This is Exhibit "W" 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

C

Court File Number: MC 937-12

Numéro du dossier :

IN THE COURT OF QUEEN'S BENCH
OF NEW BRUNSWICK

COUR DU BANC DE LA REINE DU
NOUVEAU-BRUNSWICK

TRIAL DIVISION

DIVISION DE PREMIÈRE INSTANCE

JUDICIAL DISTRICT OF MONCTON

CIRCONSCRIPTION JUDICIAIRE DE MONCTON

BETWEEN:

ENTRE :

INFLIGHT DRILLING, S. DE R.L. DE C.V. and HD DRILLING, S. DE R.L. DE C.V.,

PLAINTIFFS/MOVING PARTIES

REQUÉRANT/DEMANDEUR

COURT OF QUEEN'S BENCH
TRIAL DIVISION
MONCTON, N.B.
FILED/REGISTERED
AUG - 3 2012
COUR DU BANC DE LA REINE
DIV. DE PREMIÈRE INSTANCE
MONCTON, N.-B.
DÉPOSÉ/ENREGISTRÉ

- and -

- et -

LANDDRILL INTERNATIONAL MÉXICO, S.A. DE C.V., LANDDRILL INTERNATIONAL INC., and SPROTT RESOURCES LENDING PARTNERSHIP

DEFENDANTS/RESPONDENTS

INTIMÉ/DÉFENDEUR

NOTICE OF MOTION
(FORM 37A)

AVIS DE MOTION
(FORMULE 37A)

TO: LANDDRILL INTERNATIONAL MÉXICO, S.A. DE C.V., & LANDDRILL INTERNATIONAL, INC.
160 MacNaughton Avenue
Moncton, New Brunswick
E1H 3L9

&

SPROTT RESOURCES LENDING PARTNERSHIP
Suite 2750, 200 Bay Street
Royal Bank Plaza, South Tower
Toronto, Ontario
M5J 2J2

DESTINATAIRE :

The Plaintiffs, INFLIGHT DRILLING, S. DE R.L. DE C.V. AND HD DRILLING, S. DE R.L. DE C.V.,

Le requérant/demandeur demandera à la Cour, à la Place l'Assomption, 770, rue Main, Moncton, (collectively, the "**Plaintiffs**") will ~~apply~~ to the Court before Justice ______________ at 145 Assumption Blvd., Moncton on the 7th day of September, 2012 at 9:30 a.m. for an order as follows:

Nouveau-Brunswick, le ______________ 2010, à _____ h _____, d'ordonner :

1. Abridging the time for filing and serving the within Motion, pursuant to Rule 3.02 of the *Rules of Court*; denied

2. Granting an interlocutory injunction barring all of the Defendants/Respondents from leasing, selling, giving guarantee as collateral or performing any other act that may affect the Assets (as hereinafter defined) until such time as the final determination of the issues relating to the Statement of Claim filed in the within matter and judgment are rendered or until order of this honorable Court;

3. Costs of the within Motion, pursuant to Rule 59 of the *Rules of Court*;

4. Such further and other relief as to this Honourable Court seems just.

Upon the hearing of the motion, the Plaintiffs intends to argue the following grounds and rely upon the following statutory provisions or rules:

A l'audience de la motion, la partie donnant l'avis de motion invoquera les motifs et les dispositions législatives ou règles suivantes;

<u>Parties</u>

1. The Plaintiff, InFlight Drilling, S. de R.L. de C.V. ("**InFlight**") is a body corporate incorporated under the laws of Mexico. At all times material to the within Action, InFlight was the vendor of assets pursuant to an asset purchase agreement hereinafter defined and the holding corporation as it relates to HD Drilling, S. de R.L. de C.V. ("**HD**"), being the operating company.

2. The Plaintiff, HD, is a body corporate incorporated under the laws of Mexico. At all times material to the within Action, HD and InFlight were related companies in that HD conducted the drilling operations and entered into exploratory service contracts with various clients and InFlight provided the tools, materials and various other assets required by HD to conduct such operations.

3. The Defendant, Landdrill International México, S.A. de C.V. ("**Landdrill Mexico**"), is a body corporate incorporated under the laws of Mexico. At all times material to the within action, Landdrill Mexico was the purchaser of assets sold by InFlight pursuant to an asset purchase agreement.

4. The Defendant, Landdrill International Inc. ("**Landdrill Inc.**"), is a publicly traded company trading on the TSX Venture Exchange under the symbol "LDI" and it is a body corporate that is incorporated under the laws of British Columbia and having its head office in Moncton, New Brunswick. At all times material to the within action, Landdrill Inc. was the parent company of Landdrill Mexico and co-signor of a Promissory Note (hereinafter defined) used in connection with the purchase of assets by Landdrill Mexico from InFlight.

5. The Defendant, Sprott Resources Lending Partnership ("**Sprott**"), is a general partnership formed under the laws of Ontario. At all times material to the within action, Sprott became a creditor of Landdrill Inc. pursuant to a Credit Agreement (hereinafter defined).

Background

6. On or about December 20th, 2010, Landdrill Mexico entered into an Asset Purchase Agreement (the "**APS**") with InFlight and a number of covenantors for the purchase of mining and drilling assets owned by InFlight and utilized to conduct exploration activities throughout Mexico (the "**Assets**").

7. The transaction contemplated by the APS was scheduled to close March 31, 2011. At that time, there remained a considerable sum outstanding owed by Landdrill Mexico for the purchase of the Assets. Ultimately, InFlight agreed to transfer the Assets upon the execution of an Asset Purchase Agreement Addendum dated March 31st, 2011 (the "**Addendum**") and a Promissory Note signed March 31, 2011 (the "**Promissory Note**").

8. In negotiating the terms of the Addendum, two essential terms were included at InFlight's and HD's request:

   - that the Promissory Note would be satisfied in full on or before April 30, 2011; and
   - that Landdrill Mexico will not be able to lease, sell, give guarantee as collateral or perform any other act that may affect the Assets until payment in full has been received by InFlight.

Indebtedness

9. The Promissory Note represented the purchase price which remained outstanding at the time of execution of the Addendum, being $4,988,000.00 USD. The Promissory Note to the benefit of InFlight and HD was executed by Landdrill Mexico and countersigned and secured by Landdrill International, Inc., Landdrill Mexico's parent company. The Promissory Note bears an interest rate of 6% per annum and a late penalty charge of 2% monthly for any arrears.

10. The deadline for repayment of the Promissory Note passed without any payments being made.

11. Although some payments were made, as at May 31, 2012, there remained outstanding $979,559.50 on the Promissory Note.

Breach of Contract

12. In July 2011, Landdrill Mexico and Landdrill Inc., among others, entered into a Credit Agreement in favor of Sprott Resource Lending Partnership ("**Sprott**") for the purpose of securing the sum of $4,000,000.00 (the "**Credit Agreement**"). The $4,000,000.00 loan by Sprott to Landdrill Inc. was intended **exclusively** to reduce what is defined as the Acquisition Debt in the Credit Agreement; this debt being the one owed to Inflight by Landdrill Mexico and secured by Landrill Inc. on the Promissory Note.

13. The $4,000,000.00 loan from Sprott to Landdrill Mexico was not in effect exclusively used to pay down Landdrill Mexico's indebtedness pursuant to the Promissory Note. Further, the Assets sold by InFlight to Landdrill Mexico were granted as security for the $4,000,000.00 loan made by Sprott to the Landdrill companies pursuant to the Credit Agreement. The granting of such security constituted a direct breach of the terms of the Addendum.

14. Sprott had direct and prior knowledge of the terms of the transaction between InFlight and Landdrill Mexico. Sprott had direct and prior knowledge that the Assets transferred could not

be encumbered by Landdrill Mexico.

15. Landdrill Inc. is in a tenuous financial position; its audited financial statements dated December 31, 2011, indicate that the company's *"circumstances cast significant doubt as to the ability to meet its obligations as they come due* [...]".

16. InFlight and HD will lose its capacity to realize on the assets it sold to Landdrill Mexico as stated in the APS unless there is intervention of this Court. As such, Inflight and HD will suffer irreparable harm if the interlocutory injunction and other interlocutory reliefs are not granted in this matter given the inherent risk that Landdrill Mexico and especially its parent company, Landrill Inc. is in serious financial condition and is apparently insolvent and may ultimately become bankrupt.

17. The Plaintiffs plead and rely on such further and other relief as to this Honourable Court seems just.

Upon the hearing of the Motion the following affidavits or other documentary evidence will be presented:

À l'audition de la motion, les affidavits ou les autres preuves littérales suivantes seront présentées :

1. The Affidavit of Bart Forsyth dated July 30th, 2012; and

2. Such further and other material as counsel may advise and this Honourable Court may permit.

You are advised that:

(a) You are entitled to issue documents and present evidence at the hearing in French or English or both;

(b) The Applicant intends to proceed in the ENGLISH language; and

(c) If you intend to proceed in the other official language, an interpreter may be required and you must so advise the clerk at least 5 days before the hearing.

Sachez que :

(a) vous avez le droit d'émettre des documents et de présenter votre preuve a l'audience en français, en anglais ou dans les deux langues;

(b) le demandeur a l'intention d'utiliser la langue ANGLAISE; et

(c) si vous avez l'intention d'utiliser l'autre langue officielle, les services d'un interprète pourront être requis et vous devrez en aviser le greffier au moins 5 jours avant l'audience.

DATED at Moncton, N. B. this 3rd day of August, 2012.

FAIT à Moncton (Nouveau-Brunswick) ce ____e jour de ______________ 2010.

Solicitors for the Plaintiffs/Applicants

Avocats du Requérant/Demandeur

Christian E. Michaud
COX & PALMER

Solicitors representing the Plaintiffs/Applicants

COX & PALMER
Barristers & Solicitors
Blue Cross Centre
644 Main Street, Suite 500
Moncton, NB E1C 1 E2
Telephone: 506-856-9800
Facsimile: 506-856-8150