COURT FILE NUMBER	QB No _____ of 2014
COURT	QUEEN'S BENCH FOR SASKATCHEWAN IN BANKRUPTCY
JUDICIAL CENTRE	SASKATOON
APPLICANT	BUSINESS DEVELOPMENT BANK OF CANADA
RESPONDENT	ASSINIBOIA RUBBER RECYCLING INC.

AFFIDAVIT OF PROPOSED RECEIVER

I, NEIL NARFASON, of the City of Calgary, in the Province of Alberta, Chartered Accountant, Chartered Insolvency Restructuring Professional, Licensed Bankruptcy Trustee and Chartered Business Valuator, MAKE OATH AND SAY THAT:

1. I am a Senior Vice-President and Partner Transaction Advisory Services - Restructuring in the Alberta and Saskatchewan practice of Ernst & Young Inc., an international insolvency and restructuring firm ("**E&Y**").

2. I have worked in the insolvency and restructuring field for 23 years. During the course of my years of experience, I have worked on and supervised numerous complex restructuring assignments. I have also been engaged on insolvency assignments for numerous secured creditors and Canadian chartered banks, including appointments as court-appointed receiverships and interim receiverships under the *Bankruptcy & Insolvency Act,* R.S.C. 1985, c. B-3 (the "**BIA**") and assignments as trustee in bankruptcy under the BIA. Attached and marked as Exhibit "A" to this my Affidavit is a true copy of my *curriculum vitae*.

3. Through its many insolvency engagements, E&Y has developed the ability to market unique businesses for sale, essentially as turn key operations or as going concern enterprises to potentially interested parties. While each situation varies, doing so often results in a greater return for all stakeholders as opposed to effecting a straightforward liquidation where land, equipment and inventory are marketed and sold separately.

4. E&Y has been asked by Business Development Bank of Canada ("**BDC**") to act as the court-appointed receiver (the "**Receiver**") of Assiniboia Rubber Recycling Inc. ("**ARR**") if a receivership order is granted by this Honourable Court upon the application of BDC.

5. I have reviewed the draft receivership order that is being filed by BDC in support of its application and E&Y hereby consents to be appointed Receiver in the event that this Honourable Court grants a receivership order in substantially the same form as the draft receivership order that has been filed.

6. I understand that ARR carried on business as a tire and rubber recycler and that there remains an inventory of used scrap tires on the premises from which ARR conducted its business. Counsel for BDC, Mr. Ian A. Sutherland, has provided me with a copy of the environmental assessments that have been undertaken at the premises from which ARR carried on business and I have reviewed those assessments. From that review, I noted that certain remedial work has been required in the past as a result of those assessments.

7. E&Y has not had an opportunity to assess any environmental conditions or liabilities that may affect the property and I am uncertain what state the property is in and whether any current environmental conditions affect the property. If a receivership order is granted by this Honourable Court, E&Y would, among other things, determine whether or not an environmental assessment is required and, if required, E&Y would then assess and determine what, if anything, should be undertaken given the results of the assessment.

8. If remedial work is required, it may be the case that undertaking that work will be economically feasible and will result in a greater return for stakeholders regardless of whether the property is marketed as a whole or in parts. E&Y will also assess and determine whether or not it is economically feasible and beneficial to recommence ARR's business operations in an effort to maximize return.

9. There will be a cost to assess the initial environmental situation and, if deemed economically feasible, to address any potential issues arising from that assessment. There will also be costs associated with a re-start of ARR's business operations should that be

considered economically viable and beneficial. Accordingly, E&Y respectfully requests that it be authorized to borrow up to $100,000 to fund the costs of the receivership with the borrowing secured by a charge against the property that is subject to the receivership order. E&Y has already been in communication with BDC in this respect and BDC has confirmed that it is prepared to advance these funds.

10. In accordance with its standard practice for restructuring engagements in the Province of Saskatchewan, E&Y will charge market Saskatchewan hourly rates for this matter and E&Y will not charge for any travel time or travel costs associated with transporting its personnel to Saskatchewan to work on this matter.

11. I make this Affidavit in support of the application by BDC for a receivership order in respect of ARR.

SWORN (OR AFFIRMED) BEFORE ME
at, Calgary, Alberta this 9
day of July, 2014.

A Notary Public in and for the Province of Alberta
My appointment expires N/A
OR Being a solicitor
Jamie M. Taylor
Barrister & Solicitor

NEIL NARFASON

CONTACT INFORMATION AND ADDRESS FOR SERVICE

If prepared by a lawyer for the party:

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File No.	502544.42

THIS IS EXHIBIT "A" REFERRED TO IN THE AFFIDAVIT OF NEIL NARFASON SWORN BEFORE ME AT THE CITY OF CALGARY, IN THE PROVINCE OF ALBERTA THIS 7 DAY OF July, 2014.

A NOTARY PUBLIC OR BEING A SOLICITOR

Jamie M. Taylor
Barrister & Solicitor

Neil Narfason

Senior Vice President and Partner
Transaction Advisory Services – Restructuring, Calgary

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Background

Mr. Narfason leads EY's Energy Market Segment's Transaction Advisory Services Group and leads EY's Energy Market Segment's Restructuring Services group. His primary focus is on providing restructuring advisory services across a wide range of industries including significant inter-jurisdictional issues and international matters.

Neil has been providing restructuring services to businesses in financial difficulty for the past 23 years. Primarily involved in advice to creditors/debtors, CCAA/insolvency proceedings, US Chapter 15 filings, due diligence, operational reviews and viability assessments. He has conducted valuations of energy entities and has provided corporate finance advice on the acquisition and sale of energy businesses and specific energy assets.

Education and professional qualification and accreditation

Chartered Insolvency Restructuring Practitioner

Licensed Bankruptcy Trustee

Chartered Business Valuator

Chartered Accountant

Professional experience & recent assignments

OPTI Canada Inc – Acted as Court appointed Monitor in the successful CCAA proceedings of OPTI Canada Inc. OPTI's assets consisted of non-operated working interests in oilsands leases in Alberta which we effectively sold to to CNOOC for $2.1 billion.

SemGroup L.P – Acted as Court appointed Monitor in the successful CCAA proceedings of SemGroup L.P.'s Canadian assets which consisted of three main entities involved in the midstream gas gathering & processing, crude oil marketing and retail gas supply in both Canada and the US.

High Arctic Energy Services - Neil acted as financial advisor to, GE Energy Financial Services, a major lender of High Arctic Energy Services, a TSX publicly traded snubbing entity based in Alberta with operations in numerous international jurisdictions, which involved rationalizing the business, restructuring management and the board and reducing the secured debt from $140 million to $25 million.

Lonkar Group – Neil acted as Financial advisor to GE Energy Financial Services, a major lender of Lonkar Group, a slick line oilfield services entity with operations in Canada and the US that ultimately resulted in the going concern sale of the business absent any formal restructuring proceedings.

Oilsands Quest Inc. - Court appointed Monitor in the CCAA and U.S. ch.15 proceedings of Oilsands Quest Inc., whose assets include oilsand leases in Alberta and Saskatchewan. Oilsands Quest is listed on the OTC.BB.

Vanquish Oil & Gas Ltd, Cougar Oil & Gas Ltd., Granisko Resources Ltd., CML Resources Ltd., Ventura Energy Inc. and Stone Mountain Resources Ltd. – Neil acted as court appointed Receiver & Manager of these oil and gas entities which entailed operating these entities and packaging them for sale.

X-treme Energy Services Group – Court appointed Receiver & Manager of X-treme Energy Services Group, a drilling rig and oilfield services equipment manufacturing company based in Alberta. As Receiver and Manager, X-treme's operations, Neil continued operations with over 170 employees/contractors allowing the business being sold as a going concern with all jobs preserved.

Mustard Seed Inc. – Neil acted as Trustee under a proposal for Mustard Seed, a mustard milling facility located in Gravelbourg, SK.

Young West Resources & Mutual Oil – Neil is currently the court appointed Receiver & Manager for these two Saskatchewan based oil & gas companies.

Neil Narfason

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Transaction Advisory Services – Restructuring, Calgary

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Calpine Canada - Court Appointed Monitor in the successful CCAA proceedings of Calpine Canada, a global integrated power company with operations in Canada and the US that had approximately $4 billion in debt.

JED Oil - Monitor in the CCAA proceedings of JED Oil a SEC registrant and public oil & gas exploration and production entity with approx. 1,500 boe/day of production.

Rock Well Petroleum - Monitor in the CCAA proceedings of Rock Well Petroleum's US and Canadian entities involved in oil extraction using a new recovery technique. Rockwell also had ch. 15 foreign non-main proceedings in the US.

EarthFirst Canada - Monitor in the successful CCAA proceedings EarthFrist Canada of which consisted of wind generation projects with the primary project being the multi-million dollar Dokie Ridge in Northeast British Columbia.

BA Energy Inc. - Monitor in the successful CCAA proceedings of BA Energy Inc. a partially constructed multi-billion dollar oil upgrader in Alberta.

Mystique Energy Inc. - Monitor in the CCAA proceedings of Mystique Energy Inc., a publicly traded junior oil & gas company focused on exploration and development of petroleum and natural gas reserves in Western Canada.

Octane Energy Services Ltd. - Monitor in the CCAA proceedings of Octane Energy Services Ltd. a public oilfield services company listed on the TSX Venture Exchange. Octane had over 300 employees and successfully emerged from the CCAA.

Questerre Energy Inc. - Acted as Monitor under the CCAA of Questerre Energy Inc., a publicly traded exploration and production company. Questerre successfully emerged from CCAA and currently trades on the TSX.

Harvest Group of companies - Monitor in the CCAA proceedings of certain real estate entities in the Harvest Group of companies which raised over $300million from approximately 10,000 investors.

Concrete Equities Group - Monitor in the CCAA proceedings of the Concrete Equities Group which raised $118 million from over 3,500 investors that had numerous real estate development entities.

Fairmont Resort Properties Ltd - Monitor in the CCAA proceedings of Fairmont Resort Properties Ltd. one of Canada's largest time share sales & operations which has assets located in BC, Hawaii, Mexico, Belize and Nevada.

International Utility Structures Inc. - Acted a Monitor in the CCAA proceedings of International Utility Structures Inc. a leading manufacturer of transmission, lighting and utility poles with operations in France and US that had approximately of US$70MM of debt.

The Loewen Group Inc.- Advisor to the Unsecured Creditors Committee in the US The Loewen Group Inc. Chapter 11 and CCAA proceedings of The Loewen Group Inc., a $4 billion death care consolidator.

Completed a due diligence review related to a proposed purchase of an interest in a foreign oil and gas property valued in excess of US $250 million.

Completed a due diligence review related to the financing of a management buyout of a worldwide oilfield services (wireline) company.

Assisted in the valuation of the oil and gas assets of Canada's largest pension fund.

Provided corporate finance merger and acquisition advice to a major oil and gas company that was subject to take-over bid.

Completed numerous business reviews on behalf of creditors of entities in the energy sector.

Pg 3, Exhibit "A"
July 7, 2014
Jamie M. Taylor
Barrister & Solicitor

Neil Narfason
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Transaction Advisory Services – Restructuring, Calgary

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American Eco Corporation - Acted as Monitor in the US Chapter 11 and CCAA proceedings for American Eco Corporation which was involved in industrial construction and environmental reclamation.

Bre-X Resources Inc - Assumed a key role as the Monitor of Bre-X Resources Inc. during the CCAA filing including oversight of the shut down of the Indonesian operations which had over 600 employees in seven remote locations.

Cambrian (Foothills) I Limited Partnership – Acted as Receiver and Manager of Cambrian and certain related lands in Calgary, AB which involved 3 fully constructed commercial buildings with over 150,000 square feet of available lease space with over 300 underground parking stalls;

Kyltie's Developments Inc. – Receiver and Manager of Klylie's, a real estate investment entity based on Alberta which included the first ever ch. 15 foreign main proceeding in Colorado.

Agristar Incorporated - Monitor in the CCAA proceedings of Agristar Incorporated a potato processing and dehydration facility located in Alberta and Saskatchewan. Agristar successfully emerged from the CCAA.

Dagaz Capital Corporation - Acted as receiver of Dagaz Capital Corporation a mortgage broker who invested funds on behalf of approximately 70 clients in Alberta and BC.

Crafts Canada - Acted as Monitor in the CCAA proceedings of Crafts Canada, a national retail operation with 20 stores from Newfoundland to B.C. Crafts successfully emerged from the CCAA.

Kipp & Zonen Inc. - Acted as court-appointed receiver-manager of Kipp & Zonen Inc., a publicly traded entity based in Saskatchewan that was involved in the manufacture and sale of meteorological equipment that had operations in the Netherlands.

Significant Clients Served

- Public companies listed on major exchanges in North America;
- Lenders. Canadian Schedule A Banks, Major US lenders and Asset Based Lenders;
- Multinational exploration and production and oilfield service companies;
- Major Law Firms; and
- International companies doing business in Canada.

Professional Activities

- Board member of the Insolvency Institute of Canada;
- Member of the Canadian Association of Restructuring and Insolvency Professionals;
- Former Director and Vice-Chair of Vertigo Mystery Theatre 2005-2010; and
- Speaker at numerous restructuring and insolvency based conferences.

EY