale Process and the Monitor has determined that it would not be in the best interests of the Applicants and their stakeholders to discontinue Clarus' role as lead advisor in the Sale Process. In the Monitor's opinion, removing Clarus at this point and restarting the process would be highly disruptive and would likely confuse and discourage the limited pool of qualified buyers already active in the Sale Process.

49. The Monitor reviewed the template Confidentiality Agreement created on August 10, 2012, by the Applicants in consultation with Clarus. Schedule B required that the template Confidentiality Agreement be finalized and delivered to the Monitor and the Senior Lenders on or before August 31, 2012. This requirement was completed in advance of the August 31, 2012 deadline.

50. The Monitor has reviewed the contents of the electronic data room. Schedule B required that the population of the electronic on-line data room be finalized and written confirmation of completion of this task be provided to the Monitor and the Senior Lenders on or before August 31, 2012. The data room was established on August 10, 2012 in advance of the August 31, 2012 deadline established in Schedule B. The Monitor considers the data room content adequate to facilitate the Sale Process.

51. The Monitor reviewed the potential purchaser list provided by Clarus. Schedule B required that a list of approved purchasers shall be finalized and delivered to the Monitor and the Senior Lenders on or before September 5, 2012. Clarus provided the Monitor with a list of potential purchasers which were contacted in advance of the September 5, 2012 deadline. The Monitor agrees that all companies on the list are potential qualified buyers.

52. The Monitor recommended to Clarus the addition of five additional companies to the Approved Purchasers List in order to ensure a broader canvas of potential purchasers. Clarus accepted the suggestion and extended the Approved Purchasers List. Clarus contacted each of the five additional companies on September 6, 2012. One additional company approached Clarus on an unsolicited basis and requested permission to participate in the process. This company was added to the Approved Purchasers List.

53. The Monitor reviewed the initial offering summary (the "**Teaser Letter**") and the letter describing the Sale Process prepared by Clarus. These letters were being used by Clarus to inform interested parties of the Sales Process. The Monitor recommended certain additional information be sent to the potential purchasers in order to make full and frank disclosure of the CCAA proceedings and the effect these proceedings would have on the Sale Process. This information was sent to the potential purchasers by Clarus on or before September 6, 2012.

54. In support of potential purchasers preliminary due diligence, the Monitor and Clarus coordinated a conference call with Management and the inspection of assets by purchasers.

55. Schedule B requires that one or more non-binding written expressions of interest (each an "**EOI**") regarding a proposed purchase of the Business and/or the Property shall have been obtained by the Applicants and shall have been provided to the Monitor and the Senior Lenders on or before September 21, 2012.

56. On or before 4:00pm Eastern Time September 21, 2012 several written non-binding EOIs were received by Clarus who provided the Monitor with a copy of each as well as a written summary overview of all of the EOIs (the "**Clarus Summary**"). The Clarus Summary and copies of the EOIs were then provided to Management and the Senior Lenders by the Monitor. Shortly thereafter, Clarus advised the Monitor that the Clarus Summary omitted an additional unexpected EOI submitted by Blue Chip Investments at 4:00pm Eastern Time (i.e., prior to the Clarus Summary being provided to Management and the Senior Lenders). Blue Chip Investments is a company affiliated with Ronald J. Goguen. This additional EOI from Blue Chip Investments, along with a revised Clarus Summary, including an overview of the Blue Chip Investments EOI, was then distributed to Management and the Senior Lenders.

57. On September 23, 2012 the Monitor participated in a call with the Applicants to obtain their views on the EOIs. On September 24 and 25, 2012, the Monitor facilitated and participated in calls with Clarus, the Senior Lenders and their counsel and counsel to the Applicants to obtain the Senior Lenders' views on the EOIs. A decision with respect to

the commencement of negotiation of definitive agreements of purchase and sale is expected to be made shortly. In light of the submission of the EOI by a company related to a member of Management, Management is not participating in the consideration of and decisions with respect the next steps in the Sales Process, although Management remains available to assist the Monitor and Clarus with the provision of information and other matters if and as requested.

58. The Applicants are drafting the template precedent definitive agreements as required by paragraph 6 of Schedule B. The Schedule B deadline for drafting these agreements is October 1, 2012.

PRIORITY CHARGES

59. In connection with the Applicants' CCAA application, the Court granted a number of priority charges with the following priorities

a. First - Administration Charge (to the maximum amount of $400,000);

b. Second - Critical Supplier Charge;

c. Third – DIP Lender's Charge (to the maximum amount of $1,500,000 plus applicable interest); and

d. Fourth – Directors' Charge (to the maximum amount of $1,000,000).

60. Pursuant to paragraph 46 of the Initial Order, the Court ordered that "each of the Charges shall constitute a charge on the Property, as defined in the Initial Order, and such Charges shall rank behind all security interests, trusts, liens, charges and encumbrances and claims of secured creditors, statutory or otherwise (collectively, the "**Encumbrances**") in favour of the Senior Lenders and any Person that has not been served with the notice of the application for this Order."

61. Further, paragraph 46 provides that: "The Applicants and the beneficiaries of the Charges shall be entitled to seek an Order providing that the Charges shall rank in priority to the Encumbrances on notice to those parties likely to be affected by such priority (it being the

intention of the Applicants to seek, at the Comeback Motion (as defined below), priority for the Charges ahead of all Encumbrances)."

62. Lastly, paragraph 46 of the Initial Order reserves the rights of the Senior Lenders to contest the priority to be granted to, and the allocation against the Property of, the Charges:

> *"Notwithstanding the foregoing or any provision of this Order, the priority of the charges held by the Senior Lenders in respect of the Property whether pursuant to their respective security agreements and related documents or otherwise at law are hereby expressly reserved and the issuance of this Order is without prejudice to the right of the Senior Lenders, or any of them, to seek an order on the Comeback Motion (as defined below) allocating the Charges or any portion thereof among and between the Senior lenders and/or among and between the Landdrill Canada Property and the Landdrill Mexico Property [as those terms are defined in the Initial Order], or any portions thereof."*

63. At the hearing of the CCAA application, certain of the Senior Lenders informed the Court that they were reserving their rights to contest the priority and allocation of the DIP Lender's Charge.

64. The Monitor's counsel has remained in contact with counsel to the Senior Lenders in order to attempt to assist the Applicants and the Senior Lenders with respect to determination of the priority and allocation of the Court-ordered charges. The Monitor is informed that the Secured Lenders have agreed to a formula for allocating the priority charges and therefore will not be opposing the Applicants' motion to secure the super priority charges.

<u>Administration Charge</u>

65. The Administration Charge provides for a charge in the amount of $400,000 in favour of the Monitor, independent counsel to the Monitor, and the Applicants' counsel as security for the professional fees and disbursements incurred both before and after the making of the Initial Order in respect of these proceedings.

Critical Suppliers' Charge

66. The Applicants' business is entirely dependent on the Companies' ability to keep its drills running on customer mine sites in remote locations in Canada, Mexico and Mongolia.

67. The Applicants have identified a number of suppliers that are critical to the ongoing operation of the business. Any interruption of supply by these suppliers could have an immediate adverse impact on the business, operations and cash flow.

68. The Initial Order designated such suppliers as critical suppliers (each, a "**Critical Supplier**"), requiring the Critical Suppliers to continue to supply on terms and conditions consistent with existing supply arrangements and past practices and granted a charge as security for payments for goods and services supplied (the "**Critical Supplier Charge**").

69. The Critical Suppliers are primarily comprised of specialized part providers and maintenance and repair providers.

70. Prior to filing, the Monitor had discussed with Management and the Applicants' counsel the Applicants' assessment of those suppliers considered to be critical and, based on these discussions, concurs with the Applicants' view that interruption of supply or adverse changes to existing supply terms and conditions could have a significant and immediate detrimental impact on the Applicants' business, operations and cash flow.

71. The Monitor notes that the proposed payment terms may result in some small additional amounts of credit for certain suppliers over existing arrangements, but would primarily provide operational efficiency in the making of payments by the Applicants and the monitoring of such payments by the Monitor.

DIP Lender's Charge

72. At the *CCAA* application the Applicants sought and obtained Court approval of the DIP Agreement providing a credit facility to finance the Applicants' working capital requirements of up to $1.5 million. In connection with the DIP Agreement, the DIP Lender was granted the benefit of the DIP Lender's Charge.

73. It is a condition of the DIP Agreement that the Applicants obtain the Priming Order providing that the DIP Lender's Charge shall rank in priority to all other Encumbrances other than the Administration Charge and the Critical Supplier Charge by no later than September 27, 2012 (originally within 21 days of the date of the Initial Order, but extended to September 27 by order of the Court dated September 17, 2012).

Directors' Charge

74. The Directors' Charge is a priority charge ranking behind the Administration Charge, the Critical Supplier Charge and the DIP Lender's Charge in the amount of $1.0 million to indemnify the directors and officers of the Applicants from all claims, costs, charges and expenses arising after the date of the Initial Order.

75. The Monitor was advised that the Companies are of the view that the quantum of the Directors' Charge is a reasonable estimate of the liabilities to which the directors and officers could be subject during these proceedings. The Monitor understands there also exists Director and Officer liability insurance coverage which, if necessary, would be relied upon to the extent possible prior to reliance on the Directors' Charge. The Initial Order provides that the Applicants' directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 24 of the Initial Order.

APPLICANTS' REQUEST TO EXTEND THE STAY PERIOD

76. Paragraph 28(j) of the Initial Order provides that the Monitor shall:

> *"have and exercise sole and exclusive authority (in the name of and on behalf of the Applicants, but in consultation with the Senior Lenders), to determine whether and to what extent an extension of the Stay Period will be sought from the Court (and, if so, the length of any such extension request);"*

77. The current stay of proceedings under the Initial Order expires on September 28, 2012. After consulting with the Senior Lenders and the Applicants, the Monitor determined that an extension of the Stay Period until November 1, 2012, was appropriate. An extension

of the Stay Period is required in order to allow the Applicants and the Monitor to complete the remaining steps of the Sale Process set forth in Schedule B.

APPLICANTS' REQUEST FOR APPROVAL OF CERTAIN REDUNDANT ASSETS IN MEXICO

78. As set out in the Affidavit of Ronald J. Goguen sworn on September 25, 2012 (the "**Goguen September 25 Affidavit**"), a copy of which is available on the Monitor's Website, the Applicants sought approval for the sale of a skidder mounted drill rig, (the "**Buggy Rig**") for $130,000.

79. The Monitor understands that the Applicants intend to withdraw the request for approval of the sale of the Buggy Rig.

MOTION BY GOLD CANYON

80. As described in the Goguen September 25 Affidavit, Gold Canyon was a customer of Landdrill Ltd. On September 25, 2012, Gold Canyon filed a notice of motion seeking an order from this Court ordering, *inter alia,* the Applicants to account for and forthwith pay over $300,000 to Gold Canyon. As set out in the Updated Projection, the Applicants will not have sufficient funds to pay $300,000 to Gold Canyon and operate within the DIP limit during the Period. Further, any payment to Gold Canyon is not included in the Updated Projection and would therefore require the written consent of the DIP Lender.

81. In the alternative, Gold Canyon seeks an order creating a charge in favour of Gold Canyon against the any property acquired by the $300,000 which charge ranks in priority to all Encumbrances including the Charges. It is a condition of the DIP that the Priming Order (as defined in the DIP Agreement) be granted in form and content satisfactory to the DIP Lender providing that the DIP Lender's Charge shall rank in priority to all Encumbrances other than the Administration Charge and the Critical Supplier Charge by no later than September 27, 2012. The granting of the charge in favour of Gold Canyon would constitute an Event of Default (as defined in the DIP Agreement).

MONITOR'S CONCLUSIONS AND RECOMMENDATIONS

82. The Monitor is of the view that the Applicants have acted in accordance with the Initial Order, in good faith, and with due diligence.

83. In the context of the foregoing, the Monitor recommends that this Court approve the Applicants' requests for orders:

a. granting super-priority to the Administration Charge, the Critical Supplier Charge, the DIP Lender's Charge and the Directors' Charge; and

b. extending the Stay Period to November 1, 2012

ALL OF WHICH is respectfully submitted this 26th day of September, 2012.

ERNST & YOUNG INC.
In its capacity as the Court-appointed Monitor of Landdrill International Inc., a British Columbia corporation, Landdrill International Ltd., a New Brunswick corporation, Landdrill Atlantic Ltd., Landdrill Contract Mining Ltd., a New Brunswick corporation, Landdrill Mexico S.A. de C.V., Landdrill International LLC, a Mongolian corporation, and Landdrill International Inc., a Barbados corporation,

Per:

Paul D. Hickey, CA•CIRP
Senior Vice President

Christopher Mediratta, CA, CIRP
Vice President

APPENDIX A

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05 September, 2012

To: All Known Creditors of Landdrill (as defined herein)

Re: Landdrill International Inc., a British Columbia corporation, **Landdrill International Ltd.**, a New Brunswick corporation, **Landdrill Atlantic Ltd.**, a New Brunswick corporation, **Landdrill Contract Mining Ltd.**, a New Brunswick corporation, **Landdrill International Mexico S.A De C.V.**, a Mexican corporation, **Landdrill International LLC.**, a Mongolian corporation, **Landdrill International Inc.**, a Barbados corporation (collectively "**Landdrill**")

Landdrill was the subject of an application to the court of the QUEEN'S BENCH OF NEW BRUNSWICK (the "**Court**") pursuant to the *Companies' Creditors Arrangement Act* (the "**CCAA**"). The Court made an order (the "**Initial Order**") on August 31, 2012 granting various relief including, among other things, imposing a stay of proceedings against the creditors of Landdrill while Landdrill attempts to restructure its business and financial affairs. The Initial Order appointed Ernst & Young Inc. as monitor (the "**Monitor**") of the Companies.

The Initial Order provides, among other things, an initial stay of proceedings until September 28, 2012 (the "**Stay Period**") which may be extended by the Court from time to time.

Copies of the Initial Order and other orders issued in the CCAA Proceedings will be posted on the Monitor's website at: www.ey.com/ca/landdrill .

The next anticipated attendance before the Court is September 17, 2012 (the "**Comeback Motion**"). At the Comeback Motion, Landdrill intends to seek approval of an increase in the priority of certain Court-ordered charges created by the Initial Order. If you wish to receive formal notice of the Comeback Motion you must file a Notice of Appearance with counsel to Landdrill.

Pursuant to the Initial Order, all persons having oral or written agreements with Landdrill or statutory or regulatory mandates for the supply of goods and/or services are restrained until further Order of the Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by Landdrill, provided that the normal prices or charges for all such goods or services received after the date of the Initial Order are paid by Landdrill in accordance with normal payment practices of Landdrill or such other practices as may be agreed upon by the supplier or service provider and Landdrill and the Monitor, or as may be ordered by this Court. The Initial Order prohibits Landdrill from making payment of amounts relating to the supply of goods or services prior to August 31, 2012, other than certain payments specified in the Initial Order.

During the Stay Period, all parties are prohibited from commencing or continuing legal action against Landdrill and its directors and officers and all rights and remedies of any party against or in respect of Landdrill or its assets and Landdrill's directors and officers are stayed and suspended except with the written consent of, *inter alia*, Landdrill and the Monitor, or leave of the Court.

To date, no claims procedure has been approved by the Court and creditors are therefore not required to file a proof of claim at this time. Persons requiring further information that is not available on the Monitor's website www.ey.com/ca/landdrill , should call the Monitor's Hotline at 1-855-806-6640 (toll free) or 1-416-943-5441.

Yours very truly,

ERNST & YOUNG INC.
In its capacity as Court-appointed Monitor of Landdrill

APPENDIX B

BUSINESS CLASSIFIED

LEGALS

NOTICE OF CLAIMS BAR DATE REGARDING:

NORTHSTAR AEROSPACE, INC., NORTHSTAR AEROSPACE (CANADA) INC., 2007775 ONTARIO INC. and 3024308 NOVA SCOTIA COMPANY

(collectively, the "**CCAA Entities**")

By Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated June 14, 2012 (the "**Initial Order**"), the CCAA Entities filed for and obtained relief from their creditors under the *Companies' Creditors Arrangement Act* (the "**CCAA**"). Pursuant to the Initial Order, Ernst & Young Inc. was appointed by the Court as monitor in the CCAA Entities' CCAA proceeding (the "**Monitor**").

By Order of the Court dated August 2, 2012 (the "**Claims Procedure Order**"), a process was established for creditors to prove claims against the CCAA Entities with respect to Post-Filing Claims (as defined below) or with respect to claims against the current or former Directors and Officers of the CCAA Entities. Capitalized terms in this notice are as defined in the Claims Procedure Order, a copy of which can be found on the Monitor's Website: http://www.ey.com/ca/northstaraerospace.

In accordance with the Claims Procedure Order, the Monitor shall mail to all creditors known to have a Post-Filing Claim against the CCAA Entities ("**Known Creditors**") a Post-Filing Proof of Claim form together with this notice. Any Claimant who does not receive a Post-Filing Proof of Claim form may obtain this form on the Monitor's Website, http://www.ey.com/ca/northstaraerospace or by contacting the Monitor directly as follows: (i) by email: northstar@ca.ey.com; (ii) by mail at Ernst & Young Inc., 222 Bay Street, P.O. Box 251, Toronto, Ontario, M5K 1J7, attention: Rick Kanabar; or (iii) by facsimile at (416) 943-3300.

In accordance with the Claims Procedure Order, any Person who wishes to assert a claim against one of more of the CCAA Entities which arose as a result of the supply or delivery of goods or services to any of the CCAA Entities during the period commencing on June 14, 2012 and ending on August 24, 2012 (a "**Post-Filing Claim**") must complete and deliver the Post-Filing Proof of Claim form to the Monitor by mail, fax, e-mail, courier or hand delivery such that it is received by the Monitor by **no later than 5:00 p.m. (Eastern Standard Time) on October 23, 2012** or such other date as ordered by the Court (the "**Claims Bar Date**").

In accordance with the Claims Procedure, any Person who wishes to assert a claim against one or more of the current or former Directors or Officers of the CCAA Entities (each, a "**D&O Claim**") must complete and deliver the Proof of D&O Claim form to the Monitor by mail, fax, e-mail, courier or hand delivery such that it is received by the Monitor by **no later than the Claims Bar Date**.

IF YOUR POST-FILING PROOF OF CLAIM OR PROOF OF D&O CLAIM IS NOT RECEIVED BY THE MONITOR BY THE CLAIMS BAR DATE, YOUR CLAIM AGAINST THE CCAA ENTITIES OR THE OFFICERS AND DIRECTORS WILL BE BARRED AND EXTINGUISHED FOREVER.

Ernst & Young Inc.
P.O. Box 251
222 Bay Street
Toronto, ON, M5K1J7
Canada
Attention: **Rick Kanabar**
Telephone: **(416) 943-3889 or (855) 769-3922**
Facsimile: **(416) 943-3300**
E-mail: **northstar@ca.ey.com**

Dated at Toronto this 7th day of September, 2012.

ERNST & YOUNG

Court No. MM114-12

IN THE COURT OF QUEEN'S BENCH OF NEW BRUNSWICK (TRIAL DIVISION), JUDICIAL DISTRICT OF MONCTON

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, C. C-36,

IN THE MATTER OF LANDDRILL INTERNATIONAL INC. (A BRITISH COLUMBIA CORPORATION), LANDDRILL INTERNATIONAL LTD., LANDDRILL ATLANTIC LTD., LANDDRILL CONTRACT MINING LTD., LADDRILL INTERNATIONAL MEXICO S.A DE C.V., LANDDRILL INTERNATIONAL LLC, LANDDRILL INTERNATIONAL INC. (A BARBADOS CORPORATION), carrying on business in the countries of Mexico, Mongolia, Barbados and Canada.

NOTICE TO CREDITORS

LANDDRILL INTERNATIONAL INC. (A BRITISH COLUMBIA CORPORATION), LANDDRILL INTERNATIONAL LTD., LANDDRILL ATLANTIC LTD., LANDDRILL CONTRACT MINING LTD., LADDRILL INTERNATIONAL MEXICO S.A DE C.V., LANDDRILL INTERNATIONAL LLC, LANDDRILL INTERNATIONAL INC. (A BARBADOS CORPORATION) ("**Landdrill**" or the "**Companies**") were the subject of an application to the court of the QUEEN'S BENCH OF NEW BRUNSWICK pursuant to the *Companies' Creditors Arrangement Act* ("**CCAA**"). The Court made an order (the "**Initial Order**") on August 31, 2012 granting various relief including, among other things, imposing a stay of proceedings against the creditors of the Companies while the Companies attempt to restructure their business and financial affairs. The Initial Order appointed Ernst & Young Inc. as monitor (the "**Monitor**") of the Companies.

The Initial Order provides, among other things, a stay of proceedings until September 28, 2012 and may be extended by the Court from time to time.

The next anticipated attendance before the Court is September 17, 2012 (the "**Comeback Motion**"). At the Comeback Motion, Landdrill intends to seek approval of an increase in the priority of certain Court-ordered charges created by the Initial Order. If you wish to receive formal notice of the Comeback Motion you must file a Notice of Appearance with counsel to Landdrill.

The Initial Order and other documents in respect to the CCAA proceedings may be accessed from the Monitor's website at www.ey.com/ca/landdrill. Persons who are unable to access the website or have further inquiries, may contact the Monitor at:

ERNST & YOUNG INC.
In its capacity as the Court Appointed Monitor of Landdrill
11 Englehart Street, Dieppe, New Brunswick E1A 7Y7
Tel: 1 855 806 6640 (toll free) Fax: 506 859 7190

ERNST & YOUNG

FROM PAGE 1

Payphone: Fate of public phone hangs in the balance

Although many Canadians consider public telephones to be relics of a bygone era, consumer advocates argue they remain a necessity for anyone without a mobile phone and can even be emergency lifelines for those that do have them – especially if a battery dies or if there is an interruption in mobile service.

Phone companies, eager to add more customers to lucrative mobile-phone service plans, are challenging the CRTC's commitment to protecting an inexpensive and convenient communication service. As a result, the regulator's decision in this case could mark the final tipping point that sends the payphone on a course to extinction. Usage is already tumbling: a CRTC report shows average revenue per payphone has fallen from more than $1,000 in 2008 to around $700 or so in 2011 for major industry players.

The companies say in new CRTC filings that "if they do not get approval for the opportunity to experiment with alternative rate levels that could be as high as the maximum levels requested in their application, then they plan to change their practice and will proactively start removing their most unprofitable pay telephones."

Specifically, Bell and Bell Aliant, partly owned by Bell, have asked the CRTC to raise the maximum price of a local call made with coins from 50 cents to $1. The highest rate for a non-cash local call, such as one made with a payment card, could rise from $1 to $2, if the change is approved.

Depending upon the outcome of the CRTC decision, the companies will decide how many payphones they plan to keep in service. Although they have stated that a quarter of their payphones could be at risk, it is unclear how many that represents because they refuse to publicly disclose the total number in operation. They stress, however, the more wiggle room they have to raise rates, the slower their decommissioning process is likely to be.

Consumer advocates find that tactic troubling. "If you make or let these things become unavailable, you are just disenfranchising people," said John Lawford, executive director of the Public Interest Advocacy Centre, adding any price hikes will disproportionately hurt low-income Canadians, many of whom cannot afford cellphones or home phones.

"Pricing flexibility would make our overall payphone business more sustainable and having the flexibility to adjust prices supports the investment needed to upgrade our payphones to accept the new dollar coin," said Jacqueline Michelis, a spokeswoman for Bell Canada's parent BCE Inc., in an e-mailed statement.

"Without this pricing flexibility, it does not make good business sense to invest in retrofitting older payphones which means at some point, we would have to start removing those older payphones (we can remove payphones without CRTC approval)."

The one exception is if a company is targeting the removal of the last payphone in a community. In that case, the companies have to provide 60 days notice of their plans.

More than three-quarters of Canadians own mobile phones, with 27.4 million subscribers at the end of 2011. Nonetheless, the CRTC has numerous complaints from consumers about the proposed payphone price increase, arguing it would hurt the poor or consumers with hearing or visual disabilities who struggle to find accessible wireless phones.

Penny Leclair was one of them. The 61-year-old Ottawa resident, who is blind and has a hearing disability, told the CRTC that people who are visually impaired make it a point to know where to find payphones in the areas in which they live, work or travel.

Although she has a voice-operated iPhone to call 911 in the case of an emergency, she never uses it because she cannot hear enough to have a conversation on it. A payphone, meanwhile, allows her to use what is known as a T-coil receiver to amplify the sound.

"There have to be options for people. Just because people carry cellphones doesn't mean they are always working cellphones," she said in an interview.

FROM PAGE 1

Bombardier: Even travel budget is cut

Currently, Montreal-based Bombardier is testing the systems on its new C Series jetliner, which will have 100-149 seats. The company hopes to make the first flight by the end of the year and begin deliveries some time in 2013.

It is also developing the new Learjet 85 business jet, which is also set for delivery next year.

The memo was a "reminder to employees" to focus on business priorities and take a pause in discretionary spending, Ms. Dunne said.

"We are still going to celebrate Christmas, but in a different way that is not related to our cash."

There is no specific amount of cash the company is trying to save, Ms. Dunne said.

"This is more of an awareness exercise."

Bombardier had about $2.5-billion in cash on June 30, among the highest cash hoards among Canadian public companies.

However, this was down from $3.4-billion on Dec. 31. The aerospace division used up $504-million in cash in the second quarter, after $572-million in cash usage in the first quarter of the year.

In its second-quarter conference call last month, Bombardier's chief financial officer Pierre Alary said the company expects "third-quarter free cash flow to be essentially neutral, while the fourth quarter should be very strong."

The company makes large investments in creating new aircraft, and it can be a long time before money starts to flow in from product sales. In her memo, Ms. Lavery said that "generating free cash flow is an important commitment we have made to cover the historically high level of investment in product development."

The austerity program will be in place until Jan. 15, when it will be reviewed.

Bombardier (BBD.B)
Friday's close: $3.58, up 7¢

APPENDIX C

In the matter of Landdrill Atlantic Ltd. (a New Brunswick corporation)
Listing of Creditors
As at 30 August 2012

Preliminary list of creditors as prepared from the records of the Debtor Company, without admission as to the liability with regards to the amounts shown herein

Creditor Name	Address	City	Province	Postalcode	Country	Amount
Secured Creditors						
Crown Capital Partners Inc (Norrep Credit Opportunities Fund, LP)	175 601-10 Avenue SW	Calgary	AB	T2R 0B2	Canada	$ 8,081,311.48
General Motors Acceptance Corporation of Canada, Limited	PO Box 8030 Station A	Halifax	NS	B3K 5L8	Canada	$ 10,170.00
Total Secured Creditors						$ 8,091,481.48
Unsecured Creditors						
Landdrill International Inc.	160 MacNaughton Avenue	Moncton	NB	E1H 3L9	Canada	$ 449,658.81
Total Unsecured Creditors						$ 449,658.81
Total Creditors						$ 8,541,140.29

Note: All amounts above are reported in Canadian Dollars

The information herein has not been audited, reviewed or otherwise verified and is being provided for information purposes only.

In the matter of Landdrill Contract Mining Ltd. (a New Brunswick corporation)
Listing of Creditors
As at 30 August 2012

Preliminary list of creditors as prepared from the records of the Debtor Company, without admission as to the liability with regards to the amounts shown herein

Creditor Name	Address	City	Province	Postalcode	Country	Amount
Secured Creditors						
Crown Capital Partners Inc (Norrep Credit Opportunities Fund, LP)	175 601-10 Avenue SW	Calgary	AB	T2R 0B2	Canada	$ 8,081,311.48
Total Secured Creditors						$ 8,081,311.48
Unsecured Creditors						
Landdrill International Ltd.	160 MacNaughton Avenue	Moncton	NB	E1H 3L9	Canada	$ 38,935.55
Total Unsecured Creditors						$ 38,935.55
Total Creditors						$ 8,120,247.03

Note: All amounts above are reported in Canadian Dollars

The information herein has not been audited, reviewed or otherwise verified and is being provided for information purposes only.

In the matter of Landdrill International Inc. (a British Columbia corporation)
Listing of Creditors
As at 30 August 2012

Preliminary list of creditors as prepared from the records of the Debtor Company, without admission as to the liability with regards to the amounts shown herein

Creditor Name	Address	City	Province	Postalcode	Country	Amount
Secured Creditors						
Crown Capital Partners Inc (Norrep Credit Opportunities Fund, LP)	175 601-10 Avenue SW	Calgary	AB	T2R 0B2	Canada	$ 8,081,311.48
General Motors Acceptance Corporation of Canada, Limited	PO Box 8030 Station A	Halifax	NS	B3K 5L8	Canada	$ 13,211.02
Sprott Resource Lending Partnership	Suite 2750 200 Bay Street Royal Bank Plaza South Tower	Toronto	ON	M5J 2J2	Canada	$ 2,525,409.84
Total Secured Creditors						$ 10,619,932.34
Unsecured Creditors						
172169 Canada Inc	1 Adelaide Street East Suite #2700	Toronto	ON	M5C 2V9	Canada	$ 51,666.67
Aliant	PO Pox 5555	Saint John	NB	E2L 4V6	Canada	$ 1,598.72
Apex Industries Inc.	100 Millennium Blvd	Moncton	NB	E1E 2G8	Canada	$ 1,180.91
Bransco & Co ITF Sprott Absolute Return Fixed	330 Bay Street	Toronto	ON	M5H 2S8	Canada	$ 153,333.33
Bransco & Co ITF Sprott SPIF	Domestic Settlements Department, Scotia Plaza 40 King Street West, Sub Basement	Toronto	ON	M5W 2X6	Canada	$ 411,250.00
Brian Cloney	36 Rue Bouchard	St Basile-le-Grand	QC	J3N 1K3	Canada	$ 101,458.33
CNW Group	20 Bay Street Suite 1500	Toronto	ON	M5J 2N8	Canada	$ 1,352.61
Computershare	Accounts Receivable Department, 100 University Ave 11th Floor	Toronto	ON	M5J 2Y1	Canada	$ 3,068.99
CRA	Assumption Place 217-770 Main St	Moncton	NB	E1C 1E7	Canada	$ 18,254.51
D.W. Carter Electrical Service	1673 Route 112	Upper Coverdale	NB	E1J 1X9	Canada	$ 1,961.81
DB Group Consulting Inc.	185 Nepisiguit Drive	Dieppe	NB	E1A 7N1	Canada	$ 339.00
De Lage Landen Financial Services Canada Inc	1235 North Service Road Suite 100	Oakville	ON	L6M 2W2	Canada	$ 9,762.46
Dundee Securities LTD	1 Adelaide Street East Suite #2700	Toronto	ON	M5C 2V9	Canada	$ 75,416.67
Dundee Securities LTD	1 Adelaide Street East Suite 2700	Toronto	ON	M5C 2V9	Canada	$ 625.00
Dundee Securities LTD	1 Adelaide Street East Suite #2700	Toronto	ON	M5C 2V9	Canada	$ 50,625.00
Dundee Securities LTD	130 King St. West Suite 3000	Toronto	ON	M5X 1J9	Canada	$ 150,416.67
Dundee Securities LTD,ITF Richard Ouellette	1 Adelaide Street East Suite #2700	Toronto	ON	M5C 2V9	Canada	$ 50,416.67
DWM Securities Inc ITF Sprott Lending Resource	Domestic Settlements Department Scotia Plaza 40 King Street West Sub Basement	Toronto	ON	M5W 2X6	Canada	$ 1,356,250.00
Executive Office Systems Ltd.	300 St. Patrick Street	Bathurst	NB	E2A 1E3	Canada	$ 1,130.00
Gundyco ITF Ritchfam Holdings	1801-1969 Upper Water Street	Halifax	NS	B3J 3R7	Canada	$ 100,833.33
iO Corporate Services Ltd.	408-837 West Hastings Street	Vancouver	BC	V6C 3N6	Canada	$ 7,065.81
Landdrill Contract Mining Ltd.	160 MacNaughton Avenue	Moncton	NB	E1H 3L9	Canada	$ 45,935.88
Les Placements Zeniens Inc.	11 O'Reilly Unit #1803	Montreal	QC	H3E 1T6	Canada	$ 200,833.33
Maitland & Company	700 Standard Life Building 625 Howe Street P.O. Box 54	Vancouver	BC	V6C 2T6	Canada	$ 5,876.26
Mallard Transportation Service Inc	988 Champlain Street	Dieppe	NB	E1A 1P8	Canada	$ 3,164.00
Minister of Finance	Centennial Building Room: 672, Floor 6 P. O. Box 3000	Fredericton	NB	E3B 5H1	Canada	$ 261.00
Multi-Power Products Ltd.	975 Crowley Avenue	Kelowna	BC	V1Y 9R6	Canada	$ 24,302.13
NB Power	239 Gilbert Street	Fredericton	NB	E3A 0J6	Canada	$ 824.96
NBCN Inc. ITF Front Street Capital	130 King St. West Suite 3000	Toronto	ON	M5X 1J9	Canada	$ 1,251,250.00
NBCN Inc. ITF Front Street Capital	Suite 2700 1 Adelaide Street East	Toronto	ON	M5C 2V9	Canada	$ 760,416.67
Penson Financial Services	330 Bay Street	Toronto	ON	M5H 2S8	Canada	$ 75,416.67
Penson Financial Services	330 Bay Street	Toronto	ON	M5H 2S8	Canada	$ 50,208.33
Penson Financial Services	2308 Prince John Boulevard	Mississauga	ON	L5K 2K1	Canada	$ 175,625.00
Penson Financial Services	330 Bay Street	Toronto	ON	M5H 2S8	Canada	$ 26,250.00
Price Waterhouse Coopers	1601 Lower Water Street Suite 400	Halifax	NS	B3J 3P6	Canada	$ 74,294.33
RenMark	1050-3400 De Maisonneuve Blvd West	Montreal	QC	H3Z 3B8	Canada	$ 23,817.17
RGO Consulting Inc.	36 Birchview Drive	Halifax	NS	B3P 1G4	Canada	$ 1,017.00
Sage Software Canada Ltd	PO Box 4283	Toronto	ON	M5W 5W6	Canada	$ 13,734.04
Southampton Computers	265B Edinburgh Drive	Moncton	NB	E1E 2K9	Canada	$ 2,731.49
Tri Province Enterprises (1984) Ltd.	88 Toombs Street	Moncton	NB	E1A 3A5	Canada	$ 1,133.62
Amount owed to 4 employees	Name and address of employees not listed pursuant to the Initial Order					$ 25,764.51
Total Unsecured Creditors						$ 5,310,862.88
Total Creditors						$ 15,930,795.22

Note: All amounts above are reported in Canadian Dollars

The information herein has not been audited, reviewed or otherwise verified and is being provided for information purposes only.

In the matter of Landdrill International Inc. (a Barbados corporation)
Listing of Creditors
As at 30 August 2012

Preliminary list of creditors as prepared from the records of the Debtor Company, without admission as to the liability with regards to the amounts shown herein

Creditor Name	Address	City	Province	Postalcode	Country	Amount
Secured Creditors						
Sprott Resource Lending Partnership	Suite 2750 200 Bay Street Royal Bank Plaza South Tower	Toronto	ON	M5J 2J2	Canada	$ 2,525,409.84
Crown Capital Partners Inc (Norrep Credit Opportunities Fund, LP)	175 601-10 Avenue SW	Calgary	AB	T2R 0B2	Canada	$ 8,081,311.48
Total Secured Creditors						$ 10,606,721.32
Unsecured Creditors						
Landdrill International Inc.	160 MacNaughton Avenue	Moncton	NB	E1H 3L9	Canada	$ 80,701.00
Government of Barbados	Department of Inland Revenue, Bridge Street	Bridgetown			Barbados	$ 71,000.00
Total Unsecured Creditors						$ 151,701.00
Total Creditors						$ 10,758,422.32

Note: All amounts above are reported in Canadian Dollars

The information herein has not been audited, reviewed or otherwise verified and is being provided for information purposes only.

In the matter of Landdrill International LLC. (a Mongolian corporation)
Listing of Creditors
As at 31 August 2012

Preliminary list of creditors as prepared from the records of the Debtor Company, without admission as to the liability with regards to the amounts shown herein

Creditor Name	Address	City	Province	Postalcode	Country	Amount
Secured Creditors						
Crown Capital Partners Inc (Norrep Credit Opportunities Fund, LP)	175 601-10 Avenue SW	Calgary	AB		Canada	$ 8,081,311.48
Total Secured Creditors						$ 8,081,311.48
Unsecured Creditors						
Government of Mongolia	Capital City Tax Office	Ulaanbaatar			Mongolia	$ 37,594.44
IKH UUL ZALAAT LLC	Bayangol District, Baruda Center	Ulaanbaatar			Mongolia	$ 2,310.00
Landdrill International Inc.	160 MacNaughton Avenue	Moncton	NB	E1H 3L9	Canada	$ 5,337,288.48
Progress Logistic LLC	301 3rd floor building of Sod - Khiimori University Bayanzurkh district	Ulaanbaatar			Mongolia	$ 3,648.29
Unitra Co.,Ltd	#605, Max Tower, Barilgachdin Sq.-4/4, 'Chingeltei dst., Ulaanbaatar-211238, Mongolia	Ulaanbaatar			Mongolia	$ 1,155.00
Wagner Asia (rental)	Dund Gol-46 Wagner Asia Building P.O.Box-26 Bayangol District	Ulaanbaatar			Mongolia	$ 1,463.00
Total Unsecured Creditors						$ 5,383,459.21
Total Creditors						$ 13,464,770.69

Note: All amounts above are reported in Canadian Dollars, translated as at August 31, 2012

This information herein has not been audited, reviewed or otherwise verified and is being provided for information purposes only.

In the matter of Landdrill International Ltd. (a New Brunswick corporation)
Listing of Creditors
As at 30 August 2012

Preliminary list of creditors as prepared from the records of the Debtor Company, without admission as to the liability with regards to the amounts shown herein

Creditor Name	Address	City	Province	Postalcode	Country	Amount
Secured Creditors						
Crown Capital Partners Inc (Norrep Credit Opportunities Fund, LP)	175 601-10 Avenue SW	Calgary	AB	T2R 0B2	Canada	$ 8,081,311.48
GE Capital	239 Browlow Ave Suite 204	Dartmouth	NS	T3B 2B2	Canada	$ 2,874,518.49
General Motors Acceptance Corporation of Canada, Limited	PO Box 8030 Station A	Halifax	NS	B3K 5L8	Canada	$ 414,462.37
Total Secured Creditors						$ 11,370,292.34
Unsecured Creditors						
Acier CMC div. Crawford Metal Corp.	255 boulevard Industriel	Rouyn-Noranda	QC	J9X 6P2	Canada	$ 2,018.28
Acier Leroux Amos. Division de Metaux Russel Inc.	1331 Graham Bell	Boucherville	QC	J4B 6A1	Canada	$ 1,283.82
ADF Diesel	2680 rue King Est	Sherbrooke	QC	J1G 5H1	Canada	$ 6,127.17
Air Canada Cargo	P.O. Box C.P. 966	Winnipeg	MB	R3C 2V6	Canada	$ 1,693.12
Air Liquide	11201 Boul. Ray-Lawson	Anjou	QC	H1J 1M6	Canada	$ 1,790.15
ALFD Transport	148 rue Pilotte	Val-D'Or	QC	J9P 0C1	Canada	$ 38,466.04
Amec Americas Ltd.	2020 Winston Park Drive Suite 700	Oakville	ON	L6H 6X7	Canada	$ 14,936.93
Arbrobec	17755 Lapointe	Mirabel	QC	J7J 1P3	Canada	$ 958.78
Arbronord Inc	77 rue Ontario	Notre-Dame-du-Nord	QC	J0Z 3B0	Canada	$ 6,749.91
Atelier d'Usinage Laquerre et Fils	90 avenue Marcel Baril	Rouyn-Noranda	QC	J9X 7B8	Canada	$ 213,682.97
Atlas Copco Exploration Produc	1480 4e rue	Val D'Or	QC	J9P 6X2	Canada	$ 148,575.54
BDI Canada Inc	2895 Chemin Sullivan	Val d'Or	QC	J9P 0B9	Canada	$ 4,468.54
Bluewave Energy	PO Box 4528 Stn. A	Toronto	ON	M5W 6A2	Canada	$ 15,631.86
Capitol Crane Limited	20 Sagona Avenue PO Box 951	Mount Pearl	NL	A1N 3C9	Canada	$ 8,728.12
Champion Minerals Inc	1748 Chemin Sullivan Suite 2100	Val-d'Or	QC	J9P 7H1	Canada	$ 213,219.02
City Tire & Auto	102 Station Road	Labrador City	NL	A2V 2X9	Canada	$ 4,764.51
Clinique Maxillo-Faciale Cormier Inc	641 4e Rue Ouest Suite 204	Amos	QC	J9T 2S1	Canada	$ 3,637.00
Countrywide Home Furnishings	2-3 Grenfell Drive	Wabush	NL	A0R 1B0	Canada	$ 1,242.98
CRA	1050 Notre Dame Avenue	Sudbury	ON	P3A 5C1	Canada	$ 400,799.51
CRA	St. John's Tax Centre 290 Empire Avenue	St. John's	NL	A1B 3Z1	Canada	$ 1,286,692.74
Detour Machining & Fabrication Inc.	Box 1597 Hwy 652 East	Cochrane	ON	P0L 1C0	Canada	$ 9,718.09
Dexter Institute	PO Box 484	Labrador City	NL	A2V 2K7	Canada	$ 5,021.72
Dicom Express	C.P. 11117 Succursale Centre-Ville	Montreal	QC	H3C 5H3	Canada	$ 1,790.77
Diesel Bec Inc	1805 boul. Lionel-Bertrand	Boisbriand	QC	J7H 1N8	Canada	$ 3,254.98
Distribution Cardinal Inc.	7 rue du Cheminot	Angliers	QC	J0Z 1A0	Canada	$ 1,966.82
Distributions J.R.V. Inc	114 B Airport Road	Labrador City	NL	A2V 2J7	Canada	$ 13,796.16
DND Petroleum Distributors Inc.	214 Humphrey Road PO Box 550	Labrador City	NL	A2V 2L3	Canada	$ 3,073.60
Dumar Enterprises Ltd	101 Airport Road	Labrador City	NL	A2V 2J6	Canada	$ 5,197.18
Entreprise Bernard Ostiguy Inc.	8910 boul. Industriel	Chambly	QC	J3L 4X3	Canada	$ 7,751.24
Equipement Dynamik	CP 2146	Rouyn-Noranda	QC	J9X 5A6	Canada	$ 169,775.61
Equipment Plannord	780 chemin Olivier	St-Nicholas	QC	G7A 2N2	Canada	$ 13,068.63
Express Havre St-Pierre	300 Chemin du Tremblay	Boucherville	QC	J4B 5X9	Canada	$ 4,152.82
Fitz's Enterprises Ltd.	6th - First Street	Wabush	NL	A0R 1B0	Canada	$ 682.71
Forex Inc.	1155 boul. Rene Levesque Ouest Bureau 2910	Montreal	QC	H3B 2L3	Canada	$ 35,422.42
Garage PEM Barrette	2 rue Poitras	St-Eugene-de-Guigues	QC	J0Z 3L0	Canada	$ 274.22
Gold Canyon	Suite 801-609 Granbille Street PO Box 103 Pacific Centre	Vancouver	BC	V7Y 1G5	Canada	$ 300,000.00
Groupe Fordia Inc.	3 Hotel-de-Ville	Dollard-des-Ormeaux	QC	H9B 3G4	Canada	$ 226,657.67
GSC Crane Operations	PO Box 185	Labrador City	NL	A2V 2K5	Canada	$ 4,237.50
H & H Enterprises Ltd	PO Box 1240 14 First Avenue	Wabush	NL	A0R 1B0	Canada	$ 45,781.38
Heavyquip	1050 Lorraine Avenue	Labrador City	NL	A2V 2K5	Canada	$ 18,296.01
Hercules SLR Inc	520 Windmill Road	Dartmouth	NS	B3B 1B3	Canada	$ 1,918.02
Hewitt Equipement Limitee	C.P. 1200 Pointe Claire	Pointe Claire	QC	H9R 4R6	Canada	$ 22,745.33
Hodge Brothers Ltd	PO Box 99	Labrador City	NL	A2V 2K3	Canada	$ 2,553.80
Hydraulique J. Beaudoin	750 route 101 Nord	Duhamel Ouest	QC	J9V 2E3	Canada	$ 9,762.64
Hydraulique Val d'Or Inc.	1050 rue Leo Fournier	Val d'Or	QC	J9P 6X8	Canada	$ 24,089.97
ImprimAction	55-A rue Ste Anne	Ville Marie	QC	J9V 2B6	Canada	$ 684.10
Industrial Rubber Labrador	PO Box 610	Wabush	NL	A0R 1B0	Canada	$ 734.50
Industrial Sales 10489 Nfld Ltd.	6 Railway Lane Ind Park PO Box 1030	Wabush	NL	A0R 1B0	Canada	$ 883.57
Infosat communications	3130-114 Avenue SE	Calgary	AB	T2Z 3V6	Canada	$ 1,536.35
Lab Machining Services Inc.	3 First Street PO Box 689	Wabush	NL	A0R 1B0	Canada	$ 2,849.00
Labrador Glass & Aluminum Ltd	PO Box 234	Labrador City	NL	A2V 2K5	Canada	$ 1,076.66
Labrador Metal Works	11 Second Avenue	Wabush	NL	A0R 1B0	Canada	$ 21,973.19
Labrador Motors Ltd	80 Avalon Drive	Labrador City	NL	A2V 2Y2	Canada	$ 12,963.99
Les Boulons Abitibi ltee	829 avenue Granada	Rouyn Noranda	QC	J9X 7B3	Canada	$ 1,502.86
Les Entreprises Parlec Ltee	1185 rue des Foreurs	Val d'Or	QC	J9P 6X9	Canada	$ 12,417.30
Les Sources Saint-Elie Inc	111 rue Cristelle	St-Elie-de-Caxton	QC	G0X 2N0	Canada	$ 1,696.54
Linde Canada	PO Box 11451	Montreal	QC	H3C 5K3	Canada	$ 503.15
Location Discam Inc	9500 Bl. Henri-Bourrassa	St. Laurent	QC	H4S 1N8	Canada	$ 1,152.24
Location Sauvageau Inc.	521 Cote Joyeuse	Saint- Raymond	QC	G3L 4A9	Canada	$ 47,643.23
LOM Capital Limited	The LOM Building 27 Reid Street	Hamilton		HM11	Bermuda	$ 3,261.75

Lynk Auto Products Inc	110 Airport Road	Labrador City	NL	A2V 2J7	Canada	$ 9,967.76
M.Beauregard Equipements Inc.	8910 boul. Industriel	Chambly	QC	J3L 4X3	Canada	$ 1,582.78
M.Beauregard Equipments Inc.	8910 Boul. Industriel	Chambly	QC	J3L 4X3	Canada	$ 76,488.03
Mallard Transportation Service Inc.	988 Champlain Street	Dieppe	NB	E1A 1P8	Canada	$ 2,835.00
Manitoulin Transport	PO Box 390 154 Highway 540B	Gore Bay	ON	P0P 1H0	Canada	$ 12,244.67
Manufacture Sling Choker (Noranda) Ltee	1050 rue Saguenay	Rouyn-Noranda	QC	J9X 7B6	Canada	$ 4,857.85
Marshall Industries Ltd	23 Smith Street PO Box 730	St Catharines	ON	L2R 6Y6	Canada	$ 39,764.14
Martin Fuels	1635 Riverside Drive	Timmins	ON	P4R 1N1	Canada	$ 39,110.72
MBI Produits de Forage	110 Jacques Bibeau	Rouyn-Noranda	QC	J9Y 0A3	Canada	$ 452,758.06
McDougall Fuels	580 Grenier Road	Cochrane	ON	P0L 1C0	Canada	$ 18,278.97
Minister of Finance (Ontario)	33 King Street West	Oshawa	ON	L1H 8H5	Canada	$ 3,687.15
Mirow Technology Ltd.	4 rue Champfleuri	Rouyn-Noranda	QC	J9Y 1K2	Canada	$ 8,019.47
Morneau Shepell Ltd	PO Box 6124 Postal Station F	Toronto	ON	M4Y 2Z2	Canada	$ 2,883.90
Nasco Propane	290 Railway Street PO Box 90	Timmins	ON	P4N 7C8	Canada	$ 255.95
NITASI LP	160 MacNaughton Avenue	Moncton	NB	E1H 3L9	Canada	$ 389,606.14
NITASI QC	160 MacNaughton Avenue	Moncton	NB	E1H 3L9	Canada	$ 2,489,736.74
Northern Alternator & Starter Ltd	4 Third Avenue	Wabush	NL	A0R 1B0	Canada	$ 406.74
Northern Gulf Transport Ltd.	PO Box 165	Labrador City	NL	A2V 2K5	Canada	$ 15,104.85
Northern Hydraulic & Industrial Sales	74 Scott Street PO Box 338	New-Liskeard	ON	P0J 1P0	Canada	$ 9,351.82
Northern Plating	109 Magil Street	Lively	ON	P3Y 1K6	Canada	$ 7,034.25
Officeworks Inc	135 Avalon Drive	Labrador City	NL	A2V 2Z2	Canada	$ 255.02
OK Tire	154 Goverment Road	Kapuskasing	ON	P5N 2W8	Canada	$ 24,231.23
Pascal Goupil Electrique 2007 Inc.	1520 route 101	Fabre	QC	J0Z 1Z0	Canada	$ 942.92
Petroles Temis	10 rue Dube	Ville-Marie	QC	J9V 1N9	Canada	$ 2,612.09
Pneus GBM	80 rue des Oblats Nord	Ville-Marie	QC	J9V 1J7	Canada	$ 17,731.89
Praxair Distribution	PO Box 400 Station D	Scarborough	ON	M1R 5M1	Canada	$ 3,081.92
Precision Machine Works Inc	PO Box 820	Wabush	NL	A0R 1B0	Canada	$ 5,863.27
Price Waterhouse Coopers	1601 Lower Water Street Suite 400	Halifax	NS	B3J 3P6	Canada	$ 6,881.70
Propair Inc.	30 rue Pronovost Aeroport de Rouyn-Noranda	Rouyn-Noranda	QC	J9Y 0G1	Canada	$ 19,762.84
R&B Equipment Ltd	418 Vanier Avenue	Labrador City	NL	A2V 2J5	Canada	$ 3,164.00
R.M.&S. Company Ltd.	1 Commercial St. P.O. Box 520	Wabush	NL	A0R 1B0	Canada	$ 40,507.46
R.P. Express	797 avenue Granada suite 201	Rouyn-Noranda	QC	J9X 7B3	Canada	$ 1,423.14
Ramkaran, Subash	864 Tamarack Drive	Labrador City	NL	A2V 2V6	Canada	$ 15,000.00
Revenue Quebec	Direction principale des relations avec la clientèle des entreprises 3800 rue de Marly	Quebec	QC	G1X 4A5	Canada	$ 12,512.25
Rodrigue Normand Inc	17 chemin de la scierie C.P. 2396	Baie-Comeau	QC	G5C 2T1	Canada	$ 12,417.32
Sandvik Mining & construction	100 Magill Street	Lively	ON	P3Y 1K7	Canada	$ 135,132.83
Services Informatiques Logitem	26H rue des Oblats Nord	Ville-Marie	QC	J9V 1J4	Canada	$ 293.58
Services Robert Paquet enr.	24 rue Fugere C.P. 877	Fugereville	QC	J0Z 2A0	Canada	$ 5,660.86
Shell Canada	Box 8 Postal Station M	Calgary	AB	T2P 2G9	Canada	$ 741.41
Sigfusson Northern	Box51 50 Swan Creek Drive	Lundar	MB	R0C 1Y0	Canada	$ 23,730.00
Sogitex	1600 avenue Lariviere	Rouyn-Noranda	QC	J9X 5B7	Canada	$ 4,088.68
SPB Equipments	PO Box 1269 Grenfell Drive	Labrador	NL	A0L 1B0	Canada	$ 1,808.00
SPI Securite	1200 rue de l'Escale	Val d'Or	QC	J9P 4G8	Canada	$ 665.05
Temlac Ltée	43 des Oblats Nord	Ville-Marie	QC	J9V 1J1	Canada	$ 10,156.07
Time	PO Box 1330 560 Browing Street	Haileybury	ON	P0J 1K0	Canada	$ 17,682.01
Transport Norvinic	599 route 101 Sud	Notre-Dame-Du-Nord	QC	J0Z 3B0	Canada	$ 35,498.80
Trionex Hydraulique	121 rue des Metiers C.P. 84	Amos	QC	J9T 3A5	Canada	$ 46,295.05
Trudel Equipment Ltd	PO Box 608	New-Liskeard	ON	P0J 1P0	Canada	$ 5,085.00
United Rentals	Credit Office #644 C/O T52638 PO Box 4526 Postal Station A	Toronto	ON	M5W 5Z9	Canada	$ 7,578.45
United Supply Inc	2031 Riverside Drive	Timmins	ON	P4R 0A3	Canada	$ 66,940.77
Universal Helicopters Newfoundland Limited	P.O. Box 529 station C	Happy Valley-Goose Bay	NL	A0P 1C0	Canada	$ 9,161.00
Usinage Marcotte Inc	180 des Distributeurs	Val d'Or	QC	J9P 6Y1	Canada	$ 3,256.90
Wajax Industrial Components LP	Place d'Armes C.P. 130	Montreal	QC	H2Y 3E9	Canada	$ 5,883.97
Workplace Safety and Insurance Board	1 Portland Street P.O. Box 160	Saint John	NB	E2L 3X9	Canada	$ 33,021.04
Wurth Canada Limited	6330 Tomken Road	Mississauga	ON	L5T 1N2	Canada	$ 1,620.20
Landdrill International Inc.	160 MacNaughton Avenue	Moncton	NB	E1H 3L9	Canada	$ 5,682,145.28
Landdrill Atlantic Ltd.	160 MacNaughton Avenue	Moncton	NB	E1H 3L9	Canada	$ 218,094.46
Amount owed to 154 employees	Name and adderss of employees is not listed pursant to the Initial Order					$ 183,781.42
Total Unsecured Creditors						$ 13,666,017.58
Total Creditors						$ 25,036,309.92

Note: All amounts above are reported in Canadian Dollars

The information herein has not been audited, reviewed or otherwise verified and is being provided for information purposes only.

In the matter of Landdrill International Mexico S.A. De C.V. (a Mexcian corporation)
Listing of Creditors
As at 31 August 2012

Preliminary list of creditors as prepared from the records of the Debtor Company, without admission as to the liability with regards to the amounts shown herein

Creditor Name	Address	City	Province	Postalcode	Country	Amount
Secured Creditors						
Crown Capital Partners Inc (Norrep Credit Opportunities Fund, LP)	175 601-10 Avenue SW	Calgary	AB	T2R 0B2	Canada	$ 8,081,311.48
Sprott Resource Lending Partnership	Suite 2750 200 Bay Street Royal Bank Plaza South Tower	Toronto	ON	M5J 2J2	Canada	$ 2,525,409.84
Total Secured Creditors						$ 10,606,721.32
Unsecured Creditors						
ACE Drilling Supplies S.A. de C.V.	Carretera Guadalajara-Morelia, NO. 7003 Int. No. 3	San Agustin Tlajomulco De Zua'l	Jalisco	45645	Mexico	$ 16,614.12
ADMACAP SA DE CV	Av.Angel Garcia Aburto no.46	Hermosillo	Sonora	83150	Mexico	$ 2,138.32
Agnico Eagle Mexico, S.A. de C.V.	Av. Mirador Numero 7724	Chihuahua	Chihuahua	31217	Mexico	$ 49,315.00
Alejandro Alberto Medrano del Castillo	Juan de Grijalva	Hermosillo	Sonora		Mexico	$ 65,205.91
American Diamond Tool	925 South 4400 West	Salt Lake	Utha	84104	EUA	$ 46,560.01
AMG Instalaciones y Servicios, S.A. de C.V.	De la Uva No. 29	Hermosillo	Sonora	83106	Mexico	$ 2,807.68
Ana Luisa Armenta Castro	Jose Carmelo 479	Hermosillo	Sonora	83188	Mexico	$ 1,468.75
Arnoldo Elias Brown	Blvd. Garcia Mora<les Km. 532	Hermosillo	Sonora	83210	Mexico	$ 2,890.31
Axa Seguros SA de CV	Periferico sur 3325 piso 11		Distrito Federal	10400	Mexico	$ 152.15
Boart Longyear de Mexico, S.A. de C.V.	Ave Del Bosque 1190-A	Tlaquemaque	Jalisco	45609	Mexico	$ 12,191.39
Canadian Association of Mining Equipment and Services for	101-345 Renfrew Drive	Markham	Ontario	L3R9S9	Canada	$ 5,001.53
Circulo Llantero. S.A. de C.V.	Veracruz S/N	Hermosillo	Sonora	83190	Mexico	$ 5,153.79
Combinado Mercantil, S.A. de C.V.	Carretera Hermosillo-Nogales Km 4 s/n	Hermosillo	Sonora	83304	Mexico	$ 179.97
Comercializadora Minera del Norte, S.A. de C.V.	Av. Heroico Colegio Militar No. 2000-B	Piedras Negras	Coahuila	26010	Mexico	$ 354,162.82
Comercializadora Pemain, S.A. de C.V.	Solidaridad # 618	Hermosillo	Sonora	83130	Mexico	$ 3,860.15
Comunicaciones Nextel de México, S.A. de C .V.	Paseo de los tamarindos 90 piso 29	Cuajimalpa	Distrito Federal	05120	Mexico	$ 259.08
Coreson Industrial, S.A. de C.V.	Ave. Luis Encinas #17 Interior 13	Hermosillo	Sonora	83010	Mexico	$ 73,400.87
Daniel Ivan Badilla Salas	Callejon Cruz Galvez No.19	Hermosillo	Sonora	83280	Mexico	$ 5,422.14
DrillPro Depot sa de cv	calle de los trahumaras # 2	Hermosillo	Sonora	83299	Mexico	$ 106,963.78
Economato Mexicana, S.A. De C.V.	Blvd. 18 de Marzo 32-1	Hermosillo	Sonora	83010	Mexico	$ 4,474.64
Elva Dora Rivera Rivera	Nezahualcoyotl # 71	Hermosillo	Sonora	83294	Mexico	$ 17,475.99
Exmin, S.A. de C.V.	Fernando de Borja No. 100	Chihuahua	Chihuahua	31203	México	$ 24,657.50
Felix Alan Haro Coronado	Ave. Quinta Emilia S/N	Hermosillo	Sonora	83214	Mexico	$ 23,106.68
Filiberto Esquer Urquijo	Ignacio Romero 172	Hermosillo	Sonora	83190	Mexico	$ 85,843.86
Filter Products de Mexico, S.A. de C.V.	Blvd. Luis Encinas No. 572-B9	Hermosillo	Sonora	83201	Mexico	$ 419.22
Filyref, S.A. de C.V.	Periferico Norte 404	Hermosillo	Sonora	83180	Mexico	$ 12,991.41
Francisca Martínez Ibarra	Avenida Mazatan 321	Hermosillo	Sonora	83103	Mexico	$ 625.63
Fuerza Hidraulica y Neumatica, S.A. de C.V.	Plutarco Elias Calles 336	Hermosillo	Sonora	83290	Mexico	$ 62,161.57
G Electroferretera y Servicios S. de R.L.	Monteverde No.116	Hermosillo	Sonora	83190	Mexico	$ 3,478.72
Gruas Maniobras y Servicios, S.A. de C.V.	Taraumaras No19	Hermosillo	Sonora	83299	Mexico	$ 8,397.77
HD Drilling, S. de R.L. de C.V.	Guadalupe Patoni #156	Durango	Durango	34240		$ 728,318.57
Hiráulica de Vanguardia y de Servicios del Pacifico, S.A. de	Villla Corinto No. 10	Hermosillo	Sonora	83220	Mexico	$ 3,627.64
Insetec S.A de C.V.	Veracruz No. 177	Hermosillo	Sonora	83010	Mexico	$ 518.38
Jesus Gildardo Haro Ochoa	Ave. Quinta Emilia No. 49	Hermosillo	Sonora	83124	Mexico	$ 1,987.13
Jorge Ancheta Sesma	Ave. Victor Manuel Martinez	Hermosillo	Sonora	83296	Mexico	$ 3,773.82
Jose Luis Santini Valencia	Everardo Monroy No. 73	Hermosillo	Sonora	83100	Mexico	$ 155.51
Juan Arciga Gallardo	Av. Revolucion Sur S/N	La Huacana	Michoacan	61850	Mexico	$ 10.20
KG Exploración México S.A. de C.V.	Homero 1933 Despacho 902	México	DF	11510	México	$ 49,315.00
Landdrill International Inc.	160 MacNaughton Avenue	Moncton	NB	E1H 3L9	Canada	$ 13,808,200.00
Landdrill International LLC	Khan-Uul District, 3rd Khoroo, Ajilchin Street	UlaanBaatar		P.O. Box 716 – 210644	Mongolia	$ 100,573.01
Landdrill International Nicaragua, S.A.	Carretera Internacional a Nogales #518, Col. San Luis	Hermosillo	Sonora	C.P. 83160	Mexico	$ 792,985.20
LH Equipamientos Gráficos,S.A. de C.V.	Periferico Sur No. 116-C	Hermosillo	Sonora	83290	Mexico	$ 22,741.45
Llantas y Mantenimentos Automotrices Gilu, S. de R.L.	Reforma 117	Hermosillo	Sonora	83190	Mexico	$ 34,166.09
Manuel Angel Madrid Parra	Calle Naranjo No. 11-A	Hermosillo	Sonora	83190	Mexico	$ 8,387.66
Mapleson Corporate and Management Servicies, S.C.	Blvd. Enrique Mazon 518	Hermosillo	Sonora	83160	Mexico	$ 819,873.46
Maria de Lourdes Zaldivar Gamero	Campilla 253	Durango, Durango		34200	Mexico	$ 22,440.30
María del Rosario Perez Montes	Periferico Norte # 584	Hermosillo	Sonora	83130	Mexico	$ 691.17
Mario Alfonso Bernal Garcia	Callejon Gladiola S/N	Hermosillo	Sonora	83124	Mexico	$ 39,940.31
Mina Bolanitas, S.A. de C.V.	Domicilio Conocido	Guanacevi	Durango	35400	Mexico	$ 49,315.00
Minera Cardel, S.A.de C.V.	Av. de Anza No. 701	Hermosillo	Sonora	83150	México	$ 197,260.00
Minera Media Luna S.A. de C.V.	Calle Sol #5	Cuernavaca	Morelos	62360	México	$ 123,287.50
Minera Mexicana el Rosario S.A. de C.V.	Ex-Hacienda de Bustos S/N	Guanajuato	Guanajuato	36010	México	$ 9,863.00
Mining Drilling Fluids Mexico, S.A. de C.V.	Los Angeles Int. 0	Hermosillo	Sonora	83240	Mexico	$ 43,821.02
Mining Drilling Fluids México, S.A. de C.V.	Los Angeles Int. 0	Hermosillo	Sonora	83240	Mexico	$ 3,295.89
Molimentales del Noroeste S.A. de C.V.	Blvd. Solidaridad #335 Local 3	Hermosillo	Sonora	83270	México	$ 49,315.00
MS Central de Distribuciones S.A. de C.V.	Blvd. Jesus Garcia Morales No. 883	Hermosillo	Sonora	83220	Mexico	$ 20,336.33
Oscar Alberto Milla Vega	Calle San Luis # 9	Hermosillo	Sonora	83174	Mexico	$ 2,522.33
Praxair De Mexico S de R L de C V	Ave. Puerto Veracruz	Mazatlan	Sinaloa	82050	Mexico	$ 1,124.64
Pricewaterhousecoopers, S.C.	Mariano Escobedo No.573	Mexico,	D.F.	11580	Mexico	$ 9,279.11
Provedora Minera IMG, S.A. de C.V.	Campeche 140	Hermosillo	Sonora	83190	Mexico	$ 11,832.04
Ramona Gutierrez Ibarra	Avenida Ocho #206	Hermosillo	Sonora	83100	Mexico	$ 175.39
Raul Ernesto Leyva Millan	Periferico SUR # 87	Hermosillo	Sonora	83294	Mexico	$ 25.92
Raúl López Gracia	Nayarit No.168-A	Hermosillo	Sonora	83190	Mexico	$ 17,233.64

Recolectora de Desechos y Residuos King Kong, S.A. de C.V.	Calle del Plomo # 33 B	Hermosillo	Sonora	83299	Mexico	$ 158.49
Rock Tools de Mexico, S.A. de .C.V	Ave.Baja California #196 201	Mexico	D.F.	06760	Mexico	$ 21,357.06
Rosangela Guadalupe Castillo Frausto	Ave. del Valle no. 40	Tepic	Nayarit	63175	Mexico	$ 14,523.00
Serdi, S.A. de C.V.	Blvd. GarcÃ-a Morales 475 Pte.	Hermosillo	Sonora	85210	Mexico	$ 5,070.07
Servicio El Faro sa de cv	BVD FCO. Eusebio Kino 1098	Hermosillo	Sonora	83150	Mexico	$ 1,650.18
Servicios Especiales de Recoleccion de Basura, S.A. de C.V.	Carretera Panamericana km 25	Juarez	CHihuahua	32674	Mexico	$ 36,755.54
Sierra Servicios de Perforacion, S.A. de C.V.	Blvd. Garcia Morales No. 200	Hermosillo	Sonora	83210	Mexico	$ 1,248.19
Suministros para Impresión RA S.A.	Blvd. Luis Donaldo Colosio # 282 B	Hermosillo	Sonora	83260	Mexico	$ 353.01
Taishan Resources Mexico Ltd., S.A. de C.V.	Calle Laurel No.21	Acapulco	Guerrero	39867		$ 24,657.50
Taller Aello, S.A. de C.V.	Aguascalientes 403	Hermosillo	Sonora	83180	Mexico	$ 561.58
Telefonos de Mexico S.A. de C.V.	Parque Via #198	Mexico	D.F.	06500	Mexico	$ 407.70
Tornillos Y Mangueras de Sonora, S.A de C.V	Periferico Norte 458	Hermosillo	Sonora	83180	Mexico	$ 5,221.47
Transportes Gar Gom del Noroeste, S.A. de C.V.	Carretera a Ures Km. 1	Hermosillo	Sonora	83305	Mexico	$ 96,698.28
Trilink Global Enterprise Holdings LTD	R.G. Hodge Plaza	Tortola British	British Virgin Islands	P.O Box 3152	British Virgin Islan	$ 1,219.93
Victor Martin Salado Islas	Perf. Norte 108	Hermosillo	Sonora	83280	Mexico	$ 7,352.54
Williams Scotsman México., S. de R.L. de C.V.	Gonzalitos Sur No. 460 PB 34	Monterey	Nuevo Leon	64640	Mexico	$ 5,731.70
Witas Western Industrial Tools and Service S. A. de C.V.	Periferico Poniente, 402	Hermosillo	Sonora	83138	Mexico	$ 18,140.18
Yanira Guadalupe Leyva Gurrola	Blvd. Periferico Sur 47	Hermosillo	Sonora	83294	Mexico	$ 33,418.37
Total Unsecured Creditors						$ 18,248,297.25
Total Creditors						

Note: All amounts above are reported in Canadian Dollars, translated as at August 31, 2012

The information herein has not been audited, reviewed or otherwise verified and is being provided for information purposes only.

APPENDIX D

Ernst & Young Inc.
11 Englehart Street
Dieppe NB E1A 7Y7

Tel: 506 853 3097
Fax: 506 859 7190
ey.com/ca

13 September 2012

To: Whom it may concern

Re: Landdrill International Inc., a British Columbia corporation, **Landdrill International Ltd.**, a New Brunswick corporation, **Landdrill Atlantic Ltd.**, a New Brunswick corporation, **Landdrill Contract Mining Ltd.**, a New Brunswick corporation, **Landdrill International Mexico S.A De C.V.**, a Mexican corporation, **Landdrill International LLC.**, a Mongolian corporation, **Landdrill International Inc.**, a Barbados corporation (collectively "**Landdrill**")

On August 31, 2012, Landdrill applied to the Court of Queen's Bench of New Brunswick (the "**Court**") pursuant to the *Companies' Creditors Arrangement Act* (the "**CCAA**"). The Court issued an order (the "**Initial Order**") dated August 31, 2012, granting various relief including, among other things, the imposition of a stay of any proceedings against Landdrill while Landdrill attempts to restructure its business and financial affairs and conducts a sales process. The Initial Order appointed Ernst & Young Inc. as monitor (the "**Monitor**") of Landdrill.

Pursuant to the Initial Order, the Comeback Motion (as defined in paragraph 54 of the Initial Order) was scheduled for 9:00 a.m. on September 17, 2012, in Moncton, New Brunswick.

Please note that at the return of the motion on September 17, Landdrill intends to seek an adjournment of the Comeback Motion until **8:30 a.m. on September 27, 2012**, as well as certain additional relief.

Please see the motion material posted under 'Motion Materials' on the Monitor's website at www.ey.com/ca/landdrill for more details.

Persons requiring further information that is not available on the Monitor's website should call the Monitor's Hotline at 1-855-806-6640 (toll free) or 1-416-943-5441.

Yours very truly,

ERNST & YOUNG INC.
In its capacity as Court-appointed Monitor of Landdrill

APPENDIX E

-FOR IMMEDIATE RELEASE-

LANDDRILL INTERNATIONAL

News Release

Landdrill Announces Demand for Payment from Secured Creditors and Delay in Filing Financial Statements

MONCTON, NB – August 29, 2012 **–** Landdrill International Inc. (TSXV: LDI) (the "**Company**" or "**Landdrill**"), announces that it has been served with demands for payment and s. 244 notices from its major secured creditors and will be delaying the filing of its financial statements. The Company is currently engaged in a strategic review process. Landdrill has retained Clarus Securities Inc. of Toronto as financial advisor to consider all strategic options including the sale of all or part of the Company or its operating divisions.

The Company, and several of its subsidiaries, were served with a demand for payment of outstanding indebtedness to Sprott Resource Lending Partnership ("**Sprott**"), a secured creditor of the Company, dated August 13, 2012. The demand was in the amount of $2,536,173.88 to be paid on or before August 23, 2012 and was accompanied by a Notice of Intention to Enforce Security pursuant to Subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "**Act**"). At this time, the Company had been engaged in forbearance negotiations with its three major secured creditors and a representative of Sprott advised that Sprott would continue to negotiate in good faith towards a forbearance agreement.

The Company, and several of its subsidiaries, were served with a demand for payment of outstanding indebtedness to GE Canada Equipment Financing G.P. ("**GE**"), a secured creditor of the Company, dated August 17, 2012. The demand was in the amount of $2,875,037.76 to be paid on or before August 30, 2012 and was accompanied by a Notice of Intention to Enforce Security pursuant to Subsection 244(1) of the Act.

On August 20, 2012, the Company filed a confidential material change report with regulatory authorities relying upon Subsection 7.1(2) of National Instrument 51-102 in respect of the aforesaid demands.

On August 21, 2012, the Company, and several of its subsidiaries, were served with a demand for payment of outstanding indebtedness to Norrep Credit Opportunities Fund, LP ("**Norrep**"), a secured creditor of the Company, dated August 21, 2012. The demand was in the amount of $8,261,738 to be paid on or before August 31, 2012 and was accompanied by a Notice of Intention to Enforce Security pursuant to Subsection 244(1) of the Act. At the time of serving its demand, Norrep advised that it would continue good faith negotiations with the Company but was desirous of protecting its legal rights.

Landdrill continues to be engaged in negotiations with all of its secured creditors towards a resolution and the Company is currently diligently engaged in a strategic review of all available options.

The Company anticipates a further announcement will be forthcoming in the near future.

The release of Landdrill's financial statements and MD&A for Q2 will be delayed until on or about September 6, 2012. The delay permits management, the board of directors and Landdrill's external advisors adequate time to review the financial statements and disclosure in conjunction with the strategic review process.

Forward-looking information

This press release may contain forward-looking statements (within the meaning of applicable securities laws) relating to business of Landdrill International Inc. (the "Company") and the environment in which it operates. Forward-looking statements are identified by words such as "believe", "anticipate", "expect", "intend", "plan", "will", "may" and other similar expressions. These statements are based on the Company's expectations, estimates, forecasts and projections. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, including, without limitation that all terms of the contracts will be fulfilled in their entirety, such statements are not guarantees of future performance and actual results may differ materially from those in forward looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include commodity prices, availability of personnel, materials and equipment, actual performance of equipment and processes relative to specifications and expectations, unanticipated environmental impacts and continued availability of capital and financing and general economic, market or business conditions. These risks and uncertainties are discussed in the Company's regulatory filings available at www.sedar.com.

There can be no assurance that forward-looking statements will prove to be accurate as actual outcomes and results may differ materially from those expressed in these forward-looking statements. Readers, therefore, should not place undue reliance on any such forward-looking statements. Further, a forward-looking statement speaks only as of the date on which such statement is made. The Company undertakes no obligation to publicly update any such statement or to reflect new information or the occurrence of future events or circumstances, except as required by law.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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APPENDIX F

-FOR IMMEDIATE RELEASE-

News Release

Landdrill Announces Delay in Filing Financial Statements and Reclassification as Tier 2 reporting issuer

MONCTON, NB – September 6, 2012 **–** Landdrill International Inc. (TSXV: LDI) (the "**Company**" or "**Landdrill**"), announces that it will further delay filing its Q2 financial statements. The Company also announces that the TSX Venture Exchange ("**TSXV**") has reclassified the Company to Tier 2 effective Thursday, September 6, 2012.

On August 29, 2012, the Company announced that the filing of its interim financial statements for the period ended June 30, 2012, management discussion and analysis and related CEO and CFO certifications (collectively, the "**Financial Statements**") would not be completed by the filing deadline set by Canadian securities laws. In this announcement, the Company stated that it expected to file the Financial Statements on or about September 6, 2012.

On August 31, 2012, Landdrill announced it obtained an Initial Order from the Court of Queen's Bench of New Brunswick under the *Companies' Creditors Arrangement Act* (Canada).

As a result of the Initial Order, the Company announces that the filing of the Financial Statements will be further delayed for an indefinite period. The purpose of the delay is to permit the Company and its external advisors sufficient time to continue with the strategic review process disclosed August 29, 2012.

Until the Financial Statements are filed, the Company intends to continue to satisfy the provisions of the Alternative Information Guidelines specified by NP 12-203 by issuing bi-weekly Default Status Reports in the form of news releases. The Company intends to file, if required, its next Default Status Report on or about September 14, 2012.

The Company further announces as a result of the Initial Order, the Company no longer meets the Tier 1 Continued Listing Requirements of the TSXV and the TSXV has issued a bulletin reclassifying the Company to Tier 2 effective Thursday, September 6, 2012.

Further, as previously disclosed, the Company currently has one director but requires three directors to comply with its statutory obligations and TSXV listing requirements. Consequentially, the TSXV has halted trading in the Company's shares effective September 6, 2012. IIROC had previously halted trading in Landdrill's shares effective September 4, 2012. The trading halts are for an indefinite term.

The objective of the Initial Order is to grant Landdrill time to conduct a going concern sales process. This process is currently underway. The Comeback Hearing is scheduled for September 17, 2012.

Landdrill operations continue during this process.

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For further information:

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