

COURT FILE NUMBER 1701-03460

COURT COURT OF QUEEN'S BENCH OF ALBERTA

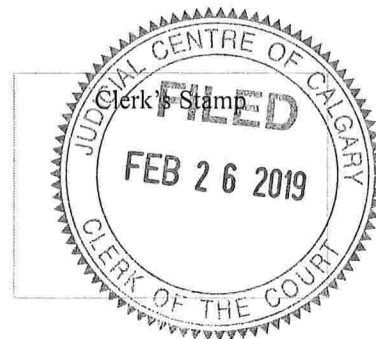
JUDICIAL CENTRE Calgary

APPLICANT ALBERTA ENERGY REGULATOR

RESPONDENT LEXIN RESOURCES LTD., 1051393 B.C. LTD., 0989 RESOURCE PARTNERSHIP, LR PROCESSING LTD. and LR PROCESSING PARTNERSHIP

DOCUMENT ORDER – Distribution

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
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File No. 547730/000021



I hereby certify this to be a true copy of the original ORDER - Distribution
Dated this 26 day of Feb, 2019
[Signature]
for Clerk of the Court

DATE ON WHICH ORDER WAS PRONOUNCED: February 26, 2019

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Justice K. Horner

UPON the Application of Grant Thornton Limited in its capacity as the court-appointed receiver (the "Receiver") of Lexin Resources Ltd. ("Lexin"), 1051393 B.C. Ltd. ("105"), 0989 Resource Partnership ("0989"), LR Processing Ltd. ("LR Ltd.") and LR Processing Partnership ("LR Processing" and collectively with Lexin, 105, 0989 and LR Ltd. the "Lexin Group"); AND UPON having read the Twelfth Report of the Receiver, dated February 15, 2019 (the "Twelfth Report") and the Affidavit of Service of Stella Kim, filed, and the pleadings and Receiver's reports previously filed herein, including the receivership order granted on March 20, 2017; AND UPON having heard submissions from counsel for the Receiver, and any other counsel in attendance at this Application; AND UPON it appearing that the distributions proposed are appropriate in the circumstances,

IT IS HEREBY ORDERED AND DECLARED THAT:

Service

1. The time for service of this Application together with all supporting materials is hereby declared to be good and sufficient and no other person is required to have been served with such documents, and this hearing is properly returnable before this Honourable Court today and further service thereof is dispensed with.

Distribution

2. The Receiver is hereby authorized, subject to the Receiver's investigation into the amounts owing to Alberta Energy in respect of crown royalties, to effect the distributions outlined in the Twelfth Report, summarized as follows:

(a)	Alberta Energy, in respect of crown royalties, up to	\$2,099,591;
(b)	Alberta Energy, in respect of crown lease rentals	\$ 42,874;
(c)	Exxon, in respect of freehold mineral lease rentals	\$ 125,534;
(d)	Third parties, in respect of freehold mineral lease rentals and royalties	\$ 46,975;
(e)	Alberta Energy, in respect of freehold mineral taxes	\$ 4,505;
(f)	Third parties and where appropriate, Surface Rights Board, in respect of surface lease rentals	\$ 767,725;
(g)	Municipal District of Foothills	\$ 455,568;
(h)	Municipal District of Willow Creek 26	\$ 69,547.

Hold Back

3. The Receiver shall hold back the sum of \$100,000 to satisfy any discrepancies found, by agreement of the parties or order of the Court, to have been made in the calculations associated with the third party freehold mineral lease rentals and the surface lease rentals.
4. Any freehold mineral lessor or surface lessor subject to the above noted distribution may advise the Receiver if their individual distribution calculated in Appendix 6 (with respect to freehold mineral lease arrears) or Appendix 10 (with respect to surface lease rental arrears) of the Twelfth Report is incorrect, with evidence provided to the Receiver to substantiate the freehold or surface lessor's calculations.

5. In the event the Receiver is unable to agree with the freehold or surface lessor's distribution calculations, such freehold or surface lessor shall bring an application to Court, within the 60 day holdback period, for an order declaring the amount of the distribution. Any such application by a freehold or surface lessor must include an Affidavit containing evidence clearly supporting the applicant's proposed distribution calculations and such application must be made on no less than 7 days' notice to the Receiver.
6. In the event a freehold or surface lessor does not bring an application to Court as aforesaid within the 60 day holdback period, the freehold or surface lessor shall be forever barred from making or enforcing a claim against the Receiver, LTAM or the receivership estate, in respect of the Receiver's distribution calculations as set out in the Twelfth Report, and all such claims will be forever extinguished and barred without further act or notification by the Receiver.
7. The Receiver is hereby authorized to make additional distributions to freehold or surface lessors from the holdback if, in its opinion, the revised distribution calculations provided by the freehold or surface lessor are reasonable in the circumstances, based on the evidence provided. Any portion of the holdback which is not subject to claims by the freehold or surface lessor shall be returned to the estate.

Receiver's Certificates

8. The Receiver is hereby authorized to immediately repay the amounts owing to the Alberta Energy Regulator pursuant to the Receiver's Certificates issued to date in these proceedings, together with interest calculated to February 28, 2019, in the total sum of \$2,781,819.

"K. Horner"

Justice of the Court of Queen's Bench of Alberta