



No. 1910194  
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

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

**AND**

**IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*,  
S.B.C. 2002, c.57, AS AMENDED**

**AND**

**IN THE MATTER OF ENERGOLD DRILLING CORP., CROS-MAN DIRECT  
UNDERGROUND LTD., EGD SERVICES LTD., BERTRAM DRILLING CORP., AND  
OMNITERRA INTERNATIONAL DRILLING INC.**

**PETITIONERS**

**SECOND REPORT OF THE MONITOR**

**NOVEMBER 25, 2019**

**IN THE MATTER OF ENERGOLD DRILLING CORP., CROS-MAN DIRECT  
UNDERGROUND LTD., EGD SERVICES LTD., BERTRAM DRILLING CORP., AND  
OMNITERRA INTERNATIONAL DRILLING INC.**

**SECOND REPORT OF THE MONITOR**

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## INTRODUCTION

1. On September 13, 2019, Energold Drilling Corp., Cros-Man Direct Underground Ltd. (“**Cros-Man**”), Bertram Drilling Corp. (“**BDC**”), EGD Services Ltd. and Omniterra International Drilling Inc. (collectively, the “**Applicants**” or “**Energold**”) commenced proceedings (the “**CCAA Proceedings**”) under the *Companies’ Creditors Arrangement Act*, R.S.C 1985, c. C-36, as amended pursuant to an order granted by this Honourable Court (the “**Initial Order**”).
  
2. The Initial Order provides for, among other things:
  - a. a stay of proceedings (the “**Stay of Proceedings**”) in favour of the Applicants and certain affected subsidiaries until October 11, 2019. The Stay of Proceedings has since been extended to November 29, 2019 by subsequent order of this Honourable Court;
  
  - b. the appointment of FTI Consulting Canada Inc. as Monitor in the CCAA Proceedings (the “**Monitor**”);
  
  - c. approval of the appointment of a Chief Restructuring Officer (“**CRO**”); and
  
  - d. approval of a debtor-in-possession interim financing arrangement (the “**DIP Agreement**”) with certain of Energold’s senior secured noteholder group (the “**Interim Lenders**”).
  
3. Concurrent with the Initial Order, this Honourable Court granted the following additional orders:
  - a. an order approving an auction services agreement (the “**Asset Disposition Agreement**”) between BDC and Century Services Corp. (“**Century Services**”) to dispose of certain drilling assets owned by BDC; and

- b. an order authorizing and approving a sale solicitation process (“**SSP**”) in respect of certain of Energold’s assets and subsidiary businesses.
4. On November 25, 2019, the Applicants filed a Notice of Application for a hearing to be held before this Honourable Court on November 28, 2019 seeking an order (the “**Stay Extension Order**”) extending the Stay of Proceedings to January 31, 2020 and approving the sale of certain marketable securities owned by Energold (the “**Shares**”).
5. The Initial Order along with select application materials and other documents filed in the CCAA Proceedings are posted on the Monitor’s website at <http://cfcanada.fticonsulting.com/Energold/>.

## **PURPOSE**

6. This second report of the Monitor (the “**Second Report of the Monitor**”) is intended to provide this Honourable Court and the Applicants’ stakeholders with information concerning:
  - a. the independent opinions on the validity and enforceability of various security held by Energold’s senior secured noteholders (the “**Noteholders**”) prepared by Cassels, Brock & Blackwell LLP (“**CBB**”) in its capacity as legal counsel to the Monitor (collectively, the “**Security Opinion**”);
  - b. a comparison of actual cash receipts and disbursements for the period of September 30, 2019 to November 17, 2019 to those forecast in the cash flow statement that was appended to the First Report of the Monitor dated October 7, 2019 (the “**Second Cash Flow Statement**”);
  - c. a summary of an updated cash flow statement (the “**Third Cash Flow Statement**”) prepared by the Applicants for the 21 weeks ending February 2, 2020 including the key assumptions on which the Third Cash Flow Statement is based;

- d. an update on the SSP including the activities performed by Energold and Ernst & Young Orenada Corporate Finance Inc. (“EYO”), as financial advisor to Energold and the key commercial terms of three bids for the purchase of shares and one bid for the purchase of assets by the Noteholders that were accepted by the Applicants, subject to the approval of this Honourable Court (the “**Accepted Offers**”);
- e. information and the Monitor's comments with respect to Energold's application for the Stay Extension Order; and
- f. the Monitor’s conclusion and recommendation.

## **TERMS OF REFERENCE**

- 7. In preparing this report, the Monitor has relied upon certain information (the “**Information**”) including Energold’s unaudited financial information, books and records and discussions with senior management and the CRO (collectively, “**Management**”).
- 8. Except as described in this report, the Monitor 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 Chartered Professional Accountants of Canada Handbook.
- 9. The Monitor 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.
- 10. Future oriented financial information reported to be relied on in preparing this report is based on Management’s assumptions regarding future events. Actual results may vary from forecast and such variations may be material.
- 11. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

## **SECURITY OPINION**

12. CBB has completed its independent review of the security held by the Noteholders over the shares and assets of certain entities within Energold that were subject to the SSP. Subject to standard qualifications and assumptions, CBB has opined that the security granted by Energold in favour of the Noteholders creates a valid and enforceable security interest with the exception of the following collateral where it expressed no opinion:

- a. certain shares of Energold Drilling Peru S.A.C.;
- b. shares of OroEnergy S.A.;
- c. shares of Energold Drilling Dominicana S.R.L.; and
- d. shares of Energold Perfuracoes Ltda.

13. CBB had discussions with Energold and the Noteholders' counsel in respect of the above noted entities and determined that readily available documentation was insufficient to allow CBB to complete its review for the subject shares in the applicable foreign jurisdictions and would require engaging foreign counsel. The CBB opinion does not address the priority of security interests.

## **CASH FLOW VARIANCE ANALYSIS**

14. The Monitor has undertaken weekly reviews of Energold's actual cash flows in comparison to those contained in the Second Cash Flow Statement. Energold's actual cash receipts and disbursements as compared to the Second Cash Flow Statement for the period September 13, 2019 to November 17, 2019 are summarized below:

(\$000's)	Weeks 1 - 10		
	Actual	Forecast	Variance
<b>Operating Receipts</b>			
Collection of AR	\$ 1,293	\$ 1,682	\$ (390)
<b>Total Operating Receipts</b>	<b>1,293</b>	<b>1,682</b>	<b>(390)</b>
<b>Operating Disbursements</b>			
Payroll	767	1,206	439
Recurring Operating Disbursements	470	628	158
Other Operating Disbursements	372	766	393
<b>Total Operating Disbursements</b>	<b>1,609</b>	<b>2,600</b>	<b>991</b>
<b>Net Operating Cash Flow</b>	<b>(317)</b>	<b>(917)</b>	<b>601</b>
<b>Other Cash Flow Items</b>			
Professional Fees	(1,336)	(2,455)	1,119
Disposition of BDC Assets	3,863	4,433	(569)
Intercompany to Energold Mexico	(864)	(1,000)	135
Intercompany from BDI	-	1,218	(1,218)
Intercompany to EMEA	(2)	-	(2)
Repayment of RBC Operating Line	(456)	(1,484)	1,029
DIP Agreement Advances (Net of Fees)	3,570	3,635	(65)
DIP Agreement Repayments	-	(3,750)	3,750
DIP Agreement Interest	(24)	(46)	22
Other / Adjustment	(9)	-	(9)
<b>Net Cash Flow</b>	<b>4,425</b>	<b>(367)</b>	<b>4,792</b>
Opening Cash Balance	182	921	(739)
<b>Ending Cash Balance</b>	<b>\$ 4,608</b>	<b>\$ 554</b>	<b>\$ 4,053</b>

15. Overall, the Applicants realized a favourable net cash flow variance of approximately \$4.1 million. The key components of the variance are as follows:

- a. the opening cash balance was \$739,000 lower than forecast as a result of disbursements assumed to be incurred during the first week of the CCAA Proceedings that were in fact made prior to the granting of the Initial Order;
- b. collections of accounts receivable were approximately \$390,000 lower than forecast as a result of a delay in the collections of certain receivables. This variance is expected to reverse in future periods;

- c. professional fees are approximately \$1.1 million lower than forecast as a result of disbursements assumed to be incurred during the first week of the CCAA Proceedings that were in fact made prior to the granting of the Initial Order as well as deferral of amount forecast to be paid to the Noteholders' legal counsel. The fees and disbursements paid to each professional firm during the CCAA Proceedings to date are summarized as follows:

<i>(\$000's)</i>					
Firm	Fees	Disb.	Tax	Total	
Portage Point Partners, LLC (CRO)	\$ 325	\$ 35	\$ -	\$ 360	
Borden Ladner Gervais LLP (Applicant's counsel)	394	3	56	453	
FTI Consulting Canada Inc. (Monitor)	226	7	12	245	
Cassels, Brock & Blackwell (Monitor's counsel)	119	4	8	131	
EYO (Financial Advisor)	142	-	5	147	
<b>Total</b>	<b>\$ 1,206</b>	<b>\$ 49</b>	<b>\$ 81</b>	<b>\$ 1,336</b>	

- d. collections from the disposition of BDC Assets relates to the net proceeds to date from the Asset Disposition Agreement. The auctions contemplated by the Asset Disposition Agreement were delayed and a final accounting and reconciliation of the auction proceeds has not yet been prepared. However, Century Services has provided Energold with an advance of approximately \$3.9 million, net of certain costs and adjustments, against estimated total net proceeds of \$5.8 million. The proceeds of the advance were subsequently used to repay amounts owing under the DIP Agreement during the week ended November 22, 2019;
- e. the variances in intercompany transfers relate to the operating performance and funding requirements of various Energold subsidiaries;
- f. repayment of the Royal Bank of Canada (“**RBC**”) operating line relates to the senior secured operating facility of BDC. Collections of accounts receivable due from certain BDC customers including Syncrude Canada Ltd. (“**Syncrude**”) have been delayed, resulting in slower than forecast repayment of RBC. The Applicants received certain operational data required to invoice Syncrude in late



October 2019 and Management has advised the Monitor that it is working to collect the remaining accounts as expeditiously as possible; and

- g. as described in paragraph 15(d), the variance in DIP Agreement repayments is a timing difference and the amounts owed to the Interim Lenders were subsequently repaid during the week ended November 22, 2019.

- 16. The cash balance is presented exclusive of approximately \$196,000 which is held in the Applicants securities brokerage accounts.

### **THIRD CASH FLOW STATEMENT**

- 17. Management has prepared the Third Cash Flow Statement which includes forecast results for the 11 weeks ending February 2, 2020 (the “**Forecast Period**”). A copy of the Third Cash Flow Statement is attached as Appendix “**A**”.

- 18. A summary of the Third Cash Flow Statement is set out in the below table:

<i>(\$000's)</i>	Weeks 1-10 Actual	Weeks 11-21 Forecast	Total Forecast
<b>Operating Receipts</b>			
Collection of Existing AR	\$ 1,293	\$ 907	\$ 2,199
Other Collections	-	655	655
<b>Total Operating Receipts</b>	<b>1,293</b>	<b>1,562</b>	<b>2,855</b>
<b>Operating Disbursements</b>			
Payroll	767	512	1,279
Recurring Operating Disbursements	470	579	1,049
Other Operating Disbursements	372	573	945
<b>Total Operating Disbursements</b>	<b>1,609</b>	<b>1,664</b>	<b>3,273</b>
<b>Net Operating Cash Flow</b>	<b>(317)</b>	<b>(102)</b>	<b>(418)</b>
<b>Other Cash Flow Items</b>			
Professional Fees	(1,336)	(1,316)	(2,652)
Disposition of BDC Assets	3,863	1,950	5,813
Intercompany to Energold Mexico	(864)	747	(118)
Intercompany to EMEA	(2)	(300)	(302)
Repayment of RBC Operating Line	(456)	(301)	(757)
DIP Agreement Advances (Net of Fees)	3,570	-	3,570
DIP Agreement Repayments	-	(3,750)	(3,750)
DIP Agreement Interest	(24)	(109)	(133)
Other / Adjustment	(9)	-	(9)
<b>Net Cash Flow</b>	<b>4,425</b>	<b>(3,181)</b>	<b>1,244</b>
Opening Cash Balance	182	4,608	182
<b>Ending Cash Balance</b>	<b>\$ 4,608</b>	<b>\$ 1,426</b>	<b>\$ 1,426</b>

19. The Third Cash Flow Statement is based on the following key assumptions:

- a. collection of accounts receivable is consistent with Management's assessment and historical collection patterns;
- b. payroll is forecast based on current run rates, adjusted for certain recent employee redundancies. Payroll source deductions are assumed to remain current during the Forecast Period;

- c. recurring operating disbursements include employee benefits, insurance, rent, and utilities and are consistent with current run rates and timing of payments;
- d. other operating disbursements including supplies, parts, freight and shipping are consistent with historical percentages of revenue;
- e. professional fees are comprised of restructuring related fees and disbursements for the CRO, Energold's counsel, the Monitor, the Monitor's counsel, the Noteholder's counsel and EYO;
- f. estimated net proceeds from the disposition of the BDC Assets are estimated to be approximately \$5.8 million based on preliminary auction results and costs reported by Century Services, subject to final accounting and reconciliation. The guaranteed net minimum of \$3.9 million, net of certain adjustments and costs, was advanced during the week ending November 15, 2019 and the final payment is expected to occur during the Forecast Period;
- g. intercompany advances to Energold de México, S.A. de C.V. ("**Energold Mexico**") and Energold's European, Middle Eastern and African ("**EMEA**") operating entities are intended to permit certain of Energold's subsidiaries to continue operations;
- h. repayment of the Royal Bank of Canada ("**RBC**") operating line relates to the senior secured operating facility of BDC. As described in the Pre-filing Report of the Proposed Monitor dated September 13, 2019, the Initial Order provides for a financial arrangement whereby the Applicants are authorized and empowered to repay amounts owed to RBC pursuant to loans due from BDC and Energold as guarantor, provided such repayments are made from the collection of accounts receivable by BDC in the course of the CCAA Proceedings;
- i. DIP Agreement advances relate to amounts advanced by the Interim Lenders to fund the operations of the Applicants through the CCAA Proceedings;

- j. DIP Agreement repayments relates to the repayment of the interim financing following the collection of partial net proceeds from the disposition of the BDC Assets. It is noted that the interim financing has been substantially repaid as of the week ending November 22, 2019 (Week 11); and
- k. DIP Agreement interest and fees relates to the interest owing on the DIP Agreement advances, assuming payments at mid-month and payment of the DIP Agreement exit fee upon final repayment.

20. Overall, the Applicants are forecasting to incur net cash outflows of approximately \$3.2 million during the Forecast Period and have a remaining cash balance of approximately \$1.4 million as at February 2, 2020.

## **UPDATE ON THE SALE SOLICITATION PROCESS**

### **Conduct of the SSP**

- 21. The provisions of the SSP are described in the Pre-filing Report of the Proposed Monitor dated September 13, 2019 and are not repeated herein.
- 22. Highlights of the SSP are summarized as follows:
  - a. as described in the SSP, the Noteholders submitted stalking horse bids for four parcels of assets comprising:
    - i. the right, title and interest that BDC holds in the shares of Bertram Drilling Inc. (the “**BDI Unit**”) at a price of \$1.5 million;
    - ii. the right, title and interest in the assets of Cros-Man (the “**Cros-Man Unit**”) at a price of \$3 million;

- iii. the right, title and interest of Energold in the shares of E Global Drilling Corp. and its subsidiaries including Energold Drilling (EMEA) Limited (the “**EMEA Unit**”) at a price of \$2 million; and
  - iv. the right, title and interest of Energold in the shares of Energold Mexico S.A. de C.V., Energold Argentina S.A., OroEnergy S.A., Energold de Columbia S.A.S., Energold Drilling Dominicana S.R.L., and E Drilling Nicaragua and Ominterra International Drilling Inc.’s right, title and interest in Energold Peru and Energold Perfuracoes (the “**Latin America Unit**”) at a price of \$6.8 million.
- b. on or about September 16, 2019, EYO contacted 96 parties that had been identified as having a potential interest in Energold;
  - c. each of the 96 parties were forwarded a Teaser document informing them of the SSP;
  - d. 28 parties executed a confidentiality agreement and 26 were provided with a copy of a confidential information memorandum and access to an electronic data room;
  - e. on or before the deadline of October 11, 2019, EYO received six non-binding proposals;
  - f. on October 14, 2019, EYO, in consultation with the CRO, prepared a report to the Monitor detailing the non-binding proposals received. The SSP provided for the report to be made available to the agent for the Noteholders, Extract Advisors LLC (“**Extract**”) as well as the Interim Lenders. However, as certain Noteholders were participating in the SSP, Energold in consultation with the CRO and the Monitor refrained from providing any bid information to Extract or the Interim Lenders to preserve the confidentiality of the other bidders’ proposals;

- g. of the six non-binding proposals, two were deemed to be Qualified Bids (as defined in the SSP) with respect to the EMEA Unit and one was deemed to be a Qualified Bid with respect to the BDI Unit (collectively, the “**Qualified Bidders**”). None of the non-binding proposals resulted in Qualified Bids for the Cros-Man Unit or the Latin America Unit;
- h. on or before October 18, 2019, EYO informed the Qualified Bidders of their status and held subsequent discussions with the Qualified Bidders to confirm certain aspects of their non-binding proposals;
- i. as each of the BDI Unit and the EMEA Unit had more than one Qualified Bid, Energold determined that it was in the best interest of the Applicants and their stakeholders to proceed to an auction; and
- j. on October 31, 2019, an auction was held at the offices of EYO. After multiple rounds of bidding, Extract was the successful bidder for the EMEA Unit for a purchase price of \$3.05 million. Prior to the start of the auction for the BDI Unit, two of the Qualified Bidders for the BDI Unit declined to participate further in the Auction. As a result, the stalking horse bid for the BDI Unit submitted by Extract was the successful bid.

23. In summary, as a result of the SSP, four offers were accepted by Energold (the “**Accepted Offers**”) which are summarized as follows:

- a. a stalking horse credit bid by Extract to purchase the BDI Unit for \$1.5 million;
- b. a stalking horse credit bid by Extract to purchase the assets of the Cros-man Unit for \$3.0 million;
- c. a credit bid by Extract to purchase the shares of the EMEA Unit for \$3.05 million; and

- d. a stalking horse credit bid by Extract to purchase the Latin America Unit for \$6.8 million.

### **Accepted Offers**

24. The key commercial terms of the Accepted Offers are as follows:

- a. the shares of the BDI Unit, EMEA Unit and Latin America Unit will be purchased subject to all of the rights, liabilities, obligations, assets, properties and undertakings of each entity as of the applicable closing date;
- b. the right, title and interest in and to the assets used in the operation of the Cros-Man Unit will be purchased, including certain contracts, accounts receivable, equipment and goodwill as of the closing date;
- c. the purchase prices are subject to net working capital adjustments to account for changes in net working capital between August 31, 2019 and the transaction closing date which is to be prepared within ten days of the transaction closing;
- d. three days prior to the closing date, Energold shall prepare and deliver to the purchaser a good faith best estimate of the amount required to meet post-filing obligations allocated to the applicable units including any amounts owing under the charges granted in the CCAA Proceedings as of immediately prior to the closing of the applicable transactions. The post-filing obligations are to be finalized and adjusted within 10 days of closing, subject to provisions for resolution in the event of a dispute. The priority payment amount will be paid in cash to Energold;
- e. the assets or shares are being sold on an “as-is, where-is” basis; and
- f. the transactions contemplated by the Accepted Offers are conditional upon the approval of this Honourable Court.

25. The Applicants, in consultation with the Noteholders, are considering the most beneficial manner of concluding the transactions contemplated by the Accepted Offers including the possibility of effecting the transactions by way of a plan of compromise or arrangement that may include the transfer to the Noteholders of other residual assets held by the applicants in addition to those subject to the Accepted Offers. The Applicants or the Noteholders are planning to seek further relief in respect of the Accepted Offers once the preferred mechanism for completing the transactions has been determined.

## **SHARES OF REPORTING ISSUERS**

26. The Shares owned by Energold are comprised of shares in eight reporting issuers and have an aggregate market value of approximately \$1.5 million as at November 22, 2019, based on recent prices achieved in public security trading markets. \$1.4 million of the market value relates to approximately 4.5 million shares of Impact Silver Corp. and the rest of the Shares consist of minor holdings in other publicly traded companies. The Shares are not widely traded, are relatively illiquid, and no longer hold any strategic or practical value to Energold.

27. The Stay Extension Order being sought provides for the Applicants, at the discretion of the CRO, with the consent of the Monitor and in consultation the Noteholders, to be permitted to sell any and all of the Shares.

28. It is the Monitor's view that the sale of the Shares is commercially reasonable in the circumstances and will enable Energold to monetize its investment in the Shares from time to time at prices the Management deem to be favourable.

29. It is noted that due to the uncertain timing and pricing that will be realized on the sales of the Shares, no recoveries from the Shares have been provided for in the Third Cash Flow Statement and accordingly any recovery will increase the expected closing cash balance.



## **EXTENSION OF THE STAY OF PROCEEDINGS**

30. The Monitor has considered Energold's application to extend the Stay of Proceedings and has the following comments:

- a. the proposed extension will provide the Applicants and the Noteholders with time to conclude the transactions contemplated by the Accepted Offers in a manner that is in the best interests of the stakeholders;
- b. the Applicants require time to identify one or more transactions to transfer ownership of residual assets not accounted for in the accepted offers including, among other things, the Shares, a note receivable, certain real estate assets and amounts that may be due from subsidiaries;
- c. the Third Cash Flow Statement forecasts that the Applicants have available liquidity during the period of the proposed extension;
- d. the Monitor has been advised by Management that certain stakeholders, including the Noteholders, are supportive of the proposed extension;
- e. there is not any financial prejudice to the Applicant's creditors as a result of the Stay of Proceedings being extended to January 31, 2020;
- f. the Applicants are acting in good faith and with due diligence; and
- g. overall, Energold's prospects of effecting a viable restructuring will be enhanced by an extension of the Stay of Proceedings until January 31, 2020.

## **MONITOR'S CONCLUSIONS AND RECOMMENDATIONS**

31. The Applicants have conducted the SSP and identified the four Accepted Offers that are in the best interests of the creditors of Energold. However, additional time is required in

order to conclude the transactions contemplated by the Accepted Offers and monetize or otherwise effect restructuring transactions with respect to the residual assets.

32. The Monitor is also of the view that the Shares are not strategic to Energold's future business or its restructuring efforts and is supportive of the relief being sought by the Applicants to authorize sale of the Shares.

33. Based on the forgoing, the Monitor respectfully recommends that this Honourable Court grant the Stay Extension Order.

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All of which is respectfully submitted this 25<sup>th</sup> day of November 2019.

FTI Consulting Canada Inc.  
In its capacity as Monitor of the Applicants



Toni Vanderlaan  
Senior Managing Director



Tom Powell  
Senior Managing Director

# **Appendix A**

## **Third Cash Flow Statement for the 21 Weeks Ending February 2, 2020**

Energold Drilling Corp. et al.  
 Combined Cash Flow Statement  
 For the Eleven Weeks ending February 2, 2019

Filing Entities (BDC, Cross-Man, Energold and EGD Services)	Notes	Revised Filing Budget			Revised Forecast Period											Forecast Total
		Weeks 1 - 10 Budget	Weeks 1 - 10 Actuals	Variance	Week 11 2019-11-24	Week 12 2019-12-01	Week 13 2019-12-08	Week 14 2019-12-15	Week 15 2019-12-22	Week 16 2019-12-29	Week 17 2020-01-05	Week 18 2020-01-12	Week 19 2020-01-19	Week 20 2020-01-26	Week 21 2020-02-02	
<b>Collections</b>																
Completed / In-Progress - Invoiced	1	1,682,494	1,292,672	(389,822)	-	335,719	150,129	16,800	-	40,688	134,347	102,947	59,789	28,739	37,514	906,673
Other Collections		-	-	-	8,300	-	372,000	275,000	-	-	-	-	-	-	-	655,300
<b>Total Collections</b>		<b>1,682,494</b>	<b>1,292,672</b>	<b>(389,822)</b>	<b>8,300</b>	<b>335,719</b>	<b>522,129</b>	<b>291,800</b>	<b>-</b>	<b>40,688</b>	<b>134,347</b>	<b>102,947</b>	<b>59,789</b>	<b>28,739</b>	<b>37,514</b>	<b>1,561,973</b>
<b>Operating Disbursements</b>																
Payroll		1,205,934	766,806	439,128	18,876	85,930	16,580	78,505	18,076	66,000	22,000	81,000	22,000	81,000	22,000	511,966
Other Recurring Disbursements		628,210	470,104	158,106	148,880	48,000	38,000	48,000	38,000	48,000	38,000	48,000	38,000	48,000	38,000	578,880
Operating Disbursements		765,624	372,357	393,267	35,000	63,000	55,000	30,000	205,000	30,000	30,000	35,000	30,000	30,000	30,000	573,000
<b>Total Operating Disbursements</b>		<b>2,599,769</b>	<b>1,609,267</b>	<b>990,502</b>	<b>202,756</b>	<b>196,930</b>	<b>109,580</b>	<b>156,505</b>	<b>261,076</b>	<b>144,000</b>	<b>90,000</b>	<b>164,000</b>	<b>90,000</b>	<b>159,000</b>	<b>90,000</b>	<b>1,663,846</b>
<b>Net Operating Cash Flow</b>		<b>(917,275)</b>	<b>(316,595)</b>	<b>(600,680)</b>	<b>(194,456)</b>	<b>138,789</b>	<b>412,549</b>	<b>135,295</b>	<b>(261,076)</b>	<b>(103,313)</b>	<b>44,347</b>	<b>(61,053)</b>	<b>(30,211)</b>	<b>(130,261)</b>	<b>(52,486)</b>	<b>(101,873)</b>
<b>Non-Operating Disbursements</b>																
Interest		46,085	24,398	21,687	18,750	-	-	-	-	-	-	-	-	-	-	18,750
DIP Funding exit fee		-	-	-	90,000	-	-	-	-	-	-	-	-	-	-	90,000
Professional Fees	2	2,455,907	1,336,491	1,119,416	295,783	125,000	170,000	370,000	30,000	30,000	50,000	50,000	65,000	70,000	60,000	1,315,783
<b>Total Non-Operating Disbursements</b>		<b>2,501,992</b>	<b>1,360,889</b>	<b>1,141,103</b>	<b>404,533</b>	<b>125,000</b>	<b>170,000</b>	<b>370,000</b>	<b>30,000</b>	<b>30,000</b>	<b>50,000</b>	<b>50,000</b>	<b>65,000</b>	<b>70,000</b>	<b>60,000</b>	<b>1,424,533</b>
<b>Asset Sales</b>																
BDC Divestiture Costs / (Net Proceeds)	3	(4,432,500)	(3,863,346)	(569,154)	15,000	15,000	20,000	(2,000,000)	-	-	-	-	-	-	-	(1,950,000)
<b>Net Cash Flow</b>		<b>1,013,233</b>	<b>2,185,862</b>	<b>1,172,629</b>	<b>(613,989)</b>	<b>(1,211)</b>	<b>222,549</b>	<b>1,765,295</b>	<b>(291,076)</b>	<b>(133,313)</b>	<b>(5,653)</b>	<b>(111,053)</b>	<b>(95,211)</b>	<b>(200,261)</b>	<b>(112,486)</b>	<b>423,594</b>
<b>Cash Balance</b>																
Beginning Book Balance		921,240	182,472	(738,768)	4,607,534	235,245	268,434	162,354	2,142,049	1,895,373	1,806,461	1,855,208	1,648,555	1,615,245	1,479,384	4,607,534
Royal Bank of Canada Repayment	4	(1,484,362)	(455,831)	1,028,531	(8,300)	-	(293,029)	-	-	-	-	-	-	-	-	(301,329)
Net Cash Flow		1,013,233	2,185,862	1,172,629	(613,989)	(1,211)	222,549	1,765,295	(291,076)	(133,313)	(5,653)	(111,053)	(95,211)	(200,261)	(112,486)	423,594
Intercompany to / from Energold de Mexico		(999,854)	(864,400)	135,454	-	34,400	114,400	214,400	44,400	44,400	54,400	54,400	61,900	64,400	59,400	746,500
Intercompany to / from Bertram Drilling Inc.		1,217,734	-	(1,217,734)	-	-	-	-	-	-	-	-	-	-	-	-
Intercompany to Energold (EMEA) Drilling		-	(1,521)	(1,521)	-	-	(150,000)	-	-	-	-	(150,000)	-	-	-	(300,000)
DIP Funding		(114,886)	3,570,000	3,684,886	(3,750,000)	-	-	-	-	-	-	-	-	-	-	(3,750,000)
Other / Adjustment		-	(9,048)	(9,048)	-	-	-	-	-	-	-	-	-	-	-	-
<b>Ending Cash Balance</b>		<b>553,105</b>	<b>4,607,534</b>	<b>4,054,429</b>	<b>235,245</b>	<b>268,434</b>	<b>162,354</b>	<b>2,142,049</b>	<b>1,895,373</b>	<b>1,806,461</b>	<b>1,855,208</b>	<b>1,648,555</b>	<b>1,615,245</b>	<b>1,479,384</b>	<b>1,426,299</b>	<b>1,426,299</b>