This is Exhibit "E" to the Affidavit of Ronald J. Goguen sworn to on the 27th day of August 2012.

Jeffrey R. Parker
Commissioner of Oaths
Being a Solicitor

Norrep Credit Agreements

1.	Deed of Hypothec dated March 21, 2012	15 pages
2.	General Security Agreement dated March 21, 2012	19 pages
3.	Guarantee and Indemnity Agreement dated March 21, 2012	12 pages
4.	CCP Financing - Credit Agreement dated March 21, 2012	55 pages
5.	Schedules CCP Financing – Credit Agreement	86 pages

DEED OF HYPOTHEC made in the City of Moncton, Province of New Brunswick, on the 21 day of March, 2012

BY AND BETWEEN:

LANDDRILL INTERNATIONAL LTD., a corporation existing under the laws of New Brunswick, being domiciled at 160 MacNaughton Ave., Moncton, NB, E1H 3L9, herein acting and represented by Ron Goguen, its Chief Executive Officer, duly authorized unto these presents as he so declares;

(hereinafter referred to as the "**Grantor**")

AND:

NORREP CREDIT OPPORTUNITIES FUND, LP, a limited partnership existing under the laws of Alberta, by and through its General Partner **NORREP CREDIT OPPORTUNITIES FUND INC.,** a corporation existing under the laws of Alberta, having an office at 3730 – 77 King Street West, PO Box 196, Toronto, Ontario, M5K 1H6, herein acting and represented by Chris Johnson, its President, duly authorized unto these presents as he so declares;

(hereinafter referred to as the "**Creditor**")

WHEREAS pursuant to a credit agreement (as the same maybe amended, supplemented, restated, extended, renewed or otherwise modified from time to time, the "**Credit Agreement**") made as of March 21, 2012 between the Creditor and Landdrill International Inc. ("**Landdrill**"), the Creditor has agreed to make available to Landdrill certain credit facilities, the whole as more particularly set out in the Credit Agreement;

WHEREAS pursuant to the guarantee and indemnity agreement made as of March 21, 2012 between the Creditor and the Grantor (as the same maybe amended, supplemented, restated, extended, renewed or otherwise modified from time to time, the "**Guarantee**"), the Grantor has guaranteed the obligations of Landdrill under the Credit Agreement;

WHEREAS as continuing collateral security for the fulfilment of the Secured Obligations (as hereinafter defined), the Grantor has agreed to hypothecate all of its right, title and interest, present and future, in and to the property, assets and rights more fully described herein.

NOW, THEREFORE, THE PARTIES HERETO HAVE AGREED AS FOLLOWS:

1 PREAMBLE

1.1 The preamble shall form an integral part hereof as if herein recited at length.

2 HYPOTHEC

2.1 As continuing and collateral security for the obligations, indebtedness and liabilities of the Grantor to the Creditor, including without limitation the obligations, indebtedness and liabilities on account of or arising from or in connection with the Guarantee or this Deed (all such obligations, indebtedness and liabilities hereinafter collectively referred to as the "**Secured Obligations**"), the Grantor hereby hypothecates in favour of the Creditor, for the sum of eight million Canadian dollars ($8,000,000) and interest thereon at the rate of twenty-five percent (25%), compounded and payable monthly, all of the right, title and interest of the Grantor in and to the universality consisting of all moveable property of every nature whatsoever, both present and future, corporeal and incorporeal, of the Grantor, including in connection with or pertaining or relating to any business, enterprise, activity or undertaking carried on or conducted by the Grantor (all such property being hereinafter collectively referred to as the "**Hypothecated Properties**"), including specifically but without in any manner whatsoever limiting the generality of the foregoing:

2.1.1 Inventory

All moveable property now or hereafter owned or acquired by or on behalf of the Grantor or of which the Grantor is entitled to become owner or in which the Grantor has an interest and which is kept for sale, lease or processing in the manufacture or transformation of property intended for sale, for lease or for use in providing a service, including, without limitation, all raw materials, work in progress and finished products, and all right, title and interest in any of the foregoing which the Grantor now or at any time in the future has or may have (hereinafter collectively referred to as the "**Inventory**");

2.1.2 Machinery and Equipment

All equipment, machinery, tools, fixtures, furniture and vehicles and all additions and accessions thereto now or hereafter owned, held, or acquired by or on behalf of the Grantor, and all right, title and interest in any of the foregoing which the Grantor now or at any time in the future has or may have (hereinafter collectively referred to as the "**Machinery and Equipment**");

2.1.3 Warehouse receipts and Bills of Lading

All moveable property represented by warehouse receipts or bills of lading now or hereafter owned, held or acquired by or on behalf of the Grantor, and all right, title and interest in any of the foregoing which the Grantor now or at any time in the future has or may have (hereinafter collectively referred to as the "**Bills of Lading**");

2.1.4 Securities

All shares, stocks, warrants, bonds, debentures, debenture stock, stock options and other securities now or hereafter owned or acquired by or on behalf of the Grantor, excepting all of the capital stock in Landdrill International Inc., a company incorporated under the laws of Barbados, held by the Grantors, together with all renewals thereof, substitutions therefor, accretions thereto and all rights, claims and proceeds in respect thereof and including, without limitation, any such securities of the Grantor which are now or hereafter held by or delivered to the Creditor, and all right, title and interest in any of the foregoing which the Grantor now or at any time in the future has or may have (hereinafter collectively referred to as the "**Securities**");

2.1.5 Claims

All accounts receivable, book accounts, book debts, debts, claims, customer accounts, bank accounts, rentals, revenues, income, loans receivable, choses in action, judgments, contract rights, proceeds of sale, indemnities payable under any contract of insurance (whether or not such insurance is on property forming part of the Hypothecated Properties), rebates, refunds, amounts owing by or claimable from the Crown, state or government (or any departments, agents or agencies thereof) and any other amounts or demands of every nature and kind howsoever arising, whether or not secured, which are now or become hereafter due or owing to the Grantor as well as all security interests, hypothecs, assignments, guarantees, bills of exchange, notes, negotiable instruments, and judgments in respect of all of the foregoing claims and together with all contracts, invoices, records, books of account, disks, programs, letters of credit or guarantee and/or other documents, papers and materials in any way evidencing or relating to all or any of the foregoing, now or hereafter held, owned or acquired by or on behalf of the Grantor, and all right, title and interest in any of the foregoing which the Grantor now or at any time in the future has or may have (hereinafter collectively referred to as the "**Claims**");

2.1.6 Intellectual Property

All patents and patents pending, registered and unregistered trademarks, trade or brand names, service marks, copyrights, industrial designs, formulae, processes, trade secrets, goodwill, inventions, contractual rights, licenses and permits now or hereafter owned or acquired by the Grantor or on behalf of the Grantor, and all right, title and interest in any of the foregoing which the Grantor now or any time in the future has or may have (hereinafter collectively referred to as the "**Intellectual Property**").

2.1.7 Proceeds

All insurance proceeds or indemnities paid under insurance contracts covering all or any part of the Hypothecated Properties that is received by or on behalf of the Grantor as indemnification or compensation for all or any part of the Hypothecated Properties that is lost, destroyed or damaged, and all right, title and interest in any of the foregoing which the Grantor now or at any time in the future has or may have (hereinafter collectively referred to as the "**Proceeds**");

2.1.8 Leases and Licenses

All right, title and interest now or hereafter held by or on behalf of the Grantor with respect to any lease, offer to lease or other agreement in respect of the leasing of immoveable property or any licence to occupy any premises or to operate any business thereon (hereinafter collectively referred to as the "**Leases**"); and

2.1.9 Monies

All monies, cash, foreign currencies and credits which now are or which may at any time in the future be owned by the Grantor, and all of the right, title and interest in any of the foregoing which the Grantor now or at any time in the future has or may have (hereinafter collectively referred to as the "**Monies**"),

said Inventory, Machinery and Equipment, Bills of Lading, Securities, Claims, Intellectual Property, Proceeds, Leases and Monies form part of the Hypothecated Properties without being a limitative or exhaustive description thereof.

2.2 The hypothec herein created in favour of the Creditor shall not constitute nor be construed as a floating hypothec under the provisions of Article 2715 of the Civil Code of Québec (hereinafter referred to as the "**C.C.Q.**") and is created without delivery.

2.3 The full amount of the hypothec herein created shall be and remain continuing collateral security in favour of the Creditor, for the full repayment, fulfilment or performance of the Secured Obligations and such hypothec shall be and remain in full force and effect notwithstanding the fact that all or any Secured Obligations arise prior to, at the time of or subsequent to the execution hereof, the repayment or reduction or fulfilment at any time and from time to time of the Secured Obligations or any part thereof, or the fact that at any time and from time to time there may be no Secured Obligations owing to the Creditor by the Grantor, the whole until all Secured Obligations at any time and from time to time existing shall have been entirely repaid, fulfilled and released to the satisfaction of the Creditor. For greater certainty, the present Deed is a continuous security which shall subsist and the Grantor shall be deemed to obligate itself again as provided in Article 2797 of the C.C.Q. with respect to any future Secured Obligations.

2.4 Notwithstanding anything to the contrary contained in the Guarantee or this Deed, the Secured Obligations shall not include bonds or other titles of indebtedness (as referred to in Article of 2692 of the C.C.Q.).

2.5 No payment made by the Grantor or by any person on its behalf to the Creditor shall in any way operate as a reduction or discharge of the hypothec hereby created, or effect novation, save only as and when such payment is expressly applied by the Creditor in reduction of the said hypothec by means of a document evidencing a discharge executed by the Creditor and is delivered in which it shall be expressly stated that the amounts therein referred to are in reduction or extinguishment of the hypothec hereby created and until the hypothec herein created is released and discharged to the extent therein stated.

3 ADDITIONAL HYPOTHEC

3.1 As additional security for the payment of interest on interest, legal fees, costs of realization, expenses incurred by the Creditor in connection with the preservation and maintenance of the hypothec hereby created and of the Hypothecated Properties or otherwise in connection with the Secured Obligations, and generally all the accessories of the Secured Obligations (hereinafter collectively called the "**Accessories**"), the Grantor hereby further hypothecates the Hypothecated Properties in favour of the Creditor, for an additional sum of two million dollars ($2,000,000); the hypothec created in favour of the Creditor pursuant to this Deed being for the aggregate sum of ten million dollars ($10,000,000).

4 COVENANTS OF GRANTOR

4.1 The Grantor hereby binds and obliges itself, until all of the Secured Obligations and Accessories have been duly repaid, performed or satisfied in full and to the satisfaction of the Creditor:

4.1.1 to pay all amounts at any time and from time to time payable by it to the Creditor as and when the same are due and payable, by acceleration or otherwise, and to comply with all other terms, conditions, warranties, covenants and declarations of this Deed, and of the Guarantee and all other agreements pertaining to any part of the Secured Obligations;

4.1.2 to pay to the Creditor from time to time, on demand, all sums which the Creditor may pay, or for the payment of which it may become liable, whether for costs in legal proceedings or for fees, charges, commissions or other expenses, in seeking to obtain the fulfilment of any obligations hereunder, or to enforce or preserve the security hereunder or otherwise in connection with or by reason of this Deed;

4.1.3 to fully and effectually maintain and keep maintained the security hereby created as a valid and effective first ranking hypothec to be at all times;

4.1.4 subject to the security created hereunder and the Credit Agreement not being impaired:

(i) not to sell, alienate or dispose of any of the Hypothecated Properties unless such sale, alienation or disposition is conducted in the ordinary course of business; and

(ii) where any of the Hypothecated Properties are sold, alienated or disposed of in the ordinary course of business, to either replace such Hypothecated Properties with property of the same nature or, where no property replaces the alienated Hypothecated Properties to maintain the proceeds of the sale, alienation or disposition of the Hypothecated Properties separate and apart from all other property of the Grantor so as to enable identification of same, such proceeds being, in any event, deemed to be included in the hypothec created hereby in the Creditor's favour.

5 <u>EVENTS OF DEFAULT</u>

5.1 **"Event of Default"** as such term is used in this Deed shall mean: (i) the happening of an Event of Default (as such term is defined in the Credit Agreement); or (ii) a default in the fulfillment by the Grantor of the Secured Obligations;

5.2 In case of the happening of an Event of Default, the Creditor shall, in addition to any of its other rights, forthwith be entitled to exercise any and all of the rights provided for in Chapter V of Title III of Book VI of the C.C.Q. and in the *Code of Civil Procedure of Québec*. In exercising any of the rights and recourses available hereunder or at law, the Creditor may, at its option, in respect of all or any part of the Hypothecated Properties, exercise such rights and recourses as are available hereunder or at law, without prejudice to any other rights and recourses of the Creditor available in respect of the Hypothecated Properties or any part thereof. It is understood and agreed that to the extent permitted by law, the Creditor may exercise any of its rights and recourses in respect of the Hypothecated Properties or any part thereof simultaneously or successively and shall be entitled to acquire all or any part of the Hypothecated Properties.

5.3 Any action taken by or on behalf of the Creditor to remedy any default shall not constitute a waiver of such default, nor be deemed to have relieved the Grantor therefrom. Failure of the Creditor to insist upon strict performance of any covenants of this Deed or to exercise any right or option hereunder shall not be construed as a waiver or relinquishment for the future of any such covenant, right or option.

5.4 The acceptance by the Creditor following any default of any sum owing to it by the Grantor or the exercise by the Creditor of any right or recourse hereunder or under any other agreement between the Grantor and the Creditor shall not preclude the Creditor from exercising any other right or recourse, all rights and recourses of the Creditor being cumulative and not alternative.

5.5 If the Creditor gives the Grantor a prior notice of its intention to exercise a hypothecary right the Grantor shall, and shall cause any other person in possession of Hypothecated Properties to, immediately voluntarily surrender same to the Creditor.

6 REMEDIES - CUMULATIVE

6.1 No right conferred upon or reserved to the Creditor hereby or in any other agreement between the Grantor and the Creditor is intended to be exclusive of any other right but each such right shall be cumulative and shall be in addition to every other right hereunder and thereunder and to every other right which may now or hereafter exist by law or by statute or under any other security in respect of the Secured Obligations which the Creditor may have heretofore obtained or may hereafter obtain from the Grantor or from any other person.

7 ADDITIONAL RIGHTS OF THE CREDITOR

7.1 If the Hypothecated Properties include Securities, the Creditor may, but shall not be obliged to, cause the Creditor, or its nominees, to be registered as holder of such Securities and exercise all rights in respect of such Securities, including any right to vote, any right of conversion or any right of redemption.

7.2 The Grantor hereby irrevocably constitutes the Creditor or any manager or other officer of the Creditor, its agent, with full power of substitution, in order to perform any act and sign any document, including any transfer or endorsement of Securities, necessary or useful to the exercise of the rights conferred on the Creditor pursuant to this Deed.

7.3 To the extent that the Grantor has surrendered or will surrender the Hypothecated Properties or any part thereof to the Creditor or its agents or if the Creditor or its agents have possession of the Hypothecated Properties or any part thereof, neither the Creditor nor its agents shall have any obligation to continue the use, operation or exploitation of the Hypothecated Properties or any part thereof or to continue the use for which it is ordinarily destined or to exercise the rights pertaining to the Hypothecated Properties or any part thereof or to make them productive; and the Grantor agrees that the Creditor or its agents may do such acts and things, or refrain from doing such acts and things, as the Creditor or its agents, in their sole discretion, deem appropriate for the exercise of the Creditor's rights and the realization and enforcement of its hypothec.

7.4 In order to enforce and realize its hypothec herein created, the Creditor may use, at the Grantor's expense, the premises where the Hypothecated Properties are located. If the Hypothecated Properties include Inventory, the Creditor may complete the manufacture of such Inventory and do any other thing necessary or useful to bring them to sale.

7.5 The Grantor agrees that with respect to any sale by the Creditor of any of the Hypothecated Properties in the exercise of the Creditor's rights, it will be commercially reasonable to sell such Hypothecated Properties:

7.5.1 together or separately;

7.5.2 by auction or by call for tenders by advertising such sale or call for tenders once in a local daily newspaper at least seven (7) days prior to such sale or close of call for tenders;

7.5.3 by sale by agreement after receipt by the Creditor of at least two (2) offers from prospective purchasers, who may include persons related to or affiliated with the Grantor or other debtors of the Creditor; and

7.5.4 by any combination of the foregoing,

and any such sale may be on such terms as to credit or otherwise and as to upset price or reserve bid or price as the Creditor in its sole discretion may deem advantageous, and the Grantor agrees that the price received at any such sale shall constitute a commercially reasonable price.

7.6 The foregoing shall not preclude the Creditor from agreeing to or making any sale in any other manner not prohibited by law nor shall it be interpreted to mean that only a sale made in conformity with the foregoing is commercially reasonable or that only the price received at a sale made in conformity with the foregoing shall constitute a commercially reasonable price.

7.7 All sums received by the Creditor in the exercise of its rights arising under or pursuant to this Deed or by law may be held by the Creditor as Hypothecated Properties, or may be applied by the Creditor to the payment of the Secured Obligations and/or Accessories, whether or not then exigible. The Creditor may impute and apply such sums towards payment of any part or parts of the Secured Obligations and/or Accessories as the Creditor in its sole discretion shall decide, and may change any imputation or application as it sees fit.

7.8 The Creditor may exercise the rights arising from this Deed without having exercised its rights against any other person liable for the payment of the Secured Obligations or any of them, and without having realized any other security securing the Secured Obligations.

7.9 The Creditor is only required to exercise reasonable prudence and diligence in the exercise of its rights or the fulfilment of its obligations and, in any event, the Creditor shall be responsible only for damages arising directly from its intentional or gross fault. The Grantor shall indemnify the Creditor for any losses or expenses incurred by the Creditor, or damages claimed against the Creditor, for which the Creditor is not so responsible.

7.10 The Creditor may delegate to any other person, or be represented by any other person in, the exercise of its rights or the fulfilment of its obligations resulting from this Deed; the Creditor may furnish to such person any information which the Creditor may have concerning the Grantor or the Hypothecated Properties subject to such confidentiality obligations (if any) to which the Creditor is itself bound.

8 PROVISIONS APPLICABLE TO CLAIMS

8.1 If the Hypothecated Properties include Claims, whether present or future, then in addition to the other provisions of this Deed, the following provisions shall apply in respect of such Claims:

8.1.1 The Creditor hereby authorizes the Grantor to collect when due the capital falling due of, and any revenues of, any Claims until the Creditor shall have given the Grantor a notice withdrawing such authorization, whereupon the Creditor shall immediately have the right to collect all such capital and revenues. This notice of withdrawal may be given at any time whether before or after the occurrence of an Event of Default and may be so given in respect of all or any part or parts of the claims.

8.1.2 Upon notice by the Creditor to the Grantor, which may be given at any time whether before or after the occurrence of an Event of Default, the Creditor may require the Grantor to immediately remit to the Creditor all or a specified part of capital and revenues of claims received by the Grantor or to deposit the same in one or more designated bank accounts or otherwise to hold, deal with or deliver such capital and revenues, all on such terms and conditions as the Creditor may specify in such notice.

8.1.3 The Creditor shall have no obligation to exercise any rights in respect of any Claims nor to enforce or to see to payments of the same, whether by legal action or otherwise. The Creditor may give acquittances for any sums it collects and may, but shall not be obligated to, realize any of the claims, grant extensions, grant releases, accept compositions, renounce and generally deal with the Claims, and any guarantees or security therefor, and take any action to preserve, protect or secure such Claims, at such times and in such manner as it deems advisable in its sole discretion, without notice to or the consent of the Grantor, and without incurring any liability therefor and without any obligation to render any account in respect thereof or in respect of moneys collected.

8.1.4 Any amounts collected by the Grantor or by the Creditor or deposited in a designated bank account shall form part of the Hypothecated Properties and be subject to the hypothec herein created. The Creditor may apply amounts received by it towards payment of all or part of the Secured Obligations even if not yet exigible, including any fees, costs or other expenses incurred by the Creditor and secured hereunder, and may impute and apply such amounts towards payment of any part or parts of the Secured Obligations as the Creditor in its sole discretion shall decide, and may change any imputation or application as it sees fit.

8.1.5 The Grantor waives any obligation the Creditor may have to inform the Grantor of any irregularity in the payment of any sums exigible on any claims or rights.

8.1.6 The Grantor shall from time to time on request of the Creditor deliver to the Creditor, or permit the Creditor or its officers or agents access to its premises for the purpose of examining and making copies of, all books and accounts, letters, invoices, papers, agreements, negotiable instruments, documents of title, hypothecs and other documents in any way evidencing or relating to all or any of the claims forming part of the Hypothecated Properties and shall otherwise assist the Creditor and furnish the Creditor with all information which may assist the Creditor in the collection thereof.

9 OTHER SECURITY

9.1 It is expressly declared and agreed between the parties hereto that the security hereby granted is in addition to and over and above any and all other security now or hereafter held by the Creditor for the Secured Obligations and any part or parts thereof. Without in any way limiting the generality of the foregoing, the present security shall not be diminished or novated or otherwise affected by any other security or any promissory note or other evidence of indebtedness which the Creditor may have heretofore obtained or may hereafter obtain from the Grantor or from any other person, or by any other agreement which the Grantor and the Creditor may have heretofore entered into or may hereafter enter into, nor shall any such security or note or evidence of indebtedness or agreement be diminished or novated or otherwise affected hereby.

10 TIME OF ESSENCE

10.1 Is it understood and agreed by the Grantor and the Creditor that in addition to any other circumstances where the Grantor is in default by operation of law, time is of the essence in this Deed and that the mere lapse of time shall have the effects contemplated by the present Deed, without the necessity of further notice or delay, in accordance with Article 1594 of the C.C.Q.

11 SUCCESSORS AND ASSIGNS

11.1 The rights conferred on the Creditor by this Deed shall enure to the benefit of each successor of the Creditor. The Creditor shall have the right to assign all or any part of the Secured Obligations and/or Accessories or any of the security granted by the present Deed to any other person and this Deed shall enure to the benefit of any such assignee in respect of all, or such part, of the Secured Obligations and/or Accessories which have been so assigned.

12 SEVERABILITY

12.1 If any clause of the present Deed, or any part thereof, is null or otherwise unenforceable, without effect, or deemed unwritten, such clause shall be considered separate and severable from this Deed and the remaining provisions hereof shall continue in full force and effect.

13 WAIVER

13.1 The Creditor may grant extensions of time and other indulgences and give up security, accept compositions, compromise, settle, grant releases and discharges and otherwise deal with the Grantor or debtors of the Grantor, sureties and others and with the Hypothecated Properties and other security as the Creditor may see fit without prejudice to the liability of the Grantor or the Creditor's rights to hold and realize the security interest created pursuant to the present Deed. Furthermore, the Creditor may demand, collect and sue on Hypothecated Properties in either the Grantor's or the Creditor's names, at Creditor's option, and may endorse the Grantor's name on any and all cheques, commercial paper and any other instruments pertaining to or constituting Hypothecated Properties.

13.2 No act, delay or omission by the Creditor in exercising any right or remedy hereunder or with respect to any Secured Obligations or Accessories shall operate or be construed as a waiver thereof or of any other right or remedy and no waiver of any provision hereof shall be effective unless in writing.

14 AMENDMENTS

14.1 No modification, variation or amendment of any provision of this Deed shall be made except by written agreement executed by the parties hereto.

15 ACQUITTANCES

15.1 All acquittances and other deeds to which the Creditor may become party shall be approved by the legal advisors of the Creditor, the whole at the Grantor's expense.

16 SUBSEQUENT HOLDERS

16.1 All the terms, clauses, conditions and stipulations herein shall be binding upon subsequent holders of the Hypothecated Properties (other than Inventory sold in the ordinary course of business) or any part thereof.

17 NOTICES

17.1 Any demand, notice or communication to be made or given hereunder or by law shall be in writing and may be made or given by personal delivery or sent by telefax or by registered mail, postage prepaid, addressed to the respective parties as follows:

17.1.1 To the Grantor: c/o Landdrill International Inc.
160 MacNaughton Ave.
Moncton, NB
E1H 3L9

Facsimile No: (506) 388-8990
Attention: Chief Financial Officer

with a copy to:

General Counsel

17.1.2 To the Creditor: c/o Crown Capital Partners Inc.
175, 601-10 Avenue SW
Calgary, AB
T2R 0B2
Attention: Chief Executive Officer
Fax: (403) 508-6120

with a copy to:

MacPherson Leslie & Tyerman LLP
Suite 1500 – 1050 1874 Scarth Street
Regina, SK S4P 4E9

Facsimile No: (306) 352-5250
Attention: Aaron Runge

or to such other address as any party may from time to time notify the other in accordance with this Section 17.1. Any demand, notice or communication shall be conclusively deemed to have been given on the day of actual delivery or receipt or, where transmitted by telecopier, the notice or transmission shall be deemed to be received on the first business day following such date if the notice is transmitted after regular business hours of the recipient or, if made or given by registered mail, except during a postal disruption, such notice or transmission shall be deemed to have been duly given on the third business day after the same was deposited in the post office.

18 GOVERNING LAW

18.1 The present Deed shall be governed by and construed in accordance with the laws of Québec and the federal laws of Canada applicable therein.

19 CHOICE OF LANGUAGE

19.1 The parties hereto declare that they require that this Deed and any related documents be drawn up and executed in English only; *les parties soussignées déclarent qu'il est de leur volonté que cet acte et tous les documents s'y rattachant soient rédigés en anglais seulement.*

20 COUNTERPART EXECUTION/ELECTRONIC DELIVERY

20.1 This Deed may be executed in counterpart and delivered by facsimile or other electronic means of delivery.

[the remainder of this page has been intentionally left blank. Counterpart signature page to follow]

IN WITNESS WHEREOF, the parties have executed this Deed at the place and as of the date first above-mentioned.

LANDDRILL INTERNATIONAL LTD.

Per: ______________________
Ron Goguen

NORREP CREDIT OPPORTUNITIES FUND, LP, by and through its General Partner **NORREP CREDIT OPPORTUNITIES FUND INC.**

Per: ______________________
Chris Johnson
President

Per: ______________________
Brent Hughes
Executive Vice-President

IN WITNESS WHEREOF, the parties have executed this Deed at the place and as of the date first above-mentioned.

LANDDRILL INTERNATIONAL LTD.

Per: ______________________________
Ron Goguen

NORREP CREDIT OPPORTUNITIES FUND, LP, by and through its General Partner **NORREP CREDIT OPPORTUNITIES FUND INC.**

Per: ______________________________
Chris Johnson
President

Per: ______________________________
Brent Hughes
Executive Vice-President

GENERAL SECURITY AGREEMENT

This Agreement is made as of the 21 day of March, 2012,

Between:

LANDDRILL INTERNATIONAL INC.
a corporation existing under the laws of British Columbia
(the "**Borrower**")

- and -

Each of the Guarantors identified in Schedule "A" hereto
(collectively, the "**Guarantors**", and together with the Borrower, the "**Debtors**" and each a "**Debtor**")

- and -

NORREP CREDIT OPPORTUNITIES FUND, LP
a limited partnership existing under the laws of Alberta
(the "**Lender**")

In furtherance of a credit agreement between the Borrower and the Lender, dated March _, 2012 (the "**Credit Agreement**") and for good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Debtors agrees with the Lender as follows:

1. Obligations Secured. The Security Interest (as hereinafter defined) is granted to the Lender by each Debtor as continuing security for the payment of all present and future indebtedness and liabilities of each Debtor to the Lender, including interest thereon, and for the prompt and complete performance of all other present and future obligations of each Debtor to the Lender, whether direct or indirect, contingent or absolute; and without limiting the generality of the foregoing, specifically including the obligations of the Borrower under the Credit Agreement, and the obligations of the Guarantors under the Guarantee and Indemnity Agreement dated as of the date hereof executed and delivered by the Guarantors and the Lender (collectively, the "**Obligations**").

2. Creation of Security Interest. As general and continuing security for the payment and performance when due of all the Obligations, each Debtor hereby:

(a) mortgages, pledges, hypothecates, transfers, assigns and charges to the Lender, and hereby grants to the Lender a security interest in (such mortgages, pledges, hypothecations, transfers, assignments, charges and security interests are referred to collectively referred to as the "**Security Interest**") all of its respective present and after-acquired personal property and undertakings of any nature whatsoever (such undertakings and property of each Debtor are referred to collectively as the "**Collateral**") including, without limitation, the following:

(i) ***Equipment*** - all present and future goods of each Debtor that are not Inventory, including all machinery, fixtures, plants, tools, furniture, vehicles of any kind or description, all spare parts, accessories installed in or affixed or attached to any of the foregoing, and all drawings, specifications, plans and manuals relating thereto ("**Equipment**");

(ii) ***Inventory*** - all present and future inventory of each Debtor, including all raw materials, materials used or consumed in the business of each Debtor, work-in-progress, finished goods, goods used for packing, materials used in the business of each Debtor not intended for sale, and goods acquired or held for sale or furnished or to be furnished under contracts of rental or service ("**Inventory**");

(iii) ***Accounts*** - all present and future debts, demands and amounts due or accruing due to each Debtor whether or not earned by performance, including without limitation its book debts, accounts receivable, and claims under policies of insurance; and all contracts, security interests and other rights and benefits in respect thereof ("**Accounts**");

(iv) ***Intangibles*** - all present and future intangible personal property of each Debtor, including all contract rights, goodwill, patents, trade marks, copyrights and other intellectual property, and all other choses in action of each Debtor of every kind, whether due at the present time or hereafter to become due or owing;

(v) ***Documents of Title*** - all present and future documents of title of each Debtor, whether negotiable or otherwise, including all warehouse receipts and bills of lading;

(vi) ***Chattel Paper*** - all present and future agreements made between each Debtor as secured party and others which evidence both a monetary obligation and a security interest in or a lease of specific goods ("**Chattel Paper**");

(vii) ***Instruments*** - all present and future bills, notes and cheques (as such are defined pursuant to the *Bills of Exchange Act* (Canada)), and all other writings that evidence a right to the payment of money and are of a type that in the ordinary course of business are transferred by delivery without any necessary endorsement or assignment ("**Instruments**");

(viii) ***Money*** - all present and future money of each Debtor, whether Canadian, United States or other foreign currency ("**Money**");

(ix) ***Securities*** - all present and future securities held by each Debtor, including shares, options, rights, warrants, joint venture interests, interests in limited partnerships, bonds, debentures and all other documents which constitute evidence of a share, participation or other interest of each Debtor in property or in an enterprise or which constitute evidence of an obligation of the issuer; and including an uncertificated security and all substitutions therefor and dividends and income derived therefrom;

(b) charges as and by way of a floating charge, and grants to the Lender a security interest in and to:

(i) all of its respective right, title and interest in and to all its presently owned or held and after acquired or held real, immovable and leasehold property and all interests therein, and all easements, rights-of-way, privileges, benefits, licences, improvements and rights whether connected therewith or appurtenant thereto or separately owned or held, including all structures, plant and other fixtures; and

(ii) all of its respective assets and undertakings, of whatsoever nature or kind and wheresoever situate, and all proceeds thereof and therefrom, other than such of its assets and undertakings as are otherwise validly and effectively subject to the charges and security interest in favour of the Lender created pursuant to this Section 2.

Without limiting the generality of the description of Collateral as set out in this Section 2, and for greater certainty, the Collateral shall include all present and future real and personal property of each Debtor located on or about or in transit to or from the address of each Debtor set out on this Agreement and the location(s) set out in Schedule "A" attached hereto.

3. Attachment. Each Debtor acknowledges and agrees that: (i) value has been given; (ii) each Debtor has rights in the Collateral owned by it; and (iii) the Security Interest shall attach to existing Collateral of each Debtor upon execution of this Agreement by each Debtor and to each item of after-acquired Collateral of each Debtor at the time that each Debtor acquires any rights therein.

4. Dealings with Collateral. Until an Event of Default occurs, each Debtor may sell its Inventory and collect its Accounts in the ordinary course of its business; provided upon the occurrence of an Event of Default, all Accounts collected by each Debtor shall be immediately remitted to the Lender to the extent required to retire all outstanding Obligations. Until remitted, all Accounts received by each Debtor shall be held by each Debtor as agent and in trust for the Lender.

5. Notification to Account Debtors. The Lender may, after an Event of Default occurs, compel any Debtor to notify any person obligated to such Debtor in respect of an Account, Chattel Paper or an Instrument to make payment to the Lender of all such present and future amounts due thereon.

6. **Exception re Leasehold Interests and Contractual Rights.** The last day of the term of any lease, sublease or agreement therefor is specifically excepted from the Security Interest, but each Debtor agrees to stand possessed of such last day in trust for any person acquiring such interest of each Debtor. To the extent that the creation of the Security Interest would constitute a breach or cause the acceleration of any agreement, right, licence or permit to which each Debtor is a party, the Security Interest shall not attach thereto, but each Debtor shall hold its interest therein in trust for the Lender, and the Security Interest shall attach to such agreement, right, license or permit forthwith upon obtaining the consent of the other party thereto.

7. **Representations and Warranties.** Each Debtor hereby jointly and severally represents and warrants as follows to the Lender and acknowledges that the Lender is relying thereon:

(a) each Debtor has the capacity and authority to incur the Obligations, create the Security Interest and generally perform its obligations under this Agreement;

(b) the execution and delivery of this Agreement and the performance by each Debtor of its obligations hereunder have been duly authorized by all necessary proceedings;

(c) except for the Security Interest, Permitted Liens (as set out in Schedule "B" hereto), and except as previously disclosed by each Debtor in writing to the Lender, the Collateral is owned by each Debtor free from any mortgage, lien, charge, encumbrance, pledge, security interest or other claim whatsoever;

(d) the chief executive office, type of organization, correct legal name, organizational ID number (if applicable), mailing address and jurisdiction of organization of each Debtor is accurately set out in Schedule "A" of this Agreement;

(e) the Collateral is located at the place(s) set out on Schedule "A" hereto and at no other place; and

(f) Schedule "A" hereto also lists: (i) each Debtor's jurisdiction and type of organization, legal name and location of chief executive office or sole place of business for the five years preceding the date hereof, if different from those referred to in clause (d) above; and (ii) the locations of Debtor's Inventory and the Equipment (other than mobile goods and goods in transit) for the four months preceding the date hereof, if different from those referred to in clause (e) above.

8. **Covenants of Debtor.** Each Debtor covenants and agrees in favour of the Lender as follows:

(a) to pay or satisfy the Obligations when due;

(b) to keep the Collateral free and clear of all taxes, assessments, liens, mortgages, charges, claims, encumbrances and security interests whatsoever, except for the Security Interest and Permitted Liens (as set out in Schedule "B");

(c) not to sell, exchange, transfer, assign, lease or otherwise dispose of or deal in any way with the Collateral or any interest therein, or enter into any agreement or undertaking to do so, except as may be permitted in this Agreement or the Credit Agreement;

(d) to keep the Collateral in good condition, ordinary wear and tear excepted, and to keep the Collateral located at the place(s) warranted herein or the place of business of any other Obligor (as defined in the Credit Agreement);

(e) to obtain from financially responsible insurance companies and maintain insurance in respect of such risks and in such amounts as the Lender may reasonably require from time to time, and such insurance shall include a standard mortgage clause approved by the Insurance Bureau of Canada, and each Debtor agrees to cause the interest of the Lender to be noted as its interest might appear on such policies of insurance (except public liability insurance), and to furnish the Lender with certificates of insurance and certified copies of such policies;

(f) to promptly notify the Lender of any loss or damage to the Collateral, and of any change in any information provided in this Agreement of a material nature;

(g) to promptly pay all taxes, assessments, rates, levies, payroll deductions, vacation pay, workers' compensation assessments, and any other charges which could result in the creation of a statutory lien or deemed trust in respect of the Collateral;

(h) to deliver to the Lender such information concerning the Collateral or each Debtor as the Lender may reasonably request from time to time;

(i) to allow the Lender to have reasonable access to all premises of each Debtor at which Collateral may be located and to inspect the Collateral and all records of each Debtor pertaining thereto from time to time;

(j) to do, make, execute and deliver such further and other assignments, transfers, deeds, agreements and other documents as may be required by the Lender to establish in favour of the Lender the Security Interest intended to be created hereby and to accomplish the intention of this Agreement;

(k) to pay all reasonable costs, charges and expenses (including solicitors' fees and charges incurred by the Lender on an "own client" basis) of and incidental to the taking, preparation, execution and registering notice (and any amendments and renewals of such notice) of this Agreement and in taking, recovering, keeping possession of or inspecting the Collateral and generally in any other proceedings taken in enforcing the remedies in this Agreement or otherwise in relation to this Agreement or by reason of non-payment or procuring payment of the monies hereby secured including costs of any monitor appointed with respect to each Debtor;

(l) if each Debtor shall default in any covenant to be performed by it hereunder and fails to perform such covenant within five (5) business days of receipt of notice of such default from the Lender, the Lender may perform any covenant of each Debtor capable of being performed by the Lender and if the Lender shall be put to any costs, charges, expenses or outlays to perform any such covenant, each Debtor shall indemnify the Lender for such costs, charges, expenses or outlays and such costs, charges, expenses or outlays (including solicitors' fees and charges incurred by the Lender on an "own client" basis) shall be payable forthwith by each Debtor to the Lender, shall bear interest at the highest rate borne by any of the other Obligations and shall, together with such interest, form part of the Obligations secured by this Agreement;

(m) in any judicial proceedings taken under this Agreement or to enforce this Agreement and the covenants of each Debtor hereunder the Lender shall be entitled to costs on a solicitor and "own client" basis. Any costs so recovered shall be credited against any solicitor's fees and charges paid or incurred by the Lender relating to the matters in respect of which the costs are awarded and which have been added to the monies secured hereunder pursuant to the foregoing clause;

(n) it will give written notice to the Lender of all material litigation before any court, administrative board or other tribunal affecting each Debtor or the Collateral or any part thereof and it will give written notice to Lender prior to changing its legal name or jurisdiction of organization;

(o) at all times to maintain its corporate existence; that it will carry on and conduct its business in a proper, efficient and businesslike manner and in accordance with good business practice and all applicable municipal, state and federal laws; and that it will keep or cause to be kept proper books of account in accordance with sound accounting practice;

(p) it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered, such further acts, deeds, mortgages, transfers and assurances as the Lender shall reasonably require for the better assuring, charging, assigning and conferring unto the Lender the Collateral and the security interests intended to be created hereunder, for the purpose of accomplishing and effecting the intention of this Agreement;

(q) if the Lender advances money to any Debtor for the purpose of enabling each Debtor to acquire any Collateral each Debtor shall use such money only for that purpose and will promptly provide the Lender with evidence that such money was so applied; and

(r) if the Collateral at any time includes a security, each Debtor shall if required by the Lender, excepting Securities held by a Debtor in another Debtor but only for so long as there has not occurred an Event of Default, transfer the security into the name of the Lender or the Lender's nominee and until an Event of Default the Lender will provide each Debtor with all notices and other communications received by it or its nominee as registered owner of such security and will appoint, or cause its nominee to appoint each Debtor as proxy to vote with respect to the security.

9. **Events of Default.** Each Debtor shall be in default under this Agreement upon the occurrence of any one or more of the following events (an "**Event of Default**"):

(a) any Debtor fails to pay or perform any of the Obligations when due, which failure is not cured within ten (10) days of receipt of notice from the Lender of such failure;

(b) an "Event of Default" under the Credit Agreement shall have occurred and be continuing;

(c) any representation or warranty made herein by a Debtor is or becomes incorrect or untrue in any material respect, or any Debtor breaches or fails to comply with any term of this Agreement or any other agreement or undertaking now or hereafter given by any Debtor to the Lender, which failure is not cured within thirty (30) days of receipt of notice from the Lender of such failure;

(d) any Debtor becomes insolvent or bankrupt, makes a proposal or commences any proceedings for the readjustment or arrangement of any of its debts under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), or the United States Bankruptcy Code, a petition in bankruptcy is filed against each Debtor; any Debtor makes an assignment for the benefit of creditors; a trustee or receiver or manager is appointed in respect of each Debtor or any of its assets; or steps are taken by or against a Debtor for any other formal or informal type of proceeding for the settlement of claims against a Debtor, or for the dissolution, liquidation, or winding-up of the affairs of a Debtor;

(e) any Debtor ceases or threatens to cease to carry on business, or makes or agrees to make a bulk sale of its assets;

(f) the entry of any judgment or order is issued or levied against any Debtor or its property involving liability in excess of fifty thousand (CAD$50,000) or the Equivalent (as defined in the Credit Agreement) in U.S. dollars unless each Debtor, without breaching any of the covenants contained herein, satisfies such judgment or order within ten (10) days of its issuance; or

(g) any encumbrance affecting the Collateral becomes enforceable and the same shall not have been remedied or cured within five (5) days thereof.

10. **Enforcement.** If an Event of Default occurs, the Lender, in its sole and absolute discretion, may declare all or any part of the Obligations (whether or not by its terms payable on demand) immediately due and payable, without any further demand or notice of any kind.

11. **Remedies.** If an Event of Default occurs, the Lender shall have the following remedies in addition to any other remedies available to a secured party at law or equity or contained in any

other agreement between each Debtor and the Lender, all of which remedies shall be independent and cumulative:

(a) entry of any premises where Collateral may be located;

(b) possession of Collateral by any method permitted by law;

(c) the sale or lease of Collateral;

(d) the collection of any rents, income and profits received in connection with the business of the Debtors or the Collateral;

(e) the collection, realization, sale or other dealing with any Accounts;

(f) the appointment by instrument in writing of a receiver or a receiver and manager (each of which is herein called a **"Receiver"**) of the Collateral;

(g) the exercise by the Lender of any of the powers set out in Section 12, without the appointment of a Receiver;

(h) proceedings in any court of competent jurisdiction for the appointment of a receiver or a receiver and manager or for the sale of the Collateral;

(i) the right, to the maximum extent permitted by law, to exercise all voting, consensual and other powers of ownership pertaining to any Investment Property as if Lender were the sole and absolute owner thereof; and

(j) the filing of proofs of claim and other documents in order to have the claims of the Lender lodged in any bankruptcy, winding-up or other judicial proceeding relating to the Debtors.

12. Powers of Receiver. Any Receiver appointed by the Lender may be any person or persons, and the Lender may remove any Receiver so appointed and appoint another or others instead. Any Receiver appointed shall act as agent for the Lender for the purposes of taking possession of the Collateral and (except as provided below) as agent for each Debtor for all other purposes, including without limitation the occupation of any premises of each Debtor and in carrying on each Debtor's business. For the purposes of realizing upon the Security Interest, the Receiver may sell, lease or otherwise dispose of Collateral as agent for each Debtor or as agent for the Lender as it may determine in its discretion. Each Debtor agrees to ratify and confirm all actions of the Receiver acting as agent for each Debtor, and to release and indemnify the Receiver in respect of all such actions. Any Receiver so appointed shall have the following powers:

(a) to enter upon, use and occupy all premises owned or occupied by each Debtor;

(b) to take possession of the Collateral;

(c) to carry on the business of each Debtor;

(d) to borrow money required for the maintenance, preservation or protection of the Collateral or for the carrying on of the business of each Debtor, and in the discretion of such Receiver, to charge and grant further security interests in the Collateral in priority to the Security Interest, as security for the money so borrowed;

(e) to sell, lease or otherwise dispose of the Collateral or any part thereof on such terms and conditions and in such manner as the Receiver shall determine in its discretion;

(f) to demand, commence, continue or defend any judicial or administrative proceedings for the purpose of protecting, seizing, collecting, realizing or obtaining possession or payment of the Collateral, and to give valid and effectual receipts and discharges therefor and to compromise or give time for the payment or performance of all or any part of the Accounts or any other obligation of any third party to each Debtor; and

(g) to exercise any rights or remedies which could have been exercised by the Lender against each Debtor or the Collateral.

13. **Disposition.** The Lender may, upon ten (10) day's prior written notice to the Debtors (which notice may be given to care of the Borrower on behalf of itself and the Guarantors) of the time and place, sell, lease or otherwise dispose of any Collateral as a whole or in separate parcels by public auction or private tender or by private contract and with or without advertising and without any other formality, all of which are hereby expressly waived by each Debtor and any such sale, lease or disposition shall be on such terms and conditions as to credit, as to upset or reserve bid or price and otherwise as the Lender may consider commercially reasonable. In the event that any disposition is made on credit or part cash and part credit, the Lender need only credit the actual cash received at the time of disposition against the Obligations and any payments made pursuant to any credit granted at the time of the disposition shall be credited against the Obligations as and when received. The Lender may rescind, terminate or vary any contract for the sale, lease or disposition of any Collateral and may resell, relet or otherwise redispose of the Collateral without being accountable or otherwise liable for any loss occasioned thereby. Any sale, lease or other disposition of any Collateral may be made by the Lender whether or not it has taken possession of the Collateral.

14. **Failure of the Lender to Exercise Remedies.** The Lender shall not be liable for any delay or failure to enforce any remedies available to it or any delay or failure to institute any proceedings for such purposes.

15. **Application of Payments.** All payments made in respect of the Obligations and all monies received by the Lender or any Receiver appointed by the Lender in respect of the enforcement of the Security Interest (including the receipt of any Money) may be held as security for the Obligations or applied in such manner as may be determined in the discretion of the Lender or the Receiver, as the case may be, and the Lender may at any time apply or change any

such appropriation of such payments or monies to such part or parts of the Obligations as the Lender may determine in its discretion. Each Debtor shall remain liable to the Lender for any deficiency and any surplus funds realized after the satisfaction of all Obligations shall be paid in accordance with applicable law.

16. **Dealings by the Lender.** The Lender may grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges, and otherwise deal with the Collateral, each Debtor, debtors of each Debtor, debtors and sureties of each Debtor, and others as the Lender may see fit, without prejudice to the Obligations and the rights of the Lender to hold and realize upon the Security Interest. The Lender has no obligation to keep Collateral identifiable, or to preserve rights against prior secured creditors in respect of any Collateral.

17. **Notice.** Any demand, notice, direction or other communication to be made or given hereunder (in each case, "**Communication**") shall be in writing and shall be made or given by personal delivery, by courier, by facsimile transmission, or sent by registered mail, charges prepaid, addressed to the respective parties as follows:

(i) if to the Borrower or any of the Guarantors

c/o Landdrill International Inc.
160 MacNaughton Ave.
Moncton, NB
E1H 3L9

Facsimile No: (506) 388-8990
Attention: Chief Financial Officer

with a copy to:

General Counsel

(ii) if to the Lender:

c/o Crown Capital Partners Inc.
175, 601-10 Avenue SW
Calgary, AB
T2R 0B2
Attention: Chief Executive Officer
Fax: (403) 508-6120

with a copy to:

MacPherson Leslie & Tyerman LLP
Suite 1500 – 1050 1874 Scarth Street
Regina, SK S4P 4E9

Facsimile No: (306) 352-5250
Attention: Aaron Runge

or to such other address or facsimile number as any party may from time to time designate in accordance with this Section. Any Communication made by personal delivery or by courier shall be conclusively deemed to have been given and received on the day of actual delivery thereof or if such day is not a Business Day, on the first Business Day thereafter. Any Communication made or given by facsimile on a Business Day before 4:00 p.m. (local time of the recipient) shall be conclusively deemed to have been given and received on such Business Day and otherwise shall be conclusively deemed to have been given and received on the first Business Day following the transmittal thereof. Any Communication that is mailed shall be conclusively deemed to have been given and received on the fifth Business Day following the date of mailing but if, at the time of mailing or within five Business Days thereafter, there is or occurs a labour dispute or other event that might reasonably be expected to disrupt delivery of documents by mail, any Communication shall be delivered or transmitted by any other means provided for in this Section. When used in this Agreement, **"Business Day"** shall mean a day other than a Saturday, Sunday or any statutory holiday in the Province of Ontario.

18. Power of Attorney. Each Debtor hereby constitutes and appoints the Lender or any officer thereof as its true and lawful attorney, effective upon the occurrence and during the continuance of an Event of Default, with full power of substitution, to execute all documents and take all actions as may be necessary or desirable to perform any obligations of each Debtor arising pursuant to this Agreement, and in executing such documents and taking such actions, to use the name of each Debtor whenever and wherever it may be considered necessary or expedient. These powers are coupled with an interest and are irrevocable until all of the Obligations have been repaid in full and this Agreement is terminated and the Security Interest created herein has been released.

19. Separate Security. This Agreement and the Security Interest are in addition to and not in substitution for any other security now or hereafter held by the Lender in respect of each Debtor, the Obligations or the Collateral and any other present and future rights or remedies which the Lender might have with respect thereto.

20. Lender Not Obliged to Advance. Nothing in this Agreement shall obligate the Lender to make any loan or accommodation to each Debtor or any other party in connection with this Agreement, or extend the time for payment or satisfaction of any Obligations.

21. Amalgamation of Debtor. Each Debtor acknowledges and agrees that in the event that it merges with any other persons (which it is prohibited from doing without the prior written consent of the Lender) then the Collateral and the Security Interest shall extend to and include all like property of the merged corporation and all references herein to Debtor shall extend to and include the merged corporation and all references herein to Obligations shall extend to and include all of the debts, liabilities and obligations of every type and kind of the merged corporation.

22. Amendments. This Agreement may not be amended or otherwise modified except by an instrument in writing executed by all the parties hereto.

23. Waivers. The Lender shall not, by any act, delay, omission or otherwise, be deemed to have expressly or impliedly waived any of its rights, powers and/or remedies unless such waiver shall be in writing and executed by an authorized officer of the Lender. Any such waiver shall be enforceable only to the extent specifically set forth therein. A waiver by the Lender of any right, power and/or remedy on any one occasion shall not be construed as a bar to or waiver of any such right, power and/or remedy which the Lender would otherwise have on any future occasion, whether similar in kind or otherwise.

24. Assignment. Each Debtor hereby consents to the sale, assignment, transfer or other disposition to a financial institution (the "**Assignee**") by the Lender, at any time and from time to time hereafter, of this Agreement and the Obligations, or of any portion thereof, or participation therein including, without limitation, the right, title, interest, remedies, powers and/or duties of the Lender thereunder. Each Debtor agrees that it shall execute and deliver such documents as the Lender may request in connection with any such sale, assignment, transfer or other disposition. The Assignee shall, to the extent of the interest so assigned or transferred, be entitled to the benefit of and the right to enforce this Agreement to the same extent as if the Assignee were the Lender. Each Debtor shall not be entitled to assign or transfer this Agreement or any of each Debtor's rights, duties or obligations hereunder without the prior written consent of the Lender.

25. Release and Reconveyance. Upon payment in full of the Obligations to the Lender, the Lender shall upon receipt of a written request from each Debtor release the Security Interest and reassign the Collateral to each Debtor without recourse and without representations or warranties, and the Lender shall at the request and expense of each Debtor execute and deliver all such discharges, releases, reassignments and further assurances as may be reasonably required in this regard.

26. Number, Gender and Persons. Unless the context otherwise requires, words importing the singular in number only shall include the plural and *vice versa*, words importing the use of gender shall include the masculine, feminine and neuter genders and words importing persons shall include individuals, corporations, partnerships, associations, trusts, unincorporated organizations, governmental bodies and other legal or business entities.

27. Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such determination shall not impair or affect the validity, legality or enforceability of the remaining provisions hereof, and each such provision shall be interpreted in such a manner as to render them valid, legal and enforceable to the greatest extent permitted by applicable law. Each provision of this Agreement is declared to be separate, severable and distinct.

28. **Successors and Assigns.** This Agreement shall enure to the benefit of the Lender and its successors and assigns, and shall be binding upon each Debtor and its successors and permitted assigns.

29. **Time.** Time shall be of the essence of this Agreement.

30. **Execution by Facsimile.** Delivery of an executed copy of a signature page to this Agreement by facsimile transmission shall be effective as delivery of a manually executed copy of this Agreement and each Debtor undertakes to provide the Lender with a copy of this Agreement bearing original signatures forthwith upon demand.

31. **Governing Law and Attornment.** This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Ontario. Without prejudice to the ability of the Lender to enforce this Agreement in any other proper jurisdiction, each Debtor irrevocably submits and attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario in connection with this Agreement.

32. **Entire Agreement.** This Agreement and the Credit Agreement, including any schedules attached hereto and thereto, constitute the entire agreement between each Debtor and the Lender relating to the subject-matter hereof and thereof and supersede all prior agreements, representations, warranties, conditions or collateral agreements, whether oral or written, express or implied, with respect to the subject matter hereof and thereof.

33. **Expenses.** Each Debtor agrees to pay forthwith upon demand to the Lender all expenses, including the reasonable fees, disbursements and other charges of its counsel (on a solicitor and his "own client" basis), experts or agents which the Lender may incur in connection with: (i) the negotiation and preparation of this Agreement; (ii) the administration of this Agreement; (iii) the custody or preservation of, or the sale of, collection from or other realization upon any of the Collateral; (iv) the exercise, enforcement or protection of any of the rights of the Lender hereunder; and (v) the failure of each Debtor to perform or observe any of the provisions hereof.

34. **Further Assurances.** Each Debtor agrees to forthwith, at its own expense and from time to time, do or file, or cause to be done or filed, all such things and shall execute and deliver all such documents, agreements, opinions, certificates and instruments reasonably requested by the Lender or its counsel as may be necessary or desirable to complete the transactions contemplated by this Agreement and carry out its provisions and intention.

35. **Copy of Agreement.** Each Debtor acknowledges receipt of an executed copy of this Agreement.

36. **Purchase Money Security Interests.** The security interests created hereby shall constitute purchase money security interests to the extent that any of the Obligations are moneys advanced by the Lender to each Debtor for the purpose of enabling each Debtor to purchase any of the Collateral and were so used by each Debtor and a certificate of an officer of the Lender as to the extent that the Obligations are monies so advanced and used shall be *prima facie* proof of the purchase money security interests constituted hereby.

37. Definitions. All terms used in this Agreement have the meanings therein set forth and other words and expressions which have been defined in the Credit Agreement shall be interpreted in accordance with their respective meanings given in the Credit Agreement (either in the singular or plural thereof), as the context requires unless otherwise defined herein or unless the context required otherwise.

[The remainder of this page is intentionally blank. Signature page to follow.]

Counterpart Signature Page to the General Security Agreement dated March 21, 2012

This Agreement has been executed by the Debtors on the date first stated above.

LANDDRILL INTERNATIONAL INC., a company incorporated under the laws of the Province of British Columbia

Per: ______________________________
Name:
Title:

LANDDRILL ATLANTIC LTD.

Per: ______________________________
Name:
Title:

LANDDRILL INTERNATIONAL LTD.

Per: ______________________________
Name:
Title:

LANDDRILL CONTRACT MINING LTD.

Per: ______________________________
Name:
Title:

LANDDRILL INTERNATIONAL COMPANY LIMITED

Per: ______________________________
Name:
Title:

LANDDRILL INTERNATIONAL LLC

Per: ______________________________
Name:

Title:

LANDDRILL INTERNATIONAL INC., a company incorporated under the laws of Barbados

Per: ______________________________
Name:
Title:

LANDDRILL INTERNATIONAL COOPERATIEF U.A.

Per: ______________________________
Name:
Title:

LANDDRILL INTERNATIONAL NICARAGUA, S.A.

Per: ______________________________
Name:
Title:

LANDDRILL INTERNATIONAL SARL

Per: ______________________________
Name:
Title:

LLC LANDDRILL INTERNATIONAL

Per: ______________________________
Name:
Title:

Schedule "A"

Debtors and Locations

Part A – Borrower

Borrower	Type of Organization	Jurisdiction of Organization	Chief Executive Office Address	Locations of Inventory and Equipment
Landdrill International Inc.	a corporation	British Columbia	160 MacNaughton Avenue Moncton, NB E1H 3L9	New Brunswick

Part B – Guarantors

Guarantor	Type of Organization	Jurisdiction of Organization	Chief Executive Office Address	Locations of Inventory and Equipment
Landdrill Atlantic Ltd.	a corporation	New Brunswick	160 MacNaughton Avenue Moncton, NB E1H 3L9	New Brunswick/ Nova Scotia
Landdrill International Ltd.	a corporation	New Brunswick	160 MacNaughton Avenue Moncton, NB E1H 3L9	New Brunswick/ Quebec/Ontario/ Newfoundland & Labrador/Nova Scotia
Landdrill Contract Mining Ltd.	a corporation	New Brunswick	160 MacNaughton Avenue Moncton, NB E1H 3L9	New Brunswick
Landdrill International Company Limited	a corporation	Hong Kong	160 MacNaughton Avenue Moncton, NB E1H 3L9	Hong Kong
Landdrill	a corporation	Mongolia	P.O. Box	Mongolia

International LLC			716-210644 Khan-uul District 3rd Khoroo, Ajilchin Street Ulaanbaatar, Mongolia	
Landdrill International Inc.	a corporation	Barbados	160 MacNaughton Avenue Moncton, NB E1H 3L9	Barbados
Landdrill International Cooperatief U.A.	a corporation	Netherlands	160 MacNaughton Avenue Moncton, NB E1H 3L9	Netherlands
Landdrill International Nicaragua, S.A.	a corporation	Nicaragua	Carretera Internacional a Nogales No. 518, Esquina con Calle Parral Colonia San Luis Hermosillo Sonora, C.P. 83160	Nicaragua
Landdrill International SARL	a corporation	Mali	160 MacNaughton Avenue Moncton, NB E1H 3L9	Mali
LLC Landdrill International	a corporation	Russia	Russian Federation, 6800000, City of Khabarovsk, Turgeneva Street, Building 46, Office 504/505	Russia

Schedule "B"

Permitted Liens

"Permitted Liens" are set out in Section 1.1(rr) of the Credit Agreement.

GUARANTEE AND INDEMNITY AGREEMENT

This Agreement is made as of the 21 day of March, 2012,

Between:

LANDDRILL ATLANTIC LTD., a New Brunswick corporation, **LANDDRILL INTERNATIONAL LTD.**, a New Brunswick corporation, **LANDDRILL CONTRACT MINING LTD.**, a New Brunswick corporation, **LANDDRILL INTERNATIONAL COMPANY LIMITED**, a Hong Kong corporation, **LANDDRILL INTERNATIONAL LLC**, a Mongolia corporation, **LANDDRILL INTERNATIONAL INC.**, a Barbados corporation, **LANDDRILL INTERNATIONAL COOPERATIEF U.A.**, a Netherlands corporation, **LANDDRILL INTERNATIONAL NICARAGUA, S.A.**, a Nicaragua corporation, **LANDDRILL INTERNATIONAL MEXICO S.A. DE C.V.**, a Mexico corporation, **LANDDRILL INTERNATIONAL SARL**, a Mali corporation and **LLC LANDDRILL INTERNATIONAL**, a Russia corporation (collectively, the "**Guarantors**" and each a "**Guarantor**")

\- and -

NORREP CREDIT OPPORTUNITIES FUND, LP
a limited partnership existing under the laws of Alberta
(the "**Lender**")

Whereas:

(a) pursuant to a credit agreement dated as of the 21 day of March, 2012 (together with all amendments, modifications, supplements, restatements or replacements, if any, from time to time thereafter made thereto) (the "**Credit Agreement**") between the Lender and **LANDDRILL INTERNATIONAL INC.**, a British Columbia corporation (the "**Borrower**") as borrower and the Guarantors as guarantors and co-obligors, the Lender has agreed to make available to the Borrower the credit, as more particularly set out in the Credit Agreement;

(b) each Guarantor will receive direct and indirect benefits from the extension of credit to the Borrower under the Credit Agreement; and

(c) as a condition to making available the credit under the Credit Agreement, each of the Guarantors are required to execute and deliver this Agreement to the Lender.

Now therefore for good and valuable consideration, the receipt and sufficiency of which are acknowledged, each of the Guarantors jointly and severally agree with the Lender as follows:

1. **Guarantee.** Each of the Guarantors hereby unconditionally and jointly and severally guarantee to the Lender and its successors and assigns, forthwith upon demand, prompt and complete payment and performance of all indebtedness, liabilities and obligations of the Borrower to the Lender arising in connection with or pursuant to the Credit Agreement, present or future, direct or indirect, absolute or contingent, joint, several or joint and several, at any time owing or remaining unpaid by the Borrower to the Lender in any currency, including all principal, interest, commissions, fees (including receiver's fees and expenses), reasonable legal costs (on a solicitor and its own client basis) and other costs, charges and expenses, and the payment of all costs and expenses incurred by the Lender in enforcing any rights under this Agreement (collectively, the "**Obligations**"). For greater certainty and without limiting the generality of the foregoing, the Obligations shall include all principal, interest and fees due by the Borrower to the Lender, all obligations of the Borrower under any agreement made between the Borrower and the Lender, and any liability of the Borrower arising under guarantees provided by the Borrower to the Lender in connection with the obligations of other parties.

2. **Indemnity.** In addition to the guarantee provided in Section 1, and as a separate and distinct obligation, each of the Guarantors jointly and severally agree to indemnify and save harmless the Lender from and against all direct and indirect claims, demands, losses, damages, liabilities, charges, obligations, payments and expenses of any nature or kind, howsoever or whenever arising, which the Lender may suffer or incur in any way relating to or arising from the failure of the Borrower to pay and satisfy the Obligations. Notwithstanding the foregoing, under no circumstances shall any Guarantor be liable for any special damages or consequential damages.

3. **Continuing Guarantee.** The guarantee contained herein shall be a continuing guarantee and shall secure the Obligations and any ultimate balance thereof, notwithstanding that the Borrower may from time to time satisfy the Obligations in whole or in part and thereafter incur further Obligations. This Agreement shall continue in full force and effect regardless of whether any guarantor (if more than one) or any other party responsible for the payment of the Obligations or any portion thereof shall cease to be so liable for any reason whatsoever, including without limitation by reason of prescription, operation of law or release by the Lender.

4. **Borrower's Status and Authority.** All monies, advances, renewals or credits in fact borrowed or obtained from the Lender by the Borrower shall be deemed to form part of the Obligations, notwithstanding any lack or limitation of status or power, incapacity or disability of the Borrower or its directors, officers, employees or agents, or that the Borrower may not be a legal entity or that such borrowing or obtaining of monies, advances, renewals or credits or the execution and delivery of any agreement or document by or on behalf of the Borrower is in excess of the powers of the Borrower or any of its directors, officers, employees or agents or is in any way irregular, defective, fraudulent or informal. The Lender has no obligation to enquire into the powers of the Borrower or any of its directors, officers, employees or agents acting or purporting to act on its behalf, and shall be entitled to rely on this provision notwithstanding any actual or imputed knowledge regarding any of the foregoing matters.

5. **Guarantee Absolute.** The liability of each of the Guarantors hereunder shall be absolute and unconditional irrespective of, and shall not be released, discharged, limited or

otherwise affected by anything done, suffered or permitted by the Lender in connection with the Borrower, the Obligations or any security held by or granted to the Lender to secure payment or performance of the Obligations. Without limiting the generality of the foregoing, the obligations and liabilities of each of the Guarantors hereunder shall be absolute and unconditional and shall not be released, discharged, limited or otherwise affected by:

(a) any lack of validity or enforceability of any agreement between the Lender and the Borrower relating to the advance of monies or granting of credit to the Borrower or any other agreement or instrument relating thereto;

(b) any change in the name, objects, capital stock, constating documents or by-laws, ownership or control of the Borrower;

(c) any amalgamation, merger, consolidation or other reorganization of the Borrower or of its business or affairs;

(d) the dissolution, winding-up, liquidation or other distribution of the assets of the Borrower, whether voluntary or otherwise;

(e) the Borrower becoming insolvent or bankrupt or subject to the provisions of the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the arrangement provisions of applicable corporate legislation, or any similar or successor legislation, or the Lender voting in favour of any proposal, arrangement or compromise in connection with any of the foregoing;

(f) the loss of or failure to obtain, register, perfect or maintain any security held by the Lender, whether occasioned through the Lender's failure or neglect or otherwise;

(g) the valuation by the Lender of any of its security, which shall not be considered as a purchase of such security, or as payment on account of the Obligations;

(h) the failure or neglect of the Lender to demand payment of the Obligations from the Borrower, any guarantor of the Borrower or any other party, or the failure or neglect of the Lender to enforce all or any of the Lender's security;

(i) any right or alleged right of set-off, counterclaim, appropriation or application or any claim or demand that the Borrower or any Guarantor may have or may allege to have against the Lender or any other person, which rights are hereby waived by any Guarantor;

(j) any dealings described in Section 6 hereof; or

(k) any other circumstances which might otherwise constitute a legal or equitable defence available to, or complete or partial discharge of, the Borrower in respect of the Obligations or of the Guarantors in respect of this Agreement.

6. **Dealings with the Borrower and Others.** Without releasing, discharging, limiting or otherwise affecting in whole or in part the obligations of each Guarantor under this Agreement, and without notice to or the consent of each Guarantor, the Lender may from time to time:

(a) amend the terms and conditions applicable to the Obligations with the consent of the Borrower acting reasonably, waive compliance with any such terms or conditions in whole or in part, or amend or terminate any agreement applicable to the Obligations with the consent of the Borrower acting reasonably;

(b) make advances to the Borrower and receive repayments in respect of the Obligations, and increase or decrease the amount of credit available to the Borrower;

(c) grant time, renewals, extensions, indulgences, releases and discharges to the Borrower;

(d) in a manner consistent with the Credit Agreement, take or refrain from taking guarantees from other parties or security from the Borrower, any guarantor of the Borrower or any other party, or from registering or perfecting any security;

(e) in a manner consistent with the Credit Agreement, release, discharge, compromise, realize, enforce or otherwise deal with or do any act or thing in respect of any and all security given by the Borrower, any guarantor of the Borrower or any other party, with or without consideration;

(f) accept compromises or arrangements from the Borrower, any guarantor of the Borrower or any other party;

(g) exercise any right or remedy which it may have against the Borrower, any guarantor of the Borrower or any other party or with respect to any security;

(h) apply all monies at any time received from the Borrower, any guarantor of the Borrower or other party or from the proceeds of any security upon such part of the Obligations as the Lender may see fit, or change any such application in whole or in part from time to time as the Lender may see fit, notwithstanding any direction which may be given to the Lender regarding application of such monies by the Borrower, any guarantor of the Borrower or any other party; and

(i) otherwise deal with, or waive or modify its right to deal with, the Borrower, any guarantor of the Borrower or any other party and all security held by the Lender, with the consent of the Borrower acting reasonably.

Any amount which is not recoverable hereunder from a Guarantor as guarantor shall be recoverable from such Guarantor as principal debtor. Accordingly, each Guarantor shall not be discharged nor shall the liability of each Guarantor be affected by any act, thing, omission or means whatsoever unless such act, thing, omission or means is sufficient to discharge each Guarantor as guarantor and as principal debtor.

7. **No Obligation to Exercise Other Remedies.** The Lender shall not be obliged to demand payment from or exhaust its recourse against the Borrower, guarantors of the Borrower or other parties or enforce any security held in respect of the Obligations or take any other action or legal proceeding before being entitled to payment from each Guarantor under this Agreement. Each Guarantor hereby waives all benefits of discussion and division.

8. **Enforcement.** The Lender shall be entitled to make demand on each Guarantor upon the occurrence and during the continuance of a default hereunder or an Event of Default (as defined in the Credit Agreement).

9. **Accounts Settled.** Any account stated by the Lender to be due to it from the Borrower shall be accepted by each Guarantor as conclusive evidence that the said amount is so due, in the absence of manifest error or evidence to the contrary.

10. **Waiver.** The Lender shall not, by any act, delay, omission or otherwise, be deemed to have expressly or impliedly waived any of its rights, powers and/or remedies unless such waiver shall be in writing and executed by an authorized officer of the Lender. Any such waiver shall be enforceable only to the extent specifically set forth therein. A waiver by the Lender of any right, power and/or remedy on any one occasion shall not be construed as a bar to or waiver of any such right, power and/or remedy which the Lender would otherwise have on any future occasion, whether similar in kind or otherwise.

11. **Foreign Currency Obligations.** To the extent permitted by applicable law, the Obligations of the Guarantors shall, notwithstanding any payment in any other currency (the "**Other Currency**") (whether pursuant to a judgment or otherwise), be discharged only by payment in the currency in which it is due (the "**Agreed Currency**") and the Lender may, in accordance with normal banking procedures, purchase the sum paid in the Other Currency (after any premium and costs of exchange) on the Business Day immediately after the day on which the Lender receives the payment. If the amount in the Agreed Currency that may be so purchased for any reason falls short of the amount originally due, the Guarantors shall pay all additional amounts, in the Agreed Currency, as may be necessary to compensate for the shortfall. Any obligation of the Guarantors not discharged by that payment shall, to the extent permitted by applicable law, be due as a separate and independent obligation and, until discharged as provided in this Section, continue in full force and effect. When used in this Agreement, "**Business Day**" shall mean a day other than a Saturday, Sunday or any statutory holiday in the Province of Ontario.

12. **Representations and Warranties.** Each Guarantor represents and warrants to the Lender as follows, and acknowledges that the Lender is relying upon the said representations and warranties as a basis for extending credit to the Borrower:

(a) each Guarantor is duly incorporated, existing and in good standing under the laws of its jurisdiction of incorporation; it has full corporate power, authority and capacity to enter into and perform its obligations hereunder; all necessary action has been taken to authorize the execution and delivery of this Agreement and the performance of its obligations hereunder; there are no provisions in any unanimous shareholder agreement which restrict or limit its powers to enter into and perform its obligations under this Agreement; and neither the execution and delivery of this Agreement, nor compliance with the terms, provisions and conditions hereof will conflict with, result in a breach of, or constitute a default under its charter documents or by-laws; and

(b) neither the execution and delivery to the Lender of this Agreement, nor compliance with the terms, provisions and conditions of this Agreement will conflict with, result in a breach of, or constitute a default under any agreement or instrument to which each Guarantor is a party or by which the property and assets or each Guarantor may be bound or affected, and does not require the consent or approval of any other party.

13. Disclosure. Each Guarantor waives any duty on the part of the Lender to disclose to each Guarantor any facts relating to the Borrower or other guarantors of the Obligations which the Lender may now or hereafter know, regardless of whether the Lender has reason to believe any such facts materially increase the risk beyond that which each Guarantor intends to assume, it being understood and agreed that each Guarantor is fully responsible for being and keeping fully informed.

14. Taxes, etc. All payments made by any Guarantor under this Agreement to the Lender shall be made free and clear of, and without deduction for or on account of, any present or future taxes, levies, assessments, deductions, withholdings or other governmental charges of any nature whatsoever now or hereafter imposed by any official body in any jurisdiction (**"Taxes"**). If any Taxes are required to be withheld or deducted from any amounts payable by any Guarantor to the Lender hereunder, each such Guarantor shall:

(a) within the time period for payment permitted by applicable law pay to the appropriate governmental body the full amount of such Taxes and any additional taxes, levies, assessments, deductions, withholdings or other governmental charges in respect of the payment required under Section 14(b) hereof and make such reports and filings in connection therewith in the manner required by applicable law; and

(b) pay to the Lender an additional amount which (after deduction of all Taxes incurred by reason of the payment or receipt of such additional amount) will be sufficient to yield to the Lender the full amount which would have been received by it had no deduction or withholding been made.

Upon the request of the Lender, each Guarantor shall furnish to the Lender the original or a certified copy of a receipt for (or other satisfactory evidence as to) the payment of each of the Taxes (if any) payable in respect of such payment.

15. Assignment. Each Guarantor hereby consents to the sale, assignment, transfer or other disposition to a financial institution (the "**Assignee**") by the Lender, at any time and from time to time hereafter, of this Agreement and the Obligations, or of any portion thereof, or participation therein including, without limitation, the right, title, interest, remedies, powers and/or duties of the Lender thereunder. Each Guarantor agrees that it shall execute and deliver such documents as the Lender may request in connection with any such sale, assignment, transfer or other disposition. The Assignee shall, to the extent of the interest so assigned or transferred, be entitled to the benefit of and the right to enforce this Agreement to the same extent as if the Assignee were the Lender. No Guarantor shall be entitled to assign or transfer this Agreement or any of the Guarantors' rights, duties or obligations hereunder without the prior written consent of the Lender.

16. Revival of Indebtedness and Liability. If at any time all or any part of any payment previously applied by the Lender to any portion of the Obligations is rescinded or returned by the Lender for any reason whatsoever, whether voluntarily or involuntarily (including, without limitation, arising from or in connection with the insolvency, bankruptcy or reorganization of the Borrower or any of the Guarantors, or any allegation that the Lender received a payment in the nature of a preference), then to the extent that such payment is rescinded or returned such portion of the Obligations shall be deemed to have continued in existence notwithstanding such application by the Lender, and this Agreement shall continue to be effective or be reinstated, as the case may be, as to such portion of the Obligations as though such payment to the Lender had not been made.

17. Assignment and Postponement of Amounts Due to the Guarantors. Payment of all present and future debts and liabilities of the Borrower to any of the Guarantors (the "**Postponed Indebtedness**") is hereby postponed to payment of the Obligations. For greater certainty, no Guarantor shall receive any payments of principal, interest or any other amounts in respect of the Postponed Indebtedness until the Obligations have been paid and satisfied in full. If any portion of the Postponed Indebtedness is paid in contravention of this Agreement, it shall be held by such Guarantor in trust for the Lender and shall be immediately paid to the Lender. If any Guarantor now or in the future holds any security for the Postponed Indebtedness (the "**Postponed Security**"), the security interests, charges and encumbrances constituted thereby shall be postponed to all present and future security held by the Lender in respect of the Obligations, notwithstanding the order of execution, delivery, registration or perfection of the security interests held by the Lender and the Guarantors, respectively, the order of advancement of funds, the order of crystallization of security, or any other matter which may affect the relative priorities of such security interests. No Guarantor may initiate or take any action to enforce the Postponed Security without the prior written consent of the Lender. As security for the obligations of the Guarantors to the Lender under this Agreement, each Guarantor assigns to the Lender the Postponed Indebtedness and the Postponed Security.

18. Subrogation. The Guarantors shall have no right to be subrogated to the Lender unless: (i) the Guarantors shall have paid to the Lender an amount equal to the Obligations together with all interest, expenses and other amounts due hereunder; (ii) any other party regarded by the Lender as having a potential right of subrogation shall have waived such right and consented to the assignment of the Obligations and any security held by the Lender to the Guarantors; (iii) the

Lender shall have received from the Borrower a release of all claims and demands which the Borrower may have against the Lender, including any obligation of the Lender to grant additional credit to the Borrower; and (iv) the Guarantors shall have executed and delivered to the Lender a release of any claims which any Guarantor may have against the Lender in respect of the Obligations or this Agreement, together with an acknowledgment that the Obligations and any security assigned by the Lender to any Guarantor shall be assigned on an "as is, where is" basis and without recourse to the Lender. All documents listed above shall be in form and substance satisfactory to the Lender.

19. Expenses. Each Guarantor shall pay forthwith upon demand to the Lender all reasonable expenses, including the reasonable fees, disbursements and other charges of its counsel (on a solicitor and his own client basis), experts or agents which the Lender may incur in connection with: (i) the negotiation and preparation of this Agreement; (ii) the administration of this Agreement; (iii) the custody or preservation of, or the sale of, collection from or other realization upon any of the collateral securing the Obligations; (iv) the exercise, enforcement or protection of any of the rights of the Lender hereunder; or (v) the failure of such Guarantor to perform or observe any of the provisions hereof.

20. Additional and Separate Security. This Agreement and the Security Interest are in addition to and not in substitution for any other security now or hereafter held by the Lender in respect of the Borrower, the Obligations or the collateral securing the Obligations and any other present and future rights or remedies which the Lender might have in respect thereof, including guarantees provided by other parties.

21. Set-Off. Upon this Agreement becoming enforceable, the Lender may from time to time set off the obligations of each Guarantor to the Lender under this Agreement against any and all deposits at any time held by the Lender for the account of each Guarantor and any other indebtedness at any time owing by the Lender to each Guarantor, whether or not the Lender shall have made any demand hereunder and whether or not any of such obligations may be unliquidated, contingent or unmatured.

22. Entire Agreement. This Agreement constitutes the entire agreement between each Guarantor and the Lender relating to the subject matter hereof, and supersedes all prior agreements, representations, warranties, understandings, conditions or collateral agreements, whether oral or written, express or implied, with respect to the subject matter hereof.

23. Governing Law and Attornment. This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. Without prejudice to the ability of the Lender to enforce this Agreement in any other proper jurisdiction, each Guarantor irrevocably submits and attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario in connection with this Agreement.

24. Notice. Any demand, notice, direction or other communication to be made or given hereunder (in each case, "**Communication**") shall be in writing and shall be made or given by personal delivery, by courier, by facsimile transmission, or sent by registered mail, charges prepaid, addressed to the respective parties as follows:

(i) if to a Guarantor:

c/o Landdrill International Inc.
160 MacNaughton Ave.
Moncton, NB
E1H 3L9

Facsimile No: (506) 388-8990
Attention: Chief Financial Officer

with a copy to:

General Counsel

(ii) if to the Lender:

c/o Crown Capital Partners Inc.
175, 601-10 Avenue SW
Calgary, AB
T2R 0B2
Attention: Chief Executive Officer
Fax: (403) 508-6120

with a copy to:

MacPherson Leslie & Tyerman LLP
Suite 1500 – 1050 1874 Scarth Street
Regina, SK S4P 4E9

Facsimile No: (306) 352-5250
Attention: Aaron Runge

or to such other address or facsimile number as any party may from time to time designate in accordance with this Section. Any Communication made by personal delivery or by courier shall be conclusively deemed to have been given and received on the day of actual delivery thereof or if such day is not a Business Day, on the first Business Day thereafter. Any Communication made or given by facsimile on a Business Day before 4:00 p.m. (local time of the recipient) shall be conclusively deemed to have been given and received on such Business Day and otherwise shall be conclusively deemed to have been given and received on the first Business Day following the transmittal thereof. Any Communication that is mailed shall be conclusively deemed to have been given and received on the fifth Business Day following the date of mailing but if, at the time of mailing or within five Business Days thereafter, there is or occurs a labour dispute or other event that might reasonably be expected to disrupt delivery of documents by mail, any Communication shall be delivered or transmitted by any other means provided for in this Section.

25. **Severability.** If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such determination shall not impair or affect the validity, legality or enforceability of the remaining provisions hereof, and each such provision shall be interpreted in such a manner as to render them valid, legal and enforceable to the greatest extent permitted by applicable law. Each provision of this Agreement is declared to be separate, severable and distinct.

26. **Joint and Several.** The obligations of the Guarantors hereunder shall be joint and several, and all references to the "Guarantor" herein shall refer to all such guarantors, as the context requires.

27. **Number, Gender and Persons.** Unless the context otherwise requires, words importing the singular in number only shall include the plural and *vice versa*, words importing the use of gender shall include the masculine, feminine and neuter genders and words importing persons shall include individuals, corporations, partnerships, associations, trusts, unincorporated organizations, governmental bodies and other legal or business entities.

28. **Amalgamation of Guarantors.** Each Guarantor acknowledges and agrees that in the event that it amalgamates with any other persons (which it is prohibited from doing without the prior written consent of the Lender) then all references herein to that Guarantor shall extend to, include and bind the amalgamated corporation.

29. **Execution by Facsimile.** Delivery of an executed copy of a signature page to this Agreement by facsimile transmission shall be effective as delivery of a manually executed copy of this Agreement and each Guarantor undertakes to provide the Lender with a copy of the Agreement bearing original signatures forthwith upon demand.

30. **Time.** Time shall be of the essence of this Agreement.

31. **Further Assurances.** Each Guarantor shall forthwith, at its own expense and from time to time, do or file, or cause to be done or filed, all such things and shall execute and deliver all such documents, agreements, opinions, certificates and instruments reasonably requested by the Lender or its counsel as may be necessary or desirable to complete the transactions contemplated by this Agreement and carry out its provisions and intention.

32. **Successors and Assigns.** This Agreement shall enure to the benefit of the Lender and its successors and assigns, and shall be binding upon each Guarantor and its successors and permitted assigns.

33. **Copy of Agreement.** Each Guarantor acknowledges receipt of an executed copy of this Agreement.

Counterpart Signature Page to the Guarantee dated March 21, 2012

This Agreement has been executed by the Guarantors on the date first stated above.

LANDDRILL ATLANTIC LTD.

Per: ______________________
Name:
Title:

LANDDRILL INTERNATIONAL LTD.

Per: ______________________
Name:
Title:

LANDDRILL CONTRACT MINING LTD.

Per: ______________________
Name:
Title:

LANDDRILL INTERNATIONAL COMPANY LIMITED

Per: ______________________
Name:
Title:

LANDDRILL INTERNATIONAL LLC

Per: ______________________
Name:
Title:

LANDDRILL INTERNATIONAL INC.,
a company incorporated under the laws of Barbados

Per: ______________________
Name:
Title:

LANDDRILL INTERNATIONAL COOPERATIEF U.A.

Per: ______________________
Name:
Title:

LANDDRILL INTERNATIONAL NICARAGUA, S.A.

Per: ______________________
Name:
Title:

LANDDRILL INTERNATIONAL MEXICO S.A. DE C.V.

Per: ______________________
Name:
Title:

LANDDRILL INTERNATIONAL SARL

Per: ______________________
Name:
Title:

LLC LANDDRILL INTERNATIONAL

Per: ______________________
Name:
Title:

Execution Copy

CREDIT AGREEMENT

Dated as of March 21, 2012

between

LANDDRILL INTERNATIONAL INC.

As Borrower

- and -

LANDDRILL ATLANTIC LTD.,
LANDDRILL INTERNATIONAL LTD.,
LANDDRILL CONTRACT MINING LTD.,
LANDDRILL INTERNATIONAL COMPANY LIMITED,
LANDDRILL INTERNATIONAL LLC,
LANDDRILL INTERNATIONAL INC.,
LANDDRILL INTERNATIONAL COOPERATIEF U.A.,
LANDDRILL INTERNATIONAL NICARAGUA, S.A.,
LANDDRILL INTERNATIONAL MEXICO S.A. DE C.V.,
LANDDRILL INTERNATIONAL SARL,
LLC LANDDRILL INTERNATIONAL

As Guarantors

- and -

NORREP CREDIT OPPORTUNITIES FUND, LP

As Lender

Execution Copy

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Execution Copy

CREDIT AGREEMENT

THIS CREDIT AGREEMENT is made with effect as of the 21st day of March, 2012, by and between **LANDDRILL INTERNATIONAL INC.**, a corporation incorporated pursuant to the laws of the Province of British Columbia (the "**Borrower**"), **LANDDRILL ATLANTIC LTD.**, a New Brunswick corporation, **LANDDRILL INTERNATIONAL LTD.**, a New Brunswick corporation, **LANDDRILL CONTRACT MINING LTD.**, a New Brunswick corporation, **LANDDRILL INTERNATIONAL COMPANY LIMITED**, a Hong Kong corporation, **LANDDRILL INTERNATIONAL LLC**, a Mongolia corporation, **LANDDRILL INTERNATIONAL INC.**, a Barbados corporation, **LANDDRILL INTERNATIONAL COOPERATIEF U.A.**, a Netherlands corporation, **LANDDRILL INTERNATIONAL NICARAGUA, S.A.**, a Nicaragua corporation, **LANDDRILL INTERNATIONAL MEXICO S.A. DE C.V.**, a Mexico corporation, **LANDDRILL INTERNATIONAL SARL**, a Mali corporation and **LLC LANDDRILL INTERNATIONAL**, a Russia corporation (collectively, the "**Guarantors**") and **NORREP CREDIT OPPORTUNITIES FUND, LP** (the "**Lender**");

RECITALS:

WHEREAS the Borrower desires that the Lender extends the Loan (as herein defined) to the Borrower, and the Lender has indicated its willingness to lend on the terms and conditions set forth herein, in order to assist the Borrower in paying out an existing operating line of credit and a working capital loan;

AND WHEREAS, the parties wish to provide for the terms and conditions upon which the Loan shall be made;

NOW THEREFORE, in consideration of the premises and the mutual covenants hereinafter contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Borrower, the parties hereto agree as follows:

AGREEMENT

ARTICLE 1- DEFINITIONS

1.1 General Definitions.

In this Agreement the following terms shall have the following meanings:

(a) "Accounts" shall mean all claims, accounts, contract rights, or other rights to payment for goods sold or services rendered, chattel paper, instruments and documents, whether now owned or hereafter created or acquired by a Person or in which a Person now has or hereafter acquires any interest.

(b) "Account Debtor" shall mean, in respect of any Account, the debtor obligated to make payment thereof.

(c) "Action Request" shall mean any request from any governmental or regulatory body or agency under any Environmental Law whereby such body or agency requests that the Person requested takes action or steps or does acts or things in respect of any Property in its charge, management or control to remediate a matter which is not or is alleged not to be in material compliance with all Environmental Laws.

(d) "Affiliate" means: (a) any Person which, directly or indirectly, controls, is controlled by or is under common control with any other Person; (b) any Person which beneficially owns or holds, directly or indirectly, ten percent (10%) or more of any class of voting stock or equity interest (including partnership interests) of any other Person; (c) any Person, ten percent (10%) or more of any class of the voting stock (or if such Person is not a corporation, ten percent (10%) or more of the equity interest, including partnership interests) of which is beneficially owned or held, directly or indirectly, by any other Person or (d) any Person related within the meaning of the *Income Tax Act* (Canada) to any such Person and includes any "Affiliate" within the meaning specified in the *Business Corporations Act* (Ontario) on the date hereof. The term control (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of the Person in question.

(e) "Agreement" means this credit agreement, including all exhibits and schedules hereto, as amended, restated or otherwise modified from time to time.

(f) "Audited Financial Statements" means the Consolidated balance sheet of the Borrower for the Fiscal Year ended December 31, and the related consolidated statements of income or operations, Shareholder's Equity and cash flows for such fiscal year of the Borrower, including the notes thereto.

(g) "Borrower" shall mean Landdrill International Inc., a British Columbia corporation with its head office in Moncton, New Brunswick.

(h) "Business Day" shall mean any day other than a Saturday, Sunday, or such other day as banks in Toronto, Ontario are authorized or required to be closed for business.

(i) "Capital Expenditures" shall mean, with respect to any period, the aggregate of all expenditures (whether paid in cash or accrued as liabilities and including expenditures for capitalized lease obligations) by the Borrower during such period that are required by IFRS to be included in or reflected by the property, plant or equipment or similar fixed asset accounts (or in intangible asset accounts subject to amortization) in the balance sheet of the Borrower.

(j) "Capital Lease Obligations" means, with respect to any Person for any period, the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and account for as liabilities on a balance sheet of such Person under IFRS and the amount of which obligations shall be the capitalized amount thereof determined in accordance with IFRS, which for greater certainty shall include all finance leases under IFRS.

(k) "Change of Control" means, with respect to an Obligor, the acquisition by any Person or group of Persons (other than any other Obligor) who are associates (as such term is defined in the *Securities Act* (Ontario)), or who act together in concert for such purpose of (i) shares or other voting securities of such Obligor to which are attached more than 50% of the votes that may be cast to elect directors or other Persons charged with the direction of the management of such Obligor and which, if exercised, are sufficient to elect a majority of such directors or other management Persons, or (ii) any other right to appoint a majority of such directors or other management Persons or with respect to any Person who from time to time has previously met the foregoing test the further acquisition by such Person or group of Persons who are associates (as such term is defined in the *Securities Act* (Ontario)) or who act together in concert for such purpose of any further units or other voting securities of such Obligor.

(l) "Chattel Paper", "Document of Title", "Intangible", "Goods" and "Instrument" shall have the respective meanings assigned to such term as of the date of this Agreement in the *Personal Property Security Act* (Ontario).

(m) "Closing Date" shall mean March 21, 2012 or such other date on which the Lender agrees to advance the Loan.

(n) "Collateral" shall mean all of the undertaking and Property, present and future, real, immovable, personal and immovable, of the Obligors, including that specifically described in ARTICLE 7 hereof, now or hereafter pledged, hypothecated, granted or assigned to the Lender to secure, either directly or indirectly, repayment of any of the Liabilities.

(o) "Combined Financial Statements" means the statements of earnings and retained earnings, balance sheets and statements of cash flows of the Obligors all in accordance with IFRS and consistent with the approach used by the Borrower in its audit of the Audited Financial Statements.

(p) "Consolidated Net Income" means, for any period, the consolidated net income (loss) after tax of the Borrower for such period.

(q) "Consolidated" means, when used to modify a financial term, test, statement, or report of a Person, the application or preparation of such term, test, statement or report (as applicable) based upon the consolidation, in accordance with IFRS, of the financial condition or operating results of such Person.

(r) "Convertible Debentures" means the non-secured convertible debentures of the Borrower in the principal amount of $5,000,000, which closed in three (3) tranches between July 31, 2011 and August 12, 2011, maturing eighteen (18) months from their respective issue date.

(s) "Cumulative Consolidated EBITDA" means on any date with respect to any period, Consolidated Net Income for the Borrower earned during such period, plus:

(i) amounts deducted in calculating net income or net loss in respect of non-cash expenses, depreciation and amortization during such period; and

(ii) amounts deducted in calculating such net income or net loss in respect of Third Party Interest Expense, net of interest income added in calculating such net income or net loss during such period;

(iii) amounts deducted in calculating such net income or net loss in respect of income, capital or business taxes paid or payable, whether or not deferred, during such period;

and excluding for such period:

(iv) any gain or loss attributable to the sale, conversion or other sale, lease, disposition or other transfer of assets out of the ordinary course of business; and

(v) any gain resulting from the write-up of assets or any loss resulting from the write-down of assets; and

(vi) all non-cash gains, non-cash losses or other non-cash amounts that were included in such net income; and

(vii) any gain or loss on the repurchase or redemption of any securities (including in connection with the early retirement or defeasance of any Current Debt); and

(viii) any other extraordinary or non-recurring items.

(t) "Current Assets" means, with respect to any Person, all current assets of such Person as of any date of determination calculated in accordance with IFRS, but excluding cash, cash equivalents and debts due from Affiliates.

(u) "Current Debt" means, with respect to any Person: (i) all indebtedness of such Person for borrowed money which by its terms or by the terms of any instrument or agreement relating thereto matures on demand or within one year from the date of the creation thereof and is not directly or indirectly renewable or extendable at the option of the debtor to a date more than one year from the date of the creation thereof (but excluding the current portion of indebtedness under this Agreement); and (ii) any guarantee of an obligation described in the preceding clause (i).

(v) "Current Liabilities" means, with respect to any Person, all liabilities that should, in accordance with IFRS, be classified as current liabilities, and in any event shall include all indebtedness payable on demand or within one year from any date of determination without any option on the part of the obligor to extend or renew beyond such year, all accruals for federal or other taxes based on or measured by income and payable within such year, but excluding the current portion of long-term debt not required to be paid within one year and the aggregate outstanding principal balances of the Loan.

(w) "Deemed Interest Rate" shall mean the interest rate applicable to the Loan as set out in Section 4.1 or 4.3, as the case may be, from time to time.

(x) "Default" shall mean an Event of Default or any event, condition or default specified in Section 12.1 which, with the giving of notice, the lapse of time or both, would be an Event of Default.

(y) "Distribution" shall have the meaning ascribed to it in Section 10.1(o) hereof.

(z) "Equipment" shall mean all machinery, apparatus, equipment, fittings, furniture, fixtures, motor vehicles and other tangible personal or movable Property (other than Inventory) of every kind and description used in a Person's operations or owned by such Person or in which such Person has an interest, whether now owned or hereafter acquired by such Person and wherever located, and all parts, accessories and tools and all increases and accessories thereto and substitutions and replacements therefor.

(aa) "Equivalent" shall mean the amount in one currency which is equivalent to an amount in another currency when such latter amount is converted to such former currency in accordance with Section 1.4 hereof.

(bb) "Event of Default" shall have the meaning ascribed to it in ARTICLE 12 hereof.

(cc) "Environmental Laws" means all federal, provincial, state and local laws, rules, regulations, ordinances, programs, permits, guidelines, orders and consent decrees relating to Materials of Environmental Concern, pollution or protection of health, safety or the environment (including ambient air, surface water, ground water, land surface or subsurface strata), including without limitation, laws and regulations relating to emissions, discharges, releases or threatened releases of Materials of Environmental Concern, or otherwise relating to the manufacturing, processing, distribution, use, treatment, storage, disposal or transport of Materials of Environmental Concern.

(dd) "Fiscal Year" means any period of twelve consecutive months ending on December 31 of any calendar year.

(ee) "Guarantors" shall mean, collectively, Landdrill Atlantic Ltd., a New Brunswick corporation, Landdrill International Ltd., a New Brunswick corporation, Landdrill Contract Mining Ltd., a New Brunswick corporation, Landdrill International

Company Limited, a Hong Kong corporation, Landdrill International LLC, a Mongolia corporation, Landdrill International Inc., a Barbados corporation, Landdrill International Cooperatief U.A., a Netherlands corporation, Landdrill International Nicaragua, S.A., a Nicaragua corporation, Landdrill Mexico, Landdrill International SARL, a Mali corporation and LLC Landdrill International, a Russia corporation, and each a "Guarantor".

(ff) "IFRS" shall mean at any time the International Financial Reporting Standards, promulgated by the International Accounting Standards Board, as amended, supplemented or replaced from time to time.

(gg) "Interest Payment Date" shall mean the first day of each month or if that is not a Business Day, the next Business Day following.

(hh) "Inventory" shall mean, with respect to any Person, all inventory of such Person, whether now owned or hereafter acquired including, but not limited to, all goods intended for sale or lease by such Person, or for display or demonstration; all work in process; all raw materials and other materials and supplies of every nature and description used or which might be used in connection with the manufacture, printing, packing, shipping, advertising, selling, leasing or furnishing of such goods or otherwise used or consumed in such Person's business.

(ii) "Landdrill Mexico" shall mean Landdrill International Mexico S.A. de C.V., a corporation incorporated under the laws of Mexico.

(jj) "Liabilities" shall mean all present and future obligations, liabilities and indebtedness of the Borrower to the Lender or to any Affiliate of Lender of any and every kind and nature, howsoever created, arising or evidenced and howsoever owned, held or acquired, whether now or hereafter existing, whether now due or to become due, whether primary, secondary, direct, indirect, absolute, contingent or otherwise (including without limitation, obligations of performance), whether several, joint or joint and several, and whether arising or existing under written or oral agreement or by operation of law.

(kk) "Lien" means: (a) any interest in Property securing an obligation owed to, or a claim by, a Person, whether such interest is based on the common law, civil law, statute, or contract, and including, without limitation, a security interest, charge, claim, hypothec or lien arising from a mortgage, deed of trust, hypothec, encumbrance, pledge, hypothecation, assignment, deposit arrangement, agreement, security agreement, conditional sale or trust receipt or a lease, consignment or bailment for security purposes; and (b) to the extent not included under clause (a), (i) any rights of repossession or similar rights of unpaid suppliers, (ii) any reservation, exception, encroachment, easement, right-of-way, covenant, condition, restriction, lease or other title exception or encumbrance affecting Property, and (iii) any other lien, hypothec, charge, privilege, secured claim, title retention, garnishment right, deemed trust, encumbrance or other right affecting Property, choate or inchoate, whether or not crystallized or fixed, whether or not for amounts due or accruing due, arising by any statute or law of any jurisdiction, at law, in equity or by any agreement.

(ll) "Loan" shall have the meaning ascribed to it in Section 2.1 hereof.

(mm) "Losses" shall have the meaning ascribed to it in Section 14.1 hereof.

(nn) "Mandatory Repayment Date" shall mean the date that the Loan is required to be repaid in full by the Borrower prior to the Maturity Date under Section 3.2 hereof.

(oo) "Material Adverse Effect" shall mean with respect to any event, act, condition or occurrence of whatever nature (including any adverse determination in any litigation, arbitration or governmental investigation or proceeding), whether singly or in conjunction with any other event or events, act or acts, condition or conditions, occurrence or occurrences, whether or not related, a result which adversely alters materially the financial or other condition of the Obligors (or any of them), including on the business, Property, operations or condition of the Obligors (or of them), or materially adversely affects or could, in the sole discretion of the Lender acting reasonably, affect materially the ability of the Obligors to perform their obligations hereunder or under the Other Agreements as the case may be or any lien of the Lender.

(pp) "Materials of Environmental Concern" means any chemicals, pollutants, contaminants, wastes, toxic substances, petroleum, petroleum products, together with any hazardous, toxic or dangerous substances, materials and wastes, including, without limitation, hydrocarbons (including naturally occurring or man-made petroleum and hydrocarbons), flammable explosives, asbestos, urea formaldehyde insulation, radioactive materials, biological substances, polychlorinated biphenyls, pesticides, herbicides and any other kind and/or type of pollutants or contaminants (including, without limitation, materials which include hazardous constituents), sewage, sludge, industrial slag, solvents and/or any other similar substances, materials or wastes and including any other substances, materials or wastes that are or become regulated under any laws relating to the protection of the environment or maintenance of occupational safety (including, without limitation, any that are or become classified as hazardous or toxic under any such laws).

(qq) "Maturity Date" shall mean the third anniversary of the Closing Date.

(rr) "Net Working Capital" means, as of any date of determination thereof and with respect to any Person, such Person's Current Assets (including cash and cash equivalents) less its Current Liabilities (including the Loan but not including (a) the current portion of any indebtedness of the Borrower classified as long term debt) and (b) the Convertible Debentures), all as determined on a consolidated basis.

(ss) "Obligors" means collectively the Borrower and the Guarantors and "Obligor" means any of such persons.

(tt) "Other Agreements" shall mean all agreements, instruments and documents including, without limitation, mortgages, trust deeds, pledges, powers of attorney, consents, assignments, contracts, notices, security agreements (including the Security Agreement), leases, financing statements, notes, and all other writings heretofor, now or from time to time hereafter executed by or on behalf of an Obligor, or any other Person and delivered to the Lender or to any parent, affiliate or subsidiary of the Lender in connection with the Liabilities or the transactions contemplated hereby.

(uu) "Permitted Liens" shall mean, (i) statutory liens of landlords, carriers, warehousemen, mechanics, materialmen or suppliers incurred in the ordinary course of business and securing amounts not yet due or declared to be due by the claimant thereunder, (ii) Liens in favour of the Lender or its Affiliates, (iii) zoning restrictions and easements, rights-of-way, licenses, covenants and other restrictions affecting the use of real or immovable property that do not individually or in the aggregate have a Material Adverse Effect on the Borrower's ability to use such real or immovable property for its intended purpose in connection with the Borrower's business, (iv) Liens and prior claims securing the payment of taxes or other governmental charges not yet delinquent or being contested in good faith and by proper proceedings, (v) Liens incurred or deposits made in the ordinary course of business in connection with capitalized leases for purchase of, and applying only to, Equipment permitted as Capital Expenditures under Section 10.1(m)(i), the documents relating to such Liens to be in form and substance acceptable to the Lender, and the Borrower shall not permit any such Liens or security interests to attach to the Collateral that could rank either in priority to, or *pari passu* with the Security Agreement; provided that, so long as no Default shall have occurred and be continuing, or would result therefrom, the Borrower may grant purchase-money security interests ranking prior to the Security Agreement in Equipment acquired or purchased by the Borrower that constitutes Capital Expenditures permitted under Section 10.1(m)(i) and provided further that such security secures only the acquisition or purchase costs for the Equipment so secured; (vi) deposits to secure performance of bids, trade contracts, leases and statutory obligations (to the extent not excepted elsewhere herein), (vii) Liens specifically permitted as set forth on Schedule 1.1(l) attached hereto (subject to any restrictions set out in Schedule 1.1(l)); (viii) any Lien arising out of the refinancing, extension, renewal or refunding of any indebtedness secured by a Lien permitted by any of the foregoing subsections (i) through (vii), inclusive; <u>provided, that</u> (A) such indebtedness is not secured by any additional Property, and (B) the amount of such indebtedness is not increased, (ix) pledges or deposits in connection with worker's compensation, unemployment insurance and other social security legislation, and to public utilities when required by the operations of the Borrower's business in the ordinary course of business, (x) rights of set-off, banker's lien and other similar rights arising solely by operation of law; (xi) registered security interest in favour of Sprott Resource Lending Partnership over the present and after-acquired personal property of Landdrill Mexico.

(vv) "Person" shall mean any individual, sole proprietorship, partnership, joint venture, trust, unincorporated organization, association, corporation, institution, entity, party or foreign or local government (whether federal, provincial, state, county, city, municipal or otherwise), including, without limitation, any instrumentality, division, agency, body or department thereof.

(ww) "Plan" shall mean any pension or other employee benefit plan and which is: (a) a plan maintained by an Obligor; (b) a plan to which an Obligor contributes or is required to contribute; (c) a plan to which an Obligor was required to make contributions at any time during the five (5) calendar years preceding the date of this Agreement; or (d) any other plan with respect to which an Obligor has incurred or may incur liability, including contingent liability, either to such plans or to any Person.

(xx) "Property" shall mean any interest in any kind of property or asset, whether real, immovable, personal, movable, or mixed, tangible or intangible.

(yy) "Security Agreement" shall mean, the general security agreement executed by the Obligors (with the exception of Landdrill Mexico,) jointly and severally, pursuant to section 11.1(d)(iii).

(zz) "Security Interest" shall have the meaning ascribed to it in Section 7.1 hereof.

(aaa) "Shareholders' Equity" means, as of any date of determination, consolidated shareholders' or unitholders' equity, as applicable, of the Borrower as of that date determined in accordance with IFRS.

(bbb) "Subsidiary" shall mean, with respect to a Person, any corporation of which more than fifty percent (50%) of the outstanding capital stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether at the time stock of any other class of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time, directly or indirectly, owned by the Person or by any partnership, joint venture or other entity of which more than fifty percent (50%) of the outstanding equity interests are at the time, directly or indirectly, owned by the Person.

(ccc) "Taxes" shall have the meaning ascribed to it in Section 14.2 hereof.

(ddd) "Third Party Debt" means, at any time, the aggregate of (i) the Liabilities outstanding at such time, and (ii) all other debt of the Borrower, or other liquidated claims against the Borrower that are secured by an encumbrance that ranks in priority to, or otherwise afforded a priority or preference at law or equity over, the Loan or the Security Interest.

(eee) "Third Party Debt/Consolidated EBITDA Ratio" for any accounting period of four consecutive fiscal quarters or such other period as may be specified herein ending after the date hereof means the ratio of (i) Third Party Debt less cash as at the end of such accounting period and Capital Lease Obligations for such period, divided by (ii) Consolidated EBITDA for such accounting period.

(fff) "Third Party Interest Expense" means, for any period for the Borrower, without duplication, the aggregate expense incurred or to be incurred by such Persons during such period for interest and other financing charges in connection with Third Party Debt.

(ggg) "Violation Notice" means any notice received by a Person, from any governmental or regulatory body or agency under any Environmental Law that such Person or any of its Property is not in compliance with the requirements of any Environmental Law.

1.2 Schedules and Exhibits

The following are the Schedules and Exhibits to this Agreement, which are deemed to be a part of this Agreement:

Schedule 1.1(1)	-	Permitted Liens
Schedule 1.1(2)	-	Business and Collateral Locations
Schedule 1.1(3)	-	Bank Accounts of Borrower
Schedule 8.1(e)	-	Intellectual Property
Schedule 8.1(f)	-	Borrower's Name(s)
Schedule 8.1(g)	-	Subsidiaries, Affiliates, Joint Venture and Partnerships
Schedule 8.1(i)	-	Litigation
Schedule 8.1(o)	-	Indebtedness
Schedule 8.1(x)	-	Labour Matters
Schedule 9.2	-	Officer's Compliance Certificate

1.3 Accounting Terms and Definitions.

Unless otherwise defined or specified herein, all defined terms in Section 1.1 as used in this Agreement shall have the meanings set out in such paragraph, and all accounting terms used in this Agreement shall be construed in accordance with IFRS, applied on a basis consistent in all material respects with the Audited Financial Statements, except as otherwise specifically prescribed herein. All accounting determinations for purposes of determining compliance with the financial covenants contained herein shall be made in accordance with IFRS as in effect on the Closing Date (unless and to the extent otherwise stipulated herein) and applied on a basis consistent in all material respects with the Audited Financial Statements, except as otherwise specifically prescribed herein. Except as otherwise specified herein, the financial statements required to be delivered hereunder from and after the Closing Date, and all financial records, shall be maintained in accordance with sound accounting practices including, if applicable, IFRS. If IFRS shall change from the basis used in preparing the Audited Financial Statements, the certificates required to be delivered pursuant to Section 9.1 demonstrating compliance with the covenants contained herein shall include, at the election of the Borrower or upon the request of the Lender, calculations setting forth the adjustments necessary to demonstrate how the Borrower is in compliance with the financial covenants based upon IFRS as in effect on the Closing Date.

1.4 Currency Conversion.

Whenever in this Agreement there is a need to convert Canadian dollars to U.S. dollars, or vice versa, or any other foreign currency, for the purpose of any valuation, calculation or determination (including the determination of an Equivalent for the purpose of expressing an amount in one currency as an amount in another currency), the rate of exchange to be used shall be the Bank of Canada noon spot rate (or any other rate to which the parties agree) on such day, and if that day is not a Business Day, on the immediately preceding Business Day.

1.5 Supplements, Re-enactments, Etc.

References herein to any document or legislation are, unless otherwise stated, to be construed as references to such document or legislation as amended, restated or supplemented from time to time and references to any enactment include re-enactments, amendments and extensions thereof.

ARTICLE 2– TERMS OF THE LOAN

2.1 The Loan.

Subject to the terms and conditions of this Agreement and the Other Agreements, absent the existence of a Default, the Lender agrees to loan to the Borrower in lawful money of Canada in the principal amount of Eight Million Canadian Dollars (Cdn. $8,000,000.00) to or for the account of the Borrower on the Closing Date only (the "**Loan**"), in accordance with the terms of Section 5.1 hereof.

ARTICLE 3- PAYMENT

3.1 Payments.

(a) On April 22, 2013, the Borrower shall pay to the Lender an amount on account of principal owing under the Loan equal to five million ($5,000,000) dollars.

(b) The Borrower shall pay in full to the Lender the outstanding principal amount of the Loan, together with all accrued and unpaid interest thereon, on the earliest to occur of: (i) the Maturity Date; (ii) the Mandatory Repayment Date; and (iii) the date of the acceleration of the Liabilities pursuant to Section 13.1 of this Agreement or pursuant to any Other Agreement.

(c) If any such payment due date is not a Business Day, then such payment may be made on the next succeeding Business Day and such extension of time shall be included in the computation of the amount of interest and fees due hereunder.

3.2 Mandatory Prepayments of Loan.

Unless otherwise agreed to in writing by the Lender, the Loan shall, at the request of the Lender, be repaid in full by the Borrower on the date (the "**Mandatory Repayment Date**") which is the earliest to occur of the following: (i) any material change in the capital structure of Borrower not permitted by this Agreement; (ii) any Event of Default.

3.3 Optional Prepayments.

(a) The Borrower shall have no right to repay any amount owing on account of the Loan prior to March 21, 2013.

(b) Subject to the terms hereof, after March 21, 2013, the Borrower may prepay at any time, without notice or penalty, all or any amount of the outstanding principal amount of the Loan, together with all accrued and unpaid interest thereon, provided that the Lender receives ten (10) Business Days' notice of such prepayment.

3.4 General Matters.

All payments made by the Borrower shall be made without set-off, recoupment or counterclaim. The Loan shall, if requested by the Lender, in the Lender's sole discretion, be evidenced by one or more promissory notes in form and substance satisfactory to the Lender. However, if such Loans is not so evidenced, the Loan made by the Lender, including rates of interest, fees and other charges, may be evidenced by entries upon the books and records maintained by the Lender which books and records shall constitute conclusive evidence thereof in the absence of manifest error or evidence to the contrary.

ARTICLE 4- INTEREST, FEES AND CHARGES

4.1 Rate of Interest.

Subject to Section 4.3, the principal amount of the Loan and other outstanding Liabilities shall bear interest from the Closing Date to the date paid and at a rate equal to twelve (12%) per cent per annum and such interest shall be payable in arrears in accordance with Section 4.2.

4.2 Payment of Interest.

The Borrower shall pay the Lender all interest accrued on the principal amount of the Loan and the outstanding amount of other Liabilities monthly in arrears in cash on each Interest Payment Date.

4.3 Default Rate of Interest.

Upon and after the occurrence of an Event of Default under Section 12.1, and during the continuation thereof, the principal amount of the Loan and the other Liabilities shall bear interest at a rate per annum equal to sixteen (16%) per cent and such interest shall be calculated daily and compounded monthly and shall be payable on demand by the Lender.

4.4 Computation of Interest and Fees.

Interest hereunder shall be determined daily and compounded monthly not in advance, both before and after demand, default and judgment and shall be computed on the actual number of days elapsed over a year of three hundred and sixty-five (365) days. For the purpose of the *Interest Act* (Canada) only, the yearly rates of interest to which the rates applicable to the Loan are equivalent are the rates so determined, multiplied by the actual number of days in the year divided by three hundred and sixty-five (365) or three hundred and sixty-six (366), as the case may be.

4.5 Maximum Interest.

It is the intent of the parties that the rate of interest and the other charges to the Borrower under this Agreement shall be lawful; therefore, if for any reason the interest or other charges payable under this Agreement are found by a court of competent jurisdiction, in a final determination, to exceed the limit which the Lender may lawfully charge the Borrower, then the obligation to pay interest and other charges shall automatically be reduced with retroactive effect to such limit and, if any amount in excess of such limit shall have been paid, then such amount shall be refunded to the Borrower.

4.6 Financing Fee.

The Borrower shall pay to the Lender a financing fee equal to $160,000.00, which fee shall be fully earned, non-refundable and payable in full on the earlier of the dates of such payment and the Closing Date.

4.7 Annual Review Fee.

The Borrower shall pay to the Lender an annual review fee equal to two percent (2%) of the principal owing under the Loan on:

(a) April 24, 2013; and

(b) the day immediately following the second anniversary of the Closing Date until the Liabilities have been fully paid by the Borrower.

4.8 Closing Expenses.

The Borrower shall reimburse the Lender for all reasonable costs and expenses incurred in good faith consistent with industry norms including, without limitation, consultant's fees and expenses, legal expenses and reasonable legal fees, incurred by the Lender in connection with: (a) the documentation and consummation of this transaction (whether or not this transaction is consummated) including, without limitation, security and other public record searches, lien filings, express mail or similar express or messenger delivery, due diligence costs and expenses, (b) and in seeking to collect, protect or enforce any rights in or to the Collateral or incurred by the Lender in seeking to collect any Liabilities and to administer and enforce any of their rights under this Agreement. The Borrower shall also pay all normal service charges with respect to accounts, if any, maintained by the Lender for the benefit of the Borrower. All such costs, expenses and charges shall constitute Liabilities hereunder, shall be payable by the Borrower to the Lender on demand and, until paid, shall bear interest at the Deemed Interest Rate. The Lender acknowledges having received $60,000.00 from the Borrower in respect of closing expenses, and the parties agree that any portion of such $60,000.00 which is not expended in respect of closing expenses shall be paid towards the financing fee in Section 4.6.

4.9 Increased Costs.

Notwithstanding any other provision herein, in the event that the introduction of or any change in any law, rule, regulation, treaty or directive or in the interpretation or application thereof, or compliance by the Lender with any request or directive (whether or not having the force of law) from any governmental authority, agency or instrumentality or regulatory body:

(a) subjects the Lender to any tax of any kind whatsoever with respect to this Agreement, the Other Agreements or the Loan, or changes the basis of taxation of payments to the Lender of principal, interest or any other amount payable hereunder (except for changes in the rate of tax imposed on the overall net income of the Lender); or

(b) imposes, modifies, holds applicable any reserve, special deposit, compulsory loan or similar requirement against Property held by, or deposits or other liabilities in or for the account of, advances or loans by, or other credit extended by, or any other acquisition of funds by, any office of the Lender;

and the result of any of the foregoing is to materially increase the cost to the Lender of agreeing to make, making, continuing or maintaining or participating in the Loan, or to materially reduce any amount receivable thereunder or to materially increase the withholding taxes payable then, in any such case, the Borrower shall pay the Lender, after demand by the Lender, any additional amounts necessary to compensate the Lender on an after-tax basis for such additional cost or reduced amount receivable or increased withholding taxes payable with respect to this Agreement or the Loan made hereunder.

ARTICLE 5- LOAN ADMINISTRATION

5.1 Disbursement of Loan.

The Borrower hereby irrevocably authorizes the Lender to disburse the proceeds of the Loan on the Closing Date.

5.2 Payments to Lender.

All payments to be made by the Borrower to the Lender hereunder shall be made to the Lender by wire transfer in accordance with wire instructions given by the Lender to the Borrower from time to time.

ARTICLE 6- TERMINATION AND REDUCTION

6.1 Termination.

This Agreement shall be in effect from the date hereof until the Maturity Date unless the Liabilities become due and payable pursuant to Section 3.2 or ARTICLE 13 hereof in which case the Borrower shall immediately pay all of the Liabilities. If the due date of the Liabilities is accelerated pursuant to Section 3.2 or ARTICLE 13 hereof or if the Borrower prepays the Loan in accordance with Section 3.3 hereof, this Agreement shall terminate on the date that all such Liabilities are paid in full. At such time as the Borrower has repaid all of the Liabilities and this Agreement has terminated:

(a) the Borrower shall provide a release of any obligations and liabilities of the Lender and its Affiliates and Subsidiaries, in form and substance reasonably satisfactory to the Lender, in its sole discretion; and

(b) upon the Borrower's request, the Lender shall, at the Borrower's cost and expense, deliver to the Borrower a termination, discharge and release of all security in form and substance reasonably satisfactory to the Borrower.

6.2 Continuing Liabilities.

Nothing in Section 6.1 shall effect any liabilities and obligations of the Borrower or the Lender set out in this Agreement or the Other Agreements which are stated to survive payment of the Liabilities and termination of this Agreement or the Other Agreements, as the case may be.

ARTICLE 7- SECURITY INTEREST AND COLLATERAL

7.1 Security Interest to the Lender.

Without limiting any other provision hereof or of the Other Agreements, as security for all of the Liabilities, including without limitation the payment of the Loan and all other amounts now or in the future advanced by the Lender to the Borrower hereunder, each Obligor does hereby grant to the Lender, and on the date of making the Loan the Lender shall continue to hold, a continuing (subject only to Permitted Liens) and perfected and, if desired by the Lender, duly registered security interest (the "**Security Interest**") on all of the undertaking and Property of such Obligor, whether now or hereafter owned, existing, acquired or arising, tangible or intangible, real or personal, movable or immovable and wherever now or hereafter located, including, without limitation:

(a) all Accounts of such Obligor;

(b) all Chattel Paper, Instruments, Documents of Title and Intangibles (including, without limitation, all patents, patent applications, trademarks, trademark applications, tradenames, trade secrets, goodwill, copyrights, registrations, licenses, franchises, customer lists, tax refund claims, claims against carriers and shippers, guarantee claims, contracts rights, security interests, security deposits and any rights to indemnification) of such Obligor;

(c) all Inventory of such Obligor;

(d) all Goods (other than Inventory) including Equipment, vehicles and fixtures of such Obligor;

(e) all deposits and cash and any other property of such Obligor now or hereafter in the possession, custody or control of the Lender or any agent or any parent, Affiliate or Subsidiary of the Lender or any participant with the Lender in the Loan for any purpose (whether for safekeeping, deposit, collection, custody, pledge, transmission or otherwise);

(f) all real, immovable and leasehold property of such Obligor and all easements, rights-of-ways, privileges, benefits, licences, improvements and rights of such Obligor whether connected therewith or appurtenant thereto or separately owned or held, including without limitation, all structures, plants and other fixtures now owned or hereafter owned or acquired; and

(g) all additions and accessions to, substitutions for, and replacements, products and proceeds of the foregoing property, including, without limitation, proceeds of all insurance policies insuring the foregoing property, and all of such Obligor's books and records relating to any of the foregoing and to such Obligor's business.

7.2 Preservation of Collateral and Perfection of Security Interests Therein.

Each Obligor shall, at the Lender's request and at such Obligor's expense, at any time and from time to time, execute and deliver to the Lender such financing statements, documents and other agreements and instruments (and such Obligor shall pay the cost of filing or recording the same in all public offices deemed reasonably necessary or desirable by the Lender) and do such other acts and things as the Lender may deem necessary or desirable in order to establish and maintain a valid, attached and perfected security interest in the Collateral in favour of the Lender (free and clear of all other Liens except Permitted Liens) to secure payment of the Liabilities, and in order to facilitate the collection of the Collateral, such Obligor irrevocably hereby makes, constitutes and appoints the Lender (and all Persons designated by the Lender for that purpose) as such Obligor's true and lawful attorney and agent to execute such financing statements, documents and other agreements and instruments and do such other acts and things as may be necessary to preserve and perfect the Security Interest of the Lender or the Lender in the Collateral to the extent that such Obligor does not do so after request by the Lender or after an Event of Default.

7.3 Possession of Collateral and Related Matters.

Until an Event of Default has occurred, the Obligors shall have the right, except as otherwise provided in this Agreement, in the ordinary course of the Obligors' business, to:

(a) sell or furnish under contracts of supply or service any of the Obligors' Inventory normally held by the Obligors for any such purpose; and

(b) use and consume any raw materials, work in process or other materials normally held by the Obligors for such purpose;

provided however that a sale in the ordinary course of business shall not include any transfer or sale in satisfaction, partial or complete, of a debt owed by the Obligors, or a transfer, sale or other disposition to any Parent, Subsidiary, Affiliate or shareholder of the Obligors, or to any other Person in whom the Obligors hold any interest or any other related party, which is at a price or on terms more favourable to the recipient than would be given to an unrelated party.

7.4 Collections.

(a) The Lender may, at any time and from time to time after the occurrence of an Event of Default which is continuing, in addition to the remedies set out in Section 13.1, whether before or after notification to any Account Debtor and whether before or after the maturity of any of the Liabilities:

(i) enforce collection of any of the Obligors' Accounts or contract rights by suit or otherwise;

(ii) exercise all of the Obligors' rights and remedies with respect to proceedings brought to collect any of the Obligors' Accounts;

(iii) surrender, release or exchange all or any part of any Accounts of any of the Obligors, or compromise or extend or renew for any period (whether or not longer than the original period) any indebtedness thereunder;

(iv) sell or assign any Account of any of the Obligors upon such terms, for such amount and at such time or times as the Lender deems advisable;

(v) prepare, file and sign any of the Obligors' names on any proof of claim in bankruptcy or other similar document against any Account Debtor indebted on an Account of any of the Obligors; and

(vi) do all other acts and things which are necessary, in the Lender's sole discretion, to fulfil the Obligors' obligations under this Agreement and the Other Agreements and to allow the Lender to collect the Accounts. In addition to any other provision hereof, the Lender may at any time on or after the occurrence of an Event of Default which is continuing, at the Obligor's expense, notify any parties obligated on any of the Accounts of the Obligor to make payment directly to the Lender of any amounts due or to become due thereunder.

(b) The Lender shall, upon receipt by it of cash or other immediately available funds from collections of items of payment and proceeds of any Collateral, apply the whole or any part of such collections or proceeds against the Liabilities in such order as the Lender shall determine in its sole discretion, subject to the terms of this Agreement.

(c) In its sole credit judgment, without waiving or releasing any obligation, liability or duty of the Obligors under this Agreement or the Other Agreements or any Default, at any time or times hereafter, the Lender may (but shall not be obligated to) pay, acquire or accept an assignment of any security interest, hypothec, lien, encumbrance or claim asserted by any Person in, upon or against the Collateral. All sums paid by the Lender in respect thereof and all costs, fees and expenses (including, without limitation, reasonable legal fees and disbursements (on a solicitor-client basis) for both inside and outside counsel, all court costs and all other charges relating thereto) incurred by the Lender shall constitute Liabilities, payable by the Obligors on demand and, until paid, shall bear interest at the Deemed Interest Rate.

(d) Immediately upon the Obligors' receipt of any portion of the Collateral consisting of an Instrument, Document of Title or Chattel Paper, the Obligors shall, at the Lender's request, deliver the original thereof to the Lender together with an appropriate endorsement or other specific evidence of assignment thereof to the Lender (in form and substance acceptable to the Lender). If an endorsement or assignment of any such items shall not be made for any reason, the Lender is hereby irrevocably authorized, as the attorney and agent of the Obligors, to endorse or assign the same on such Person's behalf.

7.5 Attachment.

Such Obligor acknowledges and agrees that: (i) value has been given, (ii) such Obligor has rights in the Collateral owned or purported to be owned by it, and (iii) the Security Interest shall attach to existing Collateral upon execution of this Agreement by such Obligor and to each item of after-acquired Collateral at the time that such Obligor acquires any rights therein.

7.6 Exception re Leasehold Interests and Contractual Rights.

The last day of the term of any lease, sublease or agreement therefore is specifically excepted from the Security Interest, but each Obligor agrees to stand possessed of such last day in trust for any Person acquiring such interest of such Obligor. To the extent that the creation of the Security Interest would constitute a breach or cause the acceleration of any agreement, right, licence or permit to which any Obligor is a party, the Security Interest shall not attach thereto, but such Obligor shall hold its interest therein in trust for the Lender, and the Security Interest shall attach to such agreement, right, license or permit forthwith upon obtaining the consent of the other party thereto.

ARTICLE 8- REPRESENTATIONS AND WARRANTIES

8.1 Representations and Warranties.

The Obligors hereby jointly and severally make the following representations, warranties and covenants:

(a) each Obligor is duly incorporated, organized and in good standing in its jurisdiction of organization and is duly qualified and in good standing in all jurisdictions where the nature and extent of the business transacted by it or the ownership of its Property makes such qualification necessary (except for such jurisdictions in which the failure to so qualify would not have a Material Adverse Effect) and has all requisite power and authority to own or lease its property and to carry on its business;

(b) each Obligor has the right and power and is duly authorized and empowered to enter into, execute and deliver this Agreement and the Other Agreements to which it is a party and perform its respective obligations hereunder and thereunder; each Obligor's execution, delivery and performance of this Agreement and the Other Agreements to which it is a party does not and shall not:

(i) conflict with, or constitute a violation or breach of or constitute a default under the provisions of any statute, law, regulation, ordinance, judgment or rule of law;

(ii) conflict with, or constitute a violation or breach of or constitute a default, except where such conflict, violation, breach or default would not have a Material Adverse Effect, under any mortgage, indenture, lease, Lien, instrument, agreement, contract or other document which may now or hereafter be binding on such Obligor; or

(iii) conflict with, or constitute a violation or breach of or constitute a default under the certificate or articles of incorporation, amendment, continuation or amalgamation, by-laws, resolutions or similar documents of such Obligor, any shareholders' agreement affecting such Obligor or its property (or declaration having like effect); and such Obligor's execution, delivery and performance of this Agreement and the Other Agreements to which it is a party shall not result in the imposition of any Lien upon any of its property under any existing indenture, mortgage, deed of trust, loan or credit agreement or other agreement or instrument by which such Obligor or any of their property may be bound or affected other than pursuant to the Security Agreement;

(c) this Agreement and the Other Agreements to which each Obligor is a party are legal, valid and binding obligations of each such Obligor, and are enforceable against each such Obligor, as the case may be, in accordance with their respective terms, except to the extent that such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting the rights of creditors generally and general equitable principles;

(d) each of the Obligors has obtained and holds all applicable licenses, authorizations, approvals and permits, the lack of which would have a Material Adverse Effect, and each of the Obligors is and shall remain in compliance in all material respects with all applicable federal, provincial, state, local and foreign statutes, orders, regulations, rules and ordinances (including, without limitation, statutes, orders, regulations, rules and ordinances relating to taxes, employer and employee contributions and similar items, securities, employee retirement and welfare benefits, employee health and safety or environmental matters), the failure to comply with which could have a Material Adverse Effect;

(e) each of the Obligors possesses, and shall continue to possess, adequate licenses, patents, patent applications, copyrights, service marks, trademarks, trademark applications, tradestyles and tradenames to continue to conduct its business as heretofore conducted by it, details of all of which are described on Schedule 8.1(e);

(f) each of the Obligors' current and prior names, tradenames and division names are described on Schedule 8.1(f); the Borrower shall notify the Lender in writing at least thirty (30) days prior to the change of any Obligors' name or the use of any tradenames or division names not previously disclosed to the Lender in writing;

(g) Schedule 8.1(g) is a correct and complete list of all Affiliates and divisions of the Obligors setting out the relationships to the Borrower and the other Obligors. Except as disclosed on Schedule 8.1(g), neither any Obligor nor such Affiliates and divisions are engaged in any joint venture or partnership with any other Person, and Schedule 8.1(g) provides a correct description of all such partnerships and joint ventures;

(h) each of the Guarantors is a wholly-owned subsidiary of the Borrower;

(i) except as described in Schedule 8.1(i), to the best of the Obligors' knowledge after due inquiry, there are no actions, suits, counterclaims or proceedings which are pending or threatened against any Obligor which are likely to be adversely determined and if adversely determined would have a Material Adverse Effect, and the Borrower shall, promptly, upon becoming aware of any such pending or threatened action or proceeding, give written notice thereof to the Lender;

(j) to the best of the Obligors' knowledge after due inquiry none of the Obligors is in default under any material contract, lease or commitment to which it is a party or by which it is bound, nor does any Obligor know of any dispute regarding any contract, lease or commitment which is material to its continued financial success and well-being. Without limiting the generality of the foregoing, none of the Obligors is in arrears in respect of any material lease, rental or other payment due under any real (or immovable) property lease or to any warehousemen, bailee or similar Person;

(k) the provisions of the Security Agreement create legal and valid Liens on all of the Collateral in favour of the Lender and, if as and when all proper filings, recordings, and other actions necessary to perfect such Liens have been made or taken by or on behalf of the Lender, such Liens will constitute perfected, duly registered, and continuing Liens on all the Collateral having priority over all other Liens on the Collateral (except Permitted Liens) and all claims of other creditors, securing all of the Liabilities and enforceable against the Obligors and all third parties in accordance with their terms;

(l) no security agreement, financing statement or analogous instrument exists as at the Closing Date with respect to any of the Collateral other than any security agreement, financing statement or analogous instrument evidencing Permitted Liens;

(m) each of the Obligors is the lawful owner of all Collateral now purportedly owned or hereafter purportedly acquired by it, free from all Liens, whether voluntarily or involuntarily created and whether or not perfected, other than Permitted Liens;

(n) the financial statements delivered or to be delivered to the Lender at or prior to the date of this Agreement accurately reflect the consolidated financial condition of the Obligors and since the date such financial statements were most recently delivered to the Lender prior to the date of this Agreement, no event or condition has occurred which would have, a Material Adverse Effect;

(o) no Obligor is obligated, whether directly or indirectly, for any loans or other indebtedness or liability (contingent or otherwise) in excess of twenty-five thousand ($25,000) dollars other than:

  (i) the Liabilities;

  (ii) the indebtedness disclosed to the Lender on Schedule 8.1(o);

  (iii) unsecured indebtedness to trade creditors arising in the ordinary course of the Borrower's business;

  (iv) unsecured indebtedness arising from the endorsement of drafts and other instruments for collection, in the ordinary course of the Borrower's business; and

  (v) other indebtedness permitted under Section 10.1(m);

No Obligor is in arrears in payment of any material amount to any governmental body or agency including, without limitation, amounts owing or to be remitted with respect to employee withholdings for income tax, unemployment insurance contributions, Canada Pension Plan, goods and services tax or provincial sales taxes.

(p) each Obligor is solvent, is able to pay its debts as they become due and has capital sufficient to carry on its business; each Obligor now owns property having a value both at fair valuation and at present fair saleable value greater than the amount required to pay its debts, and will not be rendered insolvent by the execution and delivery of this Agreement or any of the Other Agreements to which it is a party or by completion of the transactions contemplated hereunder or thereunder including, without limitation, the making and incurring of the Loan;

(q) no Obligor owns any margin securities, and none of the proceeds of the Loan hereunder shall be used for the purpose of purchasing or carrying any margin securities or for the purpose of reducing or retiring any indebtedness which was originally incurred to purchase any margin securities;

(r) as of the Closing Date, Nitasi Landdrill (Quebec) Limited Partnership and Nitasi Landdrill Limited Partnership do not own, beneficially or otherwise, any material assets or interests, including (without limitation) Equipment, Inventory or real property;

(s) the offices where each Obligor keeps its respective books, records and accounts (or copies thereof) concerning the Collateral, each Obligor's principal place of business and all of the Obligors' other places of business, locations of Collateral and post office boxes are as set forth in Schedule 1.1(2). The Borrower shall promptly (but in no event less than ten (10) days prior thereto) advise the Lender in writing of the proposed opening of any new place of business of any Obligor, the closing of any existing place of business of any Obligor, any change in the location of any Obligors' books, records and accounts (or copies thereof) or the opening or closing of any post office box of any Obligor;

(t) the Collateral is and shall be kept, or, in the case of vehicles, based, only in the provincial and foreign jurisdictions set forth on Schedule 1.1(2); Schedule 1.1(2) hereto contains a correct and complete list of all real or immovable property owned by the Obligors, all leases and subleases of real or immovable property by the Obligors, as lessee or sublessee, and all leases and subleases of real or immovable property by the Obligors as lessor or sublessor; and each of such leases or subleases is valid and enforceable in accordance with its terms and is in full force and effect, and no default by any Obligor, or to the knowledge of the Obligors, by any other party to such leases or subleases exists;

(u) if any of the Collateral consists of goods of a type normally used in more than one jurisdiction, whether or not actually so used, the Borrower shall immediately give written notice to the Lender of any use of any such goods in any jurisdiction other than a jurisdiction in which the Borrower has previously advised the Lender such goods shall be used, and such goods shall not, unless the Lender shall otherwise consent in writing, be used outside of such jurisdiction so advised;

(v) each Obligor has, to the best of its knowledge, complied in all material respects with all Environmental Laws applicable to the construction and operation of its Properties and businesses; to the knowledge of the Obligors, no Obligor has any material contingent liability with respect to non-compliance with Environmental Laws or the generation, handling, use, storage, or disposal of hazardous or toxic wastes or substances; no Obligor has received any Action Request, Violation Notice, summons, complaint, order or other notice that it is not in compliance with, or that any governmental or regulatory authority is investigating its compliance with, Environmental Laws; and without limiting the generality of the foregoing:

(i) no Obligor has knowledge or reason to believe that operations or any Property of or occupied by any Obligor or in any Obligor's charge, management or control are not in compliance in all material respects with all applicable Environmental Laws and each of its Properties is free:

A. from contamination by, and there has not been thereon a release, discharge or emission of, any hazardous substance, gas or liquid or any other substance, gas or liquid which is prohibited, controlled or regulated under any Environmental Law; and

B. of underground storage tanks, land fills, land disposals and dumps;

(ii) no Obligor, nor to the knowledge of the Obligors, any predecessor of any Obligor, has filed any notice, or received notice, under any federal, provincial, state or local law, including any Environmental Law, indicating past or present treatment, storage or disposal of a Material of Environmental Concern or reporting a spill or release of a Material of Environmental Concern into the environment;

(iii) no Obligor has any contingent liability of which the Borrower has knowledge or reasonably should have knowledge in connection with any release of any Material of Environmental Concern;

(iv) no Obligor generates, transports, treats or disposes of any Material of Environmental Concern in any manner which is not in compliance in all material respects with all applicable Environmental Laws; and

(v) to the best of the knowledge of the Obligors, no Person has disposed of any Material of Environmental Concern by placing it in or on the ground of any Obligor's real properties or premises leased by any Obligor;

(w) with respect to each Obligor's Equipment:

(i) such Obligor has good and indefeasible and merchantable title to and ownership of all Equipment free and clear of all Liens except for Permitted Liens; such Obligor shall keep and maintain its Equipment in good operating condition and repair;

(ii) such Obligor has not permitted and the Borrower shall not permit any Equipment to become a fixture to real or immovable property or an accession to other personal or immovable property, except to the extent that any such item has become a fixture to real or immovable property or an accession to other personal or movable property by operation of law without first assuring that the Lender's Liens on any such item is prior to any interest or Lien then held or thereafter acquired by any mortgagee or hypothecary creditor of such real or immovable property (other than the Lender) or the owner or purchaser of any interest in such real or immovable property or the owner or purchaser of any such accession;

(x) except as provided on Schedule 8.1(x), there is no collective bargaining agreement or other labour contract covering employees of any Obligor;

(i) there is no pending or, to the best of the Borrower's knowledge, threatened strike, work stoppage, material unfair labour practice claims, or other material labour dispute against or affecting any Obligor or its employees;

(ii) there are no controversies pending or threatened between each Obligor and any of its employees, other than employee grievances arising in the ordinary course of business which are not, in the aggregate, material to the continued financial success and well-being of such Obligor; and

(iii) each Obligor is in compliance in all material respects with all federal, provincial, state and local laws respecting employment and employment terms, conditions and practices, except where the failure to so comply would not have a Material Adverse Effect;

(y) no Obligor is now or in the past has been bound by or party to any Plans and no Obligor has ceased to participate (in whole or in part) as a participating employer in any Plan which is a registered pension plan or withdrawn from any Plan in a complete or partial withdrawal, nor has a condition occurred which if continued would result in a complete or partial withdrawal;

(z) all vacation pay, bonuses, salaries and wages, to the extent accruing due, are properly reflected in the applicable Obligor's books and records;

(aa) each Obligor has filed all tax returns and other reports which it was required by law to file on or prior to the date hereof, and has paid all taxes, assessments, fees, and other governmental charges, and penalties and interest, if any, against it or its Property, income or franchise, that are due and payable. Each income tax return was accurate in all material respects;

(bb) since March 1, 2012 no event has occurred which has had or could reasonably be expected to have a Material Adverse Effect;

(cc) no Default has occurred and is continuing;

(dd) all written information now, heretofore or hereafter furnished by any Obligor to the Lender is and shall be true, correct and complete in all material respects as of the date with respect to which such information was or is furnished (except for financial projections, which have been prepared in good faith based upon reasonable assumptions);

(ee) none of the foregoing representations and warranties and no document furnished by or on behalf of any Obligor to the Lender in connection with the negotiation of the transactions contemplated by this Agreement contain any untrue statement of a material fact or omit to state any material fact necessary to make any such statement or representation not misleading to a prospective lender seeking full information as to the Obligors and each of their properties, businesses and affairs;

(ff) the Borrower is a reporting issuer in good standing in Alberta, British Columbia and New Brunswick and is in compliance with its continuous disclosure obligations under Canadian securities laws;

(gg) Computershare Trust Company of Canada, at its principal offices in the City of Vancouver, British Columbia, has been duly appointed as registrar and transfer agent for the securities of the Borrower; and

(hh) the TSX Venture Exchange has conditionally approved the listing of the common shares to be issued on exercise of the Warrants subject only to the filing of documents in accordance with the requirements of the TSX Venture Exchange.

8.2 Survival of Representations and Warranties.

Each Obligor represents, warrants and covenants that all representations, warranties and covenants of the Obligor contained in this Agreement (whether appearing in ARTICLE 8 and ARTICLE 10 hereof or elsewhere) shall be true, correct and complete at the time of the Borrower's execution of this Agreement, shall survive the execution, delivery and acceptance hereof by the parties hereto and the closing of the transactions described herein or related hereto, shall, except for representations and warranties that relate solely to an earlier date, remain true, correct and complete until the repayment in full of all of the Liabilities and termination of this Agreement.

ARTICLE 9- SCHEDULES AND REPORTS

9.1 Financial Information.

The Borrower shall deliver to the Lender the following financial information:

(a) no later than forty-five (45) days after the end of each calendar month, copies of internally prepared consolidated financial statements of the Borrower, on a monthly basis, including, which includes, without limitation, consolidated balance sheets and consolidated statements of earnings and retained earnings of the Borrower, all prepared in accordance with IFRS;

(b) no later than one-hundred and twenty (120) days after the end of each fiscal year of the Borrower ending after December 31, 2010, copies of audited annual consolidated financial statements of the Borrower; and

(c) no later than thirty (30) days following the commencement of each fiscal year of the Borrower, a copy of the consolidated budget approved by the Board of Directors of the Borrower showing all significant expenditures of the Borrower, including without limitation, a projected income statement and balance sheet all on a consolidated basis and in sufficient detail and form satisfactory to the Lender.

9.2 Compliance Certificate.

With each financial statement delivered pursuant to Section 9.1, the Borrower shall deliver to the Lender a certificate substantially in the form of Schedule 9.2 hereto, of the President and the Chief Financial Officer of the Borrower setting forth in reasonable detail the calculations required to establish that the Borrower was in compliance with the covenants set forth in Section 10.1 during the period covered in such financial statements and as at the end thereof and stating that, except as explained in reasonable detail in such certificate:

(a) all of the representations and warranties of the Obligors contained in this Agreement and of the Obligors in the Other Agreements are true, correct and complete as of the date of such certificate as if made at such time;

(b) at the date of such certificate, each Obligor is in compliance with all of its covenants and agreements in this Agreement and the Other Agreements; and

(c) no Default then exists or existed during the period covered by such financial statements.

If such certificate discloses that a representation or warranty is not correct or complete, or that a covenant has not been complied with, or that a Default existed or exists, such certificate shall set forth what action the Borrower has taken or proposes to take with respect thereto. If an auditor, regulator or third party consultant has issued a management letter or other communication, the Borrower shall concurrently provide a copy to the Lender.

9.3 Other Matters.

At such times as may be requested by the Lender from time to time hereafter, each Obligor shall deliver to the Lender (i) such additional schedules, certificates, reports and information with respect to the Collateral as the Lender may from time to time reasonably require, including, but not limited to, non-consolidated financial statements of an Obligor, and (ii) a collateral assignment of any or all items of Collateral to the Lender or as the Lender shall direct. All schedules, certificates, reports and assignments and other items delivered by the Obligors to the Lender hereunder shall be executed by an authorized representative of the Obligors, and shall be in such form and contain such information as the Lender shall in its sole discretion request. The Lender, through its officers, employees or agents, shall have the right, at any time and from time to time in the Lender's name, in the name of a nominee of the Lender or in any Obligors' name, to verify the validity, amount or any other matter relating to any of the Obligors' Accounts, by mail, telephone, telegraph or otherwise. The Obligors shall reimburse the Lender, on demand, for all reasonable receipted costs, fees and expenses incurred by the Lender in this regard.

ARTICLE 10 - COVENANTS

10.1 Covenants.

Until payment or satisfaction in full of all Liabilities and termination of this Agreement, unless the Obligors obtain the prior written consent of the Lender waiving or modifying any covenants hereunder in any specific instance, the Obligors jointly and severally covenant and agree as follows:

(a) each Obligor shall at all times keep accurate and complete books, records and accounts with respect to all of its business activities, in accordance with sound accounting practices and, where applicable, IFRS consistently applied, and shall keep such books, records and accounts, and any copies thereof, only at the addresses indicated for such purpose on Schedule 1.1(2);

(b) the Borrower shall advise the Lender in writing of any Material Adverse Effect or the occurrence of any Default within one day of its becoming aware of such Material Adverse Effect or Default;

(c) concurrently with the delivery of each financial statement delivered pursuant to Section 9.1, the Borrower shall deliver to the Lender a duly completed compliance certificate referenced in Section 9.2;

(d) the Borrower shall pay and discharge on a timely basis as the same shall become due and payable all of its obligations and liabilities;

(e) [intentionally deleted.]

(f) the Lender or any Persons designated by the Lender, shall have the right, on prior notice at any reasonable time (and at any time without the need for prior notice when the Lender has reasonable grounds for believing that a Default exists), including, without limitation, to call at any of the Obligor's places of business or at any warehouse, storage facility or other location where property of any Obligor may be located at any reasonable times, and, without hindrance or delay, to inspect the Collateral and to inspect, audit, check and make extracts from the Obligors' books, records, journals, orders, receipts and any correspondence and other data relating to the Obligors' business, the Collateral or any transactions between the parties hereto, and shall have the right to make such verification concerning the Obligors' business as the Lender may consider reasonable under the circumstances. The Borrower shall furnish to the Lender such information relevant to the Lender's rights under this Agreement (including without limitation information on sales, receivables, collections, accounts payable and inventory aging) as the Lender shall at any time and from time to time, in its sole discretion, request. The Lender is authorized to discuss the affairs, finances and business of the Obligors with any officers or directors of the Obligors or any Affiliate of the Obligors, or with those employees of the Obligor with whom the Lender has determined in its commercially reasonable judgment to be necessary or desirable to converse, and to discuss the financial condition of the Obligor with the independent chartered accountants of each Obligor. Any such discussions shall be without liability to the Lender or to such accountants. The Borrower shall pay to or reimburse the Lender for all reasonable fees, costs, and out-of-pocket expenses incurred by the Lender in the exercise of their rights hereunder and all of such costs, fees and expenses shall be payable on demand and, until paid, shall bear interest at the Deemed Interest Rate;

(g) each Obligor shall keep the Collateral properly housed and insured against such risks and in such amounts as are customarily insured against by Persons engaged in businesses similar to that of the Borrower with such companies, in such amounts and under policies in such form as shall be reasonably satisfactory to the Lender. Originals or certified copies of such policies of insurance have been delivered to the Lender together with evidence of payment of all premiums therefor, and contain, *inter alia*, an endorsement, in form and substance acceptable to the Lender, showing loss under such insurance policies payable to the Lender as its interest may appear. Such endorsement, the other terms of the said policies, or an independent instrument furnished to the Lender, shall provide that the insurance company shall give the Lender at least thirty (30) days' prior written notice before any such policy of insurance is altered or cancelled and includes a standard mortgage clause providing, *inter alia*, that no act, whether wilful or negligent, or default of the Borrower or any other Person shall affect the right of the Lender to recover under such policy of insurance in case of loss or damage. All insurers are directed and shall be directed under such policies of insurance to pay all proceeds payable thereunder directly to the Lender to apply to the Liabilities as the Lender elects in its sole discretion. So long as no Event of Default has occurred, the Lender shall pay any such proceeds received to the Borrower on the Borrower's request only if such proceeds are used by the Borrower to repair or replace lost or damaged property of an Obligor as approved by the Lender. The Lender (and all officers, employees or agents designated by the Lender) is irrevocably made, constituted and appointed as the Borrower's true and lawful attorney (and agent) for the purpose of making, settling and adjusting claims under such policies of insurance, endorsing the names of any Obligor on any cheque, draft, instrument or other item of payment for the proceeds of such policies of insurance and making all determinations and decisions with respect to such policies of insurance; provided however that the Lender shall exercise such rights only upon and following and during the occurrence of an Event of Default;

(h) each Obligor shall maintain, at its expense, such public liability and third party property damage insurance as is customary for Persons engaged in businesses similar to that of such Obligor with such companies and in such amounts, with such deductibles and under policies in such form as shall be satisfactory to the Lender and originals or certified copies of such policies have been delivered to the Lender together with evidence of payment of all premiums therefor; each such policy shall contain an endorsement showing the Lender as additional insured thereunder and providing that the insurance company shall give the Lender at least thirty (30) days' written notice before any such policy shall be altered or cancelled;

(i) if any Obligor at any time or times hereafter fails to obtain or maintain any of the policies of insurance required above or to pay any premium in whole or in part relating thereto, then the Lender, without waiving or releasing any obligation or default by the Borrower hereunder, may (but shall be under no obligation to) obtain and maintain such policies of insurance and pay such premiums and take such other actions with respect thereto as the Lender, in its sole discretion, deems advisable. All sums disbursed by the Lender in connection with any such actions, including, without limitation, court costs, expenses, other charges relating thereto and reasonable legal fees and disbursements (on a solicitor-client basis), shall constitute Liabilities hereunder and, until paid, shall bear interest at the Deemed Interest Rate;

(j) no Obligor shall use the Collateral, or any part thereof, in any unlawful business or for any unlawful purpose or use or maintain any of the Collateral in any manner that does or could result in material damage to the environment or a violation of any applicable Environmental Laws; the Obligors shall keep the Collateral in good condition, repair and order, ordinary wear and tear excepted; no Obligor shall permit the Collateral, or any part thereof, to be levied upon under execution, attachment, distraint or other legal process; no Obligor shall sell, lease, grant a security interest in or otherwise dispose of any of the Collateral except as expressly permitted by this Agreement; no Obligor shall secrete or abandon any of the Collateral, or remove or permit removal of any of the Collateral from any of the locations listed on Schedule 1.1(2), except for the removal of the Obligors' Inventory sold in the ordinary course of the Obligors' business as permitted herein, the removal of motor vehicles in the ordinary course of business, and the removal of the Obligors' Equipment if the purpose of such removal or sales permitted hereunder is the repair or replacement of any such Equipment which requires repair;

(k) each Obligor shall, at the request of the Lender, acting reasonably, indicate on its records concerning the Collateral a notation, in form satisfactory to the Lender, of the Security Interest granted to the Lender by the Security Agreements, and no Obligor shall maintain duplicates or copies of such records at any address other than the Borrower's principal places of business set forth on Schedule 1.1(2); provided, however, that the Obligors, in the ordinary course of their businesses, may furnish copies of such records to accountants, legal counsel and other agents or advisors as they may reasonably determine to be necessary or desirable;

(l) each Obligor shall file all required tax returns and pay all of its taxes when due, including, without limitation, taxes imposed by federal, provincial, state or municipal agencies; provided that an Obligor shall have the right to contest the payment of such taxes in good faith by appropriate proceedings so long as:

  (i) the amount so contested is shown on such Obligor's (and the Borrower's consolidated) financial statements;

  (ii) the contesting of any such payment does not give rise to a Lien for taxes or, if such contesting does give rise to a Lien for taxes, a reserve or other appropriate provision, if any, as shall be required by IFRS shall have been made therefor on such Obligor's (and the Borrower's consolidated) financial statements and a stay of enforcement of such Lien is in effect; and

(iii) upon the occurrence of an Event of Default, the Borrower keeps on deposit with the Lender (such deposit to be held without interest) an amount of money which, in the sole judgment of the Lender, is sufficient to pay such taxes and any interest or penalties that may accrue thereon.

If such Obligor fails to prosecute such contest with reasonable diligence, the Lender may apply the money so deposited in payment of such taxes. If such Obligor fails to pay any such taxes, in the absence of any such contest by such Obligor, the Lender, in its sole discretion, may (but shall be under no obligation to) advance and pay any sums required to pay any such taxes and/or to secure the release of any Lien therefor, and any sums so advanced by the Lender shall constitute Liabilities hereunder, shall be payable by the Borrower to the Lender on demand, and, until paid, shall bear interest at the Deemed Interest Rate;

(m) no Obligor shall without the prior written consent of the Lender:

(i) incur, create, assume or suffer to exist any Current Debt or other indebtedness other than:

A. indebtedness arising under this Agreement;

B. unsecured indebtedness owing in the ordinary course of business to trade suppliers;

C. any other indebtedness described in Schedule 8.1(o) hereof, subject to all other applicable limitations set out in this Agreement;

D. any indebtedness permitted under subsection (v) of the definition of "Permitted Liens", subject to all other applicable limitations set out in this Agreement and without duplicating Section 10.1(m)(i)(C);

E. indebtedness owed to another Obligor; and

F. indebtedness not ranking in priority to the Lender's security and not falling into subsections 10.1(m)(A) through (E) above, the aggregate outstanding principal amount of which, calculated on a combined basis for all of the Obligors, does not exceed five hundred thousand ($500,000) dollars;

(ii) except where the Lender has given its prior written approval, assume, guarantee or endorse, or otherwise become liable in connection with, the obligations of any Person other than another Obligor, except by endorsement of instruments for deposit or collection or similar transactions in the ordinary course of business;

(n) (i) except for transactions involving only other Obligors, no Obligor shall, in one or a series of transactions, (A) carry on business with or through any other Person, (B) enter into any partnership, joint-venture, co-venture or other combination, (C) enter into any merger, amalgamation, reorganization or consolidation (provided that in no case shall the Borrower or Landdrill International Ltd. effect any transaction that would result in it not being organized under the laws of Canada or a Province thereof), or (D) sell, lease or otherwise dispose of all or any part of its Property, except sales of Equipment as permitted hereunder or sales of Inventory in the ordinary course of business or as otherwise expressly permitted hereby, or (E) wind-up, liquidate, dissolve or cease to carry on business or agree to do any of the foregoing; (ii) no Obligor shall create any new subsidiary; (iii) except for transactions involving only other Obligors, no Obligor shall enter into any transaction outside the ordinary course of its business and (iv) no Obligor shall engage, directly or indirectly, in any line of business other than the businesses in which it is engaged on the Closing Date;

(o) the Borrower shall not and shall not permit any Obligor to, without the prior written consent of the Lender, make any distribution of funds or property to any Person other than another Obligor, including without limitation, the declaration or payment of any dividend or other distribution (whether in cash or in kind) on, purchase, redeem or retirement of any shares of any class of its stock or make any payment on account of, or set apart Property for the repurchase, redemption, defeasance or retirement of, any class of its stock, or pay any amount to any of its officers, directors or employees by way of fees, directors fees, dividends or otherwise (except for employment remuneration in the normal course of business and subject to the provisions hereof) (any of which, a "**Distribution**");

(p) no Obligor shall, without the prior written consent of the Lender, make any payment on account of the Convertible Debentures, except for scheduled payments of interest provided that, after giving effect to such payment, no Default or Event of Default shall have occurred;

(q) no Obligor shall make any loans to, or investments in any Person other than another Obligor, whether in cash, securities or other property of any kind, other than (i) investments that are direct obligations of the governments of Canada or the U.S. or any instrumentality thereof and, pledged and delivered to the Lender pursuant to documentation satisfactory to the Lender in its sole discretion, and (ii) loans to, or investments in Affiliates, provided the same are on an arm's length basis and approved by the Lender, subject in each case to the limitation that no such loan or investment shall be made if a Default has occurred or is continuing or would result therefrom;

(r) no Obligor shall amend its organizational documents or change its fiscal year, without the prior written consent of the Lender;

(s) the Borrower shall hold quarterly meetings between the management of the Borrower and the Lender at the times and places reasonably requested by the Lender in order to review the Borrower's operations, financial results, non arms length (within the meaning of the *Income Tax Act* (Canada)) transactions and strategic results;

(t) the Borrower shall maintain and keep in full force and effect each of the financial covenants set forth below. The calculation and determination of each such financial covenant, and all accounting terms contained therein, shall be calculated and construed in accordance with IFRS:

(i) Minimum Cumulative Consolidated EBITDA – The Borrower shall, at all times, maintain a minimum Cumulative Conslidated EBITDA of not less than:

A. $2,000,000 for each three-month period ending March 31 during which the Liabilities remain outstanding;

B. $5,000,000 for each six-month period ending June 30 during which the Liabilities remain outstanding:

C. $8,500,000 for each nine-month period ending September 30 during which the Liabilities remain outstanding; and

D. $10,000,000 for each twelve-month period ending December 31 during which the Liabilities remain outstanding.

(i) Minimum Net Working Capital – The Borrower shall maintain a minimum Net Working Capital of five million ($5,000,000) dollars.

(ii) Capital Expenditures – Except with the prior written consent of the Lender, the Obligors shall not make Capital Expenditures which exceed:

A. two million six hundred thousand ($2,600,000) dollars for the fiscal year of the Obligors ended December 31, 2012; and

B. seven hundred and fifty thousand ($750,000) dollars for the fiscal year of the Obligors ended December 31, 2013 and for each subsequent fiscal year of the Obligors thereafter until repayment of the Liabilities has been made in full.

(u) each Obligor shall maintain its corporate existence and its qualifications and good standing in all jurisdictions necessary to conduct its business and own its Property, shall obtain and maintain all licenses, permits, franchises and governmental authorizations necessary to conduct its businesses and own its Properties, and shall properly maintain all of its books, records and accounts in accordance with sound accounting practices and, where applicable, IFRS;

(v) each Obligor shall comply in all material respects with the terms and provisions of each judgment, law, statute, rule, and governmental regulation applicable to it, and each material contract, mortgage, lien, lease, indenture, order, instrument, agreement or document to which it is a party or by which it is bound;

(w) each Obligor shall in all material respects conduct its business in full compliance with all Environmental Laws applicable to it, including, without limitation, those relating to the generation, handling, use, storage, and disposal of Materials of Environmental Concern; each Obligor shall take prompt and appropriate action to respond to any non-compliance or alleged non-compliance with Environmental Laws and each Obligor shall promptly and regularly report to the Lender on such non-compliance or alleged non-compliance and its response;

(x) each of the Obligors' Plans shall, at all times, be duly registered, established, qualified, administered and invested in all material respects in compliance with all applicable laws (including regulations, orders and directives and administrative requirements of the applicable pension regulators), and the terms of the Plans and any agreements relating thereto. Without limiting the foregoing, each Obligor shall ensure that:

(i) each Obligor's Plans (including any Plan to be established and administered by an Obligor) is fully funded, on an ongoing basis, in accordance with the terms of such Plan, all applicable laws (including regulations, orders, directives and administrative requirements of the applicable pension regulators) and commonly accepted actuarial principles and there are no solvency deficiencies respecting any of such Plans. Each Obligor shall make such contributions to its Plans and in such manner as required by the terms of the Plans, actuarial valuations and all applicable laws (including regulations, orders, directives and administrative requirements of the applicable pension regulators) to maintain the fully funded status of its Plans on an ongoing and winding-up basis;

(ii) all amounts required to be paid by it are paid when due; and

(iii) no liability upon it or Lien on any of its Property arises or exists in respect of any Plan;

(y) no Obligor shall enter into any transaction which materially and adversely affects the Collateral or any Obligor's ability to repay the Liabilities, or the Borrower's ability to perform its obligations under this Agreement and the Other Agreements, or otherwise causes, permits or suffers to occur or continue any material adverse change in the Borrower's condition (financial or otherwise), its ability to perform its obligations hereunder or in the Collateral;

(z) no Obligor shall (A) create, incur or assume any Lien on any Property now owned or hereafter acquired by it, except Permitted Liens or (B) permit to exist any Lien on any Property now owned or hereafter acquired by it, except Permitted Liens;

(aa) the Obligors shall execute and deliver, or cause to be executed and delivered, to the Lender such documents and agreements, and such additional instruments of security, and shall take or cause to be taken, or do or cause to be done, such actions and things, as the Lender may, from time to time, request to carry out the terms and conditions of this Agreement and the Other Agreements, and in order to better register, perfect and protect the priority over all other Liens of the security interests and hypothecs granted by the Obligors to the Lender;

(bb) each Obligor shall deliver to the Lender:

(i) subject to Section 10.1(bb)(ii), no later than seven (7) days after the receipt of a notice of non-compliance, violation or contravention from any governmental or regulatory authority with respect to the activities carried on by such Obligor or as to any other matter whatsoever, a copy of the notice and a written action plan to remedy same; and

(ii) immediately after becoming aware thereof, notice to the Lender of any violation or alleged violation by any Obligor of Environmental Laws; or, immediately upon its receipt thereof, any Action Request, Violation Notice or any other notice that such Obligor receives from a governmental or regulatory authority asserting that such Obligor is or may not be in compliance with Environmental Laws or that its compliance is being investigated; or, immediately upon becoming aware of same, any violation of any Environmental Law that such Obligor reports in writing or is required to report under any Environmental Law in writing (or for which any written report supplemental to any oral report is made) to any federal, provincial, state or local environmental agency or other governmental or regulatory authority.

(cc) no Obligor shall enter into, or agree to enter into, or permit any of its Subsidiaries to enter into or agree to enter into any transaction or series of transactions to acquire any capital stock (or other equity instruments or rights) from any Person;

(dd) no Obligor shall, without the prior written consent of the Lender:

(i) make a material change to its business;

(ii) enter into (including an amendment, as applicable) any contract, arrangement, loan or other advance, guarantee, investment, acquisition or merger with any Person that is not at arm's length (within the meaning of the *Income Tax Act* (Canada)) to such Obligor;

(iii) sell or otherwise dispose of any plans, patents, trademarks, processes, trade secrets, licenses, distribution rights, or other industrial or intellectual property of the Obligor, other than on the ordinary course of business;

(iv) create, implement, or modify any stock option plan or any other compensation plan of the Obligors; or

(v) with the Lender acting reasonably, change its auditors.

ARTICLE 11 - CONDITIONS PRECEDENT

11.1 Conditions Precedent to Drawdown.

The obligations of the Lender to fund the Loan is subject to the satisfaction or waiver on or before the Closing Date of the following conditions precedent:

(a) The Lender shall have received, on or before the Closing Date, approval of the Lender's requisite investment authorities.

(b) The Borrower shall provide the Lender with 4,600,000 warrants in the Borrower (the "**Warrants**" and each a "**Warrant**"), each such Warrant entitling the Lender to purchase one (1) common share in the capital of the Borrower for an exercise price of $0.24 (the "**Exercise Price**"). The Exercise Price shall be adjusted for any share splits, consolidations or stock dividends. The Warrants shall be exercisable by the Lender, in whole or in part, three (3) years from the Closing Date.

(c) The Lender shall have received an executed copy of a payout letter from CIBC in form and substance satisfactory to the Lender evidencing that all outstanding indebtedness has been or concurrently with the Closing Date will be terminated, all obligations thereunder are being paid in full and all liens securing obligations thereunder have been or concurrently with the Closing Date have been subordinated to the Lender's Security Interest;

(d) The Lender shall have received on or before the Closing Date (in sufficient number as the Lender shall require), and shall continue to hold, in form and substance satisfactory to it in its absolute discretion, the following, duly executed by each party thereto:

(i) this Agreement;

(ii) a certificate of a senior officer of the Borrower stating that (A) since March 1, 2012, no event has occurred which has had or could reasonably be expected to have a Material Adverse Effect; (B) all representations and warranties made by the Borrower and the other Obligors in this Agreement and the Other Agreements are true, correct and complete as if made on the Closing Date; (C) all covenants and other obligations of the Borrower in this Agreement and the Other Agreements required to be complied with by the Closing Date have been complied with in full, including, without limitation, compliance with financial covenants; and (D) no Default has occurred and is continuing, in each case after giving effect to the advance of the Loan;

(iii) the Security Agreement in a form acceptable to the Lender, creating a security interest in all present and after-acquired property of each of the Obligors (except for Landdrill Mexico and with respect to the Mexican assets (and the shares pledged to Sprott Resource Lending Partnership ("**Sprott**"))) in favour of the Lender

(iv) guarantees from each of the Guarantors in favour of the Lender guaranteeing the prompt and complete payment and performance of all indebtedness, liabilities and obligations of the Borrower to the Lender arising in connection with or pursuant to this Agreement (the "**Guarantees**");

(v) other such additional security agreements and assurances that the Lender may from time to time require in order to better secure the security interests created under this Agreement and the Guarantees;

(vi) priorities agreement entered into among Landdrill International Ltd., Canadian Imperial Bank of Commerce, GE Canada Equipment Financing G.P. and the Lender dated March 21, 2012;

(vii) priorities agreement entered into among Sprott, the Borrower, Landdrill International Ltd., Landdrill International Inc., a Barbados corporation, and Landdrill Mexico dated March 21, 2012;

(viii) the Lender's customary agreements and all documents, instruments, financial statements, consents, evidences of corporate authority, certificates, insurance certificates, opinions of legal counsel and such other writings and agreements to confirm and effectuate the lending transactions and the matters referred to herein as may be required by the Lender and their counsel, all duly executed and/or delivered by the Obligors or such other Person as may be required in the circumstances.

(e) Completion by the Lender of its review of, and satisfaction on its part, in its sole discretion, with the Audited Financial Statements of the Borrower for the fiscal year ended December 31, 2010.

(f) Since March 1, 2012, no event shall have occurred which has had or could reasonably be expected to have a Material Adverse Effect as determined by the Lender in its sole discretion. No material adverse change in the Lender's understanding of the facts and information presented to it by the Borrower or others on the Borrower's behalf has occurred and no material litigation or claims (in the sole judgment of the Lender) with respect to any aspect of the Obligors' business or Property shall have occurred, or shall be pending or threatened, that could or would affect the ability of the Obligors to perform their respective obligations under this Agreement and the Other Agreements contemplated hereby.

(g) The Lender shall have received payment in full of all reasonable fees and expenses payable to it by the Borrower on or before the Closing Date and the Borrower shall have paid all reasonable fees and expenses of counsel to the Lender, and all reasonable fees and expenses of local counsel.

(h) All necessary legislative, regulatory, governmental, and other third party approvals, notices, consents and permits including those necessary to grant and perform this Agreement and the Other Agreements and carry on the Borrower's business shall have been given and obtained by the Borrower, such approvals, notices, consents and permits not to contain any terms or conditions which the Lender, in its sole discretion, consider to be materially adverse to the Borrower, and evidence thereof shall have been furnished to the Lender.

(i) All registrations and filings in respect of this Agreement and the Other Agreements shall have been made in all jurisdictions as the Lender and their counsel shall reasonably determine to be necessary or appropriate (at the expense of the Borrower), it being understood and agreed that the Lender shall be entitled to make (at the expense of the Borrower) all such further registrations and filings in respect of this Agreement and the Other Agreements, after the Closing Date, and until all Liabilities have been paid and performed in full, as the Lender shall reasonably consider necessary or appropriate in its discretion.

(j) No order, judgment or decree of any court, arbitrator or governmental authority shall purport by its terms to enjoin or restrain the Lender from providing the Loan, and no law, rule, regulation, request or directive (whether or not having the force of law) shall prohibit or request that the Lender refrain from providing the Loan.

(k) The Lender shall have reviewed and shall be satisfied, in all material respects, with the insurance policies maintained by the Obligors, and all terms thereof (including risks and amounts of coverage) and the insurers, it being understood and agreed that the Lender shall be named as loss payee as its interests may appear on the policies of the Obligors and that all such policies shall contain standard mortgagee endorsement clauses in favour of the Lender, certificates (including, without limitation, renewal certificates) evidencing the foregoing, and on terms and in substance satisfactory to the Lender, all of which shall have been delivered to the Lender.

(l) The Lender, acting reasonably, shall be satisfied with the results of all searches and enquires conducted in respect of the Obligors and their Property as the Lender's counsel may reasonably require, and such estoppel letters (to confirm the amounts secured by any existing encumbrances and the collateral covered thereby) shall be received by the Lender as may be required by the Lender in its discretion, acting reasonably.

(m) The Lender shall have completed all due diligence which it considers necessary or appropriate in its discretion in regard to the Obligors and their Property, books and records, operations, prospects and condition (financial or otherwise), including, without limitation, with respect to the Obligors, in regard to past and ongoing compliance with laws (including Environmental Laws), union and labour relations and pension matters, and the Lender shall be satisfied in their discretion that the Borrower is adequately capitalized, the fair, saleable value of its Property exceeds its liabilities at the Closing Date, and that the Borrower has sufficient working capital to pay its debts as they become due, and the Lender shall have received such documentation it considers necessary or appropriate in its discretion in regard to the foregoing matters, including, without limitation, compliance with Environmental Laws.

(n) The Lender shall be satisfied that no Default shall have occurred on or be continuing or would result from the making of the Loan.

(o) No material changes in the business and affairs of the Borrower including any material changes in governmental regulations or policies affecting any party to this Agreement shall have occurred prior to the Closing Date.

The Obligors shall have executed or caused to be executed and delivered to the Lender all documents which the Lender determines in its absolute discretion are necessary to consummate the transactions contemplated hereby.

ARTICLE 12- DEFAULT

12.1 Events of Default.

The occurrence of any one or more of the following events shall constitute an "Event of Default" hereunder:

(a) the failure of the Borrower to pay when due, declared due or demanded any of the Liabilities of the Lender;

(b) the failure of (i) the Borrower to perform, keep or observe in a material respect any of the covenants, conditions, promises, agreements or obligations contained in Sections 10.1(j), 10.1(n), 10.1(y), 10.1(z), 10.1(cc) and 10.1(dd) of this

Agreement, (ii) the Borrower to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations contained in Sections 10.1(m), 10.1(o), 10.1(p) and 10.1(t) of this Agreement, (iii) the Borrower to perform, keep or observe any of the other covenants, conditions, promises, agreements or obligations under this Agreement (other than as described in Section 12.1(a) and other than those covenants, conditions, promises, agreements or obligations referred to in (i) above), which failure is not cured within fifteen (15) days of receipt of written notice from the Lender of such failure, (iv) the Borrower or any Obligor to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations contained in any of the Other Agreements to which it is a party, subject to the application of any cure periods contained therein;

(c) the making or furnishing by any Obligor or any director or officer thereof to the Lender of any representation, warranty, certificate, schedule, report or other communication of a material nature within or in connection with this Agreement or the Other Agreements or in connection with any other agreement between such Obligor and the Lender, which is untrue or misleading in any respect when made; provided that, no Event of Default under Section 12.1(c) will occur if such representation, warranty or other communication was not intentionally untrue or misleading, is capable of being corrected within ten (10) days of being made and is diligently corrected within such ten (10) day period;

(d) the creation (whether voluntary or involuntary) of, or any attempt to create, any Lien upon any of the Collateral, other than the Permitted Liens; or the making or any attempt to make any levy, seizure, attachment, or power of sale or foreclosure, on or with respect to any Collateral; or (except as permitted hereby) any sale, lease, or furnishing under a contract of service of, any of the Collateral;

(e) the making of an assignment or proposal in bankruptcy by any Obligor or the filing by any Obligor of notice of its intention to make a proposal in bankruptcy or the commencement of any proceedings by or against any Obligor for the liquidation or reorganization of any Obligor or alleging the insolvency of any Obligor or if an act of bankruptcy has occurred or that any Obligor cannot pay its debts as they mature or the commencement of any proceedings for the readjustment or arrangement of any Obligor's debts, whether under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the United States Bankruptcy Code or under any other law, whether state, provincial or federal, now or hereafter existing, for the relief of debtors, or the commencement of any analogous statutory or non-statutory proceedings involving any Obligor and, if brought against such Obligor, such proceeding is not being contested in good faith by appropriate proceedings, as determined by the Lender, or, if so contested, remains outstanding, undismissed and unstayed more than fifteen (15) days from the institution of such first mentioned proceedings;

(f) the appointment of a receiver, receiver and manager, trustee, liquidator, administrator, sequestrator, custodian, monitor or similar official for any Obligor, for any of the Collateral or for any substantial part of any Obligor's Property, or the institution of any proceedings for the dissolution or winding-up, or the full or partial liquidation, or the merger, amalgamation or consolidation, of any Obligor which is a corporation or a partnership and, if brought against such Obligor, such proceeding is not being contested in good faith by appropriate proceedings, as determined by the Lender, acting reasonably, or, if so contested, remains outstanding, undismissed and unstayed more than five (5) days from the institution of such first mentioned proceedings;

(g) the entry of any judgment or order is issued or levied against any Obligor or its property involving liability in excess of fifty-thousand dollars ($50,000) or the Equivalent in U.S. dollars unless such Obligor, without breaching any of the covenants in Section 10.1 hereof, satisfies such judgment or order within ten (10) days of its issuance;

(h) all or any material part of the Property of any Obligor shall be nationalized, expropriated or condemned, seized or otherwise appropriated, or custody or control of such Property of any Obligor shall be assumed by any governmental or regulatory authority or any court of competent jurisdiction at the instance of any governmental or regulatory authority, except where contested in good faith by proper proceedings diligently pursued where a stay of enforcement is in effect;

(i) the Security Agreement shall be terminated, revoked or declared void, invalid or unenforceable or alleged to be terminated, revoked or declared void, invalid or unenforceable, or an Obligor denies, to any extent, its obligations under the Security Agreement;

(j) any loss, theft, damage or destruction of any item or items of Collateral occurs which:

(i) materially and adversely affects the operation of any Obligors' business; or

(ii) is material in amount and is not adequately covered by insurance;

(k) the occurrence of a default or an event of default, which continues after the passage of any cure period with respect thereto without having been waived, under any agreement or instrument other than this Agreement evidencing indebtedness for borrowed money permitted hereunder in excess of fifty thousand ($50,000) dollars executed or delivered by any Obligor, or pursuant to which agreement or instrument any Obligor or its properties is or may be bound, or if any such indebtedness shall be declared due and payable prior to the stated maturity thereof or if the Borrower otherwise defaults in the performance of any material term or condition contained in any document relating to a Permitted Lien;

(l) any condition exists in connection with any Plan which might constitute grounds for proceedings to have such Plan terminated or a trustee or other similar official appointed to administer such Plan or to be deregistered under any applicable law or regulations unless the existence of such conditions would not have a Material Adverse Effect; or any Obligor shall fail to make a required contribution to any Plan if such failure is sufficient to give rise to liability or constitutes an offence under any applicable law or regulations which would have a Material Adverse Effect; or any Obligor engages in or permits to exist or occur, any other condition, event or transaction with respect to any Plan which could result in the incurrence by any Obligor of any liability, fine or penalty which could have a Material Adverse Effect;

(m) the occurrence of any event or condition (including, without limitation, any change in the operation of business or senior management of the Borrower) which has or is reasonably likely to have a Material Adverse Effect, as determined by the Lender in its sole discretion;

(n) any Obligor (A) fails to make any payment when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise, and whether or not blocked pursuant to the terms of any subordination agreement) in respect of any Liabilities, or (B) fails to observe and perform any other agreement or condition relating to any such indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event occurs, the effect of which default or other event is to cause, or to permit the holder or holders of such indebtedness or the beneficiary or beneficiaries of any guarantee thereof (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice if required, such indebtedness to be demanded or to become due or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), or an offer to repurchase, prepay, defease or redeem such Indebtedness to be made, prior to its stated maturity, or such guarantee to become payable or cash collateral in respect thereof to be demanded;

(o) there occurs any Change of Control; or

(p) if the common shares of the Borrower cease to be listed for trading on the TSX Venture Exchange or The Toronto Stock Exchange or any order is made by any federal, provincial or other governmental authority in relation to the Borrower, or there is any change of law, or the interpretation or administration therefore, which in the reasonable opinion of the Lender, operates to prevent or restrict the trading of the common shares of the Borrower.

ARTICLE 13- REMEDIES

13.1 Remedies.

Subject to Section 13.2, upon the occurrence of an Event of Default described in Section 12.1(e), all of the Liabilities shall immediately and automatically become due and payable, without demand, notice or legal process of any kind. Upon the occurrence of any Event of Default (other than as described in Section 12.1(e)), all of the Liabilities may, at the option of the Lender, be declared by the Lender to be immediately due and payable, upon which declaration all such Liabilities shall immediately become due and payable without demand, notice or legal process of any kind. Upon any such occurrence, the Lender may, in addition to any other right or remedy which they may have at law or in equity, proceed to realize its security hereunder and to enforce its rights by:

(a) entry onto any premise where the Collateral may be located;

(b) the appointment by instrument in writing of a receiver or receivers of the Collateral or any part thereof (which receiver or receivers may be any person or persons, whether an officer or officers or employee or employees of the Lender or not and the Lender may remove any receiver or receivers so appointed and appoint another or others in his or their stead);

(c) proceedings in any court of competent jurisdiction for the appointment of a receiver or receivers or for sale of the Collateral or any part thereof; or

(d) any other action, suit, remedy or proceeding authorized or permitted hereby or by law or by equity.

In addition, the Lender may file such proofs of claim and other documents as may be necessary or advisable in order to have its claim lodged in any bankruptcy, winding-up or other judicial proceedings.

Any receiver or receivers so appointed shall have power to:

(i) take possession of and to use the Collateral or any part thereof;

(ii) carry on the business of the Borrower (including, but not limited to, the taking or defending of any actions or legal proceedings, and the doing or refraining from doing all other things as to the receiver may deem necessary or desirable in connection with the business, operations and affairs of any or all of the Obligors);

(iii) borrow money required for the maintenance, preservation or protection of the Collateral or any part thereof or the carrying on of the business of any or all of the Obligors;

(iv) further charge the Collateral in priority to the security interests of the Security Agreements as security for money so borrowed; and

(v) sell, lease or otherwise dispose of the whole or any part of the Collateral on such terms and conditions and in such manner as the receiver shall determine.

The Lender shall not be responsible for any actions or errors of omission by the receiver or receivers in exercising any such powers.

In addition, the Lender may enter upon, use, occupy and possess the Collateral or any part thereof, free from all encumbrances, Liens and charges, except for Permitted Liens, without hindrance, interruption or denial of the same by any Obligor or by any other person or persons, and may lease or sell the whole or any part or parts of the Collateral. Any sale hereunder may be made by public auction, by public tender or by private contract, with or without notice and with or without advertising and without any other formality (except as required by law), all of which are hereby waived by the Obligors. Such sale shall be on such terms and conditions as to credit or otherwise and as to upset or reserve bid or price as to the Lender, in its sole discretion, may seem advantageous. Such sale may take place whether or not the Lender has taken possession of the Collateral.

No remedy for the realization of the security interests granted to the Lender or for the enforcement of the rights of the Lender shall be exclusive of or dependent on any other such remedy, but any one or more of such remedies may from time to time be exercised independently or in combination. Any failure by the Lender to exercise any right or remedy set out in this Agreement or the Other Agreements shall not constitute a waiver thereof. The term "receiver" as used in this Agreement includes a receiver and manager.

At the Lender's request, the Obligors shall, at the Obligors' expense, assemble the Collateral and make it available to the Lender at one or more places to be designated by the Lender and reasonably convenient to the Lender. Each Obligor recognizes that if it fails to perform, observe or discharge any of their obligations under this Agreement or the Other Agreements, no remedy at law will provide adequate relief to the Lender, and each Obligor agrees that the Lender shall be entitled to temporary and permanent injunctive relief in any such case without the necessity of proving actual damages. Without limiting any of the Lender's rights to provide any lesser period of notice to the extent permitted by applicable law, any notification of intended disposition of any of the Collateral required by law will be deemed reasonably and properly given if given at least fifteen (15) calendar days before such disposition. Any proceeds of any disposition by the Lender of any of the Collateral may be applied by the Lender to the payment of expenses and any borrowings in connection with the Collateral and its realization including, without limitation, reasonable legal fees and disbursements (on a solicitor-client basis) (both in-house and outside counsel) and any balance of such proceeds may be applied by the Lender toward the payment of such of the Liabilities, and in such order of application, as the Lender may from time to time elect or re-elect in its sole discretion.

ARTICLE 14 - INDEMNIFICATION, ETC.

14.1 General Indemnity.

Each Obligor jointly and severally agrees to defend (with counsel satisfactory to the Lender), protect, indemnify and hold harmless the Lender, and each of its Affiliates, and Subsidiaries, and its respective officers, directors, employees, legal counsel and agents (each an "**Indemnified Party**") from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature (including, without limitation, the disbursements and the fees (on a solicitor-client basis) of legal counsel for each Indemnified Party in connection with any investigative, administrative or judicial proceeding, whether or not the Indemnified Party shall be designated a party thereto), (collectively, "**Losses**") which may be imposed on, incurred by, or asserted against, any Indemnified Party (whether direct, indirect or consequential and whether based on any federal, provincial, state or local laws or regulations, including, without limitation, securities, environmental and commercial laws and regulations, under common law or in equity, or based on contract or otherwise) in any manner relating to or arising out of this Agreement or any Other Agreement, or any act, event or transaction related or attendant thereto, the making and/or the management of the Loan or the use or intended use of the proceeds of the Loan; provided, however that the Obligors shall have no obligation hereunder to any Indemnified Party to the extent that such Losses were caused by or resulted from the wilful misconduct or gross negligence of such Indemnified Party. To the extent that the undertaking to indemnify set forth in the preceding sentence may be unenforceable against any Obligors because it violates any law or public policy, the Obligors shall satisfy such undertaking to the maximum extent permitted by applicable law. Any Losses covered by this indemnity shall be paid to each Indemnified Party on demand, and, failing prompt payment, shall, together with interest thereon at the Deemed Interest Rate from the date incurred by each Indemnified Party until paid in full, be added to the Liabilities and be secured by the Collateral. The provisions of this Section shall survive the satisfaction and payment of all Liabilities and the termination of this Agreement.

14.2 Taxes.

All payments made by the Obligors under this Agreement and the Other Agreements shall be made free and clear of, and without deduction or withholding for or on account of, any present or future income, stamp or other taxes, levies, assessments, imposts, deductions, charges, or withholdings imposed by any foreign, federal, provincial, state, local or other jurisdiction or any governmental agency thereof or political subdivision or taxing authority therein, excluding taxes imposed on the net income or the capital of the Lender (all such non-excluded taxes being hereinafter called "**Taxes**"). If any Taxes are required to be withheld from any amounts so payable to the Lender hereunder or under any Other Agreements the amounts so payable shall be increased to the extent necessary to yield to the recipient (after payment of all Taxes) interest or any such other amounts payable hereunder at the rates or in the amounts specified in this Agreement or Other Agreement. If the Obligor is required by law to make any deduction or withholding on account of any Taxes or other amount from any sum paid or expressed to be payable to the Lender under this Agreement or any Other Agreement, then: (A) such Obligor shall notify the Lender of any such requirement or any change in any such requirement as soon as it becomes aware of it; (B) the Obligor shall pay any such Taxes or other amount before the date on which penalties attached thereto become due and payable; (C) the sum payable by such Obligor in respect of which the relevant deduction, withholding or payment is required shall be increased to the extent necessary to ensure that, after the making of that deduction, withholding or payment, the recipient receives on the due date and retains (free from any liability in respect of any such deduction, withholding or payment) a sum equal to that which it would have received and so retained had no such deduction, withholding or payment been required or made; and (D) within thirty (30) days after payment of any sum from which any Obligor is required by law to make any deduction or withholding, and within thirty (30) days after the due date of payment of any Taxes or other amount which it is required by clause (B) above to pay, it shall deliver to the Lender all such certified documents and other evidence as to the making of such deduction, withholding or payment as (1) are reasonably satisfactory to the Lender as proof of such deduction, withholding or payment and of the remittance thereof to the relevant taxing or other authority and (2) are reasonably required by the Lender to enable it to claim a tax credit with respect to such deduction, withholding or payment. If any Obligor fails to pay any Taxes when due to the appropriate taxing authority, the Borrower shall indemnify the Lender for any incremental taxes, interest or penalties that may become payable by the Lender as a result of any such failure. The provisions of this Section shall survive the satisfaction and payment of all Liabilities and the termination of this Agreement.

ARTICLE 15 - GENERAL PROVISIONS

15.1 Notice.

All written notices and other written communications with respect to this Agreement or any of the Other Agreements shall be sent by ordinary or registered mail, by telecopy or delivered in person, and in the case of the Lender shall be sent to it at Crown Capital Partners Inc., 175, 601-10 Avenue SW Calgary, AB T2R 0B2 Attention: Chief Executive Officer (if by facsimile to facsimile number (403) 508-6120) and in the case of any of the Obligors shall be sent to the Borrower at 160 MacNaughton Avenue, Moncton, NB, E1H 3L9 Attention: Chief Financial Officer, with a copy to General Counsel (if by facsimile to facsimile (506) 388-8990). The notice or other communication so sent shall be deemed to be received on the day of personal delivery or telecopy, or if mailed, three days following the date of such mailing.

15.2 Choice of Governing Law and Construction.

Except as expressly set forth therein, this Agreement and the Other Agreements (unless expressly stated otherwise in the Other Agreements) shall be governed and controlled by the laws of the Province of Ontario and the laws of Canada applicable therein as to interpretation, enforcement, validity, construction, effect, and in all other respects, including, without limitation, the legality of the interest rate and other charges, but excluding perfection and realization of the security interests and hypothecs in the Collateral, which shall be governed and controlled by the laws of the relevant jurisdiction.

15.3 Forum Selection and Service of Process.

To induce the Lender to accept this Agreement, the Borrower irrevocably agrees that, subject to the Lender's sole and absolute election, all actions or proceedings in any way, manner or respect, arising out of or from or related to this Agreement, the Other Agreements or the Collateral may be litigated in courts having *situs* within the Province of Ontario. The Borrower hereby consents and submits to the non-exclusive jurisdiction of any local, provincial, state or federal courts located within said jurisdictions. The Borrower hereby waives any right it may have to transfer or change the venue of any litigation brought against the Borrower by the Lender in accordance with this paragraph.

15.4 Modification and Benefit of Agreement.

This Agreement and the Other Agreements may not be modified, altered or amended except by an agreement in writing signed by the Borrower and the Lender. The Borrower may not sell, assign or transfer this Agreement, or the Other Agreements or any portion thereof including, without limitation, the Borrower's right, title, interest, remedies, powers or duties thereunder. The Borrower hereby consents to the sale, assignment, transfer or other disposition to a financial institution by the Lender, at any time and from time to time hereafter, of this Agreement, or the Other Agreements, or of any portion thereof, or participation therein including, without limitation, the right, title, interest, remedies, powers and/or duties of the Lender thereunder. The Borrower agrees that it shall execute and deliver such documents as the Lender may request in connection with any such sale, assignment, transfer or other disposition. This Agreement shall enure to the benefit of, and be binding upon, the parties hereto and their successors and permitted assigns.

15.5 Headings of Subdivisions.

The headings of subdivisions in this Agreement are for convenience of reference only, and shall not govern the interpretation of any of the provisions of this Agreement.

15.6 Power of Attorney.

The Borrower acknowledges and agrees that its appointment of the Lender as its attorney and agent for the purposes specified in this Agreement is an appointment coupled with an interest and shall be irrevocable until all of the Liabilities are paid in full and this Agreement is terminated.

15.7 Waivers, Confidentiality, Information Sharing.

(a) In no event shall any party hereto be liable for lost profits or other special or consequential damages.

(b) To the maximum extent permitted by law, the Borrower hereby waives all rights to a hearing of any kind prior to the exercise by the Lender of its rights to repossess the Collateral without judicial process or to replevy, attach or levy upon such Collateral without prior notice or hearing.

(c) To the maximum extent permitted by law, the Borrower hereby waives demand, presentment, protest and notice of nonpayment.

(d) Failure of the Lender, at any time or times hereafter, to require strict performance by the Borrower of any provision of this Agreement or any of the Other Agreements shall not waive, affect or diminish any right of the Lender thereafter to demand strict compliance and performance therewith. Any suspension or waiver by the Lender of a Default under this Agreement or any default under any of the Other Agreements shall not suspend, waive or affect any other Default under this Agreement or any other default under any of the Other Agreements, whether the same is prior or subsequent thereto and whether of the same or of a different kind or character. No delay on the part of the Lender in the exercise of any right or remedy under this Agreement or any Other Agreement shall preclude any other or further exercise thereof or the exercise of any right or remedy. None of the undertakings, agreements, warranties, covenants and representations of the Borrower contained in this Agreement or any of the Other Agreements and no Default under this Agreement or default under any of the Other Agreements shall be deemed to have been suspended or waived by the Lender unless such suspension or waiver is in writing, signed by duly authorized officer(s) of the Lender and directed to the Borrower specifying such suspension or waiver.

(e) Borrower hereby agrees and acknowledges that the Lender shall be permitted to share with any of its affiliates, any information concerning Borrower, the other Obligors, this Agreement and all related agreements, and the subject matter thereof, that the Lender has or will have in their possession.

15.8 Timing of Payments.

Any payment required to be made by Borrower to the Lender hereunder or under any of the Other Agreements shall be made in the currency in which the obligation requiring such payment arose. Any payment received by the Lender after 3:00 p.m. (Regina time) on a Business Day, or on any day that is not a Business Day, shall be credited to the account of the Borrower on the next following Business Day.

15.9 Currency.

All dollar amounts specified herein are in Canadian dollars unless otherwise indicated.

15.10 Judgment Currency.

If in the recovery by the Lender of any amount owing hereunder in any currency, judgment can only be obtained in another currency and because of changes in the exchange rate of such currencies between the date of judgment and payment in full of the amount of such judgment, the amount of recovery under the judgment differs from the full amount owing hereunder, the Borrower shall pay any such shortfall to the Lender, and such shortfall can be claimed by the Lender against the Borrower as an alternative or additional cause of action and any surplus received by the Lender will be repaid to the Borrower.

15.11 Severability.

If any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or remaining provisions of this Agreement.

15.12 Conflicts.

In the event there occurs any conflict or inconsistency between any provision hereof and any provision of the Other Agreements, the provision hereof shall, to the extent of any such conflict or inconsistency, govern.

15.13 Right of Set-Off.

Upon the occurrence and during the continuance of an Event of Default, the Lender is authorized at any time and from time to time, without notice to the Borrower (any such notice being expressly waived) to the fullest extent permitted by law to set-off any and all deposits of any kind at any time held to the credit or for the account of the Borrower, against any of the obligations of the Borrower hereunder or under any Other Agreement, whether or not the Lender have made any demand hereunder or thereunder and although such obligations may be unmatured.

15.14 Joint and Several Obligations of the Obligors

Each of the Obligors agrees to be jointly and severally liable for the obligations, covenants, agreements, representations and warranties of the Obligors set forth in this Agreement, as principal debtor and obligor and not as surety. Furthermore, each of the Obligors agrees that it shall observe, fulfil and keep and cause the other Obligors to observe, fulfil and keep, as the case may be, all obligations, covenants, agreements, representations and warranties set forth in this Agreement.

Each of the Obligors shall for all purposes of this Agreement be regarded and be in the same position as a principle debtor and obligor and each Obligor expressly waives demand, presentment, protest and notice thereof respectively and of default and agrees that its liability under this Agreement shall not in any way be limited or affected by any transaction which may take place between the Lender and any other Obligor or any neglect or default of the Lender which might otherwise operate as a discharge, whether partial or absolute, of any Obligor if it were a surety of the other Obligors. Each Obligor further agrees that the Lender shall not be bound to exhaust its recourse against the Borrower or any of the Obligors or any security which it holds for the payment of the moneys owing under this Agreement before acquiring payment from such Obligor, and the Lender may enforce the various remedies available to it and may realize the power of various securities held by it or any part thereof in such order as the Lender may determine.

No obligation, liability or undertaking whatsoever of, and no security whatsoever given by, any Obligor under this Agreement or under any agreement, document or instrument collateral to this Agreement shall be limited or affected by the granting of time, renewals, extensions, releases or discharges by the Lender to any Obligor or to any other person whomsoever, or by the acceptance of compositions by the Lender from any Obligor, or by any dealings whatsoever between the Lender and any of the Obligors or any other person whomsoever, or for any cause or reason for which sureties or joint and several debtors may be relieved or for which any such obligation, liability, undertaking or security may be limited or affected. Without restricting the generality of the foregoing, no such obligation, liability, undertaking or security shall be limited or affected by the Lender taking, or by the Lender's abstention from taking or perfecting, or by the Lender giving up any rights, privileges, mortgages or securities whatsoever.

15.15 Entire Agreement.

This Agreement and the Other Agreements embody the entire agreement and understanding between the parties hereto and thereto and supersede all prior agreements and understandings between such parties relating to the subject matter hereof and thereof and may not be contradicted by evidence of prior or contemporaneous agreements of the parties. There are no unwritten oral agreements between the parties related to the subject matter of this Agreement and the Other Agreements.

15.16 Non-Merger.

The taking of any judgment shall not operate as a merger of any Liabilities or any part thereof or in any way suspend payment or affect or prejudice the rights, remedies and powers, legal or equitable, which the Lender may have in connection with the Liabilities.

15.17 Counterpart Execution/Electronic Delivery

This Agreement may be executed in counterpart and delivered by facsimile or other electronic means of delivery.

15.18 English Language.

At the request of the parties, this Agreement and the Other Agreements have been negotiated in the English language and will be or have been executed in the English language. Les soussigné ont expressément demandé que ce document et tous les documents annexes soient rédigés en langue anglaise.

[the remainder of this page has been left intetionally blank. Counterpart signature page to follow.]

Counterpart Signature Page to the Credit Agreement dated March 21, 2012

IN WITNESS WHEREOF, the Obligors have duly executed this Agreement as of the date set out on the first page hereof.

LANDDRILL INTERNATIONAL INC.

Per: ______________________
Name:
Title:

LANDDRILL ATLANTIC LTD.

Per: ______________________
Name:
Title:

LANDDRILL INTERNATIONAL LTD.

Per: ______________________
Name:
Title:

LANDDRILL CONTRACT MINING LTD.

Per: ______________________
Name:
Title:

LANDDRILL INTERNATIONAL COMPANY LIMITED

Per: ______________________
Name:
Title:

LANDDRILL INTERNATIONAL LLC

Per: ______________________
Name:
Title:

LANDDRILL INTERNATIONAL INC.

Per: ______________________________

Name:

Title:

LANDDRILL INTERNATIONAL COOPERATIEF U.A.

Per: ______________________________

Name:

Title:

LANDDRILL INTERNATIONAL NICARAGUA, S.A.

Per: ______________________________

Name:

Title:

LANDDRILL INTERNATIONAL MEXICO S.A. DE C.V.

Per: ______________________________

Name:

Title:

LANDDRILL INTERNATIONAL SARL

Per: ______________________________

Name:

Title:

LLC LANDDRILL INTERNATIONAL

Per: ______________________________

Name:

Title:

IN WITNESS WHEREOF, the Lender has duly executed this Agreement as of the date set out on the first page hereof.

NORREP CREDIT OPPORTUNITIES FUND, LP, by its General Partner,
Norrep Credit Opportunities Fund Inc.

Per: ______________________________
Name: Chris Johnson
Title: President

SCHEDULE 1.1(1)

PERMITTED LIENS

None, with the exception of prior interests consisting of:

NOVA SCOTIA

A. **Personal Property Security Act**

The following are registrations against Landdrill International Inc. and Landdrill International Ltd.:

1.	Registration Number:	16949935, as amended by 16979767, as amended by 17015744
	Registration Date:	July 22, 2010
	Expiry Date:	July 22, 2020
	Debtors:	**Landdrill International Inc.**
	Secured Parties:	GE Canada Equipment Financing G.P. GE Canada Leasing Services Company General Electric Canada Equipment Finance G.P. GE Canada Asset Financing Holding Company GE Technology Finance GE VFS Canada Limited Partnership GE Capital Canada Equipment Financing & Leasing Company
	General Collateral:	A security interest is taken in all of the Debtor's present and after-acquired personal property.
2.	Registration Number:	18400903, as amended by 18405340, as amended by 18427849
	Registration Date:	August 02, 2011
	Expiry Date:	August 02, 2016

	Debtors:	**LANDDRILL INTERNATIONAL LTD.** **LANDDRILL INTERNATIONAL INC.**
	Secured Parties:	A.F. MACPHEE HOLDINGS LIMITED
	General Collateral:	L17658 AS FROM FACTORY
	Serial Numbered Collateral:	3GNTKEE39BG271832 Motor Vehicle 2011 CHEVROLET AVALANCHE LS
3.	Registration Number:	18653964
	Registration Date:	October 03, 2011
	Expiry Date:	October 03, 2017
	Debtors:	**LANDDRILL INTERNATIONAL INC.** **LANDDRILL INTERNATIONAL LTD.**
	Secured Parties:	A.F. MACPHEE HOLDINGS LIMITED
	General Collateral:	L17785 AS FROM FACTORY
	Serial Numbered Collateral:	JTJBM7FX0B5033318 Motor Vehicle 2011 LEXUS GX470 PREMIUM SUV PEARL WHITE
4.	Registration Number:	14217459
	Registration Date:	July 25, 2008
	Expiry Date:	July 25, 2012
	Debtors:	**LANDDRILL INTERNATIONAL LTD.**
	Secured Parties:	GE CANADA EQUIPMENT FINANCING G.P.

	General Collateral:	(1) New HTM-2500 drill manufactured by Usinage Marcotte Inc., year 2008, serial number LEM 006 (serial number engine 46888646, serial number drill head UM-014-037, serial number of Cylinder feed UM-182-A, serial number of rod handler M8032-FLDI-004, serial number of pump driver 200804005). The goods described herein, wherever situated, and all present and after-acquired intellectual property, intangibles, attachments, accessories and accessions thereto and spare parts, replacements, substitutions, exchanges and trade-ins therefor, and all rights, receivables and chattel paper derived from or evidencing the lease or rental thereof by the debtor to third parties, and all proceeds relating thereto. Proceeds: all of the debtor's present and after acquired personal property which is derived directly or indirectly from any dealing with or disposition of the above-described collateral, including, without limiting the generality of the foregoing, all insurance and other payments payable as indemnity or compensation for loss or damage thereto and all chattel paper, documents of title, goods, instruments, intangibles, money and securities.
5.	Registration Number:	14219935, as renewed by 17873316
	Registration Date:	July 28, 2008
	Expiry Date:	July 28, 2023
	Debtors:	**LANDDRILL INTERNATIONAL LTD.**
	Secured Parties:	GE CANADA EQUIPMENT FINANCING G.P.

General Collateral:	A SECURITY INTEREST IS TAKEN IN ALL OF THE DEBTOR'S PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, THE COLLATERAL WILL INCLUDE ALL RIGHT, TITLE AND INTEREST THAT THE DEBTOR NOW HAS OR MAY HEREAFTER HAVE, BE POSSESSED OF, BE ENTITLED TO, OR ACQUIRE, BY WAY OF AMALGAMATION OR OTHERWISE, NOW OR HEREAFTER OR MAY HEREAFTER HAVE IN ALL PROPERTY OF THE FOLLOWING KINDS: RECEIVABLES, INVENTORY, EQUIPMENT, CHATTEL PAPER, DOCUMENTS OF TITLE, SECURITIES AND INSTRUMENTS, INTANGIBLES, MONEY, BOOKS AND RECORDS, SUBSTITUTIONS AND PROCEEDS, AS DEFINED IN THE GENERAL SECURITY AND MOVABLE HYPOTHEC AGREEMENT BETWEEN LANDDRILL INTERNATIONAL LTD. AND GE CANADA EQUIPMENT FINANCING G.P., DATED JULY 28, 2008. PROCEEDS: ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY WHICH IS DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH OR DISPOSITION OF THE ABOVE-DESCRIBED COLLATERAL, INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ALL INSURANCE AND OTHER PAYMENTS PAYABLE AS INDEMNITY OR COMPENSATION FOR LOSS OR DAMAGE AND ALL CHATTEL PAPER, DOCUMENTS OF TITLE, GOODS, INSTRUMENTS, INTANGIBLES, MONEY AND SECURITIES.

6. Registration Number: 14220065, as amended by 14222590

Registration Date: July 28, 2008

Expiry Date: July 28, 2013

Debtors: **LANDDRILL INTERNATIONAL LTD.**

Secured Parties: GE CANADA EQUIPMENT FINANCING G.P.

General Collateral: A SECURITY INTEREST IS TAKEN IN THE SPECIFIC EQUIPMENT DESCRIBED HEREIN AND ATTACHED AS SCHEDULE 'A' (PLEASE SEE ADDITIONAL INFORMATION SECTION), WHEREVER SITUATED, INCLUDING ALL PRESENT AND AFTER-ACQUIRED INTELLECTUAL PROPERTY, INTANGIBLES, ATTACHMENTS, ACCESSORIES AND ACCESSIONS THERETO AND SPARE PARTS, REPLACEMENTS, SUBSTITUTIONS, EXCHANGES AND TRADE-INS THEREFOR, AND ALL RIGHTS, RECEIVABLES AND CHATTEL PAPER DERIVED FROM OR EVIDENCING THE LEASE OR RENTAL THEREOF BY THE DEBTOR TO THIRD PARTIES, AND ALL PROCEEDS RELATING THERETO, PURSUANT TO THE EQUIPMENT LOAN AND SECURITY AGREEMENT NO. 150011053772, BETWEEN LANDDRILL INTERNATIONLAL LTD. AND GE CANADA EQUIPMENT FINANCING G.P., DATED JULY 28, 2008. PROCEEDS: ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY WHICH IS DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH OR DISPOSITION OF THE ABOVE-DESCRIBED COLLATERAL, INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ALL INSURANCE AND OTHER PAYMENTS PAYABLE AS INDEMNITY OR COMPENSATION FOR LOSS OR DAMAGE AND

ALL CHATTEL PAPER, DOCUMENTS OF TITLE, GOODS, INSTRUMENTS, INTANGIBLES, MONEY AND SECURITIES.

A SECURITY INTEREST IS TAKEN IN THE SPECIFIC EQUIPMENT DESCRIBED HEREIN AND ATTACHED AS SCHEDULE 'A', WHEREVER SITUATED, INCLUDING ALL PRESENT AND AFTER-ACQUIRED INTELLECTUAL PROPERTY, INTANGIBLES, ATTACHMENTS, ACCESSORIES AND ACCESSIONS THERETO AND SPARE PARTS, REPLACEMENTS, SUBSTITUTIONS, EXCHANGES AND TRADE-INS THEREFOR, AND ALL RIGHTS, RECEIVABLES AND CHATTEL PAPER DERIVED FROM OR EVIDENCING THE LEASE OR RENTAL THEREOF BY THE DEBTOR TO THIRD PARTIES, AND ALL PROCEEDS RELATING THERETO, PURSUANT TO THE EQUIPMENT LOAN AND SECURITY AGREEMENT NO. 150011053772, BETWEEN LANDDRILL INTERNATIONAL LTD. AND GE CANADA EQUIPMENT FINANCING G.P., DATED JULY 28, 2008. PROCEEDS: ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY WHICH IS DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH OR DISPOSITION OF THE ABOVE-DESCRIBED COLLATERAL, INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ALL INSURANCE AND OTHER PAYMENTS PAYABLE AS INDEMNITY OR COMPENSATION FOR LOSS OR DAMAGE AND ALL CHATTEL PAPER, DOCUMENTS OF TITLE, GOODS, INSTRUMENTS, INTANGIBLES, MONEY AND SECURITIES.

Additional Information: Schedule 'A'

1. MARCOTTE model 2500 - Serial Number RG66466A347227

-10' Stoke Drill
-John Deere Diesel model #6466 Serial Number RG66466A347227
-H Size drive unit
-H Size chuck and rod holder
-Hyd driven triplex flush pump model KP 40 ELE Type
-Hyd operated rod handler - mud tank

2. MARCOTTE model 2500 - Serial number: RG6081A173601
-10' Stoke Drill
-John Deere Diesel model #6466 Serial Number RG6081A173601
-H Size drive unit
-H Size chuck and rod holder
-Hyd driven triplex flush pump model KP 40 ELE Type
-Hyd operated rod handler - mud tank

3. MARCOTTE model 2500- Serial number: 46752892
-10' Stoke Drill
-Cummings diesel engines Model 5.9- Serial Number 46752892
-H Size drive unit
-H Size chuck and rod holder
-Hyd driven triplex flush pump model KP 40 ELE Type
-Hyd operated rod handler - mud tank

4. BOYLE drill model 2500 - Serial number: SL912

5. MARCOTTE model 2500 - Serial number: 46681282
-10' Stoke Drill
-Cummings diesel engines Model 8.3- Serial Number 46681282
-H Size drive unit
-H Size chuck and rod holder

-Hyd driven triplex flush pump model KP 40 ELE Type
-Hyd operated rod handler - mud tank
6. MARCOTTE model 2500- Serial number: 46807865
-10' Stoke Drill
-Cummings diesel engines Model 5.9 - Serial Number 46807865
-H Size drive unit
-H Size chuck and rod holder
-Hyd driven triplex flush pump model KP 40 ELE Type
-Hyd operated rod handler - mud tank
7. MARCOTTE model 2500- Serial number: 46288466
-10' Stoke Drill
-Cummings diesel engines Model 5.9 - Serial Number 46288466
-H Size drive unit
-H Size chuck and rod holder
-Hyd driven triplex flush pump model KP 40 ELE Type
-Hyd operated rod handler - mud tank
8. VERSADRILL QSB185 - Serial number: 46793501
-10' Stoke Drill
-Cummings diesel engines Model 5.9 -Serial Number - 46793501
-H Size drive unit
-H Size chuck and rod holder
-Hyd driven triplex flush pump model KP 40 ELE Type
-Hyd operated rod handler - mud tank
9. VERSADRILL QSB185 - Serial number: 46800560
-10' Stoke Drill
-Cummings diesel engines Model 5.9 - Serial Number - 46800560
-H Size drive unit

		-H Size chuck and rod holder -Hyd driven triplex flush pump model KP 40 ELE Type -Hyd operated rod handler - mud tank 10. VERSADRILL QSB185 - Serial number: 46793507 -10' Stoke Drill -Cummings diesel engines Model 5.9 - Serial Number - 46793507 -H Size drive unit -H Size chuck and rod holder -Hyd driven triplex flush pump model KP 40 ELE Type -Hyd operated rod handler - mud tank
7.	Registration Number:	17866989, as amended by 17867912, as amended by 18082768
	Registration Date:	March 30, 2011
	Expiry Date:	March 30, 2021
	Debtors:	**Landdrill International Ltd.**
	Secured Parties:	GE CANADA EQUIPMENT FINANCING G.P.
	General Collateral:	DRILLS: Two (2) 2011 Zinex A5 diamond drills S/N's: 2011-015 , 2011-017 c/w Isuzu 6 cylinder engines, B20 heads, synchronized footclamps, wireline spools, mud mixers, mud tanks, one (1) transfer pump for hydraulic oil with filter, two (2) P footclamp upgrades, two (2) hoisting winches for A5, two (2) feed frame skids with stand (powdercoated), two (2) engine skids (powdercoated), one (1) 435 pressure pump, and two (2) sloops, pump shacks, and tanks

One (1) 2011 Zinex A5 diamond drill S/N: 2011-018 c/w Isuzu 6 cylinder engine, B20 head, synchronized footclamp, wireline spool, mud mixer, mud tank, transfer pump for hydraulic oil with filter, P footclamp upgrade, hoisting winch for A5, 435 pressure pump, and sloop, pump shack, and tank One (1) 2011 Duralite 1000N heli-portable drill rig S/N: DL201102 c/w P drill head assembly c/w N size jaws, P rod clamp c/w N size jaws, Pratissoli pressure pump c/w water tank, fiberglass floors c/w two (2) sets of foundation beams, 100' rod winch cable, and 12' x 16' Duralite 1000N fiberglass flyshack
One (1) 2011 Usinage Marcotte HTM-2500 drill w/ P.Q. head, c/w engine QSB6.TPU260-0 S/N: 732 056 92 , drill head S/N: FLDI-088 , head chuck S/N: 560009 JOB12022 , cylinder feed S/N: FLDI-088 , rod clamp S/N: UM , rod handler S/N: M11078-FLDI-088

SNOWMOBILES

FRONT END LOADER:

One (1) 1986 Komatsu WA450A wheel loader S/N: 10669 ________________

The goods described herein, wherever situated, and all present and after-acquired intellectual property, intangibles, attachments, accessories and accessions thereto and spare parts, replacements, substitutions, exchanges and trade-ins therefor, and all rights, receivables and chattel paper derived from or evidencing the lease or rental thereof by the Debtor to third parties, and all proceeds relating thereto. Proceeds: all of the Debtor's present and after-acquired personal property which is derived directly or indirectly from any dealing with or disposition of the above-described collateral, including, without limiting the generality of the foregoing, all insurance and other payments payable as indemnity or compensation for loss or damage thereto and all chattel paper, documents of title, goods, instruments, intangibles, money and securities.

The following equipment is added to the General Collateral description: One (1) 2011 Usinage Marcotte HTM-2500 drill W/PQ HEAD, c/w engine, drill head S/N: FLDI-089-01, cw head chuck, cylinder feed, rod clamp, rod handler
One (1) fabrication work - sloop / pump shack / tank / custom work, support equipment for surface One (1) fabrication work - sloop / pump shack / tank / custom work, support equipment for surface DOZERS:

(1) 1987 Caterpillar Dozer D6D, S/N: 06X01655
(1) 1981 Caterpillar Dozer D6D, S/N: 20X2253
(1) 1986 Caterpillar Dozer D6D, S/N: 04X10562
(1) 1984 Caterpillar Dozer D6D LGP S/N: 06X01130
EXCAVATOR:
(1) 1998 John Deere Hydraulic Excavator, model JD270, S/N: 70157 LOADER

	(1) 1991 Komatsu WA 500 Loader, S/N: A20687, BMP Forks, S/N: 15386 29.5R25 DISMOUNT, CRING, 29.5 R25 TI STL3 CS (2") E3/L3
Serial Numbered Collateral:	2BPSGKBA4BV000704 Motor Vehicle 2011 Bombardier Tundra Sport 550 ski-doo
	2BPSGKBAXBV000710 Motor Vehicle 2011 Bombardier Tundra Sport 550 ski-doo
	2BPSGKBA4BV000623 Motor Vehicle 2011 Bombardier Tundra Sport 550 ski-doo
	2BPSGKBA1BV000689 Motor Vehicle 2011 Bombardier Tundra Sport 550 ski-doo
	2BPSGKBA6BV000848 Motor Vehicle 2011 Bombardier Tundra Sport 550 ski-doo
	2BPSGKBA8BV000365 Motor Vehicle 2011 Bombardier Tundra Sport 550 ski-doo
	2BPSGKBA5BV000419 Motor Vehicle 2011 Bombardier Tundra Sport 550 ski-doo
	2BPSGKBA5BV000839 Motor Vehicle 2011 Bombardier Tundra Sport 550 ski-doo
	2BPSGA7B97V001043 Motor Vehicle Bombardier Skandic Tundra 300F ski-doo
	2BPSKABA4BV000114 Motor Vehicle 2011BombardierExpeditionSport550Fski-1d7o8o66989
	2BPSKABA4BV000162 Motor Vehicle 2011BombardierExpeditionSport550Fski-1d7o8o66989
	1GDL7H1C5YJ517053 Motor Vehicle 2000 GMC 7500 water truck
	2BPSGKBA2BV000538 Motor Vehicle 2011 Bombardier Tundra Sport 550 ski-doo
	10669 Motor Vehicle (1) 1986 Komatsu Wheel Loader, WA450A

06X01655 Motor Vehicle (1) 1987 Caterpillar Dozer D6D
20X2253 Motor Vehicle (1) 1981 Caterpillar Dozer D6D
04X10562 Motor Vehicle (1) 1986 Caterpillar Dozer D6D
06X01130 Motor Vehicle (1) 1984 Caterpillar Dozer D6D LGP
70157 Motor Vehicle (1) 1998 JD Hyd. Excavator mod. JD270
A20687 Motor Vehicle (1) 1991 Komatsu WA 500 Loader

8. Registration Number: 18640664
Registration Date: September 28, 2011
Expiry Date: September 28, 2015
Debtors: **Landdrill International Ltd.**
Secured Parties: GE Canada Equipment Financing G.P.

General Collateral:	(1)Schramm Rotadrill, 2011, model T450GT, S/N: J104-0149 (1)John Deere excavator, 1999, model JD330, S/N: 80503 (1)Morooka crawler carrier, 1994, model MK50, S/N: T50079 (1)Morooka track carrier, 2011, model MST-300VD, S/N: 4026 (1)Morooka track carrier, 2011, model MST-300VD, S/N: 4027 (1)GMC water truck, 1998, model C8500, S/N: 1GDT7H4C6WJ521640 The goods described herein, wherever situated, and all present and after-acquired intellectual property, intangibles, attachments, accessories and accessions thereto and spare parts, replacements, substitutions, exchanges and trade-ins therefor, and all rights, receivables and chattel paper derived from or evidencing the lease or rental thereof by the debtor to third parties, and all proceeds relating thereto. Proceeds: all of the debtor's present and after acquired personal property which is derived directly or indirectly from any dealing with or disposition of the above-described collateral, including, without limiting the generality of the foregoing, all insurance and other payments payable as indemnity or compensation for loss or damage thereto and all chattel paper, documents of title, goods, instruments, intangibles, money and securities.
Serial Numbered Collateral:	1GDT7H4C6WJ521640 Motor Vehicle GMC water truck, 1998, model C8500
Additional Information:	Pursuant to Equipment Loan And Security Agreement # 8698749001

NEW BRUNSWICK

A. **Personal Property Security Act**

The following are registrations against Landdrill International Inc., Landdrill International Ltd. and Landdrill Atlantic Ltd.:

1.	Registration Number:	16693947, as amended by 16694036
	Registration Date:	September 11, 2008
	Expiry Date:	September 11, 2013
	Debtors:	**LANDDRILL INTERNATIONAL INC.**
	Secured Parties:	CANADIAN IMPERIAL BANK OF COMMERCE
	General Collateral:	A security interest is taken in all present and after acquired personal property of the debtor.
2.	Registration Number:	19051747, as amended by 19080787, as amended by 19116409
	Registration Date:	July 22, 2010
	Expiry Date:	July 22, 2020
	Debtors:	**Landdrill International Inc.**
	Secured Parties:	GE Canada Equipment Financing G.P. GE Canada Leasing Services Company General Electric Canada Equipment Finance G.P. GE Canada Asset Financing Holding Company GE Technology Finance GE VFS Canada Limited Partnership GE Capital Canada Equipment Financing & Leasing Company
	General Collateral:	A security interest is taken in all of the Debtor's present and after-acquired personal property.
3.	Registration Number:	19305705
	Registration Date:	September 27, 2010
	Expiry Date:	September 27, 2014
	Debtors:	**LANDDRILL INTERNATIONAL LTD.** **LANDDRILL INTERNATIONAL INC.**
	Secured Parties:	Ally Credit Canada Limited

	General Collateral:	AND ALL PROCEEDS THEREFROM
	Serial Numbered Collateral:	1GCPKPEA5AZ271409 Motor Vehicle 2010 CHEVROLET SILVERADO
4.	Registration Number:	19305713
	Registration Date:	September 27, 2010
	Expiry Date:	September 27, 2014
	Debtors:	**LANDDRILL INTERNATIONAL LTD.** **LANDDRILL INTERNATIONAL INC.**
	Secured Parties:	Ally Credit Canada Limited
	General Collateral:	AND ALL PROCEEDS THEREFROM
	Serial Numbered Collateral:	1GCPKPEA3AZ276656 Motor Vehicle 2010 CHEVROLET SILVERADO
5.	Registration Number:	19305739
	Registration Date:	September 27, 2010
	Expiry Date:	September 27, 2014
	Debtors:	**LANDDRILL INTERNATIONAL LTD.** **LANDDRILL INTERNATIONAL INC.**
	Secured Parties:	Ally Credit Canada Limited
	General Collateral:	AND ALL PROCEEDS THEREFROM
	Serial Numbered Collateral:	1GCRKREAXBZ139249 Motor Vehicle 2011 CHEVROLET SILVERADO
6.	Registration Number:	19308923
	Registration Date:	September 28, 2010
	Expiry Date:	September 28, 2014
	Debtors:	**LANDDRILL INTERNATIONAL LTD.** **LANDDRILL INTERNATIONAL INC.**
	Secured Parties:	Ally Credit Canada Limited
	General Collateral:	AND ALL PROCEEDS THEREFROM

	Serial Numbered Collateral:	1GCRKREA1BZ139429 Motor Vehicle 2011 CHEVROLET SILVERADO
7.	Registration Number:	19308949
	Registration Date:	September 28, 2010
	Expiry Date:	September 28, 2014
	Debtors:	**LANDDRILL INTERNATIONAL LTD.** **LANDDRILL INTERNATIONAL INC.**
	Secured Parties:	Ally Credit Canada Limited
	General Collateral:	AND ALL PROCEEDS THEREFROM
	Serial Numbered Collateral:	3GCRKREAXAG222324 Motor Vehicle 2010 CHEVROLET SILVERADO
8.	Registration Number:	19373547, as amended by 19396290
	Registration Date:	October 15, 2010
	Expiry Date:	October 15, 2014
	Debtors:	**LANDDRILL INTERNATIONAL LTD.** **LANDDRILL INTERNATIONAL INC.**
	Secured Parties:	Ally Credit Canada Limited
	General Collateral:	AND ALL PROCEEDS THEREFROM.
	Serial Numbered Collateral:	3GCRKREA3AG285538 Motor Vehicle 2010 CHEVROLET SILVERADO
9.	Registration Number:	19716109
	Registration Date:	January 31, 2011
	Expiry Date:	January 31, 2015
	Debtors:	**LANDDRILL INTERNATIONAL INC.**
	Secured Parties:	Ally Credit Canada Limited
	General Collateral:	AND ALL PROCEEDS THEREFROM.
	Serial Numbered Collateral:	1GCNCPEX8BZ174991 Motor Vehicle 2011 CHEVROLET LT 1500

10. Registration Number: 19738582
Registration Date: February 07, 2011
Expiry Date: February 07, 2015
Debtors: **LANDDRILL INTERNATIONAL LTD.**
LANDDRILL INTERNATIONAL INC.
Secured Parties: Ally Credit Canada Limited
General Collateral: AND ALL PROCEEDS THEREFROM.
Serial Numbered Collateral: 1GCRKREA7BZ112199 Motor Vehicle 2011 CHEVROLET TRUCK LT 1500

11. Registration Number: 19738608
Registration Date: February 07, 2011
Expiry Date: February 07, 2015
Debtors: **LANDDRILL INTERNATIONAL LTD.**
LANDDRILL INTERNATIONAL INC.
Secured Parties: Ally Credit Canada Limited
General Collateral: AND ALL PROCEEDS THEREFROM.
Serial Numbered Collateral: 1GCRKREA4BZ113861 Motor Vehicle 2011 CHEVROLET TRUCK LT 1500

12. Registration Number: 19738624
Registration Date: February 07, 2011
Expiry Date: February 07, 2015
Debtors: **LANDDRILL INTERNATIONAL LTD.**
LANDDRILL INTERNATIONAL INC.
Secured Parties: Ally Credit Canada Limited
General Collateral: AND ALL PROCEEDS THEREFROM.
Serial Numbered Collateral: 1GCRKREA1BZ129984 Motor Vehicle 2011 CHEVROLET TRUCK LT 1500

13. Registration Number: 19746726, as amended by 19753573
Registration Date: February 09, 2011
Expiry Date: February 09, 2015
Debtors: **LANDDRILL INTERNATIONAL LTD.**
LANDDRILL INTERNATIONAL INC
LANDDRILL INTERNATIONAL INC.
Secured Parties: ALLY CREDIT CANADA LIMITED
General Collateral: AND ALL PROCEEDS THEREFROM.
Serial Numbered Collateral: 1GCRKREA2BZ120923 Motor Vehicle 2011 CHEVROLET LT 1500

14. Registration Number: 19848175
Registration Date: March 15, 2011
Expiry Date: March 15, 2015
Debtors: **LANDDRILL INTERNATIONAL INC.**
LANDDRILL INTERNATIONAL LTD.
Secured Parties: Ally Credit Canada Limited
General Collateral: AND ALL PROCEEDS THEREFROM.
Serial Numbered Collateral: 1GCRKTE35BZ200568 Motor Vehicle 2011 CHEVROLET SILVERADO 1500

15. Registration Number: 19957281
Registration Date: April 12, 2011
Expiry Date: April 12, 2016
Debtors: **LANDDRILL INTERNATIONAL INC.**
Secured Parties: NATIONAL LEASING GROUP INC

	General Collateral:	ALL PHOTOCOPIERS OF EVERY NATURE OR KIND DESCRIBED IN LEASE NUMBER 2536596 BETWEEN EXECUTIVE OFFICE SYSTEMS LTD., AS ORIGINAL LESSOR AND THE DEBTOR, AS LESSEE, WHICH LEASE WAS ASSIGNED BY THE ORIGINAL LESSOR TO THE SECURED PARTY, AS AMENDED FROM TIME TO TIME, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES AND SUBSTITUTIONS.
16.	Registration Number:	20413985, as amended by 20417416, as amended by 20437133
	Registration Date:	August 02, 2011
	Expiry Date:	August 02, 2016
	Debtors:	**LANDDRILL INTERNATIONAL LTD.** **LANDDRILL INTERNATIONAL INC.**
	Secured Parties:	A.F. MACPHEE HOLDINGS LIMITED
	General Collateral:	L17658 AS FROM FACTORY
	Serial Numbered Collateral:	3GNTKEE39BG271832 Motor Vehicle 2011 CHEVROLET AVALANCHE LS
17.	Registration Number:	20458097
	Registration Date:	August 12, 2011
	Expiry Date:	August 12, 2014
	Debtors:	**LANDDRILL INTERNATIONAL LTD.** **LANDDRILL INTERNATIONAL INC.**
	Secured Parties:	Ally Credit Canada Limited
	General Collateral:	AND ALL PROCEEDS THEREFROM
	Serial Numbered Collateral:	3GCPKREA3BG155462 Motor Vehicle 2011 CHEVROLET SILVERADO
18.	Registration Number:	20458394

	Registration Date:	August 12, 2011
	Expiry Date:	August 12, 2014
	Debtors:	**LANDDRILL INTERNATIONAL LTD.** **LANDDRILL INTERNATIONAL INC.**
	Secured Parties:	Ally Credit Canada Limited
	General Collateral:	AND ALL PROCEEDS THEREFROM.
	Serial Numbered Collateral:	1GCNCPEX3BZ397746 Motor Vehicle 2011 CHEVROLET SILVERADO
19.	Registration Number:	20544789
	Registration Date:	September 02, 2011
	Expiry Date:	September 02, 2014
	Debtors:	**LANDDRILL INTERNATIONAL LTD.** **LANDDRILL INTERNATIONAL INC.**
	Secured Parties:	Ally Credit Canada Limited
	General Collateral:	AND ALL PROCEEDS THEREFROM.
	Serial Numbered Collateral:	3GCPKREA5BG380644 Motor Vehicle 2011 CHEVROLET SILVERADO
20.	Registration Number:	20556403
	Registration Date:	September 07, 2011
	Expiry Date:	September 07, 2014
	Debtors:	**LANDDRILL INTERNATIONAL LTD.** **LANDDRILL INTERNATIONAL INC.**
	Secured Parties:	Ally Credit Canada Limited
	General Collateral:	AND ALL PROCEEDS THEREFROM.
	Serial Numbered Collateral:	1GCNCPEX0BZ397705 Motor Vehicle 2011 CHEVROLET SILVERADO
21.	Registration Number:	20648341
	Registration Date:	October 03, 2011

	Expiry Date:	October 03, 2017
	Debtors:	**LANDDRILL INTERNATIONAL INC.** **LANDDRILL INTERNATIONAL LTD.**
	Secured Parties:	A.F. MACPHEE HOLDINGS LIMITED
	General Collateral:	L17785 AS FROM FACTORY
	Serial Numbered Collateral:	JTJBM7FX0B503318 Motor Vehicle 2011 LEXUS GX470 PREMIUM SUV PEARL WHITE
22.	Registration Number:	14917686
	Registration Date:	May 29, 2007
	Expiry Date:	May 29, 2014
	Debtors:	**Landdrill International Ltd** **Landdrill International Inc**
	Secured Parties:	De Lage Landen Financial Services Canada Inc.
	General Collateral:	ALL GOODS SUPPLIED BY THE SECURED PARTY TO THE DEBTOR, TOGETHER WITH ALL ATTACHMENTS, ACCESORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS TO THE FOREGOING. PROCEEDS: GOODS, CHATTEL PAPER, SECURITIES, MONEY, CROPS, LICENCES AND INTANGIBLES. 2007 Hyundai Forklift HBF25-7 Serial Number FH0210749,
	Serial Numbered Collateral:	FH0210749 Motor Vehicle 2007 Hyundai HBF25-7
23.	Registration Number:	20401642
	Registration Date:	July 28, 2011
	Expiry Date:	July 28, 2016
	Debtors:	**LANDDRILL INTERNATIONAL LTD.** **LANDDRILL INTERNATIONAL INC.,**
	Secured Parties:	SPROTT RESOURCE LENDING PARTNERSHIP

		SPROTT LENDING CONSULTING LP SPROTT LENDING CONSULTING GP, INC.
	General Collateral:	ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY, INCLUDING WITHOUT LIMITATION FIXTURES, AND AN UNCRYSTALLIZED FLOATING CHARGE ON LAND (AND TERMS USED HEREIN THAT ARE DEFINED IN THE PERSONAL PROPERTY SECURITY ACT OF NEW BRUNSWICK OR THE REGULATIONS MADE THEREUNDER HAVE THOSE DEFINED MEANINGS).
24.	Registration Number:	15004039
	Registration Date:	June 18, 2007
	Expiry Date:	June 18, 2012
	Debtors:	**LANDDRILL INTERNATIONAL LTD.**
	Secured Parties:	Canadian Imperial Bank of Commerce
	General Collateral:	All of the Debtor's present and after acquired personal property as defined in Personal Property Security Act.
25.	Registration Number:	16489387
	Registration Date:	July 22, 2008
	Expiry Date:	July 22, 2012
	Debtors:	**LANDDRILL INTERNATIONAL LTD.**
	Secured Parties:	GE CANADA EQUIPMENT FINANCING G.P.

General Collateral:	(1) New HTM-2500 drill manufactured by Usinage Marcotte Inc., year 2008, serial number LEM 006 (serial number engine 46888646, serial number drill head UM-014-037, serial number of Cylinder feed UM-182-A, serial number of rod handler M8032-FLDI-004, serial number of pump driver 200804005). The goods described herein, wherever situated, and all present and after-acquired intellectual property, intangibles, attachments, accessories and accessions thereto and spare parts, replacements, substitutions, exchanges and trade-ins therefor, and all rights, receivables and chattel paper derived from or evidencing the lease or rental thereof by the debtor to third parties, and all proceeds relating thereto. Proceeds: all of the debtor's present and after acquired personal property which is derived directly or indirectly from any dealing with or disposition of the above-described collateral, including, without limiting the generality of the foregoing, all insurance and other payments payable as indemnity or compensation for loss or damage thereto and all chattel paper, documents of title, goods, instruments, intangibles, money and securities.

26.

Registration Number:	16512139, as renewed by 19911254
Registration Date:	July 28, 2008
Expiry Date:	July 28, 2023
Debtors:	**LANDDRILL INTERNATIONAL LTD.**
Secured Parties:	GE CANADA EQUIPMENT FINANCING G.P.

General Collateral:	A SECURITY INTEREST IS TAKEN IN ALL OF THE DEBTOR'S PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, THE COLLATERAL WILL INCLUDE ALL RIGHT, TITLE AND INTEREST THAT THE DEBTOR NOW HAS OR MAY HEREAFTER HAVE, BE POSSESSED OF, BE ENTITLED TO, OR ACQUIRE, BY WAY OF AMALGAMATION OR OTHERWISE, NOW OR HEREAFTER OR MAY HEREAFTER HAVE IN ALL PROPERTY OF THE FOLLOWING KINDS: RECEIVABLES, INVENTORY, EQUIPMENT, CHATTEL PAPER, DOCUMENTS OF TITLE, SECURITIES AND INSTRUMENTS, INTANGIBLES, MONEY, BOOKS AND RECORDS, SUBSTITUTIONS AND PROCEEDS, AS DEFINED IN THE GENERAL SECURITY AND MOVABLE HYPOTHEC AGREEMENT BETWEEN LANDDRILL INTERNATIONAL LTD. AND GE CANADA EQUIPMENT FINANCING G.P., DATED JULY 28, 2008. PROCEEDS: ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY WHICH IS DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH OR DISPOSITION OF THE ABOVE-DESCRIBED COLLATERAL, INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ALL INSURANCE AND OTHER PAYMENTS PAYABLE AS INDEMNITY OR COMPENSATION FOR LOSS OR DAMAGE AND ALL CHATTEL PAPER, DOCUMENTS OF TITLE, GOODS, INSTRUMENTS, INTANGIBLES, MONEY AND SECURITIES.

27.

Registration Number:	16512196, as amended by 16514192, as amended by 16514267
Registration Date:	July 28, 2008
Expiry Date:	July 28, 2013
Debtors:	**LANDDRILL INTERNATIONAL LTD.**
Secured Parties:	GE CANADA EQUIPMENT FINANCING G.P.
General Collateral:	A SECURITY INTEREST IS TAKEN IN THE SPECIFIC EQUIPMENT DESCRIBED HEREIN AND ATTACHED AS SCHEDULE 'A' (PLEASE SEE ADDITIONAL INFORMATION SECTION), WHEREVER SITUATED, INCLUDING ALL PRESENT AND AFTER-ACQUIRED INTELLECTUAL PROPERTY, INTANGIBLES, ATTACHMENTS, ACCESSORIES AND ACCESSIONS THERETO AND SPARE PARTS, REPLACEMENTS, SUBSTITUTIONS, EXCHANGES AND TRADE-INS THEREFOR, AND ALL RIGHTS, RECEIVABLES AND CHATTEL PAPER DERIVED FROM OR EVIDENCING THE LEASE OR RENTAL THEREOF BY THE DEBTOR TO THIRD PARTIES, AND ALL PROCEEDS RELATING THERETO, PURSUANT TO THE EQUIPMENT LOAN AND SECURITY AGREEMENT NO. 150011053772, BETWEEN LANDDRILL INTERNATIONLAL LTD. AND GE CANADA EQUIPMENT FINANCING G.P., DATED JULY 28, 2008. PROCEEDS: ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY WHICH IS DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH OR DISPOSITION OF THE ABOVE-DESCRIBED COLLATERAL, INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ALL INSURANCE AND OTHER PAYMENTS PAYABLE AS INDEMNITY OR

COMPENSATION FOR LOSS OR DAMAGE AND ALL CHATTEL PAPER, DOCUMENTS OF TITLE, GOODS, INSTRUMENTS, INTANGIBLES, MONEY AND SECURITIES.

THE FOREGOING GENERAL COLLATERAL DESCRIPTION IS HEREBY DELETED AND REPLACED WITH THE FOLLOWING:

A SECURITY INTEREST IS TAKEN IN THE SPECIFIC EQUIPMENT DESCRIBED HEREIN AND ATTACHED AS SCHEDULE 'A', WHEREVER SITUATED, INCLUDING ALL PRESENT AND AFTER-ACQUIRED INTELLECTUAL PROPERTY, INTANGIBLES, ATTACHMENTS, ACCESSORIES AND ACCESSIONS THERETO AND SPARE PARTS, REPLACEMENTS, SUBSTITUTIONS, EXCHANGES AND TRADE-INS THEREFOR, AND ALL RIGHTS, RECEIVABLES AND CHATTEL PAPER DERIVED FROM OR EVIDENCING THE LEASE OR RENTAL THEREOF BY THE DEBTOR TO THIRD PARTIES, AND ALL PROCEEDS RELATING THERETO, PURSUANT TO THE EQUIPMENT LOAN AND SECURITY AGREEMENT NO. 150011053772, BETWEEN LANDDRILL INTERNATIONAL LTD. AND GE CANADA EQUIPMENT FINANCING G.P., DATED JULY 28, 2008. PROCEEDS: ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY WHICH IS DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH OR DISPOSITION OF THE ABOVE-DESCRIBED COLLATERAL, INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ALL INSURANCE AND OTHER PAYMENTS PAYABLE AS INDEMNITY OR COMPENSATION FOR LOSS OR DAMAGE AND ALL CHATTEL PAPER, DOCUMENTS OF TITLE, GOODS, INSTRUMENTS, INTANGIBLES, MONEY AND SECURITIES.

THE FOREGOING GENERAL COLLATERAL DESCRIPTION IS HEREBY DELETED AND REPLACED WITH THE FOLLOWING:

A SECURITY INTEREST IS TAKEN IN THE SPECIFIC EQUIPMENT DESCRIBED HEREIN AND ATTACHED AS SCHEDULE 'A' (PLEASE SEE ADDITIONAL INFORMATION SECTION), WHEREVER SITUATED, INCLUDING ALL PRESENT AND AFTER-ACQUIRED INTELLECTUAL PROPERTY, INTANGIBLES, ATTACHMENTS, ACCESSORIES AND ACCESSIONS THERETO AND SPARE PARTS, REPLACEMENTS, SUBSTITUTIONS, EXCHANGES AND TRADE-INS THEREFOR, AND ALL RIGHTS, RECEIVABLES AND CHATTEL PAPER DERIVED FROM OR EVIDENCING THE LEASE OR RENTAL THEREOF BY THE DEBTOR TO THIRD PARTIES, AND ALL PROCEEDS RELATING THERETO, PURSUANT TO THE EQUIPMENT LOAN AND SECURITY AGREEMENT NO. 150011053772, BETWEEN LANDDRILL INTERNATIONAL LTD. AND GE CANADA EQUIPMENT FINANCING G.P., DATED JULY 28, 2008. PROCEEDS: ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY WHICH IS DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH OR DISPOSITION OF THE ABOVE-DESCRIBED COLLATERAL, INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ALL INSURANCE AND OTHER PAYMENTS PAYABLE AS INDEMNITY OR COMPENSATION FOR LOSS OR DAMAGE AND ALL CHATTEL PAPER, DOCUMENTS OF TITLE, GOODS, INSTRUMENTS, INTANGIBLES, MONEY AND SECURITIES.

Additional Information: SCHEDULE 'A'

1. MARCOTTE MODEL 2500 - SERIAL NUMBER RG66466A347227

-10' STOKE DRILL

-JOHN DEERE DIESEL MODEL #6466 SERIAL NUMBER RG66466A347227

-H SIZE DRIVE UNIT

-H SIZE CHUCK AND ROD HOLDER

-HYD DRIVEN TRIPLEX FLUSH PUMP MODEL KP 40 ELE TYPE

-HYD OPERATED ROD HANDLER - MUD TANK

2. MARCOTTE MODEL 2500 - SERIAL NUMBER: RG6081A173601

-10' STOKE DRILL

-JOHN DEERE DIESEL MODEL #6466 SERIAL NUMBER RG6081A173601

-H SIZE DRIVE UNIT

-H SIZE CHUCK AND ROD HOLDER

-HYD DRIVEN TRIPLEX FLUSH PUMP MODEL KP 40 ELE TYPE

-HYD OPERATED ROD HANDLER - MUD TANK

3. MARCOTTE MODEL 2500- SERIAL NUMBER: 46752892

-10' STOKE DRILL

-CUMMINGS DIESEL ENGINES MODEL 5.9- SERIAL NUMBER 46752892

-H SIZE DRIVE UNIT

-H SIZE CHUCK AND ROD HOLDER

-HYD DRIVEN TRIPLEX FLUSH PUMP MODEL KP 40 ELE TYPE

-HYD OPERATED ROD HANDLER - MUD TANK

4. BOYLE DRILL MODEL 2500 - SERIAL NUMBER: SL912

5. MARCOTTE MODEL 2500 - SERIAL NUMBER: 46681282
-10' STOKE DRILL
-CUMMINGS DIESEL ENGINES MODEL 8.3- SERIAL NUMBER 46681282
-H SIZE DRIVE UNIT
-H SIZE CHUCK AND ROD HOLDER
-HYD DRIVEN TRIPLEX FLUSH PUMP MODEL KP 40 ELE TYPE
-HYD OPERATED ROD HANDLER - MUD TANK
6. MARCOTTE MODEL 2500- SERIAL NUMBER: 46807865
-10' STOKE DRILL
-CUMMINGS DIESEL ENGINES MODEL 5.9 - SERIAL NUMBER 46807865
-H SIZE DRIVE UNIT
-H SIZE CHUCK AND ROD HOLDER
-HYD DRIVEN TRIPLEX FLUSH PUMP MODEL KP 40 ELE TYPE
-HYD OPERATED ROD HANDLER - MUD TANK
7. MARCOTTE MODEL 2500- SERIAL NUMBER: 46288466
-10' STOKE DRILL
-CUMMINGS DIESEL ENGINES MODEL 5.9 - SERIAL NUMBER 46288466
-H SIZE DRIVE UNIT
-H SIZE CHUCK AND ROD HOLDER
-HYD DRIVEN TRIPLEX FLUSH PUMP MODEL KP 40 ELE TYPE
-HYD OPERATED ROD HANDLER - MUD TANK
8. VERSADRILL QSB185 - SERIAL NUMBER: 46793501

-10' STOKE DRILL
-CUMMINGS DIESEL ENGINES MODEL 5.9 -SERIAL NUMBER - 46793501
-H SIZE DRIVE UNIT
-H SIZE CHUCK AND ROD HOLDER
-HYD DRIVEN TRIPLEX FLUSH PUMP MODEL KP 40 ELE TYPE
-HYD OPERATED ROD HANDLER - MUD TANK
9. VERSADRILL QSB185 - SERIAL NUMBER: 46800560
-10' STOKE DRILL
-CUMMINGS DIESEL ENGINES MODEL 5.9 - SERIAL NUMBER - 46800560
-H SIZE DRIVE UNIT
-H SIZE CHUCK AND ROD HOLDER
-HYD DRIVEN TRIPLEX FLUSH PUMP MODEL KP 40 ELE TYPE
-HYD OPERATED ROD HANDLER - MUD TANK
10. VERSADRILL QSB185 - SERIAL NUMBER: 46793507
-10' STOKE DRILL
-CUMMINGS DIESEL ENGINES MODEL 5.9 - SERIAL NUMBER - 46793507
-H SIZE DRIVE UNIT
-H SIZE CHUCK AND ROD HOLDER
-HYD DRIVEN TRIPLEX FLUSH PUMP MODEL KP 40 ELE TYPE
-HYD OPERATED ROD HANDLER - MUD TANK

28.	Registration Number:	16693905
	Registration Date:	September 11, 2008
	Expiry Date:	September 11, 2013

	Debtors:	**LANDDRILL INTERNATIONAL LTD.**
	Secured Parties:	CANADIAN IMPERIAL BANK OF COMMERCE
	General Collateral:	A security interest is taken in all present and after acquired personal property of the debtor.
29.	Registration Number:	18772814
	Registration Date:	May 14, 2010
	Expiry Date:	May 14, 2014
	Debtors:	**LANDDRILL INTERNATIONAL LTD.**
	Secured Parties:	General Motors Acceptance Corporation of Canada, Limited
	General Collateral:	AND ALL PROCEEDS THEREFROM
	Serial Numbered Collateral:	1GCPKPEA7AZ166032 Motor Vehicle 2010 CHEVROLET SILVERADO
30.	Registration Number:	18772855
	Registration Date:	May 14, 2010
	Expiry Date:	May 14, 2014
	Debtors:	**LANDDRILL INTERNATIONAL LTD.**
	Secured Parties:	General Motors Acceptance Corporation of Canada, Limited
	General Collateral:	AND ALL PROCEEDS THEREFROM
	Serial Numbered Collateral:	1GCPKREA6AZ116539 Motor Vehicle 2010 CHEVROLET SILVERADO
31.	Registration Number:	19905918, as amended by 19906437, as amended by 20113403
	Registration Date:	March 30, 2011
	Expiry Date:	March 30, 2021
	Debtors:	**Landdrill International Ltd.**

Secured Parties:	GE CANADA EQUIPMENT FINANCING G.P.
General Collateral:	DRILLS: Two (2) 2011 Zinex A5 diamond drills S/N's: 2011-015 , 2011-017 c/w Isuzu 6 cylinder engines, B20 heads, synchronized footclamps, wireline spools, mud mixers, mud tanks, one (1) transfer pump for hydraulic oil with filter, two (2) P footclamp upgrades, two (2) hoisting winches for A5, two (2) feed frame skids with stand (powdercoated), two (2) engine skids (powdercoated), one (1) 435 pressure pump, and two (2) sloops, pump shacks, and tanks One (1) 2011 Zinex A5 diamond drill S/N: 2011-018 c/w Isuzu 6 cylinder engine, B20 head, synchronized footclamp, wireline spool, mud mixer, mud tank, transfer pump for hydraulic oil with filter, P footclamp upgrade, hoisting winch for A5, 435 pressure pump, and sloop, pump shack, and tank One (1) 2011 Duralite 1000N heli-portable drill rig S/N: DL201102 c/w P drill head assembly c/w N size jaws, P rod clamp c/w N size jaws, Pratissoli pressure pump c/w water tank, fiberglass floors c/w two (2) sets of foundation beams, 100' rod winch cable, and 12' x 16' Duralite 1000N fiberglass flyshack One (1) 2011 Usinage Marcotte HTM-2500 drill w/ P.Q. head, c/w engine QSB6.TPU260-0 S/N: 732 056 92 , drill head S/N: FLDI-088 , head chuck S/N: 560009 JOB12022 , cylinder feed S/N: FLDI-088 , rod clamp S/N: UM , rod handler S/N: M11078-FLDI-088 SNOWMOBILES: FRONT END LOADER: One (1) 1986 Komatsu WA450A wheel loader S/N: 10669 ________________

The goods described herein, wherever situated, and all present and after-acquired intellectual property, intangibles, attachments, accessories and accessions thereto and spare parts, replacements, substitutions, exchanges and trade-ins therefor, and all rights, receivables and chattel paper derived from or evidencing the lease or rental thereof by the Debtor to third parties, and all proceeds relating thereto. Proceeds: all of the Debtor's present and after-acquired personal property which is derived directly or indirectly from any dealing with or disposition of the above-described collateral, including, without limiting the generality of the foregoing, all insurance and other payments payable as indemnity or compensation for loss or damage thereto and all chattel paper, documents of title, goods, instruments, intangibles, money and securities.

One (1) 2011 UsinageMarcotte HTM-2500 drill W/PQ HEAD, c/w engine, drill head S/N: FLDI-089-01, cw head chuck, cylinder feed, rod clamp, rod handler

One (1) fabrication work - sloop / pump shack / tank / custom work, support equipment for surface One (1) fabrication work - sloop / pump shack / tank / custom work, support equipment for surface DOZERS:

(1) 1987 Caterpillar Dozer D6D, S/N: 06X01655
(1) 1981 Caterpillar Dozer D6D, S/N: 20X2253
(1) 1986 Caterpillar Dozer D6D, S/N: 04X10562
(1) 1984 Caterpillar Dozer D6D LGP S/N: 06X01130
EXCAVATOR:

(1) 1998 John Deere Hydraulic Excavator, model JD270, S/N: 70157 LOADER

(1) 1991 Komatsu WA 500 Loader, S/N: A20687, BMP Forks, S/N: 15386 29.5R25 DISMOUNT, CRING, 29.5 R25 TI STL3 CS (2") E3/L3

Serial Numbered Collateral:

2BPSGKBA4BV000704 Motor Vehicle 2011 Bombardier Tundra Sport 550 ski-doo

2BPSGKBAXBV000710 Motor Vehicle 2011 Bombardier Tundra Sport 550 ski-doo

2BPSGKBA4BV000623 Motor Vehicle 2011 Bombardier Tundra Sport 550 ski-doo

2BPSGKBA1BV000689 Motor Vehicle 2011 Bombardier Tundra Sport 550 ski-doo

2BPSGKBA6BV000848 Motor Vehicle 2011 Bombardier Tundra Sport 550 ski-doo

2BPSGKBA8BV000365 Motor Vehicle 2011 Bombardier Tundra Sport 550 ski-doo

2BPSGKBA5BV000419 Motor Vehicle 2011 Bombardier Tundra Sport 550 ski-doo

2BPSGKBA5BV000839 Motor Vehicle 2011 Bombardier Tundra Sport 550 ski-doo

2BPSGA7B97V001043 Motor Vehicle Bombardier Skandic Tundra 300F ski-doo

2BPSKABA4BV000114 Motor Vehicle 2011BombardierExpeditionSport550Fski-1d9o9o05918

2BPSKABA4BV000162 Motor Vehicle 2011BombardierExpeditionSport550Fski-1d9o9o05918

1GDL7H1C5YJ517053 Motor Vehicle 2000 GMC 7500 water truck

2BPSGKBA2BV000538 Motor Vehicle 2011 Bombardier Tundra Sport 550 ski-doo

06X01655 Motor Vehicle 1987 Caterpillar Dozer D6D

20X2253 Motor Vehicle 1981 Caterpillar Dozer D6D

04X10562 Motor Vehicle 1986 Caterpillar Dozer D6D
06X01130 Motor Vehicle 1984 Caterpillar Dozer D6D LGP
70157 Motor Vehicle 1998 JD Hydraulic Excavator, model JD270
15386 Motor Vehicle 1991 Komatsu WA 500 Loader
10669 Motor Vehicle 1986 Komatsu WA450A Wheel Loader
15386 Motor Vehicle BMP Forks

32. Registration Number: 20317632
Registration Date: July 08, 2011
Expiry Date: July 08, 2015
Debtors: **Landdrill International Ltd.**
Secured Parties: GE Canada Equipment Financing G.P.
General Collateral: (2) A5 Diamond drill, 2011, S/N: 2011-035 and 2011-039, c/w Isuzu engine, B20 head, synchronised footclamp, wireline spool, mud tank, mud mixer, one (1) transfer pump for hydraulic oil with filter, two (2) upgrade to P footclamp, two (2) upgrade to P head, two (2) A5-ROTZ120 hoisting winch for A5, one (1) feed frame skid with stand (power-coated), one (1) engine skid (power-coated), two (2) 18100477 P rod jaws (P head), two (2) 18100480 P head chuck bushing - P rod, two (2) 18100178 jaw set P rod (PQ clamp), two (2) 18100185 PQ upper/lower bushing P clamp, two (2) hydraulic motor, drive gears, chain and skids for mounting 435 pressure pump.

		The goods described herein, wherever situated, and all present and after-acquired intellectual property, intangibles, attachments, accessories and accessions thereto and spare parts, replacements, substitutions, exchanges and trade-ins therefor, and all rights, receivables and chattel paper derived from or evidencing the lease or rental thereof by the debtor to third parties, and all proceeds relating thereto. Proceeds: all of the debtor's present and after acquired personal property which is derived directly or indirectly from any dealing with or disposition of the above-described collateral, including, without limiting the generality of the foregoing, all insurance and other payments payable as indemnity or compensation for loss or damage thereto and all chattel paper, documents of title, goods, instruments, intangibles, money and securities.
	Additional Information:	Pursuant to Conditional Sale Agreement #868801101
33.	Registration Number:	20436341
	Registration Date:	August 08, 2011
	Expiry Date:	August 08, 2016
	Debtors:	**LANDDRILL INTERNATIONAL LTD.**
	Secured Parties:	SPROTT RESOURCE LENDING PARTNERSHIP SPROTT LENDING CONSULTING LP SPROTT LENDING CONSULTING GP, INC.

General Collateral: ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED SHARES IN THE CAPITAL OF LANDDRILL INTERNATIONAL INC. (BARBADOS), INCLUDING WITHOUT LIMITATION, ONE HUNDRED (100) COMMON SHARES REPRESENTED BY SHARE CERTIFICATE NO. 1 AND ALL NEWLY ISSUED AND FUTURE SHARES (COLLECTIVELY, THE "SHARES"), TOGETHER WITH ALL CERTIFICATES OR OTHER INSTRUMENTS EVIDENCING THE SHARES, TOGETHER WITH ALL THERETO AND ANY FURTHER OR ADDITIONAL SHARES AND CERTIFICATES AND OTHER INSTRUMENTS HELD BY OR FOR THE BENEFIT OF THE DEBTOR (THE WHOLE HEREINAFTER CALLED THE "PLEDGED SECURITIES");
ALL OF THE DEBTOR'S RIGHT, TITLE, CLAIM AND INTEREST IN AND TO THE MONEYS (COMPRISING CAPITAL OR INTEREST) DUE AND PAYABLE OR TO BECOME DUE AND PAYABLE TO THE DEBTOR UNDER THE TERMS OF ANY OF THE PLEDGED SECURITIES AND ALL INCOME AND PROCEEDS (INCLUDING PROCEEDS OF SALE, REDEMPTION OR REPURCHASE OF ANY OF THE PLEDGED SECURITIES) THEREFROM AND UNDER ANY FURTHER PLEDGED SECURITIES EVIDENCING RE-INVESTMENT OF THE WHOLE OR ANY PART OF ANY MONEYS PAID UNDER ANY OF THE PLEDGED SECURITIES WHETHER BY SALE THEREOF OR OTHERWISE; AND ALL PROCEEDS THAT ARE GOODS, INTANGIBLES, INVESTMENT PROPERTY, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS OR MONEY.

TERMS USED HEREIN THAT ARE DEFINED IN THE PERSONAL PROPERTY SECURITY ACT OF NEW BRUNSWICK OR THE REGULATIONS MADE THEREUNDER HAVE THOSE DEFINED MEANINGS.

34.	Registration Number:	20636999, as amended by 20637047
	Registration Date:	September 28, 2011
	Expiry Date:	September 28, 2015
	Debtors:	**Landdrill International Ltd.**
	Secured Parties:	GE Canada Equipment Financing G.P.

	General Collateral:	(1)Schramm Rotadrill, 2011, model T450GT, S/N: J104-0149 (1)John Deere excavator, 1999, model JD330, S/N: 80503 (1)Morooka crawler carrier, 1994, model MK50, S/N: T50079 (1)Morooka track carrier, 2011, model MST-300VD, S/N: 4026 (1)Morooka track carrier, 2011, model MST-300VD, S/N: 4027 (1)GMC water truck, 1998, model C8500, S/N: 1GDT7H4C6WJ521640 The goods described herein, wherever situated, and all present and after-acquired intellectual property, intangibles, attachments, accessories and accessions thereto and spare parts, replacements, substitutions, exchanges and trade-ins therefor, and all rights, receivables and chattel paper derived from or evidencing the lease or rental thereof by the debtor to third parties, and all proceeds relating thereto. Proceeds: all of the debtor's present and after acquired personal property which is derived directly or indirectly from any dealing with or disposition of the above-described collateral, including, without limiting the generality of the foregoing, all insurance and other payments payable as indemnity or compensation for loss or damage thereto and all chattel paper, documents of title, goods, instruments, intangibles, money and securities.
	Serial Numbered Collateral:	1GDT7H4C6WJ521640 Motor Vehicle GMC water truck, 1998, model C8500
	Additional Information:	Pursuant to Equipment Loan And Security Agreement # 8698749001
35.	Registration Number:	18973644
	Registration Date:	July 02, 2010
	Expiry Date:	July 02, 2015
	Debtors:	**LANDDRILL INTERNATIONAL LTD**
	Secured Parties:	General Motors Acceptance Corporation of Canada,

		Limited
	General Collateral:	AND ALL PROCEEDS THEREFROM
	Serial Numbered Collateral:	1GCPKREA4AZ223489 Motor Vehicle 2010 CHEVROLET SILVERADO
36.	Registration Number:	18973669
	Registration Date:	July 02, 2010
	Expiry Date:	July 02, 2015
	Debtors:	**LANDDRILL INTERNATIONAL LTD**
	Secured Parties:	General Motors Acceptance Corporation of Canada, Limited
	General Collateral:	AND ALL PROCEEDS THEREFROM
	Serial Numbered Collateral:	1GCPKPEA2AZ201138 Motor Vehicle 2010 CHEVROLET SILVERADO
37.	Registration Number:	19383272
	Registration Date:	October 19, 2010
	Expiry Date:	October 19, 2014
	Debtors:	**LANDDRILL INTERNATIONAL LTD**
	Secured Parties:	Ally Credit Canada Limited
	General Collateral:	AND ALL PROCEEDS THEREFROM
	Serial Numbered Collateral:	1GA2G1DG2A1120789 Motor Vehicle 2010 CHEVROLET EXPRESS VAN
38.	Registration Number:	19293836, as amended by 19402205
	Registration Date:	September 23, 2010
	Expiry Date:	September 23, 2014
	Debtors:	**LANDDRILL INTERNATIONAL LTD**
	Secured Parties:	Ally Credit Canada Limited
	General Collateral:	AND ALL PROCEEDS THEREFROM

	Serial Numbered Collateral:	1GA2G1DG2A1120761 Motor Vehicle 2010 CHEVROLET EXPRESS VAN
39.	Registration Number:	19905397
	Registration Date:	March 30, 2011
	Expiry Date:	March 30, 2015
	Debtors:	**LANDDRILL INTERNATIONAL LTD**
	Secured Parties:	Ally Credit Canada Limited
	General Collateral:	AND ALL PROCEEDS THEREFROM.
	Serial Numbered Collateral:	1GC4KZC89BF180385 Motor Vehicle 2011 CHEVROLET SILVERADO 3500
40.	Registration Number:	19359488, as amended by 19992809
	Registration Date:	October 12, 2010
	Expiry Date:	October 12, 2014
	Debtors:	**LANDDRILL INTERNATIONAL LTD**
	Secured Parties:	Ally Credit Canada Limited
	General Collateral:	AND ALL PROCEEDS THEREFROM.
	Serial Numbered Collateral:	1GCRKREAXBZ129062 Motor Vehicle 2011 CHEVROLET TRUCK LT 1500
41.	Registration Number:	19245307
	Registration Date:	September 10, 2010
	Expiry Date:	September 10, 2013
	Debtors:	**LANDDRILL ATLANTIC LTD.**
	Secured Parties:	Ally Credit Canada Limited

General Collateral:	AND ALL PROCEEDS THEREFROM
Serial Numbered Collateral:	3GCRKREA6AG179018 Motor Vehicle 2010 CHEVROLET SILVERADO

B. **Bank Act**

The following is a registration against Landdrill International Ltd.:

Type:	(2)
Registration Name:	Landdrill International Ltd.
Address:	160 McNaughton Avenue, Moncton, NB E1H 3L9
Date:	June 26, 2007
Expires:	December 31, 2012
Number:	01213859
Bank:	0010- Canadian Imperial Bank of Commerce (00024-Church and Main, 759-761 Main St. Moncton, NB E1C 1E5)

NEWFOUNDLAND AND LABRADOR

A. Personal Property Security Act

The following are registrations against Landdrill International Inc. and Landdrill International Ltd.:

1.	Registration Number:	8375778, as amended by 8395783, as amended by 8420755
	Registration Date:	July 22, 2010
	Expiry Date:	July 22, 2020
	Debtors:	**Landdrill International Inc.**
	Secured Parties:	GE Canada Equipment Financing G.P. GE Canada Leasing Services Company General Electric Canada Equipment Finance G.P. GE Canada Asset Financing Holding Company

		GE Technology Finance GE VFS Canada Limited Partnership GE Capital Canada Equipment Financing & Leasing Company
	General Collateral:	A security interest is taken in all of the Debtor's present and after-acquired personal property.
2.	Registration Number:	6736222
	Registration Date:	July 25, 2008
	Expiry Date:	July 25, 2012
	Debtors:	**LANDDRILL INTERNATIONAL LTD.**
	Secured Parties:	GE CANADA EQUIPMENT FINANCING G.P.
	General Collateral:	(1) New HTM-2500 drill manufactured by Usinage Marcotte Inc., year 2008, serial number LEM 006 (serial number engine 46888646, serial number drill head UM-014-037, serial number of Cylinder feed UM-182-A; serial number of rod handler M8032-FLDI-004, serial number of pump driver 200804005). The goods described herein, wherever situated, and all present and after-acquired intellectual property, intangibles, attachments, accessories and accessions thereto and spare parts, replacements, substitutions, exchanges and trade-ins therefor, and all rights, receivables and chattel paper derived from or evidencing the lease or rental thereof by the debtor to third parties, and all proceeds relating thereto. Proceeds: all of the debtor's present and after acquired personal property which is derived directly or indirectly from any dealing with or disposition of the above-described collateral, including, without limiting the generality of the foregoing, all insurance and other payments payable as indemnity or compensation for loss or damage thereto and all chattel paper, documents of title, goods, instruments, intangibles, money and securities.

3.	Registration Number:	6738863, as renewed by 8942754
	Registration Date:	July 28, 2008
	Expiry Date:	July 28, 2023
	Debtors:	**LANDDRILL INTERNATIONAL LTD.**
	Secured Parties:	GE CANADA EQUIPMENT FINANCING G.P.
	General Collateral:	A SECURITY INTEREST IS TAKEN IN ALL OF THE DEBTOR'S PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, THE COLLATERAL WILL INCLUDE ALL RIGHT, TITLE AND INTEREST THAT THE DEBTOR NOW HAS OR MAY HEREAFTER HAVE, BE POSSESSED OF, BE ENTITLED TO, OR ACQUIRE, BY WAY OF AMALGAMATION OR OTHERWISE, NOW OR HEREAFTER OR MAY HEREAFTER HAVE IN ALL PROPERTY OF THE FOLLOWING KINDS: RECEIVABLES, INVENTORY, EQUIPMENT, CHATTEL PAPER, DOCUMENTS OF TITLE, SECURITIES AND INSTRUMENTS, INTANGIBLES, MONEY, BOOKS AND RECORDS, SUBSTITUTIONS AND PROCEEDS, AS DEFINED IN THE GENERAL SECURITY AND MOVABLE HYPOTHEC AGREEMENT BETWEEN LANDDRILL INTERNATIONAL LTD. AND GE CANADA EQUIPMENT FINANCING G.P., DATED JULY 28, 2008. PROCEEDS: ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY WHICH IS DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH OR DISPOSITION OF THE ABOVE-DESCRIBED COLLATERAL, INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ALL INSURANCE AND OTHER PAYMENTS PAYABLE

AS INDEMNITY OR COMPENSATION FOR LOSS OR DAMAGE AND ALL CHATTEL PAPER, DOCUMENTS OF TITLE, GOODS, INSTRUMENTS, INTANGIBLES, MONEY AND SECURITIES.

4.	Registration Number:	6738907
	Registration Date:	July 28, 2008
	Expiry Date:	July 28, 2013
	Debtors:	**LANDDRILL INTERNATIONAL LTD.**
	Secured Parties:	GE CANADA EQUIPMENT FINANCING G.P.

General Collateral:	A SECURITY INTEREST IS TAKEN IN THE SPECIFIC EQUIPMENT DESCRIBED HEREIN AND ATTACHED AS SCHEDULE "A", WHEREVER SITUATED, INCLUDING ALL PRESENT AND AFTER-ACQUIRED INTELLECTUAL PROPERTY, INTANGIBLES, ATTACHMENTS, ACCESSORIES AND ACCESSIONS THERETO AND SPARE PARTS, REPLACEMENTS, SUBSTITUTIONS, EXCHANGES AND TRADE-INS THEREFOR, AND ALL RIGHTS, RECEIVABLES AND CHATTEL PAPER DERIVED FROM OR EVIDENCING THE LEASE OR RENTAL THEREOF BY THE DEBTOR TO THIRD PARTIES, AND ALL PROCEEDS RELATING THERETO, PURSUANT TO THE EQUIPMENT LOAN AND SECURITY AGREEMENT NO. 150011053772, BETWEEN LANDDRILL INTERNATIONAL LTD. AND GE CANADA EQUIPMENT FINANCING G.P., DATED JULY 28, 2008. PROCEEDS: ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY WHICH IS DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH OR DISPOSITION OF THE ABOVE-DESCRIBED COLLATERAL, INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ALL INSURANCE AND OTHER PAYMENTS PAYABLE AS INDEMNITY OR COMPENSATION FOR LOSS OR DAMAGE AND ALL CHATTEL PAPER, DOCUMENTS OF TITLE, GOODS, INSTRUMENTS, INTANGIBLES, MONEY AND SECURITIES. Schedule "A" 1. MARCOTTE model 2500 - Serial Number RG66466A347227 -10' Stoke Drill

-John Deere Diesel model #6466 Serial Number
RG66466A347227 -H Size drive unit
-H Size chuck and rod holder
-Hyd driven triplex flush pump model KP
40 ELE Type
-Hyd operated rod handler - mud tank
2. MARCOTTE model 2500 - Serial number:
RG6081A173601 -10' Stoke Drill
-John Deere Diesel model #6466 Serial Number
RG6081A173601 -H Size drive unit
-H Size chuck and rod holder
-Hyd driven triplex flush pump model KP
40 ELE Type
-Hyd operated rod handler - mud tank
3. MARCOTTE model 2500- Serial number: 46752892
-10' Stoke Drill
-Cummings diesel engines Model 5.9- Serial Number
46752892 -H Size drive unit
-H Size chuck and rod holder
-Hyd driven triplex flush pump model KP
40 ELE Type
-Hyd operated rod handler - mud tank
4. BOYLE drill model 2500 - Serial number: SL912
5. MARCOTTE model 2500 - Serial number: 46681282
-10' Stoke Drill
-Cummings diesel engines Model 8.3- Serial Number
46681282 -H Size drive unit
-H Size chuck and rod holder
-Hyd driven triplex flush pump model KP
40 ELE Type
-Hyd operated rod handler - mud tank

6. MARCOTTE model 2500- Serial number: 46807865
-10' Stoke Drill
-Cummings diesel engines Model 5.9 - Serial Number 46807865 -H Size drive unit
-H Size chuck and rod holder
-Hyd driven triplex flush pump model KP 40 ELE Type
-Hyd operated rod handler - mud tank
7. MARCOTTE model 2500- Serial number: 46288466
-10' Stoke Drill
-Cummings diesel engines Model 5.9 - Serial Number 46288466 -H Size drive unit
-H Size chuck and rod holder
-Hyd driven triplex flush pump model KP 40 ELE Type
-Hyd operated rod handler - mud tank
8. VERSADRILL QSB185 - Serial number: 46793501
-10' Stoke Drill
-Cummings diesel engines Model 5.9 -Serial Number - 46793501 -H Size drive unit
-H Size chuck and rod holder
-Hyd driven triplex flush pump model KP 40 ELE Type
-Hyd operated rod handler - mud tank
9. VERSADRILL QSB185 - Serial number: 46800560
-10' Stoke Drill
-Cummings diesel engines Model 5.9 - Serial Number - 46800560 -H Size drive unit
-H Size chuck and rod holder
-Hyd driven triplex flush pump model KP 40 ELE Type

-Hyd operated rod handler - mud tank
10. VERSADRILL QSB185 - Serial number: 46793507
-10' Stoke Drill
-Cummings diesel engines Model 5.9 - Serial Number - 46793507 -H Size drive unit
-H Size chuck and rod holder
-Hyd driven triplex flush pump model KP 40 ELE Type
-Hyd operated rod handler - mud tank

5.	Registration Number:	8226190
	Registration Date:	June 01, 2010
	Expiry Date:	June 01, 2012
	Debtors:	**Landdrill International Ltd.**
	Secured Parties:	Raymond Chabot Inc. 9166-2114 Quebec Inc.
	General Collateral:	A. Foreuse (carotteuse) à diamant sur patins de 16" en acier avec les caractéristiques suivantes: Moteur Cumming de 230 HP ayant son compartiment séparé, un mat télescopique à contrôle hydraulique avec cylindre de 3 ½ pouces "feed" et de 4 pouces "pull"; une tête de forage, console de contrôle, reservoir hydraulique, étagères. Le tout incorporé dans un conteneur en acier. Un Lot d'accessoires et de pièces tels que connus en anglais sous les noms de: rods, casings, innertubes, back-ends, core boxes, core-cases, core-springs, locking-couplings, locking-adapters, casing caps, oval sleeves, coil heaters, stabilizers, hangar bearings, split bearings, latch obsershots, union tubes, water lines, hand fuel pumps, pressure gages. Manufacturier: Forage Val d'Or Modèle: FJ1500 No. série: 0090802

1 "rod sloop" en acier sur patins avec coffer de rangement intégré peint de couleur rouge. Conteneur de couleur rouge de fabrication artisanale en acier sur patins avec reservoir incorporé. B. Bouteur de marque Caterpillar

Modèle: D6D

No. série: D6X 01796

C. Remorque double essieux de 18 pieds sans marque et Tracteur Muskeg (tout chenille) Marque: Bombardier

Année: 1968

No. sèrie: 2SAAQM304080400270

and described in English as:

A. Diamond drill (drilling machine) on 16 rollers in steel having the following specifications : 230 HP Cummins motor with a separate compartment, with a telescopic mast at hydraulic control, with a cylinder of 3 ½' inches 'feed' and 4 inches 'pull', a drill head, control console, hydraulic reservoir and racks. The whole incorporated to a steel container; A batch of accessories and pieces, including rods, casings, inner-tubes, back-ends, core boxes, core-cases, core-springs, locking-couplings, locking-adapters, casing caps, oval sleeves, coil heaters, stabilizers, hanger bearings, split bearings, latch obershots, union tubes, water lines, hand fuel pumps, pressure gages.

Manufacturer : Forage Val d'Or

Model: FJ1500Serial no: 0090802.

1 'rod sloop' in steel on rollers with an integrated storage drawer painted in red. Red steel container handcrafted on rollers with an incorporated reservoir. B. Caterpillar Dozer

Model: D6D

Serial no: D6X 01796

		C. 18 foot Double trailer and Muskeg tractor (all track) Brand: Bombardier Year: 1968 Serial no : 2SAAQM304080400270
	Serial Numbered Collateral:	0090802 Motor Vehicle Mobile Diamond Drill D6X01796 Motor Vehicle Caterpillar Dozer 2SAAQM304080400270 Motor Vehicle 1968 Bombardier Muskeg & off-road traile
6.	Registration Number:	8939474, as amended by 9075519, as amended by 9075626
	Registration Date:	March 30, 2011
	Expiry Date:	March 30, 2021
	Debtors:	**Landdrill International Ltd.**
	Secured Parties:	GE Canada Equipment Financing G.P.
	General Collateral:	DRILLS: Two (2) 2011 Zinex A5 diamond drills S/N's: 2011-015 , 2011-017 c/w Isuzu 6 cylinder engines, B20 heads, synchronized footclamps, wireline spools, mud mixers, mud tanks, one (1) transfer pump for hydraulic oil with filter, two (2) P footclamp upgrades, two (2) hoisting winches for A5, two (2) feed frame skids with stand (powdercoated), two (2) engine skids (powdercoated), one (1) 435 pressure pump, and two (2) sloops, pump shacks, and tanks One (1) 2011 Zinex A5 diamond drill S/N: 2011-018 c/w Isuzu 6 cylinder engine, B20 head, synchronized footclamp, wireline spool, mud mixer, mud tank, transfer pump for hydraulic oil with filter, P footclamp upgrade, hoisting winch for A5, 435 pressure pump, and sloop, pump shack, and tank One (1) 2011 Duralite 1000N heli-portable drill rig S/N: DL201102 c/w P drill head assembly c/w N size jaws, P rod clamp c/w N size jaws,

Pratissoli pressure pump c/w water tank, fiberglass floors c/w two (2) sets of foundation beams, 100' rod winch cable, and 12' x 16' Duralite 1000N fiberglass flyshack

One (1) 2011 Usinage Marcotte HTM-2500 drill w/ P.Q. head, c/w engine QSB6.TPU260-0 S/N: 732 056 92 , drill head S/N: FLDI-088 , head chuck S/N: 560009 JOB12022 , cylinder feed S/N: FLDI-088 , rod clamp S/N: UM , rod handler S/N: M11078-FLDI-088

FRONT END LOADER:

One (1) 1986 Komatsu WA450A wheel loader S/N: 10669 ____________________

The goods described herein, wherever situated, and all present and after-acquired intellectual property, intangibles, attachments, accessories and accessions thereto and spare parts, replacements, substitutions, exchanges and trade-ins therefore, and all rights, receivables and chattel paper derived from or evidencing the lease or rental thereof by the Debtor to third parties, and all proceeds relating thereto.

Proceeds: all of the Debtor's present and after-acquired personal property, which is derived directly or indirectly from any dealing with or disposition of the above-described collateral, including, without limiting the generality of the foregoing, all insurance and other payments payable as indemnity or compensation for loss or damage thereto and all chattel paper, documents of title, goods, instruments, intangibles, money and securities.

One (1) 2011 UsinageMarcotte HTM-2500 drill W/PQ HEAD, c/w engine, drill head S/N: FLDI-089-01, cw head chuck, cylinder feed, rod clamp, rod handler

One (1) fabrication work - sloop / pump shack / tank / custom work, support equipment for surface One (1) fabrication work - sloop / pump shack / tank / custom work, support equipment for surface DOZERS:

(1) 1987 Caterpillar Dozer D6D, S/N: 06X01655
(1) 1981 Caterpillar Dozer D6D, S/N: 20X2253
(1) 1986 Caterpillar Dozer D6D, S/N: 04X10562
(1) 1984 Caterpillar Dozer D6D LGP S/N: 06X01130
EXCAVATOR:

(1) 1998 John Deere Hydraulic Excavator, model JD270, S/N: 70157 LOADER

(1) 1991 Komatsu WA 500 Loader, S/N: A20687, BMP Forks, S/N: 15386 29.5R25 DISMOUNT, CRING, 29.5 R25 TI STL3 CS (2") E3/L3

Serial Numbered Collateral: 2BPSGKBA2BV000538 Motor Vehicle 2011 Bombardier Tundra Sport 550 ski-doo

2BPSGKBA4BV000704 Motor Vehicle 2011 Bombardier Tundra Sport 550 ski-doo

2BPSGKBAXBV000710 Motor Vehicle 2011 Bombardier Tundra Sport 550 ski-doo

2BPSGKBA4BV000623 Motor Vehicle 2011 Bombardier Tundra Sport 550 ski-doo

2BPSGKBA1BV000689 Motor Vehicle 2011 Bombardier Tundra Sport 550 ski-doo

2BPSGKBA6BV000848 Motor Vehicle 2011 Bombardier Tundra Sport 550 ski-doo

2BPSGKBA8BV000365 Motor Vehicle 2011 Bombardier Tundra Sport 550 ski-doo

2BPSGKBA5BV000419 Motor Vehicle 2011 Bombardier Tundra Sport 550 ski-doo

2BPSGKBA5BV000839 Motor Vehicle 2011 Bombardier Tundra Sport 550 ski-doo

2BPSGA7B97V001043 Motor Vehicle used Bombardier Skandic Tundra 300F ski-

2BPSKABA4BV000114 Motor Vehicle 2011 Bombardier Expedition Sport 550F sk

2BPSKABA4BV000162 Motor Vehicle 2011 Bombardier Expedition Sport 550F sk

1GDL7H1C5YJ517053 Motor Vehicle 2000 GMC 7500 water truck

06X01655 Motor Vehicle 1987 Caterpillar Dozer D6D
20X2253 Motor Vehicle 1981 Caterpillar Dozer D6D
04X10562 Motor Vehicle 1986 Caterpillar Dozer D6D
06X01130 Motor Vehicle 1984 Caterpillar Dozer D6D LGP
70157 Motor Vehicle 1998 JD Hydraulic Excavator, model JD270

A20687 Motor Vehicle 1991 Komatsu WA 500 Loader
15386 Motor Vehicle BMP Forks
10669 Motor Vehicle 1986 Komatsu WA450A Wheel Loader

7.	Registration Number:	9434604
	Registration Date:	September 28, 2011
	Expiry Date:	September 28, 2015
	Debtors:	**Landdrill International Ltd.**
	Secured Parties:	GE Canada Equipment Financing G.P.

	General Collateral:	(1)Schramm Rotadrill, 2011, model T450GT, S/N: J104-0149 (1)John Deere excavator, 1999, model JD330, S/N: 80503 (1)Morooka crawler carrier, 1994, model MK50, S/N: T50079 (1)Morooka track carrier, 2011, model MST-300VD, S/N: 4026 (1)Morooka track carrier, 2011, model MST-300VD, S/N: 4027 (1)GMC water truck, 1998, model C8500, S/N: 1GDT7H4C6WJ521640 The goods described herein, wherever situated, and all present and after-acquired intellectual property, intangibles, attachments, accessories and accessions thereto and spare parts, replacements, substitutions, exchanges and trade-ins therefor, and all rights, receivables and chattel paper derived from or evidencing the lease or rental thereof by the debtor to third parties, and all proceeds relating thereto. Proceeds: all of the debtor's present and after acquired personal property which is derived directly or indirectly from any dealing with or disposition of the above-described collateral, including, without limiting the generality of the foregoing, all insurance and other payments payable as indemnity or compensation for loss or damage thereto and all chattel paper, documents of title, goods, instruments, intangibles, money and securities.
	Serial Numbered Collateral:	1GDT7H4C6WJ521640 Motor Vehicle GMC water truck, 1998, model C8500
	Additional Information:	Pursuant to Equipment Loan And Security Agreement # 8698749001
8.	Registration Number:	8395792, as amended by 8420764, as amended by 8801996, as amended by 8803182, as amended by 8803379
	Registration Date:	July 29, 2010
	Expiry Date:	July 29, 2020

Debtors:	**Landdrill International ltd**
Secured Parties:	GE Canada Equipment Financing G.P.
General Collateral:	(1) Usinage Marcotte HTM-2500 Drill,2007, s/n LEM 03, c/w (4) Pumps; (2) Pump Shacks The goods described herein, wherever situated, and all present and after-acquired intellectual property, intangibles, attachments, accessories and accessions thereto and spare parts, replacements, substitutions, exchanges and trade-ins therefor, and all rights, receivables and chattel paper derived from or evidencing the lease or rental thereof by the Debtor to third parties, and all proceeds relating thereto. Proceeds: all of the Debtor's present and after-acquired personal property which is derived directly or indirectly from any dealing with or disposition of the above-described collateral, including, without limiting the generality of the foregoing, all insurance and other payments payable as indemnity or compensation for loss or damage thereto and all chattel paper, documents of title, goods, instruments, intangibles, money and securities.
Serial Numbered Collateral:	3YG05905 Motor Vehicle 1994 Caterpillar dozer. model D6

ONTARIO

A. Personal Property Security Act

The following are registrations against Landdrill International Inc. and Landdrill International Ltd.:

	File No. Registration No. Registration Period Expiry date	Debtor Name	Secured Party (Creditor)	Collateral Classification	General Collateral Description
1.	673293582 20110929113850647084 4 years September 29, 2015	Landdrill International Ltd. 160 MacNaughton Ave Moncton, NB, E1H 3L9	GE Canada Equipment Financing G.P. 239 Brownlow Ave., Suite 204 Dartmouth, NS B3B 2B2	Inventory Equipment Accounts Other Motor vehicle included	GMC 1998 C8500 VIN 1GDT7H4C6WJ521640 See printout for the general collateral description
2.	668705949 20110331143450648629 4 years March 31, 2015	Landdrill International Ltd. 160 MacNaughton Ave Moncton, NB, E1H 3L9	GE Canada Equipment Financing G.P. 1250, Rene-Levesque W Montreal, Quebec H3B 4W8	Inventory Equipment Accounts Other Motor vehicle included	See printout for general collateral description Amendment filed April 1, 2011 20110401162150648841 To amend motor vehicle descriptions
3.	668682873 20110330161050648568 4 years March 30, 2015	Landdrill International Ltd. 160 MacNaughton Ave Moncton, NB, E1H 3L9	GE Canada Equipment Financing G.P. 1250, Rene-Levesque W Montreal, Quebec H3B 4W8	Inventory Equipment Accounts Other Motor vehicle included	Motor vehicles – see printout for descriptions Amendment filed May 19, 2011 20110519162950641100 To add additional motor vehicles
4.	663270552 20100728105750648958 10 years July 28, 2020 Caution filing indicated	Landdrill International Inc. 160, MacNaughton Ave Moncton, NL, E1H 3L9	General Electric Canada Equipment Finance G.P. 239 Brownlow Ave., Suite 204 Dartmouth, NS B3B 2B2 GE Canada Asset Financing Holding Company 239 Brownlow Ave., Suite 204	Inventory Equipment Accounts Other Motor vehicle included	no general collateral description given

			Dartmouth, NS B3B 2B2		
5.	663270588 20100728105950648959 10 years July 28, 2020 Caution filing indicated	Landdrill International Inc. 160, MacNaughton Avenue Moncton, NL, E1H 3L9	GE Canada Equipment Financing G.P. 239 Brownlow Ave., Suite 204 Dartmouth, NS B3B 2B2 GE Canada Leasing Services Company 239 Brownlow Ave., Suite 204 Dartmouth, NS B3B 2B2	Inventory Equipment Accounts Other Motor vehicle included	no general collateral description given
6.	663281919 20100728110550648960 10 years July 28, 2020 Caution filing indicated	Landdrill International Inc. 160, MacNaughton Avenue Moncton, NL, E1H 3L9	GE Technology Finance 239 Brownlow Ave., Suite 204 Dartmouth, NS B3B 2B2 GE VFS Canada Limited Partnership 239 Brownlow Ave., Suite 204 Dartmouth, NS B3B 2B2	Inventory Equipment Accounts Other Motor vehicle included	no general collateral description given
7.	663281964 2010072811098961 10 years July 28, 2020 Caution filing indicated	Landdrill International Inc. 160, MacNaughton Avenue Moncton, NL, E1H 3L9	GE Capital Canada Equipment Financing & Leasing Company 239 Brownlow Ave., Suite 204 Dartmouth, NS B3B 2B2	Inventory Equipment Accounts Other Motor vehicle included	no general collateral description given
8.	663146856 20100722121450648705 10 years July 22, 2020	Landdrill International Inc. 130, MacNaughton Avenue Moncton, NL, E1H 3L9	GE Canada Equipment Financing G.P. 1250, Rene-Levesque O, Suite 1100 Montreal, Quebec H3B 4W8	Inventory Equipment Accounts Other	All of the Debtor's present and after-acquired personal property
9.	661837113 20100602155718624136 5 years June 2, 2015	Landdrill International Ltd. 160 MacNaughton Avenue	Raymond Chabot acting on behalf and in the name of 9166-2114 Quebec Inc. 600 rue de la Gauchetiere	Equipment Other Amount -	no general collateral description given

		Moncton, NB, E1H 3L9	Ouest Suite 2000 Montreal, Quebec H3B 4L8 16 Herve Street, Victoriaville, Quebec G6T 2A3	$285,000 No fixed date of maturity	
10.	648525132 20080915150915906262 5 years September 15, 2013	Landdrill International Ltd. 160 MacNaughton Avenue Moncton, NB, E1H 3L9	Canadian Imperial Bank of Commerce 761 Main Street, Moncton NB E1C 1E5	Inventory Equipment Accounts Other Motor vehicle included	no general collateral description given
11.	647258967 20080728082850645875 4 years Renewal filed April 1, 2011 for additional 10 years July 28, 2022 Caution filing indicated	Landdrill International Ltd. 160 McNaughton Avenue Moncton, NB, E1H 3L9	GE Canada Equipment Financing G.P. 239, Brownlow Avenue, Suite 204 Dartmouth, NS, B3B 2B2	Inventory Equipment Accounts Other	no general collateral description given
12.	647247204 20080725165918626111 5 years Renewal filed March 31, 2011 for additional 10 years July 25, 2023	Landdrill International Ltd. 160 MacNaughton Avenue Moncton, NB, E1H 3L9	GE Canada Equipment Financing G.P. 1 Place Ville-Marie, Suite 1401 Montreal, Quebec H3B 2B3	Inventory Equipment Accounts Other Motor vehicle included	no general collateral description given
13.	647247213 20080725165918626112 5 years July 25, 2013	Landdrill International Ltd. 160 MacNaughton Avenue Moncton, NB, E1H 3L9	GE Canada Equipment Financing G.P. 1 Place Ville-Marie, Suite 1401 Montreal, Quebec H3B 2B3	Equipment Accounts Other Motor vehicle not included	no general collateral description given

QUEBEC

A. Personal Property Security Act

	Registration Number Registration Date Expiration Date	Nature	Holder	Grantor	Amount	Description of Property (Summary)
1.	08-0038468-0001 January 24, 2008 January 16, 2018	Conventional hypothec without delivery	GE Canada Equipment Financing G.P.	Landdrill International Ltd	$472,289.20 (including an additional hypothec of 20%)	Specifically described movable property, wherever situated, and all present and future intellectual property, incorporeal, accessories thereto and spare parts, replacements, substitutions and exchanges therefore, and all rights, claims and chattel paper derived from or evidencing the lease thereof by the Grantor to third parties, and all proceeds (as such term is defined in the registration) relating thereto (the "**Equipment**"). The universality consisting of all the rights, title and interest of the Grantor in and to all claims directly or indirectly held or enjoyed in connection with the possession and use of the Equipment, the whole as more fully described in the registration.
Comments: N/A						
2.	08-0438657-0001 July 28, 2008 July 21, 2012	Reservation of ownership and transfer of the reservation	**Seller** LEM Manufacturing Inc. **Assignee** GE Canada Equipment Financing G.P.	**Buyer** Landdrill International Ltd.	N/A	Specifically described movable property, wherever situated, as well as all present and future intellectual property, incorporeal, accessories thereto and spare parts.
Comments: Transfer of all rights.						
3.	08-0442369-0001 July 30, 2008 March 31, 2021	Conventional hypothec without delivery	GE Canada Equipment Financing G.P.	Landdrill International Ltd.	$7,000,000	All present and future undertaking and property, both real, personal and movable, of the Grantor (the "**Collateral**"), the whole as more fully described in the registration.

	Registration Number Registration Date Expiration Date	Nature	Holder	Grantor	Amount	Description of Property (Summary)
Comments:	The Grantor is authorized to collect its Receivables (as such term is defined in the registration) and other claims forming part of the Collateral until the Holder withdraws its authorization to do so. A renewal of the publicity of a hypothec was registered on March 31, 2011 under number 11-0214699-0001 to extend the expiration date of the hypothec to March 31, 2021.					
4.	08-0442369-0002 July 30, 2008 July 29, 2018	Conventional hypothec without delivery	GE Canada Equipment Financing G.P.	Landdrill International Ltd.	$4,400,000	Specifically described movable property, wherever situated, and all present and after-acquired intellectual property, intangibles, attachments, accessories and accessions thereto and spare parts, replacements, substitutions, exchanges and trade-ins therefore, and all rights, receivables and chattel paper derived from or evidencing the lease or rental thereof by the Grantor to third parties, and all proceeds relating thereto (the "**Equipment**"). The universality consisting of all the rights, title and interest of the Grantor in and to all claims directly or indirectly held or enjoyed in connection with the possession and use of the Equipment, the whole as more fully described in the registration.
Comments:	N/A					
5.	08-0530913-0001 September 12, 2008 September 12, 2018	Conventional hypothec without delivery	Canadian Imperial Bank of Commerce	Landdrill International Ltd.	$4,600,000 (including an additional hypothec of 15%)	Any and all movable property of every nature and description, corporeal and incorporeal, present and future and wherever situate, including but without limitation, all Claims, Property in Stock, Equipment, Intellectual Property and Securities, present and future.
Comments:	N/A					
6.	10-0343173-0001 May 28, 2010 May 26, 2020	Conventional hypothec without delivery	9166-2114 Québec inc. represented by Raymond Chabot inc., es quality of bankruptcy receiver	Landdrill International Ltd	$300,000	Specifically described movable property.
Comments:	N/A					

	Registration Number Registration Date Expiration Date	Nature	Holder	Grantor	Amount	Description of Property (Summary)
7.	10-0343173-0002 May 28, 2010 May 27, 2020	Reservation of ownership (instalment sale) - Global registration (art. 2961.1 *Civil Code of Québec*)	**Seller** 9166-2114 Québec inc. represented by Raymond Chabot inc., es quality of bankruptcy receiver	**Buyer** Landdrill International Ltd	N/A	Specifically described movable property.
Comments: N/A						
8.	10-0435993-0005 July 2, 2010 June 30, 2015	Reservation of ownership and transfer of the reservation	**Seller** Wilson Chevrolet Limited **Assignee** General Motors Acceptance Corporation du Canada, Limitée General Motors Acceptance Corporation of Canada, Limited	**Buyer** Landdrill International Ltd	N/A	Specifically described vehicle and all proceeds therefrom.
Comments: Transfer of all rights.						
9.	10-0435993-0006 July 2, 2010 June 30, 2015	Reservation of ownership and transfer of the reservation	**Seller** Wilson Chevrolet Limited **Assignee** General Motors Acceptance Corporation du Canada, Limitée General Motors Acceptance Corporation of Canada, Limited	**Buyer** Landdrill International Ltd	N/A	Specifically described vehicle and all proceeds therefrom.

	Registration Number Registration Date Expiration Date	Nature	Holder	Grantor	Amount	Description of Property (Summary)
Comments: Transfer of all rights.						
10.	10-0513800-0001 July 29, 2010 July 20, 2020	Conventional hypothec without delivery	GE Canada Equipment Financing G.P. GE Canada Leasing Services Company General Electric Canada Equipment Finance G.P. GE Canada Asset Financing Holding Company GE Technology Finance GE VFS Canada Limited Partnership GE Capital Canada Equipment Financing & Leasing Services	Landdrill International Inc.	$1,950,381.09 (including an additional hypothec of 20%)	All of the Grantor's movable property, corporeal and incorporeal, present and future.
Comments: N/A						
11.	10-0664569-0015 September 23, 2010 September 22, 2014	Reservation of ownership and transfer of the reservation	**Seller** Wilson Chevrolet Limited **Assignee** Ally Crédit Canada Limitée Ally Credit Canada Limited	**Buyer** Landdrill International Ltd	N/A	Specifically described vehicle and all proceeds therefrom.
Comments: Transfer of all rights. A correction was registered on October 26, 2010 under number 10-0751131-0001 to correct the name of the Buyer from Landrill International Ltd to Landdrill International Ltd.						

	Registration Number Registration Date Expiration Date	Nature	Holder	Grantor	Amount	Description of Property (Summary)
12.	10-0668678-0001 September 24, 2010 April 8, 2012	Rights under a lease	**Lessor** GMAC Leaseco Corporation	**Lessee** Landdrill International[1]	N/A	Specifically described vehicle and all proceeds therefrom.
Comments: A correction was registered on November 22, 2010 under number 10-0818843-0002 to correct the name of the Lessor from Ally Credit Canada Limited to GMAC Leaseco Corporation.						
13.	10-0732363-0006 October 19, 2010 October 18, 2014	Reservation of ownership and transfer of the reservation	**Seller** Wilson Chevrolet Limited **Assignee** Ally Credit Canada Limited Ally Crédit Canada Limitée	**Buyer** Landdrill International Ltd	N/A	Specifically described vehicle and all proceeds therefrom.
Comments: Transfer of all rights.						
14.	11-0166013-0002 March 15, 2011 February 28, 2015	Reservation of ownership and transfer of the reservation	**Seller** Wilson Chevrolet Limited **Assignee** Ally Credit Canada Limited Ally Crédit Canada Limitée	**Buyer** Landdrill International Inc. Landdrill International Ltd.	N/A	Specifically described vehicle and all proceeds therefrom.
Comments: Transfer of all rights.						
15.	11-0205936-0002 March 29, 2011 March 28, 2015	Reservation of ownership and transfer of the	**Seller** Wilson Chevrolet	**Buyer** Landdrill Internationa[2]	N/A	Specifically described vehicle and all proceeds therefrom.

[1] As this name appears in the registration.

	Registration Number Registration Date Expiration Date	Nature	Holder	Grantor	Amount	Description of Property (Summary)
		reservation	Limited **Assignee** Ally Credit Canada Limited Ally Crédit Canada Limitée			
Comments: Transfer of all rights.						
16.	11-0210359-0001 March 30, 2011 March 14, 2015	Reservation of ownership and transfer of the reservation	**Seller** Wilson Chevrolet Limited **Assignee** Ally Credit Canada Limited Ally Crédit Canada Limitée	**Buyer** Landdrill International Ltd	N/A	Specifically described vehicle and all proceeds therefrom.
Comments: Transfer of all rights.						
17.	11-0213690-0004 March 31, 2011 March 30, 2021	Conventional hypothec without delivery	GE Canada Equipment Financing G.P.	Landdrill International Ltd.	$2,700,000 (including an additional hypothec of 20%)	Specifically described vehicle and movable property, wherever situated, and all present and future intellectual property, incorporeal, accessories thereto and spare parts, replacements, substitutions and exchanges therefore, and all rights, claims and chattel paper derived from or evidencing the lease thereof by the Grantor to third parties, and all proceeds (as such term is defined in the registration) relating thereto.
Comments: A modification of a published right was registered on May 20, 2011 under number 11-0370866-0001 to add movable property to the "Biens" section of the hypothec.						

[2] As this name appears in the registration.

	Registration Number Registration Date Expiration Date	Nature	Holder	Grantor	Amount	Description of Property (Summary)
18.	11-0518618-0001 July 11, 2011 July 8, 2015	Reservation of ownership and transfer of the reservation	**Seller** Mitchell's Drilling Equipment Ltd. **Assignee** GE Canada Equipment Financing G.P.	**Buyer** Landdrill International Ltd.	N/A	Specifically described movable property, wherever situated, as well as all present and future intellectual property, incorporeal, accessories thereto and spare parts.
	Comments: Transfer of all rights.					
19.	11-0750492-0001 September 29, 2011 September 28, 2015	Conventional hypothec without delivery	GE Canada Equipment Financing G.P.	Landdrill International Ltd.	$848,524.75 (including an additional hypothec of 20%)	Specifically described vehicle and movable property, wherever situated, and all present and future intellectual property, incorporeal, accessories thereto and spare parts, replacements, substitutions and exchanges therefore, and all rights, claims and chattel paper derived from or evidencing the lease thereof by the Grantor to third parties, and all proceeds (as such term is defined in the registration) relating thereto.
	Comments: The Holder authorizes the Grantor to collect the hypothecated claims until the Holder withdraws its authorization to do so.					

SCHEDULE 1.1(2)

Landdrill International Inc. (British Columbia)

Registered Address:	408-837 West Hastings Street, Suite 202 Vancouver, BC V6C 3N6
Administrative Office:	160 MacNaughton Avenue Moncton, NB E1H 3L9

Landdrill International Inc. (Barbados)

Registered Address:	Chancery House, High Street Bridgetown, Barbados, West Indies
Administrative Office:	160 MacNaughton Avenue Moncton, NB E1H 3L9

Landdrill International Company Limited

Registered Address:	7/F, Chuang's Enterprises Building 382 Lockhard Road Wanchai, Hong Kong
Administrative Office:	160 MacNaughton Avenue Moncton, NB E1H 3L9

Landdrill International Cooperatief U.A.

Registered Address:	De Lairessestraat 154, 1075 HL

	Amsterdam, Netherlands
Administrative Office:	160 MacNaughton Avenue Moncton, NB E1H 3L9

Landdrill International LLC

Registered Address:	P.O. Box 716-210644 Khan-uul District 3rd Khoroo, Ajilchin Street Ulaanbaatar, Mongolia
Administrative Office:	P.O. Box 716-210644 Khan-uul District 3rd Khoroo, Ajilchin Street Ulaanbaatar, Mongolia

Landdrill International Ltd.

Registered Address:	160 MacNaughton Avenue Moncton, NB E1H 3L9
Administrative Office:	160 MacNaughton Avenue Moncton, NB E1H 3L9

Landdrill International (Mexico), S.A. de C.V.

Registered Address:
Carretera Internacional a Nogales No. 518
Esquina con Calle Parral Colonia San Luis
Hermosillo Sonora, C.P. 83160

Administrative Office:
Carretera Internacional a Nogales No. 518
Esquina con Calle Parral Colonia San Luis
Hermosillo Sonora, C.P. 83160

LLC Landrill International

Registered Address:
Russian Federation, 6800000,
City of Khabarovsk, Turgeneva Street,
Building 46, Office 504/505

Administrative Office:
Russian Federation, 6800000,
City of Khabarovsk, Turgeneva Street,
Building 46, Office 504/505

Landdrill International SARL

Registered Address:
Rue 329, Porte 99, ACI 2000
Hamdallaye, Barnake, Mali

Administrative Office:
160 MacNaughton Avenue
Moncton, NB E1H 3L9

Landdrill International Nicaragua, S.A.

Registered Address:	Residential Los Robles #42 Managua, Nicaragua
Administrative Office:	Carretera Internacional a Nogales No. 518 Esquina con Calle Parral Colonia San Luis Hermosillo Sonora, C.P. 83160

Landdrill Atlantic Ltd.

Registered Address:	160 MacNaughton Avenue Moncton, NB E1H 3L9
Administrative Office:	160 MacNaughton Avenue Moncton, NB E1H 3L9

Landdrill Contract Mining Ltd.

Registered Address:	160 MacNaughton Avenue Moncton, NB E1H 3L9
Administrative Office:	160 MacNaughton Avenue Moncton, NB E1H 3L9

LEASED PROPERTIES

Head Office:	160 MacNaughton Avenue Moncton, NB E1H 3L9 *Landlord*: 627982 N.B. Inc.
Mexican Branch Office:	Carretera Internacional a Nogales No. 518 Esquina con Calle Parral Colonia San Luis Hermosillo Sonora, C.P. 83160 *Landlord*: Lauderdale Tenedora, S.A. de C.V.
Russian Branch Office:	Russian Federation 680000 City of Khabarovsk Turgeneva Street, Building 46 Office 504/505 *Landlord*: Dalreo LLC
Newfoundland & Labrador	
Branch Office:	4 Commercial Street Wabush, NL A0P 1C0 *Landlord*: TNG Holdings Limited
Staff Accommodations:	518 Bristol Crescent Labrador City, NL A2V 1J1

Landlord: Robinwells Holding Inc.

432 Tamarack Drive
Labrador City, NL A2V 2W1

Landlord: Subash Ramkaran

600 Dineen Street, Apartments 102 & 103
Labrador City, NL A2V 1E6

Landlord: Tanya Investments Ltd.

OWNED PROPERTIES

Quebec Branch Office:

75 rue Ontario Street
Notre-Dame-du-Nord, QC J0B 3B0

Mongolian Branch Office:

P.O. Box 716-210644
Khan-uul District
3rd Khoroo, Ajilchin Street
Ulaanbaatar, Mongolia

SCHEDULE 1.1(3)

BANK ACCOUNTS OF BORROWER

<u>**Landdrill International INC - CAD**</u>

Account Name:	**Landdrill International Inc.**
Address:	**160 MacNaughton Avenue** **Moncton, NB E1H 3L9**
Bank:	**CIBC**
Bank Address:	**759-761 Main Street** **Moncton, New Brunswick** **E1C 1E5**
Bank Number:	**010**
Transit Number:	**00024**
Account Number:	**11-28310**
Swift Code:	**CIBCCATT**

<u>**Landdrill International INC – USD**</u>

Account Name:	**Landdrill International Inc.**
Address:	**160 MacNaughton Avenue** **Moncton, NB E1H 3L9**
Bank:	**CIBC**
Bank Address:	**759-761 Main Street** **Moncton, New Brunswick** **E1C 1E5**

Bank Number:	**010**
Transit Number:	**00024**
Account Number:	**05-79017**
Swift Code:	**CIBCCATT**
ABA/ Routing Number:	**026009593**
Intermediary Address:	**Bank of America, New York NY**
Intermediary Swift Address:	**BOFAUS3N**
IBAN:	**CC001000024**

SCHEDULE 8.1(e)

INTELLECTUAL PROPERTY

-NIL-

SCHEDULE 8.1 (f)

OBLIGOR'S NAME(S)

1. Landdrill Atlantic Ltd.
2. Landdrill International Ltd.
3. Landdrill Contract Mining Ltd.
4. Landdrill International Company Limited
5. Landdrill International LLC
6. Landdrill International Inc. (British Columbia)
7. Landdrill International Cooperatief U.A.
8. Landdrill International Nicaragua, S.A.
9. Landdrill International Mexico S.A. de C.V.
10. Landdrill International SARL
11. LLC Landdrill International
12. Landdrill International Inc. (Barbados)

SCHEDULE 8.1(g)

SUBSIDIARIES, AFFILIATES, JOINT VENTURES AND PARTNERSHIPS

1. LANDDRILL ATLANTIC LTD. (for the purposes of this Schedule, "**LDI Atlantic**"), a New Brunswick corporation,

2. LANDDRILL INTERNATIONAL LTD. (for the purposes of this Schedule, "**LIL**"), a New Brunswick corporation, wholly-owned by the Borrower

3. LANDDRILL CONTRACT MINING LTD., a New Brunswick corporation, wholly-owned by the Borrower

4. NITASI LANDDRILL (QUEBEC) LIMITED PARTNERSHIP, a Quebec limited partnership, LDI Atlantic is the general partner

5. NITASI LANDDRILL LIMITED PARTNERSHIP, a Newfoundland and Labrador limited partnership, LDI Atlantic is the general partner

6. LANDDRILL INTERNATIONAL COMPANY LIMITED, a Hong Kong corporation, wholly-owned by LIL

7. LANDDRILL INTERNATIONAL LLC, a Mongolia corporation, wholly-owned by LIL

8. LANDDRILL INTERNATIONAL INC. (for the purposes of this Schedule, "**Landdrill Barbados**"), a Barbados corporation, wholly-owned by LIL

9. LANDDRILL INTERNATIONAL COOPERATIEF U.A. (for the purposes of this Schedule, "**Landdrill Netherlands**"), a Netherlands corporation,

10. LANDDRILL INTERNATIONAL NICARAGUA, S.A., a Nicaragua corporation, wholly-owned by Landdrill Barbados

11. LANDDRILL INTERNATIONAL MEXICO S.A. DE C.V., a Mexico corporation, wholly-owned by Landdrill Barbados

12. LANDDRILL INTERNATIONAL SARL, a Mali corporation, wholly-owned by Landdrill Netherlands

13. LLC LANDDRILL INTERNATIONAL, a Russia corporation, wholly-owned by Landdrill Netherlands

SCHEDULE 8.1(i)

LITIGATION

-NIL-

SCHEDULE 8.1 (o)

INDEBTEDNESS

Lender	Indebtedness
GE Equipment Finance	$2,100,000 (secured equipment loan – to be increased to $4,100,000 million)
GMAC	$600,000 (secured truck loans – to be increased to $700,000)
Sprott Resource Lending Partnership	$3,200,000 (secured equipment loan)
Roycefield Investments Inc.	$1,100,000 (promissory notes for working capital to be repaid after the Closing Date)
Convertible Debentures	$5,000,000 (17 holders – unsecured)

SCHEDULE 8.1(w)

COLLECTIVE BARGAINING AGREEMENTS

-NIL-

SCHEDULE 9.2

OFFICER'S COMPLIANCE CERTIFICATE

[DATE]

NORREP CREDIT OPPORTUNITIES FUND, LP
175, 601-10 Avenue SW
Calgary, AB
T2R 0B2

Certificate of Landdrill International Inc.

Pursuant to Section 9.2 of the Credit Agreement dated as of March 21, 2012 (as the same may be amended, restated or otherwise modified from time to time, the "**Credit Agreement**") between **Landdrill International Inc.** (the "**Borrower**"), **Landdrill Atlantic Ltd., Landdrill International Ltd., Landdrill Contract Mining Ltd., Landdrill International Company Limited, Landdrill International LLC, Landdrill International Inc., Landdrill International Cooperatief U.A., Landdrill International Nicaragua, S.A., Landdrill International Mexico S.A. de C.V., Landdrill International SARL, LLC Landdrill International** (collectively, the "**Guarantors**"), and **Norrep Credit Opportunities Fund, LP** (the "**Lender**"), enclosed are the consolidated financial statements of the Borrower for the ________ period ending ◆, as required by the Credit Agreement. All capitalized terms used herein shall have the meaning ascribed thereto in the Credit Agreement.

The undersigned hereby certifies that the for the financial quarter ending **[●]**, **[●]** the amounts and financial ratios referred to in Section 10.1(t) of the Credit Agreement are as follows:

Section 10.1(t)(i)	Minimum Cumulative Consolidated EBITDA
Period - ________________________	______________________________
Required as of ____________, 20___	◆
	Compliance - Yes/No
Note: Please attach schedule showing calculations	

Section 10.1(t)(ii)	Minimum Net Working Capital
Period - ________________________	______________________________
Required: Minimum of $5,000,000	
	Compliance - Yes/No
Note: Please attach schedule showing calculations	

Section 10.1(t)(iii)	Capital Expenditures
Period - ______________________	______________________
Required: Not greater than $2,600,000 for the fiscal year of the Obligors ended December 31, 2012 and not greater than $750,000 for the fiscal year of the Obligors ended December 31, 2013 and for each subsequent fiscal year of the Obligors thereafter until repayment of the Liabilities has been made in full.	Not Greater Than ◆
	Compliance - Yes/No
Note: Please attach schedule showing calculations	

The undersigned certifies that, except as set forth in detail on the attached schedule which schedule also sets forth what action the Borrower has taken or propose to take with respect thereto:

(i) all of the representations and warranties of the Borrowers contained in the Credit Agreement and the Other Agreements are true, correct and complete as of this date as if made as of this date;

(ii) the Borrower is, at this date, in compliance with all of its covenants and agreements in the Credit Agreement and the Other Agreements;

(iii) no Default exists or existed during the period covered by the attached financial statements.

[Except as attached hereto,] no auditor, regulator or third party consultant has issued a management letter or other communication regarding the Borrower.

The Borrower has caused this certificate to be executed and delivered by its duly authorized officers this ____________ day of   ,   .

____
Name: •
Title: President

____
Name: •
Title: Chief Financial Officer