

INTRODUCTION

1. On January 10, 2018, Manitok Energy Inc. (“**Manitok**”) and Raimount Energy Corp. (“**Raimount**”) filed Notices of Intention to File a Proposal (“**NOI**”) pursuant to Part III, Division I of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended (the “**BIA**”). On January 19, 2018, an additional subsidiary of Manitok known as Corinthian Oil Corp. (“**Corinthian**”) filed an NOI. The proceedings under the BIA shall be known as the proposal proceedings (“**Proposal Proceedings**”). For purposes of this report Manitok, Raimount and Corinthian are collectively referred to as the “**Debtors**” or the “**Companies**”.
2. FTI Consulting Canada Inc. (“**FTI**”) consented to act as the proposal trustee (the “**Proposal Trustee**”) in this matter.
3. An application was heard on January 12, 2018 (“**January 12th Application**”) where the Debtors sought, among other things, an Order (“**Interim Financing Order**”) approving an interim financing arrangement as well as various court ordered charges including an interim financing charge, an administration charge and a directors and officers charge.
4. At the January 12th Application, the Debtors’ senior secured lender, National Bank of Canada (“**NBC**”) argued against the Proposal Proceedings and brought a competing application (“**Receivership Application**”) seeking to effectively terminate the Proposal Proceedings and appoint a receiver and manager over the assets, properties and undertakings of Manitok and Raimount. The Receivership Application was adjourned *sine die* and the Court granted the Interim Financing Order and allowed the Proposal Proceedings to continue.
5. The second affidavit of Mr. Massimo Geremia (the “**Geremia Second Affidavit**”), the President and Chief Executive Officer of Manitok, sworn February 7, 2018, has been filed in support of this application and provides details related to the various restructuring efforts that have occurred since the commencement of these Proposal Proceedings.

6. Subsequent to the filing of the Geremia Second Affidavit, the Companies were advised by Stream Asset Financial Manitoak Corp. / Stream Asset Financial Manitoak LP (collectively referred to as “Stream”) that it was not prepared to execute the new Stream Credit Facility as contemplated under the Proposal Framework. However, Stream provided an alternative transaction to the Companies (the “Stream APA”) that would essentially comprise a purchase of all of the Companies’ assets and operations with a purchase price equaling:
 - (a) The amount owing under the Interim Loan;
 - (b) The secured amounts owing to NBC;
 - (c) Assumption of the amounts owing by the Companies to Stream; and
 - (d) The assumptions of various Assumed Liabilities (as discussed and defined below.
7. The Stream APA would provide for a full repayment of the amounts owing to NBC; however, would provide no recovery to creditors ranking subordinate to NBC and Stream. The Stream APA is discussed in further detail below.
8. Prior reports of the Proposal Trustee and other information in respect of this proceeding are posted on the Proposal Trustee’s website at <http://cfcanada.fticonsulting.com/Manitok>.

PURPOSE

9. The purpose of this Second Report is to provide this Honourable Court with:
 - (a) an update on the Companies’ operations since the Proposal Trustee’s first report dated January 12, 2018 (“First Report”);
 - (b) an update on the Proposal Trustee’s activities since the First Report;

- (c) the Companies' actual cash flow results for the period of January 8, 2018 to February 2, 2018 as compared to the initial cash flow forecast attached as Appendix A to the First Report;
- (d) the Proposal Trustee's comments on the Companies' restructuring efforts since the commencement of these Proposal Proceedings and the progress that has been made towards completing the various steps set out in the Proposal Framework, as defined in the First Report;
- (e) The Proposal Trustee's comments on the following asset sales proposed by the Companies:
- the sale of various oil and gas assets in the Rockyford area ("**Rockyford Assets**") pursuant to the terms of an asset purchase and sale agreement ("**Rockyford APA**") between Manitoak and Doag Energy Ltd. ("**Doag**") dated January 25, 2018;
 - the sale of various oil and gas assets in the Ferrier area ("**Ferrier Assets**") pursuant to the terms of an asset purchase and sale agreement ("**Ferrier APA**") between Manitoak and Yangarra Resources Ltd. ("**Yangarra**") dated January 26, 2018;
- (f) The Proposal Trustee's comments on the Stream APA and the positions of the various stakeholder groups;
- (g) the Debtors' request to extend the stay of proceedings to March 31, 2018; and
- (h) The Proposal Trustee's conclusions and recommendations.

TERMS OF REFERENCE

10. In preparing this report, the Proposal Trustee has relied upon unaudited financial information, other information available to the Proposal Trustee and, where appropriate, the Companies' books and records and discussions with various parties (collectively, the "Information").
11. Except as described in this report:
 - (a) The Proposal Trustee has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Canadian Institute of Chartered Accountants Handbook; and
 - (b) The Proposal Trustee has not examined or reviewed financial forecasts and projections referred to in this report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.
12. Future oriented financial information reported or relied on in preparing this report is based on assumptions regarding future events; actual results may vary from forecast and such variations may be material.
13. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars.

UPDATE ON THE COMPANIES' OPERATIONS

14. Since the First Report, the Proposal Trustee has continued to work closely with the Companies' management ("Management") to monitor the operations and restructuring efforts.

15. Since the commencement of the Proposal Proceedings, the Companies and the Proposal Trustee have communicated and consulted with each other on a continuous basis with respect to ongoing operations. The Companies have consulted with the Proposal Trustee in relation to ongoing operational disbursements and provided the Proposal Trustee with regular cash flow reporting.
16. The Proposal Trustee notes that there have been no material changes to the Companies' operations since the Filing Date. To-date, the Companies have been successful in maintaining relatively normal course operations with no significant operational issues.
17. The Companies have complied with the terms of the interim financing agreement dated January 15, 2018 between NBC, Manitok and Raimount ("**Interim Loan Agreement**" and the "**Interim Loan**"). The Companies have provided NBC with weekly cash flow reporting as required by the Interim Loan Agreement and to-date with no significant budget to actual variances. Further details with respect to actual cash flow results are presented below.

PROPOSAL TRUSTEE'S ACTIVITIES TO DATE

18. Since the First Report, the Proposal Trustee has:
 - (a) continued to maintain the Proposal Trustee's website;
 - (b) corresponded and met with the Companies' management and legal counsel;
 - (c) assisted the Companies in communicating with suppliers to maintain going concern operations;
 - (d) responded to inquiries from stakeholders, including addressing questions or concerns of parties who contacted the Proposal Trustee through the toll-free number and general email accounts established by the Proposal Trustee;

- (e) assisted the Companies in implementing an appropriate accounting cut-off to ensure proper determination of the pre and post-filing obligations and liabilities;
- (f) monitored weekly proposed disbursements and provided assistance to the Companies in the preparation of weekly cash flow reporting required by the Interim Financing Agreement;
- (g) communicated with and organized updates for NBC;
- (h) monitored the Companies' restructuring efforts with respect to the Proposal Framework; and
- (i) prepared the Second Report in consultation with the Proposal Trustee's legal counsel.

CASH FLOW BUDGET TO ACTUAL RESULTS

19. The table below provides a summary of the Companies' budget to actual results for January 8, 2018 to February 2, 2018 (the "Reporting Period") as compared to the cash flow statement ("Initial Forecast") filed as Appendix A to the Proposal Trustee's First Report.

\$CAD 000's	Budget	Actual	Variance	
			Amount	Percent
Cash Receipts				
Oil and Gas Revenue	4,370	4,257	(113)	(2.6)%
Other Receipts	-	127	127	-
Total - Operating Receipts	4,370	4,384	13	0.3%
Cash Disbursements				
Operating Expenses	(2,594)	(1,809)	785	30.3%
Royalties	(1,093)	(774)	319	29.2%
G&A	(721)	(521)	200	27.7%
Secured debt interest payments	-	-	-	-
Interim Loan Interest/Fees	(162)	(59)	103	63.7%
Professional Fees	(475)	(33)	442	93.0%
Total - Disbursements	(5,045)	(3,195)	1,849	36.7%
Net Cash flow before financing	(674)	1,188	1,863	276.2%
Opening Cash before Interim Loan	-	-	-	-
Ending Cash before Interim Loan	(674)	1,188	1,863	276.2%
Cumulative Interim Loan Advances	2,000	2,000	-	-
Ending Cash after Interim Loan	1,326	3,188	1,863	140.5%

20. The following provides a summary of the major budget to actual variances:
- (a) Oil and Gas Revenue – oil and gas production revenue for the Reporting Period is consistent with the Initial Budget. The actual receipts were slightly lower than budget due to certain counterparties withholding December's production revenue. The Companies continue efforts to collect these amounts.

- (b) Other Receipts – other actual receipts relate to joint venture and other miscellaneous receivables that were collected during the Reporting Period. These collections were not included in the budget as the timing of receipt was uncertain at the time of filing.
- (c) Opex – \$785,000 favourable variance is mainly due to timing and is expected to reverse in future periods. The Companies have been more successful than expected in maintaining normal payment terms with their vendors; the Initial Budget anticipated having to make more upfront or cash on demand payments.
- (d) Royalty Expense – favourable \$319,000 timing variance is expected to reverse in future periods as it relates to the timing of the payment.
- (e) G&A – \$200,000 favourable variance is mainly due to timing and is expected to reverse in future periods. The Companies have been more successful than expected in maintaining normal payment terms with their vendors, the budget anticipated having to make more upfront or cash on demand payments.
- (f) Interim Loan Interest/Fees – \$100,000 favourable variance as the Initial Budget contemplated the Companies entering an interim loan agreement with SCCC Petroleum Corporation (“SCCC”) however after the January 12th Application, NBC offered to provide the required interim funding on better terms than SCCC.
- (g) Professional Fees - \$442,000 favourable variance is due to timing. Professional fees for the Companies’ counsel, the Proposal Trustee and the Proposal Trustee’s counsel have been incurred and invoices rendered however have not yet been paid and therefore the variance will reverse over future weeks. Accrued professional fees (incurred but not yet paid) appear to be consistent with the Initial Forecast.

21. No variances that occurred during the Reporting Period are expected to have a materially negative impact on the Debtors liquidity and since, the large majority of favourable variances relate to timing and are expected to reverse over time; accordingly, the Companies have not prepared a revised cash flow forecast. The Initial Forecast remains management's best cash flow estimate. The Proposal Trustee will continue to report actual cash flow results against the Companies' Initial Forecast. The Proposal Trustee notes that the major positive variances are due to timing of payment. These are not permanent variances as the expenses have been incurred by the company but not yet paid, due to timing of receipt of invoice and subsequent payment.

PROPOSAL FRAMEWORK

22. The Proposal Trustee's First Report stated that the various steps in the Proposal Framework would need to be completed in a timely basis. Since filing the NOI, the Companies worked diligently in their efforts to complete the various steps outlined in the Proposal Framework. The steps involved in the Proposal Framework were outlined in paragraph 53 of the initial Affidavit of Massimo Geremia sworn January 11, 2018.
23. Throughout the Proposal Proceedings, the Proposal Trustee has been monitoring the Companies' progress towards achieving each step within the Proposal Framework and provides the following status update for this Honourable Court:
- (a) New equity financing shall be obtained in the minimum amount of \$10.0 million ("**New Equity**");
- The Proposal Trustee understands that in excess of \$9.1 million of new equity financing is being held in trust by the Companies' legal counsel. The Companies expected to be able to raise additional funds in excess of \$10 million by the date of the February 14, 2018 application.

- (b) The New Equity financing is conditional on a restructuring (“**CEL Notes Restructuring**”) of the approximate face value of \$21.2 million of collateralized exchange listed notes (“**CEL Notes**”). The CEL Notes Restructuring contemplates 25% of the principle amount of the CEL Notes being forgiven and 37.5% of the principal amount of the CEL Notes being converted into common shares of Manitok and 37.5% of the principal amount of the CEL Notes remaining as debt but with a reduced coupon rate of 8%, down from 10.5%;
- The Proposal Trustee understands that the Companies’ counsel currently holds restructuring support agreements in favour of the CEL Notes Restructuring from holders of the CEL Notes representing approximately 68% in value of the total CEL Notes.
- (c) the completion of various asset sales generating proceeds in aggregate of approximately \$5.0 million (collectively, the “**Asset Sales**”). The Asset Sales were expected to be completed within 60 days of the January 12th Application.
- The Proposal Trustee understands that Manitok has negotiated two definitive asset purchase and sale agreements.
 - i. Rockyford APA; the Proposal Trustee understands that the Rockyford APA closed in escrow pending only the issuance of a vesting order and that the net purchase price is currently being held in trust with the Companies’ counsel;

- ii. Ferrier APA; the Proposal Trustee understands that the Ferrier APA is to close on Tuesday February 13, 2018 in escrow pending only the issuance of a vesting order and that the net purchase price is expected to be received in full prior to the February 14, 2018 application;
 - iii. Neither the Ferrier APA nor the Rockyford APA have any significant closing conditions, other than approval by Court;
- The combined net proceeds after customary adjustments and selling agent fees is expected to be approximately \$5.0 million. The Proposal Trustee has reviewed the Rockyford APA and the Ferrier APA and is of the view that the proceeds and terms of the sales are reasonable and in the best interest of the estate. Additionally, the Proposal Trustee understands that NBC, the senior secured lender is in support of the Manitok completing the Asset Sales. Manitok intends to use the sales proceeds to repay a portion of NBC's debt.
- (d) Stream shall provide a new credit facility to the Companies in the amount of \$25.0 million (the "New Stream Facility");
- The Proposal Trustee understands that the New Stream Facility agreement ("New Stream Facility Agreement") between Stream and Manitok was in final form; however, on or about February 9, 2018, Stream advised the Companies that it was not prepared to proceed with the New Stream Facility. The New Stream Facility was intended to repay a large portion of the NBC debt and become the senior secured creditor post plan implementation.

24. The Companies made significant progress in completing the various steps as outlined above, including finalizing the Asset Sales on an expedited basis. However, without the funds that were to be provided under the New Stream Facility, the Proposal Framework cannot be implemented.
25. As discussed above, Stream has suggested an alternative transaction referred to as the Stream APA.

STREAM APA

Background to the Stream APA

26. The Proposal Trustee has reviewed a draft of the Stream APA but advises that at the time of this report, it has not been executed. The Proposal Trustee understands that the Stream APA is well advanced and that the commercial terms of the agreement have been substantially agreed between Stream and Manitoak. At the time of this report, the Stream APA had not yet been provided to NBC
27. The Proposal Trustee has provided below:
 - (a) an outline of the terms of the Stream APA;
 - (b) the views and concerns of the various stakeholder groups; and
 - (c) its views and recommendations to the Court should a signed agreement be presented to this Honourable Court
28. The material commercial terms of the Stream APA include:
 - (a) A purchase price that would provide for a repayment of the Interim Loan and secured indebtedness of NBC;
 - (b) An assumption by way of amended joint venture agreement of the amounts owing by Manitoak to Stream;

- (c) An assumption or payment of certain other priority payments (“**Assumed Liabilities**”) including;
- Liabilities owing under Assigned Contracts as defined in the Stream APA;
 - Cure costs associated with assigning the Assigned Contracts to the buyer as well as costs associated with obtaining a replacement arrangement with PrairieSky Royalty Ltd.;
 - Transfer taxes; and
 - Priority payables which shall include amounts payable to creditors in priority to NBC.
- (d) A non-refundable deposit in the amount of \$4 million;
- (e) closing is not conditional on due diligence being performed in relation to the assets subject to the APA;
- (f) the APA is Conditional upon Court approval; and
- (g) Provisions to allow the Companies to undertake an expediated sale process (the “**Sale Process**”) to see if a bid can be obtained that would be superior to the recoveries under the Stream APA. Accordingly, if approved by the Court, the Stream APA would be considered a ‘stalking horse bid’. Accordingly, the Stream APA includes a break fee of \$3.0 million if a superior bid is selected in the Sale Process.

29. The purchase price is estimated to be approximately \$60 million (net of the Asset Sales), including the assumption of various liabilities and the debt owing to Stream. The Proposal Trustee understands that Stream has partnered with SCCC to make the Stream APA. The Proposal Trustee further understand that Stream/SCCC and Manitok’s preference is to complete the Stream APA in these Proposal Proceedings, as discussed in further detail below.

Proposal Trustee's Views on the Stream APA

30. The Proposal Trustee appreciates that the Stream APA concept is a significant departure from the Proposal Framework and has only recently been brought forward, which has caused certain logistical issues. As discussed above, NBC has not yet been provided a copy of the Stream APA, and has only been provided an outline of the nature of its terms.
31. The Stream APA reviewed by the Proposal Trustee was in draft form only. Therefore, the Proposal Trustee has provided its comments with respect to the Stream APA in general terms and would consider support approval of such agreement only if the final agreement includes the following:
 - (a) Not subject to any material conditions or condition precedents and needs to be executed and a binding agreement;
 - (b) A significant non-refundable deposit is required to reduce closing risk and Stream needs to provide evidence of financing; and
 - (c) The Stream APA needs to be tested to the market to ensure no higher offers are available.
32. The Proposal Trustee understands that parties to the Stream APA are aware of the need for minimal conditions precedent.
33. The draft Stream APA contemplates a \$4 million non-refundable deposit that represents a significant amount (10% of the cash portion of the purchase price). The Proposal Trustee advises that a deposit at this level is a typical 'market' deposit for insolvency related transactions. The Proposal Trustee has further requested Stream/SCCC to provide evidence of their ability to complete the transaction.
34. The Proposal Trustee believes it is imperative for a Sale Process be completed to validate the purchase price of the Stream APA given the following:

- (a) The value underlying the Stream APA will only provide recoveries to NBC (paid in full), Stream (assumption of debt) and other Assumed Liabilities, as described above. All other creditors subordinate (the “**Remaining Creditors**”) to the above will receive no recovery. The Remaining Creditors would comprise the CEL Notes and various unsecured creditors;
- (b) The Stream APA concept has only recently been brought forward and no notice to the Remaining Creditors has been completed (due to timing); and
- (c) The significant steps completed in the Proposal Framework including raising \$9.2 million in new equity (funds held in trust) illustrate that the value of the Companies could be in excess of the amount owing to NBC and Stream. Accordingly, the Proposal Trustee cannot conclude definitively that the value of the Stream APA is reasonable in the circumstance. While the Proposal Trustee understands a sales process was previously completed by Manitok late in 2017, it is still of the view that a testing of the value of the Stream APA is required.

Stakeholder Positions on the Stream APA

- 35. The Proposal Trustee understands that, given the options available, Manitok is supportive of the Stream APA and believes this is best remaining option available to maximize value to the stakeholder groups and provide a brief period to obtain a superior bid. The only remaining alternative is receivership.
- 36. Stream also supports the Stream APA. Stream is a secured creditor of the Companies’ and is also a significant stakeholder of these proceedings as summarized below:

- (a) In December, 2014, the Companies entered into a financing arrangement with Stream whereby the Companies received \$12.5 million and granted Stream first charge security in certain facilities in the Stolberg and Entice, Alberta areas (the “Stolberg and Entice Rental Agreement”) and entered into a joint venture agreement with Stream whereby the Companies received \$2.5 million and pay to Stream a facility tariff on certain facilities in the Stolberg Alberta area (the “Stolberg Joint Venture Agreement”)
- (b) In June 2015, the Companies entered into a financing arrangement with Stream whereby the Companies received \$7.5 million and granted Stream first charge security in certain facilities in the Wayne, Alberta area (the “Wayne Rental Agreement”) and entered into a joint venture agreement with Stream whereby the Companies received \$12.5 million and pay to Stream a facility tariff on certain facilities in the Wayne Alberta area (the “Wayne Joint Venture Agreement”)
- (c) Stream is currently owed approximately \$14.7 million under the joint venture agreements and \$20 million under the rental agreements. Stream contracts Manitok to operate the facilities under the joint venture agreements and Manitok reports the current amount owing under the joint venture agreements as a loan on its balance sheet.
- (d) At February 14, 2018, the estimated make-whole under the Stream rental agreements and the Stream joint venture agreements are estimated to total approximately \$15.2 million and 21.1 million, respectively;
- (e) In total, Manitok owes Stream approximately \$36.3 million including the make-whole amount.

37. NBC is the first secured creditor with approximately \$38.2 million in loans, including the letters of credit, to ManitoK. NBC has also provided the Interim Loan. The Proposal Trustee understands that the National Bank opposes the Stream APA with the following primary concerns:
- (a) Risk that the Stream APA will not close; and
 - (b) Risk of further delays in the process should the Company pursue an alternative transaction in the Sale Process.
38. As discussed above, NBC and its advisors have not been provided a copy of the Stream APA and have only been provided a verbal summary of the commercial terms. Based on this information, NBC's view is that the Stream APA, and any related sale process be completed in a receivership as opposed to in these Proposal Proceedings.

Overview of the Sale Process

39. The Proposal Trustee understands that the Sale Process contemplated to market test the Stream APA would be an expedited process. Essentially, the Companies' would be provided a 30-day period to determine if a superior bid could be obtained. The superior bid would need to be a binding bid that is in excess of the recoveries under the Stream APA and the ability to close under the same terms of the Stream APA.
40. The Proposal Trustee expects that such a Sale Process will include re-approaching parties who participated in the previously run sale processes or who had expressed an interest in ManitoK.
41. The expediated Sale Process would allow a final market-test to ensure maximum value is being obtained.
42. Any terms of the Sale Process would need to be reviewed and approved by both NBC and Stream.

Proposal Trustee's Summary Comments on the Stream APA

43. Certain suggestions were made that the Stream APA should be sought to be approved by this court without any sale process. The Proposal Trustee respectfully disagrees that the Stream APA can be approved without a Sale Process for the reasons outlined above.
44. The \$4 million deposit (which would need to be non-refundable) and further evidence of Stream/SCCC's ability to close, should substantially reduce potential concerns over closing risk.
45. The Proposal Trustee understands that the Companies' are willing to enhance the Proposal Trustee's power with respect to completing any Sale Process which may mitigate concerns over control of the timelines.
46. The Proposal Trustee would suggest that a Sale Process would need to be completed under either the current Proposal Proceedings or a receivership proceeding. Furthermore, the timeline to complete any transactions is likely comparable to a receivership proceeding.
47. In summary, the current situation is that the senior secured creditor, NBC, does not support these Proposal Proceedings and wishes to proceed with a receivership. Stream has provided a transaction as contemplated under the Stream APA and wishes this transaction to be completed under the current Proposal Proceedings. Furthermore, Stream is supportive of an expediated Sale Process that would provide a market test to the bid.

SECURITY REVIEW AND ASSET SALES

48. The Proposal Trustee has received an opinion from its counsel that, subject to standard assumptions and qualifications, the security of each of NBC and Stream is perfected and enforceable against the Companies and third parties in accordance with its terms.

49. The Proposal Trustee understands the net proceeds from the Asset Sales are to be distributed to NBC. The Proposal Trustee further understands that legal counsel to certain municipalities have advised the Companies' that any property taxes owing should be held back from any distribution to NBC. The Proposal Trustee confirms that approximately \$41,015 in property taxes are owing in relation to the properties included in the Asset Sales (the "**Holdback Amount**"). The Proposal Trustee confirms that such funds will be held in trust and not distributed to NBC. The Proposal Trustee confirms that NBC and the Companies' are in agreement with such hold back.

STAY EXTENSION

50. The current stay of proceedings expires on February 14, 2018. The Debtors are seeking an extension of the stay of proceedings to March 31, 2018 ("**Stay Period**"). Pursuant to section 50.4(9) of the BIA, the stay of proceedings may be extended by the Court for up to 45 days for any individual extension and not exceeding six months from the commencement of the stay of proceedings.
51. In the Proposal Trustee's view, the Debtors continue to act in good faith and with due diligence in these Proposal Proceedings. This is evidenced by the significant steps that were completed in the Proposal Framework and the completion of the Asset Sales which will provide an approximate \$5 million repayment to NBC.
52. The Proposal Trustee would support the Debtors' motion to extend the stay of proceedings to March 31, 2018 in the following circumstances:
- (a) If the Stream APA is executed and approved by this Court and provides for an expediated Sale Process. The extension of the stay will allow for the completion of the Sale Process and closing of a transaction (either the Stream APA or a superior bid); and
 - (b) Procedures are agreed to with respect to the Sale Process which would have been reviewed and approved by the Companies, NBC and Stream

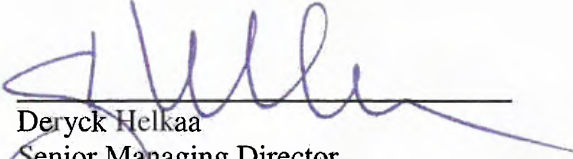
53. The Debtors cash flow forecast demonstrates sufficient liquidity to be able to continue operating in the ordinary course of business during the requested Stay Period.
54. The Proposal Trustee's view is that no creditors would be materially prejudiced by the extension of the Stay Period if the above conditions with respect to the Stream APA and related Sale Process are met. In addition, the relatively short time period contemplated by the Sale Process also reduces creditors of being materially prejudiced.
55. However, the Proposal Trustee recommends that if the Stream APA is not completed and approved by this Court (whether immediately or as part of an expedited Sales Process), that the stay should be terminated as there are no other viable restructuring options at this time.

RECOMMENDATION

56. The Proposal Trustee recommends approval of the Assets Sales and the distribution of the net process (less the Holdback Amount for property taxes) to NBC.
57. If the Stream APA is approved, the Proposal Trustee recommends the immediate implementation of the Sale Process on terms acceptable to the secured creditors and Companies.
58. If the Stream APA is not approved along with the associated Sale Process to market-test it as a stalking horse bid, there will be no viable restructuring alternatives available to the Companies and these Proposal Proceedings should be terminated.

All of which is respectfully submitted this 12th day of February 2018.

FTI Consulting Canada Inc.,
in its capacity as Proposal Trustee under notice
of intention to make a proposal filed by
Manitok Energy Inc., Raimount Energy Corp.
and Corinthian Oil Corp.


Name: Deryck Helkaa
Title: Senior Managing Director,
FTI Consulting Canada Inc.