

IN THE SUPREME COURT OF THE NORTHWEST TERRITORIES

BETWEEN:

NORTHWEST TERRITORIES BUSINESS DEVELOPMENT AND  
INVESTMENT CORPORATION

Plaintiff

- and -

TAIGA SPORTS FISHING LTD. o/a BLACHFORD LAKE LODGE

Defendant

NOTICE TO DEFENDANT

1. You are hereby notified that the Plaintiff may enter judgment against you in accordance with the attached Statement of Claim, or such judgment as may be granted under the *Rules of the Supreme Court of the Northwest Territories*, without further notice to you unless within 25 days (if served in the Northwest Territories) or 30 days (if served outside the Northwest Territories) after service of the Statement of Claim on you, you cause to be filed in the office of the Clerk of the Supreme Court of the Northwest Territories either:
  - (a) a Statement of Defence, or
  - (b) an Appearance,and unless within the same time you serve a copy of the Statement of Defence or Appearance on the Plaintiff or the Plaintiff's lawyer.
2. The attached Statement of Claim is to be served within 12 months from the day on which it is issued.
3. Every Defendant should consult their lawyer, or refer to the *Rules of the Supreme Court of the Northwest Territories*, to determine their rights.
4. The attached Statement of Claim is hereby issued out of the office of the Clerk of the Supreme Court of the Northwest Territories at Yellowknife, Northwest Territories, on the 5th day of May, 2023.

I hereby certify that the foregoing is a true copy of the original of which it purports to be a copy.

  
CLERK OF THE SUPREME COURT

  
D/Clerk of the Supreme Court of the Northwest Territories

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**STATEMENT OF CLAIM**

**The Parties**

1. The Plaintiff, the Northwest Territories Business Development and Investment Corporation (the “**BDIC**”), is a corporation established under the *Northwest Territories Business Development and Investment Corporation Act*, SNWT 2005, c 2, with its head office located in the City of Yellowknife, Northwest Territories.
2. The Defendant, Taiga Sports Fishing Ltd. o/a Blachford Lake Lodge (the “**Debtor**”), is a corporation duly incorporated under the laws of the Northwest Territories with a registered office located at P.O. Box 2910, 5107 – 53<sup>rd</sup> Street, Yellowknife, NT, X1A 2R2. The Debtor operates under the registered business name of “Blachford Lake Lodge”. The Debtor operates a tourist lodge located outside of Yellowknife, NT, on Blachford Lake.

**BDIC**

3. The BDIC assists entrepreneurs and businesses in the Northwest Territories by providing, among other things, financing by way of term loans, contributions, and other forms of lending and investments.
4. The BDIC came into existence on April 1, 2005. Prior to that date, the BDIC’s predecessor, the Northwest Territories Business Credit Corporation (the “**BCC**”), provided financing to

businesses in the Northwest Territories. On April 1, 2005, all of the BCC's interests, rights, and obligations under all financing agreements and securities were assigned to the BDIC.

Lease and Mortgaged Lands

5. The Debtor leases from the Commissioner of the Northwest Territories (the "Commissioner") the following lands through Lease No. 85 I/2-1-21 (the "Lease"):

all that certain parcel or tract of land situate, lying and being composed of the whole of an unsurveyed parcel of land located on the westerly shore of Blatchford Lake, in Quad 85 I/2, at approximately on 62°09'55.32" North Latitude and 112°41'00.00" West Longitude, in the Northwest Territories, as shown outlined in red on the sketch annexed to and forming part of Lease #85 I/2-1-21;

(the "Mortgaged Lands").

First Loan

6. On or around November 12, 1999, the Debtor entered into a mortgage (Mortgage No. 85 I/2-1-13 [the "First Mortgage"]) with the BCC (now, the BDIC) with respect to the Mortgaged Lands to secure a loan (Loan No. 12-00081-101-01 [the "First Loan"]) in the amount of \$579,000.00. The First Mortgage was registered to the Lease by the Commissioner.
7. On or around September 30, 2002, the Debtor entered into a mortgage (Mortgage No. 85 I/2-1-18 [the "Second Mortgage"]) with the BCC (now, the BDIC) with respect to the Mortgaged Lands to secure an additional disbursement under the First Loan in the amount of \$814,314.00. The Second Mortgage was registered to the Lease by the Commissioner.
8. The First Loan was further secured by:
  - (a) a General Security Agreement dated September 30, 2002, under which the Debtor charged in favour of the BCC (now, the BDIC) all of the Debtor's present and after acquired personal property. Said General Security Agreement was registered as a financing statement with the Northwest Territories Personal Property Registry;

- (b) a Demand Promissory Note dated September 30, 2002; and
  - (c) a Guarantee and Postponement of Claim of Mike Freeland dated September 30, 2002.
9. On or around December 18, 2015, the BDIC agreed to restructure the First Loan through a Term Restructure Agreement.
10. On or around November 17, 2020, the BDIC renewed the First Loan through a Term Renewal Agreement.

### Second Loan

11. On or around March 30, 2020, the BDIC provided a Letter of Offer to the Debtor to provide a new loan (Loan No. 12-00081-101-02 [the “**Second Loan**”]) in the amount of \$298,900.00.
12. On or around April 29, 2020, the Debtor entered into a mortgage (Mortgage No. 85 I/2-23 [the “**Third Mortgage**”]) with the BDIC with respect to the Mortgaged Lands to secure the Second Loan in the amount of \$298,900.00. The Third Mortgage was registered to the Lease by the Commissioner.
13. The Second Loan was further secured by:
- (a) a General Security Agreement dated April 17, 2020, under which the Debtor charged in favour of the BDIC all of the Debtor’s present and after acquired personal property. Said General Security Agreement was registered as a financing statement with the Northwest Territories Personal Property Registry;
  - (b) a Demand Promissory Note dated April 17, 2020; and
  - (c) a Cross Default Agreement dated April 17, 2020, the terms of which set out that a default of the Second Loan or any security thereunder constitutes a default of the First Loan.

Third Loan

14. The BDIC provided the Debtor with two COVID-19 Working Capital Relief Loans.
15. On or about April 15, 2020, the BDIC provided the Debtor with Loan No. 12-00081-105-01 (the “**Third Loan**”) in the amount of \$25,000.
16. The Third Loan was secured by:
  - (a) a General Security Agreement dated April 15, 2020; and
  - (b) a Guarantee and Postponement of Claim of Mike Freeland dated April 15, 2020.

Fourth Loan

17. On or about October 20, 2020, the BDIC provided the Debtor with Loan No. 12-00081-105-03 (the “**Fourth Loan**”) in the amount of \$25,000.00.
18. The Fourth Loan was secured by:
  - (a) a General Security Agreement dated October 20, 2020;
  - (b) a Guarantee and Postponement of Claim of Mike Freeland dated October 20, 2020;  
and
  - (c) a Cross Default Agreement dated October 20, 2020.

Outstanding Amounts

19. As at April 12, 2023, the outstanding amounts owing to the BDIC from the Debtor, exclusive costs, was:
  - (a) First Loan: **\$1,224,075.46**
  - (b) Second Loan: **\$306,620.05**
  - (c) Third Loan: **\$18,791.20**

(d) Fourth Loan: **\$18,568.54**

(e) TOTAL: **\$1,568,055.25**

Debtor's Default and Assignment in Bankruptcy

20. On or about March 24, 2023, the Debtor filed an Assignment in Bankruptcy. BDO Canada Limited, Licenced Insolvency Trustee ("LIT"), has been appointed as trustee of the Debtor's property.
21. The Debtor has defaulted in its obligations owed to the BDIC by filing an Assignment in Bankruptcy and by failing to repay the debts owed to the BDIC.
22. As Secured Creditor, the BDIC holds a first ranking security interest in the assets of the Debtor.
23. On April 12, 2023, the BDIC submitted Proof of Claim and Proxy Forms in the bankruptcy proceedings.

Location of Trial

24. The BDIC proposes that the trial of this Action take place in Yellowknife, Northwest Territories.

**WHEREFORE** the Plaintiff claims:

- (a) Judgment against the Defendant in the amount of \$1,568,055.25 or such further amount as may be proven at trial;
- (b) Post-judgment interest in accordance with the rate prescribed by the loan agreements, or in the alternative, pursuant to the *Judicature Act*, RSNWT 1988, c J-1;
- (c) A declaration that the security granted by the Defendant in favour of the Plaintiff is valid and enforceable;

- (d) An Order directing sale of the personal property charged by the General Security Agreements granted by the Defendant;
- (e) An Order for the appointment of a Receiver and/or Receiver and Manager, without security;
- (f) In the alternative, appointment of an Interim Receiver of the undertaking, property, and assets of the Defendant;
- (g) An Order dispensing with any bond or other security that might otherwise be required to be posted by an Interim Receiver, Receiver and Manager or any other person tasked with preservation of the undertaking, property, and assets of the Defendant;
- (h) Costs of this Action on a solicitor-client basis; and
- (i) Such other relief as the nature of this case may require and this Honourable Court may allow.

**DATED** at the City of Yellowknife, in the Northwest Territories, this 4<sup>th</sup> day of May, 2023,  
**AND DELIVERED BY** McLennan Ross LLP, Solicitors for the Plaintiff, whose address for service in Yellowknife is in care of said solicitors at 301 Nunasi Building, 5109 - 48 Street, Yellowknife, NT, X1A 1N5.

**McLennan Ross LLP**

Per: \_\_\_\_\_

Christopher D. Buchanan  
Solicitor for the Plaintiff

**TO: Taiga Sports Fishing Ltd. o/a  
Blachford Lake Lodge  
Defendant**

I hereby certify that the foregoing is a true copy of the original of which it purports to be a copy

\_\_\_\_\_  
CLERK OF THE SUPREME COURT

S-1-CV-2023-~~500~~ - 151

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Defendant

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STATEMENT OF CLAIM

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LEGAL COUNSEL

**MCLENNAN  
ROSS**

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5109 – 48<sup>th</sup> Street  
Yellowknife, NT X1A 1N5  
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File Number: 20231295

