Attached is Exhibit "1" to the
Affidavit of Michael Pisani sworn the
12th day of April, 2013.

Lara

A Commissioner, Etc.

Lara Fitzgerald-Husek, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires April 29, 2014.

9512659.1

Court File No. M/M114/12

IN THE COURT OF QUEEN'S BENCH OF NEW BRUNSWICK

TRIAL DIVISION

JUDICIAL DISTRICT OF MONCTON

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

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

AFFIDAVIT

I, DAVID MELDRUM, of the City of Montreal, in the Province of Quebec, MAKE OATH AND SAY AS FOLLOWS:

1. I am a Senior Manager with the Workout and Restructuring Group of the GE Capital Canada Group of companies. GE Capital Canada is comprised of, among others, GE Canada Equipment Financing G.P. ("**GE Canada**"), 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 and GE Capital Canada Equipment Financing & Leasing Company.

2. GE Canada financed the acquisition by Landdrill International Ltd. ("**Landdrill**") of the equipment utilized by Landdrill in its Canadian operations including, without limitation, twenty-five (25) drilling rigs. As such, I have personal knowledge of the facts and matters to which I hereinafter depose, except where such information is provided to me by others in which case I have identified the source of such information and I do verily believe such facts and matters to be true.

3. As of August 31, 2012, being the date on which Landdrill, together with its affiliates Landdrill International Inc. ("**LIL**"), Landdrill Atlantic Ltd. ("**Atlantic**"), Landdrill Contract Mining Ltd., Landdrill International Mexico S.A. de C.V., Landdrill International LLC and Landdrill International Inc., (together with Landdrill, LII and

Atlantic, the "**Applicants**") made application to restructure their respective operations pursuant to the *Companies' Creditors Arrangement Act* ("**CCAA**"), Landdrill was indebted to GE in the approximate principal amount of $2.8 million.

4. I have reviewed the Affidavit of Christopher Johnson ("**Johnson**") sworn October 22, 2012 (the "**Johnson Affidavit**") filed in support of the within application (the "**Crown Motion**") by Crown Capital Partners Inc. ("**Crown**") and Norrep Credit Opportunities Fund, LP ("**Norrep**") (of which Crown is manager and strategic partner). On the Crown Motion, Crown and Norrep seek an Order enhancing the powers of the Monitor (the "**Crown Relief**") contained in the Initial Order issued in these proceedings on August 31, 2012 (the "**Initial Order**").

5. I make this Affidavit on behalf of GE Canada's support for the Crown Motion and the Crown Relief sought thereon.

GE Canada Financing to Landdrill

6. Landdrill entered into various contracts with GE Canada for purposes of financing the acquisition of the equipment and drilling rigs required to support its Canadian operations. Details of these contracts are as follows:

   (a) an Equipment Loan and Security Agreement No. 150011609070 dated March 30, 2011, as amended, pursuant to which the sum of $2,250,000 was financed;

   (b) a Conditional Sale Agreement No. 868801101 dated July, 2011, as amended, pursuant to which the sum of $377,027.57 was financed;

   (c) an Equipment Loan and Security Agreement No. 8698749001 dated September 28, 2011, as amended, pursuant to which the sum of $707,103.96 was financed;

   (d) an Equipment Loan and Security Agreement No. 8724235001 dated March 23, 2012, as amended, pursuant to which the sum of $1,200,000 was financed,

(collectively, the "**GE Contracts**").

7. As security for repayment of amounts financed under the GE Contracts, GE Canada holds, among other security:

(a) a first-ranking security interest in Landdrill's equipment located in Canada and financed pursuant to the GE Contracts;

(b) a General Security Agreement and Moveable Hypothec Agreement dated July 29, 2008 granted by Landdrill;

(c) a General Security Agreement dated July 20, 2010 granted by LII.

8. LII, Atlantic and Nitasi Landdrill Limited Partnership, acting by its general partner Atlantic, guaranteed the payment of the obligations of Landdrill under the GE Contracts pursuant to various Guarantee and Indemnity agreements dated March 30, 2011, July 8, 2011, September 28, 2011 and March 23, 2012.

9. I have reviewed the statements of Johnson contained in paragraphs 5 through 10 of the Johnson Affidavit relating to the events which transpired between the Applicants and GE Canada, Crown and Sprott Resource Lending Partnership ("**Sprott**" and, together with GE Canada and Crown, the "**Senior Lenders**") leading up to the filing of the initial application by the Applicants in these proceedings (the "**CCAA Proceedings**"). I confirm that GE Canada lent its support to the Applicants' restructuring efforts on a qualified basis. GE Canada supported the Applicants' bid to "restructure" pursuant to the provisions of the CCAA on condition that:

(a) the sales process proposed by the Applicants be expedited and towards that end that the Applicants' proposed timeline for the various stages of the sales process form part of the Initial Order;

(b) the powers of the Monitor contained in the Initial Order be expanded to facilitate an expedited sales process;

(c) to the extent the Applicants were engaged directly in the working out of the sales process, including negotiations, such involvement was on a consultative basis, only.

10. I have reviewed paragraphs 12 through 16 of the Johnson Affidavit and confirm that Johnson's statements contained therein accurately reflect the events which have transpired in these CCAA Proceedings since the issuance of the Initial Order.

11. I confirm that GE Canada shares the concerns of Crown and Norrep as described in paragraph 17 of the Johnson Affidavit and do verily believe that the conduct of Ronald Goguen and other senior management of the Applicants has undermined the effectiveness of the sales process to date and has threatened the integrity of the sales process and these CCAA proceedings. Moreover, Crown and Norrep, as the lenders under a debtor in possession credit facility (the "**DIP Facility**") made available pursuant to the Initial Order, have notified GE Canada and Sprott and the Applicants that the Applicants are in default of their obligations under the DIP term sheet and, as a result, no longer have access to the DIP Facility. GE Canada is concerned that the business, property and assets of the Applicants are at risk of deterioration and depletion should there be insufficient funds available to the Applicants to continue to operate.

12. Furthermore, GE is concerned that any further delay in concluding the sales process as authorized by the Senior Lenders and implemented by the Monitor will lead to significant additional professional and other operational costs thus increasing the amounts subject to the prior ranking DIP Charge and Administration Charge. This will have the effect of diminishing the security available to GE Canada from which to recover the obligations of Landdrill.

13. I make this Affidavit in support of the Crown Motion for an Order granting the Crown Relief and for no other or improper purpose.

SWORN BEFORE ME at the City of Montreal in the Province of Quebec, on October 25th, 2012. Commissioner ~~for~~ of Oaths Annie Arouchian Attorney at law id n° 287789-9	David G. Meldrum

8665270.1

Attached is Exhibit "2" to the
Affidavit of Michael Pisani sworn the
12th day of April, 2013.

Lara [signature]

A Commissioner, Etc.

Lara Fitzgerald-Husek, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires April 29, 2014.

GE Capital

EQUIPMENT LOAN AND SECURITY AGREEMENT

No: 150011609070

239 Brownlow Ave., Suite 204
Dartmouth, Nova Scotia, B3B 2B2, Tel: (902) 468-8266, Fax: (902) 468-8270

CLIENT: **Landdrill International Ltd.**

ADDRESS: **160 MacNaughton Ave.**
Moncton,New Brunswick
E1H 3L9

CONTACT: *Derrick West*
Tel: **(506) 388-8100**

EQUIPMENT LOCATION (if at address other than above)

INSURANCE
Assurance Goguen Champlain Insurance Inc
1040 Champlain St Ste 200
Dieppe
E1A 8L8

EQUIPMENT

UNITS	MODEL	YEAR	DESCRIPTION	SERIAL Nos.
			See Schedule A which is an integral part of this agreement.	

FINANCED AMOUNT			FINANCING RATE:	Fixed Rate	INSTALMENTS	
Amount Advanced:	2,250,000.00	CAD		**9.12% p.a.**	Instalments:	**$ 71,671.98 CAD**
Insurance Premium:					Instalment date:	
Financing fees:					Frequency:	**Monthly**
					No. of Instalments:	**36**
					First Instalment date:	
Financed Amount:	**2,250,000.00** =	CAD	**Daily**		Original Term:	**36 months**

ADDITIONAL PROVISIONS
See Schedule B which is an integral part of this agreement.

In consideration of the loan (the "Loan") by Lender (as defined below) to Client in the amount specified under the heading "Financed Amount" above, the receipt of which Client hereby acknowledges, Client acknowledges itself indebted and promises to repay to Lender the Financed Amount. Client also acknowledges that it has agreed to grant to Lender a security interest in the Equipment described above to secure repayment of the Financed Amount on the terms and conditions set forth above, on pages 1, 2, 3 and 4 of document 15133E attached hereto, on all applicable schedules and other attachments hereto, all of which terms and conditions form a part of this Equipment Loan and Security Agreement.

IN WITNESS WHEREOF the parties hereto have executed this Equipment Loan and Security Agreement at Moncton in the province of New Brunswick. this 30th day of March 2011.

Landdrill International Ltd.

By: ("CLIENT")
TITLE
SIGNATURE OF AUTHORIZED OFFICERS
TITLE

GE Canada Equipment Financing G.P.

By: ("LENDER")
Asst. Mgr.
TITLE
AAM
SIGNATURE OF AUTHORIZED OFFICERS
TITLE

GE Capital

SCHEDULE A

No: 150011609070

This SCHEDULE A is an integral part of the EQUIPMENT LOAN AND SECURITY AGREEMENT No. 150011609070 executed at Moncton in the province of New Brunswick, this 30th day of March 2011.

EQUIPMENT

UNITS	MODEL	YEAR	DESCRIPTION	SERIAL Nos.

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:

Nine (9) 2011 Bombardier Tundra Sport 550 ski-doo's S/N's:
2BPSGKBA2BV000538 , 2BPSGKBA4BV000704 ,
2BPSGKBAXBV000710 , 2BPSGKBA4BV000623 ,
2BPSGKBA1BV000689 , 2BPSGKBA6BV000848 ,
2BPSGKBA8BV000365 , 2BPSGKBA5BV000419 ,
2BPSGKBA5BV000839

One (1) used Bombardier Skandic Tundra 300F ski-doo S/N:
2BPSGA7B97V001043

Two (2) 2011 Bombardier Expedition Sport 550F ski-doo's S/N's:
2BPSKABA4BV000114 , 2BPSKABA4BV000162

FRONT END LOADER:
One (1) 1986 Komatsu WA450A wheel loader S/N: 10669

WATER TRUCK:
One (1) 2000 GMC 7500 water truck S/N: 1GDL7H1C5YJ517053

Landdrill International Ltd.

("CLIENT")

By: ⊗ [signature]

CFO

TITLE

SIGNATURE OF AUTHORIZED OFFICERS

TITLE

GE Canada Equipment Financing G.P.

("LENDER")

By: [signature], Acct. Mgr.

TITLE

[signature] AAM

SIGNATURE OF AUTHORIZED OFFICERS

TITLE

GE Capital

SCHEDULE B

No: 150011609070

This SCHEDULE B is an integral part of the EQUIPMENT LOAN AND SECURITY AGREEMENT No. 150011609070 executed at Moncton in the province of New Brunswick, this 30th day of March 2011.

ADDITIONAL PROVISIONS

TRANSACTION FEE

Client agrees to pay a transaction fee of CAD $ 22,500.00 upon signature hereof.

....

HYPOTHEC IN QUEBEC

In addition to the disposition of section 5.1, for the purpose of securing payment of the Financed Amount shown on the face hereof and the payment of the Accrued Liability and other sums and the Obligation from time to time due under this Agreement or otherwise and of all other sums from time to time owing on the security hereof and the performance by Client of all Obligations, Client does hereby hypothecate the Equipment and the Receivables (as defined below) in favour of Lender for an amount equal to 120% of the Financed Amount together with interest thereon at the rate of 24% per annum, the accessories of the Financed Amount and all other expenses which may be incurred from time to time by Lender for the protection of its rights or in pursuance of its recourses hereunder or at law.

"Receivables" means the universality consisting of all the rights, title and interest of the Client in and to all claims directly or indirectly held or enjoyed in connection with the possession and use of the Equipment, including without limitation: (a) all income, revenues and profits and other amounts payable or derived from the use, any leasing, renting or hiring, of the Equipment; (b) all indemnities or insurance proceeds, if any, paid or to be paid or to which the Purchaser is or may become entitled, pursuant to any insurance policies covering the Equipment; and (c) all benefits, including full power and authority to demand, sue for, recover, receive and give receipts for all moneys payable and otherwise to enforce the rights of the Client to receive and collect such moneys.

....

INTEREST RATE (CA SWAP)

The Financed Amount will bear interest at an annual rate equal to 720 basis points above the ask rate for a 2 year CA dollar fixed interest rate swap compounded semi-annually as indicated on the Thomson Reuters Interest Rate Spread Quick Chart CADSB3CB2Y=RR published on the Reuters 3000 Xtra Hosted Terminal Platform for the Friday preceding the disbursement date. This rate shall remain fixed for the entire term of this Agreement. For ease of reference only, Thomson Reuters makes available on the GE web site (www.gecapitalsolutions.ca) a table setting forth such 2 year CA dollar rate for the dates indicated in the table, it being understood that such rates are made available for information purposes only and should not at any time be considered the official reference rates.
For indication purposes only, the applicable 2 year swap rate today is 1.917%, plus 720 bps, resulting in a fixed interest rate of 9.117%. The Instalments and the Financing Rate on the signature page of this Agreement are for indication purposes only.

....

INTERIM FUNDING

1. General

Subject to the terms and conditions contained in this Agreement, Lender may agree from the date on the face hereof to the Closing Date (defined as the earliest to occur of (i) funding by Lender of the total Financed Amount, (ii) May 15th, 2011 or (iii) as the case may be, such other date that may be mutually agreed upon by the parties, to make an interim loan or interim loans (collectively, the "Interim Loan") to Client. The Interim Loan amounts will be disbursed as partial advances of the Financed Amount upon request by Client and shall form part of the Obligations secured hereunder. Notwithstanding the above, Lender shall not be required to disburse any Interim Loan amount, if a Default or event that, with the lapse of time or the giving of notice or both, would constitute a Default, has occurred or is continuing.

2. Manner of Borrowing on the Interim Loans

Initial AV

GE Capital

SCHEDULE B

No: 150011609070

This SCHEDULE B is an integral part of the EQUIPMENT LOAN AND SECURITY AGREEMENT No. 150011609070 executed at Moncton in the province of New Brunswick, this 30th day of March 2011.

ADDITIONAL PROVISIONS

Client shall give Lender at least five (5) days' notice in the form of a request for progress advance (the "Request") specifying the date on which any portion of the Interim Loan is to be borrowed. The first Request shall be accompanied by an original copy of the invoices for Equipment to be paid from the proceeds of the Interim Loan. Each Request shall constitute a representation and warranty by Client that as at the date of the Request, no Default or event that, with the lapse of time or the giving of notice or both, would constitute a Default, has occurred and is continuing. Subject to the conditions stated in this Agreement, Lender will disburse the amounts set out in the Request to the invoicing party, or if Client has paid the amount of such invoice, Lender will reimburse Client for such amount upon receipt from Client of proof of such payment. The Interim Loans in an aggregate amount not to exceed the Financed Amount will be disbursed as follows:

i) A First Advance of 1,215,168.90 $, hereafter the "First Advance" representing part of the acquisition cost of the Equipment excluding applicable taxes.

ii) A second Advance up to 1,034,831.10 $, hereafter the "Second Advance" representing part of the acquisition cost of the Equipment excluding applicable taxes.

It is hereby acknowledged that Client will pay the difference between the acquisition cost of the Equipment (including Equipment to be included with the Second Advance) and the amount of the Advances made by Lender.

3. Payment of Interim Loan - Principal and Interest

At the Closing Date, the amount of all outstanding Interim Loan principal balances, together with all outstanding accrued interest thereon, if any, shall be added to, be deemed to form part of, and constitute outstanding amounts as, without novation, the Financed Amount and the terms applicable to the Financed Amount shall apply to such amounts as if they were advanced to Client as part of the Financed Amount. For clarification, the amount of Interim Loans shall not in any way increase the amount that Lender has agreed to make available to Client as part of the Financed Amount. For greater certainty, the said Financed Amount shall bear interest from the Closing Date at the rate set forth on the first page of this Agreement.

The Client shall pay on demand any amount outstanding in excess of the Financed Amount shown on the first page of this Agreement. Nothing herein shall be construed to require Lender to advance any funds to or on behalf of Client at any time, including on the Closing Date, if a Default or event that, with the lapse of time or the giving of notice or both, would constitute a Default, has occurred or is continuing.

4. Notwithstanding paragraph 3 above, upon demand made by Lender, Client agrees to immediately reimburse Lender any Interim Loan disbursed and any other amount due including but not limited to the interest on Interest Disbursement as defined herein.

5. Security

The Equipment being financed by the Interim Loan shall be subject to the security interest created by this Agreement, and Schedule A containing a description of the Equipment and other assets subject to such security shall be amended from time to time, to the extent necessary, to include such Equipment.

6. Installments

Initial AJ

GE Capital

SCHEDULE B

No: 150011609070

This SCHEDULE B is an integral part of the EQUIPMENT LOAN AND SECURITY AGREEMENT No. 150011609070 executed at Moncton in the province of New Brunswick, this 30th day of March 2011.

ADDITIONAL PROVISIONS

The number of Instalments required from the Closing Date shall be of 36 months. Lender will advise Client of the amount of the Instalments by written notice, which shall be binding unless contested within 10 days of receipt. The first Instalment shall be payable one month after last draw.

INTERIM LOAN FINANCING RATE AND INSTALMENTS

7.

For the purposes of any Interim Loan(s) as described herein, all amounts outstanding shall bear interest at an annual rate equal to the Interim Loan Financing Rate which rate shall be calculated based on the current Prime Rate from time to time in effect during the term of such Interim Loan(s), plus 7.1 % per annum.

BA RATE (PMS/LIS)

The words "Prime Rate" whenever used herein are replaced by the words "BA Rate", which means, on any day, the annual rate of interest equal to and identified as the average discount rate (rounded upwards, if necessary, to the nearest 0.01%) of three-month Canadian dollar bankers' acceptances as published in the "Bank of Canada Weekly Financial Statistics" every Friday for the next to the last Wednesday (or, if such Wednesday is not a Business Day, the preceding Business Day) of the preceding calendar month; provided, however, that if such rate does not appear in the Bank of Canada Weekly Financial Statistics as contemplated, then the "BA Rate" shall be, on any day, the annual rate of interest equal to and identified as the average discount rate (rounded upwards, if necessary, to the nearest 0.01%) of three-month Canadian dollar bankers' acceptances as displayed on the "Reuters Screen CDOR Page" as at approximately 10:00 a.m. (Toronto time) on the next to the last Wednesday (or, if such Wednesday is not a Business Day, the preceding Business Day) of the preceding calendar month. Notwithstanding anything to the contrary, the BA Rate will never be less than 0.25%.

The interest accruing on Interim Loan(s) from the date of funding by Lender of each Interim Loan to the Closing Date will calculated using the Interim Loan Financing Rate on a daily basis. All accrued interest due by Client to Lender shall payable on the Closing Date.

CONDITIONS PRECEDENT TO DISBURSEMENT

The First Advance will not be disbursed, by the Lender before all the following conditions have been met and all the following documentation have been delivered to the Lender, the whole at the Lender's entire satisfaction:

1. Delivery of an Appraisal Report on all current assets of Client and on the Equipment, and any internal Lender analysis regarding such assets and Equipment;

The Second Advance will not be disbursed, by the Lender before all the following conditions have been met and all the following documentation have been delivered to the Lender, the whole at the Lender's entire satisfaction:

1. Delivery of an Appraisal Report on all current assets of Client and on the Equipment, and any internal Lender analysis regarding such assets and Equipment;

Initial

GE Capital

SCHEDULE B

No: 150011609070

This SCHEDULE B is an integral part of the EQUIPMENT LOAN AND SECURITY AGREEMENT No. 150011609070 executed at Moncton in the province of New Brunswick, this 30th day of March 2011.

ADDITIONAL PROVISIONS

2. Delivery of all invoices in the name of Client including a complete description of the Equipment financed on 2nd Advance.

3. Delivery of all proof of payment made by Client on each piece of Equipment financed under the 2nd Advance.

4. Satisfactory evidence as determined by Lender at its entire discretion that Client has paid (i) 25% of the total acquisition cost including applicable taxes of all drills financed hereunder, and (ii) 50% of the total acquisition cost including applicable taxes of all support equipment financed hereunder (small support equipment such as snowmobiles, ATVs ect. not exceed 10% of Financed Amount, no uderground equipment allowed).

EQUIPMENT AND AMENDMENT

As the date hereof, the Equipment described or referred in the face hereof, are only the Equipment pertaining the First Advance. However the Equipment financed on the Second Advance is being part of the Equipment and before the disbursement of the Second Advance, Client agrees and undertakes to execute any document and/or amendment to give effect to that. Client also agrees that, for disbursement of the Second Advance, Lender must be completely satisfied with all requirement, documentation or amendment or other action to be made, including, the perfection a valid first rank security interest and hypothec over the Equipment relating to the Second Advance.

CROSS DEFAULT

Section 13 of the terms and conditions attached to the present (document GE15133E), is amended to add the following paragraph:

(l) Client fails to meet any of its bank's financial covenants and Client shall remain in default if such banks waives the default.

....

PRICING ADJUSTMENT

In order to preserve the Lender's net economic return, Lender in its sole discretion may adjust the pricing at any time prior to disbursement to reflect: (1) changes in the pricing assumptions of this Agreement; (2) a change in the Lender's funding index rate; (3) tax law changes applicable to the Client; and (4) general market conditions.

Landdrill International Ltd.

("CLIENT")

By: (X) ____________________ TITLE

SIGNATURE OF AUTHORIZED OFFICERS TITLE

GE Canada Equipment Financing G.P.

("LENDER")

By: Roland Bum, Ast. Mgr. TITLE

AAM

SIGNATURE OF AUTHORIZED OFFICERS TITLE

GE 14133W E (12-95)

GE Capital

EQUIPMENT LOAN AND SECURITY AGREEMENT

1. *Interpretation*

1.1 For the purpose of this Agreement:

(a) "Accrued Liability" at any time means the amount equal to the sum of the Financed Amount, any Prepayment Bonus and all other amounts then payable hereunder, including without limitation, any Overdue Payment and accrued interest.

(b) "Affiliate" means in respect of a person, a person or persons that, directly or indirectly through one or more intermediaries, control, are controlled by, or are under common control with, such person, and for the purposes of this definition, "control" means the power to direct or cause the direction of the management and policies of a person whether through the ownership of voting securities or otherwise, and "person" means an individual, corporation, partnership, joint venture, association, trust or unincorporated organization or any trustee, executor, administrator or other legal representative.

(c) "Agreement" means this Equipment Loan and Security Agreement and any applicable schedules hereto, unless the context otherwise requires, and "hereof", "herein", "hereby", "hereunder" and similar expressions refer to this Agreement.

(d) "business day" means a day when the office of Lender at the address stated on the face hereof is open for business.

(e) "Claims" has the meaning assigned in Section 16.

(f) "control" has the meaning attributed to it in the *Canada Business Corporations Act*.

(g) "Client" means the client of Lender stated on the face hereof.

(h) "Conversion Rate" means the rate, expressed in CAD for the purchase of one US dollar, determined by adding 0.0050 CAD/USD to the highest rate which appears on the Bloomberg CAD GIT Page between 7 AM and 5 PM (EST).

(i) "Costs of Disposition" means all costs, disbursements, fees, commissions and other expenses (including legal fees and expenses) which Lender may incur, pay or be liable for in connection with recovering possession of, dismantling, removing, transporting, repairing, processing, reconditioning, storing, selling, leasing or otherwise disposing of Equipment.

(j) "Default" means any of those events or circumstances specified in Section 13.

(k) "Equipment" means the items of personal property described on the face hereof and, when required by the context, individual items thereof.

(l) "Equities" means existing or future rights of counterclaim, defence, set-off, compensation, abatement or offset, legal or equitable.

(m) "Financed Amount" means the amount stated as such on the face hereof owing by Client to Lender or the unpaid outstanding balance thereof, as the context requires.

(n) "Financing Rate" means the rate per annum stated as such on the face hereof.

(o) "Instalments" means the periodic repayment instalments of the Financed Amount, together with interest calculated at the Financing Rate as provided on the face hereof, such instalments stated on the face hereof.

(p) "Lender" means the Lender stated on the face hereof.

(q) "Lien" means any lien, privilege, mortgage, pledge, hypothec, charge, security interest, attachment, assignment, seizure, sequestration, distress, levy or other encumbrance of any nature or kind whatsoever.

(r) "Loss of Equipment" means:

(i) a total or constructive total loss of Equipment, or damage thereto, or theft thereof which, in the reasonable opinion of Lender, renders it impossible or impractical to use the Equipment for its intended purpose; or

(ii) expropriation or confiscation of Equipment by any authority absolutely or for more than 180 days.

(s) "Obligation" means any obligation by Client to pay any amount owing hereunder, including the Financed Amount, Overdue Payments and all other amounts owing hereunder, or to perform any other obligation of Client hereunder or which is secured hereunder.

(t) "Overdue Payment" means any amount owing by Client hereunder and any sum disbursed by Lender pursuant to Section 15 which is not paid when due hereunder, or any portion thereof.

(u) "person" means any natural person, corporation, firm, partnership, trust, sole proprietorship or governmental agency, authority or other entity, however constituted or designated.

(v) "Pledge" means to mortgage, charge, pledge, hypothecate, assign or grant a security interest and the security resulting therefrom and, as a noun, has the corresponding meaning.

(w) "Prepayment Bonus" means a prepayment bonus determined in accordance with Section 2.2.

(x) "Prime Rate" means the yearly rate of interest which National Bank of Canada announces from time to time in Canada as its prime lending rate which is a reference rate for demand loans in Canadian dollars to corporate borrowers.

(y) "Supplier" means any manufacturer, supplier, vendor of or dealer in Equipment or any other person from whom Client has acquired any of the Equipment.

(z) "Taxes" means any and all taxes, imposts, levies, fees, duties and charges imposed by any taxing authority on Lender, Client, the Equipment, its purchase, sale, ownership, security interest thereon, delivery, possession, operation or use including, without limitation, sales, excise, use, health services, property, goods and services, business transfer and value added taxes (including any penalties or interest based on late or non-payment), but excluding taxes imposed on or measured by Lender's overall net income.

(aa) "Warranties" means any and all warranties, guarantees, representations, service contracts, contracts to stock spare parts and similar agreements, oral or written, express, implied or statutory, relating to Equipment.

1.2 In this Agreement, unless the context otherwise requires, the singular includes the plural and vice-versa and words importing gender include each gender.

1.3 All references herein to statutes include the statute as it may be amended, restated or replaced with legislation of comparable effect.

1.4 Acts to be performed hereunder on non-business days shall be performed on the following business day.

2. *Instalments*

2.1 Client hereby acknowledges that it has borrowed from Lender and is thereby, or has otherwise become, indebted to and agrees to repay to Lender, at the address of Lender stated on the face hereof or such other place notified by Lender to Client, the Financed Amount, together with interest thereon, by paying the Instalments stated on the face hereof. Unless otherwise stated, Instalments are due on the dates stated on the face hereof in each month, or other period (or the last day of the month, if there is no corresponding date), in arrears, throughout the term hereof. On the final Instalment date, Client shall pay Lender the outstanding balance of the Financed Amount, all accrued and unpaid interest thereon and all other amounts payable hereunder.

2.2 Client may at any time prepay the Financed Amount in whole or in part upon payment to Lender of a Prepayment Bonus determined as follows:

(a) if the Financing Rate is a variable rate based on Prime Rate, the bonus shall be three months' interest on the amount prepaid calculated at the Financing Rate in effect at the time of prepayment, or

(b) if the Financing Rate is a fixed rate, the bonus shall be either (i) three months' interest on the amount prepaid calculated at the Financing Rate (the "Minimum Bonus"), if the Financing Rate does not exceed the Prime Rate in effect at the time of prepayment ("Current Prime"), or (ii) the greater of (A) the Minimum Bonus or (B) the amount determined as the product of (x) the Financing Rate less Current Prime times (y) the amount prepaid times (z) the fraction of the number of days to elapse until the final Instalment date, disregarding prepayments, divided by 365, if the Financing Rate exceeds Current Prime.

Any portion of the Financed Amount prepaid shall be applied to the remaining Instalments in inverse order of maturity. No part of the Prepayment Bonus shall be applied in reduction of said remaining Instalments. If a Default or a Loss of Equipment occurs, the Prepayment Bonus shall also be payable by Client and shall be calculated by reference to the outstanding balance of the Financed Amount at the time of such Default or Loss of Equipment, as applicable.

3. *Interest*

3.1 The Financed Amount shall bear interest from the date hereof until paid in full to Lender (as well before as after maturity, demand, Default or judgment) at the Financing Rate.

3.2 In addition to interest payable under Section 3.1, each Overdue Payment shall bear interest from the date due until paid in full to Lender (as well before as after demand, Default or judgment) at the rate of 12% per annum, calculated as specified in Section 3.3.

3.3 Interest payable hereunder shall accrue from day to day, be payable in arrears on each Instalment date and be computed upon the daily outstanding balance of the Financed Amount or Overdue Payment, as applicable, and shall be calculated on the basis of the number of days elapsed in a 365-day year. The yearly rate of interest to which each rate of interest expressed herein is equivalent is the product of (a) such rate times (b) the fraction of the number of days in the year divided by 365.

3.4 If the Financing Rate is a variable rate based on Prime Rate, a change in Prime Rate automatically changes the rate of interest payable hereunder to the same extent and in the same manner effective with the frequency stated on the face hereof. Lender shall not be obliged to notify Client of any such change, any right to notice being hereby irrevocably waived by Client.

4. *Title, Ownership*

Title to, ownership of, and all property in Equipment shall remain with Client, but subject always to the security interests and other provisions hereof, and at Client's sole risk, until full payment in cash of all amounts repayable hereunder; prior to such payment, Client's rights therein are to quiet enjoyment and use on the terms and conditions of this Agreement so long as a Default has not occurred.

5. *Security Interest and Warranties as to Equipment*

5.1 In consideration of the Loan, Client hereby mortgages, hypothecates, charges by way of a first fixed charge, and grants to Lender a continuing security interest (herein collectively called a "security interest") in Equipment and Pledges in favour of Lender all insurance claims and all proceeds (including proceeds of proceeds) therefrom with respect to any loss or damage to Equipment or any lease or rental of Equipment, all to secure repayment of the Financed Amount and other Obligations of Client.

5.2 Client represents and warrants to Lender that the Client has good and marketable title to Equipment, free and clear of all Liens, except for the security interests of Lender hereunder. Client agrees to comply with all Warranties accruing to the Client pertaining to Equipment; however, any failure by any vendor to Client of Equipment to comply with any Warranty shall not affect Client's Obligations to Lender hereunder.

6. *Personal Property and Waivers*

6.1 Equipment shall at all times be and remain moveable personal property.

Notwithstanding any purpose for which Equipment may be used or that it may become affixed or attached to land or any structure thereon, Equipment shall remain subject to all rights of Lender hereunder as if it were not so affixed or attached.

6.2 Client agrees to obtain a waiver, if required by and in a form satisfactory to Lender, from any landlord, mortgagee, hypothecary creditor or other encumbrancer of the premises where Equipment is situated (and prior to its becoming affixed if it is to be affixed).

7. *Maintenance, Use, Operation, Alterations, Upgrades, etc.*

7.1 Client shall at its own expense:

(a) maintain Equipment in good operating condition, repair and appearance, ordinary wear and tear only excepted;

(b) comply with all recommendations or requirements of Supplier regarding Equipment so as to preserve all Warranties; and

(c) at Lender's request, enter into a maintenance agreement for Equipment for the full term of this Agreement with Supplier or a competent service and maintenance agent approved by Lender.

7.2 Client shall not, without Lender's consent, make any alterations, additions, accessions or attachments to Equipment. Such consent will only be granted if such changes:

(a) do not materially decrease the value of Equipment or limit, interfere with or frustrate its intended use;

(b) do not prejudice or adversely affect any Warranties; and

(c) are free from, and do not subject Equipment to, any Lien.

7.3 All replacement parts and components, alterations, additions, accessions and attachments to Equipment shall automatically become subject to the security interests created hereby as soon as they are acquired by or on behalf of Client.

7.4 Client shall affix and keep affixed to Equipment any labels supplied by Lender identifying its security interests in Equipment.

8. *Inspection*

Any representative of Lender shall have the right to inspect Equipment at all reasonable times upon notice to Client.

9. *Insurance*

9.1 Client shall at its own expense place and maintain with insurers acceptable to Lender:

(a) comprehensive all risks insurance on Equipment for the greater of the Financed Amount or the full replacement value of the Equipment. Such insurance shall include: (i) a loss payable clause in favour of Lender and (ii) a waiver of subrogation clause in favour of Lender; and

(b) general public liability and property damage insurance with limits of liability at least equal to $1,000,000 or such greater amount as Lender may require. Such insurance shall extend to all liabilities of Client under this Agreement arising out of its use or possession of Equipment and to any potential vicarious liability of Lender as holder of security interests in Equipment created hereby.

9.2 All such policies of insurance shall be in place at the effective date of this Agreement and shall contain endorsements providing that: (a) 30 days' written notice shall be given to Lender before the policy lapses or is materially altered or cancelled; (b) the insurance shall be primary and not contributory; (c) Lender's interests therein shall not be invalidated or otherwise adversely affected by any act or omission, deliberate, negligent or otherwise, of Client or its agents, servants or employees (the so-called "standard mortgage clause"); (d) Lender shall not be responsible for payment of any premiums; and (e) Lender may elect to have all proceeds of loss payable only to itself.

9.3 Client shall supply Lender with certified copies of all insurance policies, endorsements or other evidence of the required coverage satisfactory to Lender within 30 days of the effective date of this Agreement and on request.

9.4 In the event of damage to any item of Equipment amounting to Loss of Equipment, Lender shall be entitled to receive immediate payment of the amount equal to the Accrued Liability with respect to such item of Equipment. Lender may retain any monies received from the insurance proceeds in an amount equal thereto, Client remaining liable for any deficiency.

10. *Taxes, etc.*

Client shall have the sole responsibility for and shall duly and punctually pay all Taxes and all licence and similar fees payable at any time upon, or in respect of, Equipment, this Agreement and any payments or transactions contemplated hereunder.

11. *Liens*

Client shall keep Equipment free of all Liens.

12. *Laws and Regulations*

Client is and shall continue to be in compliance with all laws and regulations relating to use, operation or possession of Equipment or the security interests therein in favour of Lender, and those relating to the prevention of money laundering and terrorism.

13. *Default*

It shall be a Default under this Agreement if:

(a) Client fails to pay any Instalment within 10 days after its due date;

(b) any representation or warranty of Client made herein or in any instrument or document delivered to Lender in connection herewith is false or materially incorrect or misleading;

(c) any insurance coverage required to be obtained and maintained by Client under this Agreement shall lapse, expire or be cancelled;

(d) Client defaults in any other Obligation, or in any obligation under any other agreement with Lender or any Affiliate of Lender and such default continues for 10 days after notice thereof by Lender or such Affiliate, as applicable, to Client;

(e) any act of bankruptcy takes place respecting Client, or any proceeding, petition or notice, voluntary or involuntary, is commenced, made, given or filed, as the case may be, by the Client or any other person, under any present or future statute or law relating to bankruptcy, insolvency or relief from or compromise or arrangement with creditors of Client;

(f) Client ceases or threatens to cease to carry on business or makes or proposes to make any sale of the whole or any substantial portion of its assets in bulk, or otherwise out of the normal course of business;

(g) any execution, sequestration, expropriation or similar process is brought or threatened, by way of notice or otherwise, against, or a distress or analogous process is levied upon the whole or any part of the property of Client or Equipment;

(h) any trustee, receiver, interim receiver, administrator, manager or similar official is appointed with respect to all or any part of the property, assets or undertaking of Client, whether pursuant to any private instrument or agreement or by order of any court;

(i) if ownership of or control and direction over the assets or undertaking of Client or the majority of its voting shares changes, by amalgamation, merger, sale, transfer of shares or otherwise, except pursuant to death of the shareholder, or Client passes any

resolution concerning any matter referred to in paragraph (e) or with respect to, or any proceedings, voluntary or involuntary, are commenced under, any present or future law relating to amalgamation, liquidation, winding-up or dissolution;

(j) an event occurs which, in the opinion of Lender, could reasonably be expected to have a material adverse effect on the condition (financial or otherwise), business, operations, assets, liabilities or prospects of Client, Client's ability to perform any Obligation, or any obligation under any other agreement with Lender or any Affiliate of Lender, or on the rights and remedies of Lender thereunder, and continues for 10 days after notice thereof by Lender or such Affiliate, as applicable, to Client; or

(k) any event or circumstance described in any of paragraphs (c) and (e) through (j) inclusive occurs with respect to any guarantor or surety of Client respecting this Agreement or any person who controls Client or any Affiliate of Client.

A Default under this Agreement shall be deemed a default under all other present and future agreements entered into between Client and Lender or any Affiliate of Lender.

14. Lender's Remedies on Default

Upon Default, Lender shall be entitled to do one or more of the following:

(a) declare this Agreement to be in default (with or without terminating this Agreement) whereupon all Obligations shall be immediately due, payable and enforceable without any notice or demand whatsoever;

(b) terminate this Agreement;

(c) declare any or all of the Obligations to be immediately due and payable, or be subject to immediate performance, as the case may be, without presentment, protest or notice of dishonor, all of which are expressly waived;

(d) take possession of Equipment, without demand, notice or legal proceeding and enter on any premises of Client or any other person for such purpose;

(e) sell, lease or otherwise dispose of Equipment by public or private transaction for such consideration payable immediately and/or deferred and on such terms and conditions as Lender in its discretion determines;

(f) whether or not this Agreement may have been or be deemed to have been terminated, demand, sue for and recover the amount equal to the Accrued Liability, less, if applicable, the net proceeds to Lender derived from the sale, lease or other disposition of the Equipment, after deducting all Costs of Disposition; and

(g) exercise any other rights or remedies and/or take any proceedings available to Lender hereunder, at law or in equity.

In lieu of selling, leasing or otherwise disposing of Equipment, Lender may retain Equipment and cause Equipment to be valued by a qualified appraiser selected by it and such value shall be substituted for and deducted as net proceeds to Lender under subparagraph (f) of this Section. Proceeds of sale, lease or disposal need be deducted only when received, unless Lender elects to take the present value of payments to be received, discounted at the Financing Rate then in effect, compounded monthly.

15. Lender's Rights to Remedy Defaults

If Client fails to perform or comply with any Obligation, Lender may, but has no obligation to, perform same in the name of Client or Lender and make all necessary disbursements in connection therewith, which shall be reimbursed by Client immediately on demand. Lender is hereby appointed Client's lawful attorney to take any such action in Client's name.

16. Client's General Indemnities

Client shall indemnify and save harmless Lender from and against all existing or future losses, costs, charges, expenses, liabilities, claims, demands, penalties, damages, suits, actions and causes of action of every nature and kind whatsoever, including strict liability in tort or in delict (collectively, "Claims") sustained or suffered by Lender, or for which Lender may become liable, resulting from or arising out of:

(a) Lender's lawful exercise or performance of its rights or obligations under this Agreement;

(b) the holding by Lender of a security interest in the Equipment;

(c) any Default;

(d) any personal injury or property damage or other commercial loss arising out of the sale or delivery to, installation, ownership, use, operation, maintenance, condition, return, removal and re-delivery of Equipment; or

(e) any use or operation of Equipment which infringes any patent or other industrial or intellectual property right, unless caused by the gross negligence or wilful misconduct of Lender, its employees, servants or agents.

17. Administrative Fees and Expenses

Client shall pay Lender on demand Lender's prevailing fees and all costs and disbursements (including legal fees and expenses) certified by Lender as having been incurred or made in connection with the enforcement or preservation of any right or remedy arising on Default or in connection with the rendering of financial services under this Agreement including, without limitation, for processing of payments and rendering statements to Client.

18. Pre-Authorized Payments

Client shall execute and deliver to Lender from time to time upon request pre-authorized payment orders in such form as Lender may reasonably request. Lender is hereby authorized to deliver such orders to the financial institution named therein. Client hereby appoints Lender its lawful attorney to take all action contemplated by such payment orders to receive payment of any amount due under this Agreement. Lender may decline any other form of payment.

19. Location of Equipment

19.1 Except as otherwise expressly permitted hereunder, Client shall not part with possession of Equipment nor remove any of same from Canada.

19.2 Client covenants that Equipment will continue to be located where stated on the face hereof, or at any other location agreed to in writing by Lender.

20. Assignment and Leasing

Client shall not assign any rights hereunder and Client shall not sell or attempt to sell Equipment nor lease or rent or attempt to lease or rent Equipment, in any case without the prior consent of Lender, and such consent may be withheld by Lender in its sole and unfettered discretion. No action aforesaid by Client shall relieve Client of any of its Obligations.

21. Client's General Representations, Warranties and Covenants

Client represents and warrants to and covenants with Lender that: (a) if Client is a body corporate, it is and will continue to be a body corporate or other legal entity duly and validly incorporated or otherwise established, organized and existing in good standing under the laws of its jurisdiction of incorporation or establishment, with all necessary power and authority to execute, deliver and perform this Agreement; (b) if Client is a body corporate, all of the transactions contemplated herein have been and will be duly authorized by all necessary action, are not and will not be in conflict with the constating documents or by-laws of Client or any indenture, instrument, agreement or undertaking to which it is or will be a party or by which it or its assets are or may become bound; (c) this Agreement is and will continue to be the legal, valid and binding obligation of Client, enforceable against it in accordance with its terms; (d) all Information as defined in Section 41 provided by Client to Lender is accurate; and (e) all payments to Lender are and will be derived from legal sources. Client agrees to furnish to Lender a copy of its most recent annual financial statements, audited if applicable, promptly upon availability and in any event, within 90 days of each financial year-end. Upon request by Lender, Client agrees also to furnish its quarterly financial statements promptly upon availability and, in any event, within 60 days of each financial quarter-end.

22. Statutory Waivers and Acknowledgement

22.1 Client waives its right to receive a copy of any financing statement or financing change statement registered by Lender and of any related verification statement.

22.2 Client waives, to the fullest extent permitted by law, the application of the provisions of (a) *The Limitation of Civil* Rights Act (Saskatchewan); and (b) *The Distress Act* (Manitoba). Client agrees that the provisions of this Agreement are commercially reasonable.

23. NO SET-OFF – EXCLUSION AND ASSIGNMENT OF WARRANTIES

23.1 CLIENT IRREVOCABLY AND UNCONDITIONALLY WAIVES ALL EQUITIES AGAINST ANY INSTALMENT AND OTHER AMOUNT DUE TO LENDER HEREUNDER AND AGREES TO PAY EACH SUCH INSTALMENT AND OTHER AMOUNT WITHOUT REGARD TO ANY EQUITIES. NEITHER DEFECTS IN, DAMAGE TO, NOR LOSS OR DESTRUCTION OF EQUIPMENT SHALL TERMINATE THIS AGREEMENT OR REDUCE CLIENT'S OBLIGATIONS HEREUNDER, EXCEPT AS OTHERWISE EXPRESSLY PROVIDED HEREIN.

23.2 CLIENT REPRESENTS AND WARRANTS TO AND COVENANTS WITH LENDER THAT EQUIPMENT IS AND WILL BE USED FOR COMMERCIAL, INDUSTRIAL OR BUSINESS PURPOSES ONLY AND NOT FOR PERSONAL, FAMILY, HOUSEHOLD OR FARMING PURPOSES;

23.3 (A) LENDER SHALL NOT BE BOUND BY OR BE DEEMED TO HAVE MADE OR BE LIABLE FOR ANY REPRESENTATION, WARRANTY OR PROMISE MADE BY SUPPLIER OR OTHERWISE; (B) LENDER SHALL NOT BE LIABLE FOR ANY FAILURE OF EQUIPMENT INCLUDING ANY LATENT DEFECT OR ALLEGED FUNDAMENTAL BREACH OF THIS AGREEMENT; (C) NEITHER LENDER NOR ANY OF ITS EMPLOYEES, SERVANTS OR AGENTS HAS MADE AND DOES NOT NOW MAKE ANY REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO EQUIPMENT OR ANY INTELLECTUAL OR INDUSTRIAL PROPERTY RIGHTS THEREIN

INCLUDING, WITHOUT LIMITATION, THE DESIGN, SPECIFICATIONS, CONDITION, QUALITY, MERCHANTABILITY OR FITNESS FOR CLIENT'S PURPOSES AND (D) LENDER SHALL HAVE NO LIABILITY FOR ANY DIRECT, INDIRECT, PUNITIVE, EXEMPLARY, SPECIAL OR CONSEQUENTIAL DAMAGES OR LOSS OF PROFITS, ACTUAL OR ANTICIPATED, OR FOR ANY DAMAGES BASED ON STRICT OR ABSOLUTE TORT OR DELICTUAL LIABILITY OR LENDER'S OR SUPPLIER'S NEGLIGENCE. NOTHING HEREIN SHALL DEPRIVE CLIENT OF ITS RIGHTS AGAINST SUPPLIER OR ANY PERSON OTHER THAN LENDER. CLIENT SHALL MAKE ANY CLAIMS WITH RESPECT TO EQUIPMENT DIRECTLY AGAINST SUPPLIER.

23.4 IF EQUIPMENT IS SEIZED OR SOLD BY LENDER, ALL WARRANTIES OF SUPPLIER AND RIGHTS TO ALL SOFTWARE, OTHER INTELLECTUAL AND INDUSTRIAL PROPERTY LICENSES ACCOMPANYING GOODS SHALL BE DEEMED ASSIGNED BY CLIENT TO LENDER.

24. Notices

Any notice, demand, consent or other communication required or permitted hereunder ("Notice") shall be in writing and may be delivered, or sent by prepaid registered mail, or by telex, telecopier or other means which produces a permanent written record (a "transmission"). Mailed Notice shall be deemed to have been given two business days after mailing provided there is no general disruption or stoppage of postal services then in effect, in which case delivery shall be made by one of the other methods permitted herein; delivered Notice shall be effective upon delivery during business hours to an apparently responsible adult, and transmissions shall be deemed to have been received at the opening of the business day immediately following transmission. Addresses for Notice shall be those addresses stated on the face hereof and may be changed in accordance with the foregoing.

25. Remedies Cumulative

All rights and remedies of Lender hereunder are cumulative and not exclusive or alternative and may be exercised by Lender separately or together, in any order, sequence or combination.

26. Forbearance, Indulgence and Waivers

Forbearance or indulgence by Lender in any instance shall not constitute a general waiver of the obligation under this Agreement to which the same applies. Any waiver by Lender of its rights must be in writing and shall not extend to any other obligation or right.

27. Allocations

Client hereby irrevocably and unconditionally waives any present or future right to allocate any payment made to Lender to any specific Obligation due under this Agreement or under any other agreement with Lender or any affiliate of Lender. Lender may allocate and apply any payment received to any Obligation due hereunder or under any other agreement with Lender or affiliate of Lender and may reverse, reallocate and re-apply any such payment as many times and in such manners as Lender from time to time sees fit. Payments received shall be allocated upon receipt of legal tender or cleared funds. Lender is hereby irrevocably authorized to combine and set off amounts payable by it to Client with amounts owing to it from Client (in each case whether matured or not and whether absolute or contingent) under the same or different agreements.

28. Time

Time is and shall remain of the essence of this Agreement.

29. Entire Agreement

29.1 There are no representations, warranties, covenants, agreements or acknowledgements by Lender affecting the Financed Amount, the Obligations, the Accrued Liability, this Agreement or Equipment, other than expressed in this Agreement.

29.2 No agreement purporting to amend or modify this Agreement or any other document, paper or writing relating hereto or to Equipment or connected herewith shall be binding unless in writing signed by the parties hereto.

30. Severability

Any term, condition or provision of this Agreement which is deemed to be void, prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be severed herefrom and ineffective to the extent of such invalidity, prohibition or unenforceability, without in any way invalidating the balance hereof.

31. No Merger in Judgment

The taking of any judgment by Lender under this Agreement shall not operate as a merger or novation of any term or condition hereof or of any obligation of Client or Lender hereunder.

32. Further Assurances and Power of Attorney

32.1 Client and Lender each shall do, execute and perform all such acts, deeds, documents and things as may be reasonably required to enable Lender to have the full benefit of all rights and remedies intended to be reserved or created hereby. Lender is hereby appointed Client's lawful attorney to complete and/or correct any information on the face hereof or in any Schedule hereto.

32.2 Each power of attorney granted in this Agreement is granted with full power of substitution, is irrevocable, is coupled with an interest, shall survive termination of this Agreement and may be exercised during any subsequent legal incapacity of Client or Lender.

33. Currency

Unless otherwise stated in this Agreement, all sums of money payable hereunder shall be paid in Canadian dollars. If any amount payable pursuant to this Agreement needs to be converted from US dollars to Canadian dollars, including for purposes of determining the amount of the Financed Amount or any instalment, such conversion shall be made by Lender on the relevant date at the Conversion Rate and Lender will notify Client of the Canadian dollar amount so converted.

34. Survival

Notwithstanding any other Section, any accrued Obligations, the Obligations of Client under Sections 9.4, 10, 15, 16, 17, 22 and 27 and all rights of Lender hereunder, whether accrued or not, shall survive the termination or expiration of this Agreement and the payment of the Accrued Liability and all other amounts payable hereunder.

35. Section Headings

Section headings in this Agreement are for convenience of reference only and do not affect the interpretation or construction hereof.

36. Successors and Assigns

This Agreement shall inure to the benefit of and be binding upon Lender and Client, their respective heirs, executors, administrators, personal representatives, successors and permitted assigns and lessees. Lender may assign or transfer in whole or in part its rights under this Agreement or Equipment, and/or Pledge its rights hereunder or in Equipment and any assignee, transferee or beneficiary of such Pledge ("Assignee") shall be unrestricted in the exercise of such rights. Client shall recognize any such assignment, transfer or Pledge and shall not assert against any Assignee any Claims or Equities which it may have against Lender respecting this Agreement or Equipment and waives all Claims and Equities against Assignee's rights to enforce this Agreement based on Lender's alleged failure to perform same or Supplier's breach of Warranties. Client shall not be entitled to assign its rights or obligations hereunder.

37. Choice of Law

This Agreement shall be governed, construed, performed and enforced in accordance with the laws of the Province where the address of Client is located as stated on the face of this Agreement.

38. Language

The parties hereto have expressly required that this Agreement and all documents, agreements and notices related thereto be drafted in the English language. Les parties aux présentes ont expressément exigé que le présent contrat et tous les autres documents, conventions ou avis qui y sont afférents soient rédigés en langue anglaise.

39. Joint and Several Liability

If more than one person executes this Agreement as Client their obligations hereunder shall be joint and several and, where the context so admits, each reference in this Agreement to "Client" shall include reference to any one or more or all such persons and the acts or omissions of and such persons shall bind all of them.

40. Receipt of Agreement

Client acknowledges receipt of an executed copy of this Agreement.

41. Information

Client hereby consents and authorizes Lender and its affiliates, agents, contractors and representatives, at any time, (a) to collect, verify, use, communicate with and disclose to third parties (including credit reporting agencies, financial institutions, creditors, vendors and other persons) any credit, financial and other information, including personal information (as applicable) and information related to the credit rating, financial capacity and payment history, with respect to Client ("Information"), as Lender deems necessary to process, complete, service and enforce the transactions hereby contemplated and any other existing or potential transactions, or as required or otherwise permitted by law; (b) to respond to inquiries from, and exchange any Information with, third parties concerning Client's credit rating, financial capacity and payment history; (c) to provide Information to persons to whom Lender considers assigning, granting a participation or otherwise disposing of rights or obligations under the transactions hereby contemplated; and (d) to provide to any person copies of this Agreement. This consent is in addition to and does not replace any consent previously given.

GE Capital

150011609070

REQUEST FOR PROGRESS ADVANCE

March 30, 2011

TO: GE Canada Equipment Financing G.P. ("GE")

RE: Number 150011609070 dated March 30, 2011 (the "Agreement") between GE and the undersigned

The undersigned hereby requests GE to make an advance in the amount of CAD$ 1 215 168.90 (the "Progress Advance"). The undersigned further authorizes and directs GE to pay the Progress Advance as follows:

Pay to the following Supplier(s) the amount(s) specified below, in payment of the following invoice(s), copy of which is attached hereto:

Supplier(s)	Invoice Number	Amount
		$
Coastal Hydraulics Ltd.	821, 823	390 980.00
Usinage Marcotte Inc.	28331	354 306.75
LEM Manufacturing Inc.	2011-02, 2011-03, 2011-04	141 750.00
Sub total		$ **887,036.75**

Pay to the undersigned the amount(s) specified below, in payment of the following invoice(s) previously paid by Client, copy of which and of proof of such payments is attached hereto:

Supplier(s)	Invoice Number	Amount
		$
Mitchell's Drilling Equipment Ltd.	396, 398, 400, 399,	
Blais récréatifs, division de Location Blais Inc.	009835, 009836, 009949, 009901	
City Auto Parts	1-327612, 1-327610, 1-327611	
Unifleet	1216	
Eastcan Fire Truck Inc.	4425	
Sub total		$ **328 132.15**

This request for Progress Advance including copies of the invoices attached hereto form an integral part of the Agreement.

LANDDRILL INTERNATIONAL LTD.

By: ⓧ
Name: David West
Title: CFO

By:
Name:
Title:

Signature of authorized officers

GE Capital

150011609070

REQUEST FOR PROGRESS ADVANCE

May 18, 2011

TO: GE Canada Equipment Financing G.P. ("GE")
239, Brownlow Ave., Dartmouth, NS B3B 2B2

RE: Number 150011609070 dated March 30, 2011 (the "Agreement") between GE and the undersigned

The undersigned hereby requests GE to make an advance in the amount of CAD$440,716.98 (the "Progress Advance"). The undersigned further authorizes and directs GE to pay the Progress Advance as follows:

Pay to the following Supplier(s) the amount(s) specified below, in payment of the following invoice(s), copy of which is attached hereto:

Supplier(s)	Invoice Number	Amount
Usinage Marcotte Inc.	48098	$ 354,306.75 $
Sub total		$ 354,306.75 $

Pay to the undersigned the amount(s) specified below, in payment of the following invoice(s) previously paid by Client, copy of which and of proof of such payments is attached hereto:

Supplier(s)	Invoice Number	Amount
		$
Mallard Transportation Service Inc.	83732,	
LEM Manufacturing Inc.	2011-05 & 2011-06	
René Clément	311191	
R.G. Enterprises Limited	782739	
Southeastern Equipment Corporation	2442 & 2443	
Atlantic CAT – Atlantic Tractors & Equipment Limited	B0509601	
N. Johnson Limited	11-032	
Coast Tire & Auto Service	403074	
Sub total		$ 86,410.23

This request for Progress Advance including copies of the invoices attached hereto form an integral part of the Agreement.

LANDDRILL INTERNATIONAL LTD.

By: ________________________
Name:
Title:

By: ________________________
Name:
Title:

Signature of authorized officers

LANDDRILL INTERNATIONAL

160 MacNaughton Avenue,
Moncton, NB E1H 3L9
Canada

Wednesday, March 30, 2011

GE Capital
1250, René-Lévesque Ouest, bureau 1100
Montréal, Québec
H3B 4W8

Re: **Signing Authority – Derrick West, Chief Financial Officer**

RESOLUTION

I, Ronald Goguen, as sole director of Landdrill International Ltd., hereby authorize Derrick West, the Chief Financial Officer of Landdrill International Ltd. to execute and sign on behalf of Landdrill International Ltd. all documents manners relating to loans, guarantees and financing to be obtained through GE Capital. Any and all acts carried out by Derrick West on behalf of Landdrill International Ltd. shall have full effect as acts of Landdrill International Ltd.

This authorization is valid until further written notice from Landdrill International Ltd.

Sincerely,

Ronald Goguen
President & Chief Executive Officer
Sole Director

BORROWING RESOLUTION OF THE BOARD OF DIRECTORS

I, **Ronald J. Goguen** hereby certify that:

1. I am the **Director** of **Landdrill International Ltd.** (the "Corporation") corporation duly incorporated under **provincial** laws, the head office of which is located at **160 MacNaughton Ave., Moncton, New Brunswick, E1H 3L9.**

2. The following text is a true copy of a resolution passed on **mars 30, 2011** by the Board of Directors of the said Corporation, in compliance with acts and regulations governing it. The said resolution has not been revoked or amended in any way whatsoever and is in force at the date hereof.

   Now therefore be it resolved:

   a) That **Chief Financial Officer**

   Title

   be and is hereby authorized for and on behalf of the Corporation to borrow from **GE Canada Equipment Financing G.P.** ("GE") the principal amount of **$ 2,250,000.00 CAD** required by the Corporation from time to time, for a term and under such other conditions as determined by the directors, officers and employees of the Corporation hereby authorized; also to do all acts and things and to execute all documents for and on behalf of the Corporation as required by GE in order to secure the amount or amounts owed to or borrowed from GE and any renewals or extensions of such loans, including security, and any renewals or extensions thereof, in the form of mortgages, hypothecation, charges, pledges, security agreements, conditional sale contracts, assignments or transfers of any and all real or personal, movable or immovable property, both present and future, of the Corporation.

   b) That all acts and things done and documents executed on behalf of the Corporation as hereinbefore authorized may be relied upon by GE are valid and binding upon the Corporation whether or not the corporate seal of the Corporation has been affixed to any such document.

   c) That the Corporation shall provide GE with a true and correct copy of this Resolution and a list of the names of the directors, officers and employees of the Corporation hereby authorized to do any act and thing, together with specimens of their signatures, to be acted upon by each office of GE with which the Corporation does business until such time as a written notice to the contrary be given to GE and that the latter has acknowledged receipt thereof.

3. The directors, officers and employees of the Corporation authorized by the foregoing Resolution to do any act or thing for and on behalf of the Corporation are and will sign as follows:

Names	Titles	Signatures
Derrick West	**Chief Financial Officer**	

Signed at **Moncton** this **30th** day of **mars, 2011**.

(SCEAU)

Director

GE 1008A E (06-2001)

150011609070

LANDDRILL INTERNATIONAL

160 MacNaughton Avenue,
Moncton, NB, E1H 3L9
Canada

Wednesday, March 30, 2011

GE Capital
1250, René-Lévesque Ouest, bureau 1100
Montréal, Québec
H3B 4W8

Re: **Signing Authority – Derrick West, Chief Financial Officer**

RESOLUTION

We the undersigned, hereby authorize Derrick West, the Chief Financial Officer of Landdrill International Inc. to execute and sign on behalf of Landdrill International Inc. all documents manners relating to loans, guarantees and financing to be obtained through GE Capital. Any and all acts carried out by Derrick West on behalf of Landdrill International Inc. shall have full effect as acts of Landdrill International Inc.

This authorization is valid until further written notice from Landdrill International Inc.

Sincerely,

Ronald Goguen
President & Chief Executive Officer

Brian Maude
Corporate Counsel / Corporate Secretary

150011609070

GE Capital

Marcelyne Vigneault
Team Leader Atlantic / Documentation Manager
1250, boulevard René-Lévesque West, suite 1100
Montreal, Quebec H3B 4W8
Canada
T 514 394 3246
F 1 877 274 5401
marcelyne.vigneault@ge.com

May 18, 2011

Landdrill International Ltd.
160, MacNaughton Ave.
Moncton, New Brunswick
E1H 3L9

To the attention of Derrick West, Chief Financial Officer

Re: Equipment Loan and Security Agreement no. 150011609070 dated March 30, 2011 ("ELSA")

Dear Sir:

Please note that, further to the reception of documentation to finalize the above-captioned transaction, certain information contained in the transaction documents have been modified as follows:

1. The Financed Amount is modified for: 1,655,885.88 $.

2. As per the EQUIPMENT AND AMENDMENT provision in the ELSA, the Schedule A of the ELSA is modified to add equipment in the description and is then replaced by the updated Schedule A attached herein.

Except for the above corrections and modifications, all of the terms and conditions of the transaction documents remain unchanged. Would you please acknowledge the above by signing and returning to us the attached copy of this letter at your earliest convenience.

Yours very truly,

GE Canada Equipment Financing G.P.

By: Roland Burn, Act. Mgr.
Name: Marcelyne Vigneault Vigneault
Title: Team Leader Atlantic / Atlantic & Documentation Manager

for →

SR. HR Atlantic Canada

ACKNOWLEDGED AND ACCEPTED BY

Landdrill International Ltd.

By: ⊗
Name: Derrick West
Title: Chief Financial Officer
Date: May 18th, 2011
(Authorized officer)

GE Capital

SCHEDULE A

150011609070

This SCHEDULE A is an integral part of the EQUIPMENT LOAN AND SECURITY AGREEMENT No. 150011609070 executed at Moncton, New-Brunswick, this 30th day of March, 2011.

EQUIPMENT

UNITS MODEL YEAR DESCRIPTION SERIAL Nos.

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) fabrication work – sloop / pump shack / tank / custom work, support equipment for surface

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

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

SNOWMOBILES:

Nine (9) 2011 Bombardier Tundra Sport 550 ski-doo's S/N's: 2BPSGKBA2BV000538 , 2BPSGKBA4BV000704 , 2BPSGKBAXBV000710 , 2BPSGKBA4BV000623 , 2BPSGKBA1BV000689 , 2BPSGKBA6BV000848 , 2BPSGKBA8BV000365 , 2BPSGKBA5BV000419 , 2BPSGKBA5BV000839

One (1) used Bombardier Skandic Tundra 300F ski-doo S/N: 2BPSGA7B97V001043

Two (2) 2011 Bombardier Expedition Sport 550F ski-doo's S/N's: 2BPSKABA4BV000114 , 2BPSKABA4BV000162

FRONT END LOADER:
One (1) 1986 Komatsu WA450A wheel loader S/N: 10669

WATER TRUCK:
One (1) 2000 GMC 7500 water truck S/N: 1GDL7H1C5YJ517053

Landdrill International Ltd. ("Client")

By: (X)
Name: David Wist, CA
Title: CFO

By:
Name:
Title:

SIGNATURE OF AUTHORIZED OFFICERS

GE Canada Equipment Financing G.P. ("Lender")

By: Roland Burn, Act. Mgr
Name:
Title:

By:
Name: A. B. Rutherford
Title: Sr. Mgr. Advance Canada

SIGNATURE OF AUTHORIZED OFFICERS

GE Capital

SCHEDULE A

150011609070

This SCHEDULE A is an integral part of the EQUIPMENT LOAN AND SECURITY AGREEMENT No. 150011609070 executed at Moncton, New-Brunswick, this 30th day of March, 2011.

EQUIPMENT

UNITS	MODEL	YEAR	DESCRIPTION	SERIAL Nos.

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

Landdrill International Ltd. ("Client")

By: [signature]
Name: Denik Wert, 1A
Title: CFO

By:
Name:
Title:

SIGNATURE OF AUTHORIZED OFFICERS

GE Canada Equipment Financing G.P. ("Lender")

By: Roland Burn, Act. Mgr.
Name:
Title:

By: [signature]
Name: R.B. Rutherford
Title: Sr. MRR. - Atlantic Canada

SIGNATURE OF AUTHORIZED OFFICERS

Attached is Exhibit "3" to the
Affidavit of Michael Pisani sworn the
12th day of April, 2013.

Lara

A Commissioner, Etc.

Lara Fitzgerald-Husek, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires April 29, 2014.

9512659.1

GE Capital

CONDITIONAL SALE AGREEMENT

No: 868801101

239 Brownlow Ave., Suite 204
Dartmouth, Nova Scotia, B3B 2B2, Tel: (902) 468-8266, Fax: (902) 468-8270

PURCHASER: Landdrill International Ltd.	SELLER: Mitchell's Drilling Equipment Ltd.
ADDRESS: 160 MacNaughton Ave. Moncton, New Brunswick E1H 3L9	ADDRESS: 3105 Topham Rd. West Kelowna, British Columbia V1Z 2J5
CONTACT: *Derrick West* Tel: (506) 388-8100	CONTACT: Tel:
G.S.T. NO.:	G.S.T. NO.:

EQUIPMENT LOCATION (if at address other than above)
75 rue Ontario
Notre-Dame-du-Nord, Quebec, Canada, J0Z 3B0

GOODS

UNITS	MODEL	YEAR	DESCRIPTION	SERIAL Nos.
			See Schedule A which is an integral part of this agreement.	

FINANCED AMOUNT	
Basic Cost of Goods:	502,703.42 CAD
Ancillary costs:	0.00 +
G.S.T.:	25,135.17 +
Trade-in Allowance:	0.00 -
G.S.T. on trade-in:	0.00 -
Prov. Taxes:	0.00 +
Cost of Goods:	**527,838.59 =**
Lien on trade-in:	0.00 +
Cash Down Payment:	150,811.02 -
Financing fees:	0.00 +
Insurance Premium:	0.00 +
Financed Amount	**377,027.57 CAD**

INSURANCE
Assurance Goguen Champlain Insurai
1040 Champlain St Ste 200
Dieppe
E1A 8L8

TRADE-IN DESCRIPTION

ASSIGNMENT*
____ With Recourse ✓ Without Recourse *Purchaser hereby acknowledges Seller or Assignee will complete manner of recourse on Seller's and Assignee's copies hereof with no obligation hereunder to disclose the same to Purchaser.

FINANCING RATE:	Fixed Rate 8.95% p.a.

INSTALMENTS	
Instalments:	$ 11,981.31 CAD
Instalment date:	
Frequency:	Monthly
No. of Instalments:	36
First Instalment date:	
Original Term:	36 months

ADDITIONAL PROVISIONS

See Schedule B which is an integral part of this agreement.

NOW THEREFORE, for good and valuable consideration and cause (the receipt and sufficiency of which are hereby acknowledged), the parties hereto hereby agree as follows: Each of Purchaser and Seller hereby agrees with Assignee to the terms and conditions set forth above, on pages 1, 2, 3, 4 and 5 of document attached hereto, on all applicable schedules and other attachments hereto. PURCHASER EXPRESSLY ACKNOWLEDGES THAT ALL EXTERNAL CLAUSES, IF ANY, REFERRED TO IN THIS AGREEMENT WERE EXPRESSLY BROUGHT TO PURCHASER'S ATTENTION AND KNOWLEDGE AT THE TIME OF SIGNING OF THIS AGREEMENT. PURCHASER ACKNOWLEDGES THAT, BEFORE SIGNING, PURCHASER WAS GIVEN SUFFICIENT TIME TO READ, TO ASK FOR EXPLANATIONS AND CLARIFICATIONS AS TO THE TERMS AND CONDITIONS OF THIS AGREEMENT, AND TO CONSULT ITS ADVISORS AND AS A RESULT PURCHASER DECLARES THAT IT UNDERSTANDS AND IS SATISFIED WITH ALL OF THE PROVISION OF THIS AGREEMENT.

IN WITNESS WHEREOF the parties hereto have executed this Conditional Sale Agreement at Moncton in the province of New Brunswick, this 8th day of July 2011.

Landdrill International Ltd.	Mitchell's Drilling Equipment Ltd.	GE Canada Equipment Financing G.P.
("PURCHASER")	("SELLER")	("ASSIGNEE")
By:	By:	By: Roland Burn, Asst Mgr.
TITLE	TITLE	TITLE
SIGNATURE OF AUTHORIZED OFFICERS TITLE	SIGNATURE OF AUTHORIZED OFFICERS TITLE	SIGNATURE OF AUTHORIZED OFFICERS AAM TITLE

GE 14131A E (12-95)

FAX 902-468-8270

GE Capital

CONDITIONAL SALE AGREEMENT

No: 868801101

239 Brownlow Ave., Suite 204
Dartmouth, Nova Scotia, B3B 2B2, Tel: (902) 468-8266, Fax: (902) 468-8270

PURCHASER: Landdrill International Ltd.

ADDRESS: 160 MacNaughton Ave.
Moncton, New Brunswick
E1H 3L9

CONTACT: Darrick West Tel. (506) 388-8100
G.S.T. NO.

SELLER: Mitchell's Drilling Equipment Ltd.

ADDRESS: 3105 Topham Rd.
West Kelowna, British Columbia
V1Z 2J5

CONTACT: Tel:
G.S.T. NO.:

EQUIPMENT LOCATION (if at address other than above)
75 rue Ontario
Notre-Dame-du-Nord, Quebec, Canada, J0Z 3B0

GOODS

UNITS	MODEL	YEAR	DESCRIPTION	SERIAL Nos
			See Schedule A which is an integral part of this agreement.	

FINANCED AMOUNT

Basic Cost of Goods:	502,703.42 CAD
Ancillary costs	0.00 +
G.S.T.:	25,135.17 +
Trade-in Allowance.	0.00 -
G.S.T. on trade-in	0.00 -
Prov. Taxes	0.00 +
Cost of Goods:	527,838.59 =
Lien on trade-in	0.00 +
Cash Down Payment	150,811.02 -
Financing fees	0.00 +
Insurance Premium	0.00 +
Financed Amount	377,027.57 CAD

INSURANCE
Assurance Goguen Champlain Insuran
1040 Champlain St Ste 200
Dieppe
E1A 8L8

TRADE-IN DESCRIPTION

ASSIGNMENT*
___ With Recourse ✓ Without Recourse *Purchaser hereby acknowledges Seller or Assignee will complete manner of recourse on Seller's and Assignee's copies hereof with no obligation hereunder to disclose the same to Purchaser

FINANCING RATE: Fixed Rate p.a.

INSTALMENTS
Instalments $
Instalment date:
Frequency: Monthly
No. of Instalments: 36
First Instalment date:
Original Term: 36 months

ADDITIONAL PROVISIONS

See Schedule B which is an integral part of this agreement.

NOW THEREFORE, for good and valuable consideration and cause (the receipt and sufficiency of which are hereby acknowledged), the parties hereto hereby agree as follows: Each of Purchaser and Seller hereby agrees with Assignee to the terms and conditions set forth above, on pages 1, 2, 3, 4 and 5 of document attached hereto, on all applicable schedules and other attachments hereto. PURCHASER EXPRESSLY ACKNOWLEDGES THAT ALL EXTERNAL CLAUSES, IF ANY, REFERRED TO IN THIS AGREEMENT WERE EXPRESSLY BROUGHT TO PURCHASER'S ATTENTION AND KNOWLEDGE AT THE TIME OF SIGNING OF THIS AGREEMENT. PURCHASER ACKNOWLEDGES THAT, BEFORE SIGNING, PURCHASER WAS GIVEN SUFFICIENT TIME TO READ, TO ASK FOR EXPLANATIONS AND CLARIFICATIONS AS TO THE TERMS AND CONDITIONS OF THIS AGREEMENT, AND TO CONSULT ITS ADVISORS AND AS A RESULT PURCHASER DECLARES THAT IT UNDERSTANDS AND IS SATISFIED WITH ALL OF THE PROVISION OF THIS AGREEMENT.

IN WITNESS WHEREOF the parties hereto have executed this Conditional Sale Agreement at Moncton in the province of New Brunswick, this 8th day of July 2011

Landdrill International Ltd. ("PURCHASER")
By: ______ TITLE
SIGNATURE OF AUTHORIZED OFFICERS TITLE

Mitchell's Drilling Equipment Ltd. ("SELLER")
By: [signature] PRESIDENT TITLE
SIGNATURE OF AUTHORIZED OFFICERS TITLE

GE Canada Equipment Financing G.P. ("ASSIGNEE")
By: Roland Burn, Act. Mgr. TITLE
SIGNATURE OF AUTHORIZED OFFICERS [signature] AAM TITLE

GE 14131A E (12-95)

GE Capital

SCHEDULE A

No: 868801101

This SCHEDULE A is an integral part of the CONDITIONAL SALE AGREEMENT No. 868801101 executed at Moncton in the province of New Brunswick, this 8th day of July 2011.

GOODS

UNITS	MODEL	YEAR	DESCRIPTION	SERIAL Nos.
2		2011	A5 Diamond drill 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	2011-035 2011-039

Landdrill International Ltd.	Mitchell's Drilling Equipment Ltd.	GE Canada Equipment Financing G.P.
("PURCHASER")	("SELLER")	("ASSIGNEE")
By: ⊗ [signature] TITLE	By: TITLE	By: Roland Byrne, Asst Mgr. TITLE
SIGNATURE OF AUTHORIZED OFFICERS TITLE	SIGNATURE OF AUTHORIZED OFFICERS TITLE	SIGNATURE OF AUTHORIZED OFFICERS [signature] AAM TITLE

GE 14131W E (12-95)

GE Capital

SCHEDULE A

No: 868801101

This SCHEDULE A is an integral part of the **CONDITIONAL SALE AGREEMENT** No. 868801101 executed at Moncton in the province of New Brunswick, this 8th day of July 2011.

GOODS

UNITS	MODEL	YEAR	DESCRIPTION	SERIAL Nos.
2		2011	A5 Diamond drill 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	2011-035 2011-039

Landdrill International Ltd.

("PURCHASER")

By____ TITLE

SIGNATURE OF AUTHORIZED OFFICERS TITLE

Mitchell's Drilling Equipment Ltd.

("SELLER")

By: PRESIDENT TITLE

SIGNATURE OF AUTHORIZED OFFICERS TITLE

GE Canada Equipment Financing G.P.

("ASSIGNEE")

By: Roland Byrn, Asst Mgr. TITLE

SIGNATURE OF AUTHORIZED OFFICERS AMr TITLE

GE 14131w E (12-95)

GE Capital

SCHEDULE B

No: 868801101

This SCHEDULE B is an integral part of the CONDITIONAL SALE AGREEMENT No. 868801101 executed at Moncton in the province of New Brunswick, this 8th day of July 2011.

ADDITIONAL PROVISIONS

CROSS DEFAULT

Section 14 of the terms and conditions attached to the present (GE15131E), is amended to add the following paragraph:

(l) Client fails to meet any of its bank's financial covenants and Client shall remain in default if such bank waives the default.

INTEREST RATE (CAD SWAP)

The Financed Amount will bear interest at an annual rate equal to 720 basis points above the ask rate for a 2 year CA dollar fixed interest rate swap compounded semi-annually as indicated on the Thomson Reuters Interest Rate Spread Quick Chart CADSB3CB2Y=RR published on the Reuters 3000 Xtra Hosted Terminal Platform for the Friday preceding the disbursement date. This rate shall remain fixed for the entire term of this Agreement. For ease of reference only, Thomson Reuters makes available on the GE web site (www.gecapitalsolutions.ca) a table setting forth such 2 year CA dollar rate for the dates indicated in the table, it being understood that such rates are made available for information purposes only and should not at any time be considered the official reference rates.
For indication purposes only, the applicable 2 year swap rate today is 1.754%, plus 720 bps, resulting in a fixed interest rate of 8.954%. The Instalments and the Financing Rate on the signature page of this Agreement are for indication purposes only.

PRICING ADJUSTMENT

In order to preserve the Assignee's net economic return, Assignee in its sole discretion may adjust the pricing at any time prior to disbursement to reflect: (1) changes in the pricing assumptions of this Agreement; (2) a change in the Assignee's funding index rate; (3) tax law changes applicable to the Purchaser; and (4) general market conditions.

Landdrill International Ltd.

By: ("PURCHASER")
TITLE
SIGNATURE OF AUTHORIZED OFFICERS TITLE

Mitchell's Drilling Equipment Ltd.

("SELLER")
By: TITLE
SIGNATURE OF AUTHORIZED OFFICERS TITLE

GE Canada Equipment Financing G.P.

By: Roland Russ ("ASSIGNEE") Asst. Mgr.
TITLE
SIGNATURE OF AUTHORIZED OFFICERS AVM
TITLE

GE 14131W E (12-95)

GE Capital

SCHEDULE B

No: 868801101

This SCHEDULE B is an integral part of the CONDITIONAL SALE AGREEMENT No. 868801101 executed at Moncton in the province of New Brunswick, this 8th day of July 2011.

ADDITIONAL PROVISIONS

CROSS DEFAULT

Section 14 of the terms and conditions attached to the present (GE15131E), is amended to add the following paragraph:

(l) Client fails to meet any of its bank's financial covenants and Client shall remain in default if such bank waives the default.

INTEREST RATE (CAD SWAP)

The Financed Amount will bear interest at an annual rate equal to · basis points above the ask rate for a 2 year CA dollar fixed interest rate swap compounded semi-annually as indicated on the Thomson Reuters Interest Rate Spread Quick Chart CADSB3CB2Y=RR published on the Reuters 3000 Xtra Hosted Terminal Platform for the Friday preceding the disbursement date. This rate shall remain fixed for the entire term of this Agreement. For ease of reference only, Thomson Reuters makes available on the GE web site (www.gecapitalsolutions.ca) a table setting forth such 2 year CA dollar rate for the dates indicated in the table, it being understood that such rates are made available for information purposes only and should not at any time be considered the official reference rates.
For indication purposes only, the applicable 2 year swap rate today is %, plus bps, resulting in a fixed interest rate of %. The Instalments and the Financing Rate on the signature page of this Agreement are for indication purposes only.

PRICING ADJUSTMENT

In order to preserve the Assignee's net economic return, Assignee in its sole discretion may adjust the pricing at any time prior to disbursement to reflect: (1) changes in the pricing assumptions of this Agreement; (2) a change in the Assignee's funding index rate; (3) tax law changes applicable to the Purchaser; and (4) general market conditions.

Landdrill International Ltd. ("PURCHASER")	Mitchell's Drilling Equipment Ltd. ("SELLER")	GE Canada Equipment Financing G.P. ("ASSIGNEE")
By: ____ TITLE	By: [signature] TITLE	By: Roland [signature], Acct. Mgr. TITLE
SIGNATURE OF AUTHORIZED OFFICERS ____ TITLE	SIGNATURE OF AUTHORIZED OFFICERS ____ TITLE	SIGNATURE OF AUTHORIZED OFFICERS [signature] TITLE AM

GE 14131W E (12-95)

GE Capital

CONDITIONAL SALE AGREEMENT

1. ***Interpretation***

1.1 For the purpose of this Agreement:

(a) "Accrued Liability" at any time means the amount equal to the sum of the Financed Amount, a Prepayment Bonus and all other amounts then payable hereunder, including without limitation, any Overdue Payment and accrued interest.

(b) "Affiliate" means in respect of a person, a person or persons that, directly or indirectly through one or more intermediaries, control, are controlled by, or are under common control with, such person, and for the purposes of this definition, "control" means the power to direct or cause the direction of the management and policies of a person whether through the ownership of voting securities or otherwise, and "person" means an individual, corporation, partnership, joint venture, association, trust or unincorporated organization or any trustee, executor, administrator or other legal representative.

(c) "Agreement" means this agreement and any applicable schedules hereto, unless the context otherwise requires, and "hereof", "herein", "hereby", "hereunder" and similar expressions refer to this Agreement.

(d) "Assignee" means the assignee of Seller's rights in this Agreement and the transferee in title to the Goods from the Seller as stated on the face hereof.

(e) "business day" means a day when the office of Assignee at the address stated on the face hereof is open for business.

(f) "Claims" has the meaning assigned in Section 17.

(g) "Conversion Rate" means the rate, expressed in CAD for the purchase of one US dollar, determined by adding 0.0050 CAD/USD to the highest rate which appears on the Bloomberg CAD GfT Page between 7 AM and 5 PM (EST).

(h) "Costs of Disposition" means all costs, disbursements, fees, commissions and other expenses (including legal fees and expenses) which Assignee may incur, pay or be liable for in connection with recovering possession of, dismantling, removing, transporting, repairing, processing, reconditioning, storing, selling, leasing or otherwise disposing of Goods.

(i) "Default" means the occurrence of any of those events or circumstances specified in Section 14.

(j) "Equities" means existing or future rights of counterclaim, defence, set-off, compensation, abatement or offset, legal or equitable.

(k) "Financed Amount" means the amount stated as such on the face hereof owing by Purchaser to Seller and assigned hereunder to Assignee or the unpaid outstanding balance thereof, as the context requires.

(l) "Financing Rate" means the rate *per annum* stated as such on the face hereof.

(m) "Goods" means the items of personal property stated on the face hereof which Purchaser has agreed to purchase from Seller for use in its business or enterprise and, when required by the context, individual items thereof.

(n) "Instalments" means the periodic instalments of Financed Amount stated on the face hereof.

(o) "Lien" means any lien, privilege, mortgage, pledge, prior claim, hypothec, legal hypothec, charge, security interest, attachment, assignment, seizure, sequestration, distress, levy or other encumbrance of any nature or kind whatsoever.

(p) "Loss of Goods" means: (i) a total loss or a constructive total loss (being any loss, the cost of repair of which would exceed the value of Goods immediately after repair) of Goods, or damage thereto which, in the reasonable opinion of Assignee, renders it impossible or impractical to use Goods for their intended purpose; or (ii) expropriation or confiscation of Goods by any authority absolutely or for more than 180 days.

(q) "Obligation" means any obligation to pay any amount owing by Purchaser hereunder or to perform any other obligation of Purchaser hereunder.

(r) "Overdue Payment" means any amount owing by Purchaser hereunder and any sum disbursed by Assignee pursuant to Section 16 which is not paid when due hereunder, or any portion thereof.

(s) "person" means any natural person, corporation, firm, partnership, trust, sole proprietorship or governmental agency, authority or other entity, however constituted or designated.

(t) "Pledge" means mortgage, charge, pledge, hypothecate, assign or grant a security interest and the security resulting therefrom.

(u) "Prepayment Bonus" means a prepayment bonus determined in accordance with Section 2.2.

(v) "Prime Rate" means the *per annum* rate of interest which National Bank of Canada announces from time to time in Canada as its prime rate which is the reference rate used by it to determine rates of interest charged by it for loans made in Canadian dollars in Canada to Canadian borrowers.

(w) "Purchaser" means the person stated as such on the face hereof who has agreed to purchase Goods from Seller and Assignee as the transferee in title thereto.

(x) "Seller" means the person stated as such on the face hereof who has agreed to conditionally sell Goods to Purchaser.

(y) "Supplier" means Seller or any manufacturer, supplier, vendor of or dealer in Goods or any other person from whom Seller acquires Goods for purposes of this Agreement.

(z) "Taxes" means any and all taxes, imposts, levies, fees, duties and charges imposed by any taxing authority on Assignee, Seller, Purchaser or Goods, their purchase, sale, ownership, delivery, possession, operation or use including, without limitation, sales, excise, use, property, health services, goods and services, business transfer and value added taxes (including any penalties or interest based on late or non-payment), but excluding taxes imposed on or measured by Assignee's overall net income.

(aa) "Warranties" means any and all warranties, guarantees, representations, service contracts, contracts to stock spare parts and similar agreements, oral or written, express, implied or statutory, relating to Goods.

1.2 In this Agreement, unless the context otherwise requires, the singular includes the plural and vice-versa and words importing gender include each gender.

1.3 All references herein to statutes include the statute as it may be amended, restated or replaced with legislation of reasonably comparable effect.

1.4 Acts to be performed hereunder on days that are not business days shall be performed on the following business day.

2. ***Instalments***

2.1 Purchaser hereby acknowledges that it is indebted to and agrees to pay to Seller at the address of Assignee stated on the face hereof or such other place notified by Seller to Purchaser the Financed Amount, together with interest thereon, in the Instalments stated on the face hereof. Unless otherwise stated, Instalments are due on the date stated on the face hereof in each month, or other period (or the last day of the month, if there is no corresponding date), in arrears, throughout the term hereof. On the final Instalment date, Purchaser shall pay Seller the outstanding balance of the Financed Amount, all accrued and unpaid interest thereon and all other amounts payable hereunder.

2.2 Purchaser may at any time prepay the Financed Amount in whole or in part upon payment to Seller of a prepayment bonus determined as follows:

(a) if the Financing Rate is a variable rate based on Prime Rate, the bonus shall be three months' interest on the amount prepaid calculated at the Financing Rate in effect at the time of prepayment; or

(b) if the Financing Rate is a fixed rate, the bonus shall be either (i) three months' interest on the amount prepaid calculated at the Financing Rate (the "Minimum Bonus"), if the Financing Rate does not exceed the Prime Rate in effect at the time of prepayment ("Current Prime"); or (ii) the greater of (A) the Minimum Bonus or (B) the amount determined as the product of (x) the Financing Rate less Current Prime times (y) the amount prepaid times (z) the fraction of the number of days to elapse until the final Instalment date, disregarding prepayments, divided by 365, if the Financing Rate exceeds Current Prime.

Any portion of the Financed Amount prepaid shall satisfy the Purchaser's obligation to pay the remaining Instalments to the extent of the amount prepaid in inverse order of maturity. If a Default or a Loss of Goods occurs, the Prepayment Bonus shall also be payable by Purchaser and shall be calculated by reference to the outstanding balance of the Financed Amount at the time of such Default or Loss of Goods, as applicable.

3. *Interest*

3.1 The Financed Amount shall bear interest from the date hereof until paid in full to Seller (as well before as after maturity, demand, Default or judgment) at the Financing Rate.

3.2 Each Overdue Payment shall bear interest (in addition to interest payable under Section 3.1) from the date due until paid in full to Seller (as well before as after demand, Default or judgment) at the rate of 12% *per annum*.

3.3 Interest payable hereunder shall accrue from day to day, be payable in arrears on each Instalment date and be computed upon the daily outstanding balance of the Financed Amount or Overdue Payment, as applicable, and shall be calculated on the basis of the number of days elapsed in a 365 day-year. The yearly rate of interest to which each rate of interest expressed herein is equivalent is the product of (a) such rate times (b) the fraction of the number of days in the year divided by 365. The principle of deemed reinvestment shall not apply to this Agreement or any payments made by Purchaser hereunder.

3.4 If the Financing Rate is a variable rate based on Prime Rate, a change in Prime Rate automatically alters the rate of interest payable hereunder to the same extent and in the same manner effective with the frequency stated on the face hereof. Seller shall not be obliged to notify Purchaser of any such change, any right to notice being hereby irrevocably waived by Purchaser.

4. *Title, Ownership*

4.1 Each of Purchaser and Seller hereby agrees with each other and confirms to Assignee that Purchaser has bought and Seller has sold the Goods upon and subject to the terms and conditions of this Agreement, such sale taking effect as of the date hereof. Purchaser represents and warrants to Assignee that Purchaser has inspected, tested and accepted the Goods as of the date hereof and that the Goods are as ordered, in good operating condition and repair and meet all conditions of purchase and this Agreement.

4.2 Title to, ownership of, and all property in Goods shall not pass to Purchaser on delivery but shall be and remain exclusively in Seller, but at Purchaser's risk, until full payment in cash of all amounts payable hereunder; prior to such payment, Purchaser's only rights therein are to quiet enjoyment and use on the terms and conditions of this Agreement while not in Default.

5. *Assignment*

5.1 For value received, Seller hereby sells, transfers and assigns to Assignee all right, title, benefit and interest of Seller in and to this Agreement and the Goods including, without limitation, the right to be paid the Financed Amount together with interest thereon and all of Seller's rights, remedies and recourses hereunder.

5.2 Each of Seller and Purchaser represents and warrants to Assignee that: (a) this Agreement is valid and subsisting and enforceable according to its terms and was properly executed and delivered by it; (b) the Goods are fully and accurately described on the face hereof and in any applicable schedule or attachment hereto and have been delivered to and accepted by Purchaser for use in a business or an enterprise carried on by Purchaser; (c) the cash down payment stated on the face hereof was actually received by Seller and no part thereof was directly or indirectly loaned to Purchaser or waived by Seller or any Affiliate thereof; (d) the trade-in, if any, was received by Seller for the trade-in allowance stated on the face hereof; (e) no representations or warranties have been made to Purchaser pertaining to the Goods or this Agreement except to the extent expressly stated or permitted herein, and (f) the Financed Amount is correctly stated on the face hereof and is owing by Purchaser to Seller and Purchaser may not assert any Claims or Equities against its Obligation to pay the same.

5.3 Seller represents and warrants to Assignee that it has good and marketable title to the Goods free and clear of all Liens. Seller agrees to comply with all Warranties given to Purchaser pertaining to the Goods. Any failure by Seller or any other person to comply with such Warranties shall not affect Purchaser's Obligations to Assignee.

5.4 Purchaser hereby accepts the sale, transfer and assignment by Seller to Assignee under Section 5.1. Purchaser agrees to pay the Financed Amount to Assignee together with interest thereon in the manner provided in this Agreement.

5.5 If any representation or warranty of Seller herein is false or misleading in any material respect, or if the assignment to Assignee is stated on the face of Assignee's and Seller's copies hereof to be "With Recourse", Seller shall, on demand of Assignee, repurchase from Assignee all remaining right, title, benefit and interest of Assignee, if any, in and to this Agreement and the Goods for the amount equal to the Accrued Liability, without representation or warranty of any kind by Assignee, the whole at Seller's own risk and peril.

5.6 If the Goods are repossessed by Assignee, Seller agrees to store the Goods safely for Assignee without charge.

5.7 If the assignment to Assignee is stated on the face of Seller's and Assignee's copies hereof to be made "With Recourse", Seller shall, in addition, indemnify and save Assignee harmless from and against all Claims sustained or suffered by Assignee, or for which Assignee may become liable, resulting from or arising out of:

(a) the breach or failure by Purchaser to perform any Obligation arising out of this Agreement; and

(b) any other matter or thing pertaining to this Agreement or the Goods.

Seller shall, on demand, of Assignee pay the amount of any such Claim to Assignee and hereby waives any right to require Assignee to demand, notify or take any proceeding against Purchaser or any other person. For the purposes of this Section 5, Seller shall be jointly and severally liable (or where this Agreement is governed by the laws of Quebec solidarily liable) with Purchaser to Assignee for Purchaser's Obligations under this Agreement.

6. *Security Interest and Hypothec*

Purchaser hereby Pledges (and where this Agreement is governed by the laws of the Province of Quebec Purchaser hereby hypothecates in an amount equal to 120% of the Financed Amount) in favour of Assignee all insurance claims and all proceeds (including proceeds of proceeds) therefrom or from any lease of Goods to secure its Obligations.

7. *Personal Property and Waivers*

7.1 Goods shall at all times be and remain moveable personal property. Notwithstanding any purpose for which Goods may be used or that they may become affixed or attached to land or any structure thereon, they shall remain subject to all rights of Assignee hereunder as if they were not so affixed or attached. Purchaser shall not incorporate, physically attach or join Goods to any land or immoveable property in such manner or to such extent as to cause Goods to lose their individuality.

7.2 Purchaser agrees to obtain a waiver, if required by and in a form satisfactory to Assignee, from any landlord, mortgagee, hypothecary creditor or other encumbrancer of the premises where Goods are situated.

8. *Maintenance, Use, Operation, Alterations, Upgrades, etc.*

8.1 Purchaser shall at its own expense:

(a) maintain Goods in good operating condition, repair and appearance, ordinary wear and tear only excepted;

(b) comply with all recommendations or requirements of Supplier regarding Goods so as to preserve all Warranties; and

(c) at Assignee's request, enter into a maintenance agreement for Goods for the full term of this Agreement with Supplier or a competent service and maintenance agent approved by Assignee.

8.2 Purchaser shall not without Assignee's prior consent, make any alterations, additions, accessions or attachments to Goods. Such consent will only be granted if such changes:

(a) do not materially decrease the value of Goods or limit, interfere with or frustrate their intended use;

(b) do not prejudice or adversely affect any Warranties; and

(c) are free from, and do not subject Goods to, any Lien.

8.3 All replacement parts and components, alterations, additions, accessions and attachments to Goods shall be deemed transferred hereby and assigned to Assignee and become the sole property of Assignee and shall be subject to this Agreement.

8.4 Purchaser shall affix and keep affixed to Goods any identification labels supplied by Assignee.

9. *Inspection*

Any representative of Assignee shall have the right to inspect the Goods and the Receivables and all books, maintenance and other records and data maintained by Purchaser with respect thereto at all reasonable times upon reasonable notice to Purchaser.

10. ***Insurance***

10.1 Purchaser shall at its own expense place and maintain with insurers acceptable to Assignee
(a) comprehensive first party all risks insurance on Goods for their full replacement value. Such insurance shall include: (i) Assignee as a beneficiary under a broad form of Secured Creditor Endorsement Clause; and (ii) a waiver of subrogation clause in favour of Assignee; and
(b) comprehensive general public liability and property damage insurance with limits of liability at least equal to $1,000,000 or such greater amount as Assignee may require. Such insurance shall: (i) extend to all liabilities of Purchaser under this Agreement arising out of its use or possession of Goods; (ii) include Assignee as a named insured; and (iii) include a cross liability provision which insures each person insured thereunder in the same manner and to the same extent as if a separate policy had been issued to each.

10.2 All insurance policies shall commence at the moment title to, ownership of and risk of loss of the Goods passes from Seller to Purchaser and cover Assignee and Purchaser as their respective interests appear and shall contain endorsements providing that:
(a) 30 days' written notice shall be given to Assignee before the policy lapses or is materially altered or cancelled;
(b) the insurance shall be primary and not contributory;
(c) Assignee's coverage and interest as the beneficiary under the above Hypothecary Creditor Endorsement Rider shall not be invalidated or otherwise adversely affected by any act, neglect, omission or misrepresentation, deliberate, negligent or otherwise, of Purchaser or its agents, servants or employees;
(d) Assignee shall not be responsible for payment of any premiums; and
(e) Assignee may elect to have all proceeds of loss payable only to itself.

10.3 Purchaser shall supply Assignee with certified copies of all insurance policies, endorsements or other evidence of the required coverage satisfactory to Assignee within 30 days of the moment title to, ownership of and risk of loss of the Goods passes from Seller to Purchaser and on request.

10.4 In the event of damage amounting to Loss of Goods, this Agreement respecting such Goods shall be deemed to have terminated and Assignee shall be entitled to receive immediate payment of the amount equal to the Accrued Liability and Assignee may retain from the insurance proceeds an amount equal thereto, Purchaser remaining liable for any deficiency.

11. ***Taxes, etc.***

Purchaser shall have the sole responsibility for and shall duly and punctually pay all Taxes and all licence and similar fees payable at any time upon, or in respect of, Goods, this Agreement and any payments or transactions contemplated hereunder.

12. ***Liens***

Purchaser shall keep Goods free of Liens.

13. ***Laws and Regulations***

Purchaser is and shall continue to be in compliance with all laws and regulations relating to use, operation or possession of Goods or the ownership thereof by Assignee, and those relating to the prevention of money laundering and terrorism.

14. ***Default***

It shall be a Default under this Agreement if:
(a) Purchaser fails to pay any Instalment within 10 days of its due date;
(b) any insurance coverage required to be obtained and maintained by Purchaser under this Agreement shall lapse, expire or be cancelled;
(c) any representation or warranty of Purchaser is false or materially misleading;
(d) Purchaser defaults in any other Obligation, or in any obligation under any other agreement with Assignee or any Affiliate of Assignee, and such default continues for 10 days after notice thereof by Assignee or such Affiliate, as applicable, to Purchaser;
(e) any act of bankruptcy takes place respecting Purchaser, or any proceeding, petition or notice, voluntary or involuntary, is commenced, made, given or filed, as the case may be, by the Purchaser or any other person, under any present or future statute or law relating to bankruptcy, insolvency or relief from or compromise or arrangement with creditors of Purchaser;
(f) Purchaser ceases or threatens to cease to carry on business or makes or proposes to make any sale of the whole or any substantial portion of its assets in bulk, or otherwise out of the normal course of business;
(g) any execution, sequestration, expropriation or similar process is brought or threatened, by way of notice or otherwise, against, or a distress or analogous process is levied upon the whole or any part of the property of Purchaser or Goods;
(h) any trustee, receiver, interim receiver, administrator, manager or similar official is appointed with respect to all or any part of the property, assets or undertaking of Purchaser, whether pursuant to any private instrument or agreement or by order of any court;
(i) if ownership of or control and direction over the assets or undertaking of Purchaser or the majority of its voting shares changes, by amalgamation, merger, sale, transfer of shares or otherwise, except pursuant to death of the shareholder, or Purchaser passes any resolution concerning any matter referred to in paragraph (e) or with respect to, or any proceedings, voluntary or involuntary, are commenced under, any present or future law relating to amalgamation, liquidation, winding-up or dissolution;
(j) an event occurs which, in the opinion of Assignee, could reasonably be expected to have a material adverse effect on the condition (financial or otherwise), business, operations, assets, liabilities or prospects of Purchaser, Purchaser's ability to perform any Obligation, or any obligation under any other agreement with Assignee or any Affiliate of Assignee, or on the rights and remedies of Assignee thereunder, and continues for 10 days after notice thereof by Assignee or such Affiliate, as applicable, to Purchaser; or
(k) any event or circumstance described in any of paragraphs (c) and (e) through (j) inclusive occurs with respect to any guarantor or surety of Purchaser respecting this Agreement or any Affiliate of Purchaser.

A Default under this Agreement shall be deemed a default under all other present and future agreements entered into between Purchaser and Assignee or any Affiliate of Assignee.

15. ***Assignee's Remedies on Default***

Upon Default, Assignee shall be entitled to do one or more of the following, subject to applicable law:
(a) declare this Agreement to be in default (with or without terminating this Agreement) whereupon all Obligations shall be immediately due, payable and enforceable without any notice or demand whatsoever;
(b) terminate this Agreement and, as a genuine pre-estimate of Assignee's liquidated damages for loss of bargain and not as a penalty: (i) retain an amount equal to the aggregate of all Instalments and other amounts paid by Purchaser to Assignee hereunder; and (ii) demand, sue for and recover "Assignee's Return", namely an amount equal to the Accrued Liability, less, if applicable, the net proceeds to Assignee derived from the sale, lease or other disposition of the Goods, after deducting Costs of Disposition;
(c) take possession of Goods, without demand, notice or legal proceeding and enter on any premises of Purchaser or any other person for such purpose;
(d) sell, lease or otherwise dispose Goods by public or private transaction for such consideration payable immediately and/or deferred and on such terms and conditions as Assignee in its discretion determines;
(e) whether or not this Agreement may have been or be deemed to have been terminated or Assignee may have or have been deemed to have taken possession of Goods, demand, sue for and recover damages arising out of such Default which damages shall include Assignee's Return; and
(f) exercise any other rights or remedies and/or take any proceedings available to Assignee hereunder, at law or in equity.

In lieu of selling, leasing or otherwise disposing of Goods, Assignee may retain and cause Goods to be valued by a qualified appraiser selected by it and such value shall be substituted for and deducted as net proceeds to Assignee under sub-paragraphs (b) and (e) of this Section. Proceeds of sale, lease or disposal need be deducted only when received, unless Assignee elects to take the present value of payments to be received, discounted at the Financing Rate then in effect, compounded monthly.

16. ***Assignee's Rights to Remedy Defaults***

If Purchaser fails to perform or comply with any Obligation, Assignee may, but has no obligation to, perform same in the name of Purchaser or Assignee and make all necessary disbursements in connection therewith, which shall be reimbursed by Purchaser immediately on demand. Assignee is hereby appointed Purchaser's lawful attorney to take any such action in Purchasers name.

17. ***Purchaser's General Indemnities***
Purchaser shall indemnify and save harmless Assignee from and against all existing or future loss, costs, charges, expenses, liabilities, claims, demands, penalties, damages, suits, actions and causes of action of every nature and kind whatsoever including strict liability in tort or civil liability ("Claims") sustained or suffered by Assignee, or for which Assignee may become liable, resulting from or arising out of:
(a) the assignment of the Financed Amount and the transfer of title to Goods from Seller to Assignee whether or not Purchaser accepts such Goods or such Goods are delivered to Purchaser;
(b) Assignee's lawful exercise or performance of its rights or obligations under this Agreement;
(c) any Default;
(d) any personal injury or property damage or other commercial loss arising out of the sale or delivery to, installation, ownership, use, operation, maintenance, condition, return, removal and redelivery of Goods including strict liability in tort or in civil liability; or
(e) any use or operation of Goods which infringes any patent or other industrial or intellectual property right, unless caused by the gross negligence or willful misconduct of Assignee, its employees, servants or agents.

18. ***Administrative Fees and Expenses***
Purchaser shall pay Assignee on demand Assignee's prevailing fees and all costs and disbursements (including legal fees and expenses) certified by Assignee as having been incurred or made in connection with the enforcement or preservation of any right or remedy arising on Default or in connection with the rendering of financial services under this Agreement including, without limitation, for processing of payments and rendering statements to Purchaser.

19. ***Pre-Authorized Payments***
Purchaser shall execute and deliver to Assignee from time to time upon request pre-authorized payment orders in such form as Assignee may reasonably request. Assignee is hereby authorized to deliver such orders to the financial institution named therein. Purchaser hereby appoints Assignee its lawful attorney and mandatory to take all action contemplated by such payment orders to receive payment of any amount due under this Agreement. Assignee may decline any other form of payment.

20. ***Location of Goods***
20.1 Except as otherwise permitted hereunder, Purchaser shall not part with possession of Goods nor remove the same from Canada.
20.2 Purchaser covenants that Goods will continue to be located where stated on the face hereof, or at any other location agreed to in writing by Assignee.

21. ***Assignment and Leasing***
Purchaser shall not assign any rights hereunder and Purchaser shall not give up possession or lease Goods, in each case without the prior consent of Assignee, and such consent may be withheld by Assignee in its discretion. No assignment of rights hereunder by Purchaser or giving up possession or lease of Goods shall relieve Purchaser of its Obligations.

22. ***Purchaser's General Representations, Warranties and Covenants***
Purchaser represents and warrants to and covenants with Assignee that: (a) if Purchaser is a corporation, it is and will continue to be a corporation or other legal entity duly and validly incorporated or otherwise established, organized and existing in good standing under the laws of its jurisdiction of incorporation or establishment, with all necessary power and authority to execute, deliver and perform this Agreement; (b) if Purchaser is a corporation, all of the transactions contemplated herein have been and will be duly authorized by all necessary action, are not and will not be in conflict with the constating documents or by-laws of Purchaser or any indenture, instrument, agreement or undertaking to which it is or will be a party or by which it or its assets are or may become bound; (c) this Agreement is and will continue to be the legal, valid and binding obligation of Purchaser, enforceable against it in accordance with its terms; (d) if any trade-in allowance on the face hereof is made in determining the Financed Amount, Purchaser has good and marketable title to the goods so allowed for, free and clear of all Liens, except to the extent, if any, allowed for in determining the Financed Amount, and has taken all requisite action to transfer and assign such goods to Seller free and clear of Liens, except as aforesaid; (e) all Information as defined in Section 44 provided by Purchaser to Assignee is accurate; and (f) all payments to Assignee are and will be derived from legal sources Purchaser agrees to furnish Assignee a copy of its most recent annual financial statements, audited, if applicable, promptly upon availability and in any event within 90 days of each financial year-end. Upon request by Assignee, Purchaser agrees also to furnish its quarterly financial statements promptly upon availability and in any event within 60 days of each financial quarter-end.

23. ***Statutory Waivers and Acknowledgement***
23.1 Purchaser waives its right to receive a copy of any financing statement or financing change statement registered by Assignee and of any related verification statement.
23.2 Purchaser waives, to the fullest extent permitted by law, the application of the provisions of (a) *The Limitation of Civil Rights Act* (Saskatchewan); (b) *The Distress Act* (Manitoba); and (c) the sale of goods legislation of any applicable jurisdiction. Purchaser agrees that the provisions of this Agreement are commercially reasonable

24. ***NO SET-OFF - NON CANCELLABLE AGREEMENT***
PURCHASER IRREVOCABLY AND UNCONDITIONALLY WAIVES ALL EQUITIES AGAINST ANY INSTALMENT AND OTHER AMOUNT DUE TO ASSIGNEE HEREUNDER AND AGREES TO PAY EACH SUCH INSTALMENT AND OTHER AMOUNT WITHOUT REGARD TO ANY EQUITIES. NEITHER DEFECTS IN, DAMAGE TO, NOR LOSS, DESTRUCTION, LATE DELIVERY OR NON-DELIVERY OF GOODS SHALL TERMINATE THIS AGREEMENT OR REDUCE PURCHASER'S OBLIGATIONS HEREUNDER, EXCEPT AS OTHERWISE EXPRESSLY PROVIDED HEREIN.

25. ***EXCLUSION AND ASSIGNMENT OF WARRANTIES***
25.1 PURCHASER REPRESENTS AND WARRANTS TO AND COVENANTS WITH ASSIGNEE THAT PURCHASER CARRIES ON AN ENTERPRISE, THAT THE GOODS HAVE BEEN SELECTED BY PURCHASER WITHOUT ASSIGNEE'S ASSISTANCE, THAT THEY ARE AND WILL BE OF A MAKE, SIZE, DESIGN AND CAPACITY SUITABLE FOR PURCHASER'S INTENDED PURPOSES AND THAT THEY ARE ACQUIRED AND WILL BE USED EXCLUSIVELY FOR THE PURPOSES OF CARRYING ON PURCHASER'S ENTERPRISE AND FOR COMMERCIAL, INDUSTRIAL OR BUSINESS PURPOSES ONLY AND NOT FOR PERSONAL, FAMILY, HOUSEHOLD OR FARMING PURPOSES.
25.2 (A) ASSIGNEE SHALL NOT BE BOUND BY OR BE DEEMED TO HAVE MADE OR BE LIABLE FOR ANY REPRESENTATION, WARRANTY OR PROMISE BY ANY SUPPLIER;
(B) ASSIGNEE SHALL NOT BE LIABLE FOR ANY FAILURE OF THE GOODS INCLUDING ANY LATENT, HIDDEN OR APPARENT DEFECT OR ALLEGED FUNDAMENTAL BREACH OF THIS AGREEMENT OR ANY OTHER AGREEMENT WITH ANY SUPPLIER;
(C) NEITHER ASSIGNEE NOR ANY OF ITS EMPLOYEES, SERVANTS OR AGENTS HAS MADE AND DOES NOT NOW MAKE ANY REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO THE GOODS OR ANY INTELLECTUAL OR INDUSTRIAL PROPERTY RIGHTS THEREIN INCLUDING, WITHOUT LIMITATION, THE DESIGN, SPECIFICATIONS, CONDITION, QUALITY, DURABILITY, MERCHANTABILITY OR FITNESS FOR PURCHASER'S PURPOSES; AND
(D) ASSIGNEE SHALL HAVE NO LIABILITY FOR ANY DIRECT, INDIRECT, PUNITIVE, EXEMPLARY, SPECIAL OR CONSEQUENTIAL DAMAGES OR LOSS OF PROFITS, ACTUAL OR ANTICIPATED, OR FOR ANY DAMAGES BASED ON STRICT OR ABSOLUTE CIVIL LIABILITY OR ASSIGNEE'S OR SUPPLIER'S NEGLIGENCE. AS BETWEEN ASSIGNEE AND PURCHASER, THE GOODS HAVE BEEN SOLD TO PURCHASER "AS IS, WHERE IS" AT PURCHASER'S OWN RISK (IN THEIR THEN ACTUAL STATE OF REPAIR, MAINTENANCE AND LOCATION) WITHOUT ANY WARRANTY AS TO TITLE OR ANY OTHER MATTER BY ASSIGNEE. NOTHING HEREIN SHALL DEPRIVE PURCHASER OF ITS RIGHTS AGAINST ANY SUPPLIER OR ANY PERSON OTHER THAN ASSIGNEE.
25.3 PURCHASER AGREES THAT IF THE GOODS ARE REPOSSESSED OR SOLD BY ASSIGNEE, ALL WARRANTIES OF SUPPLIER AND RIGHTS TO ALL SOFTWARE AND OTHER INTELLECTUAL AND INDUSTRIAL PROPERTY LICENSES ACCOMPANYING THE GOODS SHALL BE AUTOMATICALLY ASSIGNED BY PURCHASER TO ASSIGNEE WITHOUT FURTHER ACT OR DEED.

26. ***Consent to Assignments***
Each assignment of rights and/or Warranties under this Agreement is hereby consented to and accepted.

27. *Notices*
Any notice, demand, consent or other communication required or permitted hereunder ("Notice") shall be in writing and may be delivered, or sent by prepaid registered mail, or by telex, telecopier or other means which produces a permanent written record (a "transmission"). Mailed Notice shall be deemed to have been given two business days after mailing provided there is no disruption or stoppage of postal services; delivered Notice shall be effective upon delivery during business hours to an apparently responsible adult and transmissions shall be deemed to have been received at the opening of the next business day. Addresses for Notice shall be those addresses stated on the face hereof and may be changed in accordance with the foregoing.

28. *Remedies Cumulative*
All rights and remedies of Assignee hereunder are cumulative and not exclusive or alternative and may be exercised by Assignee separately or together, in any order, sequence or combination.

29. *Forbearance, Indulgence and Waivers*
Forbearance or indulgence by Assignee in any instance shall not constitute a general waiver of the obligation under this Agreement to which the same applies. Any waiver by Assignee of its rights must be in writing and shall not extend to any other obligation or right waived.

30. *Allocations and Imputations*
Purchaser hereby irrevocably and unconditionally waives any present or future right to allocate and impute any payment made to Assignee to any specific obligation due under this Agreement or under any other agreement with Assignee. Assignee may allocate, impute and apply any payment received to any obligation due hereunder or under any other agreement with Assignee and may reverse, re-allocate, re-impute and re-apply any such payment as many times and in such manners as Assignee from time to time sees fit. Payments received shall be allocated and imputed upon receipt of legal tender or cleared funds. Assignee is hereby irrevocably authorized to combine, set off and compensate amounts payable by it to Purchaser with amounts owing to it from Purchaser (in each case whether matured or not and whether absolute or contingent) under the same or different agreements.

31. *Time*
Time is and shall remain of the essence of this Agreement. The mere lapse of time for performance by Purchaser of any Obligation under this Agreement shall have the effect of putting Purchaser in default hereunder.

32. *Entire Agreement*
32.1 There are no representations, warranties, covenants, agreements or acknowledgements affecting the Financed Amount, the Accrued Liability, this Agreement or Goods, other than expressed in this Agreement.
32.2 No agreement purporting to amend or modify this Agreement or any other document, paper or writing relating hereto or to Goods or connected herewith shall be binding unless in writing signed by Purchaser and Assignee.

33. *Severability*
Any term, condition or provision of this Agreement which is deemed to be void, prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be severed herefrom and ineffective to the extent of such invalidity, prohibition or unenforceability, without in any way invalidating the balance hereof.

34. *No Merger in Judgment*
The taking of any judgment by Assignee under this Agreement shall not operate as a merger or novation of any term or condition hereof or of any obligation of Purchaser or Seller hereunder.

35. *Further Assurances and Power of Attorney*
35.1 Purchaser and Seller each shall do, execute and perform all such acts, deeds, documents and things as may be reasonably required to enable Assignee to have the full benefit of all rights and remedies intended to be reserved or created hereby. Assignee is hereby appointed each of Purchaser's and Seller's lawful attorney and mandatory to complete and/or correct any information on the face hereof.
35.2 Each power of attorney and mandate granted in this Agreement is granted with full power of substitution, is irrevocable, is coupled with an interest, shall survive termination of this Agreement and may be exercised during any subsequent legal incapacity of Purchaser or Seller.

36. *Currency*
Unless otherwise stated on the face of this Agreement, all sums of money payable hereunder shall be paid in Canadian dollars. If any amount payable pursuant to this Agreement needs to be converted from US dollars to Canadian dollars, including for purposes of determining the Financed Amount or the amount of any instalment, such conversion shall be made by Assignee on the relevant date at the Conversion Rate and Assignee will notify Purchaser of the Canadian dollar amount so converted.

37. *Survival*
Notwithstanding any other Section, any accrued Obligations, the Obligations of Purchaser under Sections 10.4, 11, 16, 17 and 16, the obligations of Seller under Section 5 and the rights of Assignee hereunder, whether accrued or not, shall survive the termination or expiration of this Agreement and the payment of the Accrued Liability and all other amounts payable hereunder.

38. *Section Headings*
Section headings in this Agreement are for convenience of reference only and do not affect the interpretation or construction hereof.

39. *Successors and Assigns*
This Agreement shall inure to the benefit of and be binding upon Assignee, Seller and Purchaser, their respective heirs, executors, administrators, personal representatives, successors and permitted assigns and lessees. Assignee may assign or transfer in whole or in part its rights under this Agreement or Goods, and/or Pledge its rights hereunder or in Goods and any assignee, transferee or beneficiary of such Pledge ("Transferee") shall be unrestricted in the exercise of such rights. Each of Seller and Purchaser shall recognize any such assignment, transfer or Pledge and shall not assert against any Transferee any Claims or Equities which it may have against Assignee or Seller respecting this Agreement or Goods and waives all Claims and Equities against Transferee's rights to enforce this Agreement based on Assignee's alleged failure to perform same or Seller's breach of Warranties.

40. *Choice of Law*
This Agreement shall be governed, construed, performed and enforced in accordance with the laws of the Province where the address of Purchaser is located as stated on the face of this Agreement.

41. *Language*
The parties hereto have expressly required that this Agreement and all documents, agreements and notices related thereto be drafted in the English language. Les parties aux présentes ont expressément exigé que le présent contrat et tous les autres documents, conventions ou avis qui y sont afférents soient rédigés en langue anglaise.

42. *Joint and Several Liability - Solidarity*
If more than one person executes this Agreement as Purchaser or Seller, as applicable, their obligations hereunder shall be joint and several (or, where this Agreement is governed by the laws of Quebec, solidary) and, where the context so admits, each reference in this Agreement to "Purchaser" and "Seller" respectively shall include reference to any one or more or all such persons and the acts or omissions of any such persons shall bind all of them.

43. *Receipt of Agreement*
Each of Purchaser and Seller hereby acknowledges receipt of a copy of this Agreement.

44. *Information*
Each of Purchaser and Seller hereby consents and authorizes Assignee and its Affiliates, agents, contractors and representatives, at any time, (a) to collect, verify, use, communicate with and disclose to third parties (including credit reporting agencies, financial institutions, creditors, vendors and other persons) any credit, financial and other information, including personal information (as applicable) and information related to the credit rating, financial capacity and payment history, with respect to each of Purchaser and Seller ("Information"), as Assignee deems necessary to process, complete, service and enforce the transactions hereby contemplated and any other existing or potential transactions, or as required or otherwise permitted by law; (b) to respond to inquiries from, and exchange any Information with, third parties concerning each of Purchaser's and Seller's credit rating, financial capacity and payment history; (c) to provide Information to persons to whom Assignee considers assigning, granting a participation or otherwise disposing of rights or obligations under the transactions hereby contemplated; and (d) to provide to any person copies of this Agreement. This consent is in addition to and does not replace any consent previously given.

Attached is Exhibit "4" to the
Affidavit of Michael Pisani sworn the
12th day of April, 2013.

Lara FH

A Commissioner, Etc.

Lara Fitzgerald-Husek, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires April 29, 2014.

GE Capital

EQUIPMENT LOAN AND SECURITY AGREEMENT

No: 8698749001

239 Brownlow Ave., Suite 204
Dartmouth, Nova Scotia, B3B 2B2, Tel: (902) 468-8266, Fax: (902) 468-8270

CLIENT: Landdrill International Ltd.

ADDRESS: 160 MacNaughton Ave.
Moncton,New Brunswick
E1H 3L9

CONTACT: *Derrick West*
Tel: (506) 388-8100

EQUIPMENT LOCATION (if at address other than above)

INSURANCE
Assurance Goguen Champlain Insurance Inc
1040 Champlain St Ste 200
Dieppe
E1A 8L8

EQUIPMENT

UNITS	MODEL	YEAR	DESCRIPTION	SERIAL Nos.
			See Schedule A which is an integral part of this agreement.	

FINANCED AMOUNT

Amount Advanced:	707,103.96	CAD
Insurance Premium:		
Financing fees:		
Financed Amount:	707,103.96 =	CAD

FINANCING RATE
Fixed Rate 8.14% p.a.
Daily

INSTALMENTS

Instalments:	$ 22,205.07 CAD
Instalment date:	
Frequency:	Monthly
No. of Instalments:	36
First Instalment date:	
Original Term.	36 months

ADDITIONAL PROVISIONS
See Schedule B which is an integral part of this agreement.

In consideration of the loan (the "Loan") by Lender (as defined below) to Client in the amount specified under the heading "Financed Amount" above, the receipt of which Client hereby acknowledges, Client acknowledges itself indebted and promises to repay to Lender the Financed Amount. Client also acknowledges that it has agreed to grant to Lender a security interest in the Equipment described above to secure repayment of the Financed Amount on the terms and conditions set forth above, on pages 1, 2, 3 and 4 of document 15133E attached hereto, on all applicable schedules and other attachments hereto, all of which terms and conditions form a part of this Equipment Loan and Security Agreement.

IN WITNESS WHEREOF the parties hereto have executed this Equipment Loan and Security Agreement at Moncton in the province of New Brunswick, this 28th day of September 2011

Landdrill International Ltd.
("CLIENT")
By: CFO
TITLE
SIGNATURE OF AUTHORIZED OFFICERS
TITLE

GE Canada Equipment Financing G.P.
("LENDER")
By: Roland Bun, Act. Mgr.
TITLE
AAM
SIGNATURE OF AUTHORIZED OFFICERS
TITLE

GE 14133A E (12-95)

GE Capital

SCHEDULE A

No: 8698749001

This **SCHEDULE A** is an integral part of the **EQUIPMENT LOAN AND SECURITY AGREEMENT No. 8698749001 executed at Moncton in the province of New Brunswick, this 28th day of September 2011.**

EQUIPMENT

UNITS MODEL YEAR DESCRIPTION SERIAL Nos.

(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:1GDJ7H4C6WJ521640

Landdrill International Ltd. ("CLIENT")

By: [signature] CFO
SIGNATURE OF AUTHORIZED OFFICERS TITLE

GE Canada Equipment Financing G.P. ("LENDER")

By: Roland Kum, Asst. Mgr. [signature] AAM
SIGNATURE OF AUTHORIZED OFFICERS TITLE

GE 14133W E (12-95)

GE Capital

SCHEDULE B

No: 8698749001

This **SCHEDULE B** is an integral part of the **EQUIPMENT LOAN AND SECURITY AGREEMENT No. 8698749001 executed at Moncton in the province of New Brunswick, this 28th day of September 2011.**

ADDITIONAL PROVISIONS

CROSS DEFAULT

Section 13 of the terms and conditions attached to the present (document GE15133E), is amended to add the following paragraph:

(1) Client fails to meet any of its bank's financial covenants and Client shall remain in defalut if such bank waives the default.

INTEREST RATE (CAD SWAP)

The Financed Amount will bear interest at an annual rate equal to 720 basis points above the ask rate for a 2 year CA dollar fixed interest rate swap compounded semi-annually as indicated on the Thomson Reuters Interest Rate Spread Quick Chart CADSB3CB2Y=RR published on the Reuters 3000 Xtra Hosted Terminal Platform for the Friday preceding the disbursement date. This rate shall remain fixed for the entire term of this Agreement. For ease of reference only, Thomson Reuters makes available on the GE web site (www.gecapitalsolutions.ca) a table setting forth such 2 year CA dollar rate for the dates indicated in the table, it being understood that such rates are made available for information purposes only and should not at any time be considered the official reference rates.
For indication purposes only, the applicable 2 year swap rate today is 0.944%, plus 720 bps, resulting in a fixed interest rate of 8.144%. The Instalments and the Financing Rate on the signature page of this Agreement are for indication purposes only.

PRICING ADJUSTMENT

In order to preserve the Lender's net economic return, Lender in its sole discretion may adjust the pricing at any time prior to disbursement to reflect: (1) changes in the pricing assumptions of this Agreement; (2) a change in the Lender's funding index rate; (3) tax law changes applicable to the Client; and (4) general market conditions.

Landdrill International Ltd. ("CLIENT")

By: ⊗ [signature] CFO

SIGNATURE OF AUTHORIZED OFFICERS — TITLE

GE Canada Equipment Financing G.P. ("LENDER")

By: Roland Burn, Acct. Mgr. [signature] AAM

SIGNATURE OF AUTHORIZED OFFICERS — TITLE

GE Capital

EQUIPMENT LOAN AND SECURITY AGREEMENT

1. *Interpretation*

1.1 For the purpose of this Agreement

(a) "Accrued Liability" at any time means the amount equal to the sum of the Financed Amount, any Prepayment Bonus and all other amounts then payable hereunder, including without limitation, any Overdue Payment and accrued interest.

(b) "Affiliate" means in respect of a person, a person or persons that, directly or indirectly through one or more intermediaries, control, are controlled by, or are under common control with, such person, and for the purposes of this definition, "control" means the power to direct or cause the direction of the management and policies of a person whether through the ownership of voting securities or otherwise, and "person" means an individual, corporation, partnership, joint venture, association, trust or unincorporated organization or any trustee, executor, administrator or other legal representative.

(c) "Agreement" means this Equipment Loan and Security Agreement and any applicable schedules hereto, unless the context otherwise requires, and "hereof", "herein", "hereby", "hereunder" and similar expressions refer to this Agreement.

(d) "business day" means a day when the office of Lender at the address stated on the face hereof is open for business.

(e) "Claims" has the meaning assigned in Section 16.

(f) "control" has the meaning attributed to it in the *Canada Business Corporations Act*.

(g) "Client" means the client of Lender stated on the face hereof.

(h) "Conversion Rate" means the rate, expressed in CAD for the purchase of one US dollar, determined by adding 0.0050 CAD/USD to the highest rate which appears on the Bloomberg CAD GIT Page between 7 AM and 5 PM (EST).

(i) "Costs of Disposition" means all costs, disbursements, fees, commissions and other expenses (including legal fees and expenses) which Lender may incur, pay or be liable for in connection with recovering possession of, dismantling, removing, transporting, repairing, processing, reconditioning, storing, selling, leasing or otherwise disposing of Equipment.

(j) "Default" means any of those events or circumstances specified in Section 13.

(k) "Equipment" means the items of personal property described on the face hereof and, when required by the context, individual items thereof.

(l) "Equities" means existing or future rights of counterclaim, defence, set-off, compensation, abatement or offset, legal or equitable.

(m) "Financed Amount" means the amount stated as such on the face hereof owing by Client to Lender or the unpaid outstanding balance thereof, as the context requires.

(n) "Financing Rate" means the rate per annum stated as such on the face hereof.

(o) "Instalments" means the periodic repayment instalments of the Financed Amount, together with interest calculated at the Financing Rate as provided on the face hereof, such instalments stated on the face hereof.

(p) "Lender" means the Lender stated on the face hereof.

(q) "Lien" means any lien, privilege, mortgage, pledge, hypothec, charge, security interest, attachment, assignment, seizure, sequestration, distress, levy or other encumbrance of any nature or kind whatsoever.

(r) "Loss of Equipment" means,

(i) a total or constructive total loss of Equipment, or damage thereto, or theft thereof which, in the reasonable opinion of Lender, renders it impossible or impractical to use the Equipment for its intended purpose; or

(ii) expropriation or confiscation of Equipment by any authority absolutely or for more than 180 days.

(s) "Obligation" means any obligation by Client to pay any amount owing hereunder, including the Financed Amount, Overdue Payments and all other amounts owing hereunder, or to perform any other obligation of Client hereunder or which is secured hereunder.

(t) "Overdue Payment" means any amount owing by Client hereunder and any sum disbursed by Lender pursuant to Section 15 which is not paid when due hereunder, or any portion thereof.

(u) "person" means any natural person, corporation, firm, partnership, trust, sole proprietorship or governmental agency, authority or other entity, however constituted or designated.

(v) "Pledge" means to mortgage, charge, pledge, hypothecate, assign or grant a security interest and the security resulting therefrom and, as a noun, has the corresponding meaning.

(w) "Prepayment Bonus" means a prepayment bonus determined in accordance with Section 2.2.

(x) "Prime Rate" means the yearly rate of interest which National Bank of Canada announces from time to time in Canada as its prime lending rate which is a reference rate for demand loans in Canadian dollars to corporate borrowers.

(y) "Supplier" means any manufacturer, supplier, vendor of or dealer in Equipment or any other person from whom Client has acquired any of the Equipment.

(z) "Taxes" means any and all taxes, imposts, levies, fees, duties and charges imposed by any taxing authority on Lender, Client, the Equipment, its purchase, sale, ownership, security interest thereon, delivery, possession, operation or use including, without limitation, sales, excise, use, health services, property, goods and services, business transfer and value added taxes (including any penalties or interest based on late or non-payment), but excluding taxes imposed on or measured by Lender's overall net income.

(aa) "Warranties" means any and all warranties, guarantees, representations, service contracts, contracts to stock spare parts and similar agreements, oral or written, express, implied or statutory, relating to Equipment.

1.2 In this Agreement, unless the context otherwise requires, the singular includes the plural and vice-versa and words importing gender include each gender.

1.3 All references herein to statutes include the statute as it may be amended, restated or replaced with legislation of comparable effect.

1.4 Acts to be performed hereunder on non-business days shall be performed on the following business day.

2. *Instalments*

2.1 Client hereby acknowledges that it has borrowed from Lender and is thereby, or has otherwise become, indebted to and agrees to repay to Lender, at the address of Lender stated on the face hereof or such other place notified by Lender to Client, the Financed Amount together with interest thereon, by paying the Instalments stated on the face hereof. Unless otherwise stated, instalments are due on the dates stated on the face hereof in each month, or other period (or the last day of the month, if there is no corresponding date), in arrears, throughout the term hereof. On the final instalment date, Client shall pay Lender the outstanding balance of the Financed Amount, all accrued and unpaid interest thereon and all other amounts payable hereunder.

2.2 Client may at any time prepay the Financed Amount in whole or in part upon payment to Lender of a Prepayment Bonus determined as follows:

(a) if the Financing Rate is a variable rate based on Prime Rate, the bonus shall be three months interest on the amount prepaid calculated at the Financing Rate in effect at the time of prepayment, or

(b) if the Financing Rate is a fixed rate, the bonus shall be either (i) three months' interest on the amount prepaid calculated at the Financing Rate (the "Minimum Bonus"), if the Financing Rate does not exceed the Prime Rate in effect at the time of prepayment ("Current Prime"), or (ii) the greater of (A) the Minimum Bonus or (B) the amount determined as the product of (x) the Financing Rate less Current Prime times (y) the amount prepaid times (z) the fraction of the number of days to elapse until the final instalment date, disregarding prepayments, divided by 365, if the Financing Rate exceeds Current Prime.

Any portion of the Financed Amount prepaid shall be applied to the remaining instalments in inverse order of maturity. No part of the Prepayment Bonus shall be applied in reduction of said remaining Instalments. If a Default or a Loss of Equipment occurs, the Prepayment Bonus shall also be payable by Client and shall be calculated by reference to the outstanding balance of the Financed Amount at the time of such Default or Loss of Equipment, as applicable.

3. *Interest*

3.1 The Financed Amount shall bear interest from the date hereof until paid in full to Lender (as well before as after maturity, demand, Default or judgment) at the Financing Rate.

3.2 In addition to interest payable under Section 3.1, each Overdue Payment shall bear interest from the date due until paid in full to Lender (as well before as after demand, Default or judgment) at the rate of 12% per annum, calculated as specified in Section 3.3.

3.3 Interest payable hereunder shall accrue from day to day, be payable in arrears on each Instalment date and be computed upon the daily outstanding balance of the Financed Amount or Overdue Payment, as applicable, and shall be calculated on the basis of the number of days elapsed in a 365-day year. The yearly rate of interest to which each rate of interest expressed herein is equivalent is the product of (a) such rate times (b) the fraction of the number of days in the year divided by 365.

3.4 If the Financing Rate is a variable rate based on Prime Rate, a change in Prime Rate automatically changes the rate of interest payable hereunder to the same extent and in the same manner effective with the frequency stated on the face hereof. Lender shall not be obliged to notify Client of any such change, any right to notice being hereby irrevocably waived by Client.

4. *Title, Ownership*

Title to, ownership of, and all property in Equipment shall remain with Client, but subject always to the security interests and other provisions hereof, and at Client's sole risk, until full payment in cash of all amounts repayable hereunder prior to such payment. Client's rights therein are to quiet enjoyment and use on the terms and conditions of this Agreement so long as a Default has not occurred.

5. *Security Interest and Warranties as to Equipment*

5.1 In consideration of the Loan, Client hereby mortgages, hypothecates, charges by way of a first fixed charge, and grants to Lender a continuing security interest therein (collectively called a "security interest") in Equipment and Pledges in favour of Lender all insurance claims and all proceeds (including proceeds of proceeds) therefrom with respect to any loss or damage to Equipment or any lease or rental of Equipment, all to secure repayment of the Financed Amount and other Obligations of Client.

5.2 Client represents and warrants to Lender that the Client has good and marketable title to Equipment free and clear of all Liens, except for the security interests of Lender hereunder. Client agrees to comply with all Warranties accruing to the Client pertaining to Equipment; however, any failure by any vendor to Client of Equipment to comply with any Warranty shall not affect Client's Obligations to Lender hereunder.

6. *Personal Property and Waivers*

6.1 Equipment shall at all times be and remain moveable personal property.

Notwithstanding any purpose for which Equipment may be used or that it may become affixed or attached to land or any structure thereon, Equipment shall remain subject to all rights of Lender hereunder as if it were not so affixed or attached.

6.2 Client agrees to obtain a waiver, if required by and in a form satisfactory to Lender, from any landlord, mortgagee, hypothecary creditor or other encumbrancer of the premises where Equipment is situated (and prior to its becoming affixed if it is to be affixed).

7. *Maintenance, Use, Operation, Alterations, Upgrades, etc.*

7.1 Client shall at its own expense

(a) maintain Equipment in good operating condition, repair and appearance, ordinary wear and tear only excepted;

(b) comply with all recommendations or requirements of Supplier regarding Equipment so as to preserve all Warranties; and

(c) at Lender's request, enter into a maintenance agreement for Equipment for the full term of this Agreement with Supplier or a competent service and maintenance agent approved by Lender.

7.2 Client shall not, without Lender's consent, make any alterations, additions, accessions or attachments to Equipment. Such consent will only be granted if such changes

(a) do not materially decrease the value of Equipment or limit, interfere with or frustrate its intended use;

(b) do not prejudice or adversely affect any Warranties; and

(c) are free from, and do not subject Equipment to, any Lien.

7.3 All replacement parts and components, alterations, additions, accessions and attachments to Equipment shall automatically become subject to the security interests created hereby as soon as they are acquired by or on behalf of Client.

7.4 Client shall affix and keep affixed to Equipment any labels supplied by Lender identifying its security interests in Equipment.

8. *Inspection*

Any representative of Lender shall have the right to inspect Equipment at all reasonable times upon notice to Client.

9. *Insurance*

9.1 Client shall at its own expense place and maintain with insurers acceptable to Lender:

(a) comprehensive all risks insurance on Equipment for the greater of the Financed Amount or the full replacement value of the Equipment. Such insurance shall include (i) a loss payable clause in favour of Lender and (ii) a waiver of subrogation clause in favour of Lender; and

(b) general public liability and property damage insurance with limits of liability at least equal to $1,000,000 or such greater amount as Lender may require. Such insurance shall extend to all liabilities of Client under this Agreement arising out of its use or possession of Equipment and to any potential vicarious liability of Lender as holder of security interests in Equipment created hereby.

9.2 All such policies of insurance shall be in place at the effective date of this Agreement and shall contain endorsements providing that: (a) 30 days' written notice shall be given to Lender before the policy lapses or is materially altered or cancelled; (b) the insurance shall be primary and not contributory; (c) Lender's interests therein shall not be invalidated or otherwise adversely affected by any act or omission, deliberate, negligent or otherwise, of Client or its agents, servants or employees (the so-called "standard mortgage clause"); (d) Lender shall not be responsible for payment of any premiums; and (e) Lender may elect to have all proceeds of loss payable only to itself.

9.3 Client shall supply Lender with certified copies of all insurance policies, endorsements or other evidence of the required coverage satisfactory to Lender within 30 days of the effective date of this Agreement and on request.

9.4 In the event of damage to any item of Equipment amounting to Loss of Equipment Lender shall be entitled to receive immediate payment of the amount equal to the Accrued Liability with respect to such item of Equipment. Lender may retain any monies received from the insurance proceeds in an amount equal thereto, Client remaining liable for any deficiency.

10. *Taxes, etc.*

Client shall have the sole responsibility for and shall duly and punctually pay all Taxes and all licence and similar fees payable at any time upon, or in respect of Equipment, this Agreement and any payments or transactions contemplated hereunder.

11. *Liens*

Client shall keep Equipment free of all Liens.

12. *Laws and Regulations*

Client is and shall continue to be in compliance with all laws and regulations relating to use, operation or possession of Equipment or the security interests therein in favour of Lender, and those relating to the prevention of money laundering and terrorism.

13. *Default*

It shall be a Default under this Agreement if

(a) Client fails to pay any Instalment within 10 days after its due date.

(b) any representation or warranty of Client made herein or in any instrument or document delivered to Lender in connection herewith is false or materially incorrect or misleading.

(c) any insurance coverage required to be obtained and maintained by Client under this Agreement shall lapse, expire or be cancelled,

(d) Client defaults in any other Obligation, or in any obligation under any other agreement with Lender or any Affiliate of Lender and such default continues for 10 days after notice thereof by Lender or such Affiliate, as applicable, to Client;

(e) any act of bankruptcy takes place respecting Client, or any proceeding, petition or notice, voluntary or involuntary, is commenced, made, given or filed, as the case may be by the Client or any other person, under any present or future statute or law relating to bankruptcy, insolvency or relief from or compromise or arrangement with creditors of Client;

(f) Client ceases or threatens to cease to carry on business or makes or proposes to make any sale of the whole or any substantial portion of its assets in bulk, or otherwise out of the normal course of business;

(g) any execution, sequestration, expropriation or similar process is brought or threatened, by way of notice or otherwise, against, or a distress or analogous process is levied upon the whole or any part of the property of Client or Equipment;

(h) any trustee, receiver, interim receiver, administrator, manager or similar official is appointed with respect to all or any part of the property, assets or undertaking of Client, whether pursuant to any private instrument or agreement or by order of any court;

(i) if ownership of or control and direction over the assets or undertaking of Client or the majority of its voting shares changes, by amalgamation, merger, sale, transfer of shares or otherwise, except pursuant to death of the shareholder, or Client passes any

resolution concerning any matter referred to in paragraph (e) or with respect to, or any proceedings, voluntary or involuntary, are commenced under, any present or future law relating to amalgamation, liquidation, winding-up or dissolution;

(j) an event occurs which, in the opinion of Lender, could reasonably be expected to have a material adverse effect on the condition (financial or otherwise), business, operations, assets, liabilities or prospects of Client, Client's ability to perform any Obligation, or any obligation under any other agreement with Lender or any Affiliate of Lender, or on the rights and remedies of Lender thereunder, and continues for 10 days after notice thereof by Lender or such Affiliate, as applicable, to Client, or

(k) any event or circumstance described in any of paragraphs (c) and (e) through (j) inclusive occurs with respect to any guarantor or surety of Client respecting this Agreement or any person who controls Client or any Affiliate of Client.

A Default under this Agreement shall be deemed a default under all other present and future agreements entered into between Client and Lender or any Affiliate of Lender.

14. *Lender's Remedies on Default*

Upon Default, Lender shall be entitled to do one or more of the following:

(a) declare this Agreement to be in default (with or without terminating this Agreement) whereupon all Obligations shall be immediately due, payable and enforceable without any notice or demand whatsoever;

(b) terminate this Agreement;

(c) declare any or all of the Obligations to be immediately due and payable, or be subject to immediate performance, as the case may be, without presentment, protest or notice of dishonor, all of which are expressly waived;

(d) take possession of Equipment, without demand, notice or legal proceeding and enter on any premises of Client or any other person for such purpose;

(e) sell, lease or otherwise dispose of Equipment by public or private transaction for such consideration payable immediately and/or deferred and on such terms and conditions as Lender in its discretion determines;

(f) whether or not this Agreement may have been or be deemed to have been terminated, demand, sue for and recover the amount equal to the Accrued Liability, less, if applicable, the net proceeds to Lender derived from the sale, lease or other disposition of the Equipment, after deducting all Costs of Disposition; and

(g) exercise any other rights or remedies and/or take any proceedings available to Lender hereunder, at law or in equity.

In lieu of selling, leasing or otherwise disposing of Equipment, Lender may retain Equipment and cause Equipment to be valued by a qualified appraiser selected by it and such value shall be substituted for and deducted as net proceeds to Lender under subparagraph (f) of this Section. Proceeds of sale, lease or disposal need be deducted only when received, unless Lender elects to take the present value of payments to be received, discounted at the Financing Rate then in effect, compounded monthly.

15. *Lender's Rights to Remedy Defaults*

If Client fails to perform or comply with any Obligation, Lender may, but has no obligation to, perform same in the name of Client or Lender and make all necessary disbursements in connection therewith, which shall be reimbursed by Client immediately on demand. Lender is hereby appointed Client's lawful attorney to take any such action in Client's name.

16. *Client's General Indemnities*

Client shall indemnify and save harmless Lender from and against all existing or future losses, costs, charges, expenses, liabilities, claims, demands, penalties, damages, suits, actions and causes of action of every nature and kind whatsoever, including strict liability in tort or in delict (collectively, "Claims") sustained or suffered by Lender, or for which Lender may become liable, resulting from or arising out of:

(a) Lender's lawful exercise or performance of its rights or obligations under this Agreement;

(b) the holding by Lender of a security interest in the Equipment;

(c) any Default;

(d) any personal injury or property damage or other commercial loss arising out of the sale or delivery to, installation, ownership, use operation, maintenance, condition, return, removal and re-delivery of Equipment, or

(e) any use or operation of Equipment which infringes any patent or other industrial or intellectual property right, unless caused by the gross negligence or wilful misconduct of Lender, its employees, servants or agents.

17. *Administrative Fees and Expenses*

Client shall pay Lender on demand Lender's prevailing fees and all costs and disbursements (including legal fees and expenses) certified by Lender as having been incurred or made in connection with the enforcement or preservation of any right or remedy arising on Default or in connection with the rendering of financial services under this Agreement including, without limitation, for processing of payments and rendering statements to Client.

18. *Pre-Authorized Payments*

Client shall execute and deliver to Lender from time to time upon request pre-authorized payment orders in such form as Lender may reasonably request. Lender is hereby authorized to deliver such orders to the financial institution named therein. Client hereby appoints Lender its lawful attorney to take all action contemplated by such payment orders to receive payment of any amount due under this Agreement. Lender may decline any other form of payment.

19. *Location of Equipment*

19.1 Except as otherwise expressly permitted hereunder, Client shall not part with possession of Equipment nor remove any of same from Canada.

19.2 Client covenants that Equipment will continue to be located where stated on the face hereof, or at any other location agreed to in writing by Lender.

20. *Assignment and Leasing*

Client shall not assign any rights hereunder and Client shall not sell or attempt to sell Equipment nor lease or rent or attempt to lease or rent Equipment, in any case without the prior consent of Lender, and such consent may be withheld by Lender in its sole and unfettered discretion. No action aforesaid by Client shall relieve Client of any of its Obligations.

21. *Client's General Representations, Warranties and Covenants*

Client represents and warrants to and covenants with Lender that: (a) if Client is a body corporate, it is and will continue to be a body corporate or other legal entity duly and validly incorporated or otherwise established, organized and existing in good standing under the laws of its jurisdiction of incorporation or establishment, with all necessary power and authority to execute, deliver and perform this Agreement, (b) if Client is a body corporate, all of the transactions contemplated herein have been and will be duly authorized by all necessary action, are not and will not be in conflict with the constating documents or by-laws of Client or any indenture, instrument, agreement or undertaking to which it is or will be a party or by which it or its assets are or may become bound; (c) this Agreement is and will continue to be the legal, valid and binding obligation of Client, enforceable against it in accordance with its terms; (d) all information as defined in Section 41 provided by Client to Lender is accurate; and (e) all payments to Lender are and will be derived from legal sources. Client agrees to furnish to Lender a copy of its most recent annual financial statements, audited if applicable, promptly upon availability and in any event, within 90 days of each financial year-end. Upon request by Lender, Client agrees also to furnish its quarterly financial statements promptly upon availability and, in any event, within 60 days of each financial quarter-end.

22. *Statutory Waivers and Acknowledgement*

22.1 Client waives its right to receive a copy of any financing statement or financing change statement registered by Lender and of any related verification statement.

22.2 Client waives, to the fullest extent permitted by law, the application of the provisions of (a) *The Limitation of Civil Rights Act* (Saskatchewan); and (b) *The Distress Act* (Manitoba). Client agrees that the provisions of this Agreement are commercially reasonable.

23. *NO SET-OFF – EXCLUSION AND ASSIGNMENT OF WARRANTIES*

23.1 CLIENT IRREVOCABLY AND UNCONDITIONALLY WAIVES ALL EQUITIES AGAINST ANY INSTALMENT AND OTHER AMOUNT DUE TO LENDER HEREUNDER AND AGREES TO PAY EACH SUCH INSTALMENT AND OTHER AMOUNT WITHOUT REGARD TO ANY EQUITIES. NEITHER DEFECTS IN, DAMAGE TO, NOR LOSS OR DESTRUCTION OF EQUIPMENT SHALL TERMINATE THIS AGREEMENT OR REDUCE CLIENT'S OBLIGATIONS HEREUNDER, EXCEPT AS OTHERWISE EXPRESSLY PROVIDED HEREIN.

23.2 CLIENT REPRESENTS AND WARRANTS TO AND COVENANTS WITH LENDER THAT EQUIPMENT IS AND WILL BE USED FOR COMMERCIAL, INDUSTRIAL OR BUSINESS PURPOSES ONLY AND NOT FOR PERSONAL, FAMILY, HOUSEHOLD OR FARMING PURPOSES.

23.3 (A) LENDER SHALL NOT BE BOUND BY OR BE DEEMED TO HAVE MADE OR BE LIABLE FOR ANY REPRESENTATION, WARRANTY OR PROMISE MADE BY SUPPLIER OR OTHERWISE, (B) LENDER SHALL NOT BE LIABLE FOR ANY FAILURE OF EQUIPMENT INCLUDING ANY LATENT DEFECT OR ALLEGED FUNDAMENTAL BREACH OF THIS AGREEMENT, (C) NEITHER LENDER NOR ANY OF ITS EMPLOYEES, SERVANTS OR AGENTS HAS MADE AND DOES NOT NOW MAKE ANY REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO EQUIPMENT OR ANY INTELLECTUAL OR INDUSTRIAL PROPERTY RIGHTS THEREIN

INCLUDING, WITHOUT LIMITATION, THE DESIGN, SPECIFICATIONS, CONDITION, QUALITY, MERCHANTABILITY OR FITNESS FOR CLIENT'S PURPOSES AND (D) LENDER SHALL HAVE NO LIABILITY FOR ANY DIRECT, INDIRECT, PUNITIVE, EXEMPLARY, SPECIAL OR CONSEQUENTIAL DAMAGES OR LOSS OF PROFITS, ACTUAL OR ANTICIPATED, OR FOR ANY DAMAGES BASED ON STRICT OR ABSOLUTE TORT OR DELICTUAL LIABILITY OR LENDER'S OR SUPPLIER'S NEGLIGENCE. NOTHING HEREIN SHALL DEPRIVE CLIENT OF ITS RIGHTS AGAINST SUPPLIER OR ANY PERSON OTHER THAN LENDER. CLIENT SHALL MAKE ANY CLAIMS WITH RESPECT TO EQUIPMENT DIRECTLY AGAINST SUPPLIER.

23.4 IF EQUIPMENT IS SEIZED OR SOLD BY LENDER, ALL WARRANTIES OF SUPPLIER AND RIGHTS TO ALL SOFTWARE, OTHER INTELLECTUAL AND INDUSTRIAL PROPERTY LICENSES ACCOMPANYING GOODS SHALL BE DEEMED ASSIGNED BY CLIENT TO LENDER.

24. *Notices*

Any notice, demand, consent or other communication required or permitted hereunder ("Notice") shall be in writing and may be delivered, or sent by prepaid registered mail, or by telex, telecopier or other means which produces a permanent written record (a "transmission"). Mailed Notice shall be deemed to have been given two business days after mailing provided there is no general disruption or stoppage of postal services then in effect, in which case delivery shall be made by one of the other methods permitted herein, delivered Notice shall be effective upon delivery during business hours to an apparently responsible adult, and transmissions shall be deemed to have been received at the opening of the business day immediately following transmission. Addresses for Notice shall be those addresses stated on the face hereof and may be changed in accordance with the foregoing.

25. *Remedies Cumulative*

All rights and remedies of Lender hereunder are cumulative and not exclusive or alternative and may be exercised by Lender separately or together, in any order, sequence or combination.

26. *Forbearance, Indulgence and Waivers*

Forbearance or indulgence by Lender in any instance shall not constitute a general waiver of the obligation under this Agreement to which the same applies. Any waiver by Lender of its rights must be in writing and shall not extend to any other obligation or right.

27. *Allocations*

Client hereby irrevocably and unconditionally waives any present or future right to allocate any payment made to Lender to any specific Obligation due under this Agreement or under any other agreement with Lender or any affiliate of Lender. Lender may allocate and apply any payment received to any Obligation due hereunder or under any other agreement with Lender or affiliate of Lender and may reverse, reallocate and re-apply any such payment as many times and in such manners as Lender from time to time sees fit. Payments received shall be allocated upon receipt of legal tender or cleared funds. Lender is hereby irrevocably authorized to combine and set off amounts payable by it to Client with amounts owing to it from Client (in each case whether matured or not and whether absolute or contingent) under the same or different agreements.

28. *Time*

Time is and shall remain of the essence of this Agreement.

29. *Entire Agreement*

29.1 There are no representations, warranties, covenants, agreements or acknowledgements by Lender affecting the Financed Amount, the Obligations, the Accrued Liability, this Agreement or Equipment, other than expressed in this Agreement.

29.2 No agreement purporting to amend or modify this Agreement or any other document, paper or writing relating hereto or to Equipment or connected herewith shall be binding unless in writing signed by the parties hereto.

30. *Severability*

Any term, condition or provision of this Agreement which is deemed to be void, prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be severed herefrom and ineffective to the extent of such invalidity, prohibition or unenforceability, without in any way invalidating the balance hereof.

31. *No Merger in Judgment*

The taking of any judgment by Lender under this Agreement shall not operate as a merger or novation of any term or condition hereof or of any obligation of Client or Lender hereunder.

32. *Further Assurances and Power of Attorney*

32.1 Client and Lender each shall do, execute and perform all such acts, deeds, documents and things as may be reasonably required to enable Lender to have the full benefit of all rights and remedies intended to be reserved or created hereby. Lender is hereby appointed Client's lawful attorney to complete and/or correct any information on the face hereof or in any Schedule hereto.

32.2 Each power of attorney granted in this Agreement is granted with full power of substitution, is irrevocable, is coupled with an interest, shall survive termination of this Agreement and may be exercised during any subsequent legal incapacity of Client or Lender.

33. *Currency*

Unless otherwise stated in this Agreement, all sums of money payable hereunder shall be paid in Canadian dollars. If any amount payable pursuant to this Agreement needs to be converted from US dollars to Canadian dollars, including for purposes of determining the amount of the Financed Amount or any instalment, such conversion shall be made by Lender on the relevant date at the Conversion Rate and Lender will notify Client of the Canadian dollar amount so converted.

34. *Survival*

Notwithstanding any other Section, any accrued Obligations, the Obligations of Client under Sections 9.4, 10, 15, 16, 17, 22 and 27 and all rights of Lender hereunder, whether accrued or not, shall survive the termination or expiration of this Agreement and the payment of the Accrued Liability and all other amounts payable hereunder.

35. *Section Headings*

Section headings in this Agreement are for convenience of reference only and do not affect the interpretation or construction hereof.

36. *Successors and Assigns*

This Agreement shall inure to the benefit of and be binding upon Lender and Client, their respective heirs, executors, administrators, personal representatives, successors and permitted assigns and lessees. Lender may assign or transfer in whole or in part its rights under this Agreement or Equipment, and/or Pledge its rights hereunder or in Equipment and any assignee, transferee or beneficiary of such Pledge ("Assignee") shall be unrestricted in the exercise of such rights. Client shall recognize any such assignment, transfer or Pledge and shall not assert against any Assignee any Claims or Equities which it may have against Lender respecting this Agreement or Equipment and waives all Claims and Equities against Assignee's rights to enforce this Agreement based on Lender's alleged failure to perform same or Supplier's breach of Warranties. Client shall not be entitled to assign its rights or obligations hereunder.

37. *Choice of Law*

This Agreement shall be governed, construed, performed and enforced in accordance with the laws of the Province where the address of Client is located as stated on the face of this Agreement.

38. *Language*

The parties hereto have expressly required that this Agreement and all documents, agreements and notices related thereto be drafted in the English language. Les parties aux présentes ont expressément exigé que le présent contrat et tous les autres documents, conventions ou avis qui y sont afférents soient rédigés en langue anglaise.

39. *Joint and Several Liability*

If more than one person executes this Agreement as Client their obligations hereunder shall be joint and several and, where the context so admits, each reference in this Agreement to "Client" shall include reference to any one or more or all such persons and the acts or omissions of and such persons shall bind all of them.

40. *Receipt of Agreement*

Client acknowledges receipt of an executed copy of this Agreement.

41. *Information*

Client hereby consents and authorizes Lender and its affiliates, agents, contractors and representatives, at any time, (a) to collect, verify, use, communicate with and disclose to third parties (including credit reporting agencies, financial institutions, creditors, vendors and other persons) any credit, financial and other information, including personal information (as applicable) and information related to the credit rating, financial capacity and payment history, with respect to Client ("Information"), as Lender deems necessary to process, complete, service and enforce the transactions hereby contemplated and any other existing or potential transactions, or as required or otherwise permitted by law; (b) to respond to inquiries from, and exchange any Information with, third parties concerning Client's credit rating, financial capacity and payment history; (c) to provide Information to persons to whom Lender considers assigning, granting a participation or otherwise disposing of rights or obligations under the transactions hereby contemplated, and (d) to provide to any person copies of this Agreement. This consent is in addition to and does not replace any consent previously given.

BORROWING RESOLUTION OF THE BOARD OF DIRECTORS

I **Ronald J. Goguen** hereby certify that:

1. I am the **Director** of **Landdrill International Ltd.** (the "Corporation") corporation duly incorporated under **provincial** laws, the head office of which is located at **160 MacNaughton Ave., Moncton, Nouveau Brunswick, E1H 3L9.**

2. The following text is a true copy of a resolution passed on **September 28, 2011** by the Board of Directors of the said Corporation, in compliance with acts and regulations governing it. The said resolution has not been revoked or amended in any way whatsoever and is in force at the date hereof.

   Now therefore be it resolved:

   a) That **Chief Financial Officer**
   Title

   be and is hereby authorized for and on behalf of the Corporation to borrow from **GE Canada Equipment Financing G.P.** ("GE") the principal amount of **$ 710,864.25 CAD** required by the Corporation from time to time, for a term and under such other conditions as determined by the directors, officers and employees of the Corporation hereby authorized; also to do all acts and things and to execute all documents for and on behalf of the Corporation as required by GE in order to secure the amount or amounts owed to or borrowed from GE and any renewals or extensions of such loans, including security, and any renewals or extensions thereof, in the form of mortgages, hypothecation, charges, pledges, security agreements, conditional sale contracts, assignments or transfers of any and all real or personal, movable or immovable property, both present and future, of the Corporation.

   b) That all acts and things done and documents executed on behalf of the Corporation as hereinbefore authorized may be relied upon by GE are valid and binding upon the Corporation whether or not the corporate seal of the Corporation has been affixed to any such document.

   c) That the Corporation shall provide GE with a true and correct copy of this Resolution and a list of the names of the directors, officers and employees of the Corporation hereby authorized to do any act and thing, together with specimens of their signatures, to be acted upon by each office of GE with which the Corporation does business until such time as a written notice to the contrary be given to GE and that the latter has acknowledged receipt thereof

3. The directors, officers and employees of the Corporation authorized by the foregoing Resolution to do any act or thing for and on behalf of the Corporation are and will sign as follows:

Names	Titles	Signatures
Derrick West	**Chief Financial Officer**	⊗ [signature]

Signed at **Moncton** this **28th** day of **September, 2011**.

⊛ [signature]
(SCEAU)
Director

GE 1008A E (06-2001)

8698749001

Attached is Exhibit "5" to the

Affidavit of Michael Pisani sworn the

12th day of April, 2013.

A Commissioner, Etc.

Lara Fitzgerald-Husek, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires April 29, 2014.

9512659.1

GE Capital

EQUIPMENT LOAN AND SECURITY AGREEMENT

239 Brownlow Ave., Suite 204
Dartmouth, Nova Scotia, B3B 2B2, Tel: (902) 468-8266, Fax: (902) 468-8270

No: 8724235001

CLIENT: Landdrill International Ltd.

ADDRESS: 160 MacNaughton Ave.
Moncton,New Brunswick
E1H 3L9

CONTACT: Camilla Cormier
Tel: (506) 388-8100

EQUIPMENT LOCATION (if at address other than above)

INSURANCE
Assurance Goguen Champlain Insurance Inc
1040 Champlain St Ste 200
Dieppe
E1A 8L8

EQUIPMENT

UNITS	MODEL	YEAR	DESCRIPTION	SERIAL Nos.
			See Schedule A which is an integral part of this agreement.	

FINANCED AMOUNT

Amount Advanced: 1,200,000.00 CAD
Insurance Premium:
Financing fees.
Financed Amount: 1,200,000.00 = CAD

FINANCING RATE: Fixed Rate 9.042% p.a.
Daily

INSTALMENTS
Instalments: $ 50,995.48 CAD
Instalment date:
Frequency: Monthly
No. of Instalments: 30
First Instalment date:
Original Term: 30 months

ADDITIONAL PROVISIONS
See Schedule B which is an integral part of this agreement.

In consideration of the loan (the "Loan") by Lender (as defined below) to Client in the amount specified under the heading "Financed Amount" above, the receipt of which Client hereby acknowledges, Client acknowledges itself indebted and promises to repay to Lender the Financed Amount. Client also acknowledges that it has agreed to grant to Lender a security interest in the Equipment described above to secure repayment of the Financed Amount on the terms and conditions set forth above, on pages 1, 2, 3 and 4 of document 15133E attached hereto, on all applicable schedules and other attachments hereto, all of which terms and conditions form a part of this Equipment Loan and Security Agreement.

IN WITNESS WHEREOF the parties hereto have executed this Equipment Loan and Security Agreement at Moncton in the province of New Brunswick, this 23rd day of March 2012.

Landdrill International Ltd.

By: ("CLIENT")
SIGNATURE OF AUTHORIZED OFFICERS
CFO
TITLE
C.E.O
TITLE

GE Canada Equipment Financing G.P.

By: ("LENDER")
SIGNATURE OF AUTHORIZED OFFICERS
Sr. Acct. Mgr.
TITLE
AAM
TITLE

GE 14133A E (12-95)

GE Capital

SCHEDULE A

No: 8724235001

This SCHEDULE A is an integral part of the EQUIPMENT LOAN AND SECURITY AGREEMENT No. 8724235001 executed at Moncton in the province of New Brunswick, this 23rd day of March 2012.

EQUIPMENT

UNITS	MODEL	YEAR	DESCRIPTION	SERIAL Nos.
			Komatsu Wheel Loader, enclosed cab, diesel engine, bucket & forks, 4 X 29.5R25 NEW Tires (STL-3), 1992, model WA500-1.1, s/n: A20867	
			Komatsu Wheel Loader, enclosed cab, diesel engine, bucket, 26.5R25 Tires, 1986, model WA450-1, s/n: 10669	
			Kubota Utility Tractor, 2003, model M9000, s/n: 58277, enclosed cab, 4 X 4, M940, quick attach, bucket & forks, incl. Bobcat backhoe model 911 S/N 6560461-M-1037	
			Caterpillar Crawler Tractor, enclosed cab, 6-way blade, hydraulic winch, 1998, model D6M LGP, s/n: 4JN01031	
			Caterpillar Crawler Tractor, enclosed cab, 6S blade, 1994, model D6H LGP serie II, s/n: 3YG05905	
			Caterpillar Crawler Tractor, enclosed cab, 6A blade, winch, 1987, model D6D, s/n: 06X01655	
			Caterpillar Crawler Tractor, enclosed cab, 6A blade, winch, 1985, model D6D LGP, s/n: 06x01946	
			Caterpillar Crawler Tractor, enclosed cab, 6A blade, winch, New Traction, Appraised as completed, 1985, model D6D LGP, s/n: 06X01897	
			Caterpillar Crawler Tractor, open cab, 6A blade, winch, 1984, model D6D, s/n 06X01130	
			Caterpillar Crawler Tractor, enclosed cab, winch, 1984, model D6D LGP, s/n: 06X01796	
			Caterpillar Crawler Tractor, enclosed cab, 6A blade, winch, 1980, model D6D, s/n: 20X02255	
			John Deere Hydraulic Excavator, bucket with teeth, 1999, model 330LC, s/n: FF0330X080503	
			John Deere Hydraulic Excavator, bucket with teeth, 1998, model 270LC, s/n. FF027X070157	
			Morooka NEW Track Dump Carrier, open cab, rubber Track, 2011, model MST-300VD, s/n: 4026	
			Morooka New Track Dump Carrier, Forestry cab, rubber track, extended box, 2011, model MST-300VD, s/n: 4027	
			Canycom Muskeg Crawler Carrier, enclosed cab, rubber track, 1998, model S40, s/n: 6980002	
			Morako Nissan Crawler Carrier, 1995, model Hanix, s/n: R8000173	
			Morooka Muskeg Crawler Carrier, enclosed cab, rubber track, 1994, model MK-50, s/n: T-50079	
			Bombardier Muskeg Crawler Carrier, open cab, 1968, s/n: 2SAAOM3040R0400270	
			Bombardier All Terrain Vehicle, s/n: 321830461	
			Clark Wheel Mounted Log Skidder , 1989, model Ranger F667, s/n: 56111964CAC	
			Clark Wheel Mounted Log Skidder, 1988, model F667, s/n: 56111943CAC	
			Timberjack Wheel Mounted Log Skidder, 1990, model 450B, s/n: CK2377	
			Clark Wheel Mounted Log Skidder, 1987, model Ranger F667, s/n: 56111915CAC	
			Timberjack Wheel Mounted Log Skidder , 1988, model 450, s/n: 358238	
			JCB Rough Terrain Forklift, 8000 lb cap., 1997, model 930CA, s/n: 608904	

Initial

GE 14133W E (12-95)

GE Capital

SCHEDULE A

No: 8724235001

This SCHEDULE A is an integral part of the EQUIPMENT LOAN AND SECURITY AGREEMENT No. 8724235001 executed at Moncton in the province of New Brunswick, this 23rd day of March 2012.

EQUIPMENT

UNITS	MODEL	YEAR	DESCRIPTION	SERIAL Nos.
			GMC T/A Water Truck, 2000, model 7500, s/n: 1GDL7H1C5YJ517053	
			GMC T/A Water Truck, 4000 gal cap., 1998, model C8500, s/n: 1GDT7H4C6WJ521640	
			Holden Utility 5th wheel Trailer, 1998, model HGN21, s/n: 12HGN2831WS105388	
			Roussy Off Road Warehouse Trailer, 1986, s/n: 2R1B3W3C9G1003307	
			Temisko Off Road Warehouse Trailer, 1989, s/n: 2M5921463K1022675	
			IHC Large Snowplow Truck, used only on forestry roads, 1988, s/n: 1HTZUDBR2JH550420	
			Bombardier Snowmobile, 2011, model Tundra Sport 550F, s/n: 2BPSGKBA2BV000538	
			Bombardier Snowmobile, 2011, model Tundra Sport 550F, s/n: 2BPSGKBA4BV000704	
			Bombardier Snowmobile, 2011, model Tundra Sport 550F, s/n: 2BPSGKBAXBV000710	
			Bombardier Snowmobile, 2011, model Tundra Sport 550F, s/n: 2BPSGKBA4BV000623	
			Bombardier Snowmobile, 2007, model Tundra Skandic 300F, s/n: 2BPSGA7B97V001043	
			Bombardier Snowmobile, 2011, model Expedition Sport 550F, s/n: 2BPSKABA4BV000114	
			Bombardier Snowmobile, 2011, model Expedition Sport 550F, s/n: 2BPSKABA4BV000162	
			Bombardier Snowmobile, 2011, model Tundra Sport 550, s/n: 2BPSGKBA1BV000689	
			Bombardier Snowmobile, 2011, model Tundra Sport 550, s/n: 2BPSGKBA6BV000848	
			Bombardier Snowmobile, 2011, model Tundra Sport 550F, s/n: 2BPSGKBA5BV000839	
			Bombardier Snowmobile, 2011, model Tundra Sport 550F, s/n: 2BPSGKBA8BV000365	
			Bombardier Snowmobile, 2011, model Tundra Sport 550F, s/n: 2BPSGKBA5BV000419	
			Cummins Skid Mounted Onan Genset, 175 KVA, Cummins diesel engine c/w electric panels, s/n: C080164436	
			Lincoln Electric Welder, gas engine, model Ranger 225	

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GE Capital

SCHEDULE A

No: 8724235001

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EQUIPMENT

UNITS	MODEL	YEAR	DESCRIPTION	SERIAL Nos.
			Rig 65- 2011 Schramm Rotadrill (45 °) Track mounted heat loop Rig model T450GT S/N: 0104-0149, C15 engine, Sullair Compressor model 1050/350" (1) Skid Mounted unitized Diesel Tank	
			Rig 62- "NEW 2011 Zinex Mining Corp. Helicopter Portable Exploration Diamond Drill model A5, s/n: 2011-039. Isuzu diesel engine, HQ Boyles Head, Boyles Foot Clam, Mud pump, Aluminum Boom, Skid Mounted on a unitized light container, no rod handler" "c/w accessories : (1) Skid mounted unitized rod box(1) Skid Mounted unitized clear water pump shack (1) Skid Mounted unitized Diesel Tank"	
			Rig 61- "NEW 2011 Zinex Mining Corp. s/n. 2011-035, Helicopter Portable Exploration Diamond Drill model A5. Isuzu diesel engine. HQ Boyles Head, Boyles Foot Clam, Mud pump, Aluminum Boom,no shack, no rod handler" "c/w accessories : (1) Skid mounted unitized rod box(1) Skid Mounted unitized clear water pump shack (1) Skid Mounted unitized Diesel Tank"	
			Rig 56- "2011 Usinage Marcotte Exploration Diamond Drill model HTM-2500, s/n: FLDI-089-01 / FLDI-0888 / LEM-005, Cummins diesel engine, PQ Boyles Head, Marcotte Foot Clam, Mud pump, Steel boom, Marcotte Rod handler, Skid Mounted on a unitized light container " "c/w accessories : (1) Skid mounted unitized rod box(1) Skid Mounted unitized clear water pump shack (1) Skid Mounted unitized Diesel Tank"	
			Rig 46- "2011 Usinage Marcotte Exploration Diamond Drill model HTM-2500. Cummins diesel engine, PQ Boyles Head, Marcotte Foot Clam, Mud pump, Steel boom, Marcotte Rod handler, Skid Mounted on a unitized light container" "c/w accessories : (1) Skid mounted unitized rod box(1) Skid Mounted unitized clear water pump shack (1) Skid Mounted unitized Diesel Tank"	
			Rig 45- "2011 Helicopter Portable Exploration Diamond Drill,Duralite model 1000N, s/n: DL201102, John Deere diesel engine, PQ Boyles Head, Boyles Foot Clam, Skid Mounted on a unitized light container, no rod handler, with B' drill head" "c/w accessories : (1) Skid mounted unitized rod box(1) Skid Mounted unitized clear water pump shack (1) Skid Mounted unitized Diesel Tank"	
			Rig 44- "2011 Zinex Mining Corp Helicopter Portable Exploration Diamond Drill model A5, s/n: 2011-015, Isuzu diesel engine, HQ Boyles Head, Boyles Foot Clam, Mud pump, Aluminum Boom, Skid Mounted on a unitized light container, no rod handler" "c/w accessories : (1) Skid mounted unitized rod box(1) Skid Mounted unitized clear water pump shack (1) Skid Mounted unitized Diesel Tank"	

Initial

GE Capital

SCHEDULE A

No: 8724235001

This SCHEDULE A is an integral part of the EQUIPMENT LOAN AND SECURITY AGREEMENT No. 8724235001 executed at Moncton in the province of New Brunswick, this 23rd day of March 2012.

EQUIPMENT

UNITS	MODEL	YEAR	DESCRIPTION	SERIAL Nos.
			Rig 43- " 2011 Zinex Mining Corp Helicopter Portable Drill ExplorationDiamond Drill model A5, Isuzu diesel engine, HQ Boyles Head, Boyles Foot Clam, Mud pump, Aluminum Boom, Skid Mounted on a unitized light container, no rod handler" "c/w accessories : (1) Skid mounted unitized rod box(1) Skid Mounted unitized clear water pump shack (1) Skid Mounted unitized Diesel Tank"	
			Rig 42- "NEW 2011 Zinex Mining Corp. Helicopter Portable Exploration Diamond Drill model A5, s/n: 2011-017, Isuzu diesel engine, HQ Boyles Head, Boyles Foot Clam, Mud pump, Aluminum Boom, assumed with Shack, no rod handler" "c/w accessories : (1) Skid mounted unitized rod box(1) Skid Mounted unitized clear water pump shack (1) Skid Mounted unitized Diesel Tank"	
			Rig 37- "2008 Duralite Helicopter Portable Exploration Diamond Drill model LEM-500FLY, s/n: CH2008021, diesel engine, Skid Mounted on a unitized light container, rod handler, assumed to have HQ Boyles Head and ready to work" "c/w accessories : (1) Skid mounted unitized rod box(1) Skid Mounted unitized clear water pump shack (1) Skid Mounted unitized Diesel Tank"	
			Rig 34- "2009 Forage Val d'Or Exploration Diamond Drill model LM1500, s/n: 0090802, Cummins diesel engine, PQ Boyles Head, Marcotte Foot Clam, Mud pump, Steel boom, Marcotte Rod handler, Skid Mounted on a unitized light container " "c/w accessories : (1) Skid mounted unitized rod box(1) Skid Mounted unitized clear water pump shack (1) Skid Mounted unitized Diesel Tank"	
			Rig 29- "2007 Usinage Marcotte Exploration Diamond Drill model HTM-2500, s/n: 46807865, Refurbished Cummins diesel engine, PQ Boyles Head, Marcotte Foot Clam , Mud pump, Steel boom, Marcotte Rod handler, Skid Mounted on a unitized light container " "c/w accessories : (1) Skid mounted unitized rod box(1) Skid Mounted unitized clear water pump shack (1) Skid Mounted unitized Diesel Tank"	
			Rig 28- "2007 Usinage Marcotte Exploration Diamond Drill model HTM-2500, s/n: 46681282, Cummins diesel engine, HQ Boyles Head, Boyles Foot Clam, Mud pump, Steel boom, Marcotte Rod handler, Skid Mounted on a unitized light container " "c/w accessories : (1) Skid mounted unitized rod box(1) Skid Mounted unitized clear water pump shack (1) Skid Mounted unitized Diesel Tank"	
			Rig 26- "2007 Usinage Marcotte Exploration Diamond Drill model HTM-2500, s/n: 46752892, Cummins diesel engine, HQ Boyles Head, Marcotte Foot Clam, Mud pump, Steel boom, Marcotte Rod handler, Skid Mounted on a unitized light container " "c/w accessories : (1) Skid mounted unitized rod box(1) Skid Mounted	

Initial

GE 14133W E (12-95)

GE Capital

SCHEDULE A

No: 8724235001

This SCHEDULE A is an integral part of the EQUIPMENT LOAN AND SECURITY AGREEMENT No. 8724235001 executed at Moncton in the province of New Brunswick, this 23rd day of March 2012.

EQUIPMENT

UNITS	MODEL	YEAR	DESCRIPTION	SERIAL Nos.
			unitized clear water pump shack (1) Skid Mounted unitized Diesel Tank"	
			Rig 25- "2004 Usinage Marcotte Exploration Diamond Drill model HTM-2500. s/n: Diesel Engine # RG6081A173601. Refurbished John Deere diesel engine. HQ Boyles Head. Marcotte Foot Clam, Mud pump, Steel boom, Marcotte Rod handler. Skid Mounted on a unitized light container" "c/w accessories : (1) Skid mounted unitized rod box(1) Skid Mounted unitized clear water pump shack (1) Skid Mounted unitized Diesel Tank"	
			Rig 23- "2008 Usinage Marcotte Exploration Diamond Drill model HTM-2500, s/n: 46888646 / UM-014-037, Refurbished Cummins diesel engine. HQ Boyles Head. Marcotte Foot Clam. Mud pump, Steel boom, Marcotte Rod handler, Skid Mounted on a unitized light container" "c/w accessories : (1) Skid mounted unitized rod box(1) Skid Mounted unitized clear water pump shack (1) Skid Mounted unitized Diesel Tank"	
			Rig 20- "2008 Usinage Marcotte Exploration Diamond Drill model LEM-2500, Refurbished Cummins diesel engine, HQ Boyles Head. Marcotte Foot Clam, Mud pump. Steel boom. Marcotte Rod handler, Skid Mounted on a unitized light container" "c/w accessories : (1) Skid mounted unitized rod box(1) Skid Mounted unitized clear water pump shack (1) Skid Mounted unitized Diesel Tank"	
			Rig 19- "2008 Orbit Garant Drilling Exploration Diamond Drill model LEM-2500, s/n: '46793507, Refurbished John Deere diesel engine. HQ Boyles Head, Marcotte Foot Clam. Mud pump, Steel boom, Marcotte Rod handler. Skid Mounted on a unitized light container, rod handler, with P' drill head" "c/w accessories : (1) Skid mounted unitized rod box(1) Skid Mounted unitized clear water pump shack (1) Skid Mounted unitized Diesel Tank"	
			Rig 18- "2008 Orbit Garant Drilling Exploration Diamond Drill model LEM-2500. s/n: '46800560. Cummins diesel engine. HQ Boyles Head, Marcotte Foot Clam, Mud pump. Steel boom. Marcotte Rod handler, Skid Mounted on a unitized light container, rod handler, with P' drill head" "c/w accessories : (1) Skid mounted unitized rod box(1) Skid Mounted unitized clear water pump shack (1) Skid Mounted unitized Diesel Tank"	
			Rig 17- "2008, Orbit Garant Drilling Exploration Diamond Drill modelLEM-2500. s/n: '46793501, Cummins diesel engine. HQ Boyles Head, Marcotte Foot Clam, Mud pump, Steel boom, Marcotte rod handler. Skid Mounted on a unitized light container" "c/w accessories : (1) Skid mounted unitized rod box(1) Skid Mounted unitized clear water pump shack (1) Skid Mounted unitized Diesel Tank" Rig 14- "2005 Atelier Val-d'Or Exploration Diamond Drill model VD-5000. s/n: VD5000-LEM-01. Refurbished John Deere diesel engine. HQ Boyles	

Initial [signature]

GE Capital

SCHEDULE A

No: 8724235001

This SCHEDULE A is an integral part of the EQUIPMENT LOAN AND SECURITY AGREEMENT No. 8724235001 executed at Moncton in the province of New Brunswick, this 23rd day of March 2012.

EQUIPMENT

UNITS	MODEL	YEAR	DESCRIPTION	SERIAL Nos.
			Head, Boyles Foot Clam, Mud pump, Steel boom, Atelier Val-d'Or rod handler, Skid Mounted on a unitized light container " "c/w accessories : (1) Skid mourted unitized rod box(1) Skid Mounted unitized clear water pump shack (1) Skid Mounted unitized Diesel Tank"	
			Rig 13- "2005 Atelier Val-d'Or Exploration Diamond Drill model VD5000, s/n: VD5000-LEM-02, John Deere diesel engine, PQ Boyles Head, Boyles Foot Clam, Mud pump, Steel boom, Atelier Val-d'Or rod handler, Skid Mounted on a unitized light container " "c/w accessories : (1) Skid mounted unitized rod box(1) Skid Mounted unitized clear water pump shack (1) Skid Mounted unitized Diesel Tank"	
			Rig 27- Boyles Exploration Diamond Drill c/w Atlas Copco, s/n: SL912	
			Rig 36- "Acker Drill Co Exploration Drill model Soil Sentry, s/n: 0079081084, Mounted on a Muskeg Morooka model MST-700 s/n 70883"	
			Rig 24- "2004 Usinage Marcotte Exploration Diamond Drill model LEM-2500, Cummins diesel engine, HQ Boyles Head, Marcotte, Foot Clam , Mud pump, Steel boom, Marcotte Rod handler, Skid Mounted on a unitized light container " "c/w accessories : (1) Skid mounted unitized rod box(1) Skid Mounted unitized clear water pump shack (1) Skid Mounted unitized Diesel Tank	

Landdrill International Ltd. ("CLIENT")

By: Ronald Morgan CEO
SIGNATURE OF AUTHORIZED OFFICERS TITLE

GE Canada Equipment Financing G.P. ("LENDER")

By: Roland Thum, Sr. Act. Mgr. TITLE
SIGNATURE OF AUTHORIZED OFFICERS AAM TITLE

GE 14133W E (12-95)

GE Capital

SCHEDULE B

No: 8724235001

This SCHEDULE B is an integral part of the EQUIPMENT LOAN AND SECURITY AGREEMENT No. 8724235001 executed at Moncton in the province of New Brunswick, this 23rd day of March 2012.

ADDITIONAL PROVISIONS

TRANSACTION FEE

Client agrees to pay a transaction fee of CAD $ 19,800.00 upon signature hereof.

INTEREST RATE (CAD SWAP)

The Financed Amount will bear interest at an annual rate equal to 755 basis points above the ask rate for a 2 year CA dollar fixed interest rate swap compounded semi-annually as indicated on the Thomson Reuters Interest Rate Spread Quick Chart CADSB3CB2Y=RR published on the Reuters 3000 Xtra Hosted Terminal Platform for the Friday preceding the disbursement date. This rate shall remain fixed for the entire term of this Agreement. For ease of reference only, Thomson Reuters makes available on the GE web site (www.gecapitalsolutions.ca) a table setting forth such 2 year CA dollar rate for the dates indicated in the table, it being understood that such rates are made available for information purposes only and should not at any time be considered the official reference rates. For indication purposes only, the applicable 2 year swap rate today is 1.492%, plus 755 bps, resulting in a fixed interest rate of 9.042%. The Instalments and the Financing Rate on the signature page of this Agreement are for indication purposes only.

PRICING ADJUSTMENT

In order to preserve the Lender's net economic return, Lender in its sole discretion may adjust the pricing at any time prior to disbursement to reflect: (1) changes in the pricing assumptions of this Agreement; (2) a change in the Lender's funding index rate; (3) tax law changes applicable to the Client; and (4) general market conditions.

LOCATION AND CONDITIONS ON THE EQUIPMENT

1. The Equipment described in Schedule A will be located in the provinces of New Brunswick, Nova Scotia, Quebec, Ontario and New Foundland and Labrador, and more particularly at the following locations: Pickle Lake, Rio Tinto, Havre St-Pierre, Moncton shop, NDDN shop, Wabush shop, Detour Lake, Champion, Trelawny, IOC Mine Labrador.

2. Client agrees that the Equipment will remain in Canada in the above mentioned provinces at all times. Client must notify Lender at least 30 days ahead of time of any proposal to transfer any of the Equipment to a province other than the above mentioned provinces. In addition, Client shall not move the equipment to any other country unless it has obtained the prior written consent of Lender to do so

3. Client undertakes not to use the shaft access in the various locations to move or transport the Equipment. The Equipment shall only be moved or transported using the slope access.

CONDITIONS PRECEDENT TO DISBURSEMENT

The Financed Amount will not be disbursed by the Lender before all the following conditions have been met and all the following documentation have been delivered to the Lender, the whole at the Lender entire's satisfaction:

1. all security and guarantees set forth in the " Security " section have been signed and the security registered and perfected wherever appropriate with the rank and priority indicated in such section;

2. delivery of a signed and binding copy of Norepp Credit Opportunities Fund LP ("Norrep") and/or Crown Capital Partners Inc.' credit

Initial

GE Capital

SCHEDULE B

No: 8724235001

This SCHEDULE B is an integral part of the EQUIPMENT LOAN AND SECURITY AGREEMENT No. 8724235001 executed at Moncton in the province of New Brunswick, this 23rd day of March 2012.

ADDITIONAL PROVISIONS

line facility offer for $ 8,000,000.00 and the related credit agreement;

3. delivery of evidence of disbursement of Norepp and/or Crown Capital Partners Inc.' credit line facility of $ 8,000,000.00 ("Norrep Credit Line Facility") and confirmation that Canadian Imperial Bank of Commerce's ("CIBC") credit line facility has been repaid, except for a maximum amount of $ 50,000.00 ("CIBC Credit Line Facility"):

4. delivery of evidence that the CIBC Credit Line Facility is still in place, as reduced as per the requirements in 3 above, or, alternatively, that the Norrep Credit Line Facility replaces the CIBC Credit Line Facility.

TERM AND INSTALMENTS

The Financed Amount is made available to Client for a period of 30 months calculated from the disbursement date.

Notwithstanding the amount of each Instalment stated on the face hereof, the Instalments for the months of January and February, 2013 will be in the amount of $ 6,109.65, and the Instalments for the months of January and February, 2014 will be in the amount of $ 2,610.49, which amounts represent interests only. All other Instalments shall be paid in accordance with the terms hereof.

SECURITY

The repayment of the Accrued Liability and the performance by the Client of all its Obligations towards Lender shall be secured by:

1. a First ranking security interest and hypothec on the Equipment;

2. a General Security And Movable Hypothec Agreement (already in place) on all present and future moveable/personal property of the Client, which shall be:

a) first ranking on all present and after-acquired/future equipment of Client, including the Equipment and all present and futur attachments, accessories and accessions thereto and all spare parts, replacements, substitutions, exchanges and trade-ins therefor and all intangibles and proceeds related thereto:

b) second ranking, after Norrep on all other assets;

c) second ranking, after CIBC on accounts receivables and inventory.

3. a Guarantee and Indemnity Agreement from Landdrill International Inc. in an amount of $1,200,000.00;

4. a Guarantee and Indemnity Agreement from Landdrill Atlantic Ltd. in an amount of $1,200,000.00.

5. a Guarantee and Indemnity Agreement from Nitasi Landdrill Limited Partnership by its general partner Landdrill Atlantic Ltd. in an amount of $1,200,000.00.

6. A General Security Agreement with Landdrill International Inc. (already in place).

Initial

GE Capital

SCHEDULE B

No: 8724235001

This SCHEDULE B is an integral part of the EQUIPMENT LOAN AND SECURITY AGREEMENT No. 8724235001 executed at Moncton in the province of New Brunswick, this 23rd day of March 2012.

ADDITIONAL PROVISIONS

UNDERTAKING

In addition to convenants and undertakings contained herein, Client undertakes not to request or draw any sum from the CIBC Credit Line Facility or any other credit facility with CIBC or any other lender without Lender's prior written consent and unless all sums have been repaid under the Norrep Credit Line Facility and all their security has been discharged.

HYPOTHEC

In addition to the security interest created in Section 5.1 of document 15133 E attached herein and in consideration of the Loan, for the purpose of securing payment of the Accrued Liability and the performance by Client of all Obligations, Client does hereby hypothecate in favour of Lender the Equipment and the Receivables (as defined below) for an amount of $1,440,000.00 with interest thereon at the rate of 24% per annum.

"Receivables" means the universality consisting of all the rights, title and interest of the Client in and to all claims directly or indirectly held or enjoyed in connection with the possession and use of the Equipment, including without limitation: (a) all income, revenues and profits and other amounts payable or derived from the use, any leasing, renting or hiring, of the Equipment; (b) all indemnities or insurance proceeds, if any, paid or to be paid or to which the Client is or may become entitled, pursuant to any insurance policies covering the Equipment; and (c) all benefits, including full power and authority to demand, sue for, recover, receive and give receipts for all moneys payable and otherwise to enforce the rights of the Client to receive and collect such moneys.

The definition of "security interest" in Section 5.1 of document 15133 E shall, for greater certainty, be deemed to include a reference to the hypothec hereby constituted.

The hypothec created herein shall be governed, construed and enforced in accordance with the laws of the Province of Québec and the federal laws of Canada applicable therein.

DEFAULT

Article 13 of document 15133 E is amended to add the following paragraph (l) to be inserted after paragraph (k):

"(l) Landdrill International Inc. fails to meet any of the financial covenants set forth in the agreements related to the Norrep Credit Line Facility or the CIBC Credit Line Facility and such default hereunder shall continue even if CIBC or Norrep waives the default under their facility."

LENDER'S REMEDIES ON DEFAULT

Section 14(g) of document 15133 E is replaced by the following:

"(g) exercise any other rights or remedies and/or take any proceedings available to Lender hereunder, at law or in equity, including the right to declare that the hypothec hereby constituted has become enforceable and forthwith, subject to the compulsory formalities provided by

Initial

GE Capital

SCHEDULE B

No: 8724235001

This SCHEDULE B is an integral part of the **EQUIPMENT LOAN AND SECURITY AGREEMENT No. 8724235001 executed at Moncton in the province of New Brunswick, this 23rd day of March 2012.**

ADDITIONAL PROVISIONS

law, if any, exercise any and all of the rights provided for in Chapter V of Title III of Book VI of the Civil Code of Québec and in the Code of Civil Procedure of Québec."

ADDITIONAL ADJUSTMENTS

In the first line of Section 3.1 of document 15133 E, the words "date hereof" are replaced by the words "date of disbursement". The remainder of the section remains unmodified.

Section 11 of the Agreement is deleted and replaced by the following : "Client shall keep Equipment free of any and all Liens ranking senior to Lender's Liens. If Client creates any Liens ranking junior or posterior to Lender's Liens, Client shall inform Lender in writing of same within 15 days of the creation of such Liens."

The following sentence is added at the end of Section 16 of document 15133 E : "Notwithstanding the foregoing, under no circumstances shall Client be liable to special or consequential damages of any nature."

Landdrill International Ltd. ("CLIENT")	**GE Canada Equipment Financing G.P.** ("LENDER")
By: CFO TITLE	By: Roland [signature], Sr. Acct. Mgr. TITLE
Donald J Hogan CEO TITLE	AAM TITLE
SIGNATURE OF AUTHORIZED OFFICERS	SIGNATURE OF AUTHORIZED OFFICERS

GE 14133W E (12-95)

GE Capital

EQUIPMENT LOAN AND SECURITY AGREEMENT

1. *Interpretation*

1.1 For the purpose of this Agreement:

(a) "Accrued Liability" at any time means the amount equal to the sum of the Financed Amount, any Prepayment Bonus and all other amounts then payable hereunder, including without limitation, any Overdue Payment and accrued interest.

(b) "Affiliate" means in respect of a person, a person or persons that, directly or indirectly through one or more intermediaries, control, are controlled by, or are under common control with, such person, and for the purposes of this definition, "control" means the power to direct or cause the direction of the management and policies of a person whether through the ownership of voting securities or otherwise, and "person" means an individual, corporation, partnership, joint venture, association, trust or unincorporated organization or any trustee, executor, administrator or other legal representative.

(c) "Agreement" means this Equipment Loan and Security Agreement and any applicable schedules hereto, unless the context otherwise requires, and "hereof", "herein", "hereby", "hereunder" and similar expressions refer to this Agreement.

(d) "business day" means a day when the office of Lender at the address stated on the face hereof is open for business.

(e) "Claims" has the meaning assigned in Section 16.

(f) "control" has the meaning attributed to it in the *Canada Business Corporations Act*.

(g) "Client" means the client of Lender stated on the face hereof.

(h) "Conversion Rate" means the rate, expressed in CAD for the purchase of one US dollar, determined by adding 0.0050 CAD/USD to the highest rate which appears on the Bloomberg CAD G-T Page between 7 AM and 5 PM (EST).

(i) "Costs of Disposition" means all costs, disbursements, fees, commissions and other expenses (including legal fees and expenses) which Lender may incur, pay or be liable for in connection with recovering possession of, dismantling, removing, transporting, repairing, processing, reconditioning, storing, selling, leasing or otherwise disposing of Equipment.

(j) "Default" means any of those events or circumstances specified in Section 13.

(k) "Equipment" means the items of personal property described on the face hereof and, when required by the context, individual items thereof.

(l) "Equities" means existing or future rights of counterclaim, defence, set-off, compensation, abatement or offset, legal or equitable.

(m) "Financed Amount" means the amount stated as such on the face hereof owing by Client to Lender or the unpaid outstanding balance thereof, as the context requires.

(n) "Financing Rate" means the rate per annum stated as such on the face hereof.

(o) "Instalments" means the periodic repayment instalments of the Financed Amount together with interest calculated at the Financing Rate as provided on the face hereof, such instalments stated on the face hereof.

(p) "Lender" means the Lender stated on the face hereof.

(q) "Lien" means any lien, privilege, mortgage, pledge, hypothec, charge, security interest, attachment, assignment, seizure, sequestration, distress, levy or other encumbrance of any nature or kind whatsoever.

(r) "Loss of Equipment" means:

(i) a total or constructive total loss of Equipment, or damage thereto or theft thereof which, in the reasonable opinion of Lender, renders it impossible or impractical to use the Equipment for its intended purpose; or

(ii) expropriation or confiscation of Equipment by any authority absolutely or for more than 180 days.

(s) "Obligation" means any obligation by Client to pay any amount owing hereunder, including the Financed Amount, Overdue Payments and all other amounts owing hereunder, or to perform any other obligation of Client hereunder or which is secured hereunder.

(t) "Overdue Payment" means any amount owing by Client hereunder and any sum disbursed by Lender pursuant to Section 15 which is not paid when due hereunder, or any portion thereof.

(u) "person" means any natural person, corporation, firm, partnership, trust, sole proprietorship or governmental agency, authority or other entity, however constituted or designated.

(v) "Pledge" means to mortgage, charge, pledge, hypothecate, assign or grant a security interest and the security resulting therefrom and, as a noun, has the corresponding meaning.

(w) "Prepayment Bonus" means a prepayment bonus determined in accordance with Section 2.2.

(x) "Prime Rate" means the yearly rate of interest which National Bank of Canada announces from time to time in Canada as its prime lending rate which is a reference rate for demand loans in Canadian dollars to corporate borrowers.

(y) "Supplier" means any manufacturer, supplier, vendor of or dealer in Equipment or any other person from whom Client has acquired any of the Equipment.

(z) "Taxes" means any and all taxes, imposts, levies, fees, duties and charges imposed by any taxing authority on Lender, Client, the Equipment, its purchase, sale, ownership, security interest thereon, delivery, possession, operation or use including, without limitation, sales, excise, use, health services, property, goods and services, business transfer and value added taxes (including any penalties or interest based on late or non-payment), but excluding taxes imposed on or measured by Lender's overall net income.

(aa) "Warranties" means any and all warranties, guarantees, representations, service contracts, contracts to stock spare parts and similar agreements, oral or written, express, implied or statutory, relating to Equipment.

1.2 In this Agreement, unless the context otherwise requires, the singular includes the plural and vice-versa and words importing gender include each gender.

1.3 All references herein to statutes include the statute as it may be amended, restated or replaced with legislation of comparable effect.

1.4 Acts to be performed hereunder on non-business days shall be performed on the following business day.

2. *Instalments*

2.1 Client hereby acknowledges that it has borrowed from Lender and is thereby, or has otherwise become, indebted to and agrees to repay to Lender, at the address of Lender stated on the face hereof or such other place notified by Lender to Client, the Financed Amount together with interest thereon, by paying the Instalments stated on the face hereof. Unless otherwise stated, Instalments are due on the dates stated on the face hereof in each month, or other period (or the last day of the month, if there is no corresponding date), in arrears, throughout the term hereof. On the final instalment date, Client shall pay Lender the outstanding balance of the Financed Amount, all accrued and unpaid interest thereon and all other amounts payable hereunder.

2.2 Client may at any time prepay the Financed Amount in whole or in part upon payment to Lender of a Prepayment Bonus determined as follows:

(a) if the Financing Rate is a variable rate based on Prime Rate, the bonus shall be three months' interest on the amount prepaid calculated at the Financing Rate in effect at the time of prepayment, or

(b) if the Financing Rate is a fixed rate, the bonus shall be either (i) three months' interest on the amount prepaid calculated at the Financing Rate (the "Minimum Bonus"), if the Financing Rate does not exceed the Prime Rate in effect at the time of prepayment ("Current Prime"), or (ii) the greater of (A) the Minimum Bonus or (B) the amount determined as the product of (x) the Financing Rate less Current Prime times (y) the amount prepaid times (z) the fraction of the number of days to elapse until the final Instalment date, disregarding prepayments, divided by 365, if the Financing Rate exceeds Current Prime.

Any portion of the Financed Amount prepaid shall be applied to the remaining Instalments in inverse order of maturity. No part of the Prepayment Bonus shall be applied in reduction of said remaining Instalments. If a Default or a Loss of Equipment occurs, the Prepayment Bonus shall also be payable by Client and shall be calculated by reference to the outstanding balance of the Financed Amount at the time of such Default or Loss of Equipment, as applicable.

3. *Interest*

3.1 The Financed Amount shall bear interest from the date hereof until paid in full to Lender (as well before as after maturity, demand, Default or judgment) at the Financing Rate.

3.2 In addition to interest payable under Section 3.1, each Overdue Payment shall bear interest from the date due until paid in full to Lender (as well before as after demand, Default or judgment) at the rate of 12% per annum, calculated as specified in Section 3.3

3.3 Interest payable hereunder shall accrue from day to day, be payable in arrears on each Instalment date and be computed upon the daily outstanding balance of the Financed Amount or Overdue Payment, as applicable, and shall be calculated on the basis of the number of days elapsed in a 365-day year. The yearly rate of interest to which each rate of interest expressed herein is equivalent is the product of (a) such rate times (b) the fraction of the number of days in the year divided by 365.

3.4 If the Financing Rate is a variable rate based on Prime Rate, a change in Prime Rate automatically changes the rate of interest payable hereunder to the same extent and in the same manner effective with the frequency stated on the face hereof. Lender shall not be obliged to notify Client of any such change, any right to notice being hereby irrevocably waived by Client

4. *Title, Ownership*

Title to, ownership of, and all property in Equipment shall remain with Client, but subject always to the security interests and other provisions hereof, and at Client's sole risk, until full payment in cash of all amounts repayable hereunder; prior to such payment, Client's rights therein are to quiet enjoyment and use on the terms and conditions of this Agreement so long as a Default has not occurred.

5. *Security Interest and Warranties as to Equipment*

5.1 In consideration of the Loan, Client hereby mortgages, hypothecates, charges by way of a first fixed charge, and grants to Lender a continuing security interest therein (collectively called a "security interest") in Equipment and Pledges in favour of Lender all insurance claims and all proceeds (including proceeds of proceeds) therefrom with respect to any loss or damage to Equipment or any lease or rental of Equipment, all to secure repayment of the Financed Amount and other Obligations of Client

5.2 Client represents and warrants to Lender that the Client has good and marketable title to Equipment, free and clear of all Liens, except for the security interests of Lender hereunder. Client agrees to comply with all Warranties accruing to the Client pertaining to Equipment; however, any failure by any vendor to Client of Equipment to comply with any Warranty shall not affect Client's Obligations to Lender hereunder.

6. *Personal Property and Waivers*

6.1 Equipment shall at all times be and remain moveable personal property.

Notwithstanding any purpose for which Equipment may be used or that it may become affixed or attached to land or any structure thereon, Equipment shall remain subject to all rights of Lender hereunder as if it were not so affixed or attached.

6.2 Client agrees to obtain a waiver, if required by and in a form satisfactory to Lender, from any landlord, mortgagee, hypothecary creditor or other encumbrancer of the premises where Equipment is situated (and prior to its becoming affixed if it is to be affixed).

7. *Maintenance, Use, Operation, Alterations, Upgrades, etc.*

7.1 Client shall at its own expense:

(a) maintain Equipment in good operating condition, repair and appearance, ordinary wear and tear only excepted,

(b) comply with all recommendations or requirements of Supplier regarding Equipment so as to preserve all Warranties, and

(c) at Lender's request enter into a maintenance agreement for Equipment for the full term of this Agreement with Supplier or a competent service and maintenance agent approved by Lender.

7.2 Client shall not, without Lender's consent, make any alterations, additions, accessions or attachments to Equipment. Such consent will only be granted if such changes:

(a) do not materially decrease the value of Equipment or limit, interfere with or frustrate its intended use;

(b) do not prejudice or adversely affect any Warranties; and

(c) are free from, and do not subject Equipment to, any Lien.

7.3 All replacement parts and components, alterations, additions, accessions and attachments to Equipment shall automatically become subject to the security interests created hereby as soon as they are acquired by or on behalf of Client.

7.4 Client shall affix and keep affixed to Equipment any labels supplied by Lender identifying its security interests in Equipment.

8. *Inspection*

Any representative of Lender shall have the right to inspect Equipment at all reasonable times upon notice to Client.

9. *Insurance*

9.1 Client shall at its own expense place and maintain with insurers acceptable to Lender:

(a) comprehensive all risks insurance on Equipment for the greater of the Financed Amount or the full replacement value of the Equipment. Such insurance shall include, (i) a loss payable clause in favour of Lender and (ii) a waiver of subrogation clause in favour of Lender; and

(b) general public liability and property damage insurance with limits of liability at least equal to $1,000,000 or such greater amount as Lender may require. Such insurance shall extend to all liabilities of Client under this Agreement arising out of its use or possession of Equipment and to any potential vicarious liability of Lender as holder of security interests in Equipment created hereby.

9.2 All such policies of insurance shall be in place at the effective date of this Agreement and shall contain endorsements providing that (a) 30 days' written notice shall be given to Lender before the policy lapses or is materially altered or cancelled (b) the insurance shall be primary and not contributory; (c) Lender's interests therein shall not be invalidated or otherwise adversely affected by any act or omission, deliberate negligent or otherwise, of Client or its agents, servants or employees (the so-called "standard mortgage clause"); (d) Lender shall not be responsible for payment of any premiums; and (e) Lender may elect to have all proceeds of loss payable only to itself.

9.3 Client shall supply Lender with certified copies of all insurance policies, endorsements or other evidence of the required coverage satisfactory to Lender within 30 days of the effective date of this Agreement and on request

9.4 In the event of damage to any item of Equipment amounting to Loss of Equipment, Lender shall be entitled to receive immediate payment of the amount equal to the Accrued Liability with respect to such item of Equipment. Lender may retain any monies received from the insurance proceeds in an amount equal thereto, Client remaining liable for any deficiency.

10. *Taxes, etc.*

Client shall have the sole responsibility for and shall duly and punctually pay all Taxes and all licence and similar fees payable at any time upon, or in respect of, Equipment, this Agreement and any payments or transactions contemplated hereunder.

11. *Liens*

Client shall keep Equipment free of all Liens.

12. *Laws and Regulations*

Client is and shall continue to be in compliance with all laws and regulations relating to use, operation or possession of Equipment or the security interests therein in favour of Lender, and those relating to the prevention of money laundering and terrorism

13. *Default*

It shall be a Default under this Agreement if

(a) Client fails to pay any Instalment within 10 days after its due date,

(b) any representation or warranty of Client made herein or in any instrument or document delivered to Lender in connection herewith is false or materially incorrect or misleading,

(c) any insurance coverage required to be obtained and maintained by Client under this Agreement shall lapse, expire or be cancelled,

(d) Client defaults in any other Obligation, or in any obligation under any other agreement with Lender or any Affiliate of Lender and such default continues for 10 days after notice thereof by Lender or such Affiliate, as applicable, to Client,

(e) any act of bankruptcy takes place respecting Client, or any proceeding, petition or notice, voluntary or involuntary, is commenced, made, given or filed, as the case may be, by the Client or any other person, under any present or future statute or law relating to bankruptcy, insolvency or relief from or compromise or arrangement with creditors of Client,

(f) Client ceases or threatens to cease to carry on business or makes or proposes to make any sale of the whole or any substantial portion of its assets in bulk, or otherwise out of the normal course of business,

(g) any execution, sequestration, expropriation or similar process is brought or threatened, by way of notice or otherwise, against, or a distress or analogous process is levied upon the whole or any part of the property of Client or Equipment;

(h) any trustee, receiver, interim receiver, administrator, manager or similar official is appointed with respect to all or any part of the property, assets or undertaking of Client, whether pursuant to any private instrument or agreement or by order of any court;

(i) if ownership of or control and direction over the assets or undertaking of Client or the majority of its voting shares changes, by amalgamation, merger, sale, transfer of shares or otherwise, except pursuant to death of the shareholder, or Client passes any

resolution concerning any matter referred to in paragraph (e) or with respect to, or any proceedings, voluntary or involuntary, are commenced under, any present or future law relating to amalgamation, liquidation, winding-up or dissolution;

(j) an event occurs which, in the opinion of Lender, could reasonably be expected to have a material adverse effect on the condition (financial or otherwise), business, operations, assets, liabilities or prospects of Client, Client's ability to perform any Obligation, or any obligation under any other agreement with Lender or any Affiliate of Lender, or on the rights and remedies of Lender thereunder, and continues for 10 days after notice thereof by Lender or such Affiliate, as applicable, to Client; or

(k) any event or circumstance described in any of paragraphs (c) and (e) through (j) inclusive occurs with respect to any guarantor or surety of Client respecting this Agreement or any person who controls Client or any Affiliate of Client.

A Default under this Agreement shall be deemed a default under all other present and future agreements entered into between Client and Lender or any Affiliate of Lender.

14. *Lender's Remedies on Default*

Upon Default, Lender shall be entitled to do one or more of the following:

(a) declare this Agreement to be in default (with or without terminating this Agreement) whereupon all Obligations shall be immediately due, payable and enforceable without any notice or demand whatsoever;

(b) terminate this Agreement;

(c) declare any or all of the Obligations to be immediately due and payable, or be subject to immediate performance, as the case may be, without presentment, protest or notice of dishonor, all of which are expressly waived;

(d) take possession of Equipment, without demand, notice or legal proceeding and enter on any premises of Client or any other person for such purpose;

(e) sell, lease or otherwise dispose of Equipment by public or private transaction for such consideration payable immediately and/or deferred and on such terms and conditions as Lender in its discretion determines;

(f) whether or not this Agreement may have been or be deemed to have been terminated, demand, sue for and recover the amount equal to the Accrued Liability, less, if applicable, the net proceeds to Lender derived from the sale, lease or other disposition of the Equipment, after deducting all Costs of Disposition; and

(g) exercise any other rights or remedies and/or take any proceedings available to Lender hereunder, at law or in equity.

In lieu of selling, leasing or otherwise disposing of Equipment, Lender may retain Equipment and cause Equipment to be valued by a qualified appraiser selected by it and such value shall be substituted for and deducted as net proceeds to Lender under subparagraph (f) of this Section. Proceeds of sale, lease or disposal need be deducted only when received, unless Lender elects to take the present value of payments to be received, discounted at the Financing Rate then in effect, compounded monthly.

15. *Lender's Rights to Remedy Defaults*

If Client fails to perform or comply with any Obligation, Lender may, but has no obligation to, perform same in the name of Client or Lender and make all necessary disbursements in connection therewith, which shall be reimbursed by Client immediately on demand. Lender is hereby appointed Client's lawful attorney to take any such action in Client's name.

16. *Client's General Indemnities*

Client shall indemnify and save harmless Lender from and against all existing or future losses, costs, charges, expenses, liabilities, claims, demands, penalties, damages, suits, actions and causes of action of every nature and kind whatsoever, including strict liability in tort or in delict (collectively, "Claims") sustained or suffered by Lender, or for which Lender may become liable, resulting from or arising out of:

(a) Lender's lawful exercise or performance of its rights or obligations under this Agreement;

(b) the holding by Lender of a security interest in the Equipment;

(c) any Default;

(d) any personal injury or property damage or other commercial loss arising out of the sale or delivery to, installation, ownership, use, operation, maintenance, condition, return, removal and re-delivery of Equipment; or

(e) any use or operation of Equipment which infringes any patent or other industrial or intellectual property right, unless caused by the gross negligence or wilful misconduct of Lender, its employees, servants or agents.

17. *Administrative Fees and Expenses*

Client shall pay Lender on demand Lender's prevailing fees and all costs and disbursements (including legal fees and expenses) certified by Lender as having been incurred or made in connection with the enforcement or preservation of any right or remedy arising on Default or in connection with the rendering of financial services under this Agreement including, without limitation, for processing of payments and rendering statements to Client.

18. *Pre-Authorized Payments*

Client shall execute and deliver to Lender from time to time upon request pre-authorized payment orders in such form as Lender may reasonably request. Lender is hereby authorized to deliver such orders to the financial institution named therein. Client hereby appoints Lender its lawful attorney to take all action contemplated by such payment orders to receive payment of any amount due under this Agreement. Lender may decline any other form of payment.

19. *Location of Equipment*

19.1 Except as otherwise expressly permitted hereunder, Client shall not part with possession of Equipment nor remove any of same from Canada.

19.2 Client covenants that Equipment will continue to be located where stated on the face hereof, or at any other location agreed to in writing by Lender.

20. *Assignment and Leasing*

Client shall not assign any rights hereunder and Client shall not sell or attempt to sell Equipment nor lease or rent or attempt to lease or rent Equipment, in any case without the prior consent of Lender, and such consent may be withheld by Lender in its sole and unfettered discretion. No action aforesaid by Client shall relieve Client of any of its Obligations.

21. *Client's General Representations, Warranties and Covenants*

Client represents and warrants to and covenants with Lender that (a) if Client is a body corporate, it is and will continue to be a body corporate or other legal entity duly and validly incorporated or otherwise established, organized and existing in good standing under the laws of its jurisdiction of incorporation or establishment, with all necessary power and authority to execute, deliver and perform this Agreement; (b) if Client is a body corporate, all of the transactions contemplated herein have been and will be duly authorized by all necessary action, are not and will not be in conflict with the constating documents or by-laws of Client or any indenture, instrument, agreement or undertaking to which it is or will be a party or by which it or its assets are or may become bound; (c) this Agreement is and will continue to be the legal, valid and binding obligation of Client, enforceable against it in accordance with its terms; (d) all Information as defined in Section 41 provided by Client to Lender is accurate; and (e) all payments to Lender are and will be derived from legal sources. Client agrees to furnish to Lender a copy of its most recent annual financial statements, audited if applicable, promptly upon availability and in any event, within 90 days of each financial year-end. Upon request by Lender, Client agrees also to furnish its quarterly financial statements promptly upon availability and, in any event, within 60 days of each financial quarter-end.

22. *Statutory Waivers and Acknowledgement*

22.1 Client waives its right to receive a copy of any financing statement or financing change statement registered by Lender and of any related verification statement.

22.2 Client waives, to the fullest extent permitted by law, the application of the provisions of (a) *The Limitation of Civil Rights Act* (Saskatchewan); and (b) *The Distress Act* (Manitoba). Client agrees that the provisions of this Agreement are commercially reasonable.

23. *NO SET-OFF - EXCLUSION AND ASSIGNMENT OF WARRANTIES*

23.1 CLIENT IRREVOCABLY AND UNCONDITIONALLY WAIVES ALL EQUITIES AGAINST ANY INSTALMENT AND OTHER AMOUNT DUE TO LENDER HEREUNDER AND AGREES TO PAY EACH SUCH INSTALMENT AND OTHER AMOUNT WITHOUT REGARD TO ANY EQUITIES. NEITHER DEFECTS IN, DAMAGE TO, NOR LOSS OR DESTRUCTION OF EQUIPMENT SHALL TERMINATE THIS AGREEMENT OR REDUCE CLIENT'S OBLIGATIONS HEREUNDER, EXCEPT AS OTHERWISE EXPRESSLY PROVIDED HEREIN.

23.2 CLIENT REPRESENTS AND WARRANTS TO AND COVENANTS WITH LENDER THAT EQUIPMENT IS AND WILL BE USED FOR COMMERCIAL, INDUSTRIAL OR BUSINESS PURPOSES ONLY AND NOT FOR PERSONAL, FAMILY, HOUSEHOLD OR FARMING PURPOSES;

23.3 (A) LENDER SHALL NOT BE BOUND BY OR BE DEEMED TO HAVE MADE OR BE LIABLE FOR ANY REPRESENTATION, WARRANTY OR PROMISE MADE BY SUPPLIER OR OTHERWISE; (B) LENDER SHALL NOT BE LIABLE FOR ANY FAILURE OF EQUIPMENT INCLUDING ANY LATENT DEFECT OR ALLEGED FUNDAMENTAL BREACH OF THIS AGREEMENT; (C) NEITHER LENDER NOR ANY OF ITS EMPLOYEES, SERVANTS OR AGENTS HAS MADE AND DOES NOT NOW MAKE ANY REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO EQUIPMENT OR ANY INTELLECTUAL OR INDUSTRIAL PROPERTY RIGHTS THEREIN

INCLUDING, WITHOUT LIMITATION, THE DESIGN, SPECIFICATIONS, CONDITION, QUALITY, MERCHANTABILITY OR FITNESS FOR CLIENT'S PURPOSES AND (D) LENDER SHALL HAVE NO LIABILITY FOR ANY DIRECT, INDIRECT, PUNITIVE, EXEMPLARY, SPECIAL OR CONSEQUENTIAL DAMAGES OR LOSS OF PROFITS, ACTUAL OR ANTICIPATED, OR FOR ANY DAMAGES BASED ON STRICT OR ABSOLUTE TORT OR DELICTUAL LIABILITY OR LENDER'S OR SUPPLIER'S NEGLIGENCE. NOTHING HEREIN SHALL DEPRIVE CLIENT OF ITS RIGHTS AGAINST SUPPLIER OR ANY PERSON OTHER THAN LENDER. CLIENT SHALL MAKE ANY CLAIMS WITH RESPECT TO EQUIPMENT DIRECTLY AGAINST SUPPLIER.

23.4 IF EQUIPMENT IS SEIZED OR SOLD BY LENDER, ALL WARRANTIES OF SUPPLIER AND RIGHTS TO ALL SOFTWARE, OTHER INTELLECTUAL AND INDUSTRIAL PROPERTY LICENSES ACCOMPANYING GOODS SHALL BE DEEMED ASSIGNED BY CLIENT TO LENDER.

24. *Notices*

Any notice, demand, consent or other communication required or permitted hereunder ("Notice") shall be in writing and may be delivered, or sent by prepaid registered mail, or by telex, telecopier or other means which produces a permanent written record (a "transmission"). Mailed Notice shall be deemed to have been given two business days after mailing provided there is no general disruption or stoppage of postal services then in effect, in which case delivery shall be made by one of the other methods permitted herein; delivered Notice shall be effective upon delivery during business hours to an apparently responsible adult; and transmissions shall be deemed to have been received at the opening of the business day immediately following transmission. Addresses for Notice shall be those addresses stated on the face hereof and may be changed in accordance with the foregoing.

25. *Remedies Cumulative*

All rights and remedies of Lender hereunder are cumulative and not exclusive or alternative and may be exercised by Lender separately or together, in any order, sequence or combination.

26. *Forbearance, Indulgence and Waivers*

Forbearance or indulgence by Lender in any instance shall not constitute a general waiver of the obligation under this Agreement to which the same applies. Any waiver by Lender of its rights must be in writing and shall not extend to any other obligation or right.

27. *Allocations*

Client hereby irrevocably and unconditionally waives any present or future right to allocate any payment made to Lender to any specific Obligation due under this Agreement or under any other agreement with Lender or any affiliate of Lender. Lender may allocate and apply any payment received to any Obligation due hereunder or under any other agreement with Lender or affiliate of Lender and may reverse, reallocate and re-apply any such payment as many times and in such manners as Lender from time to time sees fit. Payments received shall be allocated upon receipt of legal tender or cleared funds. Lender is hereby irrevocably authorized to combine and set off amounts payable by it to Client with amounts owing to it from Client (in each case whether matured or not and whether absolute or contingent) under the same or different agreements.

28. *Time*

Time is and shall remain of the essence of this Agreement.

29. *Entire Agreement*

29.1 There are no representations, warranties, covenants, agreements or acknowledgements by Lender affecting the Financed Amount, the Obligations, the Accrued Liability, this Agreement or Equipment, other than expressed in this Agreement.

29.2 No agreement purporting to amend or modify this Agreement or any other document, paper or writing relating hereto or to Equipment or connected herewith shall be binding unless in writing signed by the parties hereto.

30. *Severability*

Any term, condition or provision of this Agreement which is deemed to be void, prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be severed herefrom and ineffective to the extent of such invalidity, prohibition or unenforceability, without in any way invalidating the balance hereof.

31. *No Merger in Judgment*

The taking of any judgment by Lender under this Agreement shall not operate as a merger or novation of any term or condition hereof or of any obligation of Client or Lender hereunder.

32. *Further Assurances and Power of Attorney*

32.1 Client and Lender each shall do, execute and perform all such acts, deeds, documents and things as may be reasonably required to enable Lender to have the full benefit of all rights and remedies intended to be reserved or created hereby. Lender is hereby appointed Client's lawful attorney to complete and/or correct any information on the face hereof or in any Schedule hereto.

32.2 Each power of attorney granted in this Agreement is granted with full power of substitution, is irrevocable, is coupled with an interest, shall survive termination of this Agreement and may be exercised during any subsequent legal incapacity of Client or Lender.

33. *Currency*

Unless otherwise stated in this Agreement, all sums of money payable hereunder shall be paid in Canadian dollars. If any amount payable pursuant to this Agreement needs to be converted from US dollars to Canadian dollars, including for purposes of determining the amount of the Financed Amount or any instalment, such conversion shall be made by Lender on the relevant date at the Conversion Rate and Lender will notify Client of the Canadian dollar amount so converted.

34. *Survival*

Notwithstanding any other Section, any accrued Obligations, the Obligations of Client under Sections 9.4, 10, 15, 16, 17, 22 and 27 and all rights of Lender hereunder, whether accrued or not, shall survive the termination or expiration of this Agreement and the payment of the Accrued Liability and all other amounts payable hereunder.

35. *Section Headings*

Section headings in this Agreement are for convenience of reference only and do not affect the interpretation or construction hereof.

36. *Successors and Assigns*

This Agreement shall inure to the benefit of and be binding upon Lender and Client, their respective heirs, executors, administrators, personal representatives, successors and permitted assigns and lessees. Lender may assign or transfer in whole or in part its rights under this Agreement or Equipment, and/or Pledge its rights hereunder or in Equipment and any assignee, transferee or beneficiary of such Pledge ("Assignee") shall be unrestricted in the exercise of such rights. Client shall recognize any such assignment, transfer or Pledge and shall not assert against any Assignee any Claims or Equities which it may have against Lender respecting this Agreement or Equipment and waives all Claims and Equities against Assignee's rights to enforce this Agreement based on Lender's alleged failure to perform same or Supplier's breach of Warranties. Client shall not be entitled to assign its rights or obligations hereunder.

37. *Choice of Law*

This Agreement shall be governed, construed, performed and enforced in accordance with the laws of the Province where the address of Client is located as stated on the face of this Agreement.

38. *Language*

The parties hereto have expressly required that this Agreement and all documents, agreements and notices related thereto be drafted in the English language. Les parties aux présentes ont expressément exigé que le présent contrat et tous les autres documents, conventions ou avis qui y sont afférents soient rédigés en langue anglaise.

39. *Joint and Several Liability*

If more than one person executes this Agreement as Client their obligations hereunder shall be joint and several and, where the context so admits, each reference in this Agreement to "Client" shall include reference to any one or more or all such persons and the acts or omissions of and such persons shall bind all of them.

40. *Receipt of Agreement*

Client acknowledges receipt of an executed copy of this Agreement.

41. *Information*

Client hereby consents and authorizes Lender and its affiliates, agents, contractors and representatives, at any time, (a) to collect, verify, use, communicate with and disclose to third parties (including credit reporting agencies, financial institutions, creditors, vendors and other persons) any credit, financial and other information, including personal information (as applicable) and information related to the credit rating, financial capacity and payment history, with respect to Client ("Information"), as Lender deems necessary to process, complete, service and enforce the transactions hereby contemplated and any other existing or potential transactions, or as required or otherwise permitted by law; (b) to respond to inquiries from, and exchange any Information with, third parties concerning Client's credit rating, financial capacity and payment history, (c) to provide Information to persons to whom Lender considers assigning, granting a participation or otherwise disposing of rights or obligations under the transactions hereby contemplated, and (d) to provide to any person copies of this Agreement. This consent is in addition to and does not replace any consent previously given.

BORROWING RESOLUTION OF THE BOARD OF DIRECTORS

I, **Ronald J. Goguen** hereby certify that:

1. I am the **Director** of **Landdrill International Ltd.** (the "Corporation") corporation duly incorporated under **provincial** laws, the head office of which is located at **160 MacNaughton Ave., Moncton, Nouveau Brunswick, E1H 3L9.**

2. The following text is a true copy of a resolution passed on **March 23, 2012** by the Board of Directors of the said Corporation, in compliance with acts and regulations governing it. The said resolution has not been revoked or amended in any way whatsoever and is in force at the date hereof.

Now therefore be it resolved:

a) That **Chief Financial Officer**

Title

be and is hereby authorized for and on behalf of the Corporation to borrow from **GE Canada Equipment Financing G.P.** ("GE") the principal amount of **$ 1,200,000.00 CAD** required by the Corporation from time to time, for a term and under such other conditions as determined by the directors, officers and employees of the Corporation hereby authorized; also to do all acts and things and to execute all documents for and on behalf of the Corporation as required by GE in order to secure the amount or amounts owed to or borrowed from GE and any renewals or extensions of such loans, including security, and any renewals or extensions thereof, in the form of mortgages, hypothecation, charges, pledges, security agreements, conditional sale contracts, assignments or transfers of any and all real or personal, movable or immovable property, both present and future, of the Corporation.

b) That all acts and things done and documents executed on behalf of the Corporation as hereinbefore authorized may be relied upon by GE are valid and binding upon the Corporation whether or not the corporate seal of the Corporation has been affixed to any such document.

c) That the Corporation shall provide GE with a true and correct copy of this Resolution and a list of the names of the directors, officers and employees of the Corporation hereby authorized to do any act and thing, together with specimens of their signatures, to be acted upon by each office of GE with which the Corporation does business until such time as a written notice to the contrary be given to GE and that the latter has acknowledged receipt thereof.

3. The directors, officers and employees of the Corporation authorized by the foregoing Resolution to do any act or thing for and on behalf of the Corporation are and will sign as follows:

Names	Titles	Signatures
Derrick West	**Chief Financial Officer**	⊗ [signature]

Signed at **Moncton** this **23rd** day of **March, 2012**.

⊗ [signature]
(SCEAU)
Director

GE 1008A E (06-2001)

8724235001

Attached is Exhibit "6" to the
Affidavit of Michael Pisani sworn the
12th day of April, 2013.

Lara

A Commissioner, Etc.

Lara Fitzgerald-Husek, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires April 29, 2014.

GE Canada

GENERAL SECURITY AND MOVABLE HYPOTHEC AGREEMENT

THIS AGREEMENT is made as of July 29, 2008.

BETWEEN:

LANDDRILL INTERNATIONAL LTD., a corporation organized under the laws of the Province of New Brunswick (the "**Debtor**")

- AND -

THE SECURED PARTY (as hereinafter defined)

WHEREAS the Debtor has agreed to grant a security interest and assignment, mortgage and charge in the Collateral in order to secure the performance of its Obligations to the Secured Party;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and the covenants and agreements herein contained the parties hereto agree as follows:

ARTICLE 1 — INTERPRETATION

1.01 **Interpretation**

In this Agreement, unless something in the subject matter or context is inconsistent therewith,

"**Agreement**" means this Agreement and all amendments made hereto by written agreement between the Secured Party and the Debtor.

"**Collateral**" has the meaning set out in Section 2.01.

"**Event of Default**" has the meaning set out in Section 6.01.

"**Obligations**" means all obligations of the Debtor to the Secured Party including, without limiting the generality of the foregoing:

(a) all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or not, whenever and howsoever incurred, in any currency at any time owing by the Debtor to the Secured Party or remaining unpaid by the Debtor to the Secured Party and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and whether arising from dealings between the Secured Party and the Debtor or from other dealings or proceedings by which the Secured Party may be or become in any manner whatsoever a creditor of the Debtor and wherever incurred and whether incurred by the Debtor alone or with another or others and whether as principal or surety, including all interest, commissions, legal and other costs, charges and expenses; and

(b) all debts, liabilities and obligations, present and future, of any kind whatsoever of the Debtor to the Secured Party in connection with or relating to the Specific Agreements.

"Secured Party" means GE Canada Equipment Financing G.P and its affiliates collectively and each of them individually, and the predecessors, successors and assigns of each of them, including, without limitation, each successor arising as a result of an amalgamation or other corporate and business reorganization or as a result of a partnership being dissolved and a new partnership being constituted in its place to carry on its business or one or more members of a partnership being replaced with new members.

"Specific Agreements" means the agreements entered into between the Debtor and the Secured Party listed in Schedule "A" hereto, as the same may be amended from time to time.

The terms "accessions", "accounts", "chattel paper", "documents of title", "goods", "instruments", "intangibles", "inventory", "money", "proceeds", "purchase money security interest" and "securities" whenever used herein have the meanings given to those terms in the Personal Property Security Act (New Brunswick), as now enacted or as the same may from time to time be amended, re-enacted or replaced.

1.02 **Sections and Headings**

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, reference herein to Articles and Sections are to Articles and Sections of this Agreement.

1.03 **Extended Meanings**

In this Agreement words importing the singular number only include the plural and *vice versa*, words importing any gender include all genders and words importing persons include individuals, partnerships, associations, trusts, unincorporated organizations and corporations.

ARTICLE 2 — GRANT OF SECURITY INTEREST AND HYPOTHEC

2.01 **Security Interest and Hypothec**

As general and continuing security for the payment and performance of all Obligations of the Debtor to the Secured Party, the Debtor hereby grants to the Secured Party a security interest in and a hypothec on the present and future undertaking and property, both real, personal and movable, of the Debtor (collectively, the **"Collateral"**), and as further general and continuing security for the payment and performance of the Obligations, the Debtor hereby assigns the Collateral to the Secured Party and mortgages and charges the Collateral as and by way of a fixed and specific mortgage and charge to the Secured Party. 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:

(a) Receivables: all debts, accounts, claims and choses in action for monetary amounts which are now or which may hereafter become due, owing or accruing due to the Debtor (collectively, the "**Receivables**");

(b) Inventory: all inventory of whatever kind and wherever situated including, without limiting the generality of the foregoing, all goods held for sale or lease or furnished or to be furnished under contracts for service or used or consumed in the business of the Debtor (collectively, the "**Inventory**");

(c) Equipment: all machinery, equipment, fixtures, furniture, plant, vehicles and other tangible personal property which are not Inventory (collectively, the "**Equipment**");

(d) Chattel Paper: all chattel paper;

(e) Documents of Title: all warehouse receipts, bills of lading and other documents of title, whether negotiable or not;

(f) Securities and Instruments: all shares, stock, warrants, bonds, debentures, debenture stock and other securities and all instruments (collectively, the "**Securities**");

(g) Intangibles: all intangibles not otherwise described in this Section 2.01 including, without limiting the generality of the foregoing, all goodwill, patents, trademarks, copyrights and other industrial property;

(h) Money: all coins or bills or other medium of exchange adopted for use as part of the currency of Canada or of any foreign government;

(i) Books, Records, Etc.: all books, papers, accounts, invoices, documents and other records in any form evidencing or relating to any of the property described in this Section 2.01 and all contracts, securities, instruments and other rights and benefits in respect thereof;

(j) Substitutions, Etc.: all replacements of, substitutions for and increases, additions and accessions to any of the property described in this Section2.01; and

(k) Proceeds: all proceeds of any Collateral in any form derived directly or indirectly from any dealing with the Collateral or that indemnifies or compensates for the loss of or damage to the Collateral;

provided that the said assignment and mortgage and charge will not (i) extend or apply to the last day of the term of any lease or any agreement therefor now held or hereafter acquired by the Debtor, but should the Secured Party enforce the said assignment or mortgage and charge, the Debtor will thereafter stand possessed of such last day and must hold it in trust to assign the same to any person acquiring such term in the course of the enforcement of the said assignment and mortgage and charge, or (ii) render the Secured Party liable to observe or perform any term, covenant or condition of any agreement, document or instrument to which the Debtor is a party or by which it is bound.

2.02 **Amount of Hypothec**

The Hypothec constituted by the Debtor under Section 2.01 is granted for the principal sum of $7,000,000 with interest at the rate of 24% from the date of this Agreement.

2.03 **Attachment of Security Interest**

The Debtor acknowledges that value has been given and agrees that the security interest granted hereby will attach when the Debtor signs this Agreement and the Debtor has any rights in the Collateral.

ARTICLE 3 — GENERAL REPRESENTATIONS,WARRANTIES AND COVENANTS OF THE DEBTOR

3.01 **Representations and Warranties**

The Debtor hereby represents and warrants to the Secured Party that:

(a) the Debtor is duly organized and subsisting under the laws of its jurisdiction of organization, with the power to enter into this Agreement; this Agreement has been duly authorized by all necessary action on the part of the Debtor and constitutes a legal and valid agreement binding upon the Debtor enforceable in accordance with its terms; the making and performance of this Agreement will not result in the breach of, constitute a default under, contravene any provision of, or result in the creation of, any lien, charge, security interest, hypothec, encumbrance or any other rights of others upon any property of the Debtor pursuant to any agreement, indenture or other instrument to which the Debtor is a party or by which the Debtor or any of its property may be bound or affected;

(b) all financial information provided by the Debtor to the Secured Party is true, correct and complete; all financial statements have been prepared in accordance with Canadian generally accepted accounting principles consistently applied; there has been no material adverse change in the Debtor's financial condition since the date of the most recent financial statements provided to the Secured Party;

(c) except as otherwise disclosed in Schedule "A" hereto, all of the Collateral is the sole property of the Debtor free from any liens, charges, security interests, hypothecs, encumbrances or any rights of others; and

(d) the address of the Debtor's registered office, chief executive office and the office where it keeps its records respecting the Receivables, is that given in Schedule "A" hereto.

3.02 **Covenants**

The Debtor covenants with the Secured Party that the Debtor will:

(a) ensure that the representations and warranties set forth in Section 3.01 will be true and correct at all times;

(b) maintain, use and operate the Collateral and carry on and conduct its business in a lawful and business-like manner;

(c) not permit the Collateral to be affixed or joined to real, immovable, personal or movable property so as to become a fixture or accession without the prior written consent of the Secured Party;

(d) defend the Collateral against all claims and demands respecting the Collateral made by all persons at any time and, except as otherwise provided herein, will keep the Collateral free and clear of all security interests, hypothecs, mortgages, charges, liens and other encumbrances or interests except for those disclosed in Schedule "A" attached hereto or hereafter approved in writing by the Secured Party prior to their creation or assumption;

(e) not change its chief executive office, registered office and the location of the office where it keeps its records respecting the Receivables, or move any of the Inventory, Securities or Equipment from the locations specified in Schedule "A" attached hereto, without the prior written consent of the Secured Party;

(f) pay all rents, taxes, levies, assessments and government fees or dues lawfully levied, assessed or imposed in respect of the Collateral or any part thereof as and when the same become due and payable, and will exhibit to the Secured Party, when required, the receipts and vouchers establishing such payment;

(g) keep proper books of account in accordance with sound accounting practice, will furnish to the Secured Party such financial information and statements and such information and statements relating to the Collateral as the Secured Party may from time to time require, and the Debtor will permit the Secured Party or its authorized agents at any time at the expense of the Debtor to examine the books of account and other financial records and reports relating to the Collateral and to make copies thereof and take extracts therefrom;

(h) from time to time forthwith at the request of the Secured Party furnish to the Secured Party in writing all information requested relating to the Collateral, and the Secured Party will be entitled from time to time at any reasonable time to inspect the Collateral and make copies of all information relating to the Collateral and for such purposes the Secured Party will have access to all premises occupied by the Debtor or where the Collateral may be found;

(i) from time to time forthwith at the request of the Secured Party execute and deliver all such financing statements, schedules, assignments and documents, and do all such further acts and things as may be reasonably required by the Secured Party to effectively carry out the full intent and meaning of this Agreement or to better evidence and perfect the security interest, assignment and mortgage and charge and render opposable the hypothec granted hereby, and the Debtor hereby irrevocably constitutes and appoints the Secured Party, or any Receiver appointed by the court or the Secured Party, the true and lawful attorney of the Debtor, with full power of substitution, to do any of the foregoing in the name of the Debtor whenever and wherever the Secured Party or any such Receiver may consider it to be necessary or expedient;

(j) not change its name or, if the Debtor is a corporation, will not amalgamate with any other corporation without first giving notice to the Secured Party of its new name and the names of all amalgamating corporations and the date when such new name or amalgamation is to become effective; and

(k) pay to the Secured Party forthwith upon demand all reasonable costs and expenses (including, without limiting the generality of the foregoing, all legal, Receiver's and accounting fees and expenses) incurred by or on behalf of the Secured Party in connection with the preparation, execution and perfection of this Agreement and the carrying out of any of the provisions of this Agreement including, without limiting the generality of the foregoing, protecting and preserving the security interest, hypothec, assignment and mortgage and charge granted hereby and enforcing by legal process or otherwise the remedies provided herein; and all such costs and expenses will be added to and form part of the Obligations secured hereunder.

ARTICLE 4 — INSURANCE

4.01 Insurance

The Debtor must obtain and maintain, at its own expense, insurance against loss or damage to the Collateral including, without limiting the generality of the foregoing, loss by fire (including so-called extended coverage), theft, collision and such other risks of loss as are customarily insured against on this type of Collateral, in an amount not less than the full replacement value thereof, in such form and with such insurers as are reasonably satisfactory to the Secured Party. If any such policies of insurance contain a co-insurance clause, the Debtor will either cause any such co-insurance clause to be waived or maintain at all times a sufficient amount of insurance to meet the requirements of any such co-insurance clause so as to prevent the Debtor from becoming a co-insurer under the terms of any such policy. All such policies must name the Secured Party as an additional insured and loss payee thereof, as the Secured Party's interests may appear, and must provide that the insurer will give the Secured Party at least 30 days written notice of intended cancellation. At the Secured Party's request, the Debtor must furnish the Secured Party with a copy of any policy of insurance and certificate of insurance or other evidence satisfactory to the Secured Party that such insurance coverage is in effect. The Debtor must give the Secured Party notice of any damage to, or loss of, the Collateral forthwith upon the occurrence of any such damage or loss. Should the Debtor fail to make any payment or perform any other obligation provided in this Section, the Secured Party will have the right, but not the obligation, without notice or demand upon the Debtor and without releasing the Debtor from any obligation hereunder or waiving any rights to enforce this Agreement, to perform any or all of such obligations. The amount of all such payments made and all costs, fees and expenses incurred by the Secured Party in performing such obligations will be immediately due and payable by the Debtor.

ARTICLE 5 — DEALING WITH COLLATERAL

5.01 Dealing with Collateral by the Debtor

The Debtor must not sell, lease or otherwise dispose of any of the Collateral without the prior written consent of the Secured Party, except that the Debtor may, until an Event of Default occurs, deal with its money or sell items of Inventory in the ordinary course of its business so that the purchaser thereof takes title thereto free and clear of the security interest, hypothec, assignment and mortgage and charge granted hereby, but all proceeds of any such sale will continue to be subject to the security interest, hypothec, assignment and mortgage and charge granted hereby and all money received by the Debtor will be received as trustee for the Secured Party and must be held separate and apart from other money of the Debtor and must be paid over to the Secured Party upon request.

5.02 Rights and Duties of the Secured Party

(1) The Secured Party may perform any of its rights and duties hereunder by or through agents and is entitled to retain counsel and to act in reliance upon the advice of such counsel concerning all matters pertaining to its rights and duties hereunder.

(2) In the holding of the Collateral, the Secured Party and any nominee on its behalf is only bound to exercise the same degree of care as it would exercise with respect to similar property of its own of similar value held in the same place. The Secured Party and any nominee on its behalf will be deemed to have exercised reasonable care with respect to the custody and preservation of the Collateral if it takes such action for that purpose as the Debtor reasonably requests in writing, but failure of the Secured Party or its nominee to comply with any such request will not of itself be deemed a failure to exercise reasonable care.

5.03 Registration of Securities

The Secured Party may have any Securities registered in its name or in the name of its nominee and will be entitled but not bound or required to exercise any of the rights that any holder of such Securities may at any time have, provided that until an Event of Default has occurred and is continuing, the Debtor will be entitled to exercise, in a manner not prejudicial to the interests of the Secured Party or which would violate or be inconsistent with this Agreement, all voting power from time to time exercisable in respect of the Securities. The Secured Party will not be responsible for any loss occasioned by its exercise of any of such rights or by failure to exercise the same within the time limited for the exercise thereof. The Debtor must from time to time forthwith upon the request of the Secured Party deliver to the Secured Party those Securities requested by the Secured Party duly endorsed for transfer to the Secured Party or its nominee to be held by the Secured Party subject to the terms of this Agreement.

5.04 Notification of Account Debtors

The Debtor is authorized to collect its Receivables and other claims forming part of the Collateral until the Secured Party withdraws its authorization to do so after the occurrence of an Event of Default. Before an Event of Default occurs, the Secured Party may give notice of this Agreement and the security interest, hypothec and assignment granted hereby to any account debtors of the Debtor or to any other person liable to the Debtor and, after the occurrence of an Event of Default, may give notice to any such account debtors or other person to make all further payments to the Secured Party, and any payment or other proceeds of Collateral received by the Debtor from account debtors or from any other person liable to the Debtor whether before or after any notice is given by the Secured Party must be held by the Debtor in trust for the Secured Party and paid over to the Secured Party on request.

5.05 **Application of Funds**

Except where the Debtor, when not in default hereunder, so directs in writing at the time of payment, all money collected or received by the Secured Party in respect of the Collateral may be applied on account of such parts of the Obligations as the Secured Party in its sole discretion determines, or may be held unappropriated in a collateral account, or in the discretion of the Secured Party may be released to the Debtor, all without prejudice to the Secured Party's rights against the Debtor.

ARTICLE 6 — DEFAULT AND REMEDIES

6.01 **Events of Default**

The Debtor will be in default under this Agreement upon the occurrence of any of the following events (herein referred to as an "**Event of Default**"):

(a) the Debtor does not pay to the Secured Party any amount owing in connection with any of the Obligations within 10 days of its due date;

(b) the Debtor does not observe or perform any covenant or obligation of the Debtor contained in this Agreement or in respect of the Obligations (other than a covenant or condition the breach or default in performance of which is specifically dealt with elsewhere in this Section6.01) and, if such default is capable of being remedied, such default is not remedied within 10 days after notice has been given by the Secured Party to the Debtor specifying such default;

(c) any information, representation or warranty made by the Debtor herein or in any document or certificate provided at any time to the Secured Party in connection herewith is proven to be incorrect or misleading in any material respect;

(d) the Debtor defaults under any material agreement with any other person;

(e) the Debtor ceases or threatens to cease to carry on the business currently being carried on by it or a substantial portion thereof or makes or agrees to make an assignment, disposition or conveyance, whether by way of sale or otherwise, of its assets in bulk;

(f) the Debtor is an insolvent person within the meaning of the *Bankruptcy and Insolvency Act* (Canada) or commits or threatens to commit any act of bankruptcy;

(g) the commencement of any proceeding or the taking of any step by or against the Debtor for the dissolution, liquidation or winding-up of the Debtor or for any relief under the laws of any jurisdiction relating to bankruptcy, insolvency, reorganization, arrangement, compromise or winding-up, or for the appointment of one or more of a trustee, receiver, receiver and manager, custodian, liquidator or any other person with similar powers with respect to the Debtor or the Collateral or any part thereof;

(h) the Collateral or any part thereof is seized or otherwise attached by anyone pursuant to any legal process or other means, including distress, execution or any other step or proceeding with similar effect, and the same is not released, bonded, satisfied, discharged or vacated within the shorter of a period of 15 days and 10 days less than such period as would permit such property or any part thereof to be sold pursuant thereto; or

(i) the Secured Party believes in good faith that the prospect of payment or performance of any of the Obligations is impaired or that the Collateral is in danger of being lost, damaged or confiscated, or of being encumbered by the Debtor or seized or otherwise attached by anyone pursuant to any legal process.

6.02 **Remedies**

(1) On or after the occurrence of any Event of Default, (i) any or all of the Obligations will at the option of the Secured Party become immediately due and payable or be subject to immediate performance, as the case may be, without presentment, protest or notice of dishonour, all of which are expressly waived; (ii) the obligation, if any, of the Secured Party to extend further credit to the Debtor will cease; (iii) any or all security granted hereby will, at the option of the Secured Party, become immediately enforceable and the Secured Party may realize such security and exercise all rights and remedies of a hypothecary creditor under the *Civil Code of Québec* and of a secured party under the Personal Property Security Act (New Brunswick); and (iv) in addition to any right or remedy provided by law, the Secured Party will have the rights and remedies set out below, all of which rights and remedies will be enforceable successively, concurrently or both:

(a) the Secured Party may by appointment in writing appoint a receiver or receiver and manager (each herein referred to as the "Receiver") of the Collateral (which term when used in this Section 6.02 will include the whole or any part of the Collateral) and may remove or replace such Receiver from time to time or may institute proceedings in any court of competent jurisdiction for the appointment of a Receiver of the Collateral; and the term "Secured Party" when used in this Section 6.02 will include any Receiver so appointed and the agents, officers and employees of such Receiver; and the Secured Party will not be in any way responsible for any misconduct or negligence of any such Receiver;

(b) the Secured Party may take possession of the Collateral and require the Debtor to assemble the Collateral and deliver or make the Collateral available to the Secured Party at such place or places as may be specified by the Secured Party;

(c) the Secured Party may take such steps as it considers desirable to maintain, preserve or protect the Collateral;

(d) the Secured Party may carry on or concur in the carrying on of all or any part of the business of the Debtor;

(e) the Secured Party may enforce any rights of the Debtor in respect of the Collateral by any manner permitted by law;

(f) the Secured Party may sell, lease or otherwise dispose of the Collateral at public auction, by private tender, by private sale or otherwise either for cash or upon credit upon such terms and conditions as the Secured Party may determine and without notice to the Debtor unless required by law;

(g) the Secured Party may accept the Collateral in satisfaction of the Obligations upon notice to the Debtor of its intention to do so in the manner required by law;

(h) the Secured Party may, for any purpose specified herein, borrow money on the security of the Collateral in priority to the security interest, hypothec, assignment and mortgage and charge granted by this Agreement;

(i) the Secured Party may enter upon, occupy and use all or any of the premises, buildings and plant occupied by the Debtor and use all or any of the Equipment and other personal or movable property of the Debtor for such time as the Secured Party requires to facilitate the realization of the Collateral, free of charge, and the Secured Party will not be liable to the Debtor for any neglect in so doing or in respect of any rent, charges, depreciation or damages in connection with such actions;

(j) the Secured Party may charge on its own behalf and pay to others all reasonable amounts for expenses incurred and for services rendered in connection with the exercise of the rights and remedies of the Secured Party hereunder, including, without limiting the generality of the foregoing, reasonable legal, Receiver and accounting fees and expenses, and in every such case the amounts so paid together with all costs, charges and expenses incurred in connection therewith, including interest thereon at such rate as the Secured Party deems reasonable, will be added to and form part of the Obligations hereby secured; and

(k) the Secured Party may discharge any claim, lien, mortgage, charge, security interest, hypothec, encumbrance or any rights of others that may exist or be threatened against the Collateral, and in every such case the amounts so paid together with costs, charges and expenses incurred in connection therewith will be added to the Obligations hereby secured.

(2) The Secured Party may (i) grant extensions of time, (ii) take and perfect or abstain from taking and perfecting security, (iii) give up securities, (iv) accept compositions or compromises, (v) grant releases and discharges, and (vi) release any part of the Collateral or otherwise deal with the Debtor, debtors of the Debtor, sureties and others and with the Collateral and other security as the Secured Party sees fit without prejudice to the liability of the Debtor to the Secured Party or the Secured Party's rights hereunder.

(3) The Secured Party will not be liable or responsible for any failure to seize, collect, realize, or obtain payment with respect to the Collateral and is not bound to institute proceedings or to take other steps for the purpose of seizing, collecting, realizing or obtaining possession or payment with respect to the Collateral or for the purpose of preserving any rights of the Secured Party, the Debtor or any other person, in respect of the Collateral.

(4) The Secured Party may apply any proceeds of realization of the Collateral to payment of expenses in connection with the preservation and realization of the Collateral as above described

and the Secured Party may apply any balance of such proceeds to payment of the Obligations in such order as the Secured Party sees fit. If there is any surplus remaining, the Secured Party may pay it to any person having a claim thereto in priority to the Debtor of whom the Secured Party has knowledge and any balance remaining must be paid to the Debtor. If the disposition of the Collateral fails to satisfy the Obligations secured by this Agreement and the aforesaid expenses, the Debtor will be liable to pay any deficiency to the Secured Party forthwith on demand.

ARTICLE 7 — GENERAL

7.01 *Benefit of the Agreement*

This Agreement will enure to the benefit of and be binding upon the successors and permitted assigns of the parties hereto.

7.02 Entire Agreement

This Agreement has been entered into pursuant to the provisions of the Specific Agreements and is subject to all the terms and conditions thereof and, if there is any conflict or inconsistency between the provisions of this Agreement and the provisions of any Specific Agreement, the rights and obligations of the parties will be governed by the provisions of the Specific Agreement. This Agreement cancels and supersedes any prior understandings and agreements between the parties hereto with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the Secured Party and the Debtor with respect to the subject matter hereof except as expressly set forth herein or in the Specific Agreements.

7.03 Amendments and Waivers

No amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by all of the parties hereto. No waiver of any breach of any provision of this Agreement will be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided in the written waiver, will be limited to the specific breach waived.

7.04 Assignment

The rights of the Secured Party under this Agreement may be assigned by the Secured Party without the prior consent of the Debtor. The Debtor may not assign its obligations under this Agreement.

7.05 Severability

If any provision of this Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability will attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof will continue in full force and effect.

7.06 *Notices*

Any demand, notice or other communication to be given in connection with this Agreement must be given in writing and may be given by personal delivery, by registered mail or by electronic means of communication, addressed to the recipient as follows:

To the Debtor:

Landdrill International Ltd.

Address 160 MacNaughton Avenue
Moncton, New Brunswick, E1H 3L9

Telecopier No.:506-388-8990

Attention: Derrick West, Chief Financial Officer

To the Secured Party:

GE Canada Equipment Financing G.P.

Address 1 Place Ville-Marie
Suite 1401
Montréal, Québec, H3B 2B2

Telecopier No.:514-397-1506

Attention: Documentation Director

or such other address, individual or electronic communication number as may be designated by notice given by any party to the other. Any demand, notice or other communication given by personal delivery will be conclusively deemed to have been given on the day of actual delivery thereof and, if given by registered mail, on the third business day following the deposit thereof in the mail and, if given by electronic communication, on the day of transmittal thereof if given during the normal business hours of the recipient and on the next business day during which such normal business hours next occur if not given during such hours on any day. If the party giving any demand, notice or other communication knows or ought reasonably to know of any difficulties with the postal system that might affect the delivery of mail, any such demand, notice or other communication must not be mailed but must be given by personal delivery or by electronic communication.

7.07 **Additional Continuing Security**

This Agreement and the security interest, hypothec, assignment and mortgage and charge granted hereby are in addition to and not in substitution for any other security now or hereafter held by the Secured Party and this Agreement is a continuing agreement and security that will remain in full force and effect until discharged by the Secured Party, notwithstanding the payment from time to time, in whole or in part, of the Obligations.

7.08 **Further Assurances**

The Debtor must at its expense from time to time do, execute and deliver, or cause to be done, executed and delivered, all such financing statements, further assignments, documents, acts, matters and things as may be reasonably requested by the Secured Party for the purpose of giving effect to this Agreement or for the purpose of establishing compliance with the representations, warranties and covenants herein contained.

7.09 **Power of Attorney**

Upon the occurrence of an Event of Default that is continuing, the Debtor hereby irrevocably constitutes and appoints any officer for the time being of the Secured Party the true and lawful attorney of the Debtor, with full power of substitution, to do, make and execute all such statements, assignments, documents, acts, matters or things with the right to use the name of the Debtor whenever and wherever the officer may deem necessary or expedient and from time to time to exercise all rights and powers and to perform all acts of ownership in respect to the Collateral in accordance with this Agreement.

7.10 **Discharge**

The Debtor will not be discharged from any of the Obligations or from this Agreement except by a release or discharge signed in writing by the Secured Party.

7.11 **Governing Law**

This Agreement will be governed by and construed in accordance with the laws of the Province of New Brunswick and the laws of Canada applicable therein, save and except for matters related to the hypothec created herein which shall be governed by the law of the Province of Québec and provided that to the extent that the laws of any jurisdiction in which any Collateral is situated govern the validity or perfection of the security constituted hereunder, the domestic laws of such jurisdiction will govern those issues.

7.12 **Executed Copy**

The Debtor acknowledges receipt of a fully executed copy of this Agreement.

IN WITNESS WHEREOF the parties have executed this Agreement.

DEBTOR: **LANDDRILL INTERNATIONAL LTD.**

Per: Ronald J. Goguen
Name: Ronald J. Goguen
Title: President

SECURED PARTY: **GE CANADA EQUIPMENT FINANCING G.P.**

Per: ______________________
Name:
Title:

SCHEDULE "A"

To the General Security And Movable Hypothec Agreement ("GSA") made as of July 29, 2008 between Landdrill International Ltd., as Debtor, and GE Canada Equipment Financing G.P. as Secured Party

A. The Specific Agreements are the following (Section 1.01 of the GSA):

- The Equipment Loan and Security Agreement entered into between Debtor and Secured Party dated July 29, 2008 (contract # 150011053772)
- The Equipment Loan and Security Agreement entered into between Debtor and Secured Party dated January 16, 2008 (contract # 150010782274)
- The Conditional Sale Agreement entered into between Debtor and Secured Party dated July 21, 2008 (contract # 150011049678)

B. The permitted liens are the following (Sections 3.01(c) and 3.02(d) of the GSA):

- Security interest, hypothecs and other rights in favour of the Secured Party
- Security interest and hypothec in favour of Canadian Imperial Bank of Commerce charging all present and future personal property of the Debtor.

C. The Collateral locations, registered office and chief executive office of the Debtor are the following (Section 3.02(e) of the GSA):

- Registered office: 160 MacNaughton Avenue, Moncton, New Brunswick, E1H 3L9
- Chief Executive Office: 160 MacNaughton Avenue, Moncton, New Brunswick, E1H 3L9
- Location of Business Records: 160 MacNaughton Avenue, Moncton, New Brunswick, E1H 3L9
- Location(s) of Collateral: Provinces of New Brunswick, Nova Scotia, Ontario, Québec and Newfoundland and Labrador

The parties acknowledge receipt of a fully executed copy of this Schedule which is incorporated by reference and deemed to be a part of the above-mentioned General Security Agreement.

DEBTOR: **LANDDRILL INTERNATIONAL LTD.**

Per: [signature]
Name: Ronald J. Goguen
Title: President

SECURED PARTY: **GE CANADA EQUIPMENT FINANCING G.P.**

Per: ______________________
Name:
Title: