File No. S-211985
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 ARDENTON CAPITAL CORPORATION AND ARDENTON CAPITAL BRIDGING INC.

PETITIONERS

ORDER MADE AFTER APPLICATION
(Meetings Order)

BEFORE	)	The Honourable Mr. Justice Macintosh	)	October 1, 2021

ON THE APPLICATION of the Petitioners, Ardenton Capital Corporation ("**ACC**") and Ardenton Capital Bridging Inc. ("**ACBI**" and together with ACC, the "**Petitioners**") coming on for hearing via MS Teams at Vancouver, British Columbia, on this first day of October, 2021; AND ON HEARING William E.J. Skelly and Kyle Plunkett, counsel for the Petitioners, Colin Brousson, counsel for the KSV Restructuring Inc., in its capacity as Monitor of the Petitioners (the "**Monitor**"), David Gruber and Sean Zweig, counsel for the Investor Committee, and those other counsel listed on **Appendix "A"** hereto; AND ON READING the Sixth Report of the Monitor dated September 20, 2021 (the "**Sixth Report**"), and the application materials filed by the Petitioners (together with the Sixth Report, the "**Application Materials**"); AND pursuant to the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36 as amended (the "**CCAA**"), the British Columbia *Supreme Court Civil Rules* and the inherent jurisdiction of this Honourable Court;

THIS COURT ORDERS AND DECLARES THAT:

SERVICE

1. The time for service of the Application Materials is hereby abridged and validated so that this Application is properly returnable today, and further service is hereby dispensed with.

DEFINITIONS

2. All capitalized terms used herein and not otherwise defined in this Order (the "**Meetings Order**") shall have the meaning ascribed to them in the Petitioners' plan of compromise and arrangement dated September 20, 2021 (the "**Plan**"), substantially in the form attached as **Appendix "B"** to this Meetings Order. The balance of the capitalized terms in this Meetings Order shall have the following meanings ascribed thereto:

   a. **"ACBI Creditor Class"** means the Affected Creditor Class comprised of the ACBI Creditors;

   b. "**ACC Creditor Class**" means the Affected Creditor Class comprised of the ACC Creditors;

   c. **"Appendices"** means the following documents appended to this Meetings Order:

      i. **Appendix "A"**: List of Counsel;
      ii. **Appendix "B"**: Plan;
      iii. **Appendix "C"**: Electronic Meetings Protocol;
      iv. **Appendix "D"**: Newspaper Notice of Meetings;
      v. **Appendix "E"**: Plan Information Letter; and
      vi. **Appendix "F"**: Form of Proxy;

   d. **"Chair"** means a designated representative of the Monitor;

   e. **"Electronic Meetings Protocol"** means the protocol for conducting the Creditors' Meetings via video conferencing, substantially in the form attached hereto as **Appendix "C"**;

   f. **"Meetings Materials"** means, collectively copies of the following documents:

      i. this Meetings Order;
      ii. the Plan;
      iii. the Electronic Meetings Protocol;
      iv. the Newspaper Notice of Meetings;
      v. the Plan Information Letter;
      vi. the Proxy;

vii. the Sixth Report; and
viii. the Monitor's Plan Assessment Report.

g. **"Monitor's Plan Assessment Report"** means a report to be prepared by the Monitor to be included in the Meetings Materials to be sent to Affected Creditors and posted on the Monitor's Website, providing the Monitor's analysis and recommendation regarding the Plan, which will include, among other things, the matters prescribed by section 23(1)(d.1) of the CCAA;

h. **"Monitor's Website"** means https://www.ksvadvisory.com/insolvency-cases/case/ardenton-capital-corporation;

i. **"Newspaper Notice of Meetings"** means a notice of the Creditors' Meetings, to be published in *The Globe and Mail (National Edition)* in accordance with paragraph 15 hereof, which shall be substantially in the form attached hereto as **Appendix "D"**;

j. **"PDT"** means Pacific Daylight Time;

k. **"Plan Information Letter"** means the form of plan information letter to be sent to Affected Creditors setting out the key terms of the Plan, substantially in the form attached hereto as **Appendix "E"**; and

l. **"Proxy"** means the form of proxy, which shall be substantially in the form attached hereto as **Appendix "F"**.

3. Any reference to an event occurring on a Business Day shall mean prior to 4:00 p.m. PDT on such Business Day, unless otherwise indicated herein. Any event that occurs on a day that is not a Business Day shall be deemed to occur on the next Business Day.

4. Dollar amounts referenced in this Meetings Order are expressed in Canadian Dollars unless otherwise specified.

5. All references to the singular herein include the plural and vice versa.

MONITOR'S ROLE

6. The Monitor, in addition to its prescribed rights, duties, responsibilities and obligations under the CCAA, the CCAA Order and the Claims Procedure Order, is hereby directed and empowered to take such other actions and fulfill such other roles as are contemplated by this Meetings Order.

7. In carrying out the terms of this Meetings Order, the Monitor shall have all the protections given to it by the CCAA, the CCAA Order, the Claims Procedure Order, and any other Order of this Court, and as an officer of the Court, including the stay of proceedings in its favour, and shall incur no liability or obligation as a result of carrying out the provisions of this Meetings Order, save and except for any fraud, gross negligence, or willful misconduct on its part.

8. The Monitor shall be entitled to rely on the books and records of the Petitioners and any information provided by the Petitioners without independent investigation, and the Monitor shall not be liable for any claims or damages resulting from any errors or omissions in such books, records or information.

CCAA PLAN FILING AND AMENDMENT

9. The Plan is hereby accepted for filing, and the Petitioners, with the assistance of the Monitor, are hereby authorized to seek approval of the Plan in the manner set forth herein.

10. The Petitioners, with the approval of the Monitor, may, at any time and from time to time, prior to or during the Creditors' Meetings, amend, restate, modify and/or supplement the Plan (which will also thereafter constitute the "**Plan**" for the purposes of this Meetings Order), provided that any such amendment, restatement, modification and/or supplement shall be made in accordance with the terms of the Plan (hereinafter referred to as a "**Plan Modification**").

11. As soon as reasonably practicable after finalization of any Plan Modification, the Monitor shall:

    a. cause such Plan Modification materials to be posted on the Monitor's Website (where the Monitor shall ensure that such materials remain posted until at least thirty (30) Business Days after the Plan Implementation Date);

    b. send such Plan Modification materials by e-mail to the Service List;

    c. advise any Affected Creditor who has submitted their Proxy of their right to modify their vote as a result of the Plan Modification; and

d. if made at one of the Creditors' Meetings, provide notice to those Affected Creditors present at the applicable Creditors' Meeting and any subsequent Creditors' Meetings prior to the vote being taken to approve the Plan.

CREDITOR CLASSIFICATION

12. Pursuant to section 22 of the CCAA, the following two (2) Affected Creditors Classes in respect of the Plan are hereby approved:

    a. the ACC Creditor Class; and

    b. the ACBI Creditor Class.

AUTHORIZATION TO CALL AND HOLD MEETINGS

13. The Petitioners, with the assistance of the Monitor (and subject to paragraph 34 hereof), are authorized and directed to call, hold and conduct:

    a. a meeting of the ACC Creditor Class (the "**ACC Creditors' Meeting**") on November 2, 2021 (the "**Meetings Date**"), at 10:00 a.m. PDT by videoconference in accordance with the Electronic Meetings Protocol, for the purpose of considering and voting on the ACC resolution to approve the Plan; and

    b. thereafter, and conditional upon the approval of the Plan by the Required Majority of Creditors of the ACC Creditor Class having been obtained at the ACC Creditors' Meeting, a meeting of the ACBI Creditor Class (the "**ACBI Creditors' Meeting**") on the Meetings Date at 12:00 p.m. PDT by videoconference in accordance with the Electronic Meetings Protocol, for the purpose of considering and voting on the ACBI resolution to approve the Plan.

NOTICE OF MEETINGS AND DELIVERY OF MEETINGS MATERIALS TO AFFECTED CREDITORS

14. Appendices C, D, E and F to this Meetings Order are hereby approved in substantially the forms attached hereto.

15. The Newspaper Notice of Meetings shall be published by the Monitor for one (1) Business Day in *The Globe and Mail (National Edition)*, as soon as practicable following the issuance of this Meetings Order.

16. By no later than October 5, 2021, the Monitor shall publish the Meetings Materials on the Monitor's Website.

17. The Monitor is hereby authorized to vary, amend, modify or supplement any of the Meetings Materials (other than the Plan, which may only be modified, amended or supplemented in accordance with the terms of this Meetings Order and the Plan), and the Monitor shall distribute by email or email link to the Monitor's Website.

18. As soon as practicable after the granting of this Meetings Order, the Petitioners shall send to each Affected Creditor that is not barred pursuant to the Claims Procedure Order copies of all Meetings Materials.

19. The materials referred to in paragraph 18 hereof shall be sent by the Petitioners to each known Affected Creditor by email or email link, with a copy by ordinary mail to the Affected Creditor's last known address which was provided to the Petitioners or as contained in the Affected Creditor's Proof of Claim (except that where such Affected Creditor is represented by legal counsel known by the Petitioners, the email address, mailing address or fax number of such legal counsel may be substituted).

20. The publication referred to in paragraph 15 hereof, and transmission and delivery in accordance with paragraph 19 hereof, shall constitute good and sufficient service of the Meetings Materials on all Persons who may be entitled to receive notice thereof, or of these CCAA proceedings, or who may wish to be present in person or represented by Proxy at the Creditors' Meetings, or who may wish to appear in these CCAA proceedings, and no other form of notice or service needs to be made on such Persons, and no other document or material needs to be served on such Persons in respect of these CCAA proceedings, the Plan, and the Creditors' Meetings.

21. The accidental failure to transmit or deliver the Meetings Materials by the Petitioners in accordance with this Meetings Order or the non-receipt of such materials by any Person entitled to delivery of such materials shall not invalidate the passing of the Creditors' Meetings resolutions or any other proceedings taken at the Creditors' Meetings, but if any such failure or omission is brought to the attention of the Petitioners then the Petitioners shall use reasonable efforts to rectify the failure or omission by the method and in the time most reasonably practicable in the circumstances.

TRANSFER AND ASSIGNMENT OF CLAIMS

22. Subject to any restrictions contained in Applicable Law or any contractual arrangements with the Petitioners, an Affected Creditor may transfer or assign the whole of its Affected Claim prior to the applicable Creditors' Meeting. If, subject to any restrictions contained in Applicable Law or any contractual arrangements with the Petitioners, an Affected Creditor transfers or assigns the whole of its Affected Claim to another Person, such transferee or assignee shall not be entitled to attend and vote the transferred or assigned Affected Claim at the applicable Creditors' Meeting unless satisfactory notice of and proof of transfer or assignment has been delivered to the Petitioners and the Monitor in accordance with the Claims Procedure Order, where applicable, no later than (5) Business Days prior to the date of the applicable Creditors' Meeting.

CONDUCT AT THE CREDITORS' MEETINGS

23. Affected Creditors (or their Proxy) intending to attend the ACC Creditors' Meeting and/or the ACBI Creditors' Meeting shall notify the Monitor by email at jwong@ksvadvisory.com by no later than 4:00 p.m. PDT on the date that is three (3) Business Days prior to the Meetings Date.

24. The amount of an Affected Claim which may be voted by an Affected Creditor shall be equal to the Canadian Dollar value as of the Filing Date of the portion of such Affected Creditor's Affected Claim against ACC or ACBI, as applicable.

25. For voting purposes on the Plan, Affected Claims denominated in currencies other than Canadian Dollars shall be converted by the Monitor to Canadian Dollars at the prevailing exchange rate in effect on the Filing Date.

26. A designated representative of the Monitor shall preside as the Chair of each of the Creditors' Meetings and, subject to this Meetings Order and any further order of this Court, the Monitor (prior to the applicable Creditors' Meetings) and the Chair (during the Creditors' Meetings) is hereby authorized to decide all matters relating to the conduct of each of the Creditors' Meetings.

27. The Monitor may appoint scrutineers for the supervision and tabulation of the attendance, quorum and votes cast by Affected Creditors at each of the Creditors' Meetings and a person designated by the Monitor shall act as secretary at the each of the Creditors' Meetings.

28. The only Persons entitled to attend and speak at each of the Creditors' Meetings are: (a) Affected Creditors or their Proxy; (b) representatives from the Petitioners; (c) representatives of the Monitor; (d) the Chair; (e) any other person invited to attend by the Chair; and (f) legal counsel to any Person entitled to attend the Creditors' Meetings, including for greater certainty, legal counsel to the Investor Committee. The Chair may rely on representations by attendees to confirm their identification.

29. The Monitor, in consultation with the Petitioners, is authorized to use reasonable discretion as to the adequacy of compliance with respect to the manner in which any form of Proxy is completed and executed and is hereby authorized to accept and rely upon Proxies substantially in the form attached hereto as **Appendix "F"** or such other form as is acceptable to the Monitor, in consultation with the Petitioners.

30. Any Proxy must be received by the Monitor by no later than 4:00 p.m. PDT on the date that is four (4) Business Days prior to the applicable Creditors' Meeting (or any adjournment thereof), provided that the Monitor may waive strict compliance with the time limits imposed for receipt of a Proxy if deemed advisable to do so by the Monitor, in consultation with the Petitioners.

31. If a duly signed and returned Proxy does not provide an instruction to vote for or against the approval of the resolution on the Plan, the Proxy will be deemed to include an instruction to vote for the approval of the resolution and the Plan, provided that the Proxy holder does not otherwise exercise its right to vote at the applicable Creditors' Meeting.

32. To the extent that the Monitor is in receipt of more than one Proxy in respect of the same Affected Creditor for the same Creditors' Meeting, the last submitted duly signed and returned Proxy shall be deemed to be such Affected Creditor's instructions with respect to the Plan.

33. The quorum of Affected Creditors for each of the Creditors' Meetings shall be one (1) voting Affected Creditor present in person or by Proxy and entitled to vote at the applicable Creditors' Meeting in respect of each of ACC and ACBI. If the requisite quorum is not present at either of the Creditors' Meetings for one or both of the Affected Creditor Classes set out in paragraph 12 above, then the applicable Creditors' Meeting addressing that portion of the Plan shall be adjourned by the Chair in accordance with paragraph 34 hereof. The Chair shall decide on the manner of giving notice to the applicable Affected Creditor Class of any rescheduled Creditors' Meetings and may, if he or she deems it appropriate, restrict such notice to a notice posted on the Monitor's Website.

34. The Monitor (prior to the applicable Creditors' Meetings) and the Chair (during the Creditors' Meetings) is hereby authorized to adjourn, postpone or otherwise reschedule the Creditors' Meetings, or the vote of the applicable Affected Creditor Class scheduled to occur at the Creditors' Meetings, on one or more occasions to such time(s), date(s) and place(s) as the Monitor deems necessary or desirable (without the need to first convene the Creditors' Meetings for the purpose of any adjournment, postponement or other rescheduling thereof). The Monitor shall decide on the manner of giving notice to the Affected Creditors of the rescheduled Creditors' Meetings or vote and may, if it deems it appropriate, restrict such notice to a notice posted on the Monitor's Website.

VOTING PROCEDURE

35. At the Creditors' Meetings, the Chair shall direct the votes with respect to the resolutions and any amendments, variations or supplements to the Plan that are made in accordance with the terms thereof. The only Persons entitled to vote at the Creditors' Meetings shall be Affected Creditors and their Proxy holders. Holders of Equity Claims or Unaffected Claims are not entitled, in such capacity, to attend the Creditors' Meetings or vote on the Plan.

36. The vote required to pass any resolutions to be voted on at the Creditors' Meetings to approve the Plan, shall be decided by the affirmative vote of at least the Required Majority of Creditors in each Affected Creditor Class (pursuant to section 6 of the CCAA and section 3.2 of the Plan) of the votes cast on such resolutions, in accordance with the Electronic Meetings Protocol, and except as otherwise provided in the Electronic Meetings Protocol, any other matter submitted for a vote at the Creditors' Meetings shall be decided by a simple majority of votes cast in accordance with the Electronic Meetings Protocol.

37. If approved by the Required Majority of Creditors of the ACC Creditor Class at the ACC Creditors' Meeting, the Plan shall be ratified and given full force and effect in respect of ACC and the ACC Creditors, in accordance with the provisions of this Meetings Order, the Claims Procedure Order, the CCAA, and the *British Columbia Business Corporations Act* (or such other business corporations legislation applicable to ACC, and any further order of this Court) ("**ACC Creditor Approval**").

38. If approved by the Required Majority of Creditors of the ACBI Creditor Class at the ACBI Creditors' Meeting, the Plan shall be ratified and given full force and effect in respect of ACBI and the ACBI Creditors, in accordance with the provisions of this Meetings Order, the Claims Procedure Order, the CCAA, and the *British Columbia Business Corporations Act* (or such other business corporations legislation applicable to ACBI, and any further order of this Court), provided, however, that ratification of the Plan is conditional upon the Petitioners also obtaining ACC Creditor Approval of the Plan.

39. For the purposes of counting and tabulating the votes at each of the Creditors' Meetings, each ACC Creditor and ACBI Creditor shall be entitled to one (1) vote on the Plan for its Affected Claim and the value attributed to such vote (for the purposes of determining the Required Majority of Creditors) shall be equal to the Canadian Dollar value of such Affected Claim.

40. At each of the Creditors' Meetings, each Affected Creditor with a Disputed Claim against ACBI and each Affected Creditor with a Disputed Claim against ACC shall be entitled to one (1) vote on the Plan in respect of ACBI and ACC, respectively. The vote of any Disputed Claim against ACC or ACBI shall have the value accepted by the Monitor, if any, for voting purposes. For each Disputed Claim, the Monitor shall keep a separate record of votes cast by each Affected Creditor entitled to vote holding Disputed Claims. The votes cast in respect of any Disputed Claim shall not be counted for any purpose unless, until and only to the extent that such Disputed Claim is finally determined to be a Proven Claim in accordance with the Claims Procedure Order.

41. No Affected Creditor shall be entitled to split or subdivide an Affected Claim for purposes of voting.

42. In the event that the Plan is only approved by the Required Majority of Creditors of the ACC Creditor Class and not by the Required Majority of Creditors of the ACBI Creditor Class, then the Petitioners shall move to have the Plan sanctioned by the Court only with respect to ACC such that the terms of the Plan as it relates to ACBI shall be severed and no longer in force.

43. In the event that the Plan is not approved by the Required Majority of Creditors of the ACC Creditor Class, then the Plan shall be deemed to be rejected by the ACBI Creditor Class.

44. The results of all votes provided at each of the Creditors' Meetings shall be binding on all Affected Creditors, whether or not any such Affected Creditor was present or voted at the applicable Creditors' Meeting.

NOTICES AND COMMUNICATIONS

45. Unless otherwise indicated herein, any notices or communication to be made or given hereunder to the Monitor shall refer to the Plan and shall be in writing in substantially the form, if any, provided for in this Meetings Order and will be sufficiently made or given only if delivered by prepaid registered mail, courier, personal delivery, or e-mail addressed to:

KSV Restructuring Inc.
2308-150 King St. West
Toronto, Ontario M5H 1J9
Email: bkofman@ksvadvisory.com / ngoldstein@ksvadvisory.com
Attention: Bobby Kofman / Noah Goldstein

or to such other address or e-mail as any party may from time to time notify the others in accordance herewith. The Monitor shall be deemed to have received any such notice or communication delivered: (i) in respect of a notice or communication sent by e-mail or courier, on the same Business Day if received up to and including 4:00 p.m. PDT on a Business Day; (ii) in further respect of a notice or communication sent by e-mail or courier, the immediate next Business Day if received after 4:00 p.m. PDT on a Business Day or received on a day which is not a Business Day; and (iii) four (4) Business Days after the notice or communication is sent by ordinary or registered mail.

46. The unintentional failure by the Petitioners or the Monitor to give any notice contemplated hereunder to any particular Affected Creditor shall not invalidate the Plan or any action taken by any Person pursuant to the Plan.

47. Any notices or communications to be made or given hereunder by the Monitor to an Affected Creditor may be sent by e-mail, email link, ordinary mail, registered mail or courier. An Affected Creditor shall be deemed to have received any document sent pursuant to the Plan on the Business Day immediately following the day on which the document is sent by e-mail or courier and four (4) Business Days after the document is sent by ordinary or registered mail. Documents need not be sent by ordinary or registered mail during a postal strike or work stoppage of general application.

48. Copies of emailed notices or communications may be mailed to an Affected Creditor as follows:

a. the address set forth on an Affected Creditor's Proof of Claim;

b. the last known address of the Affected Creditor which was provided to the Monitor or the Petitioners; or

c. the last known address shown in ACC or ACBI's books and records, as applicable.

49. In the event that this Meetings Order is later amended by further order, the Monitor shall post such further order on the Monitor's Website, shall send an email link to the posted amended Meetings Order to all Affected Creditors, and shall serve such further order on the Service List, and such posting and service shall constitute adequate notice to those creditors of the amendments made.

SANCTION ORDER APPLICATION

50. As soon as practicable following the Creditors' Meetings, the Monitor shall provide a report to this Court that includes: (a) a summary of all motions called at the Creditors' Meetings; (b) the scrutineer's report(s) on the result of the votes on each motion, including the motions to vote on the Plan; and (c) such further and other information as determined by the Monitor to be necessary, and post a copy of the report on the Monitor's Website.

51. If the Plan is approved by the Required Majority of Creditors of the ACC Creditor Class or by the Required Majority of Creditors of both the ACC Creditor Class and ACBI Creditor Class, then the Petitioners shall bring an application (the "**Sanction Order Application**") for the Sanction Order as contemplated in section 9.1 of the Plan, to be returnable no later than November 19, 2021 or as soon thereafter as the matter can be heard.

52. A copy of the Sanction Order Application court materials together with the Monitor's further reporting shall be published on the Monitor's Website as soon as practicable following service thereof by the Petitioners.

53. Publication of the Newspaper Notice of Meetings and this Meetings Order pursuant to paragraphs 15 and 16 hereof, and delivery of the Meetings Materials pursuant to paragraphs 18 and 19 hereof shall constitute good and sufficient service of notice of the Sanction Order Application upon all Persons who may be entitled to receive such service (other than the parties on the Service List in these CCAA proceedings) and no other form of service needs to be made and no other materials need to be served on such Persons in respect of the Sanction Order Application.

54. Any party who wishes to oppose the Sanction Order Application shall serve on counsel for the Petitioners, counsel for the Monitor, and all parties on the Service List, at least three (3) Business Days prior to the Sanction Order Application return date (or such other later date as the Monitor may direct): (a) an application response in the form prescribed by the British Columbia *Supreme Court Civil Rules* setting out the basis for such opposition; and (b) a copy of the materials to be relied upon to oppose the Sanction Order Application.

55. If the Sanction Order Application is adjourned, postponed or otherwise rescheduled, only those Persons listed on the Service List or that have filed and served an application response in accordance with paragraph 54 hereof are required to be served with notice of the adjourned, postponed or otherwise rescheduled date.

GENERAL PROVISIONS

56. This Court requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States or United Kingdom, or abroad, to give effect to this Meetings Order and to assist the Petitioners, the Monitor and their respective agents in carrying out the terms of this Meetings Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Petitioners and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Meetings Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Petitioners and the Monitor and their respective agents in carrying out the terms of this Meetings Order.

57. Each of the Petitioners and the Monitor be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Meetings Order and for assistance in carrying out the terms of this Meetings Order.

58. The Petitioners and the Monitor shall use reasonable discretion as to the adequacy of completion and execution of any document completed and executed pursuant to this Meetings Order and may waive strict compliance with the requirements of this Meetings Order as to the completion, execution and delivery of any documents, including with respect to the timing of such delivery.

59. Subject to further Order of this Court, in the event of any conflict, inconsistency, ambiguity or difference between the provision of the Plan and this Meetings Order, the terms, conditions and provision of the Plan shall govern and be paramount, and any such provision of this Meetings Order shall be deemed to be amended to the extent necessary to eliminate any such conflict, inconsistency, ambiguity or difference.

60. The Petitioners and the Monitor may apply to this Court from time to time for directions from this Court with respect to this Meetings Order, including with respect to the Creditors' Meeting and appendices to this Meetings Order, or for such further order(s) as either of them may consider necessary or desirable to amend, supplement or replace this Meetings Order, including any appendices hereto.

61. Endorsement of this Meetings Order by counsel appearing on this application, other than counsel for the Petitioners, is hereby dispensed with.

62. Service of this Meetings Order on any party not attending this application is hereby dispensed with.

63. The provisional execution of this Meetings Order is ordered notwithstanding appeal.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER:

_____
Signature of William E. J. Skelly
Lawyer for the Petitioners

BY THE COURT:

_____
REGISTRAR

APPENDIX "A"
(to the Meetings Order)

List of Counsel

Name of Counsel	**Party Represented**
William E.J. Skelly Kyle Plunkett	The Petitioners, Ardenton Capital Corporation and Ardenton Capital Bridging Inc.
Colin Brousson	The Monitor, KSV Restructuring Inc.
David Gruber and Sean Zweig	Ardenton Investor Committee

APPENDIX "B"
(to the Meetings Order)

Plan of Arrangement

No. S211985
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 ARDENTON CAPITAL CORPORATION AND ARDENTON CAPITAL BRIDGING INC.

PETITIONERS

PLAN OF COMPROMISE AND ARRANGEMENT OF ARDENTON CAPITAL CORPORATION AND ARDENTON CAPITAL BRIDGING INC.

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ARTICLE I – DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Plan (including the Schedules hereto), unless otherwise stated or unless the subject matter or context otherwise requires, capitalized words used have the meanings ascribed to them in Schedule "A".

1.2 Article and Section Reference

The terms "this Plan", "hereof", "hereunder", "herein", "hereto" and similar expressions shall be deemed to refer generally to this Plan, and not to any particular article, section, paragraph, or subparagraph of this Plan, and include any variations, amendments, modifications or supplements hereto. In this Plan, a reference to an article, section, subsection, clause or paragraph shall, unless otherwise stated, refer to an article, section, paragraph, or subparagraph of this Plan.

1.3 Reference to Orders

Any reference in this Plan to an Order or an existing document or exhibit to be filed means such Order, document or exhibit as it may have been or may be amended, modified or supplemented.

1.4 Extended Meanings

In this Plan, where the context so requires, any word importing the singular number shall include the plural and vice versa, and any word or words importing gender shall include all genders.

1.5 Interpretation Not Affected by Headings

The division of this Plan into articles, sections, paragraphs, and subparagraphs and the insertion of a table of contents and headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan, nor are the descriptive headings of articles and sections intended as complete or accurate descriptions of the contents thereof.

1.6 Inclusive Meaning

As used in this Plan, the words "include", "includes", "including" and similar words of inclusion will not, unless expressly modified by the words "only" or "solely", be construed as terms of limitation, but rather will mean "includes but is not limited to" and "including but not limited to", so that references to included matters shall be regarded as illustrative rather than exhaustive.

1.7 Currency

Unless otherwise stated herein, all references to currency in this Plan are to lawful money of Canada.

1.8 Statutory References

Any reference in this Plan to a statute or other enactment of parliament or a legislature includes all regulations made thereunder, all amendments to or re-enactments of such statute or regulations in force from time to time and any statute or regulation that supplements or supersedes such statute or regulation.

1.9 Successors and Assigns

The rights, benefits and obligations of any Person named or referenced in this Plan shall be binding on and shall enure to the benefit of any heir, administrator, executor, legal personal representative, successor or assign, as the case may be, or a trustee, receiver, interim receiver, receiver and manager, liquidator or other Person acting on behalf of such Person, as permitted hereunder.

1.10 Governing Law

This Plan, and each of the documents contemplated or delivered under or in connection with this Plan, shall be governed by and construed and interpreted in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein, without regard to any conflict of law provision that would require the application of the law of any other jurisdiction. Any dispute or issue in connection with, or related to the interpretation, application or effect of this Plan and all proceedings taken in connection with this Plan and its revisions shall be subject to the exclusive jurisdiction of the CCAA Court.

1.11 Severability of Plan Provisions

If any provision of this Plan is determined to be illegal, invalid or unenforceable, by an arbitrator or any court of competent jurisdiction from which no appeal exists or is taken, then, that provision will be severed from this Plan and the remaining provisions will remain in full force and effect. Upon such determination, the court or other arbiter making such determination is authorized and instructed to interpret the remaining provisions of this Plan so as to effect the original intent of this Plan as closely as possible so that the transactions and arrangements contemplated herein are consummated as originally contemplated to the fullest extent possible.

1.12 Timing Generally

Unless otherwise specified, all references to time herein, and in any document issued pursuant hereto, shall mean local time in Vancouver, British Columbia and any reference to an event occurring on a Business Day shall mean prior to 4:00 p.m. on such Business Day.

1.13 Time of Payments and Other Actions

Unless otherwise specified, time periods within or following which any action is to be taken or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the date of such action or act to the next succeeding Business Day if the last day of the period is not a Business Day.

1.14 Schedules

The following are the Schedules to this Plan, which are incorporated by reference into this Plan and form an integral part hereof:

Schedule "A" - Definitions
Schedule "B" - Form of Monitor's Plan Certificate
Schedule "C" – Amendments to ACC's Articles Creating New ACC Common Shares
Schedule "D" - ACC's Amended and Restated Notice of Articles and Articles
Schedule "E" - Plan Implementation Steps

ARTICLE II – PURPOSE AND EFFECT OF THIS PLAN

2.1 Purpose of this Plan

The primary purposes of this Plan are to:

a. restructure the Affected Claims and effect the Distributions to Affected Creditors provided for herein;

b. effect a full, final and irrevocable release and discharge of certain Claims against the Petitioners' D&Os;

c. establish a new board of directors of ACC; and

d. amend and reconstitute the share capital of ACC, including the issuance of new shares to ACC Investor Creditors.

This Plan is put forward in the expectation that the Affected Creditors, when considered as a whole, will derive a greater benefit from the implementation of this Plan and the continuation of the Petitioners' business as a going concern than would result from an immediate sale of the Petitioners' interests in their respective portfolio companies (each a "**Portfolio Company**" and collectively the "**Portfolio Companies**") whether in the CCAA Proceedings or in a bankruptcy or liquidation.

2.2 Procedurally Consolidated Plan

This Plan is being presented on a procedurally consolidated basis to simplify the administration and implementation of this Plan, recognizing that ACBI is a wholly-owned subsidiary of ACC, with its own distinct constituent of creditors. This Plan does not purport to effect a substantive consolidation of the Petitioners. This Plan provides for two (2) separate classes of creditors for voting purposes: (i) the ACBI Creditors and (ii) the ACC Creditors. Distributions within each class shall be governed by Article VI of this Plan. This Plan relates only to the Petitioners and their Directors and Officers and does not include the claims of creditors of any of the Petitioners' Portfolio Companies or other subsidiaries or Affiliates.

2.3 Secured Indebtedness of ACC

As at the Filing Date, the Petitioners had a *de minimis* amount of secured indebtedness, all of which has either since been paid in full or is otherwise current and relates only to certain credit cards issued by HSBC Bank Canada in the name of ACC and used (and paid) in the ordinary course of operations and which are subject to a limit, in the aggregate, of $10,000.

Subsequent to commencing the CCAA Proceedings, the Petitioners obtained the CCAA Charges, each of which was granted as security for obligations owed or to be owed by the Petitioners. It is a condition precedent to the implementation of this Plan that the CCAA Charges are discharged, which may require that some or all of the CCAA Charges be cash collateralized in whole or in part.

The obligations under the DIP Facility will remain outstanding at the Effective Time. The Petitioners and RCM have entered into a term sheet setting out the business terms of a senior secured $10,000,000 term loan facility (the "**RCM Exit Facility**") that would result in the repayment in full of the DIP Facility and release of the Interim Lender's Charge. The RCM Exit Facility will be a secured obligation of ACC to be supported by way of a: (i) general security agreement to be granted by ACC and (ii) guarantee of the obligations of ACC to RCM from ACBI to be secured by a general security agreement. It is intended that the RCM Exit Facility will be repaid by ACC in accordance with the terms of the loan documents. Such obligations will rank ahead of all other creditors (other than HSBC in connection with the existing credit card facilities), including Affected Creditors.

2.4 Claims Procedure Order

For greater certainty, nothing in this Plan revises or restores any right or claim of any kind that is barred or extinguished pursuant to the terms of the Claims Procedure Order.

ARTICLE III – CLASSIFICATION AND VOTING OF AFFECTED CREDITORS

3.1 Classification for Voting Purposes

This Plan shall be comprised of the following two (2) classes of Affected Creditors for voting purposes (the "**Affected Creditor Classes**") at the ACBI Creditors' Meeting and the ACC Creditors' Meeting, respectively:

a. **Unsecured Creditors of ACBI:** This class of unsecured creditors is comprised of:

   i. holders of promissory notes issued by ACBI (collectively, the "**ACBI Promissory Note Creditors**"); and

   ii. trade and other unsecured creditors of ACBI other than the ACBI Promissory Note Creditors (collectively, the "**ACBI General Creditors**").

b. **Unsecured Creditors of ACC**: This class of unsecured creditors is comprised of:

i. holders of Preferred Securities issued by ACC (collectively, the "**Preferred Securityholders**") and holders of Hybrid Securities issued by ACC (collectively, the "**Hybrid Securityholders**", and together with the "**Preferred Securityholders**", the "**ACC Investor Creditors**");

ii. a single holder of a promissory note issued by ACC (the "**ACC Promissory Note Creditor**"); and

iii. trade and other unsecured creditors of ACC other than the ACC Investor Creditors (collectively with the ACC Promissory Note Creditor, the "**ACC General Creditors**").

3.2 Voting by Affected Creditors

a. Each ACC Creditor will be entitled to one vote on this Plan.

b. Each ACBI Creditor will be entitled to one vote on this Plan.

c. The value attributed to each vote by an ACC Creditor or an ACBI Creditor is equal to the Canadian dollar value of the portion of such Affected Creditor's Affected Claim against ACC or ACBI as at the Filing Date, as applicable. The voting rights with respect to Affected Claims filed in currencies other than in Canadian dollars will be calculated by the Petitioners at the daily exchange rate quoted by the Bank of Canada for exchanging such currency from Canadian dollars as at the Filing Date.

d. Each Affected Creditor with a Disputed Claim against ACC is entitled to one vote on this Plan in respect of ACC.

e. Each Affected Creditor with a Disputed Claim against ACBI is entitled to one vote on this Plan in respect of ACBI.

f. The vote of any Disputed Claim against ACC or ACBI shall have the value accepted by the Monitor, if any, for voting purposes.

The portions of this Plan relating to ACC and to ACBI will be approved independently of each other if:

a. a majority in number of each class of Affected Creditors voting vote in favour of this Plan; and

b. the total Affected Claims voting in each class of Affected Creditors in favour of this Plan represent at least 66.67% in value of the Affected Claims voting on the Plan (together, the "**Required Majority of Creditors**").

This Plan, insofar as it relates to ACC, is required to be accepted by the Required Majority of Creditors of the ACC Creditors, and, insofar as it relates to ACBI, is required to be accepted by the Required Majority of Creditors of the ACBI Creditors and ACC Creditors.

In the event that this Plan is only approved by the Required Majority of Creditors of ACC Creditors, the Petitioners shall move to have this Plan sanctioned by the Court only with respect to ACC, and the terms of this Plan as it relates to ACBI shall be severed from this Plan and no longer in force. This Plan shall be deemed to be rejected by the Affected Creditors in the event that this Plan is only approved by the Required Majority of Creditors of ACBI Creditors.

Implementation of this Plan is subject to approval by the CCAA Court and the other conditions precedent contained in this Plan.

ARTICLE IV – CLAIMS

4.1 Persons Affected by this Plan

This Plan provides for, among other things, the full, final and irrevocable restructuring of Affected Claims and effectuates the restructuring of the Petitioners, including the Investor Claims. At the Effective Time, this Plan shall affect and be binding on and enure to the benefit of the Petitioners, the Affected Creditors, the D&Os, the holders of shares or other securities of ACC, their respective heirs, administrators, executors, legal personal representatives, successors and assigns, as the case may be, and all other Persons named or referred to in, or subject to, this Plan, as and to the extent provided for in this Plan.

4.2 Claims Unaffected by this Plan

Nothing in this Plan shall prejudice, compromise, release, discharge, cancel, bar or otherwise affect any Unaffected Claims. Subject to the provisions of this Plan, Unaffected Claims shall not be compromised, released or otherwise affected by this Plan and shall be dealt with in accordance with the existing arrangements between the Petitioners and the holders of such Unaffected Claims in effect on the Filing Date or such other arrangement as may be mutually agreed between the applicable parties.

4.3 D&O Claims

a. All D&O Claims against the D&Os (other than Section 5.1(2) D&O Claims and Non-Released D&O Claims) shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred without consideration on the Plan Implementation Date;

b. All D&O Indemnity Claims and any other rights or claims for indemnification held by the D&Os (other than in respect of the Continuing D&O Indemnities) shall be deemed to have no value and shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred without consideration on the Plan Implementation Date;

c. Section 5.1(2) D&O Claims against D&Os shall be limited to recovery from any insurance proceeds payable in respect of such Section 5.1(2) D&O Claims pursuant to the Insurance Policies, and Persons with any such Section 5.1(2) D&O Claims against the D&Os shall have no right to, and shall not, make any claim or seek any recoveries other than enforcing such Persons' rights to be paid from the proceeds of the applicable Insurance Policy by the applicable insurer(s);

d. Non-Released D&O Claims shall not be compromised, discharged, released, cancelled or barred by this Plan, and shall be permitted to continue as against all applicable D&Os; and

e. Notwithstanding anything to the contrary herein, from and after the Plan Implementation Date, a Person may only commence an action for a Non-Released D&O Claim against a D&O if such Person has first obtained (i) the consent of the Monitor or (ii) the leave of the CCAA Court on notice to the applicable D&Os, Petitioners, Monitor and any applicable insurers.

4.4 Insurance

a. Subject to the terms of this Section 4.4, nothing in this Plan shall prejudice, compromise, release, discharge, cancel, bar or otherwise affect any right, entitlement or Claim of any Person against the Petitioners or any D&O, or any insurer, in respect of an Insurance Policy or the proceeds thereof.

b. Nothing in this Plan shall prejudice, compromise, release or otherwise affect any right or defence of any insurer in respect of any Insurance Policy. Furthermore, nothing in this Plan shall prejudice, compromise, release or otherwise affect (i) any right of subrogation any insurer may have against any Person, including against any D&O in the event of a determination of fraud against the Petitioners or any D&O in respect of whom such a determination is specifically made, and/or (ii) the ability of an insurer to claim repayment of any relevant fees (as defined in any such policy) from the Petitioners and/or any D&O in the event that the party from whom repayment is sought is not entitled to coverage under the terms and conditions of the applicable Insurance Policy.

c. Notwithstanding anything herein (including the releases within this Plan), all D&O Insurance Claims shall be deemed to remain outstanding and are not released following the Plan Implementation Date, but recovery as against the Petitioners and the D&Os (other than those included in the Non-Released D&O Claims) is limited solely to any proceeds of Insurance Policies that are available to pay such Insured Claims, either by way of judgment or settlement. The Petitioners and the D&Os shall make all reasonable efforts to meet all obligations under the Insurance Policies. The applicable insurers agree and acknowledge that they shall be obliged to pay any loss payable pursuant to the terms and conditions of their respective Insurance Policies notwithstanding the releases granted to the Petitioners and the D&Os under this Plan, and that they shall not rely on any provisions of the

Insurance Policies to argue, or otherwise assert, that such releases excuse them from, or relieve them of, the obligation to pay a loss that otherwise would be payable under the terms of the Insurance Policies. For greater certainty, the insurers agree and consent to a direct right of action against the insurers, or any of them, in favour of any plaintiff who or which has (a) negotiated a settlement of any Claim covered under any of the Insurance Policies, which settlement has been consented to in writing by the insurers or such of them as may be required or (b) obtained a final judgment against one or more of the Petitioners and/or the D&Os which such plaintiff asserts, in whole or in part, represents a loss covered under the Insurance Policies, notwithstanding that such plaintiff is not a named insured under the Insurance Policies and that neither the Petitioners nor the D&Os are parties to such action.

d. Notwithstanding anything in this Section 4.4 from and after the Plan Implementation Date, any D&O Insurance Claimants shall, as against the Petitioners and the D&Os (except in respect of Non-Released D&O Claims), be irrevocably limited to recovery solely from the proceeds of the Insurance Policies paid or payable on behalf of the Petitioners or its D&Os, and any D&O Insurance Claimants shall have no right to, and shall not, directly or indirectly, make any Claim or seek any recoveries from the Petitioners, any of the D&Os (excluding those included in the Non-Released D&O Claims), other than enforcing such Person's rights to be paid from the proceeds of an Insurance Policy by the applicable insurer(s), and this section may be relied upon and raised or pled by the Petitioners and any D&Os in defence or estoppel of or to enjoin any claim, action or proceeding brought in contravention of this section.

4.5 Disputed Claims

Disputed Claims shall be resolved in accordance with the procedures set out in the Claims Procedure Order. The fact that a Disputed Claim is allowed in whole or in part by the Monitor solely for voting purposes in respect of this Plan shall not preclude the Petitioners and the Monitor from disputing such Disputed Claim for Distribution purposes.

If a Disputed Claim is not fully resolved by the time for a Distribution on account of such Claim, then the Disputed Claim distribution amount (or such lesser amount as may be deemed appropriate by the Monitor) will be held in escrow by the Petitioners in a disputed claims reserve (the "**Disputed Claims Reserve**") until settlement or final determination of the Disputed Claim in accordance with this Plan and the Claims Procedure Order. For greater clarity, no funds shall be required to be put into the Disputed Claims Reserve in respect of a Distribution made in respect of Affected Claims senior in priority to the relevant Disputed Claim.

To the extent that all or part of any Disputed Claim becomes a Proven Claim in accordance with this Plan, the Petitioners shall distribute to the holder of such Proven Claim from the relevant Disputed Claims Reserve the amount of the Distribution that such Affected Creditor would have been entitled to receive in respect of its Proven Claim on the distribution date had the Proven Claim

not been a Disputed Claim on the distribution date, in accordance with the terms of Article VI of this Plan.

4.6 No Vote or Distribution in Respect of Unaffected Claims

No holder of an Unaffected Claim shall be entitled to vote on or receive any Distributions under this Plan in respect of such Unaffected Claim.

4.7 Claims Filed by Holders of Unaffected Claims

Where a Proof of Claim has been filed with the Monitor by any Person in respect of an Unaffected Claim, whether pursuant to the Claims Procedure Order or otherwise, such Proof of Claim shall be deemed to be disallowed for voting and distribution purposes with no further action required by the Monitor, and the Monitor shall have no further obligation in respect of such Proof of Claim.

4.8 Defences to Unaffected Claims

Nothing in this Plan shall affect the Petitioners' rights and defences, both legal and equitable, with respect to any Unaffected Claims, including any rights with respect to legal and equitable defences or entitlements to set-offs or recoupments against such Unaffected Claims.

4.9 Subsection 6(3) CCAA Requirements - Certain Crown Claims

All Special Crown Claims are Priority Payments and shall be paid in full to the Crown within six (6) months of the Sanction Order, as required by section 6(3) of the CCAA.

4.10 Subsection 6(5) CCAA Requirements - Employees

All payments required by subsection 6(5) of the CCAA are Priority Payments and shall be paid forthwith following the Plan Implementation Date.

4.11 No Payment on Account of Equity Claims

All Persons holding Equity Claims shall not be entitled to vote at or attend the Creditors' Meetings in respect of their Equity Claims. Subject to and as further described in Section 7.2 and Schedule "E" of this Plan, all Persons holding Equity Claims shall not receive any distributions under this Plan or otherwise receive any other compensation in respect of their Equity Claims and all Equity Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred on the Plan Implementation Date for no consideration.

ARTICLE V – TREATMENT OF AFFECTED CREDITORS

5.1 Treatment of Proven Claims

Ardenton Capital Corporation

a. At the Effective Time, each Affected Claim held by ACC Creditors will be restructured and:

i. in respect of the ACC General Creditors, each ACC General Creditor will thereafter have a continuing non-interest bearing claim against ACC in the amount of its Proven Claim in respect of which such ACC General Creditors shall be entitled to payments from ACC Cash Available for Distribution to be made *pro rata* among the ACC General Creditors, up to the amount of each ACC General Creditor's Proven Claim, and in priority to distributions to the ACC Investor Creditors (the "**ACC Level 1 Distributions**");

ii. in respect of the ACC Investor Creditors, each ACC Investor Creditor will thereafter receive the following entitlement(s) in respect of their Proven Claims, as applicable:

1. **Preferred Securities Pre-filing Principal**: Each Preferred Securityholder shall have a continuing non-interest bearing claim against ACC for the portion of its Proven Claim that is the unpaid principal amount owing under such Preferred Securityholder's Proven Claim in respect of its Preferred Securities as at the Filing Date in respect of which such Preferred Securityholder shall be entitled to: (i) as to 0.01% of such amount, the issuance of equity in ACC as of the Plan Implementation Date, as further described in Schedule "E" of this Plan; and (ii) as to the remaining 99.99% of such amount, payments from time to time following the Plan Implementation Date from ACC Cash Available for Distribution ("**ACC Level 2 Distributions**"), which payments shall be fully subordinate and rank behind the ACC Level 1 Distributions (and for greater certainty in priority to each of the ACC Level 3 Distributions, ACC Level 4 Distributions and ACC Level 5 Distributions), such Distributions to be made *pro rata* among each of the Preferred Securityholders based on the unpaid principal amount owing under each such Preferred Securityholder's Proven Claim in respect of its Preferred Securities as at the Filing Date.

2. **Preferred Securities Pre-filing Interest**: Each Preferred Securityholder shall have a continuing non-interest bearing claim against ACC in respect of the portion of its Proven Claim that is accrued but unpaid interest owing under such Preferred Securityholder's Proven Claim in respect of its Preferred Securities as at the Filing Date in

respect of which such Preferred Securityholder shall be entitled to: (i) as to 0.01% of such amount, the issuance of equity in ACC as of the Plan Implementation Date, as further described in Schedule "E" of this Plan; and (ii) as to the remaining 99.99% of such amount, payments from time to time following the Plan Implementation Date from ACC Cash Available for Distribution ("**ACC Level 3 Distributions**"), which payments shall be fully subordinate and rank behind each of the ACC Level 1 Distributions and ACC Level 2 Distributions (and for greater certainty in priority to each of the ACC Level 4 Distributions and ACC Level 5 Distributions), such Distributions to be made *pro rata* among each of the Preferred Securityholders based on the accrued but unpaid interest owing under each such Preferred Securityholder's Proven Claim in respect of its Preferred Securities as at the Filing Date.

3. **Hybrid Securities Pre-filing Principal**: Each Hybrid Securityholder shall have a continuing non-interest bearing claim against ACC for the portion of its Proven Claim that is the unpaid principal amount owing under such Hybrid Securityholder's Proven Claim in respect of its Hybrid Securities as at the Filing Date in respect of which such Hybrid Securityholder shall be entitled to: (i) as to 0.01% of such amount, the issuance of equity in ACC as of the Plan Implementation Date, as further described in Schedule "E" of this Plan; and (ii) as to the remaining 99.99% of such amount, payments from time to time following the Plan Implementation Date from ACC Cash Available for Distribution ("**ACC Level 4 Distributions**"), which payments shall be fully subordinate and rank behind the payment in full of each of the ACC Level 1 Distributions, ACC Level 2 Distributions and ACC Level 3 Distributions (and for greater certainty, in priority to each of the ACC Level 5 Distributions), such Distributions to be made *pro rata* among each of the Hybrid Securityholders based on the unpaid principal amount owing under each such Hybrid Securityholder's Proven Claim in respect of its Hybrid Securities as at the Filing Date.

4. **Hybrid Securities Pre-filing Interest**: Each Hybrid Securityholder shall have a continuing non-interest bearing claim against ACC in respect of the portion of its Proven Claim that is accrued but unpaid interest owing under such Hybrid Securityholder's Proven Claim in respect of its Hybrid Securities as at the Filing Date in respect of which such Hybrid Securityholder shall be entitled to: (i) as to 0.01% of such amount, the issuance of equity in ACC as of the Plan Implementation Date, as further described in Schedule "E" of this Plan; and (ii) as to the remaining 99.99% of such amount, payments from time to time following the Plan Implementation Date from ACC Cash Available for Distribution ("**ACC Level 5 Distributions**"), which payments shall be fully subordinate and rank behind the payment in full of each of the ACC Level 1 Distributions, ACC Level 2 Distributions, ACC Level 3

Distributions and ACC Level 4 Distributions, such Distributions to be made *pro rata* among each of the Hybrid Securityholders based on the accrued but unpaid interest owing under each such Hybrid Securityholder's Proven Claim in respect of its Hybrid Securities as at the Filing Date.

Ardenton Capital Bridging Inc.

b. At the Effective Time, each Affected Claim held by ACBI Creditors will be restructured and:

i. **ACBI Creditors Principal**: Each ACBI Creditor shall have a continuing non-interest bearing claim against ACBI in respect of the principal amount of its Proven Claim against ACBI as at the Filing Date, with a corresponding priority, in respect of which such ACBI Creditor shall be entitled to payments from ACBI Cash Available for Distribution ("**ACBI Level 1 Distributions**"), which payments shall rank in priority to ACBI Level 2 Distributions and ACBI Level 3 Distributions, such Distributions to be made *pro rata* among each of the ACBI Creditors based on the principal amount of each such ACBI Creditor's Proven Claim against ACBI as at the Filing Date.

ii. **ACBI Creditors Pre-filing Interest**: Each ACBI Creditor shall have a continuing non-interest bearing claim against ACBI for the portion of its Proven Claim that is accrued but unpaid interest (calculated at the applicable contractual rate(s) on the portion of the Proven Claim against ACBI that is the principal amount) owing under such ACBI Creditor's Proven Claim against ACBI as at the Filing Date in respect of which such ACBI Creditor shall be entitled to payments from ACBI Cash Available for Distribution ("**ACBI Level 2 Distributions**"), which payments shall be fully subordinate and rank behind the ACBI Level 1 Distributions (and for greater certainty in priority to the ACBI Level 3 Distributions), such Distributions to be made *pro rata* among each of the ACBI Creditors based on the accrued but unpaid interest owing under each such ACBI Creditor's Proven Claim against ACBI as at the Filing Date.

iii. **ACBI Creditors Post-filing Interest**: Each ACBI Creditor shall have a continuing claim against ACBI in respect of the portion of its Proven Claim against ACBI that is accrued but unpaid interest (calculated at the applicable contractual rate(s) on the portion of the Proven Claim against ACBI that is the principal amount) for the period from and after the Filing Date to the date of payment in full in respect of the principal amount of the ACBI Level 1 Distributions, in respect of which such ACBI Creditor shall be entitled to Distributions from ACBI Cash Available for Distribution ("**ACBI Level 3 Distributions**") on account of post-filing interest, such Distributions shall be fully subordinate and rank behind the payment in full of each of the ACBI Level 1 Distributions and the ACBI Level 2 Distributions, such Distributions

to be made *pro rata* among each of ACBI Creditors based on the accrued but unpaid interest owing under each such ACBI Creditor's Proven Claim for the period from and after the Filing Date to the date of payment in full in respect of the principal amount of the ACBI Level 1 Distributions.

ARTICLE VI – PROVISIONS GOVERNING DISTRIBUTIONS

6.1 ACC Distributions

Any ACC Cash Available for Distribution will be paid to holders of the Affected Claims of ACC Creditors as of the Filing Date from time to time following the Plan Implementation Date in accordance with Section 5.1a of this Plan. Distributions under Section 5.1a are contingent upon ACC Cash Available for Distribution being available to ACC to pay such Distributions.

6.2 ACBI Distributions

ACBI Cash Available for Distribution will be paid to the holders of Affected Claims of ACBI Creditors as of the Filing Date from time to time following the Plan Implementation Date in accordance with Section 5.1b of this Plan. Distributions under Section 5.1b are contingent upon ACBI Cash Available for Distribution being available to the Petitioners to pay such Distributions.

6.3 Distribution of Disputed Claims and Subsequent Distributions

An Affected Creditor with a Disputed Claim shall not be entitled to receive a Distribution under this Plan in respect thereof until and unless such Disputed Claim becomes a Proven Claim in accordance with the Claims Procedure Order and Section 4.5 of this Plan.

In the event that a Disputed Claims Reserve is established by the Petitioners, then the amounts held in such Disputed Claims Reserve in respect of the Disputed Claims which become disallowed by the Monitor after the Effective Time shall be distributed by the Petitioners to ACC Creditors and ACBI Creditors, as applicable, in accordance with Article V of this Plan.

6.4 Affected Claims in Foreign Currencies

Distributions with respect to Affected Claims denominated in currencies other than in Canadian dollars will be made by the Petitioners in the original currency of the Affected Claims. For the purpose of determining a particular Affected Creditor's *pro rata* share of a Distribution where all or part of such Affected Creditor's Affected Claims are denominated in a currency other than Canadian dollars, the *pro rata* share of such Distribution shall be determined by converting such Affected Claims to Canadian dollars using the applicable Bank of Canada exchange rate on the Business Day on which the Petitioners are able to exchange the required funds.

6.5 Undeliverable and Unclaimed Distributions

a. If any Affected Creditor entitled to a Distribution pursuant to this Plan cannot be located by the Petitioners on the date of such Distribution, or if any delivery or Distribution to be made pursuant to this Plan is returned as undeliverable or

becomes stale-dated and uncashed, such amount shall be set aside and retained by the Petitioners (an "**Unclaimed Distribution Reserve**") for a period of three (3) months from the date of such Distribution (the "**Unclaimed Distribution Hold Period**").

b. If an Affected Creditor in respect of which the Petitioners are maintaining an Unclaimed Distribution Reserve provides the Petitioners with its current particulars pursuant to Section 6.5e prior to the end of the applicable Unclaimed Distribution Hold Period, such amount shall be distributed, without interest earned thereon, to such Affected Creditor.

c. If an Affected Creditor in respect of which the Petitioners are maintaining an Unclaimed Distribution Reserve does not provide the Petitioners with its current particulars pursuant to Section 6.5e prior to the end of the applicable Unclaimed Distribution Hold Period (an "**Unclaimed Distribution**"), the Affected Creditor's entitlement to the Unclaimed Distribution shall be discharged and forever barred, notwithstanding any federal or provincial laws to the contrary and the Unclaimed Distribution Reserve shall be added to the ACBI Cash Available for Distribution or the ACC Cash Available for Distribution, as the case may be, available to be distributed by the Petitioners in a subsequent Distribution in accordance with Section 6.1 or 6.2 of this Plan, as applicable.

d. Nothing contained in this Plan shall require the Petitioners and/or the Monitor to attempt to locate any recipient of any undeliverable or Unclaimed Distributions. All Distributions will be sent by the Petitioners to the addresses contained in Proofs of Claim or the last known address contained in the records of the Petitioners in respect of Proven Claims, and the Petitioners shall have no further obligation prior to or following the expiry of any applicable Unclaimed Distribution Hold Period to contact Affected Creditors in respect of any Distribution.

e. Any updates or changes to the address or contact information pertaining to an Affected Creditor should be sent to the following email: ***investorservices@ardenton.com*** (the "**Petitioners' Email**").

f. Notwithstanding the foregoing, in the event that an Affected Creditor described in Section 6.5c provides the Petitioners with its current particulars pursuant to Section 6.5e after the expiration of any applicable Unclaimed Distribution Hold Period, such Affected Creditor shall be entitled to participate and receive any Distributions to which it is entitled to under this Plan that are made subsequent to the fifth (5^{th}) business day following the date on which its updated particulars are provided; provided that such Affected Creditor shall not be entitled to receive any previous Unclaimed Distributions.

6.6 No Dividends Until All Distributions are Made

The New ACC Board shall not be entitled to declare or pay any dividends on any class of shares of ACC unless and until all Distributions in respect of ACC Creditors' Proven Claims contemplated under Section 5.1a of this Plan have been made in full. Similarly, the ACBI Board shall not be entitled to declare or pay any dividends on any class of shares of ACBI unless and until all Distributions in respect of ACBI Creditors' Proven Claims contemplated under Section 5.1b of this Plan have been made in full.

ARTICLE VII – IMPLEMENTATION OF THIS PLAN

7.1 Corporate Authorization

The adoption, execution, delivery, implementation and consummation of all matters contemplated under this Plan involving corporate action of the Petitioners will occur and be effective as of the Effective Time, and will be authorized and approved under this Plan and by the Court, where appropriate, as part of the Sanction Order, in all respects and for all purposes without any requirement of further action by shareholders, Directors or Officers of any of the Petitioners. All necessary approvals to take actions shall be deemed to have been obtained from the Directors or the shareholders of the Petitioners, as applicable, including the deemed passing by any class of shareholders of any resolution or special resolution and no agreement between a shareholder, and another Person limiting in any way the right to vote shares held by such shareholder with respect to any of the steps contemplated by this Plan shall be deemed to be effective and any such agreement shall have no force and effect.

7.2 Amendments to Articles and New ACC Common Shares

The post-Plan Implementation Date authorized share structure of ACC will be comprised of Class A common voting shares (the "**CAN Shares**") and Class B common voting shares (the "**Non-CAN Shares**"), which New ACC Common Shares will be issued in accordance with this Plan and ACC's amended notice of articles and articles under the BCBCA all as more particularly set out in Schedule "E" of this Plan. As of the Effective Time, the steps set out in Schedule "E" shall occur in the order set out therein.

ACBI Creditors and ACC General Creditors shall not receive any New ACC Common Shares or other capital of either of the Petitioners.

ACC shall continue to be the sole shareholder of ACBI immediately following the Effective Time.

As more particularly set out in Schedule "E" of this Plan, each ACC Share issued and outstanding immediately prior to the Effective Time shall be converted into a Converted Share at the Effective Time and each such Converted Share shall, without further act or formality, be cancelled without any payment therefor and each holder thereof shall cease to be the holder of such Converted Share and shall cease to have any rights as a holder in respect of such Converted Share, and the register of ACC shall be updated to reflect the cancellation of such Converted Share and that such holder has ceased to be the holder of such Converted Share.

7.3 Determinations by the Monitor

All calculations and determinations made by the Monitor for the purposes of and in accordance with this Plan shall be conclusive and binding upon the Affected Creditors and the Petitioners.

7.4 Timing and Manner of Distributions

Following the Plan Implementation Date:

a. the New ACC Board will authorize periodic Distributions, on a quarterly basis, of ACC Cash Available for Distribution, provided however that no Distribution is required to be made in any given quarter where:

   i. the ACC Cash Available for Distribution is less than $1,000,000; or

   ii. the New ACC Board determines that it is in the best interest of ACC to utilize the ACC Cash Available for Distribution to conduct a tender offer to repurchase outstanding Proven Claims, provided that such tender offer must be conducted in accordance with the priority for Distributions set out in Section 5.1a of this Plan.

b. the ACBI Board will authorize periodic Distributions, on a quarterly basis, of the ACBI Cash Available for Distribution, provided however that no Distribution is required to be made in any given quarter where:

   i. the ACBI Cash Available for Distribution is less than $1,000,000; or

   ii. the ACBI Board determines that it is in the best interest of ACBI to utilize the ACBI Cash Available for Distribution to conduct a tender offer to repurchase outstanding Proven Claims, provided that such tender offer must be conducted in accordance with the priority for Distributions set out in Section 5.1b of this Plan.

The Petitioners will keep updated books and records with respect to Distributions and a current balance with respect to each Proven Claim of Affected Creditors entitled to a Distribution under this Plan.

7.5 Creditor Updates

To the extent practicable, on a quarterly basis, the Petitioners shall:

a. in the case of the ACC Creditors, provide Affected Creditors with a general update, which will include the status of the periodic Distributions of the ACBI Cash Available for Distributions and ACC Cash Available for Distributions made since the previous update provided to ACC Creditors, if any; and

b. in the case of the ACBI Creditors, provide Affected Creditors with a general update, which will include the status of the periodic Distributions of the ACBI Cash Available for Distributions since the previous update provided to ACBI Creditors, if any,

(collectively, the "**Creditor Updates**").

The Creditor Updates will provide Affected Creditors with a summary of any and all Distributions that have occurred since the previous Creditor Update and will be sent to Affected Creditors via email at the address on file with the Petitioners or such other email address provided to the Petitioners in the applicable Proof of Claim. Any email address changes should be sent to the Petitioners' Email to receive ongoing Creditor Updates.

7.6 Withholding Rights

The Petitioners, the Monitor and/or any other Person making a payment contemplated herein shall be entitled to deduct and withhold from any consideration payable to any Person such amounts as it is required to deduct and withhold with respect to such payment under the Canadian Tax Act or any provision of federal, provincial, territorial, state, local or foreign Tax laws, in each case, as amended. To the extent that amounts are so withheld or deducted, such withheld or deducted amounts shall be treated for all purposes hereof as having been paid to the Person in respect of which such withholding was made, provided that such amounts are actually remitted to the appropriate Taxing Authority. To the extent that the amounts so required or permitted to be deducted or withheld from any payment to a Person exceed the cash portion of the consideration otherwise payable to that Person: (i) the payor is authorized to sell or otherwise dispose of such portion of the consideration as is necessary to provide sufficient funds to enable it to comply with such deduction or withholding requirement or entitlement, and the payor shall notify the applicable Person thereof and remit to such Person any unapplied balance of the net proceeds of such sale; or (ii) if such sale is not reasonably possible, the payor shall not be required to make such excess payment until the Person has directly satisfied any such withholding obligation and provides evidence thereof to the payor.

ARTICLE VIII – CREDITORS' MEETINGS

8.1 Conduct of Creditors' Meetings

The Creditors' Meetings in respect of the classes of Affected Creditors to consider and vote on this Plan shall be held and conducted by the Monitor in accordance with the terms of the Meetings Order.

8.2 Acceptance of Plan

If this Plan is approved by the Required Majority of Creditors, this Plan shall be approved and shall be deemed to have been agreed to, accepted and approved by each of the Affected Creditors and shall be binding upon all Affected Creditors, subject to the Court making the Sanction Order.

ARTICLE IX – CONDITIONS OF PLAN IMPLEMENTATION

9.1 Sanction Order

If this Plan is approved by the Required Majority of Creditors, then as soon as reasonably practicable, the Monitor shall bring a motion before the CCAA Court for the Sanction Order, which Sanction Order shall, among other things:

a. declare that the Creditors' Meetings were duly called and held in accordance with the terms of the Meetings Order;

b. declare that all Persons named in this Plan are authorized to perform their functions and fulfill their obligations under this Plan in order to facilitate the implementation of this Plan;

c. declare that this Plan has been approved by the Required Majority of Creditors of each of the two (2) Affected Creditor Classes entitled to vote at the Creditors' Meetings in conformity with the CCAA;

d. declare that the Monitor and the Petitioners have acted in good faith and have complied with the provisions of the CCAA and the Orders made in the CCAA Proceedings in all respects;

e. declare that the CCAA Court is satisfied that the Petitioners have not done nor purported to do anything that is not authorized by the CCAA;

f. declare that this Plan and the transactions contemplated by it are fair and reasonable;

g. approve any Disputed Claims Reserve;

h. declare that the CCAA Charges will be terminated, discharged, expunged and released at the Effective Time;

i. approve all conduct of the CRO and KSV, in its capacity as Monitor, in relation to the Petitioners and bar all claims against them arising from or relating to the services provided to the Petitioners up to and including the date of the Sanction Order;

j. declare that, notwithstanding: (i) the pendency of the CCAA Proceedings; (ii) any applications for a bankruptcy, receivership or other Order now or hereafter issued pursuant to the BIA, the CCAA or otherwise in respect of the Petitioners and any bankruptcy, receivership or other Order issued pursuant to any such applications and (iii) any assignment in bankruptcy made or deemed to be made in respect of the Petitioners, the transactions contemplated by this Plan will be binding on any trustee in bankruptcy or receiver that may be appointed in respect of the Petitioners or their respective assets and will not be void or voidable by creditors of the

Petitioners, nor will this Plan, or the payments and distributions contemplated hereunder constitute nor be deemed to constitute a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the BIA, CCAA or any other applicable federal or provincial legislation, nor will this Plan constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation;

k. declare that, subject to the performance by the Petitioners of their respective obligations under this Plan, all contracts, leases, agreements and other arrangements to which the Petitioners are a party and that have not been terminated or disclaimed pursuant to the CCAA Order or the CCAA, will be and remain in full force and effect, unamended as of the Effective Time, and no Person who is a party to any such arrangement may accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right of set-off, dilute or other remedy) or make any demand under or in respect of any such arrangement and no automatic termination will have any validity or effect, by reason of:

   i. any event that occurred on or prior to the Effective Time and is not continuing that would have entitled such Person to enforce those rights or remedies (including defaults or events of default arising as a result of the Petitioners' insolvencies);

   ii. the insolvencies of the Petitioners or the fact that the Petitioners sought or obtained relief under the CCAA; or

   iii. any compromises or arrangements effected pursuant to this Plan or any action taken or transaction effected pursuant to this Plan;

l. declare that the Stay of Proceedings continues until the Effective Time or such later date as the CCAA Court may order;

m. declare that the Petitioners and the Monitor may apply to the CCAA Court for advice and direction in respect of any matters arising from or in relation to this Plan or implementation thereof after the Plan Implementation Date; and

n. declare that this Plan and all associated steps, compromises, releases, discharges, cancellations, transactions, arrangements and reorganizations effected hereby, including the amendment and restatement of the articles of ACC, the cancellation and issuance of securities of ACC, the termination of all shareholder agreements to which ACC and/or the shareholders of ACC are party, and changes to the board of directors of ACC, all as more particularly set out in Schedule "E" of this Plan are sanctioned, approved, binding and effective as herein set out as of the Plan Implementation Date.

9.2 Conditions Precedent to Plan Implementation

The implementation of this Plan shall be conditional upon the satisfaction of the following conditions:

a. this Plan shall have been approved by:

   i. the Required Majority of Creditors of the ACC Creditors; and

   ii. in the case of that portion of this Plan relating to the ACBI Creditors, the Required Majority of Creditors of the ACBI Creditors,

b. the Sanction Order shall have been granted by the CCAA Court in a form acceptable to the Monitor and the Investor Committee and shall be in full force and effect and not reversed, stayed, varied, modified or amended;

c. all applicable appeal periods in respect of the Sanction Order shall have expired and, in the event of an appeal or application for leave to appeal, final determination thereof shall have been made by the applicable appellate court;

d. all approvals, orders, determinations or consents required pursuant to Applicable Law, if applicable, shall have been obtained on terms and conditions satisfactory to the Monitor, acting reasonably, and shall remain in full force and effect at the Effective Time;

e. all agreements, resolutions, documents and other instruments which are necessary to be executed and delivered by the Petitioners or the Monitor in order to implement this Plan and perform the Petitioners' obligations under this Plan shall have been executed and delivered;

f. no action shall have been instituted and be continuing as at the Effective Time for an injunction to restrain, a declaratory judgment in respect of, or damages on account of, or relating, this Plan;

g. the Petitioners shall have entered into the RCM Exit Facility on terms acceptable to the Monitor and the Investor Committee, acting reasonably; and

h. the Petitioners shall have obtained director and officer insurance acceptable to the Monitor and the Investor Committee for the period commencing on the Effective Date.

Each of the conditions set out in this Section 9.2 may be waived in whole or in part with the joint approval of the Petitioners, the Monitor and the Investor Committee (except in the case of Sections 9.2(a) and (b) above) at or before the Effective Time.

9.3 Monitor's Plan Certificate

Upon being satisfied that the conditions set out in Section 9.2 have been satisfied or otherwise waived in accordance with Section 9.2, the Monitor shall, as soon as possible file the Monitor's Plan Certificate with the CCAA Court. The Monitor's Plan Certificate shall be substantially in the form attached as Schedule "B" to this Plan.

ARTICLE X – AMENDMENTS TO THIS PLAN

10.1 Amendments to Plan Prior to Approval

The Petitioners, with the consent of the Monitor, reserve the right to file any variation or modification of, or amendment or supplement to, this Plan by way of a supplementary or amended and restated plan or plans of compromise or arrangement or both filed with the CCAA Court at any time or from time to time prior to the commencement of the Creditors' Meetings. Any such supplementary or amended and restated plan or plans of compromise or arrangement or both shall, for all purposes, be deemed to be a part of and incorporated into this Plan. Any such variation, modification, amendment or supplement shall be posted on the Monitor's website on the day on which it is filed with the CCAA Court and notice of same will be provided to the parties on the Service List. **AFFECTED CREDITORS ARE ADVISED TO CHECK THE MONITOR'S WEBSITE REGULARLY.** Affected Creditors in attendance at the Creditors' Meetings will also be advised of any supplement or amendment made to this Plan.

In addition, the Petitioners, with the consent of the Monitor, may propose a variation, modification of or amendment or supplement to this Plan during the Creditors' Meetings, provided that notice of such variation, modification, amendment or supplement is given to all Affected Creditors entitled to vote who are present in person or by proxy at the Creditors' Meetings prior to the vote being taken at the first Creditors' Meetings, in which case any such variation, modification, amendment or supplement shall, for all purposes, be deemed to be part of this Plan. Any variation, amendment, modification or supplement at the Creditors' Meetings will be promptly posted on the Monitor's website and filed with the CCAA Court as soon as practicable following the Creditors' Meetings.

10.2 Amendments to Plan Following Approval

After the Creditors' Meetings (and both prior to and subsequent to the obtaining of the Sanction Order), the Petitioners, with the consent of the Monitor, may at any time and from time to time vary, amend, modify or supplement this Plan without the need for obtaining an Order of the CCAA Court or providing notice to the Affected Creditors, if the Petitioners, acting reasonably and in good faith, determine that such variation, amendment, modification or supplement is of a technical or administrative nature that would not be materially prejudicial to the interests of any of the Affected Creditors under this Plan and is necessary in order to give effect to the substance of this Plan or the Sanction Order.

ARTICLE XI – PLAN IMPLEMENTATION AND EFFECT OF THIS PLAN

11.1 Binding Effect

On the Plan Implementation Date:

a. this Plan will become effective at the Effective Time and in accordance with the sequence of steps set out in Schedule "E";

b. this Plan will be final and binding and enure to the benefit of the Petitioners, the Affected Creditors and any other Person named or referred to in or subject to this Plan and their respective heirs, executors, successors and assigns;

c. each Person named or referred to in, or subject to, this Plan shall be deemed to have consented and agreed to all of the provisions of this Plan, in its entirety and shall be deemed to have executed and delivered all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out this Plan in its entirety; and

d. each Person named or referred to in, or subject to, this Plan shall be deemed to have agreed that, if there is any conflict between the provisions, whether express or implied, of any agreement or other arrangement, written or oral, existing between such Person and the Petitioners with respect to an Affected Claim, as at the moment before the Effective Time and the provisions of this Plan, then the provisions of this Plan take precedence and priority and the provisions of such agreement or other arrangement are amended accordingly.

11.2 Compromise Effective for All Purposes

No Person who has an Affected Claim as a guarantor, surety, indemnitor or similar covenantor in respect of any Affected Claim which is compromised under this Plan or who has any right to claim over in respect of or to be subrogated to the rights of any Person in respect of an Affected Claim which is compromised under this Plan shall be entitled to any greater rights than the Affected Creditor whose Affected Claim was compromised under this Plan. Accordingly, the payment, compromise or other satisfaction of any Affected Claim under this Plan, if sanctioned and approved by the CCAA Court and implemented, shall be binding upon such Affected Creditor, its heirs, executors, administrators, successors and assigns for all purposes and, to such extent, shall also be effective to relieve any third party directly or indirectly liable for such indebtedness, whether as guarantor, surety, indemnitor, director, joint covenantor, principal or otherwise.

11.3 Plan Releases

At the Effective Time, except as otherwise provided in this Plan or in the Sanction Order, the Monitor, its legal counsel and the CRO shall be released from any and all Claims, obligations, rights, Causes of Action and liabilities which any Person may be entitled to assert, whether for tort, contracts, violation of Applicable Laws or otherwise, whether known or unknown, foreseen or unforeseen, existing or thereafter arising, based in whole or in part upon any act or omission,

transaction or other occurrence taking place on or before the Effective Time, including the negotiation, solicitation, confirmation and consummation of this Plan; provided, however, that nothing shall release the Monitor, its legal counsel or the CRO from any Claims, obligations, Causes of Action or liabilities which arise out of the Monitor's, its legal counsel's or the CRO's fraud, gross negligence, or wilful misconduct.

11.4 Knowledge of Claims

Each Person to whom Section 4.1 hereof applies shall be deemed to have granted the releases set forth in Section 11.3 notwithstanding that he, she or it may hereafter discover facts in addition to, or different from, those which it now knows or believes to be true, and without regard to the subsequent discovery or existence of such different or additional facts, and such party expressly waives any and all rights that he, she or it may have under any Applicable Law which would limit the effect of such releases to those Affected Claims at the time of the granting of the release.

11.5 Certain Restrictions

From and after the Effective Time, no ACC Investor Creditor may sell, transfer, assign or otherwise dispose of any interest (each, a "**Transfer**"), which it holds in any claim against ACC without the approval of the board of directors of ACC and provided that such ACC Investor Creditor must, as a condition of the Transfer, concurrently assign an equivalent pro rata portion of its New ACC Common Shares, to the proposed purchaser or assignee of the shares (the "**Transferee**"), and the Transferee must agree to accept such assignment of such shares, in each case in writing and in a form acceptable to ACC acting reasonably. ACC shall not be bound by or obligated to recognize any Transfer of any such claim that was not approved by the board of directors of ACC acting reasonably, and does not include the assignment of the New ACC Common Shares contemplated in the foregoing sentence.

11.6 Exculpation

Neither the Petitioners nor the Monitor (including its legal counsel), the CRO or their respective successors and assigns, shall have or incur any liability to any holder of an Affected Claim, or other party in interest for any act or omission in connection with, related to, or arising out of the CCAA Proceedings, the pursuit of sanction of this Plan, the consummation of this Plan or the administration of this Plan or the property to be distributed under this Plan, including the negotiation and solicitation of this Plan, except for fraud, gross negligence or wilful misconduct, and, in all respects, the Monitor, the CRO and their respective members, officers, directors, employees, professional advisors (including legal counsel) or agents shall be entitled to rely upon the advice of counsel with respect to their duties and responsibilities under this Plan.

11.7 Waiver of Defaults

From and after the Effective Time, and subject to any express provisions to the contrary in any amending agreement entered into with a Petitioner after the Filing Date, all Persons shall be deemed to have waived any and all defaults of the Petitioners then existing or previously committed by the Petitioners or caused by the Petitioners, the commencement of the CCAA

Proceedings by the Petitioners, any matter pertaining to the CCAA Proceedings, any of the provisions in this Plan or steps contemplated by this Plan, or non-compliance with any covenant, warranty, representation, term, provision, condition or obligation, express or implied, in every contract, agreement, mortgage, security agreement, indenture, trust indenture, loan agreement, commitment letter, agreement for sale, lease, personal property lease or other agreement, written or oral, any amendments or supplements thereto, existing between such Person and the Petitioners. Any and all notices of default, acceleration of payments and demands for payments under any instrument, or other notices, including without limitation, any notices of intention to proceed to enforce security, arising from any of such aforesaid defaults shall be deemed to have been rescinded and withdrawn. For greater certainty, nothing in this paragraph shall waive any obligations of the Petitioners in respect of any Unaffected Claim.

11.8 Deeming Provisions

In this Plan, the deeming provisions are not rebuttable and are conclusive and irrevocable.

ARTICLE XII – GENERAL PROVISIONS

12.1 Different Capacities

Affected Creditors whose Affected Claims are affected by this Plan may be affected in more than one capacity. Unless expressly provided herein to the contrary, each such Affected Creditor shall be entitled to participate hereunder in each such capacity. Any action taken by an Affected Creditor in any one capacity shall not affect the Affected Creditor in any other capacity, unless expressly agreed by the Affected Creditor in writing or unless the Affected Claims overlap or are otherwise duplicative.

12.2 Further Assurances

Notwithstanding that the transactions and events set out in this Plan may be deemed to occur without any additional act or formality other than as expressly set out herein, each of the Persons named or referred to in, or subject to, this Plan shall make, do, and execute or cause to be made, done or executed all such further acts, deeds, agreements, assignments, transfers, conveyances, discharges, assurances, instruments, documents, elections, consents or filings as may be reasonably required by the Petitioners in order to implement this Plan.

12.3 Paramountcy

Without limiting any other provision hereof, from and after the Effective Time, in the event of any conflict between:

a. this Plan; and

b. the covenants, warranties, representations, terms, conditions, provisions or obligations, expressed or implied, of any contract, mortgage, security agreement, indenture, trust indenture, loan agreement, commitment letter, agreement for sale, lease, personal property lease or other agreement, written or oral and any and all

amendments or supplements thereto existing between the Petitioners and any other Persons affected by this Plan as at the Plan Implementation Date,

the terms, conditions and provisions of this Plan and the Sanction Order shall govern and shall take precedence and priority.

12.4 Revocation, Withdrawal or Non-Consummation

The Petitioners, with the consent of the Monitor and in consultation with the Investor Committee, may revoke or withdraw this Plan at any time prior to the Effective Time and file subsequent plans of compromise or arrangement. If the Petitioners revoke or withdraw this Plan, if the Sanction Order is not issued, or the Plan Implementation Date does not occur:

a. this Plan shall be null and void in all respects;

b. any Affected Claim, any settlement or compromise embodied in this Plan, assumption or termination, repudiation of contracts or leases effected by this Plan, any document or agreement executed pursuant to this Plan shall be deemed null and void; and

c. nothing contained in this Plan, and no action taken in preparation for consummation of this Plan, shall:

   i. constitute or be deemed to constitute a waiver or release of any Affected Claims by or against the Petitioners or any Person;

   ii. prejudice in any manner the rights of the Petitioners or any Person in any further proceedings involving the Petitioners; or

   iii. constitute an admission of any sort by the Petitioners or any Person.

12.5 Responsibilities of the Monitor

The Monitor is acting and will continue to act in all respects in its capacity as Monitor in the CCAA Proceedings with respect to the Petitioners (and not in its personal capacity). The Monitor will not be responsible or liable for any obligations of the Petitioners. The Monitor will have the powers and protections granted to it by this Plan, by the CCAA and by any Order made in the CCAA Proceedings, including the CCAA Order.

12.6 Notices

Any notice or communication to be delivered hereunder will be in writing and will reference this Plan and may, subject to as hereinafter provided, be made or given by mail, personal delivery or e-mail transmission addressed to the respective parties as follows:

a. if to the Monitor:

KSV Restructuring Inc.
2308-150 King St. West
Email: bkofman@ksvadvisory.com and ngoldstein@ksvadvisory.com
Phone: 416.932.6228
Attention: Bobby Kofman and Noah Goldstein

- with a copy to -

DLA Piper (Canada) LLP
6000-100 King St. West
Toronto, ON
M5X 1E2
Email: Edmond.lamek@dlapiper.com
Phone: 416.365.3444
Attention: Edmond Lamek

b. if to the Petitioners:

c/o MLT Aikins LLP
2600-1066 West Hastings St.
Vancouver, British Columbia
V6E 3X1
Email: wskelly@mltaikins.com
Phone: 604.608.4597
Attention: William Skelly

- with a copy to -

c/o Aird & Berlis LLP
1800-181 Bay St.
Toronto, ON
M5J 2T9
Email: kplunkett@airdberlis.com
Phone: 416.865.3406
Attention: Kyle Plunkett

c. If to an Affected Creditor:

To the last known address (including email address) for such Affected Creditor set out in the books and records of the Petitioners or, if an Affected Creditor filed a Proof of Claim, the address specified in the Proof of Claim filed by such Affected Creditor or such other address as the Affected Creditor may from time to time notify the Monitor in accordance with this Section 12.6,

or to such other address as any party may from time to time notify the others in accordance with this Section 12.6. All such notices and communications which are delivered will be deemed to have been received on the date of delivery. All such notices and communications which are faxed

or emailed will be deemed to be received on the date faxed or e-mailed if sent before 4:00 p.m. on a Business Day and otherwise will be deemed to be received on the Business Day next following the day upon which such fax or email was sent. Any notice or other communication sent by mail will be deemed to have been received on the third Business Day after the date of mailing.

Dated at Vancouver, British Columbia on September 20, 2021.

ARDENTON CAPITAL CORPORATION

Per:_____

ARDENTON CAPITAL BRIDGING INC.

Per: _____

SCHEDULE "A"
DEFINITIONS

"**ACBI**" means Ardenton Capital Bridging Inc.;

"**ACBI Board**" means the board of directors of ACBI appointed or elected from time to time;

"**ACBI Cash**" means any cash, certificates of deposit, bank deposits, commercial paper, treasury bills and other cash equivalents held or received by ACBI;

"**ACBI Cash Available for Distribution**" means, at any given time, the amount by which the sum of ACBI Cash exceeds (as determined by the ACBI Board):

a. those reasonable reserves to be retained by ACBI in order to fund ACBI's ordinary course operating costs and expenses; plus

b. any amounts required to address any unforeseen or critical matters relating to the operations of ACBI or its direct or indirect subsidiaries; plus

c. the reasonable contingency funds to be retained by ACBI for extraordinary or discretionary items; plus

d. any Disputed Claims Reserves that have accrued with respect to a prior Distribution, and which relate to a Disputed Claim that has not yet been resolved;

"**ACBI Creditors**" means, collectively, the ACBI General Creditors and the ACBI Promissory Note Creditors;

"**ACBI Creditors' Meeting**" has the meaning given to such term in the Meetings Order;

"**ACBI General Creditors**" has the meaning given to such term in Section 3.1 of this Plan;

"**ACBI Level 1 Distributions**" has the meaning given to such term in Section 5.1 of this Plan;

"**ACBI Level 2 Distributions**" has the meaning given to such term in Section 5.1 of this Plan;

"**ACBI Level 3 Distributions**" has the meaning given to such term in Section 5.1 of this Plan;

"**ACBI Promissory Note Creditors**" has the meaning given to such term in Section 3.1 of this Plan;

"**ACC**" means Ardenton Capital Corporation;

"**ACC Cash**" means any cash, certificates of deposit, bank deposits, commercial paper, treasury bills and other cash equivalents held or received by ACC;

"**ACC Cash Available for Distribution**" means, at any given time, the amount by which the sum of ACC Cash exceeds (as determined by the New ACC Board):

a. those reasonable reserves to be retained by ACC in order to fund ACC's operating costs; plus

b. any accrued and unpaid fees or payments arising from the RCM Exit Facility; plus

c. any amounts required to address any unforeseen or critical matters relating to the operations of ACC or its direct or indirect subsidiaries; plus

d. the reasonable contingency funds to be retained by ACC for extraordinary and discretionary items; plus

e. any Disputed Claims Reserves maintained by the Petitioner in respect of prior Distributions;

"**ACC Creditors**" means, collectively, the ACC Investor Creditors and the ACC General Creditors;

"**ACC Creditors' Meeting**" has the meaning given to such term in the Meetings Order;

"**ACC General Creditors**" has the meaning given to such term in Section 3.1 of this Plan;

"**ACC Investor Creditors**" has the meaning given to such term in Section 3.1 of this Plan;

"**ACC Level 1 Distributions**" has the meaning given to such term in Section 5.1 of this Plan;

"**ACC Level 2 Distributions**" has the meaning given to such term in Section 5.1 of this Plan;

"**ACC Level 3 Distributions**" has the meaning given to such term in Section 5.1 of this Plan;

"**ACC Level 4 Distributions**" has the meaning given to such term in Section 5.1 of this Plan;

"**ACC Level 5 Distributions**" has the meaning given to such term in Section 5.1 of this Plan;

"**ACC Promissory Note Creditor**" has the meaning given to such term in Section 3.1 of this Plan;

"**ACC Share**" has the meaning given to such term in Schedule "E" of this Plan;

"**Administration Charge**" means the charge granted in favour of the Monitor, counsel to the Monitor, counsel to the Petitioners and independent counsel to the D&O pursuant to the CCAA Order;

"**Affected Claim**" means any Claim that is a Proven Claim and is not an Unaffected Claim, and "**Affected Claims**" shall mean all of them;

"**Affected Creditor**" means a holder of an Affected Claim, and "**Affected Creditors**" means all of them;

"**Affected Creditor Classes**" has the meaning given to such term in Section 3.1 of this Plan;

"**Affiliate**" has the meaning given to such term in section 1(1) of the BCBCA;

"**Applicable Law**" means, at any time, in respect of any Person, property, transaction, event or other matter, as applicable, all laws, rules, statutes, regulations, treaties, orders, judgments and decrees, and all official requests, directives, rules, guidelines, orders, policies, practices and other requirements of any Authorized Authority;

"**Authorized Authority**" means, in relation to any Person, transaction or event, any:

a. federal, provincial, territorial, state, municipal or local governmental body (whether administrative, legislative, executive or otherwise), both domestic and foreign;

b. agency, authority, commission, instrumentality, regulatory body, court or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, including any Taxing Authority;

c. court, arbitrator, commission or body exercising judicial, quasi-judicial, administrative or similar functions; or

d. other body or entity created under the authority of or otherwise subject to the jurisdiction of any of the foregoing, including any stock or other securities exchange, in each case having jurisdiction over such Person, transaction or event;

"**BCBCA**" means the *Business Corporations Act*, S.B.C. 2002, c. 57, as amended;

"**BIA**" means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended;

"**Business Day**" means a day, other than a Saturday, Sunday or a statutory holiday, on which banks are generally open for business in the Province of British Columbia;

"**Canadian Tax Act**" means the ITA and the *Income Tax Regulations*, in each case as amended from time to time;

"**CAN Shares**" has the meaning given to such term in Section 7.2 of this Plan;

"**Cause of Action**" means any actions, causes of action, rights, suits, choses-in-action, third-party claims, cross-claims, counterclaims and demands whatsoever, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, including without limitation, by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including, without limitation, any

legal, statutory, equitable or fiduciary duty) or by reason of any right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not any right or claim is executory or anticipatory in nature;

"**CCAA**" means the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended;

"**CCAA Charges**" means, collectively, the Administration Charge, the D&O Charge, the Interim Lender's Charge, the Intercompany Charge, the KERP Charge and the CRO Charge;

"**CCAA Court**" means the Supreme Court of British Columbia;

"**CCAA Order**" means the Order of the Honourable Mr. Justice Macintosh granted in the CCAA Proceedings on March 5, 2021, as amended and restated, as same may have been further amended, restated, varied or extended from time to time by subsequent Orders;

"**CCAA Proceedings**" means the proceedings commenced by the Petitioners under the CCAA on March 5, 2021 in the CCAA Court, bearing Supreme Court of British Columbia Court No. S211985;

"**Claim**" means:

a. any right or claim of any Person that may be asserted or made in whole or in part against the Petitioners or any of their D&Os, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, including without limitation, by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including, without limitation, any legal, statutory, equitable or fiduciary duty) or by reason of any right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not any right or claim is executory or anticipatory in nature including, without limitation, any right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action whether existing at present or commenced in the future together with any other rights or claims of any kind that, if unsecured, would be a debt provable within the meaning of the CCAA;

b. any D&O Claim or D&O Indemnity Claim; and

c. any Tax Claim.

"**Claims Procedure Order**" means the Order of the CCAA Court dated March 31, 2021;

"**Continuing D&O Indemnities**" means any indemnities granted in favour of any Directors and/or Officers (other than Non-Released Directors and/or Officers), the CRO, the CRO Representative or current or former employees, and shall include any of ACC's Director representatives on any Portfolio Companies, in defense of any Claim made in breach of this Plan excluding Non-Released D&O Claims;

"**Converted Shares**" has the meaning given to such term in Schedule "E" of this Plan;

"**Creditors' Meetings**" means the ACC Creditors' Meeting and the ACBI Creditors' Meeting called for the purposes of considering and voting in respect of this Plan, which have been set by the Meetings Order and any postponements or adjournments thereof;

"**Creditor Updates**" has the meaning given to such term in Section 7.5 of this Plan;

"**CRO**" means Kingsman Scientific Management Inc., as retained by ACC pursuant to the terms of the consulting agreement dated July 26, 2021;

"**CRO Charge**" means the charge granted in favour of the CRO pursuant to the Order dated July 26, 2021;

"**CRO Representative**" means Kyle Makofka;

"**Crown**" means Her Majesty in right of Canada or a province of Canada;

"**D&O Charge**" means the charge in favour of the D&Os of the Petitioners granted pursuant to the CCAA Order;

"**D&O Claim**" means any right or claim of any Person that may be asserted or made in whole or in part against one or more Directors or Officers of any of the Petitioners, whether or not asserted or made, howsoever arising whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any Assessments and any right or ability of any Person to advance a claim for contribution, indemnity or otherwise against any of the Directors and/or Officers with respect to any matter, action, cause or chose in action, however arising and whether: (i) (A) based in whole or in part on facts that existed prior to the Filing Date, (B) relating to a time period prior to the Filing Date, or (C) it is a right or claim of any kind that would be a claim provable in bankruptcy within the meaning of the BIA had the Petitioners become bankrupt on the Filing Date; or (ii) based on facts that arose in connection with the restructuring, disclaimer, resiliation, termination or breach by the Petitioners on or after the Filing Date of any contract, lease, other agreement or obligation, whether

written or oral, in each case for which the Directors or Officers are alleged to be, by statute or otherwise by law or equity, liable to pay in their capacity as Directors or Officers.

"**D&O Indemnity Claim**" means any right of any Director and/or Officer to assert a claim for indemnity as against the Petitioners in respect of any Person asserting a D&O Claim against such Director and/or Officer;

"**D&O Insurance Claim**" means any D&O Claim or any portion of a D&O Claim arising from a Cause of Action for which the Petitioners are covered by applicable Insurance Policies, but only to the extent of that coverage;

"**D&O Insurance Claimant**" means a Person solely in its capacity as a holder of a D&O Insurance Claim, and only in respect of the D&O Insurance Claim, and not as holder of any other Claims held by that Person;

"**D&Os**" means, collectively and individually, all current and former Directors and Officers of the Petitioners;

"**DIP Facility**" means the interim financing facility from RCM pursuant to the Interim Financing Term Sheet between the Petitioners and RCM dated as of March 23, 2021 (as assigned) and approved pursuant to the CCAA Order;

"**Director**" means anyone who was or may be or is deemed to be or have been, whether by statute, operation of law or otherwise, a director or *de facto* director of any of the Petitioners;

"**Disputed Claim**" means any Claim that has not been finally determined in accordance with the Claims Procedure Order, the Meetings Order, this Plan or the CCAA and "**Disputed Claims**" means all of them;

"**Disputed Claims Reserve**" has the meaning given to such term in Section 4.3 of this Plan;

"**Distribution**" means a payment or cash distribution made to Affected Creditors in accordance with Article VI and Section 7.3 of this Plan, which shall include a Disputed Claims Reserve in respect of Disputed Claims in accordance with section 4.3 of this Plan.

"**Effective Time**" means 12:01 a.m. on the Plan Implementation Date;

"**Election**" has the meaning given to such term in Schedule "E" of this Plan;

"**Equity Claim**" has the meaning given to such term in section 2 of the CCAA;

"**Filing Date**" means March 5, 2021;

"**Governmental Entity**" means any government, regulatory authority, governmental department, agency, commission, bureau, official, minister, Crown corporation, court, board, tribunal or dispute settlement panel or other law, rule or regulation-making organization or entity: (a) having or purporting to have jurisdiction on behalf of any nation, province, territory or state or any other

geographic or political subdivision of any of them; or (b) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or Taxing Authority or power;

"**Hybrid Securities**" means, collectively, the hybrid securities issued by ACC;

"**Hybrid Securityholders**" has the meaning given to such term in Section 3.1 of this Plan;

"**Insurance Policies**" means, collectively, any insurance policy pursuant to which the Petitioners or any Director or Officer is insured;

"**Insured Claim**" means all or that portion of any Claim for which the Petitioners is insured and all or that portion of any D&O Claim for which the applicable Director or Officer is insured, in each case pursuant to any of the Insurance Policies;

"**Intercompany Charge**" means the charge in favour of ACBI pursuant to the CCAA Order with respect to advances and payments made by ACBI to ACC during the pendency of the CCAA Proceedings;

"**Interim Lender's Charge**" means the charge in favour of RCM Capital-WSC Holdings Ltd. pursuant to the CCAA Order;

"**Investor Claims**" means, collectively, the Proven Claims of ACC Investor Creditors;

"**Investor Committee**" means the single investor committee appointed pursuant to an order of the CCAA Court pronounced March 31, 2021 in the CCAA Proceedings comprised of up to seven individuals who either personally hold or represent entities holding securities issued by the Petitioners;

"**ITA**" means the *Income Tax Act (Canada)*, R.S.C. 1985, c.1 (5th Supp.), as amended;

"**KERP Charge**" means the charge in favour of certain key employees of ACC and its subsidiary, Ardenton Capital Canada Inc., pursuant to an Order of the Court dated May 6, 2021;

"**KSV**" means KSV Restructuring Inc.;

"**Meetings Order**" means the Order granted on October 1, 2021 ordering and declaring, among other things, the procedures to be followed in connection with the Creditors' Meetings, as amended, restated or varied from time to time by subsequent Orders;

"**Monitor**" means KSV, solely in its capacity as court-appointed monitor of the Petitioners in the CCAA Proceedings, and not in its corporate or personal capacity;

"**Monitor's Plan Certificate**" has the meaning given to it in Section 9.3 of this Plan and shall be substantially in the form attached hereto as Schedule "B";

"**New ACC Board**" means the board of directors of ACC first appointed in accordance with Schedule "E" attached hereto and subsequently appointed or elected from time to time;

"**New ACC Common Shares**" has the meaning given to such term in Schedule "E" of this Plan;

"**Non-CAN Shares**" has the meaning given to such term in Section 7.2 of this Plan;

"**Non-Released D&O Claims**" means any D&O Claims against the D&Os of the Petitioners for fraud and/or criminal conduct;

"**Officer**" means anyone who was or may be or is deemed to be or have been, whether by statute, operation of law or otherwise, an officer or *de facto* officer of any of the Petitioners;

"**Order**" means any order of the CCAA Court in the CCAA Proceedings, and "**Orders**" means all of them;

"**Person**" shall be broadly interpreted and includes an individual, firm, partnership, joint venture, venture capital fund, limited liability company, unlimited liability company, association, trust, corporation, unincorporated association or organization, syndicate, committee, the government of a country or any political subdivision thereof, or any agency, board, tribunal, commission, bureau, instrumentality or department of such government or political subdivision, or any other entity, howsoever designated or constituted, including any Taxing Authority, and the trustees, executors, administrators, or other legal representatives of an individual, and for greater certainty includes any Authorized Authority;

"**Petitioners**" means, together, ACC and ACBI;

"**Petitioners' Email**" has the meaning given to such term in Section 6.5 of this Plan;

"**Plan**" means this Plan of Compromise and Arrangement, as it may be amended, restated, or supplemented from time to time;

"**Plan Implementation Date**" means the Business Day on which the Monitor files with the CCAA Court the Monitor's Plan Certificate confirming that all conditions to implementation of this Plan as set out in Section 9.2 of this Plan have been satisfied, fulfilled or waived;

"**Portfolio Company**" has the meaning given to such term in Section 2.1 of this Plan;

"**Preferred Securities**" means, collectively, the preferred securities issued by ACC;

"**Preferred Securityholders**" shall have the meaning given to such term in Section 3.1 of this Plan;

"**Priority Payments**" means payments to be made pursuant to this Plan, which are required to be paid in priority to payments to Affected Creditors in accordance with Applicable Laws;

"**Proof of Claim**" means a proof of claim in the prescribed form submitted to the Monitor by an Affected Creditor in the CCAA Proceedings or in accordance with the Claims Procedure Order, and "**Proofs of Claim**" means all of them;

"**Proven Claim**" means the principal amount plus any accrued and unpaid contractual interest (if any) as at the Filing Date and Status of a Claim of a Person as finally determined in accordance with the Claims Procedure Order, or any further Order of the Court;

"**RCM**" means RCM Capital-WSC Holdings Ltd. and its Affiliates;

"**RCM Exit Facility**" has the meaning given to such term in Section 2.3 of this Plan;

"**Required Majority of Creditors**" has the meaning given to such term in Section 3.2 of this Plan;

"**Restructuring Claims**" has the meaning ascribed to it in the Claims Procedure Order;

"**Sanction Order**" means an Order sanctioning this Plan and giving all necessary directions regarding its implementation, which shall include the provisions set forth in Section 9.1 of this Plan;

"**Section 5.1(2) D&O Claim**" means any D&O Claim that is not permitted to be compromised pursuant to section 5.1(2) of the CCAA but only to the extent not so permitted, provided that any D&O Claim that qualifies as a Non-Released D&O Claim shall not constitute a Section 5.1(2) D&O Claim for the purposes of this Plan;

"**Secured Creditor**" means a secured creditor of either of ACC or ACBI;

"**Service List**" means the service list kept by the Monitor in the CCAA Proceedings;

"**Special Crown Claims**" means Claims of the Crown for all amounts that were outstanding at the Filing Date and are of a kind that could be subject to a demand under:

a. subsection 224(1.2) of the ITA;

b. any provision of the *Canada Pension Plan* or of the *Employment Insurance Act* that refers to subsection 224(1.2) of the ITA and provides for the collection of a contribution, as defined in the *Canada Pension Plan*, or an employee's premium, or employer's premium, as defined in the *Employment Insurance Act*, and of any related interest, penalties or other amounts; or

c. any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the ITA, or that refers to that subsection, to the extent that it provides

for the collection of a sum, and of any related interest, penalties or other amounts, where the sum:

i. has been withheld or deducted by a Person from a payment to another Person and is in respect of a Tax similar in nature to the income tax imposed on individuals under the ITA; or

ii. is of the same nature as a contribution under the *Canada Pension Plan* if the province is a "province providing a comprehensive pension plan" as defined in subsection 3(1) of the *Canada Pension Plan* and the provincial legislation establishes a "provincial pension plan" as defined in that subsection;

"**Status**" means, with respect to a Claim, whether such claim is unsecured, secured or equity;

"**Tax**" or "**Taxes**" means any and all amounts subject to a withholding or remitting obligation and any taxes, duties, fees and other governmental charges, duties, impositions and liabilities of any kind whatsoever whether or not assessed by the Taxing Authorities (including any Claims by any of the Taxing Authorities), including all interest, penalties, fines, fees, other charges and additions with respect to such amount;

"**Tax Claim**" means any claim against the Petitioners for any Taxes in respect of any taxation year or period ending on or prior to the Filing Date, and in any case where a taxation year or period commences on or prior to the Filing Date, for any Taxes in respect of or attributable to the portion of the taxation period commencing prior to the Filing Date and up to and including the Filing Date;

"**Taxing Authorities**" means Her Majesty the Queen, Her Majesty the Queen in right of Canada, Her Majesty the Queen in right of any province or territory of Canada, the Canada Revenue Agency, any similar revenue or taxing authority of each and every province or territory of Canada and any political subdivision thereof, and any Canadian or foreign governmental authority exercising taxing powers in administering and/or collecting Taxes;

"**Unaffected Claim**" means:

a. any right or claim of any Person that may be asserted or made in whole or in part against either of the Petitioners in connection with any indebtedness, liability or obligation of any kind which arose in respect of obligations incurred on or after the Filing Date, and any interest thereon, including any obligation of the Petitioners to creditors who have supplied or shall supply services, utilities, goods or materials or who have or shall have advanced funds to the Petitioners on or after the Filing Date, but only to the extent of their claims in respect of the supply of such services, utilities, goods, materials or funds arising on or after the Filing Date, which excludes all Affected Claims, other than Restructuring Claims and D&O Insurance Claims;

b. any Claims relating to Continuing D&O Indemnities;

c. any Claims of Secured Creditors;

d. any Claims of the Petitioners as against each other;

e. all Non-Released D&O Claims;

f. Section 5.1(2) D&O Claims, which shall be subject to the limitations in Section 4.3c); or

g. any Claims that are not permitted to be compromised under section 19(2) of the CCAA; and

h. any Claims in respect of payments referred to in sections 6(3), 6(5) and 6(6) of the CCAA;

"**Unclaimed Distribution**" has the meaning given to such term in Section 6.5 of this Plan;

"**Unclaimed Distribution Hold Period**" has the meaning given to such term in Section 6.5 of this Plan;

"**Unclaimed Distribution Reserve**" has the meaning given to such term in Section 6.5 of this Plan.

SCHEDULE "B"

Form of Monitor's Plan Certificate

No: S211985
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 ARDENTON CAPITAL CORPORATION AND ARDENTON CAPITAL BRIDGING INC.

PETITIONERS

MONITOR'S PLAN CERTIFICATE

RECITALS

A. Pursuant to the Order of this Honourable Court dated March 5, 2021 (as amended and restated, the "**CCAA Order**"), the Petitioners filed for and obtained protection from their creditors under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended.

B. Pursuant to the CCAA Order, KSV Restructuring Inc. was appointed as Monitor of the Petitioners (the "**Monitor**") with the powers, duties and obligations set out in the CCAA Order.

C. The Petitioners have filed a Plan of Compromise and Arrangement under the CCAA dated September 20, 2021 (the "**Plan**"), which Plan has been approved by the Required Majority of Creditors and sanctioned by the Court on [●], 2021.

D. Capitalized terms not defined herein have the meanings ascribed to them in the Plan.

THE MONITOR HEREBY CERTIFIES that the conditions precedent set out in Section 9.2 of the Plan have been satisfied or waived in accordance with the Plan on _____, 2021 and that accordingly, the Plan Implementation Date is _____, 2021

DATED at _____, _____, this ___ day of _____, 2021.

KSV RESTRUCTURING INC., in its capacity as Monitor of the Petitioners and not in its personal or corporate capacity

Per: _____
Name:
Title:

SCHEDULE "C"

Amendments to ACC's Articles Creating New ACC Common Shares

33. SPECIAL RIGHTS AND RESTRICTIONS – CLASS X COMMON SHARES

33.1 Class X Common Shares

The Class X Common Shares (the "**Class X Shares**") shall confer on holder thereof and shall be subject to the special rights and restrictions set out in this Part 33:

33.2 Definitions

In this this Article 33:

(1) "Canadian" means a person or partnership that is not a Non-Canadian;

(2) "Claim" means a claim against the Company in accordance with the Plan of Arrangement;

(3) "Class Y Shares" has the meaning set forth in Article 34.1;

(4) "Conversion Ratio" means 1.0 as adjusted from time to time pursuant to Article 33.11;

(5) "Distributions" means dividends and returns of capital paid on such class;

(6) "Non-Canadian" means a person or partnership that is (i) a non-resident of Canada for the purposes of the *Income Tax Act* (Canada), (ii) a resident of Canada exempt from tax under the *Income Tax Act* (Canada), or (iii) a partnership of which all of the partners are non-residents of Canada for the purposes of the *Income Tax Act* (Canada) and/or residents of Canada exempt from tax under the *Income Tax Act* (Canada);

(7) "Plan of Arrangement" means the Plan of Compromise and Arrangement of the Company and Ardenton Capital Bridging Inc. dated September 20, 2021, as amended, restated or supplemented from time to time;

(8) "Stapled Share" means a Class X Share issued pursuant to the Plan of Arrangement;

(9) "Transfer" means any sale, transfer, assignment or other disposition; and

(10) "Transferee" means a proposed purchaser or assignee of Stapled Shares.

33.3 Voting Rights

The holders of the Class X Shares will be entitled to receive notice of and to attend any meetings of the shareholders of the Company and, at any meeting of the shareholders of the Company (except meetings at which, pursuant to the *Business Corporations Act*, only the holders of another class or series of shares of the Company are entitled to vote separately as a class or series) will be entitled to one vote in respect of each Class X Share held.

33.4 Distribution Rights

The holders of the Class X Shares shall be entitled to receive all Distributions at such times and in such amounts as the directors of the Company may in their discretion from time to time declare. All Distributions declared by the Company shall be declared in equal or equivalent amounts per share on all outstanding Class X Shares and Class Y Shares and the amount of any Distributions paid on the Class X Shares and Class Y Shares shall be paid *pro rata* among all the issued and outstanding Class X Shares and Class Y Shares provided that the directors of the Company shall have full and absolute discretion as to the form of payment and the allocation, in respect of the portion of a Distribution payable on the Class X Shares and the Class Y Shares, as between dividends and returns of capital. For greater certainty, the allocation between dividends and returns of capital in respect of a Distribution on the Class X Shares may be different than the allocation between dividends and returns of capital in respect of the Distribution on the Class Y Shares provided that the aggregate amount of the Distribution per issued and outstanding Class X Share and Class Y Share is the same.

33.5 Liquidation Rights

The holders of Class X Shares shall be entitled in the event of any liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the Company, among its shareholders for the purpose of winding-up its affairs, and subject to prior satisfaction of all preferential rights of return of capital on dissolution attached to all shares of other classes of shares of the Company ranking in priority to the Class X Shares in respect of return of capital on dissolution, to share rateably on an equivalent basis, together with the holders of Class Y Shares and any other class of shares of the Company ranking equally with the Class X Shares in respect of return of capital, in such assets of the Company as are available for distribution.

33.6 Transfer Restrictions

Subject to compliance with Article 26.3, if any holder of one or more Stapled Shares proposes to Transfer of all or any part of their Stapled Shares, such holder must, as a condition of the Transfer, concurrently assign to the Transferee an equivalent pro rata portion of any Claim such holder has which remains unpaid as to the date of the proposed Transfer, and the Transferee must agree to accept such assignment of the Claim, in each case in writing and in a form acceptable to the Company acting reasonably. The Company shall not be bound by or obligated to recognize any Transfer of Stapled Shares that does not include the assignment of the Claim contemplated in the foregoing sentence.

33.7 Redeemable by Company

Subject to the *Business Corporations Act*, if any holder of a Claim sells to the Company all or any portion of their Claim pursuant to Section 15.5 of the Plan of Arrangement or otherwise, then the Company will redeem an equivalent *pro rata* portion of the Stapled Shares for which such holder is the registered holder, at a price per share equal to the initial issue price of such Stapled Shares (as adjusted to take into account any subdivision, consolidation or other adjustment with respect to such shares) (the "**Redemption Price**"), all as more particularly set forth in Article 33.8.

33.8 Redemption Procedure by Company

If, pursuant to Article 33.7, the Company redeems all or a portion of any Stapled Shares outstanding:

(1) **Deemed Redemption Date** – The date of redemption (the "**Redemption Date**") of the Stapled Shares pursuant Article 33.7 will be deemed to have occurred on the date on which the sale of a Claim by a holder to the Company is, or is deemed to have been, completed.

(2) **Payment** - On the Redemption Date, the Company will pay or cause to be paid to or to the order of the registered holders of the Stapled Shares to be redeemed the Redemption Price for each Stapled Shares to be redeemed on presentation and surrender, at the registered office of the Company or at any other place designated by the Company, of the certificate or certificates (if any) for the Stapled Shares called for redemption. The Stapled Shares will thereupon be deemed to be redeemed and will be cancelled. If only a part of the Stapled Shares represented by any certificate is redeemed, a new certificate for the balance will be issued at the expense of the Company.

(3) **Rights** – From and after the Redemption Date, the holders of the Stapled Shares called for redemption will not be entitled to exercise any of the rights of shareholders in respect thereof unless payment of the Redemption Price for each Stapled Share to be redeemed is not made upon presentation of the share certificates (if any) in accordance with the foregoing provisions, in which case the rights of the holders thereof will remain unaffected until payment of the Redemption Price for each Stapled Shares to be redeemed is made.

(4) **Failure to Present** - If the holders of Stapled Shares fail to present, on the Redemption Date, the certificate or certificates (if any) representing any Stapled Shares to be redeemed, the Company will have the right to deposit the Redemption Price for each Stapled Shares to be redeemed in either a separate account of the Company with a chartered bank or trust company in Canada or with the solicitors for the Company to be held in trust on behalf of the Company and to be paid without interest to or to the order of the respective holders of the Stapled Shares to be redeemed upon presentation and surrender to the Company of the certificate or certificates representing the Stapled Shares to be redeemed. Upon that deposit being made, the Stapled Shares in respect of which the deposit was made will be deemed to be redeemed, will be cancelled and the rights of the holders thereof after the deposit will be limited to receiving without interest their proportionate part of the aggregate Redemption Price deposited less any charges of the chartered bank, trust company or solicitors, as applicable, against presentation and surrender of the certificate or certificates (if any) representing the Stapled Shares to be redeemed held by them respectively.

33.9 Constraints on Ownership

The Class X Shares may only be held, beneficially owned or controlled, directly or indirectly, by Canadians.

33.10 Conversion Rights

(1) Each holder of Class X Shares will have the right (the "**Conversion Right**") at any time to convert all or from time to time any part of such holder's Class X Shares into fully paid Class Y Shares at the Conversion Ratio on the following basis:

(a) if a holder of Class X Shares wishes to exercise his, her or its Conversion Right, then he, she or it must give notice (the "**Conversion Notice**") in writing to the Company. The Conversion Notice must specify the number of Class X Shares (the "**Specified Shares**") that the holder delivering the Conversion Notice wishes to be converted, be signed by the registered holder of the Specified Shares and be accompanied by the certificate or certificates, if any, representing the Specified Shares to be converted; and

(b) effective as of the date of the receipt of a duly signed Conversion Notice and accompanying share certificate or certificates, if any, the Company will issue to the holder of the Class X Shares delivering the Conversion Notice a certificate representing fully paid and non-assessable Class Y Shares into which such Class X Shares were converted. If less than all the Class X Shares represented by any certificate are converted, then the Company will at its expense promptly issue and deliver a new share certificate to the holder thereof for the balance of the Class X Shares not converted.

(2) If a holder of Class X Shares ceases at any time to be a Canadian, such holder must submit to the Company a declaration indicating that the holder is a Non-Canadian. All of the issued and outstanding Class X Shares held by any holder of Class X Shares who ceases to be a Canadian will immediately and automatically be converted into fully paid and non-assessable Class Y Shares at the Conversion Ratio effective as of the date such holder ceased to be a Canadian. Upon any such automatic conversion all share certificates representing such Class X Shares shall instead be deemed to represent the appropriate number of Class Y Shares into which such Class X Shares were converted and upon surrender of any such share certificate the Company will issue a new share certificate in the name of such holder representing such appropriate number of Class Y Shares.

(3) If a proposed transferee of Class X Shares is a Non-Canadian then all of the Class X Shares proposed to be so transferred will immediately and automatically be converted into fully paid and non-assessable Class Y Shares at the Conversion Ratio effective as of the date of such transfer and upon such transfer becoming effective the Company will issue to the transferee a certificate representing instead the appropriate number of Class Y Shares.

33.11 Adjustments to Conversion Rights

(1) If at any time the Company subdivides, consolidates or pays a stock dividend on the Class X Shares or the Class Y Shares, the Conversion Ratio shall simultaneously be adjusted upon the happening of each such event accordingly.

(2) If at any time and from time to time, the Class Y Shares are changed into a different class or classes of shares, whether by reclassification, recapitalization, reorganization, arrangement, amalgamation or merger, then each Class X Share shall thereafter be convertible into the kind and amount of shares and other securities and property receivable upon such change by holders of the number of Class Y Shares into which the Class X Shares could have been converted immediately prior to such change.

34. SPECIAL RIGHTS AND RESTRICTIONS – CLASS Y COMMON SHARES

34.1 Class Y Common Shares

The Class Y Common Shares (the "**Class Y Shares**") shall confer on holder thereof and shall be subject to the special rights and restrictions set out in this Part 34:

34.2 Definitions

In this this Article 34:

(1) "Claim" means a claim against the Company in accordance with the Plan of Arrangement;

(2) "Class X Shares" has the meaning set forth in Article 33.1;

(3) "Distributions" means dividends and returns of capital paid on such class;

(4) "Plan of Arrangement" means the Plan of Compromise and Arrangement of the Company and Ardenton Capital Bridging Inc. dated September 20, 2021, as amended, restated or supplemented from time to time;

(5) "Stapled Share" means a Class Y Share issued pursuant to the Plan of Arrangement;

(6) "Transfer" means any sale, transfer, assignment or other disposition; and

(7) "Transferee" means a proposed purchaser or assignee of Stapled Shares.

34.3 Voting Rights

The holders of the Class Y Shares will be entitled to receive notice of and to attend any meetings of the shareholders of the Company and, at any meeting of the shareholders of the Company (except meetings at which, pursuant to the *Business Corporations Act*, only the holders of another

class or series of shares of the Company are entitled to vote separately as a class or series) will be entitled to one vote in respect of each Class Y Share held.

34.4 Distribution Rights

The holders of the Class Y Shares shall be entitled to receive all Distributions at such times and in such amounts as the directors of the Company may in their discretion from time to time declare. All Distributions declared by the Company shall be declared in equal or equivalent amounts per share on all outstanding Class Y Shares and Class X Shares and the amount of any Distributions paid on the Class X Shares and Class Y Shares shall be paid *pro rata* among all the issued and outstanding Class X Shares and Class Y Shares provided that the directors of the Company shall have full and absolute discretion as to the form of payment and the allocation, in respect of the portion of a Distribution payable on the Class X Shares and the Class Y Shares, as between dividends and returns of capital. For greater certainty, the allocation between dividends and returns of capital in respect of a Distribution on the Class X Shares may be different than the allocation between dividends and returns of capital in respect of the Distribution on the Class Y Shares provided that the aggregate amount of the Distribution per issued and outstanding Class X Share and Class Y Share is the same.

34.5 Liquidation Rights

The holders of Class Y Shares shall be entitled in the event of any liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the Company, among its shareholders for the purpose of winding-up its affairs, and subject to prior satisfaction of all preferential rights of return of capital on dissolution attached to all shares of other classes of shares of the Company ranking in priority to the Class Y Shares in respect of return of capital on dissolution, to share rateably on an equivalent basis, together with the holders of Class X Shares and any other class of shares of the Company ranking equally with the Class Y Shares in respect of return of capital, in such assets of the Company as are available for distribution.

34.6 Transfer Restrictions

Subject to compliance with Article 26.3, if any holder of one or more Stapled Shares proposes to Transfer of all or any part of their Stapled Shares, such holder must, as a condition of the Transfer, concurrently assign to the Transferee an equivalent pro rata portion of any Claim such holder has which remains unpaid as to the date of the proposed Transfer, and the Transferee must agree to accept such assignment of the Claim, in each case in writing and in a form acceptable to the Company acting reasonably. The Company shall not be bound by or obligated to recognize any Transfer of Stapled Shares that does not include the assignment of the Claim contemplated in the foregoing sentence.

34.7 Redeemable by Company

Subject to the *Business Corporations Act*, if any holder of a Claim sells to the Company all or any portion of their Claim pursuant to Section 15.5 of the Plan of Arrangement or otherwise, then the

Company will redeem an equivalent *pro rata* portion of the Stapled Shares for which such holder is the registered holder, at a price per share equal to the initial issue price of such Stapled Shares (as adjusted to take into account any subdivision, consolidation or other adjustment with respect to such shares) (the "**Redemption Price**"), all as more particularly set forth in Article 34.8.

34.8 Redemption Procedure by Company

If, pursuant to Article 34.7, the Company redeems all or a portion of any Stapled Shares outstanding:

(1) **Deemed Redemption Date** – The date of redemption (the "**Redemption Date**") of the Stapled Shares pursuant Article 34.7 will be deemed to have occurred on the date on which the sale of a Claim by a holder to the Company is, or is deemed to have been, completed.

(2) **Payment** - On the Redemption Date, the Company will pay or cause to be paid to or to the order of the registered holders of the Stapled Shares to be redeemed the Redemption Price for each Stapled Shares to be redeemed on presentation and surrender, at the registered office of the Company or at any other place designated by the Company, of the certificate or certificates (if any) for the Stapled Shares called for redemption. The Stapled Shares will thereupon be deemed to be redeemed and will be cancelled. If only a part of the Stapled Shares represented by any certificate is redeemed, a new certificate for the balance will be issued at the expense of the Company.

(3) **Rights** – From and after the Redemption Date, the holders of the Stapled Shares called for redemption will not be entitled to exercise any of the rights of shareholders in respect thereof unless payment of the Redemption Price for each Stapled Share to be redeemed is not made upon presentation of the share certificates (if any) in accordance with the foregoing provisions, in which case the rights of the holders thereof will remain unaffected until payment of the Redemption Price for each Stapled Shares to be redeemed is made.

(4) **Failure to Present** - If the holders of Stapled Shares fail to present, on the Redemption Date, the certificate or certificates (if any) representing any Stapled Shares to be redeemed, the Company will have the right to deposit the Redemption Price for each Stapled Shares to be redeemed in either a separate account of the Company with a chartered bank or trust company in Canada or with the solicitors for the Company to be held in trust on behalf of the Company and to be paid without interest to or to the order of the respective holders of the Stapled Shares to be redeemed upon presentation and surrender to the Company of the certificate or certificates representing the Stapled Shares to be redeemed. Upon that deposit being made, the Stapled Shares in respect of which the deposit was made will be deemed to be redeemed, will be cancelled and the rights of the holders thereof after the deposit will be limited to receiving without interest their proportionate part of the aggregate Redemption Price deposited less any charges of the chartered bank, trust company or solicitors, as applicable, against presentation and surrender of the

certificate or certificates (if any) representing the Stapled Shares to be redeemed held by them respectively.

SCHEDULE "D"

ACC's Amended and Restated Notice of Articles and Articles

ARDENTON CAPITAL CORPORATION
(the "Company")

Incorporation Number: BC1147647

ARTICLES

1. INTERPRETATION

1.1 Definitions

In these Articles, unless the context otherwise requires:

(1) "board of directors", "directors" and "board" mean the directors or sole director of the Company for the time being;

(2) "Business Corporations Act" means the *Business Corporations Act* (British Columbia) as amended from time to time and includes all regulations as amended from time to time made pursuant to that Act;

(3) "legal personal representative" means the personal or other legal representative of the shareholder;

(4) "registered address" of a shareholder means the shareholder's address as recorded in the central securities register; and

(5) "seal" means the seal of the Company, if any.

1.2 *Business Corporations Act and Interpretation Act* Definitions Applicable

The definitions in the *Business Corporations Act* and the definitions and rules of construction in the *Interpretation Act*, with the necessary changes, so far as applicable, and unless the context requires otherwise, apply to these Articles as if they were an enactment. If there is a conflict between a definition in the *Business Corporations Act* and a definition or rule in the *Interpretation Act* relating to a term used in these Articles, the definition in the *Business Corporations Act* will prevail in relation to the use of the term in these Articles. If there is a conflict between these Articles and the *Business Corporations Act*, the *Business Corporations Act* will prevail.

2. SHARES AND SHARE CERTIFICATES

2.1 Authorized Share Structure

The authorized share structure of the Company consists of shares of the class or classes and series, if any, described in the Notice of Articles of the Company.

2.2 Form of Share Certificate

Each share certificate issued by the Company must comply with, and be signed as required by, the *Business Corporations Act*. The directors may, by resolution, provide that; (a) the shares of any or all of the classes and series of the Company's shares must be uncertificated shares; or (b) any specified shares must be uncertificated shares. Within reasonable time after the issue or transfer of a share that is an uncertificated share, the Company must send to the shareholder a written notice in accordance with the *Business Corporations Act.*

2.3 Shareholder Entitled to Certificate or Acknowledgment

Unless the shares of which the shareholder is the registered owner are uncertificated shares, each shareholder is entitled, on request and at the shareholder's option, to receive, without charge, (a) one share certificate representing the shares of each class or series of shares registered in the shareholder's name or (b) a non-transferable written acknowledgment of the shareholder's right to obtain such a share certificate, provided that in respect of a share held jointly by several persons, the Company is not bound to issue more than one share certificate and delivery of a share certificate for a share to one of several joint shareholders or to one of the shareholders' duly authorized agents will be sufficient delivery to all.

2.4 Delivery by Mail

Any share certificate or non-transferable written acknowledgment of a shareholder's right to obtain a share certificate may be sent to the shareholder by mail at the shareholder's registered address and neither the Company nor any director, officer or agent of the Company is liable for any loss to the shareholder because the share certificate or acknowledgement is lost in the mail or stolen.

2.5 Replacement of Worn Out or Defaced Certificate or Acknowledgement

If the directors are satisfied that a share certificate or a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate is worn out or defaced, they must, on production to them of the share certificate or acknowledgment, as the case may be, and on such other terms, if any, as they think fit:

(1) order the share certificate or acknowledgment, as the case may be, to be cancelled; and

(2) issue a replacement share certificate or acknowledgment, as the case may be.

2.6 Replacement of Lost, Stolen or Destroyed Certificate or Acknowledgment

If a share certificate or a non-transferable written acknowledgment of a shareholder's right to obtain a share certificate is lost, stolen or destroyed, a replacement share certificate or acknowledgment, as the case may be, must be issued to the person entitled to that share certificate or acknowledgment, as the case may be, if the directors receive:

(1) proof satisfactory to them that the share certificate or acknowledgment is lost, stolen or destroyed; and

(2) any indemnity the directors consider adequate.

2.7 Splitting Share Certificates

If a shareholder surrenders a share certificate to the Company with a written request that the Company issue in the shareholder's name two or more share certificates, each representing a specified number of shares and in the aggregate representing the same number of shares as the share certificate so surrendered, the Company must cancel the surrendered share certificate and issue replacement share certificates in accordance with that request.

2.8 Certificate Fee

There must be paid to the Company, in relation to the issue of any share certificate under Articles 2.5, 2.6 or 2.7, the amount, if any and which must not exceed the amount prescribed under the *Business Corporations Act*, determined by the directors.

2.9 Recognition of Trusts

Except as required by law or statute or these Articles, no person will be recognized by the Company as holding any share upon any trust, and the Company is not bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or fraction of a share or (except as by law or statute or these Articles provided or as ordered by a court of competent jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof in the shareholder.

3. ISSUE OF SHARES

3.1 Directors Authorized

Subject to the *Business Corporations Act*, the special rights and restrictions attached to the shares of any class or series and the rights of the holders of issued shares of the Company, the Company may issue, allot, sell or otherwise dispose of the unissued shares, and issued shares held by the Company, at the times, to the persons, including directors, in the manner, on the terms and conditions and for the issue prices (including any premium at which shares with par value may be issued) that the directors may determine. The issue price for a share with par value must be equal to or greater than the par value of the share.

3.2 Commissions and Discounts

The Company may at any time pay a reasonable commission or allow a reasonable discount to any person in consideration of that person purchasing or agreeing to purchase shares of the Company from the Company or any other person or procuring or agreeing to procure purchasers for shares of the Company.

3.3 Brokerage

The Company may pay such brokerage fee or other consideration as may be lawful for or in connection with the sale or placement of its securities.

3.4 Conditions of Issue

Except as provided for by the *Business Corporations Act*, no share may be issued until it is fully paid. A share is fully paid when:

(1) consideration is provided to the Company for the issue of the share by one or more of the following:

(a) past services performed for the Company;

(b) property;

(c) money; and

(2) the value of the consideration received by the Company equals or exceeds the issue price set for the share under Article 3.1.

3.5 Share Purchase Warrants and Rights

Subject to the *Business Corporations Act,* the Company may issue share purchase warrants, options and rights upon such terms and conditions as the directors determine, which share purchase warrants, options and rights may be issued alone or in conjunction with debentures, debenture stock, bonds, shares or any other securities issued or created by the Company from time to time.

4. SHARE REGISTERS

4.1 Central Securities Register

As required by and subject to the *Business Corporations Act*, the Company must maintain in British Columbia a central securities register. The directors may, subject to the *Business Corporations Act*, appoint an agent to maintain the central securities register. The directors may also appoint one or more agents, including the agent which keeps the central securities register, as transfer agent for its shares or any class or series of its shares, as the case may be, and the same or another agent as registrar for its shares or such class or series of its shares, as the case may be. The directors may terminate such appointment of any agent at any time and may appoint another agent in its place.

4.2 Closing Register

The Company must not at any time close its central securities register.

5. SHARE TRANSFERS

5.1 Registering Transfers

Subject to Article 26.3 and the special rights and restrictions attached to the shares of any class or series, a transfer of a share of the Company must not be registered unless:

(1) a duly signed instrument of transfer in respect of the share has been received by the Company;

(2) if a share certificate has been issued by the Company in respect of the share to be transferred, that share certificate has been surrendered to the Company; and

(3) if a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate has been issued by the Company in respect of the share to be transferred, that acknowledgment has been surrendered to the Company.

5.2 Form of Instrument of Transfer

The instrument of transfer in respect of any share of the Company must be either in the form, if any, on the back of the Company's share certificates or in any other form that may be approved by the directors from time to time.

5.3 Transferor Remains Shareholder

Except to the extent that the *Business Corporations Act* otherwise provides, the transferor of shares is deemed to remain the holder of the shares until the name of the transferee is entered in a securities register of the Company in respect of the transfer.

5.4 Signing of Instrument of Transfer

If a shareholder, or his or her duly authorized attorney, signs an instrument of transfer in respect of shares registered in the name of the shareholder, the signed instrument of transfer constitutes a complete and sufficient authority to the Company and its directors, officers and agents to register the number of shares specified in the instrument of transfer or specified in any other manner, or, if no number is specified, all the shares represented by the share certificates or set out in the written acknowledgments deposited with the instrument of transfer:

(1) in the name of the person named as transferee in that instrument of transfer; or

(2) if no person is named as transferee in that instrument of transfer, in the name of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered.

5.5 Enquiry as to Title Not Required

Neither the Company nor any director, officer or agent of the Company is bound to inquire into the title of the person named in the instrument of transfer as transferee or, if no person is named as transferee in the instrument of transfer, of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered or is liable for any claim related to registering the transfer by the shareholder or by any intermediate owner or holder of the shares, of any interest in the shares, of any share certificate representing such shares or of any written acknowledgment of a right to obtain a share certificate for such shares.

5.6 Transfer Fee

There must be paid to the Company, in relation to the registration of any transfer, the amount, if any, determined by the directors.

6. TRANSMISSION OF SHARES

6.1 Legal Personal Representative Recognized on Death

In case of the death of a shareholder, the legal personal representative, or if the shareholder was a joint holder, the surviving joint holder, will be the only person recognized by the Company as having any title to the shareholder's interest in the shares. Before recognizing a person as a legal personal representative, the directors may require proof of appointment by a court of competent jurisdiction, a grant of letters probate, letters of administration or such other evidence or documents as the directors consider appropriate.

6.2 Rights of Legal Personal Representative

The legal personal representative has the same rights, privileges and obligations that attach to the shares held by the shareholder, including the right to transfer the shares in accordance with these Articles, provided the documents required by the *Business Corporations Act* and the directors have been deposited with the Company.

7. PURCHASE OF SHARES

7.1 Company Authorized to Purchase Shares

Subject to Article 7.2, the special rights and restrictions attached to the shares of any class or series and the *Business Corporations Act*, the Company may, if authorized by the directors, purchase or otherwise acquire any of its shares at the price and upon the terms specified in such resolution.

7.2 Purchase When Insolvent

The Company must not make a payment or provide any other consideration to purchase or otherwise acquire any of its shares if there are reasonable grounds for believing that:

(1) the Company is insolvent; or

(2) making the payment or providing the consideration would render the Company insolvent.

7.3 Sale and Voting of Purchased Shares

If the Company retains a share redeemed, purchased or otherwise acquired by it, the Company may sell, gift or otherwise dispose of the share, but, while such share is held by the Company, it:

(1) is not entitled to vote the share at a meeting of its shareholders;

(2) must not pay a dividend in respect of the share; and

(3) must not make any other distribution in respect of the share.

8. BORROWING POWERS

The Company, if authorized by the directors in accordance with these Articles, may:

(1) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that they consider appropriate;

(2) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Company or any other person and at such discounts or premiums and on such other terms as they consider appropriate;

(3) guarantee the repayment of money by any other person or the performance of any obligation of any other person; and

(4) mortgage, charge, whether by way of specific or floating charge, grant a security interest in, or give other security on, the whole or any part of the present and future assets and undertaking of the Company.

9. ALTERATIONS

9.1 Alteration of Authorized Share Structure

Subject to Article 9.2 and the *Business Corporations Act*, the Company may by resolution of the directors:

(1) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;

(2) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;

(3) subdivide or consolidate all or any of its unissued, or fully paid issued, shares;

(4) if the Company is authorized to issue shares of a class of shares with par value:

(a) decrease the par value of those shares; or

(b) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;

(5) change all or any of its unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value;

(6) alter the identifying name of any of its shares; or

(7) otherwise alter its shares or authorized share structure when required or permitted to do so by the *Business Corporations Act*.

9.2 Special Rights and Restrictions

Subject to any additional approvals required pursuant to the *Business Corporations Act*, the Company may by special resolution:

(1) create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares, whether or not any or all of those shares have been issued; or

(2) vary or delete any special rights or restrictions attached to the shares of any class or series of shares, whether or not any or all of those shares have been issued.

9.3 Change of Name

The Company may by consent resolution of the directors or by special resolution authorize an alteration of its Notice of Articles in order to change its name or adopt or change any translation of that name.

9.4 Other Alterations

If the *Business Corporations Act* does not specify the type of resolution and these Articles do not specify another type of resolution, the Company may by special resolution alter these Articles.

10. MEETINGS OF SHAREHOLDERS

10.1 Annual General Meetings

Unless an annual general meeting is deferred or waived in accordance with the *Business Corporations Act*, the Company must hold its first annual general meeting within 18 months after the date on which it was incorporated or otherwise recognized, and after that must hold an annual general meeting at least once in each calendar year and not more than 15 months after the last annual reference date at such time and place as may be determined by the directors.

10.2 Resolution Instead of Annual General Meeting

If all the shareholders who are entitled to vote at an annual general meeting consent by a unanimous resolution under the *Business Corporations Act* to all of the business that is required to be transacted at that annual general meeting, the annual general meeting is deemed to have been held on the date of the unanimous resolution. The shareholders must, in any unanimous resolution passed under this Article 10.2, select as the Company's annual reference date a date that would be appropriate for the holding of the applicable annual general meeting.

10.3 Calling of Meetings of Shareholders

The directors may, whenever they think fit, call a meeting of shareholders.

10.4 Notice for Meetings of Shareholders

The Company must send notice of the date, time and location of any meeting of shareholders, in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by ordinary resolution (whether previous notice of the resolution has been given or not), to each shareholder entitled to attend the meeting, to each director and to the auditor of the Company, unless these Articles otherwise provide, at least the following number of days before the meeting:

(1) if and for so long as the Company is a public company, 21 days;

(2) otherwise, 10 days.

A notice of meeting for a meeting held entirely by virtual means in accordance with Article 11.17, must include instructions for shareholder participation in the meeting to the extent and in the manner required by the *Business Corporations Act*.

10.5 Record Date for Notice

The directors may set a date as the record date for the purpose of determining shareholders entitled to notice of any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act*, by more than four months. The record date must not precede the date on which the meeting is held by fewer than:

(1) if and for so long as the Company is a public company, 21 days;

(2) otherwise, 10 days.

If no record date is set, the record date is 5:00 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

10.6 Record Date for Voting

The directors may set a date as the record date for the purpose of determining shareholders entitled to vote at any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act*, by more than four months. If no record date is set, the record date is 5:00 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

10.7 Failure to Give Notice and Waiver of Notice

The accidental omission to send notice of any meeting to, or the non-receipt of any notice by, any of the persons entitled to notice does not invalidate any proceedings at that meeting. Any person entitled to notice of a meeting of shareholders may, in writing or otherwise, waive or reduce the period of notice of such meeting.

10.8 Notice of Special Business at Meetings of Shareholders

If a meeting of shareholders is to consider special business within the meaning of Article 11.1, the notice of meeting must:

(1) state the general nature of the special business; and

(2) if the special business includes considering, approving, ratifying, adopting or authorizing any document or the signing of or giving of effect to any document, have attached to it a copy of the document or state that a copy of the document will be available for inspection by shareholders:

(a) at the Company's records office, or at such other reasonably accessible location in British Columbia as is specified in the notice; and

(b) during statutory business hours on any one or more specified days before the day set for the holding of the meeting.

10.9 Location of Annual General Meeting

The Company may by resolution of the directors choose a location outside of British Columbia for the purpose of the meeting. If a meeting is held entirely by virtual means in accordance with Article 11.17, the meeting shall be deemed for all purposes of the *Business Corporations Act* and these Articles to be held at the registered office of the Company, subject to the provisions of the *Business Corporations Act*.

11. PROCEEDINGS AT MEETINGS OF SHAREHOLDERS

11.1 Special Business

At a meeting of shareholders, the following business is special business:

(1) at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting;

(2) at an annual general meeting, all business is special business except for the following:

(a) business relating to the conduct of or voting at the meeting;

(b) consideration of any financial statements of the Company presented to the meeting;

(c) consideration of any reports of the directors or auditor;

(d) the setting or changing of the number of directors;

(e) the election or appointment of directors;

(f) the appointment of an auditor;

(g) business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution;

(h) any other business which, under these Articles or the *Business Corporations Act*, may be transacted at a meeting of shareholders without prior notice of the business being given to the shareholders.

11.2 Special Majority

The majority of votes required for the Company to pass a special resolution at a meeting of shareholders is two-thirds of the votes cast on the resolution.

11.3 Quorum

Subject to the special rights and restrictions attached to the shares of any class or series of shares, the quorum for the transaction of business at a meeting of shareholders is two shareholders entitled to vote at the meeting whether in person or by proxy who hold, in the aggregate, at least 10% of the issued shares entitled to be voted at the meeting.

11.4 One Shareholder May Constitute Quorum

If there is only one shareholder entitled to vote at a meeting of shareholders:

(1) the quorum is one person who is, or who represents by proxy, that shareholder, and

(2) that shareholder, present in person or by proxy, may constitute the meeting.

11.5 Other Persons May Attend

The directors, the president and/or chief executive officer (if any), the secretary (if any), the assistant secretary (if any), any lawyer for the Company, the auditor of the Company and any other persons invited by the directors are entitled to attend any meeting of shareholders, but if any of those persons does attend a meeting of shareholders, that person is not to be counted in the quorum and is not entitled to vote at the meeting unless that person is a shareholder or proxy holder entitled to vote at the meeting.

11.6 Requirement of Quorum

No business, other than the election of a chair of the meeting and the adjournment of the meeting, may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to vote is present at the commencement of the meeting, but such quorum need not be present throughout the meeting.

11.7 Lack of Quorum

If, within one-half hour from the time set for the holding of a meeting of shareholders, a quorum is not present:

(1) in the case of a general meeting requisitioned by shareholders, the meeting is dissolved, and

(2) in the case of any other meeting of shareholders, the meeting stands adjourned to the same day in the next week at the same time and place.

11.8 Lack of Quorum at Succeeding Meeting

If, at the meeting to which the meeting referred to in Article 11.7(2) was adjourned, a quorum is not present within one-half hour from the time set for the holding of the meeting, the person or persons present and being, or representing by proxy, one or more shareholders entitled to attend and vote at the meeting constitute a quorum.

11.9 Chair

The following individual is entitled to preside as chair at a meeting of shareholders:

(1) the chair of the board, if any;

(2) if the chair of the board is absent or unwilling to act as chair of the meeting, any other director present and willing to act as chair of the meeting; or

(3) if no such other director is present and willing to act as chair of the meeting, the president or chief executive officer, if any.

11.10 Selection of Alternate Chair

If, at any meeting of shareholders, there is no chair of the board or president or chief executive officer present within 15 minutes after the time set for holding the meeting, or if the chair of the board and the president or chief executive officer are unwilling to act as chair of the meeting, or if the chair of the board and the president or chief executive officer have advised the secretary, if any, or any director present at the meeting, that they will not be present at the meeting, the directors present must choose one of their number to be chair of the meeting or if all of the directors present decline to take the chair or fail to so choose or if no director is present, the shareholders entitled to vote at the meeting who are present in person or by proxy may choose any person present at the meeting to chair the meeting.

11.11 Adjournments

The chair of a meeting of shareholders may, and if so directed by the meeting must, adjourn the meeting from time to time and from place to place, but no business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

11.12 Notice of Adjourned Meeting

It is not necessary to give any notice of an adjourned meeting or of the business to be transacted at an adjourned meeting of shareholders except that, when a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as in the case of the original meeting.

11.13 Decisions by Show of Hands or Poll

Subject to the *Business Corporations Act*, every motion put to a vote at a meeting of shareholders will be decided on a show of hands unless a poll, before or on the declaration of the result of the vote by show of hands, is directed by the chair or demanded by at least one shareholder entitled to vote who is present in person or by proxy.

11.14 Declaration of Result

The chair of a meeting of shareholders must declare to the meeting the decision on every question in accordance with the result of the show of hands or the poll, as the case may be, and that decision must be entered in the minutes of the meeting. A declaration of the chair that a resolution is carried by the necessary majority or is defeated is, unless a poll is directed by the chair or demanded under Article 11.13, conclusive evidence without proof of the number or proportion of the votes recorded in favour of or against the resolution.

11.15 Motion Need Not be Seconded

No motion proposed at a meeting of shareholders need be seconded unless the chair of the meeting rules otherwise, and the chair of any meeting of shareholders is entitled to propose or second a motion.

11.16 Casting Vote

In case of an equality of votes, the chair of a meeting of shareholders does not, either on a show of hands or on a poll, have a second or casting vote in addition to the vote or votes to which the chair may be entitled as a shareholder.

11.17 Meeting by Telephone or Other Communications Medium

A meeting of the shareholders may be held in person, virtually by telephone or other electronic communications medium, or in a hybrid fashion incorporating both in-person and virtual means. A shareholder or proxy holder may participate in a meeting of the shareholders in person or by telephone if all shareholders or proxy holders participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other to the extent and in the manner required by the *Business Corporations Act*. A shareholder or proxy holder may participate in a meeting of the shareholders by a communications medium other than telephone, including by electronic means, if all shareholders or proxy holders participating in the meeting, whether in person or by telephone or other communications medium, including by electronic means, are able to communicate with each other to the extent and in the manner required by the *Business Corporations Act*. Any vote at a shareholder meeting may be conducted by telephone or other communications medium, including electronic means. A shareholder or proxy holder who

participates in a meeting in a manner contemplated by this Article 11.17 is deemed for all purposes of the *Business Corporations Act* and these Articles to be present at the meeting and to have agreed to participate in that manner.

12. VOTES OF SHAREHOLDERS

12.1 Number of Votes by Shareholder or by Shares

Subject to any special rights or restrictions attached to any shares and to the restrictions imposed on joint shareholders under Article 12.3:

(1) on a vote by show of hands, every person present who is a shareholder or proxy holder and entitled to vote on the matter has one vote; and

(2) on a poll, every shareholder entitled to vote on the matter has one vote in respect of each share entitled to be voted on the matter and held by that shareholder and may exercise that vote either in person or by proxy.

12.2 Votes of Persons in Representative Capacity

A person who is not a shareholder may vote at a meeting of shareholders, whether on a show of hands or on a poll, and may appoint a proxy holder to act at the meeting, if, before doing so, the person satisfies the chair of the meeting, or the directors, that the person is a legal personal representative or a trustee in bankruptcy for a shareholder who is entitled to vote at the meeting.

12.3 Votes by Joint Holders

If there are joint shareholders registered in respect of any share:

(1) any one of the joint shareholders may vote at any meeting, either personally or by proxy, in respect of the share as if that joint shareholder were solely entitled to it; or

(2) if more than one of the joint shareholders is present at any meeting, personally or by proxy, and more than one of them votes in respect of that share, then only the vote of the joint shareholder present whose name stands first on the central securities register in respect of the share will be counted.

12.4 Legal Personal Representatives as Joint Shareholders

Two or more legal personal representatives of a shareholder in whose sole name any share is registered are, for the purposes of Article 12.3, deemed to be joint shareholders.

12.5 Representative of a Corporate Shareholder

If a corporation, that is not a subsidiary of the Company, is a shareholder, that corporation may appoint a person to act as its representative at any meeting of shareholders of the Company, and:

(1) for that purpose, the instrument appointing a representative must:

(a) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice for the receipt of proxies, or if no number of days is specified, two business days before the day set for the holding of the meeting; or

(b) be provided, at the meeting, to the chair of the meeting or to a person designated by the chair of the meeting;

(2) if a representative is appointed under this Article 12.5:

(a) the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the corporation that the representative represents as that corporation could exercise if it were a shareholder who is an individual, including, without limitation, the right to appoint a proxy holder; and

(b) the representative, if present at the meeting, is to be counted for the purpose of forming a quorum and is deemed to be a shareholder present in person at the meeting.

Evidence of the appointment of any such representative may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.

12.6 Proxy Provisions Do Not Apply to All Companies

If and for so long as the Company is a public company or a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of its Articles or to which the Statutory Reporting Company Provisions apply, Articles 12.7 to 12.14 apply only insofar as they are not inconsistent with any securities legislation in any province or territory of Canada or in the federal jurisdiction of the United States or in any states of the United States that is applicable to the Company and insofar as they are not inconsistent with the regulations and rules made and promulgated under that legislation and all administrative policy statements, blanket orders and rulings, notices and other administrative directions issued by securities commission or similar authorities appointed under that legislation.

12.7 Appointment of Proxy Holders

Every shareholder of the Company, including a corporation that is a shareholder but not a subsidiary of the Company, entitled to vote at a meeting of shareholders of the Company may, by proxy, appoint one or more (but not more than five) proxy holders to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy.

12.8 Alternate Proxy Holders

A shareholder may appoint one or more alternate proxy holders who need not be shareholders to act in the place of an absent proxy holder.

12.9 Deposit of Proxy

A proxy for a meeting of shareholders must:

(1) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice, or if no number of days is specified, two business days before the day set for the holding of the meeting; or

(2) unless the notice provides otherwise, be provided, at the meeting, to the chair of the meeting or to a person designated by the chair of the meeting.

A proxy may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.

12.10 Validity of Proxy Vote

A vote given in accordance with the terms of a proxy is valid notwithstanding the death or incapacity of the shareholder giving the proxy and despite the revocation of the proxy or the revocation of the authority under which the proxy is given, unless notice in writing of that death, incapacity or revocation is received:

(1) at the registered office of the Company, at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used; or

(2) by the chair of the meeting, before the vote is taken.

12.11 Form of Proxy

A proxy, whether for a specified meeting or otherwise, must be either in the following form or in any other form approved by the directors or the chair of the meeting:

Ardenton Capital Corporation

(the "Company")

The undersigned, being a shareholder of the Company, hereby appoints *[name]* or, failing that person, *[name]*, as proxy holder for the undersigned to attend, act and vote for and on behalf of the undersigned at the meeting of shareholders of the Company to be held on *[month, day, year]* and at any adjournment of that meeting.

Number of shares in respect of which this proxy is given (if no number is specified, then this proxy is given in respect of all shares registered in the name of the shareholder): _____

Signed *[month, day, year]*

_____
[Signature of shareholder]

_____
[Name of shareholder - printed]

12.12 Revocation of Proxy

Subject to Article 12.13, every proxy may be revoked by an instrument in writing that is:

(1) received at the registered office of the Company at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used; or

(2) provided, at the meeting, to the chair of the meeting.

12.13 Revocation of Proxy Must Be Signed

An instrument referred to in Article 12.12 must be signed as follows:

(1) if the shareholder for whom the proxy holder is appointed is an individual, the instrument must be signed by the shareholder or his or her legal personal representative or trustee in bankruptcy;

(2) if the shareholder for whom the proxy holder is appointed is a corporation, the instrument must be signed by the corporation or by a representative appointed for the corporation under Article 12.5.

12.14 Production of Evidence of Authority to Vote

The chair of any meeting of shareholders may, but need not, inquire into the authority of any person to vote at the meeting and may, but need not, demand from that person production of evidence as to the existence of the authority to vote.

13. DIRECTORS

13.1 First Directors; Number of Directors

The first directors are the persons designated as directors of the Company in the Notice of Articles that applies to the Company when it is recognized under the *Business Corporations Act.* The number of directors, excluding additional directors appointed under Article 14.8, is set at:

(1) subject to paragraphs (2) and (3), the number of directors that is equal to the number of the Company's first directors;

(2) if the Company is a public company, the greater of three and the most recently set of:

(a) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and

(b) the number of directors set under Article 14.4;

(3) if the Company is not a public company, the most recently set of:

(a) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and

(b) the number of directors set under Article 14.4.

13.2 Change in Number of Directors

If the number of directors is set under Articles 13.1(2)(a) or 13.1(3)(a):

(1) the shareholders may elect or appoint the directors needed to fill any vacancies in the board of directors up to that number;

(2) if the shareholders do not elect or appoint the directors needed to fill any vacancies in the board of directors up to that number contemporaneously with the setting of that number, then the directors may appoint, or the shareholders may elect or appoint, directors to fill those vacancies.

13.3 Directors' Acts Valid Despite Vacancy

An act or proceeding of the directors is not invalid merely because fewer than the number of directors set or otherwise required under these Articles is in office.

13.4 Remuneration of Directors

The directors are not entitled as such to receive any remuneration for acting as directors for any period prior to the second annual general meeting of the Company following the effective date of the Plan of Arrangement (as such term is defined in Article 27.2). Thereafter the directors shall be entitled to such remuneration for acting as directors, if any, as the directors may from time to time

determine. That remuneration may be in addition to any salary or other remuneration paid to any officer or employee of the Company as such, who is also a director. Notwithstanding the foregoing, during the period prior to the second annual general meeting of the Company following the effective date of the Plan of Arrangement, the independent directors shall be entitled to remuneration for acting as directors, if any, as the directors may from time to time determine; provided, however, that to be considered an independent director, the director must not (i) have a material relationship with the Company or any of its subsidiaries, shareholders or creditors, (ii) be an officer or employee of the Company or any of its subsidiaries, and (iii) have any other relationship that, in the opinion of the board of directors, may affect or interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

13.5 Reimbursement of Expenses of Directors

The Company must reimburse each director for the reasonable out-of-pocket expenses that he or she may incur in and about the business of the Company.

13.6 Special Remuneration for Directors

If any director performs any professional or other services for the Company that in the opinion of the directors are outside the ordinary duties of a director, or if any director is otherwise specially occupied in or about the Company's business, he or she may be paid remuneration fixed by the directors, or, at the option of that director, fixed by ordinary resolution.

14. ELECTION AND REMOVAL OF DIRECTORS

14.1 Election at Annual General Meetings

(1) Subject to the *Business Corporations Act* and these Articles, directors shall be elected for a term of two (2) years, expiring in accordance with Article 14.1(2). The shareholders entitled to vote at each annual general meeting will elect or, by unanimous resolutions appoint, directors to replace those directors, if any, whose term expires at such meeting.

(2) Subject to Article 14.1(4), a director ceases to hold office immediately before the election or appointment of directors under Article 14.1(1) at the second annual general meeting following that director's last election or appointment.

(3) A director who ceases to hold office under Article 14.1(2) is eligible for re-election.

(4) A director appointed by the directors under Article 14.5 or Article 14.8 will cease to hold office at the next meeting of shareholders following his or her appointment and is eligible for election at that meeting.

(5) Unless a director appointed by the directors under Article 14.5 or Article 14.8 has ceased under Article 14.1(4), that director must cease to hold office as the next annual general meeting, and is eligible for re-election at that meeting.

14.2 Consent to be a Director

No election, appointment or designation of an individual as a director is valid unless:

(1) that individual consents to be a director in the manner provided for in the *Business Corporations Act*;

(2) that individual is elected or appointed at a meeting at which the individual is present and the individual does not refuse, at the meeting, to be a director; or

(3) with respect to first directors, the designation is otherwise valid under the *Business Corporations Act*.

14.3 Failure to Elect or Appoint Directors

If:

(1) the Company fails to hold an annual general meeting, and all the shareholders who are entitled to vote at an annual general meeting fail to pass the unanimous resolution contemplated by Article 10.2, on or before the date by which the annual general meeting is required to be held under the *Business Corporations Act*; or

(2) the shareholders fail, at the annual general meeting or in the unanimous resolution contemplated by Article 10.2, to elect or appoint any directors;

then each director then in office continues to hold office until the earlier of:

(3) the date on which his or her successor is elected or appointed; and

(4) the date on which he or she otherwise ceases to hold office under the *Business Corporations Act* or these Articles.

14.4 Places of Retiring Directors Not Filled

If, at any meeting of shareholders at which there should be an election of directors, the places of any of the retiring directors are not filled by that election, those retiring directors who are not re-elected and who are asked by the newly elected directors to continue in office will, if willing to do so, continue in office to complete the number of directors for the time being set pursuant to these Articles until further new directors are elected at a meeting of shareholders convened for that purpose. If any such election or continuance of directors does not result in the election or continuance of the number of directors for the time being set pursuant to these Articles, the number of directors of the Company is deemed to be set at the number of directors actually elected or continued in office.

14.5 Directors May Fill Casual Vacancies

Any casual vacancy occurring in the board of directors may be filled by the directors.

14.6 Remaining Directors Power to Act

The directors may act notwithstanding any vacancy in the board of directors but, if the Company has fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the directors may only act for the purposes of appointing directors up to that number, summoning a meeting of shareholders for the purpose of filling any vacancies on the board of directors, or, subject to the *Business Corporations Act*, for any other purpose.

14.7 Shareholders May Fill Vacancies

If the Company has no directors or fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the shareholders may elect or appoint directors to fill any vacancies on the board of directors.

14.8 Additional Directors

Notwithstanding Articles 13.1 and 13.2, between annual general meetings or unanimous resolutions contemplated by Article 10.2, the directors may appoint one or more additional directors, but the number of additional directors appointed under this Article 14.8 must not at any time exceed:

(1) one-third of the number of first directors, if, at the time of the appointments, one or more of the first directors have not yet completed their first term of office; or

(2) in any other case, one-third of the number of the current directors who were elected or appointed as directors other than under this Article 14.8.

Any director so appointed ceases to hold office immediately before the next election or appointment of directors under Article 14.1(1) but is eligible for re-election or re-appointment.

14.9 Ceasing to be a Director

A director ceases to be a director when:

(1) the term of office of the director expires;

(2) the director dies;

(3) the director resigns as a director by notice in writing provided to the Company or a lawyer for the Company; or

(4) the director is removed from office pursuant to Articles 14.10 or 14.11.

14.10 Removal of Director by Shareholders

The Company may remove any director before the expiration of his or her term of office by special resolution. In that event, the shareholders may elect, or appoint by ordinary resolution, a director to fill the resulting vacancy. If the shareholders do not elect or appoint a director to fill the resulting

vacancy contemporaneously with the removal, then the directors may appoint or the shareholders may elect, or appoint by ordinary resolution, a director to fill that vacancy.

14.11 Removal of Director by Directors

The directors may remove any director before the expiration of his or her term of office if the director is convicted of an indictable offence, or if the director ceases to be qualified to act as a director of a company pursuant to section 124 of the *Business Corporations Act*, and does not promptly resign, and the directors may appoint a director to fill the resulting vacancy.

15. ALTERNATE DIRECTORS

15.1 Appointment of Alternate Director

Any director (an "appointor") may by notice in writing received by the Company appoint any person (an "appointee") who is qualified to act as a director to be his or her alternate to act in his or her place at meetings of the directors or committees of the directors at which the appointor is not present unless (in the case of an appointee who is not a director) the directors have reasonably disapproved the appointment of such person as an alternate director and have given notice to that effect to his or her appointor within a reasonable time after the notice of appointment is received by the Company.

15.2 Notice of Meetings

Every alternate director so appointed is entitled to notice of meetings of the directors and of committees of the directors of which his or her appointor is a member and to attend and vote as a director at any such meetings at which his or her appointor is not present.

15.3 Alternate for More Than One Director Attending Meetings

A person may be appointed as an alternate director by more than one director, and an alternate director:

(1) will be counted in determining the quorum for a meeting of directors once for each of his or her appointors and, in the case of an appointee who is also a director, once more in that capacity;

(2) has a separate vote at a meeting of directors for each of his or her appointors and, in the case of an appointee who is also a director, an additional vote in that capacity;

(3) will be counted in determining the quorum for a meeting of a committee of directors once for each of his or her appointors who is a member of that committee and, in the case of an appointee who is also a member of that committee as a director, once more in that capacity;

(4) has a separate vote at a meeting of a committee of directors for each of his or her appointors who is a member of that committee and, in the case of an appointee who is also a member of that committee as a director, an additional vote in that capacity.

15.4 Consent Resolutions

Every alternate director, if authorized by the notice appointing him or her, may sign in place of his or her appointor any resolutions to be consented to in writing.

15.5 Alternate Director Not an Agent

Every alternate director is deemed not to be the agent of his or her appointor.

15.6 Revocation of Appointment of Alternate Director

An appointor may at any time, by notice in writing received by the Company, revoke the appointment of an alternate director appointed by him or her.

15.7 Ceasing to be an Alternate Director

The appointment of an alternate director ceases when:

(1) his or her appointor ceases to be a director and is not promptly re-elected or re-appointed;

(2) the alternate director dies;

(3) the alternate director resigns as an alternate director by notice in writing provided to the Company or a lawyer for the Company;

(4) the alternate director ceases to be qualified to act as a director pursuant to section 124 of the *Business Corporations Act*; or

(5) his or her appointor revokes the appointment of the alternate director.

15.8 Expenses of Alternate Director

The Company may reimburse an alternate director for the reasonable out-of-pocket expenses that would be properly reimbursed if he or she were a director.

16. POWERS AND DUTIES OF DIRECTORS

16.1 Powers of Management

The directors must, subject to the *Business Corporations Act* and these Articles, manage or supervise the management of the business and affairs of the Company and have the authority to exercise all such powers of the Company as are not, by the *Business Corporations Act* or by these Articles, required to be exercised by the shareholders of the Company.

16.2 Appointment of Attorney of Company

The directors may from time to time, by power of attorney or other instrument, under seal if so required by law, appoint any person to be the attorney of the Company for such purposes, and with

such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these Articles and excepting the power to fill vacancies in the board of directors, to remove a director, to change the membership of, or fill vacancies in, any committee of the directors, to appoint or remove officers appointed by the directors and to declare dividends) and for such period, and with such remuneration and subject to such conditions as the directors may think fit. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the directors think fit. Any such attorney may be authorized by the directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him or her.

16.3 Remuneration of the auditor

The directors may set the remuneration of the auditor without the prior approval of the shareholders.

17. DISCLOSURE OF INTEREST OF DIRECTORS

17.1 Obligation to Account for Profits

A director or senior officer who holds a disclosable interest (as that term is used in the *Business Corporations Act*) in a contract or transaction into which the Company has entered or proposes to enter is liable to account to the Company for any profit that accrues to the director or senior officer under or as a result of the contract or transaction only if and to the extent provided in the *Business Corporations Act*.

17.2 Restrictions on Voting by Reason of Interest

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter is not entitled to vote on any directors' resolution to approve that contract or transaction, unless all the directors have a disclosable interest in that contract or transaction, in which case any or all of those directors may vote on such resolution.

17.3 Interested Director Counted in Quorum

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter and who is present at the meeting of directors at which the contract or transaction is considered for approval may be counted in the quorum at the meeting whether or not the director votes on any or all of the resolutions considered at the meeting.

17.4 Disclosure of Conflict of Interest or Property

A director or senior officer who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that individual's duty or interest as a director or senior officer, must disclose the nature and extent of the conflict as required by the *Business Corporations Act*.

17.5 Director Holding Other Office in the Company

A director may hold any office or place of profit with the Company, other than the office of auditor of the Company, in addition to his or her office of director for the period and on the terms (as to remuneration or otherwise) that the directors may determine.

17.6 No Disqualification

No director or intended director is disqualified by his or her office from contracting with the Company either with regard to the holding of any office or place of profit the director holds with the Company or as vendor, purchaser or otherwise, and no contract or transaction entered into by or on behalf of the Company in which a director is in any way interested is liable to be voided for that reason.

17.7 Professional Services by Director or Officer

Subject to the *Business Corporations Act*, a director or officer, or any person in which a director or officer has an interest, may act in a professional capacity for the Company, except as auditor of the Company, and the director or officer or such person is entitled to remuneration for professional services as if that director or officer were not a director or officer.

17.8 Director or Officer in Other Corporations

A director or officer may be or become a director, officer or employee of, or otherwise interested in, any person in which the Company may be interested as a shareholder or otherwise, and, subject to the *Business Corporations Act*, the director or officer is not accountable to the Company for any remuneration or other benefits received by him or her as director, officer or employee of, or from his or her interest in, such other person.

18. PROCEEDINGS OF DIRECTORS

18.1 Meetings of Directors

The directors may meet together for the conduct of business, adjourn and otherwise regulate their meetings as they think fit, and meetings of the directors held at regular intervals may be held at the place, at the time and on the notice, if any, as the directors may from time to time determine. If a meeting of the directors is held by entirely virtual means by telephone or other communications method, including by electronic means, the meeting shall be deemed to be held at the registered office of the Company in lieu of another physical location for the purposes of the *Business Corporations Act* and these Articles.

18.2 Voting at Meetings

(1) Except as provided in Article 18.2(2), questions arising at any meeting of directors are to be decided by a majority of votes and, in the case of an equality of votes, the chair of the meeting does not have a second or casting vote.

(2) Subject to the *Business Corporations Act* and Article 18.2(3), questions arising at any meeting of directors relating to any of the following matters are to be decided by at least 60% of the directors:

(a) any sale, divestiture, refinancing, merger, amalgamation, consolidation, arrangement, liquidation, dissolution, winding-up, sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related transactions of all or substantially all the assets of the Company and its subsidiaries, or any other material transaction, affecting the business and affairs of the Company;

(b) except with respect to any sale, transfer or treasury issuance made pursuant to a contractual obligation of the Company or any of its portfolio companies, in each case, existing on the effective date of the Plan of Arrangement, any sale, divestiture, transfer or other disposition of any equity interest in any portfolio company by the Company, directly or indirectly, to the extent of the Company's power and control with respect to such action; and

(c) any issuance of debentures, bonds or any other debt securities issued or created by the Company from time to time unless such debentures, bonds or other debt securities are either (i) fully subordinated and postponed to the ACC Level 5 Distributions (as defined in the Plan of Arrangement), or (ii) fully senior to the ACC Level 1 Distributions (as defined in the Plan of Arrangement).

(3) Article 18.2(2) shall automatically terminate and be of no further force and effect on the date two years following the effective date of the Plan of Arrangement (as such term is defined in Article 27.2).

(4) Any vote at a meeting of directors may be conducted by telephone or others communications medium, including electronic means.

18.3 Chair of Meetings

The following individual is entitled to preside as chair at a meeting of directors:

(1) the chair of the board, if any;

(2) in the absence of the chair of the board, the president or chief executive officer, if any, if the president is a director; or

(3) any other director chosen by the directors if:

(a) neither the chair of the board nor the president or chief executive officer, if a director, is present at the meeting within 15 minutes after the time set for holding the meeting;

(b) neither the chair of the board nor the president or chief executive officer, if a director, is willing to chair the meeting; or

(c) the chair of the board and the president or chief executive officer, if a director, have advised the secretary, if any, or any other director, that they will not be present at the meeting.

18.4 Meetings by Telephone or Other Communications Medium

A meeting of the directors may be held in person, virtually by telephone or other electronic communications medium, or in a hybrid fashion incorporating both in-person and virtual means. A director may participate in a meeting of the directors or of any committee of the directors in person or by telephone if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other. A director may participate in a meeting of the directors or of any committee of the directors by a communications medium other than telephone, including by electronic means, if all directors participating in the meeting, whether in person or by telephone or other communications medium, including by electronic means, are able to communicate with each other and if all directors who wish to participate in the meeting agree to such participation. A director who participates in a meeting in a manner contemplated by this Article 18.4 is deemed for all purposes of the *Business Corporations Act* and these Articles to be present at the meeting and to have agreed to participate in that manner.

18.5 Calling of Meetings

A director may, and the secretary or an assistant secretary of the Company, if any, on the request of a director must, call a meeting of the directors at any time.

18.6 Notice of Meetings

Other than for meetings held at regular intervals as determined by the directors pursuant to Article 18.1, reasonable notice of each meeting of the directors, specifying the place, day and time of that meeting must be given to each of the directors and the alternate directors by any method set out in Article 24.1 or orally or by telephone.

18.7 When Notice Not Required

It is not necessary to give notice of a meeting of the directors to a director or an alternate director if:

(1) the meeting is to be held immediately following a meeting of shareholders at which that director was elected or appointed, or is the meeting of the directors at which that director is appointed; or

(2) the director or alternate director, as the case may be, has waived notice of the meeting.

18.8 Meeting Valid Despite Failure to Give Notice

The accidental omission to give notice of any meeting of directors to, or the non-receipt of any notice by, any director or alternate director, does not invalidate any proceedings at that meeting.

18.9 Waiver of Notice of Meetings

Any director or alternate director may send to the Company a document signed by him or her waiving notice of any past, present or future meeting or meetings of the directors and may at any time withdraw that waiver with respect to meetings held after that withdrawal. After sending a waiver with respect to all future meetings and until that waiver is withdrawn, no notice of any meeting of the directors need be given to that director and, unless the director otherwise requires by notice in writing to the Company, to his or her alternate director, and all meetings of the directors so held are deemed not to be improperly called or constituted by reason of notice not having been given to such director or alternate director.

18.10 Quorum

The quorum necessary for the transaction of the business of the directors shall be 60% of directors and, if the number of directors is set at one, is deemed to be set at one director, and that director may constitute a meeting.

18.11 Validity of Acts Where Appointment Defective

Subject to the *Business Corporations Act*, an act of a director or officer is not invalid merely because of an irregularity in the election or appointment or a defect in the qualification of that director or officer.

18.12 Consent Resolutions in Writing

A resolution of the directors or of any committee of the directors may be passed without a meeting:

(1) in all cases, if each of the directors entitled to vote on the resolution consents to it in writing; or

(2) in the case of a resolution to approve a contract or transaction in respect of which a director has disclosed that he or she has or may have a disclosable interest, if each of the other directors who are entitled to vote on the resolution consents to it in writing.

A consent in writing under this Article may be by signed document, fax, email or any other method of transmitting legibly recorded messages. A consent in writing may be in two or more counterparts which together are deemed to constitute one consent in writing. A resolution of the directors or of any committee of the directors passed in accordance with this Article 18.12 is effective on the date stated in the consent in writing or on the latest date stated on any counterpart and is deemed to be a proceeding at a meeting of directors or of the committee of the directors and to be as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors

that satisfies all the requirements of the *Business Corporations Act* and all the requirements of these Articles relating to meetings of the directors or of a committee of the directors.

19. EXECUTIVE AND OTHER COMMITTEES

19.1 Appointment and Powers of Executive Committee

The directors may, by resolution, appoint an executive committee consisting of the director or directors that they consider appropriate, and this committee has, during the intervals between meetings of the board of directors, all of the directors' powers, except:

(1) the power to fill vacancies in the board of directors;

(2) the power to remove a director;

(3) the power to change the membership of, or fill vacancies in, any committee of the directors; and

(4) such other powers, if any, as may be set out in the resolution or any subsequent directors' resolution.

19.2 Appointment and Powers of Other Committees

The directors may, by resolution:

(1) appoint one or more committees (other than the executive committee) consisting of the director or directors that they consider appropriate;

(2) delegate to a committee appointed under paragraph (1) any of the directors' powers, except:

(a) the power to fill vacancies in the board of directors;

(b) the power to remove a director;

(c) the power to change the membership of, or fill vacancies in, any committee of the directors; and

(d) the power to appoint or remove officers appointed by the directors; and

(3) make any delegation referred to in paragraph (2) subject to the conditions set out in the resolution or any subsequent directors' resolution.

19.3 Obligations of Committees

Any committee appointed under Articles 19.1 or 19.2, in the exercise of the powers delegated to it, must:

(1) conform to any rules that may from time to time be imposed on it by the directors; and

(2) report every act or thing done in exercise of those powers at such times as the directors may require.

19.4 Powers of Board

The directors may, at any time, with respect to a committee appointed under Articles 19.1 or 19.2:

(1) revoke or alter the authority given to the committee, or override a decision made by the committee, except as to acts done before such revocation, alteration or overriding;

(2) terminate the appointment of, or change the membership of, the committee; and

(3) fill vacancies in the committee.

19.5 Committee Meetings

Subject to Article 19.3(1) and unless the directors otherwise provide in the resolution appointing the committee or in any subsequent resolution, with respect to a committee appointed under Articles 19.1 or 19.2:

(1) the committee may meet and adjourn as it thinks proper;

(2) the committee may elect a chair of its meetings but, if no chair of a meeting is elected, or if at a meeting the chair of the meeting is not present within 15 minutes after the time set for holding the meeting, the directors present who are members of the committee may choose one of their members to chair the meeting;

(3) a majority of the members of the committee constitutes a quorum of the committee; and

(4) questions arising at any meeting of the committee are determined by a majority of votes of the members present, and in case of an equality of votes, the chair of the meeting does not have a second or casting vote.

20. OFFICERS

20.1 Directors May Appoint Officers

The directors may, from time to time, appoint such officers, if any, as the directors determine and the directors may, at any time, terminate any such appointment.

20.2 Functions, Duties and Powers of Officers

The directors may, for each officer:

(1) determine the functions and duties of the officer;

(2) entrust to and confer on the officer any of the powers exercisable by the directors on such terms and conditions and with such restrictions as the directors think fit; and

(3) revoke, withdraw, alter or vary all or any of the functions, duties and powers of the officer.

20.3 Qualifications

No officer may be appointed unless that officer is qualified in accordance with the *Business Corporations Act*. One person may hold more than one position as an officer of the Company. Any person appointed as the chair of the board or as a managing director must be a director. Any other officer need not be a director.

20.4 Remuneration and Terms of Appointment

All appointments of officers are to be made on the terms and conditions and at the remuneration (whether by way of salary, fee, commission, participation in profits or otherwise) that the directors thinks fit and are subject to termination at the pleasure of the directors, and an officer may in addition to such remuneration be entitled to receive, after he or she ceases to hold such office or leaves the employment of the Company, a pension or gratuity.

21. INDEMNIFICATION

21.1 Definitions

In this Article 21:

(1) "eligible penalty" means a judgment, penalty or fine awarded or imposed in, or an amount paid in settlement of, an eligible proceeding;

(2) "eligible proceeding" means a legal proceeding or investigative action, whether current, threatened, pending or completed, in which a director, former director or alternate director of the Company (an "eligible party") or any of the heirs and legal personal representatives of the eligible party, by reason of the eligible party being or having been a director or alternate director of the Company:

(a) is or may be joined as a party; or

(b) is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to, the proceeding;

(3) "expenses" has the meaning set out in the *Business Corporations Act*.

21.2 Mandatory Indemnification of Directors and Former Directors

Subject to the *Business Corporations Act*, the Company must indemnify a director, former director or alternate director of the Company and his or her heirs and legal personal representatives against all eligible penalties to which such person is or may be liable, and the Company must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding. The indemnification provisions in this Article 21.2 will only apply in respect of any director, former director or alternate director who was appointed or elected, on or after the date of these Articles, which were amended and restated on [•], 2021. Each director and alternate director is deemed to have contracted with the Company on the terms of the indemnity contained in this Article 21.2.

21.3 Indemnification of Other Persons

Subject to any restrictions in the *Business Corporations Act*, the Company may indemnify any person.

21.4 Non-Compliance with Business Corporations Act

The failure of a director, alternate director or officer of the Company to comply with the *Business Corporations Act* or these Articles does not invalidate any indemnity to which he or she is entitled under this Part.

21.5 Company May Purchase Insurance

The Company may purchase and maintain insurance for the benefit of any person (or his or her heirs or legal personal representatives) who:

(1) is or was a director, alternate director, officer, employee or agent of the Company;

(2) is or was a director, alternate director, officer, employee or agent of a corporation at a time when the corporation is or was an affiliate of the Company;

(3) at the request of the Company, is or was a director, alternate director, officer, employee or agent of a corporation or of a partnership, trust, joint venture or other unincorporated entity;

(4) at the request of the Company, holds or held a position equivalent to that of a director, alternate director or officer of a partnership, trust, joint venture or other unincorporated entity;

against any liability incurred by him or her as such director, alternate director, officer, employee or agent or person who holds or held such equivalent position.

22. DIVIDENDS

22.1 Payment of Dividends Subject to Special Rights

The provisions of this Article 22 are subject to the rights, if any, of shareholders holding shares with special rights as to dividends.

22.2 Declaration of Dividends

Subject to the *Business Corporations Act*, the directors may from time to time declare and authorize payment of such dividends as they may deem advisable.

22.3 No Notice Required

The directors need not give notice to any shareholder of any declaration under Article 22.2.

22.4 Record Date

The directors may set a date as the record date for the purpose of determining shareholders entitled to receive payment of a dividend. The record date must not precede the date on which the dividend is to be paid by more than two months. If no record date is set, the record date is 5:00 p.m. on the date on which the directors pass the resolution declaring the dividend.

22.5 Manner of Paying Dividend

A resolution declaring a dividend may direct payment of the dividend wholly or partly by the distribution of specific assets or of fully paid shares or of bonds, debentures or other securities of the Company, or in any one or more of those ways.

22.6 Settlement of Difficulties

If any difficulty arises in regard to a distribution under Article 22.5, the directors may settle the difficulty as they deem advisable, and, in particular, may:

(1) set the value for distribution of specific assets;

(2) determine that cash payments in substitution for all or any part of the specific assets to which any shareholders are entitled may be made to any shareholders on the basis of the value so fixed in order to adjust the rights of all parties; and

(3) vest any such specific assets in trustees for the persons entitled to the dividend.

22.7 When Dividend Payable

Any dividend may be made payable on such date as is fixed by the directors.

22.8 Dividends to be Paid in Accordance with Number of Shares

All dividends on shares of any class or series of shares must be declared and paid according to the number of such shares held.

22.9 Receipt by Joint Shareholders

If several persons are joint shareholders of any share, any one of them may give an effective receipt for any dividend, bonus or other money payable in respect of the share.

22.10 Dividend Bears No Interest

No dividend bears interest against the Company.

22.11 Fractional Dividends

If a dividend to which a shareholder is entitled includes a fraction of the smallest monetary unit of the currency of the dividend, that fraction may be disregarded in making payment of the dividend and that payment represents full payment of the dividend.

22.12 Payment of Dividends

Any dividend or other distribution payable in cash in respect of shares may be paid by cheque, made payable to the order of the person to whom it is sent, and mailed to the address of the shareholder, or in the case of joint shareholders, to the address of the joint shareholder who is first named on the central securities register, or to the person and to the address the shareholder or joint shareholders may direct in writing. The mailing of such cheque will, to the extent of the sum represented by the cheque (plus the amount of the tax required by law to be deducted), discharge all liability for the dividend unless such cheque is not paid on presentation or the amount of tax so deducted is not paid to the appropriate taxing authority.

22.13 Capitalization of Surplus

Notwithstanding anything contained in these Articles, the directors may from time to time capitalize any surplus of the Company and may from time to time issue, as fully paid, shares or any bonds, debentures or other securities of the Company as a dividend representing the surplus or any part of the surplus.

23. DOCUMENTS, RECORDS AND REPORTS

23.1 Recording of Financial Affairs

The directors must cause adequate accounting records to be kept to record properly the financial affairs and condition of the Company and to comply with the *Business Corporations Act*.

23.2 Inspection of Accounting Records

Unless the directors determine otherwise, or unless otherwise determined by ordinary resolution, no shareholder of the Company is entitled to inspect or obtain a copy of any accounting records of the Company.

24. NOTICES

24.1 Method of Giving Notice

Unless the *Business Corporations Act* or these Articles provides otherwise, a notice, statement, report or other record required or permitted by the *Business Corporations Act* or these Articles to be sent by or to a person may be sent by any one of the following methods:

(1) mail addressed to the person at the applicable address for that person as follows:

(a) for a record mailed to a shareholder, the shareholder's registered address;

(b) for a record mailed to a director or officer, the prescribed address for mailing shown for the director or officer in the records kept by the Company or the mailing address provided by the recipient for the sending of that record or records of that class;

(c) in any other case, the mailing address of the intended recipient;

(2) delivery at the applicable address for that person as follows, addressed to the person:

(a) for a record delivered to a shareholder, the shareholder's registered address;

(b) for a record delivered to a director or officer, the prescribed address for delivery shown for the director or officer in the records kept by the Company or the delivery address provided by the recipient for the sending of that record or records of that class;

(c) in any other case, the delivery address of the intended recipient;

(3) sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;

(4) sending the record by email to the email address provided by the intended recipient for the sending of that record or records of that class;

(5) physical delivery to the intended recipient.

24.2 Deemed Receipt of Mailing

A record that is mailed to a person by ordinary mail to the applicable address for that person referred to in Article 24.1 is deemed to be received by the person to whom it was mailed on the day, Saturdays, Sundays and holidays excepted, following the date of mailing.

24.3 Certificate of Sending

A certificate signed by the secretary, if any, or other officer of the Company or of any other corporation acting in that behalf for the Company stating that a notice, statement, report or other record was addressed as required by Article 24.1, prepaid and mailed or otherwise sent as permitted by Article 24.1 is conclusive evidence of that fact.

24.4 Notice to Joint Shareholders

A notice, statement, report or other record may be provided by the Company to the joint shareholders of a share by providing the notice to the joint shareholder first named in the central securities register in respect of the share.

24.5 Notice to Trustees

A notice, statement, report or other record may be provided by the Company to the persons entitled to a share in consequence of the death, bankruptcy or incapacity of a shareholder by:

(1) mailing the record, addressed to them:

(a) by name, by the title of the legal personal representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description; and

(b) at the address, if any, supplied to the Company for that purpose by the persons claiming to be so entitled; or

(2) if an address referred to in paragraph (1)(b) has not been supplied to the Company, by giving the notice in a manner in which it might have been given if the death, bankruptcy or incapacity had not occurred.

25. SEAL AND EXECUTION OF DOCUMENTS

25.1 Who May Attest Seal

Except as provided in Articles 25.2 and 25.3, the Company's seal, if any, must not be impressed on any record except when that impression is attested by the signatures of:

(1) any two directors;

(2) any officer, together with any director;

(3) if the Company only has one director, that director; or

(4) any one or more directors or officers or persons as may be determined by the directors.

25.2 Sealing Copies

For the purpose of certifying under seal a certificate of incumbency of the directors or officers of the Company or a true copy of any resolution or other document, despite Article 25.1, the impression of the seal may be attested by the signature of any director or officer.

25.3 Mechanical Reproduction of Seal

The directors may authorize the seal to be impressed by third parties on share certificates or bonds, debentures or other securities of the Company as they may determine appropriate from time to time. To enable the seal to be impressed on any share certificates or bonds, debentures or other securities of the Company, whether in definitive or interim form, on which facsimiles of any of the signatures of the directors or officers of the Company are, in accordance with the *Business Corporations Act* or these Articles, printed or otherwise mechanically reproduced, there may be delivered to the person employed to engrave, lithograph or print such definitive or interim share certificates or bonds, debentures or other securities one or more unmounted dies reproducing the seal and the chair of the board or any senior officer together with the secretary, treasurer, secretary-treasurer, an assistant secretary, an assistant treasurer or an assistant secretary-treasurer may in writing authorize such person to cause the seal to be impressed on such definitive or interim share certificates or bonds, debentures or other securities by the use of such dies. Share certificates or bonds, debentures or other securities to which the seal has been so impressed are for all purposes deemed to be under and to bear the seal impressed on them.

25.4 Execution of Documents Generally

The directors may from time to time by resolution appoint any one or more persons, officers or directors for the purpose of executing any instrument, document or agreement in the name of and on behalf of the Company for which the seal need not be affixed, and if no such person, officer or director is appointed, then any one officer or director of the Company may execute such instrument, document or agreement.

26. PROHIBITIONS

26.1 Definitions

In this Article 26:

(1) "Canadian" means a person or partnership that is not a Non-Canadian;

(2) "designated security" means:

(a) a voting security of the Company;

(b) a security of the Company that is not a debt security and that carries a residual right to participate in the earnings of the Company or, on the liquidation or winding up of the Company, in its assets; or

(c) a security of the Company convertible, directly or indirectly, into a security described in paragraph (a) or (b);

(3) "Non-Canadian" means a person or partnership that is (i) a non-resident of Canada for the purposes of the *Income Tax Act* (Canada), (ii) a resident of Canada exempt from tax under the *Income Tax Act* (Canada), or (iii) a partnership of which all of the partners are non-residents of Canada for the purposes of the *Income Tax Act* (Canada) and/or residents of Canada exempt from tax under the *Income Tax Act* (Canada);

(4) "security" has the meaning assigned in the *Securities Act* (British Columbia); and

(5) "voting security" means a security of the Company that:

(a) is not a debt security, and

(b) carries a voting right either under all circumstances or under some circumstances that have occurred and are continuing.

26.2 Application

Article 26.3(1) does not apply to the Company if and for so long as it is a public company.

26.3 Restrictions on Subscription and Transfer of Shares or Designated Securities

(1) No share or designated security may be sold, transferred or otherwise disposed of except in compliance with this Article 26.3, Article 27.6, Article 27.9 and Article 28.6, as applicable, and with the consent of the directors and the directors are not required to give any reason for refusing to consent to any such sale, transfer or other disposition.

(2) Prior to any subscription for Class A Shares being accepted and, subject to compliance with Article 27.6, 27.9 and Article 28.6, as applicable, every registration or transfer of Class A Shares effected or recorded on the register of shareholders, the directors may require the proposed shareholder to submit to the Company a declaration, as approved by the board from time to time, indicating that the proposed shareholder is a Canadian and, if any proposed transferee of Class A Shares is a Non-Canadian (or is deemed by the board to be a Non-Canadian) such Class A Shares shall automatically be exchanged for Class B Shares concurrent upon completion of such transfer in accordance with Article 27.10.

(3) The directors may take such actions as are required to ensure that the restrictions on ownership contained in Article 27.9 are not contravened, including, without limitation, one or more of the following actions:

(a) perform searches of shareholder mailing address lists and take such other steps specified by the directors, at the cost of the Company, to determine or estimate to the extent practicable, the Canadian status of the shareholders; and

(b) require declarations from shareholders as to whether such shares are held by or for the benefit of Canadians or declarations from shareholders or others as to the Canadian status of beneficial owners of the shares.

(4) Unless and until the directors shall have been required to do so under the terms of these Articles, the directors shall not be bound to do or take any proceeding or action with respect to this Article 26.3 by virtue of the powers conferred on them hereby. The directors shall have the sole right and authority to make any determination required or contemplated under this Article 26.3 including considering shareholders who do not complete a nationality declaration to be Non-Canadians. The directors shall make all determinations necessary for the administration of the provisions of this Article 26.3. Any such determination shall be conclusive, final and binding except to the extent modified by any subsequent determination by the directors. In any situation where it is unclear whether shares are held for the benefit of Non-Canadians, the directors may exercise their discretion in determining whether such shares are or are not so held, and any such exercise by them of their discretion shall be binding for the purposes of this Article 26.3. Notwithstanding the foregoing, the directors may delegate, in whole or in part, their power to make a determination in this respect to any officer of the Company or such other person or persons to whom the directors may generally delegate their powers and authority.

27. SPECIAL RIGHTS AND RESTRICTIONS – CLASS A COMMON SHARES

27.1 Class A Common Shares

The Class A Common shares (the "**Class A Shares**") shall confer on holder thereof and shall be subject to the special rights and restrictions set out in this Part 27:

27.2 Definitions

In this Article 27:

(1) "Canadian" means a person or partnership that is not a Non-Canadian;

(2) "Claim" means a claim against the Company in accordance with the Plan of Arrangement;

(3) "Class B Shares" has the meaning set forth in Article 28.1;

(4) "Conversion Ratio" means 1.0 as adjusted from time to time pursuant to Article 27.11;

(5) "Distributions" means dividends and returns of capital paid on such class;

(6) "Non-Canadian" means a person or partnership that is (i) a non-resident of Canada for the purposes of the *Income Tax Act* (Canada), (ii) a resident of Canada exempt from tax under the *Income Tax Act* (Canada), or (iii) a partnership of which all of the partners are non-residents of Canada for the purposes of the *Income Tax Act* (Canada) and/or residents of Canada exempt from tax under the *Income Tax Act* (Canada);

(7) "Plan of Arrangement" means the Plan of Compromise and Arrangement of the Company and Ardenton Capital Bridging Inc. dated September 20, 2021, as amended, restated or supplemented from time to time;

(8) "Stapled Share" means a Class A Share issued pursuant to the Plan of Arrangement;

(9) "Transfer" means any sale, transfer, assignment or other disposition; and

(10) "Transferee" means a proposed purchaser or assignee of Stapled Shares.

27.3 Voting Rights

The holders of the Class A Shares will be entitled to receive notice of and to attend any meetings of the shareholders of the Company and, at any meeting of the shareholders of the Company (except meetings at which, pursuant to the *Business Corporations Act*, only the holders of another class or series of shares of the Company are entitled to vote separately as a class or series) will be entitled to one vote in respect of each Class A Share held.

27.4 Distribution Rights

The holders of the Class A Shares shall be entitled to receive all Distributions at such times and in such amounts as the directors of the Company may in their discretion from time to time declare. All Distributions declared by the Company shall be declared in equal or equivalent amounts per share on all outstanding Class A Shares and Class B Shares and the amount of any Distributions paid on the Class A Shares and Class B Shares shall be paid *pro rata* among all the issued and outstanding Class A Shares and Class B Shares provided that the directors of the Company shall have full and absolute discretion as to the form of payment and the allocation, in respect of the portion of a Distribution payable on the Class A Shares and the Class B Shares, as between dividends and returns of capital. For greater certainty, the allocation between dividends and returns

of capital in respect of a Distribution on the Class A Shares may be different than the allocation between dividends and returns of capital in respect of the Distribution on the Class B Shares provided that the aggregate amount of the Distribution per issued and outstanding Class A Share and Class B Share is the same.

27.5 Liquidation Rights

The holders of Class A Shares shall be entitled in the event of any liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the Company, among its shareholders for the purpose of winding-up its affairs, and subject to prior satisfaction of all preferential rights of return of capital on dissolution attached to all shares of other classes of shares of the Company ranking in priority to the Class A Shares in respect of return of capital on dissolution, to share rateably on an equivalent basis, together with the holders of Class B Shares and any other class of shares of the Company ranking equally with the Class A Shares in respect of return of capital, in such assets of the Company as are available for distribution.

27.6 Transfer Restrictions

Subject to compliance with Article 26.3, if any holder of one or more Stapled Shares proposes to Transfer of all or any part of their Stapled Shares, such holder must, as a condition of the Transfer, concurrently assign to the Transferee an equivalent pro rata portion of any Claim such holder has which remains unpaid as to the date of the proposed Transfer, and the Transferee must agree to accept such assignment of the Claim, in each case in writing and in a form acceptable to the Company acting reasonably. The Company shall not be bound by or obligated to recognize any Transfer of Stapled Shares that does not include the assignment of the Claim contemplated in the foregoing sentence.

27.7 Redeemable by Company

Subject to the *Business Corporations Act*, if any holder of a Claim sells to the Company all or any portion of their Claim pursuant to Section 15.5 of the Plan of Arrangement or otherwise, then the Company will redeem an equivalent *pro rata* portion of the Stapled Shares for which such holder is the registered holder, at a price per share equal to the initial issue price of such Stapled Shares (as adjusted to take into account any subdivision, consolidation or other adjustment with respect to such shares) (the "**Redemption Price**"), all as more particularly set forth in Article 27.8.

27.8 Redemption Procedure by Company

If, pursuant to Article 27.7, the Company redeems all or a portion of any Stapled Shares outstanding:

(1) **Deemed Redemption Date** – The date of redemption (the "**Redemption Date**") of the Stapled Shares pursuant Article 27.7 will be deemed to have occurred on the date on which the sale of a Claim by a holder to the Company is, or is deemed to have been, completed.

(2) **Payment** - On the Redemption Date, the Company will pay or cause to be paid to or to the order of the registered holders of the Stapled Shares to be redeemed the Redemption Price for each Stapled Shares to be redeemed on presentation and surrender, at the registered office of the Company or at any other place designated by the Company, of the certificate or certificates (if any) for the Stapled Shares called for redemption. The Stapled Shares will thereupon be deemed to be redeemed and will be cancelled. If only a part of the Stapled Shares represented by any certificate is redeemed, a new certificate for the balance will be issued at the expense of the Company.

(3) **Rights** – From and after the Redemption Date, the holders of the Stapled Shares called for redemption will not be entitled to exercise any of the rights of shareholders in respect thereof unless payment of the Redemption Price for each Stapled Share to be redeemed is not made upon presentation of the share certificates (if any) in accordance with the foregoing provisions, in which case the rights of the holders thereof will remain unaffected until payment of the Redemption Price for each Stapled Shares to be redeemed is made.

(4) **Failure to Present** - If the holders of Stapled Shares fail to present, on the Redemption Date, the certificate or certificates (if any) representing any Stapled Shares to be redeemed, the Company will have the right to deposit the Redemption Price for each Stapled Shares to be redeemed in either a separate account of the Company with a chartered bank or trust company in Canada or with the solicitors for the Company to be held in trust on behalf of the Company and to be paid without interest to or to the order of the respective holders of the Stapled Shares to be redeemed upon presentation and surrender to the Company of the certificate or certificates representing the Stapled Shares to be redeemed. Upon that deposit being made, the Stapled Shares in respect of which the deposit was made will be deemed to be redeemed, will be cancelled and the rights of the holders thereof after the deposit will be limited to receiving without interest their proportionate part of the aggregate Redemption Price deposited less any charges of the chartered bank, trust company or solicitors, as applicable, against presentation and surrender of the certificate or certificates (if any) representing the Stapled Shares to be redeemed held by them respectively.

27.9 Constraints on Ownership

The Class A Shares may only be held, beneficially owned or controlled, directly or indirectly, by Canadians.

27.10 Conversion Rights

(1) Each holder of Class A Shares will have the right (the "**Conversion Right**") at any time to convert all or from time to time any part of such holder's Class A Shares into fully paid Class B Shares at the Conversion Ratio on the following basis:

(a) if a holder of Class A Shares wishes to exercise his, her or its Conversion Right, then he, she or it must give notice (the "**Conversion Notice**") in writing to the Company. The Conversion Notice must specify the number of Class A Shares (the "**Specified Shares**") that the holder delivering the Conversion Notice wishes to be converted, be signed by the registered holder of the Specified Shares and be accompanied by the certificate or certificates, if any, representing the Specified Shares to be converted; and

(b) effective as of the date of the receipt of a duly signed Conversion Notice and accompanying share certificate or certificates, if any, the Company will issue to the holder of the Class A Shares delivering the Conversion Notice a certificate representing fully paid and non-assessable Class B Shares into which such Class A Shares were converted. If less than all the Class A Shares represented by any certificate are converted, then the Company will at its expense promptly issue and deliver a new share certificate to the holder thereof for the balance of the Class A Shares not converted.

(2) If a holder of Class A Shares ceases at any time to be a Canadian, such holder must submit to the Company a declaration indicating that the holder is a Non-Canadian. All of the issued and outstanding Class A Shares held by any holder of Class A Shares who ceases to be a Canadian will immediately and automatically be converted into fully paid and non-assessable Class B Shares at the Conversion Ratio effective as of the date such holder ceased to be a Canadian. Upon any such automatic conversion all share certificates representing such Class A Shares shall instead be deemed to represent the appropriate number of Class B Shares into which such Class A Shares were converted and upon surrender of any such share certificate the Company will issue a new share certificate in the name of such holder representing such appropriate number of Class B Shares.

(3) If a proposed transferee of Class A Shares is a Non-Canadian then all of the Class A Shares proposed to be so transferred will immediately and automatically be converted into fully paid and non-assessable Class B Shares at the Conversion Ratio effective as of the date of such transfer and upon such transfer becoming effective the Company will issue to the transferee a certificate representing instead the appropriate number of Class B Shares.

27.11 Adjustments to Conversion Rights

(1) If at any time the Company subdivides, consolidates or pays a stock dividend on the Class A Shares or the Class B Shares, the Conversion Ratio shall simultaneously be adjusted upon the happening of each such event accordingly.

(2) If at any time and from time to time, the Class B Shares are changed into a different class or classes of shares, whether by reclassification, recapitalization, reorganization, arrangement, amalgamation or merger, then each Class A Share shall thereafter be convertible into the kind and amount of shares and other securities and property receivable upon such change by holders of the number of

Class B Shares into which the Class A Shares could have been converted immediately prior to such change.

28. SPECIAL RIGHTS AND RESTRICTIONS – CLASS B COMMON SHARES

28.1 Class B Common Shares

The Class B Common shares (the "**Class B Shares**") shall confer on holder thereof and shall be subject to the special rights and restrictions set out in this Part 28:

28.2 Definitions

In this Article 28:

(1) "Claim" means a claim against the Company in accordance with the Plan of Arrangement;

(2) "Class A Shares" has the meaning set forth in Article 27.1;

(3) "Distributions" means dividends and returns of capital paid on such class;

(4) "Plan of Arrangement" means the Plan of Compromise and Arrangement of the Company and Ardenton Capital Bridging Inc. dated September 20, 2021, as amended, restated or supplemented from time to time;

(5) "Stapled Share" means a Class B Share issued pursuant to the Plan of Arrangement;

(6) "Transfer" means any sale, transfer, assignment or other disposition; and

(7) "Transferee" means a proposed purchaser or assignee of Stapled Shares.

28.3 Voting Rights

The holders of the Class B Shares will be entitled to receive notice of and to attend any meetings of the shareholders of the Company and, at any meeting of the shareholders of the Company (except meetings at which, pursuant to the *Business Corporations Act*, only the holders of another class or series of shares of the Company are entitled to vote separately as a class or series) will be entitled to one vote in respect of each Class B Share held.

28.4 Distribution Rights

The holders of the Class B Shares shall be entitled to receive all Distributions at such times and in such amounts as the directors of the Company may in their discretion from time to time declare. All Distributions declared by the Company shall be declared in equal or equivalent amounts per share on all outstanding Class B Shares and Class A Shares and the amount of any Distributions paid on the Class A Shares and Class B Shares shall be paid *pro rata* among all the issued and outstanding Class A Shares and Class B Shares provided that the directors of the Company shall

have full and absolute discretion as to the form of payment and the allocation, in respect of the portion of a Distribution payable on the Class A Shares and the Class B Shares, as between dividends and returns of capital. For greater certainty, the allocation between dividends and returns of capital in respect of a Distribution on the Class A Shares may be different than the allocation between dividends and returns of capital in respect of the Distribution on the Class B Shares provided that the aggregate amount of the Distribution per issued and outstanding Class A Share and Class B Share is the same.

28.5 Liquidation Rights

The holders of Class B Shares shall be entitled in the event of any liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the Company, among its shareholders for the purpose of winding-up its affairs, and subject to prior satisfaction of all preferential rights of return of capital on dissolution attached to all shares of other classes of shares of the Company ranking in priority to the Class B Shares in respect of return of capital on dissolution, to share rateably on an equivalent basis, together with the holders of Class A Shares and any other class of shares of the Company ranking equally with the Class B Shares in respect of return of capital, in such assets of the Company as are available for distribution.

28.6 Transfer Restrictions

Subject to compliance with Article 26.3, if any holder of one or more Stapled Shares proposes to Transfer of all or any part of their Stapled Shares, such holder must, as a condition of the Transfer, concurrently assign to the Transferee an equivalent pro rata portion of any Claim such holder has which remains unpaid as to the date of the proposed Transfer, and the Transferee must agree to accept such assignment of the Claim, in each case in writing and in a form acceptable to the Company acting reasonably. The Company shall not be bound by or obligated to recognize any Transfer of Stapled Shares that does not include the assignment of the Claim contemplated in the foregoing sentence.

28.7 Redeemable by Company

Subject to the *Business Corporations Act*, if any holder of a Claim sells to the Company all or any portion of their Claim pursuant to Section 15.5 of the Plan of Arrangement or otherwise, then the Company will redeem an equivalent *pro rata* portion of the Stapled Shares for which such holder is the registered holder, at a price per share equal to the initial issue price of such Stapled Shares (as adjusted to take into account any subdivision, consolidation or other adjustment with respect to such shares) (the "**Redemption Price**"), all as more particularly set forth in Article 28.8.

28.8 Redemption Procedure by Company

If, pursuant to Article 28.7, the Company redeems all or a portion of any Stapled Shares outstanding:

(1) **Deemed Redemption Date** – The date of redemption (the "**Redemption Date**") of the Stapled Shares pursuant Article 28.7 will be deemed to have occurred on the

date on which the sale of a Claim by a holder to the Company is, or is deemed to have been, completed.

(2) **Payment** - On the Redemption Date, the Company will pay or cause to be paid to or to the order of the registered holders of the Stapled Shares to be redeemed the Redemption Price for each Stapled Shares to be redeemed on presentation and surrender, at the registered office of the Company or at any other place designated by the Company, of the certificate or certificates (if any) for the Stapled Shares called for redemption. The Stapled Shares will thereupon be deemed to be redeemed and will be cancelled. If only a part of the Stapled Shares represented by any certificate is redeemed, a new certificate for the balance will be issued at the expense of the Company.

(3) **Rights** – From and after the Redemption Date, the holders of the Stapled Shares called for redemption will not be entitled to exercise any of the rights of shareholders in respect thereof unless payment of the Redemption Price for each Stapled Share to be redeemed is not made upon presentation of the share certificates (if any) in accordance with the foregoing provisions, in which case the rights of the holders thereof will remain unaffected until payment of the Redemption Price for each Stapled Shares to be redeemed is made.

(4) **Failure to Present** - If the holders of Stapled Shares fail to present, on the Redemption Date, the certificate or certificates (if any) representing any Stapled Shares to be redeemed, the Company will have the right to deposit the Redemption Price for each Stapled Shares to be redeemed in either a separate account of the Company with a chartered bank or trust company in Canada or with the solicitors for the Company to be held in trust on behalf of the Company and to be paid without interest to or to the order of the respective holders of the Stapled Shares to be redeemed upon presentation and surrender to the Company of the certificate or certificates representing the Stapled Shares to be redeemed. Upon that deposit being made, the Stapled Shares in respect of which the deposit was made will be deemed to be redeemed, will be cancelled and the rights of the holders thereof after the deposit will be limited to receiving without interest their proportionate part of the aggregate Redemption Price deposited less any charges of the chartered bank, trust company or solicitors, as applicable, against presentation and surrender of the certificate or certificates (if any) representing the Stapled Shares to be redeemed held by them respectively.

SCHEDULE "E"

Plan Implementation Steps

Commencing at the Effective Time, the following steps will occur and be deemed to occur in the order set out below, in each case without any further authorization, act or formality:

a. any agreement between ACC and its current shareholders, including the Shareholders Agreement for the shareholders of Class A Common and Class B Common Shares (2018), the Shareholders Agreement for the shareholders of Class D Common Shares (March 20, 2018) and the Second Amended and Restated Shareholders Agreement for the shareholders of Class A and Class C Common Shares (January 2, 2018), will be terminated without further act or formality;

b. each option, warrant, convertible security or other right to acquire shares of ACC howsoever arising that is issued and outstanding immediately prior to the Effective Time (each an "**ACC Convertible Security**" and collectively, the "**ACC Convertible Securities**") will, without further act or formality, be cancelled without any payment therefor and:

   i. the holder of each ACC Convertible Security shall cease to be the holder of such ACC Convertible Security, and shall cease to have any rights as a holder in respect of such ACC Convertible Security;

   ii. the register maintained by ACC in respect of the applicable ACC Convertible Securities shall be updated to reflect the cancellation of such ACC Convertible Securities and that such holder has ceased to be the holder of such ACC Convertible Securities; and

   iii. all certificates, agreements, grants and other similar instruments relating to the ACC Convertible Securities shall be cancelled and of no further force and effect;

c. the current authorized share structure and articles of ACC shall be amended to create two new classes of unlimited common voting shares, being: (i) the CAN Shares, which will be named the "Class X Common Shares"; and (ii) the Non-CAN Shares, which will be named the "Class Y Common Shares", (together the "**New ACC Common Shares**"), and attach the special rights and restrictions to the New CAN Shares and Non-CAN Shares as set out in Articles 33 and 34, respectively, in the form attached to this Plan as Schedule "C", such revisions will be inserted into the record book of ACC together with the Sanction Order;

d. the notice of articles of ACC will be amended in respect of the alterations made to the authorized share structure and articles of ACC in accordance with Section (c) hereof and the registered and records office for ACC shall execute and file a Form 11 Alteration Notice with BC Registry Services to effect such amendment;

e. each one (1) outstanding Class A Voting Common Share, Class B Non-Voting Common Share, Class C Voting Common Share, Class D Non-Voting Common Share, Class E Common Share, Class F Common Share, Class G Common Share, Class H Common Share and Class I Common Share (collectively, the "**ACC Shares**"), if any, shall be converted into 0.000001 Non-CAN Share (such Non-CAN Shares collectively referred to as the "**Converted Shares**") and:

   i. the central securities register of ACC will be adjusted accordingly and any certificates representing such ACC Shares shall instead represent only the Converted Shares into which such shares have been converted pursuant to this Section (e); and

   ii. the aggregate amount added to the capital account maintained by ACC in respect of its Non-CAN Shares shall be equal to the aggregate capital accounts of the ACC Shares immediately before the conversion contemplated by this Section (e);

f. the current authorized share structure and articles of ACC shall be amended to (i) eliminate all classes and series of shares comprising the ACC Shares and delete the special rights and restrictions attached thereto; (ii) change the identifying name of the CAN Shares to "Class A Common Shares" and the Non-CAN Shares to "Class B Common Shares"; and (iii) amend and restate the articles of ACC in their entirety and replace them with the articles to be in the form attached to this Plan as Schedule "D", and such amended and restated articles of ACC will be inserted into the record book of ACC together with the Sanction Order;

g. the notice of articles of ACC will be amended in respect of the alterations made to the authorized share structure and articles of ACC in accordance with Section (f) hereof and the registered and records office for ACC shall execute and file a Form 11 Alteration Notice with BC Registry Services to effect such amendment;

h. in consideration for the cancellation of the remaining 0.01% of the portion of each ACC Investor Creditor's Proven Claim that is the unpaid principal amount as at the Filing Date and that portion that is accrued but unpaid interest owing under such Proven Claim as at the Filing Date:

   i. each ACC Investor Creditor shall in accordance with the duly executed election (an "**Election**") delivered by such ACC Investor Creditor to ACC on or before the date that is five (5) Business Days before the Plan Implementation Date, receive in accordance with the remainder of this Section (h), either: (A) CAN Shares; or (B) Non-CAN Shares; provided, however, that notwithstanding the foregoing:

      A. an ACC Investor Creditor will not be entitled to elect to receive CAN Shares, and any such Election otherwise made by any such ACC Investor Creditor in respect of any such CAN Shares will be

and will be deemed to be an Election to receive Non-CAN Shares, if such ACC Investor Creditor is (1) a non-resident of Canada, (2) a resident of Canada exempt from tax under the ITA, or (3) a partnership of which all of the partners are non-residents of Canada and/or residents of Canada exempt from tax under the ITA; and

B. each ACC Investor Creditor who has not or has been deemed to have not delivered a valid Election to ACC on or before the date that is five (5) Business Days before the Plan Implementation Date will be deemed to have elected to receive Non-CAN Shares;

ii. each ACC Investor Creditor will, without further act or formality and by or on behalf of each ACC Investor Creditor, be issued the number of New ACC Common Shares of the applicable class determined in accordance with Section (h)(i) hereof as applicable, calculated as follows:

A. each Preferred Securityholder whose investment in ACC was denominated in Canadian dollars will receive 0.010993162 New ACC Common Shares for each dollar of principal and interest contained in their Proven Claim;

B. each Preferred Securityholder whose investment in ACC was denominated in Pounds Sterling will receive such number of New ACC Common Shares for each Pound of principal and interest contained in their Proven Claim as is equal to 0.010993162 of a New ACC Common Share per Canadian dollar equivalent determined on the basis of the exchange rate as of the Filing Date posted on the Bank of Canada website;

C. each Preferred Securityholder whose investment in ACC was denominated in US dollars will receive such number of New ACC Common Shares for each US dollar of principal and interest contained in their Proven Claim equal to 0.010993162 of a New ACC Common Share per Canadian dollar equivalent determined on the basis of the exchange rate as of the Filing Date posted on the Bank of Canada website;

D. each Hybrid Securityholder whose investment in ACC was denominated in Canadian dollars will receive 0.006125897 New ACC Common Shares for each dollar of principal and interest contained in their Proven Claim; and

E. each Hybrid Securityholder whose investment in ACC was denominated in US dollars will receive such number of New ACC Common Shares for each US dollar of principal and interest contained in their Proven Claim as is equal to 0.006125897 of a New

compromised, released, discharged cancelled and barred without consideration in accordance with Section 4.3b of this Plan;

m. except as otherwise provided in Section (h) hereof, each Affected Claim held by ACC Creditors will be compromised in accordance with Section 5.1a of this Plan;

n. each Affected Claim held by ACBI Creditors will be compromised in accordance with Section 5.1b of this Plan;

o. at the Effective Time each director of ACC will, without further act or formality, be deemed to have resigned, and:

   i. such former director will be deemed to have executed and delivered all consents and resignations, statutory or otherwise, required in connection with such resignation; and

   ii. the register of directors will be revised accordingly to reflect such resignation;

p. the size of the board of directors of ACC will be set at seven;

q. each of Andrew Butler, Bill Durham, David Lally, Doug John, Giuseppe DiMassimo, Jed Wood and Robert Maroney will, without further act or formality, be deemed to have been appointed as a director of ACC, and:

   i. each such individual will be deemed to have executed and delivered all consents, statutory or otherwise, required in connection with such appointment; and

   ii. the register of directors will be revised accordingly to reflect such appointments;

r. the notice of articles of ACC will be amended in respect of the alterations made to the board of directors set forth herein and the registered and records office for ACC shall execute and file a Form 10 Director Change with BC Registry Services to effect such amendment;

s. the size of the board of directors of ACBI will be set at three;

t. each of Giuseppe DiMassimo and David Lally will, without further act or formality, be deemed to have been appointed as a director of ACBI, and:

   i. each such individual will be deemed to have executed and delivered all consents, statutory or otherwise, required in connection with such appointment; and

ACC Common Share per Canadian dollar equivalent determined on the basis of the exchange rate as of the Filing Date posted on the Bank of Canada website;

iii. each ACC Investor Creditor will be deemed to have executed and delivered all consents and waivers, statutory or otherwise, required to issue such New ACC Common Shares; and

iv. the central securities register of ACC will be revised accordingly,

notwithstanding the foregoing, in no event shall any ACC Investor Creditor be entitled to a fractional New ACC Common Share. Where the aggregate number of New ACC Common Shares to be issued to an ACC Investor Creditor as consideration under this Plan would result in a fraction of a New ACC Common Share being issuable, the number of New ACC Common Shares to be received by such ACC Investor Creditor shall be rounded down to the nearest whole New ACC Common Share;

i. each Converted Share shall, without further act or formality, be cancelled without any payment therefor and:

i. the holder thereof shall cease to be the holder of such Converted Share, and shall cease to have any rights as a holder in respect of such Converted Share;

ii. the register maintained by ACC in respect of such Converted Share shall be updated to reflect the cancellation of such Converted Share and that such holder has ceased to be the holder of such Converted Share; and

iii. except as otherwise provided in this Schedule "E", all Equity Claims (other than with respect to New ACC Common Shares issued pursuant to Section (h) hereof) shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred on the Plan Implementation Date for no consideration;

j. the post-filing interest that could accrue on the Proven Claims of the ACC Investor Creditors and the ACC Promissory Note Creditor between the Filing Date and the Plan Implementation Date shall be cancelled for no consideration;

k. all D&O Claims against the D&Os (other than Section 5.1(2) D&O Claims and Non-Released D&O Claims) shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred without consideration in accordance with Section 4.3a of this Plan;

l. D&O Indemnity Claims and any other rights or claims for indemnification held by the D&Os (other than in respect of the Continuing D&O Indemnities) shall be deemed to have no value and shall be fully, finally, irrevocably and forever

ii. the register of directors will be revised accordingly to reflect such appointments;

u. the notice of articles of ACBI will be amended in respect of the alterations made to the board of directors set forth herein and the registered and records office for ACC shall execute and file a Form 10 Director Change with BC Registry Services to effect such amendment;

v. ACC and certain of the ACBI Promissory Note Creditors will execute and deliver an agreement pursuant to which ACC, as the sole shareholder of ACBI, agrees to elect to the board of directors of ACBI, the directors nominated by the ACBI Promissory Note Creditors from time to time until the ACBI Promissory Note Creditors are paid in full, and such agreement will, without further act or formality, be deemed to be effective at the Effective Time;

w. the alterations, exchanges, issuances, cancellations, resignations, appointments and other steps provided for in Section (a) through (v) hereof will be deemed to occur in the order so provided in this Schedule "E", notwithstanding that certain of the procedures related thereto are not completed until after the Plan Implementation Date;

x. notwithstanding Section 182(1)(b) of the BCBCA and Section 10.1 of ACC's Articles, ACC may hold its next annual general meeting of shareholders at any time prior to the date 15 months following the Plan Implementation Date; and

y. notwithstanding Section 2.2 of ACC's Articles, all New ACC Common Shares when issued will be issued as uncertificated shares.

APPENDIX "C"
(to the Meetings Order)

Electronic Meetings Protocol

IN THE MATTER OF ARDENTON CAPITAL CORPORATION AND ARDENTON CAPITAL BRIDGING INC. (together, the "**Petitioners**")

TAKE NOTICE that on March 5, 2021, the Petitioners were placed under creditor protection pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c C-36 (the "**CCAA Proceedings**"), by Order of the Supreme Court of British Columbia (the "**CCAA Court**"). KSV Restructuring Inc. was appointed as monitor of the Petitioners in the CCAA Proceedings (in such capacity, the "**Monitor**").

As part of the CCAA Proceedings, the CCAA Court granted an Order (the "**Meetings Order**") authorizing the Monitor to convene, hold and conduct creditors' meetings (the "**Creditors' Meetings**") to consider the consolidated plan of compromise and arrangement (the "**Plan**") submitted by the Petitioners in the CCAA Proceedings. Capitalized terms not otherwise defined herein have the meaning ascribed to them in the Plan, the Meetings Order or the Claims Procedure Order granted by the CCAA Court on March 31, 2021 (the "**Claims Procedure Order**"), as applicable.

The Creditors' Meetings will be held virtually utilizing the LUMI Global Canada[1] ("**LUMI**") platform as follows:

(a) **ACC Creditors' Meeting**: Tuesday, November 2, 2021 (the "**Meetings Date**"), at 10:00 a.m. (Pacific Daylight Time ("**PDT**")) by videoconference accessible via the LUMI platform; and

(b) **ACBI Creditors' Meeting *(which will only be held if the Plan is approved at the ACC Creditors' Meeting in accordance with the Meetings Order)***: Tuesday, November 2, 2021, at 12:00 p.m. (PDT) by videoconference accessible via the LUMI platform.

Only Affected Creditors who have advised the Monitor that they intend to attend the applicable Creditors' Meeting(s) in accordance with paragraph 4 below, by 4:00 p.m. (PDT) on Thursday October 28, 2021 will be provided with the passcode and instructions to participate in the applicable Creditors' Meeting(s).

TECHNOLOGY AND MEETING ETIQUETTE

1. The joining instructions for the LUMI meeting platform and your unique LUMI control number and login password ("**LUMI Credentials**") will be distributed by the Monitor prior to the Creditors' Meetings in accordance with section 5 below. Attending participants are required to learn the LUMI software prior to the Creditors' meetings. LUMI will have

[1] LUMI Global is a multinational provider of virtual Annual General Meeting and Creditor Meeting platform and scrutineer services. LUMI Canada has specific experience conducting and acting as scrutineer for virtual CCAA creditors' meetings.

a representative available prior to and during the Creditors' Meetings to answer questions concerning the LUMI platform and technology.

2. During the Creditors' Meetings, Creditors will be required to leave their microphone on mute until recognized by the Chair. The procedure for asking questions during the meeting is set out in paragraphs 14 to 18 of this protocol.

PRE-MEETING REQUIREMENTS

3. **Proxy cut-off:** All Proxies to be deposited with the Chair in accordance with the Meetings Order must be received by the Monitor to the attention of Jordan Wong at jwong@ksvadvisory.com by 4:00 p.m. (PDT) at least four (4) Business Days preceding the Meetings Date (i.e.: **Wednesday October 27, 2021**). The Monitor will provide you with confirmation of receipt by email. If you have not received a confirmation of receipt of your Proxy by 4:00 p.m. (PDT) two (2) Business Days immediately preceding the Meetings Date (i.e.: Friday, October 29, 2021), you should follow up with the Monitor by email to: Jordan Wong at jwong@ksvadvisory.com and Noah Goldstein at ngoldstein@ksvadvisory.com .

4. **Notice of Intention to Attend**: Parties intending to attend the ACC Creditors' Meeting and/or the ACBI Creditors' Meeting (whether they have delivered a Proxy or not) shall notify the Monitor to the attention of Jordan Wong by email at jwong@ksvadvisory.com by 4:00 p.m. (PDT) at least three (3) Business Days preceding the Meetings Date (i.e.: **Thursday, October 28, 2021**). The Monitor will provide you with email confirmation of receipt. If you have not received a confirmation of receipt by 4:00 p.m. (PDT) two (2) Business Days immediately preceding the Meetings Date (i.e.: Friday, October 29, 2021), please follow up with the Monitor by sending an email to: Jordan Wong at jwong@ksvadvisory.com and Noah Goldstein at ngoldstein@ksvadvisory.com. Creditors attending both the ACC Creditors' Meeting and the ACBI Creditors' Meeting should submit two separate Notices of Intention to Attend to the Monitor.

5. Upon advising Jordan Wong of the Monitor of your intention to attend the ACC Creditors' Meeting and/or the ACBI Creditors' Meeting in accordance with paragraph 4 above, you will receive from Mr. Wong by email: a) your unique LUMI Credentials; b) a link to the applicable Creditors' Meeting; c) meeting instructions, including how to log into the applicable Creditors' Meeting on the LUMI platform, how to cast your vote on the Plan or any motions made during the Creditors' Meeting, how to ask questions during the Creditors' Meeting; and how to navigate the LUMI Creditors' Meeting platform generally; d) a proposed agenda for the applicable Creditors' Meeting, and e) any updated or additional information relevant to the applicable Creditors' Meeting or the Plan, as determined by the Monitor.

6. If you have received a Known Claimant Notice and you did not dispute the amount of your claim or your claim was not contested, the amount of your claim set out in the Known Claimant Notice shall be the value of your Proven Claim for voting purposes. Disputed Claims that have been resolved and Proofs of Claim that have been accepted by the Monitor shall vote their claims in the amount of their Proven Claim.

7. The vote in respect of any unresolved Disputed Claim (each a "**Disputed Claim Vote**") shall have the value ascribed by the Monitor, if any, for voting purposes. The Monitor shall keep a separate record of each Disputed Claim Vote submitted. No Disputed Claim Vote shall be counted for any purpose unless, until, and only to the extent that such Disputed Claim is finally determined to be a Proven Claim (accepted by the Monitor or determined by the Court) in accordance with the Claims Procedure Order.

CONDUCT AT MEETING

Registration

8. The ACC Creditors' Meeting will be open no later than 9:30 a.m. (PDT) so that the registration process can be completed in a timely fashion and not delay the commencement of the ACC Creditors' Meeting. The ACC Creditors' Meeting will begin promptly at 10:00 a.m. (PDT).

9. The ACBI Creditors' Meeting will be open no later than 11:45 a.m. (PDT) so that the registration process can be completed in a timely fashion and not delay the commencement of the ACBI Creditors' Meeting. The ACBI Creditors' Meeting will begin promptly at 12:00 p.m. (PDT).

Calling the Creditors' Meetings to Order

10. Representatives of LUMI shall act as scrutineer during the Creditors' Meetings (in that capacity, the "**Scrutineer**"). The Scrutineer will maintain a list of all attendees at each Creditors' Meeting.

11. When a procedural motion is called for by the Chair, at its own instance, or based on a request for a motion by an Affected Creditor, the Chair will request from the general population of Affected Creditors in attendance at the applicable Creditors' Meeting:

    a. a seconder of the motion;

    b. a call for a vote on the motion utilizing the LUMI platform voting function, by way of ordinary resolution (i.e.; by headcount without regard to dollar value); however, if a motion is either defeated or passed by fewer than 66.67% of the votes cast, the Chair may, in its sole discretion, call for a vote requiring both: (i) a majority in number of Affected Creditors voting on the motion; and (ii) the total Affected Claims voting in favour of the motion represent at least 66.67% in value of the Affected Claims voting on the motion (together, the "**Required Majority of Creditors**"); and

    c. the Chair may invoke such other motion voting processes and procedures as it deems appropriate in the circumstances.

12. The vote of Affected Creditors required to pass a resolution to approve the Plan as it relates to ACC or ACBI will be conducted using the LUMI platform voting function (when activated by the Scrutineer) and shall be decided by the affirmative vote of at least the Required Majority of Creditors in the ACC Creditor Class or the ACBI Creditor Class, respectively (pursuant to section 6 of the CCAA and section 3.2 of the Plan).

13. In all instances, and in respect of all motions and votes, the Chair is authorized to accept ballots and/or votes electronically, by a show of hands, or by such other means as the Chair deems sufficient in the circumstances, and is authorized to modify the procedures set out in this Protocol as may be necessary to more efficiently conduct a Creditors' Meeting.

Questions at the Creditors' Meetings

14. The LUMI platform includes a Q&A feature that allows you to submit questions to the Chair electronically. For the purposes of asking questions at the Creditors' Meetings, please use the LUMI Q&A feature.

15. To the extent possible, the Chair will recognize your interest in asking a question in the following priority:

    a. those that have submitted requests via the LUMI Q&A feature in the order asked; and

    b. those that are unable to register on the LUMI Q&A feature, via a general call for oral questions.

16. Once recognized by the Chair, and before asking your oral question, please state:

    a. your name; and

    b. the Affected Creditor you represent, if applicable.

17. For clarity, you will not be permitted to ask a question orally, or to speak at the Creditors' Meetings unless and until you have been recognized by the Chair.

18. At all times during a Creditors' Meeting the Chair shall be entitled to mute or terminate the participation of any disruptive attendee.

POST-MEETING REPORTING

19. The Monitor shall, as soon as practicable following the Creditors' Meetings, provide a report that includes:

    a. a summary of all motions called at the Creditors' Meetings;

    b. the Scrutineer's report(s) on the result of the votes on each motion, including the motions to vote on the Plan; and

c. such further and other information as determined by the Monitor to be necessary.

The report will be available on the Monitor's Website at: https://www.ksvadvisory.com/insolvency-cases/case/ardenton-capital-corporation.

A copy of all Orders of the CCAA Court, Plan documents, forms and other pertinent materials in the CCAA Proceedings can be obtained by contacting Jordan Wong at jwong@ksvadvisory.com or Noah Goldstein at ngoldstein@ksvadvisory.com or by visiting the Monitor's Website: https://www.ksvadvisory.com/insolvency-cases/case/ardenton-capital-corporation

KSV Restructuring Inc.
In its capacity as Monitor of the Petitioners,
and not in its personal or corporate capacity

APPENDIX "D"
(to the Meetings Order)

Newspaper Notice of Meetings

RE: NOTICE OF CREDITORS' MEETING REGARDING ARDENTON CAPITAL CORPORATION ("ACC") PURSUANT TO THE *COMPANIES' CREDITORS ARRANGEMENT ACT*

AND RE: NOTICE OF CREDITORS' MEETING REGARDING ARDENTON CAPITAL BRIDGING INC. ("ACBI") PURSUANT TO THE *COMPANIES' CREDITORS ARRANGEMENT ACT*

PLEASE TAKE NOTICE that on March 5, 2021, ACC and ACBI (together, the "**Petitioners**") sought and obtained protection under the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36 pursuant to an initial order (the "**Initial Order**") of the Supreme Court of British Columbia (the "**CCAA Court**"). Pursuant to the Initial Order, KSV Restructuring Inc. was appointed as monitor of the Petitioners (in such capacity, the "**Monitor**").

On October 1, 2021 the CCAA Court granted an order (the "**Meetings Order**") authorizing the holding of: (i) a meeting of ACC's creditors (the "**ACC Creditors' Meeting**") and (ii) a meeting of ACBI's creditors (the "**ACBI Creditors' Meeting**" and together with the ACC Creditors' Meeting, the "**Creditors' Meetings**") for the purpose of voting on the Petitioners' plan of compromise and arrangement, as may be amended from time to time (the "**Plan**").

The ACC Creditors' Meeting will take place at 10:00 a.m. (Pacific Daylight Time) on November 2, 2021. The ACC Creditors' Meeting will be held virtually and will be chaired by the Monitor.

If the Plan is approved at the ACC Creditors' Meeting in accordance with the Meetings Order, then the ACBI Creditors' Meeting will take place at 12:00 p.m. (Pacific Daylight Time) on November 2, 2021. The ACBI Creditors' Meeting will be held virtually and will be chaired by the Monitor.

Further details regarding the Creditors' Meetings, including copies of the Meetings Order, the Plan, the Electronic Meetings Protocol for the virtual Creditors' Meetings, a plan information letter prepared by the Petitioners, and the form of proxy to be used for the purpose of voting on the Plan are all available on the Monitor's website: https://www.ksvadvisory.com/insolvency-cases/case/ardenton-capital-corporation.

DATED at Vancouver, this 4th day of October, 2021.

APPENDIX "E"
(to the Meetings Order)

Plan Information Letter

No: S21198
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 ARDENTON CAPITAL CORPORATION AND ARDENTON CAPITAL BRIDGING INC.

PETITIONERS

PLAN INFORMATION LETTER

On March 5, 2021 (the "**Filing Date**"), Ardenton Capital Corporation ("**ACC**") and Ardenton Capital Bridging Inc. ("**ACBI**" and together with ACC, the "**Petitioners**") sought and obtained an initial order (the "**Initial Order**") from the Supreme Court of British Columbia (the "**CCAA Court**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36, as amended (the "**CCAA**"). Among other things, the Initial Order appointed KSV Restructuring Inc. as monitor of the Petitioners (in such capacity, the "**Monitor**").

On October 1, 2021, the CCAA Court granted an order (the "**Meetings Order**"), *inter alia*, authorizing the Petitioners to file a plan of compromise and arrangement pursuant to the CCAA (the "**Plan**"). This Plan Information Letter ("**Information Letter**") provides a summary of certain information contained in the Plan and the Meetings Order. **This summary is qualified in its entirety by the more detailed information appearing in the Plan and the Meetings Order. This Information Letter is not a substitution to the Plan or the Meetings Order and as such, creditors should carefully read the Plan and the Meetings Order in their entirety. In the event of any conflict between the contents of this Information Letter and the provisions of the Plan or the Meetings Order, the provisions of the Plan or the Meetings Order govern. Information contained in this Information Letter should not be construed as legal, tax or financial advice to any particular Affected Creditor, and Affected Creditors are urged to consult their own professional advisors in connection with the matters considered in this Information Letter, the Plan and the Meetings Order.**

Capitalized words and terms not otherwise defined in this Information Letter have the meaning ascribed to them in the Plan or the Meetings Order, as applicable.

Purpose of the Plan: The purposes of the Plan are to: (a) restructure the Affected Claims and effect the Distributions to Affected Creditors provided for under the Plan; (b) effect a full, final and irrevocable release and discharge of certain Claims against the Petitioners' D&Os; (c) establish a new board of directors of ACC; and (d) amend and reconstitute the share capital of ACC, including the issuance of new shares to ACC Investor Creditors.

Classification of Creditors: For the purposes of considering and voting on the Plan, there shall be two (2) separate classes of creditors consisting of the ACC Creditors (the "**ACC Creditor Class**") and the ACBI Creditors (the "**ACBI Creditor Class**", and together with the ACC Creditor Class, the "**Affected Creditor Classes**").

Creditors' Meetings: Pursuant to the Meetings Order, the Creditors' Meetings have been called for the purposes of having Affected Creditors holding Affected Claims and/or Disputed Claims consider and vote on the Plan.

In accordance with the Meetings Order, the Petitioners, with the assistance of the Monitor, will call, hold and conduct the following Creditors' Meetings: (a) a meeting of the ACC Creditor Class (the "**ACC Creditors' Meeting**") on November 2, 2021 (the "**Meetings Date**"), at 10:00 a.m. PDT by videoconference, for the purpose of considering and voting on the ACC resolution to approve the Plan; and (b) thereafter, and conditional upon the approval of the Plan by the Required Majority of Creditors of the ACC Creditor Class having been obtained at the ACC Creditors' Meeting, a meeting of the ACBI Creditor Class (the "**ACBI Creditors' Meeting**") on the Meetings Date, at 12:00 p.m. PDT by videoconference, for the purpose of considering and voting on the ACBI resolution to approve the Plan.

The ACC Creditors' Meeting and the ACBI Creditors' Meeting will be held in accordance with the Meetings Order and any further order of the CCAA Court. The only Persons entitled to attend and speak at each of the Creditors' Meetings are: (a) Affected Creditors or their Proxy; (b) representatives from the Petitioners; (c) representatives of the Monitor; (d) the Chair; (e) any other person invited to attend by the Chair; and (f) legal counsel to any Person entitled to attend the Creditors' Meetings, including for greater certainty, legal counsel to the Investor Committee.

A designated representative of the Monitor shall preside as the Chair of each of the Creditors' Meetings and, subject to the Meetings Order and any further order of the CCAA Court, the Monitor (prior to the applicable Creditors' Meetings) and the Chair (during the Creditors' Meetings) shall decide all matters relating to the conduct of each of the Creditors' Meetings. At the Creditors' Meetings, the Chair shall direct the votes with respect to the resolutions and any amendments, variations or supplements to the Plan that are made in accordance with the terms thereof.

The quorum of Affected Creditors for each of the Creditors' Meetings shall be one (1) voting Affected Creditor present in person or by Proxy and entitled to vote at the applicable Creditors' Meeting in respect of

each of ACC and ACBI. If the requisite quorum is not present at either of the Creditors' Meetings for one or both of the Affected Creditor Classes, then the Creditors' Meeting addressing that portion of the Plan shall be adjourned, postponed or otherwise rescheduled by the Chair to such date, time, and place as the Monitor deems necessary or desirable. The Chair shall decide on the manner of giving notice to the applicable Affected Creditor Class of any rescheduled Creditors' Meetings and may, if he or she deems it appropriate, restrict such notice to a notice posted on the Monitor's Website.

Entitlement to Vote:

The only Persons entitled to vote at the Creditors' Meetings shall be Affected Creditors and their Proxy holders. Holders of Equity Claims or Unaffected Claims are not entitled, in such capacity, to attend the Creditors' Meetings or vote on the Plan.

Affected Creditors holding Affected Claims

For the purposes of counting and tabulating the votes at each of the Creditors' Meetings, each ACC Creditor will be entitled to one (1) vote in respect of the portion of the plan which relates to ACC, and each ACBI Creditor will be entitled to one (1) vote in respect of that portion of the Plan that relates to ACBI. The value attributed to each vote (for the purpose of determining the Required Majority of Creditors) by an ACC Creditor or an ACBI Creditor is equal to the Canadian dollar value of the portion of such Affected Creditor's Affected Claim against ACC or ACBI as of the Filing Date, as applicable. The voting rights with respect to Affected Claims filed in currencies other than in Canadian dollars will be calculated by the Petitioners at the daily exchange rate quoted by the Bank of Canada for exchanging such currency from Canadian dollars as at the Filing Date.

Affected Creditors holding Disputed Claims

At each of the Creditors' Meetings, each Affected Creditor with a Disputed Claim against ACBI and each Affected Creditor with a Disputed Claim against ACC shall be entitled to one (1) vote on the Plan in respect of ACBI and ACC, respectively. The vote of any Disputed Claim against ACC or ACBI shall have the value accepted by the Monitor, if any, for voting purposes. For each Disputed Claim, the Monitor shall keep a separate record of votes cast by each Affected Creditor holding Disputed Claims. The votes cast in respect of any Disputed Claim shall not be counted for any purpose unless, until and only to the extent that such Disputed Claim is finally determined to be a Proven Claim in accordance with the Claims Procedure Order.

Holders of Unaffected Claims

No holder of an Unaffected Claim will be entitled to vote on the Plan in respect of such Unaffected Claim.

Appointment of Proxyholders and Voting:

Any Proxy must be received by the Monitor by no later than 4:00 p.m. PDT on the date that is four (4) Business Days prior to the applicable Creditors' Meeting (or any adjournment thereof), provided that the Monitor may waive strict compliance with the time limits imposed for receipt of a Proxy if deemed advisable to do so by the Monitor, in consultation with the Petitioners.

If a duly signed and returned Proxy does not provide an instruction to vote for or against the approval of the resolution on the Plan, the Proxy will be deemed to include an instruction to vote for the approval of the resolution and the Plan, provided that the Proxy holder does not otherwise exercise its right to vote at the Meeting.

Treatment of Affected Claims:

Pursuant to the Plan, the Affected Claims of ACC Creditors and ACBI Creditors will be restructured at the Effective Time and entitled to the treatment prescribed by the Plan, which is summarized below.

Affected Claims held by ACC Creditors

At the Effective Time, each Affected Claim held by ACC Creditors will be restructured and:

i. in respect of the ACC General Creditors, each ACC General Creditor will thereafter have a continuing non-interest bearing claim against ACC in the amount of its Proven Claim in respect of which such ACC General Creditors shall be entitled to payments from ACC Cash Available for Distribution to be made *pro rata* among the ACC General Creditors, up to the amount of each ACC General Creditor's Proven Claim, and in priority to distributions to the ACC Investor Creditors (the "**ACC Level 1 Distributions**");

iii. in respect of the ACC Investor Creditors, each ACC Investor Creditor will thereafter receive the following entitlement(s) in respect of their Proven Claims, as applicable:

1. **Preferred Securities Pre-filing Principal**: Each Preferred Securityholder shall have a continuing non-interest bearing claim against ACC for the portion of its Proven Claim that is the unpaid principal amount owing under such Preferred Securityholder's Proven Claim in respect of its Preferred Securities as at the Filing Date in respect of which such Preferred Securityholder shall be entitled to: (i) as to 0.01% of such amount, the issuance of equity in ACC as of the Plan Implementation Date, as further described in Schedule "E" of the Plan; and (ii) as to the remaining 99.99% of such amount, payments from time to time following the Plan Implementation Date from ACC Cash Available for Distribution ("**ACC Level 2 Distributions**"), which payments shall be fully subordinate and rank behind the ACC Level 1 Distributions (and for greater certainty in priority to each of the ACC Level 3 Distributions, ACC Level 4 Distributions and ACC Level 5 Distributions), such Distributions to be made *pro rata* among each of the Preferred Securityholders based on the unpaid principal amount owing under each such Preferred Securityholder's Proven Claim in respect of its Preferred Securities as at the Filing Date.

2. **Preferred Securities Pre-filing Interest**: Each Preferred Securityholder shall have a continuing non-interest bearing claim against ACC in respect of the portion of its Proven Claim that is accrued but unpaid interest owing under such Preferred Securityholder's Proven Claim in respect of its Preferred Securities as at the Filing Date in respect of which such Preferred Securityholder shall be entitled to: (i) as to 0.01% of such amount, the issuance of equity in ACC as of the Plan Implementation Date, as further described in Schedule "E" of the

Plan; and (ii) as to the remaining 99.99% of such amount, payments from time to time following the Plan Implementation Date from ACC Cash Available for Distribution ("**ACC Level 3 Distributions**"), which payments shall be fully subordinate and rank behind each of the ACC Level 1 Distributions and ACC Level 2 Distributions (and for greater certainty in priority to each of the ACC Level 4 Distributions and ACC Level 5 Distributions), such Distributions to be made *pro rata* among each of the Preferred Securityholders based on the accrued but unpaid interest owing under each such Preferred Securityholder's Proven Claim in respect of its Preferred Securities as at the Filing Date.

3. **Hybrid Securities Pre-filing Principal**: Each Hybrid Securityholder shall have a continuing non-interest bearing claim against ACC for the portion of its Proven Claim that is the unpaid principal amount owing under such Hybrid Securityholder's Proven Claim in respect of its Hybrid Securities as at the Filing Date in respect of which such Hybrid Securityholder shall be entitled to: (i) as to 0.01% of such amount, the issuance of equity in ACC as of the Plan Implementation Date, as further described in Schedule "E" of the Plan; and (ii) as to the remaining 99.99% of such amount, payments from time to time following the Plan Implementation Date from ACC Cash Available for Distribution ("**ACC Level 4 Distributions**"), which payments shall be fully subordinate and rank behind the payment in full of each of the ACC Level 1 Distributions, ACC Level 2 Distributions and ACC Level 3 Distributions (and for greater certainty, in priority to each of the ACC Level 5 Distributions), such Distributions to be made *pro rata* among each of the Hybrid Securityholders based on the unpaid principal amount owing under each such Hybrid Securityholder's Proven Claim in respect of its Hybrid Securities as at the Filing Date.

4. **Hybrid Securities Pre-filing Interest**: Each Hybrid Securityholder shall have a continuing non-interest bearing claim against ACC in respect of the portion of its Proven Claim that is accrued but unpaid interest owing under such Hybrid Securityholder's Proven Claim in respect of its Hybrid Securities as at the Filing Date in respect of which such Hybrid Securityholder shall be entitled to: (i) as to 0.01% of such amount, the issuance of equity in ACC as of the Plan Implementation Date, as further described in Schedule "E" of the Plan; and (ii) as to the remaining 99.99% of such amount, payments from time to time following the Plan Implementation Date from ACC Cash Available for Distribution ("**ACC Level 5 Distributions**"), which payments shall be fully subordinate and rank behind the payment in full of each of the ACC Level 1 Distributions, ACC Level 2 Distributions, ACC Level 3 Distributions and ACC Level 4 Distributions, such Distributions to be made *pro rata* among each of the Hybrid Securityholders based on the accrued but unpaid interest owing under each such Hybrid Securityholder's Proven Claim in respect of its Hybrid Securities as at the Filing Date.

Affected Claims held by ACBI Creditors

At the Effective Time, each Affected Claim held by ACBI Creditors will be restructured and:

i. **ACBI Creditors Principal**: Each ACBI Creditor shall have a continuing non-interest bearing claim against ACBI in respect of the principal amount of its Proven Claim against ACBI as at the Filing Date, with a corresponding priority, in respect of which such ACBI Creditor shall be entitled to payments from ACBI Cash Available for Distribution ("**ACBI Level 1 Distributions**"), which payments shall rank in priority to ACBI Level 2 Distributions and ACBI Level 3 Distributions, such Distributions to be made *pro rata* among each of the ACBI Creditors based on the principal amount of each such ACBI Creditor's Proven Claim against ACBI as at the Filing Date.

ii. **ACBI Creditors Pre-filing Interest**: Each ACBI Creditor shall have a continuing non-interest bearing claim against ACBI for the portion of its Proven Claim that is accrued but unpaid interest (calculated at the applicable contractual rate(s) on the portion of the Proven Claim against ACBI that is the principal amount) owing under such ACBI Creditor's Proven Claim against ACBI as at the Filing Date in respect of which such ACBI Creditor shall be entitled to payments from ACBI Cash Available for Distribution ("**ACBI Level 2 Distributions**"), which payments shall be fully subordinate and rank behind the ACBI Level 1 Distributions (and for greater certainty in priority to the ACBI Level 3 Distributions), such Distributions to be made *pro rata* among each of the ACBI Creditors based on the accrued but unpaid interest owing under each such ACBI Creditor's Proven Claim against ACBI as at the Filing Date.

iii. **ACBI Creditors Post-filing Interest**: Each ACBI Creditor shall have a continuing claim against ACBI in respect of the portion of its Proven Claim against ACBI that is accrued but unpaid interest (calculated at the applicable contractual rate(s) on the portion of the Proven Claim against ACBI that is the principal amount) for the period from and after the Filing Date to the date of payment in full in respect of the principal amount of the ACBI Level 1 Distributions, in respect of which such ACBI Creditor shall be entitled to Distributions from ACBI Cash Available for Distribution ("**ACBI Level 3 Distributions**") on account of post-filing interest, such Distributions shall be fully subordinate and rank behind the payment in full of each of the ACBI Level 1 Distributions and the ACBI Level 2 Distributions, such Distributions to be made *pro rata* among each of ACBI Creditors based on the accrued but unpaid interest owing under each such ACBI Creditor's Proven Claim for the period from and after the Filing Date to the date of payment in full in respect of the principal amount of the ACBI Level 1 Distributions.

Disputed Claims

An Affected Creditor with a Disputed Claim shall not be entitled to receive a Distribution under the Plan in respect thereof until and unless such Disputed Claim becomes a Proven Claim in accordance with the Claims Procedure Order and the Plan.

Treatment of Unaffected Claims:	The Plan does not compromise, release, discharge, cancel, bar or otherwise affect any Unaffected Claims. No holder of an Unaffected Claim shall be entitled to vote on or receive any Distributions under the Plan in respect of such Unaffected Claim. Unaffected Claims include: (a) any right or claim of any Person that may be asserted or made in whole or in part against either of the Petitioners in connection with any indebtedness, liability or obligation of any kind which arose in respect of obligations incurred on or after the Filing Date, and any interest thereon, including any obligation of the Petitioners to creditors who have supplied or shall supply services, utilities, goods or materials or who have or shall have advanced funds to the Petitioners on or after the Filing Date, but only to the extent of their claims in respect of the supply of such services, utilities, goods, materials or funds arising on or after the Filing Date, which excludes all Affected Claims, other than Restructuring Claims and D&O Insurance Claims; (b) any Claims relating to Continuing D&O Indemnities; (c) any Claims of Secured Creditors; (d) any Claims of the Petitioners as against each other; (e) all Non-Released D&O Claims (as defined below); (f) Section 5.1(2) D&O Claims (which shall be subject to the limitations set out in the Plan); (g) any Claims that are not permitted to be compromised under section 19(2) of the CCAA; and (h) any Claims in respect of payments referred to in sections 6(3), 6(5) and 6(6) of the CCAA. Subject to the provisions of the Plan, Unaffected Claims shall be dealt with in accordance with the existing arrangements between the Petitioners and the holders of such Unaffected Claims in effect on the Filing Date or such other arrangement as may be mutually agreed between the applicable parties. Nothing in the Plan shall affect the Petitioners' rights and defences, both legal and equitable, with respect to any Unaffected Claims, including any rights with respect to legal and equitable defences or entitlements to set-offs or recoupments against such Unaffected Claims.
Releases:	At the Effective Time, except as otherwise provided in the Plan or in the Sanction Order (as defined below), the Monitor, its legal counsel and the CRO shall be released from any and all Claims, obligations, rights, Causes of Action and liabilities which any Person may be entitled to assert, whether for tort, contracts, violation of Applicable Laws or otherwise, whether known or unknown, foreseen or unforeseen, existing or thereafter arising, based in whole or in part upon any act or omission, transaction or other occurrence taking place on or before the Effective Time, including the negotiation, solicitation, confirmation and consummation of the Plan; provided, however, that nothing shall release the Monitor, its legal counsel or the CRO from any Claims, obligations, Causes of Action or liabilities which arise out of the Monitor's, its legal counsel's or the CRO's fraud, gross negligence, or wilful misconduct.

Non-Released D&O Claims: The Plan does not compromise, discharge, release, cancel or bar any D&O Claims against the D&Os of the Petitioners for fraud and/or criminal conduct (the "**Non-Released D&O Claims**"). From and after the Plan Implementation Date, a Person may only commence an action for a Non-Released D&O Claim against a D&O if such Person has first obtained (a) the consent of the Monitor or (b) the leave of the CCAA Court on notice to the applicable D&Os, Petitioners, Monitor and any applicable insurers.

Creditor Approval of Plan: The portions of the Plan relating to ACC and to ACBI will be approved independently of each other if: (a) a majority in number of each class of Affected Creditors voting vote in favour of the Plan; and (b) the total Affected Claims voting in each class of Affected Creditors in favour of the Plan represent at least 66.67% in value of the Affected Claims voting on the Plan (together, the "**Required Majority of Creditors**").

The Plan, insofar as it relates to ACC, is required to be accepted by the Required Majority of Creditors of the ACC Creditors, and, insofar as it relates to ACBI, is required to be accepted by the Required Majority of the ACBI Creditors and ACC Creditors.

Court Approval of Plan: If the Plan is approved by the Required Majority of Creditors of the ACC Creditor Class or the Required Majority of Creditors of both the ACC Creditor Class and the ACBI Creditor Class, the Petitioners will bring an application (the "**Sanction Order Application**") for an order sanctioning the Plan pursuant to the CCAA no later than November 19, 2021 (the "**Sanction Order**") or as soon thereafter as the matter can be heard.

Any party who wishes to oppose the Sanction Order Application shall serve on counsel for the Petitioners, counsel for the Monitor, and all parties on the Service List, at least three (3) Business Days prior to the Sanction Order Application return date (or such other later date as the Monitor may direct): (a) an application response in the form prescribed by the British Columbia *Supreme Court Civil Rules* setting out the basis for such opposition; and (b) a copy of the materials to be relied upon to oppose the Sanction Order Application.

Affected Creditors should consult with their legal advisors with respect to the legal rights available to them in relation to the Plan and the Sanction Order Application.

Conditions to Implementation of the Plan: The implementation of the Plan is subject to the satisfaction of the following conditions:

(a) the Plan shall have been approved by:

a. the Required Majority of Creditors of the ACC Creditors; and

b. in the case of that portion of the Plan relating to the ACBI Creditors, the Required Majority of Creditors of the ACBI Creditors;

(b) the Sanction Order shall have been granted by the CCAA Court in a form acceptable to the Monitor and the Investor Committee and shall be in full force and effect and not reversed, stayed, varied, modified or amended;

(c) all applicable appeal periods in respect of the Sanction Order shall have expired and, in the event of an appeal or application for leave to appeal, final determination thereof shall have been made by the applicable appellate court;

(d) all approvals, orders, determinations or consents required pursuant to Applicable Law, if applicable, shall have been obtained on terms and conditions satisfactory to the Monitor, acting reasonably, and shall remain in full force and effect at the Effective Time;

(e) all agreements, resolutions, documents and other instruments which are necessary to be executed and delivered by the Petitioners or the Monitor in order to implement the Plan and perform the Petitioners' obligations under the Plan shall have been executed and delivered;

(f) no action shall have been instituted and be continuing as at the Effective Time for an injunction to restrain, a declaratory judgment in respect of, or damages on account of, or relating to, the Plan;

(g) the Petitioners shall have entered into the RCM Exit Facility on terms acceptable to the Monitor and the Investor Committee, acting reasonably; and

(h) the Petitioners shall have obtained director and officer insurance acceptable to the Monitor and the Investor Committee for the period commencing on the Effective Date.

Each of the foregoing conditions may be waived in whole or in part with the joint approval of the Petitioners, the Monitor and the Investor Committee (except in the case of (a) and (b) above) at or before the Effective Time.

Plan Amendment:

Pursuant to the Plan, the Petitioners, with the consent of the Monitor, reserve the right to file any variation or modification of, or amendment or supplement to, the Plan by way of a supplementary or amended and restated plan or plans of compromise or arrangement or both filed with the CCAA Court at any time or from time to time prior to the commencement of the Creditors' Meetings. Any such supplementary or amended and restated plan or plans of compromise or arrangement or both shall, for all purposes, be deemed to be a part of and incorporated into the Plan. Any such variation, modification, amendment or supplement shall be posted on the Monitor's Website on the day on which it is filed with the CCAA Court and notice of same will be provided to the parties on the Service List. ***Affected Creditors are advised to check the Monitor's Website regularly***. Affected Creditors in attendance at the Creditors' Meetings will also be advised of any

supplement or amendment made to the Plan.

In addition, the Petitioners, with the consent of the Monitor, may propose a variation, modification of or amendment or supplement to the Plan during the Creditors' Meetings, provided that notice of such variation, modification, amendment or supplement is given to all Affected Creditors entitled to vote who are present in person or by Proxy at the Creditors' Meetings prior to the vote being taken at the first Creditors' Meetings, in which case, if approved, any such variation, modification, amendment or supplement shall, for all purposes, be deemed to be part of the Plan. Any variation, amendment, modification or supplement at the Creditors' Meetings will be promptly posted on the Monitor's Website and filed with the CCAA Court as soon as practicable following the Creditors' Meetings.

After the Creditors' Meetings (and both prior to and subsequent to the obtaining of the Sanction Order), the Petitioners, with the consent of the Monitor, may at any time and from time to time vary, amend, modify or supplement the Plan without the need for obtaining an Order of the CCAA Court or providing notice to the Affected Creditors, if the Petitioners, acting reasonably and in good faith, determine that such variation, amendment, modification or supplement is of a technical or administrative nature that would not be materially prejudicial to the interests of any of the Affected Creditors under the Plan and is necessary in order to give effect to the substance of the Plan or the Sanction Order.

Timing of Plan Implementation:

It is anticipated that the Plan will be implemented in accordance with the following timetable:

November 2, 2021	ACC Creditors' Meeting at 10:00 a.m. PDT
November 2, 2021	ACBI Creditors' Meeting at 12:00 p.m. PDT
November 19, 2021	Sanction Hearing

APPENDIX "F"
(to the Meetings Order)

Form of Proxy

File No. S-211985
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 ARDENTON CAPITAL CORPORATION AND ARDENTON CAPITAL BRIDGING INC.

PETITIONERS

PROXY

RE: PLAN OF COMPROMISE AND ARRANGEMENT OF ARDENTON CAPITAL CORPORATION AND ARDENTON CAPITAL BRIDGING INC.

Before completing this Proxy, please read carefully the accompanying Instructions for Completion of Proxy attached hereto as Schedule "A".

All capitalized terms used herein and not otherwise defined have the meaning ascribed to them in the plan of compromise and arrangement of Ardenton Capital Corporation ("**ACC**") and Ardenton Capital Bridging Inc. ("**ACBI**"), dated September 20, 2021, as may be amended from time to time (the "**Plan**") and filed pursuant to the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36 (the "**CCAA**").

THIS PROXY MUST BE COMPLETED, SIGNED AND RETURNED BY THE RECIPIENT TO ACC's AND ACBI'S COURT-APPOINTED MONITOR, KSV RESTRUCTURING INC., AT THE ADDRESS PROVIDED IN THE INSTRUCTIONS FOR COMPLETION OF PROXY BY NO LATER THAN 4:00 P.M. (PACIFIC DAYLIGHT TIME) ON OCTOBER 27, 2021. NO PROXY WILL BE ACCEPTED BY THE CHAIR AFTER THIS TIME.

THE UNDERSIGNED AFFECTED CREDITOR revokes all proxies previously given and hereby nominates, constitutes and appoints:

A. _____ (the "**Named Nominee**"),

B. Noah Goldstein of KSV Restructuring Inc., in its capacity as Court-appointed monitor of ACC and ACBI (in such capacity, the "**Monitor**"), or such person as the Monitor may designate, in its sole and absolute discretion, with the power of substitution (the "**Deemed Nominee**"), as nominee of the Affected Creditor to exercise all voting rights and any rights ancillary thereto, which are necessary to permit the Named Nominee or the Deemed Nominee, as applicable, to vote the value of the undersigned Affected Creditor's Affected Claim(s) (as determined pursuant to the Claims Procedure Order) at the Creditors' Meetings held to consider and vote on the Plan, and any other matters that may be put before the Creditors' Meetings, as follows:

1. (a)

   [ ] VOTE FOR approval of the Plan in respect of ACC; or

   [ ] VOTE AGAINST approval of the Plan in respect of ACC; or

   [ ] NOT APPLICABLE (I am not a creditor of ACC); and

1. (b)

   [ ] VOTE FOR approval of the Plan in respect of ACBI; or

   [ ] VOTE AGAINST approval of the Plan in respect of ACBI; or

   [ ] NOT APPLICABLE (I am not a creditor of ACBI); and

2. [ ] Vote and otherwise act at the discretion of the Named Nominee or Deemed Nominee, as applicable, for and on behalf of the Affected Creditor in respect of any variations, amendments, modifications or supplements to the Plan and to any other matters that may come before the Creditors' Meetings.

   If this Proxy is submitted and a box is not marked as a vote for or against approval of the Plan, this Proxy shall be voted FOR approval of the Plan.

   If this Proxy is submitted with both boxes marked, this Proxy shall be voted FOR approval of the Plan.

   DATED this _____ day of _____, 2021

_____ Per: _____

Witness Signature Print Name of Creditor

(only applicable if Creditor is an individual)

_____

Signature of Affected Creditor or, if the Affected Creditor is a corporation, signature of the authorized signing officer of the corporation

_____

Mailing Address of Affected Creditor

_____

Email Address of Affected Creditor

_____

Phone Number of Affected Creditor

SCHEDULE "A"
INSTRUCTIONS FOR COMPLETION OF PROXY

1. Each Affected Creditor who has a right to vote at one or both of the Creditors' Meetings has the right to appoint a Nominee (who need not be an Affected Creditor) to attend, act and vote for and on behalf of the Affected Creditor at the applicable Creditors' Meetings, or any adjournment thereof, and such right may be exercised by inserting in the space provided the name of the person to be appointed.

2. If no person is named as the Nominee in the space provided above to act as proxy for the Affected Creditor, Noah Goldstein of KSV Restructuring Inc., in its capacity as Monitor of ACC and ACBI, or such person as the Monitor may designate, shall be deemed to be appointed as the Deemed Nominee for the Affected Creditor.

3. If a Nominee or a Deemed Nominee is appointed or deemed to be appointed to act as proxy for the Affected Creditor and the said Affected Creditor fails to indicate on this Proxy a vote for or against approval of the Plan, this Proxy will be voted FOR approval of the Plan.

4. If this Proxy is not dated in the space provided, it shall be deemed to be dated on the date it is received by the Monitor.

5. This Proxy must be signed by the Affected Creditor or by the Affected Creditor's attorney duly authorized in writing or, if the Affected Creditor is a corporation, by a duly authorized officer or attorney of the corporation with an indication of the title of such officer or attorney.

6. Any valid Proxy executed by an Affected Creditor and bearing or deemed to bear a later date shall revoke this Proxy. If more than one valid Proxy for the same Affected Creditor, which are bearing or deemed to be bearing the same date are received with conflicting instructions, such Proxies will be treated as disputed Proxies and shall not be counted.

7. This Proxy must be sent to the Monitor by email (in PDF format) at the address provided below, so that it is received by the Monitor no later than 4:00 p.m. (Pacific Daylight Time) on October 27, 2021.

   The address of the Monitor is as follows:

   KSV Restructuring Inc.
   Attention: Jordan Wong
   Email: jwong@ksvadvisory.com
   Telephone: 416.932.6025

File No. S-211985
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 ARDENTON CAPITAL CORPORATION AND ARDENTON CAPITAL BRIDGING INC.

PETITIONERS

ORDER MADE AFTER APPLICATION
(Stay Extension Order)

BEFORE	)	The Honourable Mr. Justice Macintosh	)	October 1, 2021

ON THE APPLICATION Ardenton Capital Corporation and Ardenton Capital Bridging Inc. (together, the "**Petitioners**") coming on for hearing via MS Teams at Vancouver, British Columbia, on this first day of October, 2021; AND ON HEARING William E.J. Skelly and Kyle Plunkett, counsel for the Petitioners, Colin Brousson, counsel for the KSV Restructuring Inc., in its capacity as Monitor of the Petitioners (the "**Monitor**"), David Gruber and Sean Zweig, counsel for the Investor Committee, and those other counsel listed on **Appendix "A"** hereto; AND ON READING the Sixth Report of the Monitor dated September 20, 2021 (the "**Sixth Report**"), and the application materials filed by the Petitioners (together with the Sixth Report, the "**Application Materials**"); AND pursuant to the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended, the British Columbia *Supreme Court Civil Rules* and the inherent jurisdiction of this Honourable Court;

THIS COURT ORDERS AND DECLARES THAT:

1. The time for service of the Application Materials is hereby abridged and validated so that this Application is properly returnable today, and further service is hereby dispensed with.

2. The Stay Period, as defined in the Amended and Restated Initial Order granted on March 15, 2021 be and is hereby extended up to and including 4:00 p.m. (PDT) on December 15, 2021.

3. Endorsement of this Order by counsel appearing on this Notice of Application, except for counsel for the Petitioners, is hereby dispensed with.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

Signature of William E.J. Skelly
☐ Party ☑ Lawyer for the Petitioners

BY THE COURT

REGISTRAR

APPENDIX "A"
(to the Stay Extension Order)

List of Counsel

Name of Counsel	**Party Represented**
William E.J. Skelly Kyle Plunkett	The Petitioners, Ardenton Capital Corporation and Ardenton Capital Bridging Inc.
Colin Brousson	The Monitor, KSV Restructuring Inc.
David Gruber and Sean Zweig	Ardenton Investor Committee

No. S-211985
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

AND

IN THE MATTER OF ARDENTON CAPITAL CORPORATION AND ARDENTON CAPITAL BRIDGING INC.

PETITIONERS

ORDER MADE AFTER APPLICATION

(Initial Order)

BEFORE THE HONOURABLE	)	
	)	March 5, 2021
MR. JUSTICE MACINTOSH	)	

THE APPLICATION of the Petitioners coming on for hearing at Vancouver, British Columbia, on the 5th day of March, 2021 (the "**Order Date**"); AND ON HEARING William E.J. Skelly and Kyle Plunkett, counsel for the Petitioners, and Colin Brousson, counsel for the proposed Monitor; AND UPON READING the material filed, including the First Affidavit of James Livingstone, sworn March 2, 2021 (the "**Livingstone #1 Affidavit**"), the Pre-Filing Report of KSV Restructuring Inc. (the "**Monitor**") dated March 3, 2021, and the consent of KSV Restructuring Inc. to act as Monitor; AND UPON BEING ADVISED that the there are no secured creditors who are likely to be affected by the charges created herein; AND pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36 as amended (the "**CCAA**"), the British Columbia Supreme Court Civil Rules and the inherent jurisdiction of this Honourable Court;

THIS COURT ORDERS AND DECLARES THAT:

JURISDICTION

1. Each Petitioner is a company to which the CCAA applies.

SUBSEQUENT HEARING DATE

2. The hearing of the Petitioner's application for an extension of the Stay Period (as defined in paragraph 13 of this Order) and for any ancillary relief shall be held by MS Teams (or as the Court may direct) at the Courthouse at 800 Smithe Street, Vancouver, British Columbia at 9 a.m. on Monday, the 15th day of March, 2021 or such other date as this Court may order.

PLAN OF ARRANGEMENT

3. The Petitioners shall have the authority to file and may, subject to further order of this Court, file with this Court, a plan of compromise or arrangement (hereinafter referred to as the "**Plan**").

POSSESSION OF PROPERTY AND OPERATIONS

4. Subject to this Order and any further Order of this Court, each Petitioner shall remain in possession and control of its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"), and continue to carry on its business (the "**Business**") in the ordinary course and in a manner consistent with the preservation of the Business and the Property. The Petitioners shall be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively, "**Assistants**") currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for carrying out the terms of this Order.

5. The Petitioners shall be entitled to continue to utilize the central cash management system currently in place as described in the Livingstone #1 Affidavit or replace it with another substantially similar central cash management system (the "**Cash Management System**") and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Petitioner of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Petitioner, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

6. The Petitioners shall be entitled, but not required, to pay the following expenses which may have been incurred prior to the Order Date:

(a) all outstanding wages, salaries, employee and pension benefits (including long and short term disability payments), vacation pay and expenses (but excluding severance pay) payable before or after the Order Date, in each case incurred in the ordinary course of business and consistent with the relevant compensation policies and arrangements existing at the time incurred (collectively "**Wages**"); and

(b) the fees and disbursements of any Assistants retained or employed by the Petitioners which are related to either Petitioner's restructuring, at their standard rates and charges, including payment of the fees and disbursements of legal counsel retained by the Petitioners, whenever and wherever incurred, in respect of:

(i) these proceedings or any other similar proceedings in other jurisdictions in which the Petitioners or any subsidiaries or affiliated companies of any Petitioner are domiciled;

(ii) any litigation in which any Petitioner is named as a party or is otherwise involved, whether commenced before or after the Order Date; and

(iii) any related corporate matters.

7. Except as otherwise provided herein, each Petitioner shall be entitled to pay all expenses reasonably incurred by such Petitioner in carrying on the Business in the ordinary course following the Order Date, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

(a) all expenses and capital expenditures reasonably incurred and which are necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors' and officers' insurance), maintenance and security services, provided that any capital expenditure exceeding $25,000 shall be approved by the Monitor;

(b) all obligations incurred by the Petitioners after the Order Date, including without limitation, with respect to goods and services actually supplied to the Petitioners following the Order Date (including those under purchase orders outstanding at the Order Date but excluding any interest on the Petitioner's obligations incurred prior to the Order Date); and

(c) fees and disbursements of the kind referred to in paragraph 6(b) which may be incurred after the Order Date.

8. The Petitioners are authorized to remit, in accordance with legal requirements, or pay:

(a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from Wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes or any such claims which are to be paid pursuant to Section 6(3) of the CCAA;

(b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by any Petitioner in connection with the sale of goods and services by any Petitioner, but only where such Sales Taxes accrue or are collected after the Order Date, or where such Sales Taxes accrued or were collected prior to the Order Date but not required to be remitted until on or after the Order Date; and

(c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal property taxes, municipal business taxes or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors.

9. Until such time as a real property lease is disclaimed in accordance with the CCAA, the Petitioners shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable as rent to the landlord under the lease) based on the terms of existing lease arrangements or as otherwise may be negotiated between any Petitioner and the landlord from time to time ("**Rent**"), for the period commencing from and including the Order Date. On the date of the first of such payments, any Rent relating to the period commencing from and including Order Date shall also be paid.

10. Except as specifically permitted herein, the Petitioners are hereby directed, until further Order of this Court:

(a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Petitioners to any of its creditors as of the Order Date except as authorized by this Order;

(b) to make no payments in respect of any financing leases which create security interests;

(c) to grant no security interests, trust, mortgages, liens, charges or encumbrances upon or in respect of any of its Property, nor become a guarantor or surety, nor otherwise

become liable in any manner with respect to any other person or entity except as authorized by this Order;

(d) to not grant credit except in the ordinary course of the Business only to its customers for goods and services actually supplied to those customers, provided such customers agree that there is no right of set-off in respect of amounts owing for such goods and services against any debt owing by any Petitioner to such customers as of the Order Date; and

(e) to not incur liabilities except in the ordinary course of Business.

RESTRUCTURING

11. Subject to such requirements as are imposed by the CCAA, the Petitioners shall have the right to:

(a) permanently or temporarily cease, downsize or shut down all or any part of its Business or operations and commence marketing efforts in respect of any of its redundant or non-material assets and to dispose of redundant or non-material assets not exceeding $50,000 in any one transaction or $250,000 in the aggregate;

(b) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate; and

(c) pursue all avenues of refinancing for the Petitioners' Business or Property, in whole or part;

all of the foregoing to permit the Petitioners to proceed with an orderly restructuring of the Business (the "**Restructuring**")..

12. Pursuant to Section 7(3)(c) of the *Personal Information Protection and Electronics Documents Act*, S.C. 2000, c. 5 and Section 18(1)(o) of the *Personal Information Protection Act*, S.B.C. 2003, c. 63, and any regulations promulgated under authority of either Act, as applicable (the "**Relevant Enactment**"), each Petitioner, in the course of these proceedings, is permitted to,

and hereby shall, disclose personal information of identifiable individuals in its possession or control to stakeholders, its advisors, prospective investors, financiers, buyers or strategic partners (collectively, "**Third Parties**"), but only to the extent desirable or required to negotiate and complete the Restructuring or to prepare and implement the Plan or transactions for that purpose; provided that the Third Parties to whom such personal information is disclosed enter into confidentiality agreements with the Petitioners binding them in the same manner and to the same extent with respect to the collection, use and disclosure of that information as if they were an organization as defined under the Relevant Enactment, and limiting the use of such information to the extent desirable or required to negotiate or complete the Restructuring or to prepare and implement the Plan or transactions for that purpose, and attorning to the jurisdiction of this Court for the purposes of that agreement. Upon the completion of the use of personal information for the limited purposes set out herein, the Third Parties shall return the personal information to the Petitioners or destroy it. If the Third Parties acquire personal information as part of the Restructuring or the preparation and implementation of the Plan or transactions in furtherance thereof, such Third Parties may, subject to this paragraph and any Relevant Enactment, continue to use the personal information in a manner which is in all respects identical to the prior use thereof by the Petitioners.

STAY OF PROCEEDINGS, RIGHTS AND REMEDIES

13. Until and including March 15, 2021, or such later date as this Court may order (the "**Stay Period**"), no action, suit or proceeding in any court or tribunal (each, a "**Proceeding**") against or in respect of any Petitioner or the Monitor, or affecting the Business or the Property, shall be commenced or continued except with the written consent of the Petitioners and the Monitor or with leave of this Court, and any and all Proceedings currently under way against or in respect of any Petitioner or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

14. During the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of any Petitioner or the Monitor, or

affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Petitioners and the Monitor or leave of this Court.

15. Nothing in this Order, including paragraphs 13 and 14, shall: (i) empower any Petitioner to carry on any business which such Petitioner is not lawfully entitled to carry on; (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA; (iii) prevent the filing of any registration to preserve or perfect a mortgage, charge or security interest (subject to the provisions of Section 39 of the CCAA relating to the priority of statutory Crown securities); or (iv) prevent the registration or filing of a lien or claim for lien or the commencement of a Proceeding to protect lien or other rights that might otherwise be barred or extinguished by the effluxion of time, provided that no further step shall be taken in respect of such lien, claim for lien or Proceeding except for service of the initiating documentation on the Petitioners.

NO INTERFERENCE WITH RIGHTS

16. During the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by any Petitioner, except with the written consent of the Petitioners and the Monitor or leave of this Court.

CONTINUATION OF SERVICES

17. During the Stay Period, all Persons having oral or written agreements with any Petitioner or mandates under an enactment for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, services, utility or other services to the Business or any Petitioner, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with, or terminating the supply of such goods or services as may be required by any Petitioner, and that each Petitioner shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services

received after the Order Date are paid by the Petitioners in accordance with normal payment practices of the Petitioners or such other practices as may be agreed upon by the supplier or service provider and the Petitioners and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

18. Notwithstanding any provision in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the Order Date, nor shall any Person be under any obligation to advance or re-advance any monies or otherwise extend any credit to any Petitioner on or after the Order Date. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

19. During the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against the directors or officers of any Petitioner with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Petitioners whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Petitioners, if one is filed, is sanctioned by this Court or is refused by the creditors of the Petitioners or this Court. Nothing in this Order, including in this paragraph, shall prevent the commencement of a Proceeding to preserve any claim against a director or officer of any Petitioner that might otherwise be barred or extinguished by the effluxion of time, provided that no further step shall be taken in respect of such Proceeding except for service of the initiating documentation on the applicable director or officer.

DIRECTORS AND OFFICERS INDEMNIFICATION AND CHARGE

20. Each Petitioner shall indemnify its directors and officers against obligations and liabilities that they may incur as directors or officers of any Petitioner after the commencement of the within

proceedings, except to the extent that, with respect to any director or officer, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

21. The directors and officers of each Petitioner shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of $110,000, as security for the indemnity provided in paragraph 20 of this Order. The Directors' Charge shall have the priority set out in paragraphs 32 and 34 herein.

22. Notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) each Petitioner's directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 20 of this Order.

APPOINTMENT OF MONITOR

23. KSV Restructuring Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Petitioners with the powers and obligations set out in the CCAA or set forth herein, and that the Petitioners and its shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Petitioners pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

24. The Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

(a) monitor the Petitioners' receipts and disbursements;

(b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;

(c) advise the Petitioners in their preparation of the Petitioners' cash flow statements;

(d) advise the Petitioners in their development of the Plan and any amendments to the Plan;

(e) assist the Petitioners, to the extent required by the Petitioners, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;

(f) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Petitioners, to the extent that is necessary to adequately assess the Petitioners' business and financial affairs or to perform its duties arising under this Order;

(g) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and

(h) perform such other duties as are required by this Order or by this Court from time to time.

25. The Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, or by inadvertence in relation to the due exercise of powers or performance of duties under this Order, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof, and nothing in this Order shall be construed as resulting in the Monitor being an employer or a successor employer, within the meaning of any statute, regulation or rule of law or equity, for any purpose whatsoever.

26. Nothing herein contained shall require or allow the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Fisheries Act*, the British Columbia *Environmental Management Act*, the British Columbia *Fish Protection Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. For greater certainty, the Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

27. The Monitor shall provide any creditor of the Petitioners with information provided by the Petitioners in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Petitioners is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Petitioners may agree.

28. In addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the rights and protections afforded the Monitor by the CCAA or any applicable legislation.

ADMINISTRATION CHARGE

29. The Monitor, counsel to the Monitor, if any, and counsel to the Petitioners shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Petitioners as part of the cost of these proceedings. The Petitioners are hereby authorized and directed to pay the accounts of the Monitor, counsel to the Monitor and counsel to the Petitioners on a periodic basis.

30. The Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the British Columbia Supreme Court who may determine the manner in which such accounts are to be passed, including by hearing the matter on a summary basis or referring the matter to a Registrar of this Court.

31. The Monitor, counsel to the Monitor, if any, and counsel to the Petitioners shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of $350,000, as security for their respective fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order which are related to the Petitioners' restructuring. The Administration Charge shall have the priority set out in paragraphs 32 and 34 hereof.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

32. The priorities of the Administration Charge, the Directors' Charge and the Interim Lender's Charge, as among them, shall be as follows:

First – Administration Charge (to the maximum amount of $350,000); and

Second – Directors' Charge (to the maximum amount of $110,000).

33. Any security documentation evidencing, or the filing, registration or perfection of, the Administration Charge, the Interim Lender's Charge and the Directors' Charge (collectively, the "**Charges**") shall not be required, and that the Charges shall be effective as against the Property

and shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered or perfected subsequent to the Charges coming into existence, notwithstanding any failure to file, register or perfect any such Charges.

34. Each of the Charges shall constitute a mortgage, security interest, assignment by way of security and charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, mortgages, charges and encumbrances and claims of secured creditors, statutory or otherwise (collectively, "Encumbrances"), in favour of any Person, save and except those claims contemplated by section 11.8(8) of the CCAA and/or secured creditors with properly perfected and valid security interests against the Property existing as of the date of the pronouncement of this Order.

35. Except as otherwise expressly provided herein, or as may be approved by this Court, the Petitioners shall not grant or suffer to exist any Encumbrances over any Property that rank in priority to, or *pari passu* with the Charges, unless the Petitioners obtain the prior written consent of the Monitor, the Interim Lender and the beneficiaries of the Administration Charge and the Director's Charge.

36. The Administration Charge and the Director's Charge, shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") and/or the Interim Lender shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, mortgage, security agreement, debenture, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Petitioners; and notwithstanding any provision to the contrary in any Agreement:

(a) the creation of the Charges shall not create or be deemed to constitute a breach by the Petitioners of any Agreement to which it is a party;

(b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges; and

(c) the payments made by the Petitioners pursuant to this Order, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

37. THIS COURT ORDERS that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the applicable Petitioner's interest in such real property leases.

SERVICE AND NOTICE

38. The Monitor shall (a) without delay, publish in the national edition of the Globe and Mail, a notice containing the information prescribed under the CCAA, (b) within five days after Order Date, (i) make this Order publicly available in the manner prescribed under the CCAA, (ii) send, in the prescribed manner, a notice to every known creditor who has a claim against any Petitioner of more than $1,000, and (iii) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, save and except the Petitioners' investors, whose addresses and claim amounts shall be treated as confidential (unless otherwise consented to by the investor in writing), and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

39. The Petitioners and the Monitor are at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission to the Petitioners' creditors or other interested parties at their respective addresses as last shown on the records of the Petitioners and that any such service or notice by courier, personal delivery or electronic

transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

40. Any Person that wishes to be served with any application and other materials in these proceedings must deliver to the Monitor by way of ordinary mail, courier, personal delivery or electronic transmission a request to be added to a service list (the "**Service List**") to be maintained by the Monitor. The Monitor shall post and maintain an up to date form of the Service List on its website at: https://www.ksvadvisory.com/insolvency-cases/case/ardenton-capital-corporation.

41. Any party to these proceedings may serve any court materials in these proceedings by emailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time, and the Monitor shall post a copy of all prescribed materials on its website at: https://www.ksvadvisory.com/insolvency-cases/case/ardenton-capital-corporation.

42. Notwithstanding paragraphs 39 and 41 of this Order, service of the Petition, the Notice of Hearing of Petition, any affidavits filed in support of the Petition and this Order shall be made on the Federal and British Columbia Crowns in accordance with the *Crown Liability and Proceedings Act*, R.S.C. 1985, c. C-50, and regulations thereto, in respect of the Federal Crown, and the *Crown Proceeding Act*, R.S.B.C. 1996, c. 89, in respect of the British Columbia Crown.

GENERAL

43. The Petitioners or the Monitor may from time to time apply to this Court for directions in the discharge of its powers and duties hereunder.

44. Nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of any Petitioner, the Business or the Property.

45. THIS COURT REQUESTS the aid and recognition of other Canadian and foreign Courts, tribunal, regulatory or administrative bodies, including any Court or administrative tribunal of any federal or State Court or administrative body in the United States of America or the United

Kingdom to act in aid of and to be complementary to this Court in carrying out the terms of this Order where required. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Petitioners and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Petitioners and the Monitor and their respective agents in carrying out the terms of this Order.

46. Each of the Petitioners and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada, including acting as a foreign representative of any Petitioner to apply to the United States Bankruptcy Court for relief pursuant to Chapter 15 of the *United States Bankruptcy Code*, 11 U.S.C. §§ 101-1330, as amended or pursuant to the *Insolvency Act*, 1986, (c. 45) of the United Kingdom.

47. Any Petitioner may (subject to the provisions of the CCAA and the BIA) at any time file a voluntary assignment in bankruptcy or a proposal pursuant to the commercial reorganization provisions of the BIA if and when the Petitioners determine that such a filing is appropriate.

48. The Petitioners are hereby at liberty to apply for such further interim or interlocutory relief as it deems advisable within the time limited for Persons to file and serve Responses to the Petition.

49. Leave is hereby granted to hear any application in these proceedings on two (2) clear days' notice after delivery to all parties on the Service List of such Notice of Application and all affidavits in support, subject to the Court in its discretion further abridging or extending the time for service.

50. Any interested party (including the Petitioners and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to all parties on the Service List and to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

51. Endorsement of the Interim Order by counsel appearing on this Petition, except for counsel for the Petitioners, is hereby dispensed with.

52. This Order and all of its provisions are effective as of 12:01 a.m. local Vancouver time on the Order Date.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

Signature of William E.J. Skelly
☐ Party ☑ Lawyer for the Petitioners

BY THE COURT Mantha J.

REGISTRAR

Schedule "A"

(List of Counsel)

Name of Counsel	Party Represented
William E.J. Skelly Kyle Plunkett	The Petitioners, Ardenton Capital Corporation and Ardenton Capital Bridging Inc.
Colin Brousson	The Proposed Monitor, KSV Restructuring Inc.

No. S-211985
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

AND

IN THE MATTER OF ARDENTON CAPITAL CORPORATION AND ARDENTON CAPITAL BRIDGING INC.

PETITIONERS

ORDER MADE AFTER APPLICATION

(Amended and Restated Initial Order)

BEFORE THE HONOURABLE	)	
	)	March 15, 2021
MR. JUSTICE MACINTOSH	)	

THE APPLICATION of the Petitioners coming on for hearing at Vancouver, British Columbia, on the 15th day of March, 2021; AND ON HEARING William E.J. Skelly and Kyle Plunkett, counsel for the Petitioners, Colin Brousson, counsel for the Monitor, and those other counsel listed on **Schedule "A"** hereto; AND UPON READING the material filed, including the First Affidavit of James Livingstone, made on March 2, 2021 (the "**Livingstone #1 Affidavit**"), the Pre-Filing Report of KSV Restructuring Inc. (the "**Monitor**"), dated March 3, 2021, the Second Affidavit of James Livingstone, made on March 5, 2021, the Third Affidavit of James Livingstone, made on March 10, 2021 and the First Report of the Monitor, made on March 10, 2021; AND UPON BEING ADVISED that the secured creditors who are likely to be affected by the charges created herein were given notice; AND pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36 as amended (the "**CCAA**"), the British Columbia Supreme Court Civil Rules and the inherent jurisdiction of this Honourable Court;

THIS COURT ORDERS AND DECLARES THAT:

AMENDED AND RESTATED INITIAL ORDER

1. This Amended and Restated Initial Order amends and restates the Order of this Court (the "**Initial Order**") made in these proceedings on March 5, 2021 (the "**Order Date**").

JURISDICTION

2. Each Petitioner is a company to which the CCAA applies.

SUBSEQUENT HEARING DATE

3. The hearing of the Petitioners' application for an extension of the Stay Period (as defined in paragraph 16 of this Order) and for any ancillary relief shall be held by MS Teams (or as the Court may direct) at the Courthouse at 800 Smithe Street, Vancouver, British Columbia at _____ __.m. on _____, the _____ day of _____, 2021 or such other date as this Court may order.

PLAN OF ARRANGEMENT

4. The Petitioners shall have the authority to file and may, subject to further order of this Court, file with this Court, a plan of compromise or arrangement (hereinafter referred to as the "**Plan**").

POSSESSION OF PROPERTY AND OPERATIONS

5. Subject to this Order and any further Order of this Court, each Petitioner shall remain in possession and control of its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"), and continue to carry on its business (the "**Business**") in the ordinary course and in a manner consistent with the preservation of the Business and the Property. The Petitioners shall be authorized and

empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively, "**Assistants**") currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for carrying out the terms of this Order.

6. The Petitioners shall be entitled to continue to utilize the central cash management system currently in place as described in the Livingstone #1 Affidavit or replace it with another substantially similar central cash management system (the "**Cash Management System**") and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Petitioner of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Petitioner, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

7. The Petitioners shall be entitled, but not required, to pay the following expenses which may have been incurred prior to the Order Date:

(a) all outstanding wages, salaries, employee and pension benefits (including long and short term disability payments), vacation pay and expenses (but excluding severance pay) payable before or after the Order Date, in each case incurred in the ordinary course of business and consistent with the relevant compensation policies and arrangements existing at the time incurred (collectively "**Wages**"); and

(b) the fees and disbursements of any Assistants retained or employed by the Petitioners which are related to either Petitioner's restructuring, at their standard rates and charges, including payment of the fees and disbursements of legal counsel retained by the Petitioners, whenever and wherever incurred, in respect of:

(i) these proceedings or any other similar proceedings in other jurisdictions in which the Petitioners or any subsidiaries or affiliated companies of any Petitioner are domiciled;

(ii) any litigation in which any Petitioner is named as a party or is otherwise involved, whether commenced before or after the Order Date; and

(iii) any related corporate matters.

8. Except as otherwise provided herein, each Petitioner shall be entitled to pay all expenses reasonably incurred by such Petitioner in carrying on the Business in the ordinary course following the Order Date, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

(a) all expenses and capital expenditures reasonably incurred and which are necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors' and officers' insurance), maintenance and security services, provided that any capital expenditure exceeding $25,000 shall be approved by the Monitor;

(b) all obligations incurred by the Petitioners after the Order Date, including without limitation, with respect to goods and services actually supplied to the Petitioners following the Order Date (including those under purchase orders outstanding at the Order Date but excluding any interest on the Petitioner's obligations incurred prior to the Order Date); and

(c) fees and disbursements of the kind referred to in paragraph 6(b) which may be incurred after the Order Date.

9. The Petitioners are authorized to remit, in accordance with legal requirements, or pay:

(a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from Wages, including, without limitation, amounts in respect of (i)

employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes or any such claims which are to be paid pursuant to Section 6(3) of the CCAA;

(b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by any Petitioner in connection with the sale of goods and services by any Petitioner, but only where such Sales Taxes accrue or are collected after the Order Date, or where such Sales Taxes accrued or were collected prior to the Order Date but not required to be remitted until on or after the Order Date; and

(c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal property taxes, municipal business taxes or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors.

10. Until such time as a real property lease is disclaimed in accordance with the CCAA, the Petitioners shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable as rent to the landlord under the lease) based on the terms of existing lease arrangements or as otherwise may be negotiated between any Petitioner and the landlord from time to time ("**Rent**"), for the period commencing from and including the Order Date. On the date of the first of such payments, any Rent relating to the period commencing from and including Order Date shall also be paid.

11. Except as specifically permitted herein, the Petitioners are hereby directed, until further Order of this Court:

(a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Petitioners to any of its creditors as of the Order Date except as authorized by this Order;

(b) to make no payments in respect of any financing leases which create security interests;

(c) to grant no security interests, trust, mortgages, liens, charges or encumbrances upon or in respect of any of its Property, nor become a guarantor or surety, nor otherwise become liable in any manner with respect to any other person or entity except as authorized by this Order;

(d) to not grant credit except in the ordinary course of the Business only to its customers for goods and services actually supplied to those customers, provided such customers agree that there is no right of set-off in respect of amounts owing for such goods and services against any debt owing by any Petitioner to such customers as of the Order Date; and

(e) to not incur liabilities except in the ordinary course of Business.

RESTRUCTURING

12. Subject to such requirements as are imposed by the CCAA, the Petitioners shall have the right to:

(a) permanently or temporarily cease, downsize or shut down all or any part of its Business or operations and commence marketing efforts in respect of any of its redundant or non-material assets and to dispose of redundant or non-material assets not exceeding $50,000 in any one transaction or $250,000 in the aggregate;

(b) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate; and

(c) pursue all avenues of refinancing for the Petitioners' Business or Property, in whole or part;

all of the foregoing to permit the Petitioners to proceed with an orderly restructuring of the Business (the "**Restructuring**")..

13. The Petitioners shall provide each of the relevant landlords with notice of the Petitioners' intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Petitioners' entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors who claim a security interest in the fixtures, such landlord and the Petitioners, or by further Order of this Court upon application by the Petitioners, the landlord or the applicable secured creditors on at least two (2) clear days' notice to the other parties. If the Petitioners disclaims the lease governing such leased premises in accordance with Section 32 of the CCAA, they shall not be required to pay Rent under such lease pending resolution of any dispute concerning such fixtures (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Petitioners' claim to the fixtures in dispute.

14. If a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then: (a) during the period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours on giving the Petitioners and the Monitor 24 hours' prior written notice; and (b) at the effective time of the disclaimer, the landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims the landlord may have against the Petitioners, or any other rights the landlord might have, in respect of such lease or leased premises and the landlord shall be entitled to notify the Petitioners of the basis on which it is taking possession and gain possession of and re-lease such leased premises to any third party or parties on such terms as the landlord considers advisable, provided that nothing herein shall relieve the landlord of its obligation to mitigate any damages claimed in connection therewith.

15. Pursuant to Section 7(3)(c) of the *Personal Information Protection and Electronics Documents Act*, S.C. 2000, c. 5 and Section 18(1)(o) of the *Personal Information Protection Act*, S.B.C. 2003, c. 63, and any regulations promulgated under authority of either Act, as applicable (the "**Relevant Enactment**"), each Petitioner, in the course of these proceedings, is permitted to, and hereby shall, disclose personal information of identifiable individuals in its possession or

control to stakeholders, its advisors, prospective investors, financiers, buyers or strategic partners (collectively, "**Third Parties**"), but only to the extent desirable or required to negotiate and complete the Restructuring or to prepare and implement the Plan or transactions for that purpose; provided that the Third Parties to whom such personal information is disclosed enter into confidentiality agreements with the Petitioners binding them in the same manner and to the same extent with respect to the collection, use and disclosure of that information as if they were an organization as defined under the Relevant Enactment, and limiting the use of such information to the extent desirable or required to negotiate or complete the Restructuring or to prepare and implement the Plan or transactions for that purpose, and attorning to the jurisdiction of this Court for the purposes of that agreement. Upon the completion of the use of personal information for the limited purposes set out herein, the Third Parties shall return the personal information to the Petitioners or destroy it. If the Third Parties acquire personal information as part of the Restructuring or the preparation and implementation of the Plan or transactions in furtherance thereof, such Third Parties may, subject to this paragraph and any Relevant Enactment, continue to use the personal information in a manner which is in all respects identical to the prior use thereof by the Petitioners.

STAY OF PROCEEDINGS, RIGHTS AND REMEDIES

16. Until and including May 7, 2021, or such later date as this Court may order (the "**Stay Period**"), no action, suit or proceeding in any court or tribunal (each, a "**Proceeding**") against or in respect of any Petitioner or the Monitor, or affecting the Business or the Property, shall be commenced or continued except with the written consent of the Petitioners and the Monitor or with leave of this Court, and any and all Proceedings currently under way against or in respect of any Petitioner or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

17. During the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of any Petitioner or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Petitioners and the Monitor or leave of this Court.

18. Nothing in this Order, including paragraphs 13 and 14, shall: (i) empower any Petitioner to carry on any business which such Petitioner is not lawfully entitled to carry on; (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA; (iii) prevent the filing of any registration to preserve or perfect a mortgage, charge or security interest (subject to the provisions of Section 39 of the CCAA relating to the priority of statutory Crown securities); or (iv) prevent the registration or filing of a lien or claim for lien or the commencement of a Proceeding to protect lien or other rights that might otherwise be barred or extinguished by the effluxion of time, provided that no further step shall be taken in respect of such lien, claim for lien or Proceeding except for service of the initiating documentation on the Petitioners.

NO INTERFERENCE WITH RIGHTS

19. During the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by any Petitioner, except with the written consent of the Petitioners and the Monitor or leave of this Court.

CONTINUATION OF SERVICES

20. During the Stay Period, all Persons having oral or written agreements with any Petitioner or mandates under an enactment for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, services, utility or other services to the Business or any Petitioner, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with, or terminating the supply of such goods or services as may be required by any Petitioner, and that each Petitioner shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the Order Date are paid by the Petitioners in accordance with normal payment practices of the Petitioners or such other practices as may be agreed upon by the supplier or service provider and the Petitioners and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

21. Notwithstanding any provision in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the Order Date, nor shall any Person be under any obligation to advance or re-advance any monies or otherwise extend any credit to any Petitioner on or after the Order Date. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

22. During the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against the directors or officers of any Petitioner with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Petitioners whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Petitioners, if one is filed, is sanctioned by this Court or is refused by the creditors of the Petitioners or this Court. Nothing in this Order, including in this paragraph, shall prevent the commencement of a Proceeding to preserve any claim against a director or officer of any Petitioner that might otherwise be barred or extinguished by the effluxion of time, provided that no further step shall be taken in respect of such Proceeding except for service of the initiating documentation on the applicable director or officer.

DIRECTORS AND OFFICERS INDEMNIFICATION AND CHARGE

23. Each Petitioner shall indemnify its directors and officers against obligations and liabilities that they may incur as directors or officers of any Petitioner after the commencement of the within proceedings, except to the extent that, with respect to any director or officer, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

24. The directors and officers of each Petitioner shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of $240,000, as security for the indemnity provided in paragraph 23 of this Order. The Directors' Charge shall have the priority set out in paragraphs 36 and 38 herein.

25. Notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) each Petitioner's directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 23 of this Order.

APPOINTMENT OF MONITOR

26. KSV Restructuring Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Petitioners with the powers and obligations set out in the CCAA or set forth herein, and that the Petitioners and its shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Petitioners pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

27. The Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

(a) monitor the Petitioners' receipts and disbursements;

(b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;

(c) advise the Petitioners in their preparation of the Petitioners' cash flow statements;

(d) advise the Petitioners in their development of the Plan and any amendments to the Plan;

(e) assist the Petitioners, to the extent required by the Petitioners, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;

(f) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Petitioners, to the extent that is necessary to adequately assess the Petitioners' business and financial affairs or to perform its duties arising under this Order;

(g) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and

(h) perform such other duties as are required by this Order or by this Court from time to time.

28. The Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, or by inadvertence in relation to the due exercise of powers or performance of duties under this Order, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof, and nothing in this Order shall be construed as resulting in the Monitor being an employer or a successor employer, within the meaning of any statute, regulation or rule of law or equity, for any purpose whatsoever.

29. Nothing herein contained shall require or allow the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination

including, without limitation, the *Canadian Environmental Protection Act*, the *Fisheries Act*, the British Columbia *Environmental Management Act*, the British Columbia *Fish Protection Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. For greater certainty, the Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

30. The Monitor shall provide any creditor of the Petitioners with information provided by the Petitioners in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Petitioners is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Petitioners may agree.

31. In addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the rights and protections afforded the Monitor by the CCAA or any applicable legislation.

ADMINISTRATION CHARGE

32. The Monitor, counsel to the Monitor, if any, and counsel to the Petitioners shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Petitioners as part of the cost of these proceedings. The Petitioners are hereby authorized and directed to pay the accounts of the Monitor, counsel to the Monitor and counsel to the Petitioners on a periodic basis.

33. The Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the British Columbia Supreme Court who may determine the manner in which such accounts are to be passed, including by hearing the matter on a summary basis or referring the matter to a Registrar of this Court.

34. The Monitor, counsel to the Monitor, if any, and counsel to the Petitioners shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of $1,000,000, as security for their respective fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order which are related to the Petitioners' restructuring. The Administration charge includes an amount not to exceed $25,000, plus applicable taxes, to secure the fees and disbursements relating to services rendered or to be rendered by independent legal counsel to the directors and officers of the Petitioners. The Administration Charge shall have the priority set out in paragraphs 36 and 38 hereof.

INTERCOMPANY CHARGE

35. The Petitioner, Ardenton Capital Bridging Inc.("**ACBI**"), shall be entitled to the benefit of and is hereby granted a charge (the "**Intercompany Charge**") on the Property of the Petitioner, Ardenton Capital Corporation ("**ACC**"), as security for all advances or payments made by ACBI to ACC, from and after the date of the Initial Order. The Intercompany Charge shall have the priority set out in paragraphs 36 and 38 hereof.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

36. The priorities of the Administration Charge, the Directors' Charge and the Intercompany Charge, as among them, shall be as follows:

First – Administration Charge (to the maximum amount of $1,000,000);

Second – Directors' Charge (to the maximum amount of $240,000); and

Third – Intercompany Charge in the case of the Property of ACC.

37. Any security documentation evidencing, or the filing, registration or perfection of, the Administration Charge, the Intercompany Charge and the Directors' Charge (collectively, the "**Charges**") shall not be required, and that the Charges shall be effective as against the Property and shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered or perfected subsequent to the Charges coming into existence, notwithstanding any failure to file, register or perfect any such Charges.

38. Each of the Charges shall constitute a mortgage, security interest, assignment by way of security and charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, mortgages, charges and encumbrances and claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**"), in favour of any Person, save and except those claims contemplated by section 11.8(8) of the CCAA, the liens and encumbrances in favour of the Toronto-Dominion Bank against the Property to a maximum amount of $100,000, and the liens and encumbrances in favour of HSBC Bank Canada against the Property existing as at the date of the Initial Order.

39. Except as otherwise expressly provided herein, or as may be approved by this Court, the Petitioners shall not grant or suffer to exist any Encumbrances over any Property that rank in priority to, or *pari passu* with the Charges, unless the Petitioners obtain the prior written consent of the Monitor and the beneficiaries of the Administration Charge and the Director's Charge.

40. The Administration Charge, the Directors' Charge and the Intercompany Charge, shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease,

mortgage, security agreement, debenture, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Petitioners; and notwithstanding any provision to the contrary in any Agreement:

(a) the creation of the Charges shall not create or be deemed to constitute a breach by the Petitioners of any Agreement to which it is a party;

(b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges; and

(c) the payments made by the Petitioners pursuant to this Order, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

41. THIS COURT ORDERS that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the applicable Petitioner's interest in such real property leases.

SERVICE AND NOTICE

42. The time for service of the Notice of Application for this Order is hereby abridged and deemed good and sufficient and this Notice of Application is properly returnable today.

43. The Monitor shall (a) without delay, publish in the national edition of the Globe and Mail, a notice containing the information prescribed under the CCAA, (b) within five days after Order Date, (i) make this Order publicly available in the manner prescribed under the CCAA, (ii) send, in the prescribed manner, a notice to every known creditor who has a claim against any Petitioner of more than $1,000, and (iii) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, save and except the Petitioners' investors, whose addresses and claim amounts shall be treated as confidential (unless otherwise consented to by the

investor in writing), and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

44. The Petitioners and the Monitor are at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission to the Petitioners' creditors or other interested parties at their respective addresses as last shown on the records of the Petitioners and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

45. Any Person that wishes to be served with any application and other materials in these proceedings must deliver to the Monitor by way of ordinary mail, courier, personal delivery or electronic transmission a request to be added to a service list (the "**Service List**") to be maintained by the Monitor. The Monitor shall post and maintain an up to date form of the Service List on its website at: https://www.ksvadvisory.com/insolvency-cases/case/ardenton-capital-corporation.

46. Any party to these proceedings may serve any court materials in these proceedings by emailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time, and the Monitor shall post a copy of all prescribed materials on its website at: https://www.ksvadvisory.com/insolvency-cases/case/ardenton-capital-corporation.

47. Notwithstanding paragraphs 44 and 46 of this Order, service of the Petition, the Notice of Hearing of Petition, any affidavits filed in support of the Petition and this Order shall be made on the Federal and British Columbia Crowns in accordance with the *Crown Liability and Proceedings Act*, R.S.C. 1985, c. C-50, and regulations thereto, in respect of the Federal Crown, and the *Crown Proceeding Act*, R.S.B.C. 1996, c. 89, in respect of the British Columbia Crown.

GENERAL

48. The Petitioners or the Monitor may from time to time apply to this Court for directions in the discharge of its powers and duties hereunder.

49. Nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of any Petitioner, the Business or the Property.

50. THIS COURT REQUESTS the aid and recognition of other Canadian and foreign Courts, tribunal, regulatory or administrative bodies, including any Court or administrative tribunal of any federal or State Court or administrative body in the United States of America or the United Kingdom to act in aid of and to be complementary to this Court in carrying out the terms of this Order where required. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Petitioners and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Petitioners and the Monitor and their respective agents in carrying out the terms of this Order.

51. Each of the Petitioners and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada, including acting as a foreign representative of any Petitioner to apply to the United States Bankruptcy Court for relief pursuant to Chapter 15 of the *United States Bankruptcy Code*, 11 U.S.C. §§ 101-1330, as amended or pursuant to the *Insolvency Act*, 1986, (c. 45) of the United Kingdom.

52. Any Petitioner may (subject to the provisions of the CCAA and the BIA) at any time file a voluntary assignment in bankruptcy or a proposal pursuant to the commercial reorganization provisions of the BIA if and when the Petitioners determine that such a filing is appropriate.

53. The Petitioners are hereby at liberty to apply for such further interim or interlocutory relief as it deems advisable within the time limited for Persons to file and serve Responses to the Petition.

54. Leave is hereby granted to hear any application in these proceedings on two (2) clear days' notice after delivery to all parties on the Service List of such Notice of Application and all

affidavits in support, subject to the Court in its discretion further abridging or extending the time for service.

55. Any interested party (including the Petitioners and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to all parties on the Service List and to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

56. Endorsement of this Order by counsel appearing on this Notice of Application, except for counsel for the Petitioners, is hereby dispensed with.

57. This Order and all of its provisions are effective as of 12:01 a.m. local Vancouver time on the Order Date.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

Signature of William E.J. Skelly
☐ Party ☑ Lawyer for the Petitioners

BY THE COURT Macintosh J.

REGISTRAR

CHECKED

Schedule "A"

(List of Counsel)

Name of Counsel	Party Represented
William E.J. Skelly Kyle Plunkett	The Petitioners, Ardenton Capital Corporation and Ardenton Capital Bridging Inc.
Colin Brousson	The Monitor, KSV Restructuring Inc.
Claire Hildebrand	Oxford Management Services Inc.
Kibben Jackson	Montrusco Bolton Investments Inc.
Adrienne Ho	Leone Financial Corporation

Court File No. S-211985
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

AND

IN THE MATTER OF ARDENTON CAPITAL CORPORATION AND ARDENTON CAPITAL BRIDGING INC.

PETITIONERS

BEFORE THE HONOURABLE)
) MARCH 31, 2021
MR. JUSTICE MACINTOSH)

ORDER MADE AFTER APPLICATION (CLAIMS PROCEDURE ORDER)

ON THE APPLICATION of KSV Restructuring Inc. in its capacity as monitor (the "**Monitor**") of Ardenton Capital Corporation and Ardenton Capital Bridging Inc. coming on for hearing by teleconference at the Law Courts, 800 Smithe Street in the City of Vancouver, in the Province of British Columbia, on the 31st day of March, 2021 (the "Order Date"); AND ON HEARING Colin Brousson, counsel for the Monitor and William Skelly counsel for the Petitioners and those counsel listed on Schedule "A" hereto, and; AND UPON READING the material filed, including the Second Report of the Monitor dated March 25, 2021; AND pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), the British Columbia Supreme Court Civil Rules and the inherent jurisdiction of this Honourable Court;

IT IS HEREBY ORDERED, ADJUDGED AND DECLARED THAT:

SERVICE

1. The time for service and filing of the Notice of Application and the Motion Record is hereby abridged and validated so that this Notice of Application is properly returnable today and hereby dispenses with further service thereof.

DEFINITIONS

2. The following terms shall have the following meanings:

(a) "**Assessments**" means Claims of Her Majesty the Queen in Right of Canada or of any Province or Territory or Municipality or any other taxation authority in any Canadian or foreign jurisdiction, including, without limitation, amounts which may arise or have arisen under any notice of assessment, notice of objection, notice of reassessment, notice of appeal, audit, investigation, demand or similar request from any taxation authority;

(b) "**BIA**" means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as, amended;

(c) "**Business Day**" means a day, other than a Saturday, Sunday or a statutory holiday, on which banks are generally open for business in Vancouver, British Columbia;

(d) "**CCAA Proceeding**" means the proceeding under the CCAA bearing Court File No. S-211985 in respect of or relating to the Petitioners, commenced pursuant to the Initial Order;

(e) "**Charges**" has the meaning given to that term in the Initial Order;

(f) "**Claim**" means:

(i) any right or claim of any Person that may be asserted or made in whole or in part against the Petitioners, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever in existence at the time of the Initial Order, and any interest accrued thereon or costs payable in respect thereof, including by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including any legal, statutory, equitable or fiduciary duty) or by reason of any right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive, or otherwise), and whether or not such indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated,

fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any right or ability of any Person to advance a claim for contribution or indemnity or otherwise against the Petitioners with respect to any matter, action, cause or chose in action, but subject to any counterclaim, set-off or right of compensation in favour of any of the Petitioners which may exist, whether existing at present or commenced in the future, which indebtedness, liability or obligation (A) is based in whole or in part on facts that existed prior to the Filing Date, (B) relates to a time period prior to the Filing Date, or (C) is a right or claim of any kind that would be a claim provable in bankruptcy within the meaning of the BIA had any of the Petitioners become bankrupt on the Filing Date, including for greater certainty, any claim against the Petitioners for indemnification by any Directors or Officers in respect of a D&O Pre-Filing Claim or a D&O Restructuring Claim (but excluding any such claim for indemnification that is covered by the Directors' Charge (as defined in the Initial Order)) (each, a "**Pre-Filing Claim**");

(ii) any right or claim of any Person that may be asserted or made in whole or in part against the Petitioners, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever owed by any of the Petitioners to such Person arising out of the restructuring, disclaimer, repudiation, resiliation, termination or breach ("**Disclaimer**") of any lease, contract, or other arrangement, agreement or obligation (whether oral or written) by any of the Petitioners on or after the Filing Date, whether such restructuring, termination, repudiation or disclaimer took place or takes place before or after the date of this Claims Procedure Order (each, a "**Restructuring Claim**") including for greater certainty, any claim against the Petitioners for indemnification by any Directors or Officers in respect of a D&O Restructuring Claim (but excluding any such claim for indemnification that is covered by the Directors' Charge (as defined in the Initial Order)); and

(iii) any right or claim of any Person that may be asserted or made in whole or in part against one or more of the Directors or Officers of any of the Petitioners, whether or not asserted or made, howsoever arising whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any Assessments and any right or ability of any Person to advance a claim for contribution, indemnity or otherwise against any of the Directors and/or Officers with respect to any matter, action, cause or chose in action, however arising and whether:

(1) (A) based in whole or in part on facts that existed prior to the Filing Date, (B) relating to a time period prior to the Filing Date, or (C) it is a right or claim of any kind that would be a claim provable in bankruptcy within the meaning of the BIA had the Petitioners become bankrupt on the Filing Date (a "**D&O Pre-Filing Claim**"); or

(2) based on facts that arose in connection with the restructuring, disclaimer, resiliation, termination or breach by the Petitioners on or after the Filing Date of any contract, lease, other agreement or obligation, whether written or oral,

in each case for which the Directors or Officers are alleged to be, by statute or otherwise by law or equity, liable to pay in their capacity as Directors or Officers (each, a "**D&O Restructuring Claim**");

provided, however, that in any case "Claim" shall not include an Excluded Claim;

(g) "**Claimant**" means any Person who asserts a Claim, including Known Claimants, and includes the transferee or assignee of a Claim recognized in accordance with paragraphs 40 and 41 or a trustee, executor, liquidator, receiver, receiver and manager, or other Person acting on behalf of or through such Person;

(h) "**Claims Package**" means a document package that contains a copy of the Instruction Letter, a Proof of Claim, a Notice of Dispute and such other materials as the Monitor may deem appropriate;

(i) "**Claims Procedure**" means the procedures outlined in this Claims Procedure Order, including the Schedules hereto;

(j) "**Court**" means the Supreme Court of British Columbia;

(k) "**D&O Claim**" means a D&O Pre-Filing Claim or a D&O Restructuring Claim;

(l) "**Directors**" means the current and former directors of the Petitioners and "**Director**" means any one of them;

(m) "**Directors' Charge**" has the meaning given to such term in the Initial Order;

(n) "**Disputed Claim**" means a Claim that is validly disputed in accordance with the Claims Procedure set out in this Claims Procedure Order and which remains subject to adjudication in accordance with this Claims Procedure Order;

(o) "**Equity Claim**" has the meaning set forth in Section 2(1) of the CCAA;

(p) "**Excluded Claim**" means:

(i) any claim secured by any of the Charges; and

(ii) any claim that cannot be compromised pursuant to subsections 5.1(2) and 19(2) of the CCAA;

(q) "**Filing Date**" means March 5, 2021;

(r) "**Initial Order**" means the Order of the Honourable Mr. Justice MacIntosh dated March 5, 2021, commencing the CCAA Proceeding, as amended and/or amended and restated from time to time;

(s) "**Instruction Letter**" means the instruction letter to Claimants, substantially in the form attached as **Schedule "B"** hereto;

(t) "**Known Claim**" means any Claim determined by the Monitor in consultation with the Petitioners to be a known potential Claimant of the Petitioners based on the Petitioners' books and records;

(u) "**Known Claimant**" means any Person who received a Known Claimant Notice in accordance with the terms of this Order;

(v) "**Known Claimant Notice**" means a notice to be delivered by the Monitor setting out the amount and calculation of a Known Claim, substantially in the form attached as **Schedule "D"** hereto;

(w) "**Known Claimant Claims Package**" means a document package that contains a copy of the Instruction Letter, a Known Claimant Notice, a Proof of Claim, a Notice of Dispute and such other materials as the Monitor may deem appropriate;

(x) "**Meeting**" means a meeting of the affected creditors of the Petitioners called for the purpose of considering and voting in respect of a Plan;

(y) "**Monitor**" means KSV Restructuring Inc., in its capacity as the Court-appointed Monitor of the Petitioners;

(z) "**Monitor's Website**" means https://www.ksvadvisory.com/insolvency-cases/case/ardenton-capital-corporation;

(aa) "**Notice to Claimants**" means the notice for publication by the Monitor as described in paragraph 16, substantially in the form attached as **Schedule "A"** hereto;

(bb) "**Notice of Dispute**" means the notice referred to in paragraphs 33 and 34 substantially in the form attached as **Schedule "F"** hereto, which may be delivered by a Claimant who wishes to dispute a Notice of Revision or Disallowance to the Court;

(cc) "**Notice of Known Claim Dispute**" means the notice referred to in paragraphs 21 and 22 substantially in the form attached as **Schedule "G"** hereto, which may be delivered by a Claimant who wishes to dispute a Known Claimant Notice;

(dd) "**Notice of Revision or Disallowance**" means the notice referred to in paragraph 28(e), substantially in the form attached as **Schedule "E"** hereto, advising a Claimant that the Monitor, with in consultation with the Petitioners, has revised or rejected all or part of such Claimant's Claim as set out in its Proof of Claim or Notice of Known Claim Dispute, as applicable;

(ee) "**Officers**" means the former and current officers of the Petitioners and "**Officer**" means any one of them;

(ff) "**Orders**" means any and all orders issued by the Court within the CCAA Proceeding, including the Initial Order;

(gg) "**Person**" shall be interpreted broadly and means any individual, corporation, firm, limited or unlimited liability company, general or limited partnership, association (incorporated or unincorporated), trust, unincorporated organization, joint venture, trade union, government authority or any agency, regulatory body or officer thereof or any other entity, wherever situate or domiciled, and whether or not having legal status, and whether acting on their own or in a representative capacity;

(hh) "**Plan**" means a plan of compromise or arrangement pursuant to the CCAA affecting and involving the Petitioners;

(ii) "**Pre-Filing Claims Bar Date**" means 4:00 p.m. on May 14, 2021 or such other date as may be ordered by the Court;

(jj) "**Proof of Claim**" means the Proof of Claim referred to in paragraphs 23 to 27 to be filed by the Claimants, including those Known Claimants that wish to assert a Claim in addition to any Claim set out in a Known Claimant Notice, substantially in the form attached as **Schedule "C"** hereto;

(kk) "**Proven Claim**" means the amount and Status of a Claim of a Claimant as finally determined in accordance with this Claims Procedure Order, or any further Order of the Court;

(ll) "**Restructuring Claims Bar Date**" means the later of:

(i) the Pre-Filing Claims Bar Date; and

(ii) 5:00 p.m. on the day which is thirty (30) days after the Monitor sends a Claims Package with respect to a Restructuring Claim in accordance with paragraph 19.

(mm) "**Secured Claim**" means that portion of a Claim that is (i) secured by security validly charging or encumbering property or assets of the Petitioners (including statutory and possessory liens that create security interests) up to the value of such collateral, and (ii) duly and properly perfected in accordance with the relevant legislation in the appropriate jurisdiction;

(nn) "**Service List**" means the service list maintained by the Monitor in respect of the CCAA Proceeding;

(oo) "**Status**" means, with respect to a Claim, whether such claim is an Unsecured Claim, Secured Claim, or Equity Claim; and

(pp) **"Unsecured Claim"** means any Claim that is not a Secured Claim or an Excluded Claim.

3. All references as to time herein shall mean local time in Vancouver, British Columbia, Canada, and any reference to an event occurring on a Business Day shall mean prior to 4:00 p.m. on such Business Day unless otherwise indicated herein.

4. All references to the word "including" shall mean "including without limitation".

5. All references to the singular herein include the plural, the plural include the singular, and any gender includes the other gender.

GENERAL PROVISIONS

6. The Claims Procedure and the forms attached as schedules to this Claims Procedure Order are hereby approved and the Monitor shall be and is hereby authorized and directed to implement the Claims Procedure. Notwithstanding the foregoing, the Monitor may, from time to time, make such minor changes to such forms as the Monitor, in consultation with the Petitioners, considers necessary or desirable.

7. The Monitor, is hereby authorized to: (i) use reasonable discretion as to the adequacy of compliance with respect to the manner in which forms delivered hereunder are completed and executed, and may, where it is satisfied that a Claim has been adequately proven, waive strict compliance with the requirements of this Claims Procedure Order as to completion and execution of such forms, and (ii) to request any further documentation from a Claimant that the Monitor may reasonably require in order to determine the validity and/or Status of a Claim.

8. All Claims shall be denominated in the original currency of the Claim. Where no currency is indicated, the Claim shall be presumed to be in Canadian Dollars. The Monitor shall subsequently calculate the amount of such Claim in Canadian Dollars using the Bank of Canada Canadian Dollar Daily Exchange Rate on the Filing Date.

9. All Claims other than Restructuring Claims shall be calculated and determined as of the Filing Date, and without including any interest and penalties that would otherwise accrue after the Filing Date. Restructuring Claims shall be calculated and determined as of the effective date of the applicable Disclaimer.

10. Notwithstanding any other provisions of this Claims Procedure Order, the delivery of a Known Claimant Notice, the solicitation by the Monitor of Proofs of Claim, the delivery by the Monitor of Notices of Revision or Disallowance and the filing by any Claimant of a Proof of Claim shall not, for that reason only, grant any Person any rights, including without limitation, in respect of the nature, quantum and Status of its Claim, standing in the CCAA Proceeding or voting rights in respect of any Plan, except as specifically set out in this Claims Procedure Order, or any further Order of the Court.

11. Amounts claimed in respect of any Assessments shall be subject to this Claims Procedure Order and there shall be no presumption of validity or deeming of the amount due in respect of the Claim set out in any Assessments.

MONITOR'S ROLE

12. The Monitor, in addition to its prescribed rights, duties, responsibilities and obligations under the CCAA and under the Initial Order, shall be responsible for the administration of the Claims Procedure, including the determination of the validity and quantum of Claims, including those Claims set out in the Known Claimant Notices, and the referral of a particular Claim to the Court, and is hereby directed and empowered to take such other actions and fulfill such other roles as are contemplated by this Claims Procedure Order or incidental thereto.

13. In carrying out the terms of this Claims Procedure Order, (i) the Monitor shall have all of the protections granted to it pursuant to the CCAA, the Initial Order, and this Claims Procedure Order, and as an officer of this Court, including the stay of proceedings in its favour, (ii) the Monitor shall incur no liability or obligation as a result of the carrying out of the provisions of this Claims Procedure Order, except to the extent that the Monitor has acted with gross negligence or willful misconduct, (iii) the Monitor shall be entitled to rely on the books and records of the Petitioners and any information provided by the Petitioners, all without independent investigation, and (iv) the Monitor shall not be liable for any claims or damages resulting from any errors or omissions in such books, records or information or in any information provided by any Claimant, except to the extent that the Monitor has acted with gross negligence or willful misconduct.

NOTICE TO CLAIMANTS

14. The Petitioners shall provide the Monitor with a complete list of Known Claimants as at the date of this Claims Procedure Order, showing for each Known Claimant, their name, address and the amount of the Known Claim(s) of such Known Claimant, all in accordance with the Petitioners' books and records.

15. The Monitor shall send a Known Claimant Claims Package to each Known Claimant and to Canada Revenue Agency, and any similar revenue or taxing authority of each and every province or territory of Canada in which the Petitioners carry on business within ten (10) Business Days following the granting of this Claims Procedure Order, by ordinary mail or electronic mail to the Known Claimant's last known address provided by the Petitioners, or the address provided to the Monitor by the Known Claimant.

16. As soon as practicable, but no later than 4:00 p.m. on April 9, 2021, the Monitor shall cause the Notice to Claimants to be published for at least one (1) Business Day in the Vancouver Sun and national edition of the *Globe and Mail*.

17. The Monitor shall cause the Notice to Claimants, the Claims Package and the Claims Procedure Order to be posted to the Monitor's Website as soon as reasonably possible and cause it to remain posted thereon until its discharge as Monitor of the Petitioners.

18. Upon request by a Claimant for a Claims Package or documents or information relating to the Claims Procedure prior to the Pre-Filing Claims Bar Date or the applicable Restructuring

Claims Bar Date, as applicable, the Monitor shall forthwith send a Claims Package, direct such Person to the documents posted on the Monitor's Website, or otherwise respond to the request for information or documents as the Monitor considers appropriate in the circumstances.

19. With respect to Restructuring Claims arising from the Disclaimer of any lease, contract, agreement or obligation, which becomes effective on or after the date of the Claims Procedure Order, the Monitor shall send to the counterparties to such lease, contract or other agreement or obligation, a Claims Package no later than five (5) Business Days following the date on which the Monitor becomes aware of the effective date of such Disclaimer.

20. Except as specifically provided for in this Claims Procedure Order, neither the Petitioners nor the Monitor are under any obligation to provide notice of this Claims Procedure Order to any Person having or asserting a claim, and without limitation, neither the Petitioners nor the Monitor shall have any obligation to send notice to any Person having a security interest in a Claim (including the holder of a security interest created by way of a pledge or a security interest created by way of an assignment of a Claim), and all Persons (including Claimants) shall be bound by the applicable Claims Bar Date, this Order and any notices published pursuant to this Claims Procedure Order regardless of whether or not they received actual notice, and any steps taken in respect of any Claim, in accordance with this Claims Procedure Order.

KNOWN CLAIMANT NOTICES AND PROOFS OF CLAIM

21. Any Known Claimant that does not dispute the amount of its Known Claim as set out in the applicable Known Claimant Notice delivered to such Known Claimant, is not required to take any further action and the Known Claim of such Known Claimant shall be deemed to be such amount as set forth in the Known Claimant Notice for the purposes of voting and distribution under any Plan. Any Known Claimant wishing to dispute the amount or other aspect of the Known Claim set out in the Known Claimant Notice must file a Notice of Known Claim Dispute including all relevant supporting documentation in respect of such dispute, with the Monitor on or before the Pre-Filing Claims Bar Date.

22. If any Person who received a Known Claimant Notice does not return a Notice of Known Claim Dispute in accordance with this Claims Procedure Order, the value and Status of such Known Claim shall be deemed to be set out in the Known Claimant Notice, for the purposes of voting and distribution under any Plan, and the Known Claimant will be barred from disputing or

appealing same, and the balance of such Known Claim, if any, shall be forever barred and extinguished.

23. Any Person who wishes to assert a Pre-Filing Claim (not set out in a Known Claimant Notice) must deliver to the Monitor on or before the Pre-Filing Claims Bar Date a completed Proof of Claim, including all relevant supporting documentation in respect of such Claim, in the manner set out in this Claims Procedure Order.

24. Any Person that wishes to assert a Restructuring Claim must deliver to the Monitor on or before the applicable Restructuring Claims Bar Date a completed Proof of Claim form, together with all relevant supporting documentation in respect of such Claim, in the manner set out in this Claims Procedure Order.

25. Any Person that wishes to assert a D&O Prefiling Claim must deliver to the Monitor on or before the Pre-Filing Claims Bar Date, and any Person that wishes to assert a D&O Restructuring Claim must deliver to the Monitor on or before the Restructuring Claims Bar Date, as applicable, a completed Proof of Claim form, together with all relevant supporting documentation, in the manner set out in this Claims Procedure Order.

26. Any Person wishing to assert a Claim (other than a Claim set out in a Known Claimant Notice) shall include any and all Pre-Filing Claims it asserts against the Petitioners or a Director or Officer in a single Proof of Claim provided, however, that where a Person has taken an assignment or transfer of a Claim after the Filing Date, that Person shall file a separate Proof of Claim for each such assigned or transferred Claim.

27. Any Person who does not file a Proof of Claim in accordance with this Claims Procedure Order with the Monitor by the Pre-Filing Claims Bar Date or Restructuring Claims Bar Date, as applicable, shall:

(a) not be entitled to receive further notice with respect to, and shall not be entitled to participate as a Claimant or creditor in, the Claims Procedure or the CCAA Proceeding in respect of such Claim;

(b) with respect to a Pre-Filing Claim or a Restructuring Claim, upon the approval of a Plan, be forever barred, estopped and enjoined from asserting or enforcing such Claim against the Petitioners and the Petitioners shall not have any liability

whatsoever in respect of such Claim and such Claim shall be extinguished without any further act or notification by the Petitioners or the Monitor;

(c) with respect to a D&O Claim, upon the approval of a Plan, be forever barred, estopped and enjoined from asserting or enforcing such Claim against any of the Directors or Officers and the Directors and Officers shall not have any liability whatsoever in respect of such Claim and such Claim shall be extinguished without any further act or notification by the Petitioners, the Monitor or the Directors or Officers;

(d) not be permitted to vote on any Plan at any Meeting on account of such Claim; and

(e) not be permitted to participate in any distribution under any Plan related to such Claim or under this CCAA Proceeding.

ADJUDICATION OF CLAIMS

28. The Monitor in consultation with the Petitioners (and in the case of a D&O Claim, in consultation with the respective Directors or Officers, if applicable) shall review all Proofs of Claim and Notices of Known Claim Dispute filed in accordance with this Claims Procedure Order, and at any time may:

(a) request additional information from a Claimant;

(b) request that a Claimant file a revised Proof of Claim or Notice of Dispute;

(c) attempt to resolve and settle any issue arising in a Proof of Claim or Notice of Known Claim Dispute or in respect of a Claim;

(d) accept (in whole or in part), the amount and/or Status of any Claim and so notify the Claimant in writing; and

(e) revise or disallow (in whole or in part) the amount and/or Status of any Claim and so notify the Claimant in writing by way of a Notice of Revision or Disallowance.

29. The Monitor shall not accept or revise any portion of a D&O Claim absent: (i) the consent of the applicable Directors and Officers in consultation with the applicable insurer; or (ii) further Order of the Court.

30. If a D&O Claim is accepted in accordance with this Claims Procedure Order, the Petitioners and the Monitor shall determine the extent to which the D&O Claims are covered under any applicable directors' or officers' insurance policy, in consultation with the applicable insurer, and, if covered, the extent, if any, to which coverage is sufficient to pay the amount set out in the relevant D&O Claim.

31. Where a Claim has been accepted by the Monitor, in consultation with the Petitioners, and in accordance with this Claims Procedure Order, such Claim shall constitute such Claimant's Proven Claim. The acceptance of any Claim or other determination of same in accordance with this Order, in full or in part, shall not constitute an admission of any fact, thing, liability, or quantum or status of any claim by any Person, save and except in the context of the Claims Procedure and the CCAA Proceeding.

32. Where a Claim or Notice of Known Claim Dispute is revised or disallowed (in whole or in part, and whether as to amount and/or Status), the Monitor shall deliver by electronic mail or ordinary mail to the last known address of the relevant Claimant or Known Creditor a Notice of Revision or Disallowance.

33. Any Person who intends to dispute the amount set out in a Notice of Revision or Disallowance shall deliver a Notice of Dispute to the Monitor in writing, with a copy to the Monitor, by 4:00 p.m. on the day that is no later than fourteen (14) days after such Claimant received the Notice of Revision or Disallowance, with the date of the Claimant's receipt of the Notice of Revision or Disallowance being determined pursuant to paragraph 28 of this Claims Procedure Order, or such longer period as may be agreed to by the Petitioners, in consultation with the Monitor, in writing. The receipt of a Notice of Dispute by the Monitor within the fourteen (14) day period specified in this paragraph shall constitute the Claimant's consent to have the amount and/or Status of such claim determined by the Court pursuant to the Claims Procedure as provided in this Claims Procedure Order.

34. If any Person who received a Notice of Revision or Disallowance does not return a Notice of Dispute in accordance with paragraph 33, the value and Status of such Claim shall be deemed to be set out in the Notice of Revision or Disallowance, respectively, for the purposes of voting and distribution under any Plan, and the Claimant will be barred from disputing or appealing same, and the balance of such Claimant's Claim, if any, shall be forever barred and extinguished.

35. The Petitioners and the Monitor (and in the case of a D&O Claim, with the respective Directors or Officers, if applicable, and in consultation with the applicable insurer), may attempt to consensually resolve the amount and/or Status of any Pre-Filing Claim, Restructuring Claim, and/or D&O Claim as set out in the Notice of Dispute. Notices of Dispute not consensually resolved through the dispute and review process may be accepted by the Petitioners and the Monitor for voting purposes only on any Plan filed by the Petitioners; provided, however, that no D&O Claim shall be resolved by the Petitioners or the Monitor without the consent of the applicable Director or Officer.

36. In the event that the Monitor and the Claimant are unable to resolve any Disputed Claim in respect of any Pre-Filing Claim or Restructuring Claim, the Monitor shall bring an application for advice and direction to the Court in these CCAA Proceedings to have the Disputed Claim, determined by the Court, which application shall be heard as a hearing de novo.

37. In the event that the Monitor, in consultation with the applicable Director or Officer, is unable to resolve any Disputed Claim in respect of any D&O Claim, the Monitor shall bring an application for advice and direction to the Court in these CCAA Proceedings to have the D&O Claim determined by the Court, which application shall be heard as a hearing de novo.

38. Nothing in this Claims Procedure Order will affect or limit the Petitioners' right to assert an affirmative claim against a Claimant within the Claims Procedure, and the Petitioners shall retain all rights and defences, legal and equitable, to any Claims, including Disputed Claims, that are asserted in accordance with this Claims Procedure Order. Without limiting the foregoing, the Petitioners shall be entitled to assert a right of set-off, recoupment or any other affirmative counterclaim of any kind or nature whatsoever against the Claimant with a Disputed Claim and the Petitioners' claim shall be determined within the CCAA Proceeding.

EXCLUDED CLAIMS

39. For greater certainty, no Person holding an Excluded Claim shall be required to file a Proof of Claim in respect of such Excluded Claims, and such Person shall be unaffected by this Claims Procedure Order and any Plan in respect of such Excluded Claim.

NOTICE OF TRANSFER OR ASSIGNMENT

40. Neither the Monitor nor the Petitioners shall be obligated to give notice or otherwise deal with the transferee or assignee of a Claim unless and until actual notice of the transfer or

assignment, together with satisfactory evidence of the existence and validity of such transfer or assignment, shall have been received and acknowledged by the Petitioners and the Monitor in writing. Thereafter, such transferee or assignee shall, for all purposes hereof, constitute the "Claimant" in respect of such Claim. Any such transferee or assignee of a Claim shall be bound by any notices given or steps taken in respect of such Claim in accordance with this Claims Procedure Order prior to the receipt and acknowledgment by the Petitioners and the Monitor of satisfactory evidence of such transfer or assignment. A transferee or assignee of a Claim takes the Claim subject to any right of set-off to which the Petitioners may be entitled with respect to such Claim. For greater certainty, a transferee or assignee of a Claim is not entitled to set off, apply, merge, consolidate or combine any Claims assigned or transferred to it against or on account or in reduction of any amounts owing by such Person to the Petitioners.

41. If a Claimant or any subsequent holder of a Claim, who in any such case has previously been acknowledged by the Petitioners and the Monitor as the holder of the Claim, transfers or assigns the whole of such Claim to more than one Person or part of such Claim to another Person, such transfers or assignments shall not create separate Claims and such Claims shall continue to constitute and be dealt with as a single Claim notwithstanding such transfers or assignments. The Petitioners and the Monitor shall not, in each case, be required to recognize or acknowledge any such transfers or assignments and shall be entitled to give notices to and to otherwise deal with such Claim only as a whole and then only to and with the Person last holding such Claim, provided such Claimant may, by notice in writing delivered to the Monitor, direct that subsequent dealings in respect of such Claim, but only as a whole, shall be dealt with by a specified Person and in such event, such Person shall be bound by any notices given or steps taken in respect of such Claim with such Claimant or in accordance with the provisions of this Claims Procedure Order.

SERVICE AND NOTICES

42. The Known Claimant Claims Package and Claims Package to be provided and sent in accordance with this Claims Procedure Order shall constitute good and sufficient service and delivery of notice of the Claims Procedure and this Claims Procedure Order, the Pre-Filing Claims Bar Date and Restructuring Claims Bar Date on all Persons who may be entitled to receive notice thereof and who may assert a Claim and no other notice or service need be given or made and no other documents or materials need to be sent to or served upon any Person in respect of this Claims Procedure Order.

43. The Petitioners and the Monitor may, unless otherwise specified by this Claims Procedure Order, serve and deliver the Known Claimant Claims Package and Claims Package, and any letters, notices or other documents to the Claimants or any other interested Person by forwarding true copies thereof by prepaid ordinary mail, registered mail, courier, personal delivery or email to such Persons at the physical or electronic address, as applicable, last shown on the books and records of the Petitioners. Any such service and delivery shall be deemed to have been received: (a) if sent by ordinary mail or registered mail, on the third Business Day after mailing within British Columbia, the fifth Business Day after mailing within Canada (other than within British Columbia), and the tenth Business Day after mailing internationally; (b) if sent by courier or personal delivery, on the next Business Day following dispatch; and (c) if delivered by email by 4:00 p.m. on a Business Day, on such Business Day and if delivered after 5:00 p.m. or other than on a Business Day, on the following Business Day.

44. Any notice or communication required to be provided or delivered to the Monitor under this Claims Procedure Order shall be in writing in substantially the form, if any, provided for in this Claims Procedure Order and will be sufficiently given only if delivered by email, or if it cannot be given by email by prepaid registered mail, courier or personal delivery, addressed to:

KSV Restructuring Inc.
Court-appointed Monitor of the Petitioners
2308 - 150 King Street West
Toronto, ON M5H 1J9

Attention: Bobby Kofman / Noah Goldstein / Esther Mann

Phone: (416) 932-6228 / (416) 932-6207 / (416) 932-6009
Email: bkofman@ksvadvisory.com / ngoldstein@ksvadvisory.com / emann@ksvadvisory.com

With a copy to:

DLA Piper (Canada) LLP
1 First Canadian Place
100 King Street West, Suite 6000
Toronto, Ontario M5X 1E2

2800 - 666 Burrard Street
Vancouver, BC V6C 2Z7

Attention: Edmond Lamek / Colin Brousson

Phone: (416) 365-3444 / (604) 643-6400
Email: edmond.lamek@dlapiper.com / colin.brousson@dlapiper.com

Any such notice or communication delivered by a Claimant shall be deemed to be received upon actual receipt by the Monitor, thereof during normal business hours on a Business Day or if delivered outside of normal business hours, the next Business Day.

45. If during any period during which notices or other communications are being given pursuant to this Claims Procedure Order, a postal strike or postal work stoppage of general application should occur, such notices, notifications or other communications sent by ordinary or registered mail and then not received shall not, absent further Order of this Court, be effective and notices and other communications given hereunder during the course of any such postal strike or work stoppage of general application shall only be effective if given by courier, personal delivery, facsimile transmission or email in accordance with this Claims Procedure Order.

46. In the event that this Claims Procedure Order is later amended by further Order of the Court, the Monitor shall post such further Order on the Monitor's Website, and such posting shall constitute adequate notice to any Claimant of such amended claims procedure.

DIRECTIONS

47. Notwithstanding the terms of this Claims Procedure Order, the Monitor may apply to this Court from time to time for directions from this Court with respect to this Claims Procedure Order, or for such further Order or Orders as it may consider necessary or desirable to amend, supplement or clarify the terms of this Claims Procedure Order.

MISCELLANEOUS

48. This Order shall have full force and effect in all provinces and territories in Canada, outside Canada and against all Persons against whom it may be enforceable.

49. Nothing in this Order shall prejudice the rights and remedies of any Directors or Officers to the Charges or any applicable insurance policy or prevent or bar any Person from seeking recourse against or payment from the Petitioners' insurance or any directors' or officers' liability insurance policy or policies that exist to protect or indemnify the Directors or Officers whether such recourse or payment is sought directly by the Person asserting a Claim from the insurer or derivatively through the Director or Officer or the Petitioners; provided, however, that nothing in this Order shall create any rights in favour of such Person under any policies of insurance nor shall anything in this Order limit, remove, modify or alter any defence to such Claim available to

the insurer pursuant to the provisions of any insurance policy or at law; and further provided that any Claim or portion thereof for which the Person receives payment directly from, or confirmation that he or she is covered by, the Petitioners' insurance or any directors' or officers' liability insurance or other liability insurance policy or policies that exist to protect or indemnify the Directors or Officers shall not be recoverable as against the Petitioners or Director or Officer, as applicable.

50. Nothing in this Claims Procedure Order shall constitute or be deemed to constitute an allocation or assignment of a Claim or an Excluded Claim into any particular affected or unaffected classes for the purposes of any Plan and, for greater certainty, the treatment of Claims and Excluded Claims subject to any Plan and the class or classes of creditors for voting and distribution purposes shall be subject to the terms of any Plan or further Order of the Court.

51. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, or abroad, to give effect to this Order and to assist the Petitioners, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Petitioners and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Petitioners and the Monitor and their respective agents in carrying out the terms of this Order.

52. Each of the Petitioners and the Monitor be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

53. The approval of this Claims Procedure Order by counsel appearing on this application other than DLA Piper (Canada) LLP, counsel to the Monitor, is hereby disposed with.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER

Signature of ☑ lawyer for the Monitor
DLA Piper (Canada) LLP (Colin D. Brousson)

By This Court:

Registrar

day: 36472288.1

Schedule "A"

List of Counsel Appearing

Name of Counsel	Name of Party
Kyle B. Plunkett, William E.J. Skelly and Thomas W. Clifford	The Petitioners
Colin D. Brousson and Jeffrey D. Bradshaw	The Monitor
Claire Hildebrand	Oxford Management Services Inc.
Kibben Jackson	Montrusco Bolton Investments Inc., Montrusco Bolton Alternative Fund L.P., MBI/Ardenton Private Equity Income Fund, L.P. and MBI/Ardenton Private Equity Income and Growth Fund, L.P.
Adrienne Ho	Leone Financial Corporation, shareholder of 1971035 Ontario Inc.
Christopher Ramsay and Nick Carlson	RCM Capital Management Ltd.

SCHEDULE "A"

NOTICE TO CLAIMANTS

NOTICE TO CLAIMANTS

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

IN THE MATTER OF ARDENTON CAPITAL CORPORATION AND ARDENTON CAPITAL BRIDGING INC. (the "PETITIONERS")

PLEASE TAKE NOTICE that this notice is being published pursuant to an Order of the Supreme Court of British Columbia (the "**Court**") made March 31, 2021 (the "**Claims Procedure Order**"). The Court has ordered that KSV Restructuring Inc., in its capacity as the Petitioners' Court-appointed monitor (the "**Monitor**"), send a Known Claimant Claims Package to each Known Claimant of the Petitioners, as well as a Claims Package to any Person who requests one from the Monitor, as part of the Court-approved claims process (the "**Claims Procedure**"). All capitalized terms shall have the meaning given to those terms in the Claims Procedure Order.

The Claims Procedure Order, the Claims Package and related materials may be accessed from the Monitor's website at https://www.ksvadvisory.com/insolvency-cases/case/ardenton-capital-corporation.

Please take notice that any Person who believes that they have a Pre-Filing Claim or a D&O Pre-Filing Claim against the Petitioners or their Directors and Officers that existed or is based on facts existing as at the date of the Initial Order (March 5, 2021) must deliver a Proof of Claim to the Monitor **before 4:00 pm (Pacific Time) on May 14, 2021 (the "Pre-Filing Claims Bar Date")**.

Any Person who believes that they have a Restructuring Claim or a D&O Restructuring Claim against the Petitioners or Directors and Officers arising out of the restructuring, termination, repudiation or disclaimer on or after March 5, 2021 of any contract, lease or other agreement, whether oral or written, by the Petitioners must deliver a Proof of Claim to the Monitor **before the later of the Pre-Filing Claims Bar Date or 5:00 p.m. (Pacific Time) on the date which is 30 days after the date the Monitor sends a Claims Package with respect to a Restructuring Claim or a D&O Restructuring Claim in accordance with the Claims Procedure Order (the "Restructuring Claims Bar Date")**.

PROOFS OF CLAIM MUST BE RECEIVED BY THE MONITOR BY THE PRE-FILING CLAIMS BAR DATE OR THE RESTRUCTURING CLAIMS BAR DATE, AS APPLICABLE. THE FAILURE TO DO SO WILL RESULT IN THE APPLICABLE CLAIM BEING FOREVER BARRED AND EXTINGUISHED, INCLUDING ANY CLAIM(S) AGAINST THE DIRECTORS AND OFFICERS.

The Monitor can be contacted by email at jwong@ksvadvisory.com, to the attention of Jordan Wong.

SCHEDULE "B"

INSTRUCTION LETTER

INSTRUCTION LETTER FOR THE CLAIMS PROCEDURE

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

IN THE MATTER OF ARDENTON CAPITAL CORPORATION AND ARDENTON CAPITAL BRIDGING INC. (the "PETITIONERS")

CLAIMS PROCEDURE

By Order of the Supreme Court of British Columbia dated March 31, 2021, (the "**Claims Procedure Order**") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 as amended (the "**CCAA**"), KSV Restructuring Inc., in its capacity as Monitor of the Petitioners, has been authorized to conduct a procedure for the identification, quantification, and resolution of Claims against the Petitioners and the Directors and Officers of the Petitioners (the "**Claims Procedure**"). A copy of the Claims Procedure Order can be obtained from the Monitor's website at https://www.ksvadvisory.com/insolvency-cases/case/ardenton-capital-corporation.

This letter provides general instructions for completing the Notice of Known Claim Dispute, if applicable, and the Proof of Claim form. As of the date of this instruction letter, there has been no proposed plan of compromise or arrangement pursuant to the CCAA. Capitalized terms not defined within this instruction letter shall have the meaning set out in the Claims Procedure Order. You should review the Claims Procedure Order carefully for all terms defined therein.

The Claims Procedure is intended for any Person with a claim of any kind or nature whatsoever, including a Pre-Filing Claim and a Restructuring Claim, other than an Excluded Claim, against the Petitioners and any D&O Claim against the Directors and Officers arising prior or subsequent to the Filing Date, whether unliquidated, contingent or otherwise, or arising out of the restructuring, termination, repudiation or disclaimer after March 5, 2021 of any contract, lease or other agreement, whether oral or written, by the Petitioners.

All notices and inquiries with respect to the Claims Procedure should be directed to the Monitor by regular mail, prepaid registered mail, courier, personal delivery, electronic communication or facsimile transmission at the address below:

KSV Restructuring Inc.
Monitor of Ardenton Capital Corporation and Ardenton Capital Bridging Inc.
2308 - 150 King Street West
Toronto ON M5H 1J9

Attention: Jordan Wong

Email: jwong@ksvadvisory.com

FOR KNOWN CLAIMANTS RECEIVING A KNOWN CLAIMANT NOTICE

If you are a Known Claimant of the Petitioners, have received a Known Claimant Notice and do not wish to dispute the amount of the Known Claim set out therein, you are not required to take any further action and the amount of your Known Claim shall be deemed to be the amount set forth in the Known Claimant Notice for the purposes of voting and distribution under any Plan.

If you are a Known Claimant of the Petitioners, have received a Known Claimant Notice and **you wish to dispute the amount of the Known Claim set out therein**, you must file a Notice of Known Claim Dispute with the Monitor. All Notices of Known Claim Dispute for Known Claims must be received by the Monitor **before 4:00 pm (Pacific Time) on May 14, 2021 (the "Pre-Filing Claims Bar Date")**, unless the Monitor and the Petitioners agree in writing or the Court orders that the Notice of Known Claim Dispute be accepted after that date.

FOR CLAIMANTS SUBMITTING A PROOF OF CLAIM FORM

If you believe that you have a Claim against the Petitioners and/or the Directors and Officers, you must file a Proof of Claim with the Monitor. All Proofs of Claim for Claims arising prior to March 5, 2021, including D&O Pre-Filing Claims, must be received by the Monitor **before the Pre-Filing Claims Bar Date**, unless the Monitor and the Petitioners agree in writing or the Court orders that the Proof of Claim be accepted after that date.

All Proofs of Claim for Restructuring Claims and D&O Restructuring Claims arising out of the restructuring, termination, repudiation or disclaimer after March 5, 2021 of any contract, lease or other agreement, whether oral or written, by any of the Petitioners must be received by the Monitor **before the later of the Pre-Filing Claims Bar Date or 5:00 p.m. (Pacific Time) on the date which is 30 days after the date the Monitor sends a Claims Package with respect to a Restructuring Claim or a D&O Restructuring Claim in accordance with the Claims Procedure Order (the "Restructuring Claims Bar Date")**. If your Proof of Claim is not received by the Pre-Filing Claims Bar Date or Restructuring Claims Bar Date, it will be forever barred and extinguished and you will not be entitled to participate in any Plan or distribution, unless the Court orders otherwise.

All Claims are to be filed in the original currency of the transaction. For the purposes of the Claims Procedure only (and without prejudice to the terms of any plan of arrangement or compromise) Claims in a foreign currency will be converted to Canadian Dollars, using the Bank of Canada Canadian Dollar Daily Exchange Rate on the Filing Date.

Additional Notice of Known Claim Dispute and Proof of Claim forms can also be obtained from the Monitor's website at **https://www.ksvadvisory.com/insolvency-cases/case/ardenton-capital-corporation** or by email to Jordan Wong at jwong@ksvadvisory.com and by providing the particulars as to your name, address, facsimile number, email address and contact person. Once the Monitor has this information, you will receive, as soon as practicable, an additional Notice of Known Claim Dispute or Proof of Claim form.

It is your responsibility to ensure that the Monitor receives your Notice of Known Claim Dispute or Proof of Claim at the above-noted time and date.

DATED this ___th day of _____, 2021.

KSV Restructuring Inc.,
in its capacity as Monitor of
Ardenton Capital Corporation and
Ardenton Capital Bridging Inc.,
and not in its personal capacity

SCHEDULE "C"

PROOF OF CLAIM FORM

Court File No. S-211985

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 ARDENTON CAPITAL CORPORATION AND ARDENTON CAPITAL BRIDGING INC. (the "PETITIONERS")

PROOF OF CLAIM

Please read carefully the enclosed Instruction Letter for completing this Proof of Claim form. Capitalized terms not defined within this Proof of Claim form shall have the meaning ascribed thereto in the Order of the Supreme Court of British Columbia dated March 31, 2021, as may be amended from time to time (the "**Claims Procedure Order**").

A. PARTICULARS OF CLAIMANT:

(1) Full legal name of Claimant:
(include trade name, if different)

The full legal name should be the name of the Claimant of the Petitioners, notwithstanding whether an assignment of a Claim, or a portion thereof, has occurred. _____

(2) Full mailing address of Claimant: _____

_____

_____

_____

_____

(3) Telephone number: _____

(4) E-mail address: _____

(5) Facsimile number: _____

(6) Attention (Contact person): _____

(7) Has the claim set out herein been sold, transferred or assigned by the Claimant to another party? ☐ Yes ☐ No

B. PARTICULARS OF ASSIGNEE(S) (IF APPLICABLE)

If the Claim set out herein has been sold, transferred or assigned, complete the required information set out below. If there is more than one assignee, please attach a separate sheet that contains all of the required information set out below for each assignee.

(1) Full legal name of Assignee: _____

(2) Full mailing address of Assignee: _____

_____

_____

_____

_____

(3) Telephone number: _____

(4) E-mail address: _____

(5) Facsimile number: _____

(6) Attention (Contact person): _____

C. PROOF OF CLAIM:

The undersigned hereby certifies as follows:

(a) that I:

☐ am a Claimant; **OR**

☐ am _____
(state name and title)

of _____ (name of Claimant);

(b) that I have knowledge of all the circumstances connected with the Claim described and set out below;

(c) that the Claimant asserts a Claim against: ☐ Ardenton Capital Corporation

☐ Ardenton Capital Bridging Inc.

which is/were and still is/are indebted to the Claimant as follows (include all Claims that you assert against the Petitioner(s) noted above. Claims should be filed in the **currency of the transaction** (with reference to the contractual rate of interest, if any) and such currency should be indicated as provided below in respect of the Claim(s).

	(i) Amount of Pre-Filing Claim	**(ii) Amount of Restructuring Claim**	**(iii) Total Claim (Sum of (i) and (ii)**
	(please complete in the original currency of transaction)		
Secured			
Unsecured			

Note: For the purpose of the Claims Procedure Order only (and without prejudice to the terms of any plan of arrangement or compromise that may be filed by the Petitioners), Claims will be converted to Canadian Dollars as per the Claims Procedure Order using the Bank of Canada Canadian Dollar Daily Exchange Rate on the Filing Date.

D. Note: ***If you are asserting your Claim against the Petitioners' Directors and Officers, you are required to complete Section F of this Proof of Claim Form.***

(1) NATURE OF CLAIM – Complete ONLY if you are asserting a Secured Claim ***(CHECK AND COMPLETE APPROPRIATE CATEGORY)***

Petitioner(s): _____

☐ Secured Claim of $_____
(Original currency and amount)

In respect of this debt, I hold security over the assets of the Petitioner(s) valued at

$_____,
(Original currency and amount)

the particulars of which security and value are attached to this Proof of Claim form.

☐ Unsecured Claim of $_____
(Original currency and amount)

Give full particulars of the security, including the date on which the security was given the value which you ascribe to the assets charged by your security, the basis for such valuation and attach a copy of the security documents evidencing the security.

If you are asserting multiple secured claims, against one or more of the Petitioners, please provide full details of your security against each of the Petitioners.

E. PARTICULARS OF CLAIM:

Other than as already set out herein, the particulars of the undersigned's total Claim against the Petitioner(s) are attached on a separate sheet.

Provide all particulars of the Claim and supporting documentation that you feel will assist in the determination of your Claim. ***At a minimum, you are required to provide the invoice date, invoice number, the amount of each outstanding invoice and the related purchase order number****. Further particulars may include the following if applicable: a description of the transaction(s) or agreement(s) giving rise to the Claim; contractual rate of interest (if applicable); name of any guarantor which has guaranteed the Claim; details of all credits, discounts, etc. claimed; description of the security if any, granted by the affected Petitioner(s) to the Claimant, the estimated value of such security and the basis for such valuation; and the particulars of any Restructuring Claim.*

F. PROOF OF CLAIM – CLAIM AGAINST THE DIRECTORS AND OFFICER(S)

This section should *only* be completed by a Claimant asserting a claim against the Director(s) and Officer(s) of the Petitioner(s). A Claimant asserting a claim only against the Petitioner(s) should *not* complete this section.

G. THE UNDERSIGNED HEREBY CERTIFIES AS FOLLOWS:

that I:

□ am a Claimant; **OR**

□ am _____
(state position or title)

of _____
(name of Claimant)

I assert a claim against the following Director(s) and Officer(s) (please list below the individual Directors or Officers:

_____

_____

_____

that I have knowledge of all the circumstances connected with the Claim described and set out below;

The Director(s) and Officer(s) was/were and still is/are indebted to the Claimant as follows in respect of a Pre-Filing D&O Claim arising prior to Filing Date (claims should be filed in the original currency of the transaction):

$_____
(Original currency)

The Director(s) and Officer(s) was/were and still is/are indebted to the Claimant as follows in respect of a D&O Restructuring Claim arising on or after Filing Date (claims should be filed in the original currency of the transactions):

$_____
(Original Currency)

H. FILING OF CLAIM:

This Proof of Claim form must be returned to and received by the Monitor by no **later than 4:00 p.m. (Pacific Time) on May 14, 2021** (the **"Pre-Filing Claims Bar Date"**), unless a Restructuring Claim is being asserted in which case the Proof of Claim form related to your Restructuring Claim only must be received by the Monitor on the date which is the later of the Pre-Filing Claims Bar Date and **5:00 p.m. (Pacific Time) on the day which is 30 days after the date the Monitor sends a Claims Package with respect to a Restructuring**

Claim in accordance with the Claims Procedure Order (the "Restructuring Claims Bar Date"), by either regular mail, prepaid registered mail, personal delivery, courier, electronic communication or facsimile transmission at the following address:

KSV Restructuring Inc.
Monitor of Ardenton Capital Corporation and Ardenton Capital Bridging Inc.
2308 - 150 King Street West
Toronto ON M5H 1J9

Attention: Jordan Wong
Email: jwong@ksvadvisory.com

DATED this _____ day of _____, 2021.

_____
Witness Name:

Per: _____
(Signature)

If Claimant is a Corporation, print name and title of authorized signatory:

Name: _____

Title: _____

Note: After signing this form, please ensure you return all pages of this Proof of Claim to the Monitor.

SCHEDULE "D"

KNOWN CLAIMANT NOTICE

Court File No. S-211985

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 ARDENTON CAPITAL CORPORATION AND ARDENTON CAPITAL BRIDGING INC. (the "PETITIONERS")

KNOWN CLAIMANT NOTICE

Please read carefully the enclosed Instruction Letter regarding this Known Claimant Notice. Capitalized terms not defined within this Known Claimant Notice shall have the meaning ascribed thereto in the Order of the Supreme Court of British Columbia dated March 31, 2021, as may be amended from time to time (the "**Claims Procedure Order**").

A. PARTICULARS OF CLAIMANT:

(1) Full legal name of Claimant: _____

(2) Full mailing address of Claimant: _____

_____

_____

_____

_____

(3) Telephone number: _____

(4) E-mail address: _____

(5) Facsimile number: _____

(6) Attention (Contact person): _____

B. NATURE AND CALCULATION OF KNOWN CLAIM

The Known Claimant named above has a Known Claim, the particulars of which are set out in the attached schedule, against:

☐ Ardenton Capital Corporation
☐ Ardenton Capital Bridging Inc.

If you do not wish to dispute the amount of the Known Claim, you are not required to take any further action and the amount of your Known Claim shall be deemed to be the amount set forth in this Known Claimant Notice for the purposes of voting and distribution under any Plan.

> **Note:** For the purpose of the Claims Procedure Order only (and without prejudice to the terms of any plan of arrangement or compromise that may be filed by the Petitioners), Known Claims will be converted to Canadian Dollars as per the Claims Procedure Order using the Bank of Canada Canadian Dollar Daily Exchange Rate on the Filing Date.

C. PARTICULARS OF ASSIGNEE(S) (IF APPLICABLE)

If the Known Claim set out herein has been sold, transferred or assigned, the Known Claimant set out above shall, pursuant to paragraphs 40 and 41 of the Claims Procedure Order, provide actual notice of the transfer or assignment, together with satisfactory evidence of the existence and validity of such transfer or assignment to the Petitioners and the Monitor. **Until such time as the Petitioners and the Monitor have been provided with the aforementioned notice, neither the Monitor nor the Petitioners shall be obligated to give notice or otherwise deal with the transferee or assignee of a Known Claim.**

Notice of the transfer or assignment to the Petitioners and the Monitor should include all of the required information set out below for each assignee.

(1) Full legal name of Assignee: _____

(2) Full mailing address of Assignee: _____

_____

_____

_____

_____

(3) Telephone number: _____

(4) E-mail address: _____

(5) Facsimile number: _____

(6) Attention (Contact person): _____

D. FILING OF NOTICE OF KNOWN CLAIM DISPUTE:

If you wish to dispute the amount of the Known Claim set out herein, you must file a Notice of Known Claim Dispute with the Monitor. All Notices of Known Claim Dispute for Known Claims must be received by the Monitor **before 4:00 pm (Pacific Time) on May 14, 2021 (the "Pre-Filing Claims Bar Date")**, unless the Monitor and the Petitioners agree in writing or the Court orders that the Notice of Known Claim Dispute be accepted after that date, and shall be sent to the Monitor by either regular mail, prepaid registered mail, personal delivery, courier, electronic communication or facsimile transmission at the following address:

KSV Restructuring Inc.
Monitor of Ardenton Capital Corporation and Ardenton Capital Bridging Inc.
2308 - 150 King Street West
Toronto ON M5H 1J9

Attention: Jordan Wong
Email: jwong@ksvadvisory.com

DATED this _____ day of _____, 2021.

SCHEDULE "E"

NOTICE OF REVISION OR DISALLOWANCE

NOTICE OF REVISION OR DISALLOWANCE FOR VOTING AND/OR DISTRIBUTION PURPOSES

FOR THE CLAIMS PROCEDURE

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

AND IN THE MATTER OF ARDENTON CAPITAL CORPORATION AND ARDENTON CAPITAL BRIDGING INC. (the "PETITIONERS")

TO:

_____

(the "**Claimant**")

Capitalized terms not defined within this Notice of Revision or Disallowance shall have the meaning ascribed thereto in the Order of the Supreme Court of British Columbia dated March 31, 2021 (the "**Claims Procedure Order**"). **All dollar values contained herein are in Canadian Dollars unless otherwise noted.**

Pursuant to paragraph 28 of the Claims Procedure Order, KSV Restructuring Inc., in its capacity as Monitor of the Petitioners, hereby gives you notice that the Monitor, with the assistance of the Petitioners, has reviewed your Notice of Known Claim Dispute and/or Proof of Claim and has revised or disallowed your Claim in whole or in part. Subject to further dispute by you in accordance with the Claims Procedure Order, your Claim will be allowed or disallowed as follows:

(i) Claim against the Petitioners	**Proof of Claim Amount:**	**Amount Allowed by Monitor:**
Unsecured Claim	$	$
Secured Claim	$	$
Restructuring Claim	$	$

(ii) Claim against the Directors and Officers	Proof of Claim Amount:	Amount Allowed by Monitor:
D&O Pre-Filing Claim	$	$
D&O Restructuring Claim	$	$

REASON(S) FOR THE REVISION OR DISALLOWANCE

_____

_____

_____

_____

SERVICE OF NOTICES OF DISPUTE

If you intend to dispute a Notice of Revision or Disallowance sent pursuant to paragraph 28 you must deliver a Notice of Dispute (in the form enclosed) to the Monitor in writing **by 4:00 p.m. (Pacific Time) on the day that is no later than fourteen (14) days after such Claimant received the Notice of Revision or Disallowance, or such longer period as may be agreed to by the Monitor, in consultation with the Petitioners, in writing,** either by regular mail, prepaid registered mail, personal delivery, courier, electronic communication or facsimile to the following address, setting out the reasons for the dispute.

In accordance with the Claims Procedure Order, notices are deemed to have been received on the date of actual receipt thereof during normal business hours on a Business Day or if delivered outside of normal business hours, on the next Business Day.

Notices of Dispute must be sent to the Monitor at the following address:

KSV Restructuring Inc.
Court-appointed Monitor of Ardenton Capital Corporation and
Ardenton Capital Bridging Inc.
2308 - 150 King Street West
Toronto ON M5H 1J9

Attention: Jordan Wong
Email: jwong@ksvadvisory.com

If any Person who received a Notice of Revision or Disallowance does not return a Notice of Dispute by 4:00 p.m. (Pacific Time) on the day that is no later than fourteen (14) days after such Claimant received the Notice of Revision or Disallowance, or such longer period as

may be agreed to by the Monitor, in consultation with the Petitioners, in writing, the value and Status of such Claim shall be deemed to be set out in the Notice of Revision or Disallowance for the purposes of voting and distribution under any Plan, and the Claimant will be barred from disputing or appealing same, and the balance of such Claimant's Claim, if any, shall be forever barred and extinguished.

DATED this _____ day of _____, 2021.

SCHEDULE "F"

NOTICE OF DISPUTE

NOTICE OF DISPUTE

FOR THE CLAIMS PROCEDURE

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

AND IN THE MATTER OF ARDENTON CAPITAL CORPORATION AND ARDENTON CAPITAL BRIDGING INC. (the "PETITIONERS")

Name of Petitioners and or Directors and Officers against which a Claim is asserted:

_____

A. Particulars of Claimant

(1) Full Legal Name of Claimant (include trade name, if different):

_____

_____

(2) Full Mailing Address of Claimant:

_____

_____

_____

(3) Telephone Number: _____

(4) E-mail Address: _____

(5) Facsimile Number: _____

(6) Attention (Contact Person): _____

B. Particulars of original Claimant from whom the Claim was assigned, if applicable:

(1) Have you acquired this claim by assignment? If Yes, if not already provided, attached documents evidencing assignment.

□ Yes □ No

(2) Full Legal Name of original claimant(s): _____

C. Dispute of Revision or Disallowance of Claim

The Claimant hereby disagrees with the value of its Claim as set out in the Notice of Revision or Disallowance and asserts a Claim as follows:

	Claim as Filed in the Proof of Claim Form			**Assessed Claim in CAD**	
	Pre-Filing Claim / D&O Pre-Filing Claim	**Restructuring Claim / D&O Restructuring Claim**	**Total Claim (in original Currency)**	**Disallowed Amount**	**Amount Claimed by the Claimant**
Secured					
Unsecured					
Directors and Officers					
TOTAL:					

REASON(S) FOR THE DISPUTE

(You must include a list of reasons as to why you are disputing your Claim(s) as set out in the Notice of Revision or Disallowance).

_____

_____

_____

SERVICE OF DISPUTE NOTICES

If you intend to dispute a Notice of Revision or Disallowance sent pursuant to paragraph 28 of the Claims Procedure Order, you must deliver a Notice of Dispute (in the form enclosed in the Claims Package) to the Monitor **by 4:00 p.m. on the day that is no later than fourteen (14) days after such Claimant received the Notice of Revision or Disallowance, or such longer period as may be agreed to by the Monitor, in consultation with the Petitioners, in writing,** either by regular mail, prepaid registered mail, personal delivery, courier, electronic communication or facsimile to the following address, setting out the reasons for the dispute.

In accordance with the Claims Procedure Order, notices are deemed to have been received on the date of actual receipt thereof during normal business hours on a Business Day or if delivered outside of normal business hours, on the next Business Day.

Notices of Dispute must be sent to the Monitor at the following address:

KSV Restructuring Inc.
Court-appointed Monitor of Ardenton Capital Corporation and
Ardenton Capital Bridging Inc.
2308 - 150 King Street West
Toronto ON M5H 1J9

Attention: Jordan Wong
Email: jwong@ksvadvisory.com

DATED this _____ day of _____, 2021.

_____
Witness

_____
Signature

Name:
Title:
(please print)

SCHEDULE "G"

NOTICE OF KNOWN CLAIM DISPUTE

NOTICE OF KNOWN CLAIM DISPUTE

FOR THE CLAIMS PROCEDURE

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

AND IN THE MATTER OF ARDENTON CAPITAL CORPORATION AND ARDENTON CAPITAL BRIDGING INC. (the "PETITIONERS")

Name of Petitioners against which a Claim is asserted:

_____

A. Particulars of Known Claimant

(1) Full Legal Name of Known Claimant (include trade name, if different):

_____

_____

(2) Full Mailing Address of Known Claimant:

_____

_____

_____

(3) Telephone Number: _____

(4) E-mail Address: _____

(5) Facsimile Number: _____

(6) Attention (Contact Person): _____

B. Particulars of original Known Claimant from whom the Claim was assigned, if applicable:

(1) Have you acquired this claim by assignment?

□ Yes □ No

If Yes, if not already provided, attach documents evidencing assignment.

(2) Full Legal Name of original Known Claimant: _____

C. Dispute of Known Claimant Notice

REASON(S) FOR THE DISPUTE

(You must include a list of reasons as to why you are disputing your Claim(s) as set out in the Known Claimant Notice).

_____

_____

_____

_____

_____

SERVICE OF KNOWN CLAIM DISPUTE NOTICES

If you intend to dispute the amount of the Claim set out in the Known Claimant Notice sent pursuant to paragraph 21 of the Claims Procedure Order, you must deliver a Notice of Known Claim Dispute (in the form enclosed in the Known Claimant Claims Package) to the Monitor **by no later than 4:00 p.m. (Pacific Time) on May 14, 2021** (the **"Pre-Filing Claims Bar Date"),** either by regular mail, prepaid registered mail, personal delivery, courier, electronic communication or facsimile to the following address, setting out the reasons for the dispute.

If any Person who received a Known Claimant Notice and wishes to dispute the amount of the Claim set out therein does not return a Notice of Known Claim Dispute by the Pre-Filing Claims Bar Date, the value and Status of such Known Claim shall be deemed to be set out in the Known Claimant Notice for the purposes of voting and distribution under any Plan, and the Known Claimant will be barred from disputing or appealing same, and the balance of such Known Claimant's Claim, if any, shall be forever barred and extinguished.

In accordance with the Claims Procedure Order, notices are deemed to have been received on the date of actual receipt thereof during normal business hours on a Business Day or if delivered outside of normal business hours, on the next Business Day.

Notices of Known Claim Dispute must be sent to the Monitor at the following address:

KSV Restructuring Inc.
Court-appointed Monitor of Ardenton Capital Corporation and
Ardenton Capital Bridging Inc.
2308 - 150 King Street West
Toronto ON M5H 1J9

Attention: Jordan Wong
Email: jwong@ksvadvisory.com

DATED this _____ day of _____, 2021.

_____ _____

Witness Signature

Name:
Title:
(please print)

No. S-211985
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

AND

IN THE MATTER OF ARDENTON CAPITAL CORPORATION AND ARDENTON CAPITAL BRIDGING INC.

PETITIONERS

ORDER MADE AFTER APPLICATION

(COMMITTEE ORDER)

BEFORE	THE HONOURABLE JUSTICE MACINTOSH	MARCH 31, 2021

ON THE APPLICATION of KSV Restructuring Inc. in its capacity as monitor (the "**Monitor**") of Ardenton Capital Corporation and Ardenton Capital Bridging Inc. (collectively, the "**Companies**") coming on for hearing by teleconference at the Law Courts, 800 Smithe Street in the City of Vancouver, in the Province of British Columbia, on the 31st day of March, 2021 (the "**Order Date**"); AND ON HEARING Colin Brousson, counsel for the Monitor and William Skelly counsel for the Companies and those counsel listed on Schedule "A" hereto, and; AND UPON READING the material filed, including the Second Report of the Monitor dated March 25, 2021; AND pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), the British Columbia Supreme Court Civil Rules and the inherent jurisdiction of this Honourable Court;

THIS COURT ORDERS that:

SERVICE

1. The time for service and filing of the Notice of Application and the Application Record is hereby abridged and validated so that this Notice of Application is properly returnable today and the need for further service thereof is hereby dispensed with.

DEFINITIONS

2. Unless otherwise stated herein, capitalized terms in this Order shall have the meanings ascribed to them in the Notice of Application dated March 25, 2021.

INVESTOR COMMITTEE

3. The Monitor is hereby authorized to create a single investor committee (the "**Investor Committee**") made up of up to seven individuals (the "**Committee Members**"), who either personally hold or represent entities holding securities issued by the Companies ("**Investors**").

4. The initial Committee Members, shall be those persons enumerated in **Schedule "B"** hereto, each of which is hereby appointed to the Investor Committee.

5. Any Committee Member may be expelled from the Committee for cause by a Special Resolution (2/3rd of the other Committee Members) or Order of the Court. For greater certainty, "for cause" shall include, but not be limited to:

   (a) if a Committee Member is unreasonably disruptive to or interferes with the ability of the Committee or the Monitor to conduct affairs or fulfill their duties;

   (b) if a Committee Member is abusive (verbal or otherwise) towards the Monitor, the Ardenton Representative, or any Committee Member;

   (c) if a Committee Member fails to attend:

      (i) two (2) consecutive Committee Meetings without a valid reason (as determined by the Monitor in its sole discretion) or,

      (ii) three (3) Committee Meetings whether or not a valid reason is provided;

   (d) if a Committee Member commits any act that, in the Monitor's opinion, may bring the reputation or credibility of the Committee into disrepute, including breach of Committee confidentiality rules;

   (e) in the Monitor's opinion, an irreconcilable conflict of interest arises between the Committee Member and the Committee; or

(f) if, for any reason, the Committee Member is unable to reasonably fulfill his/her duties as a Committee Member.

6. The Monitor may, but is not obligated to, appoint additional Committee Members to fill any vacancies resulting form the resignation or removal of any Committee Members.

7. The Investor Committee will:

(a) act in good faith and in the overall best interests of the Investors throughout the CCAA proceedings;

(b) meet regularly with the Monitor and Companies' representatives (for greater certainty, a Companies' representative need not be invited to attend every Committee Meeting) to discuss the Ardenton businesses, and communicate the Committee Members' views as to the framework for a restructuring plan and the conduct of the CCAA proceedings generally; and

(c) consider such other matters as may be identified by the Monitor, the Companies, or the Committee Members.

8. The Investor Committee is advisory and neither the Investor Committee, nor any of Committee Members, can in any way bind the Companies, their creditors, or the Monitor.

9. None of the Committee Members will be compensated for their participation in the Investor Committee.

10. Neither the Investor Committee, nor any of the Committee Members shall be deemed to be a director or officer of the Companies and none of the Committee Members shall incur any liability or obligation as a result of their appointment on or participation in the Investor Committee, or the carrying out of the provisions of this Order, save and except for any liability or obligation incurred as a result of gross negligence or wilful misconduct on their part.

11. Until further order of this Court, no action or other proceeding shall be commenced directly, or by way of counterclaim, third party claim or otherwise, against or in respect of the Investor Committee and any Committee Member and all rights and remedies of any Person against or in respect of the Investor Committee or any of the Committee Members are hereby stayed and suspended, except with leave of this Court, any such application seeking leave of this Court shall be served upon the Committee Members of

the Investor Committee, the Monitor and the Companies at least seven (7) days prior to the return date of any such application for leave.

12. The approval as to form of this Order by counsel appearing on this application other than by counsel to the Monitor is hereby disposed with.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

Signature of ☑ lawyer for the Monitor
DLA Piper (Canada) LLP (Colin D. Brousson)

BY THE COURT

REGISTRAR

Schedule "A"

Counsel Appearing

Name of Counsel	Name of Party
Kyle B. Plunkett, William E.J. Skelly and Thomas W. Clifford	The Petitioners
Colin D. Brousson and Jeffrey D. Bradshaw	The Monitor
Claire Hildebrand	Oxford Management Services Inc.
Kibben Jackson	Montrusco Bolton Investments Inc., Montrusco Bolton Alternative Fund L.P., MBI/Ardenton Private Equity Income Fund, L.P. and MBI/Ardenton Private Equity Income and Growth Fund, L.P.
Adrienne Ho	Leone Financial Corporation, shareholder of 1971035 Ontario Inc.
Christopher Ramsay and Nick Carlson	RCM Capital Management Ltd.

Schedule "B"

Initial Committee Members

Name
Montrusco Bolton Investors Inc.
Requisite Capital Management LLC
Monkey Toes LLC
Birnam Wood Capital LLC
Wood Group Capital Inc.
Robert Maroney
Donald Lang

SUPREME COURT
OF
BRITISH COLUMBIA
SEAL
VICTORIA
REGISTRY
ENTERED
APR 0 1 2021

9pm signed per 3rd Lemmy

Mar. 31. 2021

(Victoria - telephone)

No. S-211985
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

AND

IN THE MATTER OF ARDENTON CAPITAL CORPORATION AND ARDENTON CAPITAL BRIDGING INC.

PETITIONERS

April 1st - 21

This version Copy of the order can be entered in Victoria.
- Macintosh J.

ORDER MADE AFTER APPLICATION

(Second Amended and Restated Initial Order)

BEFORE THE HONOURABLE)
) March 31, 2021
MR. JUSTICE MACINTOSH)

9pm ✓ THE APPLICATION of the Petitioners coming on for hearing at ~~Vancouver~~ ✓Victoria ✓, British Columbia, ✓9pm by telephone, on the 31st day of March, 2021; AND ON HEARING William E.J. Skelly and Kyle Plunkett, counsel for the Petitioners, Colin Brousson, counsel for the Monitor, and those other counsel listed on **Schedule "A"** hereto; AND UPON READING the material filed, including the First Affidavit of James Livingstone, made on March 2, 2021 (the "**Livingstone #1 Affidavit**"), the Pre-Filing Report of KSV Restructuring Inc. (the "**Monitor**"), dated March 3, 2021, the Second Affidavit of James Livingstone, made on March 5, 2021, the Third Affidavit of James Livingstone, made on March 10, 2021, the First Report of the Monitor, made on March 10, 2021, the Fourth Affidavit of James Livingstone, made on March 24, 2021 and the Second Report of the Monitor, made on March 25, 2021; AND UPON BEING ADVISED that the secured creditors who are likely to be affected by the charges created herein were given notice; AND pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36 as amended (the "**CCAA**"), the British Columbia Supreme Court Civil Rules and the inherent jurisdiction of this Honourable Court; and further to the Initial Order pronounced by this Court on the 5th day of March, 2021 (the "**Order Date**");

THIS COURT ORDERS AND DECLARES THAT:

SECOND AMENDED AND RESTATED INITIAL ORDER

1. This Second Amended and Restated Initial Order amends and restates the Amended and Restated Initial Order of this Court made in these proceedings on March 15, 2021.

JURISDICTION

2. Each Petitioner is a company to which the CCAA applies.

PLAN OF ARRANGEMENT

3. The Petitioners shall have the authority to file and may, subject to further order of this Court, file with this Court, a plan of compromise or arrangement (hereinafter referred to as the "**Plan**").

POSSESSION OF PROPERTY AND OPERATIONS

4. Subject to this Order and any further Order of this Court, each Petitioner shall remain in possession and control of its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"), and continue to carry on its business (the "**Business**") in the ordinary course and in a manner consistent with the preservation of the Business and the Property. The Petitioners shall be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively, "**Assistants**") currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for carrying out the terms of this Order.

5. The Petitioners shall be entitled to continue to utilize the central cash management system currently in place as described in the Livingstone #1 Affidavit or replace it with another substantially similar central cash management system (the "**Cash Management System**") and that

any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Petitioner of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Petitioner, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

6. The Petitioners shall be entitled, but not required, to pay the following expenses which may have been incurred prior to the Order Date:

(a) all outstanding wages, salaries, employee and pension benefits (including long and short term disability payments), vacation pay and expenses (but excluding severance pay) payable before or after the Order Date, in each case incurred in the ordinary course of business and consistent with the relevant compensation policies and arrangements existing at the time incurred (collectively "**Wages**"); and

(b) the fees and disbursements of any Assistants retained or employed by the Petitioners which are related to either Petitioner's restructuring, at their standard rates and charges, including payment of the fees and disbursements of legal counsel retained by the Petitioners, whenever and wherever incurred, in respect of:

(i) these proceedings or any other similar proceedings in other jurisdictions in which the Petitioners or any subsidiaries or affiliated companies of any Petitioner are domiciled;

(ii) any litigation in which any Petitioner is named as a party or is otherwise involved, whether commenced before or after the Order Date; and

(iii) any related corporate matters.

7. Except as otherwise provided herein, each Petitioner shall be entitled to pay all expenses reasonably incurred by such Petitioner in carrying on the Business in the ordinary course following the Order Date, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

(a) all expenses and capital expenditures reasonably incurred and which are necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors' and officers' insurance), maintenance and security services, provided that any capital expenditure exceeding $25,000 shall be approved by the Monitor;

(b) all obligations incurred by the Petitioners after the Order Date, including without limitation, with respect to goods and services actually supplied to the Petitioners following the Order Date (including those under purchase orders outstanding at the Order Date but excluding any interest on the Petitioner's obligations incurred prior to the Order Date); and

(c) fees and disbursements of the kind referred to in paragraph 6(b) which may be incurred after the Order Date.

8. The Petitioners are authorized to remit, in accordance with legal requirements, or pay:

(a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from Wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes or any such claims which are to be paid pursuant to Section 6(3) of the CCAA;

(b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by any Petitioner in connection with the sale of goods and services by any Petitioner, but only where such Sales Taxes accrue or are collected

after the Order Date, or where such Sales Taxes accrued or were collected prior to the Order Date but not required to be remitted until on or after the Order Date; and

(c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal property taxes, municipal business taxes or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors.

9. Until such time as a real property lease is disclaimed in accordance with the CCAA, the Petitioners shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable as rent to the landlord under the lease) based on the terms of existing lease arrangements or as otherwise may be negotiated between any Petitioner and the landlord from time to time ("**Rent**"), for the period commencing from and including the Order Date. On the date of the first of such payments, any Rent relating to the period commencing from and including Order Date shall also be paid.

10. Except as specifically permitted herein, the Petitioners are hereby directed, until further Order of this Court:

(a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Petitioners to any of its creditors as of the Order Date except as authorized by this Order;

(b) to make no payments in respect of any financing leases which create security interests;

(c) to grant no security interests, trust, mortgages, liens, charges or encumbrances upon or in respect of any of its Property, nor become a guarantor or surety, nor otherwise become liable in any manner with respect to any other person or entity except as authorized by this Order;

(d) to not grant credit except in the ordinary course of the Business only to its customers for goods and services actually supplied to those customers, provided such customers agree that there is no right of set-off in respect of amounts owing for such goods and services against any debt owing by any Petitioner to such customers as of the Order Date; and

(e) to not incur liabilities except in the ordinary course of Business.

RESTRUCTURING

11. Subject to such requirements as are imposed by the CCAA, the Petitioners shall have the right to:

(a) permanently or temporarily cease, downsize or shut down all or any part of its Business or operations and commence marketing efforts in respect of any of its redundant or non-material assets and to dispose of redundant or non-material assets not exceeding $50,000 in any one transaction or $250,000 in the aggregate;

(b) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate; and

(c) pursue all avenues of refinancing for the Petitioners' Business or Property, in whole or part;

all of the foregoing to permit the Petitioners to proceed with an orderly restructuring of the Business (the "**Restructuring**")..

12. The Petitioners shall provide each of the relevant landlords with notice of the Petitioners' intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Petitioners' entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors who claim a security interest in the fixtures, such landlord and the Petitioners, or by further Order of

this Court upon application by the Petitioners, the landlord or the applicable secured creditors on at least two (2) clear days' notice to the other parties. If the Petitioners disclaims the lease governing such leased premises in accordance with Section 32 of the CCAA, they shall not be required to pay Rent under such lease pending resolution of any dispute concerning such fixtures (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Petitioners' claim to the fixtures in dispute.

13. If a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then: (a) during the period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours on giving the Petitioners and the Monitor 24 hours' prior written notice; and (b) at the effective time of the disclaimer, the landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims the landlord may have against the Petitioners, or any other rights the landlord might have, in respect of such lease or leased premises and the landlord shall be entitled to notify the Petitioners of the basis on which it is taking possession and gain possession of and re-lease such leased premises to any third party or parties on such terms as the landlord considers advisable, provided that nothing herein shall relieve the landlord of its obligation to mitigate any damages claimed in connection therewith.

14. Pursuant to Section 7(3)(c) of the *Personal Information Protection and Electronics Documents Act*, S.C. 2000, c. 5 and Section 18(1)(o) of the *Personal Information Protection Act*, S.B.C. 2003, c. 63, and any regulations promulgated under authority of either Act, as applicable (the "**Relevant Enactment**"), each Petitioner, in the course of these proceedings, is permitted to, and hereby shall, disclose personal information of identifiable individuals in its possession or control to stakeholders, its advisors, prospective investors, financiers, buyers or strategic partners (collectively, "**Third Parties**"), but only to the extent desirable or required to negotiate and complete the Restructuring or to prepare and implement the Plan or transactions for that purpose; provided that the Third Parties to whom such personal information is disclosed enter into confidentiality agreements with the Petitioners binding them in the same manner and to the same extent with respect to the collection, use and disclosure of that information as if they were an organization as defined under the Relevant Enactment, and limiting the use of such information to

the extent desirable or required to negotiate or complete the Restructuring or to prepare and implement the Plan or transactions for that purpose, and attorning to the jurisdiction of this Court for the purposes of that agreement. Upon the completion of the use of personal information for the limited purposes set out herein, the Third Parties shall return the personal information to the Petitioners or destroy it. If the Third Parties acquire personal information as part of the Restructuring or the preparation and implementation of the Plan or transactions in furtherance thereof, such Third Parties may, subject to this paragraph and any Relevant Enactment, continue to use the personal information in a manner which is in all respects identical to the prior use thereof by the Petitioners.

STAY OF PROCEEDINGS, RIGHTS AND REMEDIES

15. Until and including May 7, 2021, or such later date as this Court may order (the "**Stay Period**"), no action, suit or proceeding in any court or tribunal (each, a "**Proceeding**") against or in respect of any Petitioner or the Monitor, or affecting the Business or the Property, shall be commenced or continued except with the written consent of the Petitioners and the Monitor or with leave of this Court, and any and all Proceedings currently under way against or in respect of any Petitioner or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

16. During the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of any Petitioner or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Petitioners and the Monitor or leave of this Court.

17. Nothing in this Order, including paragraphs 15 and 16, shall: (i) empower any Petitioner to carry on any business which such Petitioner is not lawfully entitled to carry on; (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA; (iii) prevent the filing of any registration to preserve or perfect a mortgage, charge or security interest (subject to the provisions of Section 39 of the CCAA relating to the priority of statutory Crown securities); or (iv) prevent the registration or filing of a lien or claim for lien or

the commencement of a Proceeding to protect lien or other rights that might otherwise be barred or extinguished by the effluxion of time, provided that no further step shall be taken in respect of such lien, claim for lien or Proceeding except for service of the initiating documentation on the Petitioners.

NO INTERFERENCE WITH RIGHTS

18. During the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by any Petitioner, except with the written consent of the Petitioners and the Monitor or leave of this Court.

CONTINUATION OF SERVICES

19. During the Stay Period, all Persons having oral or written agreements with any Petitioner or mandates under an enactment for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, services, utility or other services to the Business or any Petitioner, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with, or terminating the supply of such goods or services as may be required by any Petitioner, and that each Petitioner shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the Order Date are paid by the Petitioners in accordance with normal payment practices of the Petitioners or such other practices as may be agreed upon by the supplier or service provider and the Petitioners and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

20. Notwithstanding any provision in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the Order Date, nor shall any Person be under any obligation to

advance or re-advance any monies or otherwise extend any credit to any Petitioner on or after the Order Date. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

21. During the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against the directors or officers of any Petitioner with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Petitioners whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Petitioners, if one is filed, is sanctioned by this Court or is refused by the creditors of the Petitioners or this Court. Nothing in this Order, including in this paragraph, shall prevent the commencement of a Proceeding to preserve any claim against a director or officer of any Petitioner that might otherwise be barred or extinguished by the effluxion of time, provided that no further step shall be taken in respect of such Proceeding except for service of the initiating documentation on the applicable director or officer.

DIRECTORS AND OFFICERS INDEMNIFICATION AND CHARGE

22. Each Petitioner shall indemnify its directors and officers against obligations and liabilities that they may incur as directors or officers of any Petitioner after the commencement of the within proceedings, except to the extent that, with respect to any director or officer, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

23. The directors and officers of each Petitioner shall be entitled to the benefit of and are hereby granted a charge (the **"Directors' Charge"**) on the Property, which charge shall not exceed an aggregate amount of $240,000, as security for the indemnity provided in paragraph 22 of this Order. The Directors' Charge shall have the priority set out in paragraphs 41 and 43 herein.

24. Notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) each Petitioner's directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 22 of this Order.

APPOINTMENT OF MONITOR

25. KSV Restructuring Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Petitioners with the powers and obligations set out in the CCAA or set forth herein, and that the Petitioners and its shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Petitioners pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

26. The Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

(a) monitor the Petitioners' receipts and disbursements;

(b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;

(c) assist the Petitioners, to the extent required by the Petitioners, in their dissemination, to the Interim Lender (as hereinafter defined) and its counsel of financial and other information as agreed to between the Petitioners and the Interim Lender which may be used in these proceedings including reporting on a basis to be agreed with the Interim Lender;

(d) advise the Petitioners in their preparation of the Petitioners' cash flow statements and reporting required by the Interim Lender, which information shall be reviewed with the Monitor and delivered to the Interim Lender and its counsel on a periodic basis, as agreed to by the Interim Lender;

(e) advise the Petitioners in their development of the Plan and any amendments to the Plan;

(f) assist the Petitioners, to the extent required by the Petitioners, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;

(g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Petitioners, to the extent that is necessary to adequately assess the Petitioners' business and financial affairs or to perform its duties arising under this Order;

(h) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and

(i) perform such other duties as are required by this Order or by this Court from time to time.

27. The Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, or by inadvertence in relation to the due exercise of powers or performance of duties under this Order, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof, and nothing in this Order shall be construed as resulting in the Monitor being an employer or a successor employer, within the meaning of any statute, regulation or rule of law or equity, for any purpose whatsoever.

28. Nothing herein contained shall require or allow the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Fisheries Act*, the British Columbia *Environmental Management Act*, the British Columbia *Fish Protection Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. For greater certainty, the Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

29. The Monitor shall provide the Interim Lender and any creditor of the Petitioners with information provided by the Petitioners in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Petitioners is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Petitioners may agree.

30. In addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the rights and protections afforded the Monitor by the CCAA or any applicable legislation.

ADMINISTRATION CHARGE

31. The Monitor, counsel to the Monitor, if any, and counsel to the Petitioners shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Petitioners as part of the cost of these proceedings. The Petitioners are hereby authorized and directed to pay the accounts of the Monitor, counsel to the Monitor and counsel to the Petitioners on a periodic basis.

32. The Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the British Columbia Supreme Court who may determine the manner in which such accounts are to be passed, including by hearing the matter on a summary basis or referring the matter to a Registrar of this Court.

33. The Monitor, counsel to the Monitor, if any, and counsel to the Petitioners shall be entitled to the benefit of and are hereby granted a charge (the **"Administration Charge"**) on the Property, which charge shall not exceed an aggregate amount of $750,000, as security for their respective fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order which are related to the Petitioners' restructuring. The Administration charge includes an amount not to exceed $25,000, plus applicable taxes, to secure the fees and disbursements relating to services rendered or to be rendered by independent legal counsel to the directors and officers of the Petitioners. The Administration Charge shall have the priority set out in paragraphs 41 and 43 hereof.

INTERIM FINANCING

34. The Petitioners are hereby authorized and empowered to obtain and borrow under a credit facility from RCM Capital Management Ltd., or it's designated assignee (the **"Interim Lender"**), in order to finance the continuation of the Business and preservation of the Property, provided that borrowings under such credit facility shall not exceed $5,000,000 unless permitted by further Order of this Court.

35. Such credit facility shall be on the terms and subject to the conditions set forth in the Interim Financing Term Sheet between the Petitioners and the Interim Lender dated as of March 23, 2021 (the "**Term Sheet**"), filed.

36. The Petitioners are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the "**Definitive Documents**"), as are contemplated by the Term Sheet or as may be reasonably required by the Interim Lender pursuant to the terms thereof, and the Petitioners are hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the Interim Lender under and pursuant to the Term Sheet and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

37. The Interim Lender shall be entitled to the benefit of and is hereby granted a charge (the "**Interim Lender's Charge**") on the Property. The Interim Lender's Charge shall not secure an obligation that exists before this Order is made. The Interim Lender's Charge shall have the priority set out in paragraphs 41 and 43 hereof.

38. Notwithstanding any other provision of this Order:

(a) the Interim Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the Interim Lender's Charge or any of the Definitive Documents;

(b) upon the occurrence of an event of default under any of the Definitive Documents or the Interim Lender's Charge, the Interim Lender, upon not less than five (5) Business Days (as defined in the Term Sheet) written notice to the Petitioners and the Monitor, may exercise any and all of its rights and remedies against the Petitioners or the Property under or pursuant to the Term Sheet, Definitive Documents and the Interim Lender's Charge, including without limitation, to cease making advances to the Petitioners and set off and/or consolidate any amounts owing by the Interim Lender to the Petitioners against the obligations of the

Petitioners to the Interim Lender under the Term Sheet, the Definitive Documents and the Interim Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Petitioners and for the appointment of a trustee in bankruptcy of the Petitioners; and

(c) the foregoing rights and remedies of the Interim Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Petitioners or the Property.

39. The Interim Lender, in such capacity, shall be treated as unaffected in any plan of arrangement or compromise filed by the Petitioners under the CCAA, or any proposal filed by the Petitioners under the *Bankruptcy and Insolvency Act* of Canada (the "**BIA**"), with respect to any advances made under the Definitive Documents.

INTERCOMPANY CHARGE

40. The Petitioner, Ardenton Capital Bridging Inc.("**ACBI**"), shall be entitled to the benefit of and is hereby granted a charge (the "**Intercompany Charge**") on the Property of the Petitioner, Ardenton Capital Corporation ("**ACC**"), as security for all advances or payments made by ACBI to ACC, from and after the date of the Initial Order. The Intercompany Charge shall have the priority set out in paragraphs 41 and 43 hereof.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

41. The priorities of the Administration Charge, the Directors' Charge, the Interim Lender's Charge, and the Intercompany Charge, as among them, shall be as follows:

First – Administration Charge (to the maximum amount of $750,000);

Second - Interim Lender's Charge (to the maximum amount of $5,000,000);

Third – Directors' Charge (to the maximum amount of $240,000); and

Fourth – Intercompany Charge in the case of the Property of ACC.

42. Any security documentation evidencing, or the filing, registration or perfection of, the Administration Charge, the Interim Lender's Charge, the Intercompany Charge and the Directors' Charge (collectively, the "**Charges**") shall not be required, and that the Charges shall be effective as against the Property and shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered or perfected subsequent to the Charges coming into existence, notwithstanding any failure to file, register or perfect any such Charges.

43. Each of the Charges shall constitute a mortgage, security interest, assignment by way of security and charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, mortgages, charges and encumbrances and claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**"), in favour of any Person, save and except those claims contemplated by section 11.8(8) of the CCAA, the liens and encumbrances in favour of the Toronto-Dominion Bank against the Property to a maximum amount of $100,000, and the liens and encumbrances in favour of HSBC Bank Canada against the Property existing as at the date of the Initial Order.

44. Except as otherwise expressly provided herein, or as may be approved by this Court, the Petitioners shall not grant or suffer to exist any Encumbrances over any Property that rank in priority to, or *pari passu* with the Charges, unless the Petitioners obtain the prior written consent of the Monitor, the Interim Lender and the beneficiaries of the Administration Charge, Director's Charge and the Intercompany Charge.

45. The Administration Charge, the Directors' Charge, the Term Sheet, the Definitive Documents, the Interim Lender's Charge and the Intercompany Charge, shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") and/or the Interim Lender shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or

provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, mortgage, security agreement, debenture, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Petitioners; and notwithstanding any provision to the contrary in any Agreement:

(a) the creation of the Charges and the execution, delivery, perfection, registration or performance of the Term Sheet or the Definitive Documents shall not create or be deemed to constitute a breach by the Petitioners of any Agreement to which it is a party;

(b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Petitioners entering into the Term Sheet, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and

(c) the payments made by the Petitioners pursuant to this Order, the Term Sheet or the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

46. THIS COURT ORDERS that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the applicable Petitioner's interest in such real property leases.

SERVICE AND NOTICE

47. The time for service of the Notice of Application for this Order is hereby abridged and deemed good and sufficient and this Notice of Application is properly returnable today.

48. The Monitor shall (a) without delay, publish in the national edition of the Globe and Mail, a notice containing the information prescribed under the CCAA, (b) within five days after Order Date, (i) make this Order publicly available in the manner prescribed under the CCAA, (ii) send,

in the prescribed manner, a notice to every known creditor who has a claim against any Petitioner of more than $1,000, and (iii) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, save and except the Petitioners' investors, whose addresses and claim amounts shall be treated as confidential (unless otherwise consented to by the investor in writing), and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

49. The Petitioners and the Monitor are at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission to the Petitioners' creditors or other interested parties at their respective addresses as last shown on the records of the Petitioners and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

50. Any Person that wishes to be served with any application and other materials in these proceedings must deliver to the Monitor by way of ordinary mail, courier, personal delivery or electronic transmission a request to be added to a service list (the "**Service List**") to be maintained by the Monitor. The Monitor shall post and maintain an up to date form of the Service List on its website at: https://www.ksvadvisory.com/insolvency-cases/case/ardenton-capital-corporation.

51. Any party to these proceedings may serve any court materials in these proceedings by emailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time, and the Monitor shall post a copy of all prescribed materials on its website at: https://www.ksvadvisory.com/insolvency-cases/case/ardenton-capital-corporation.

52. Notwithstanding paragraphs 49 and 51 of this Order, service of the Petition, the Notice of Hearing of Petition, any affidavits filed in support of the Petition and this Order shall be made on the Federal and British Columbia Crowns in accordance with the *Crown Liability and Proceedings Act*, R.S.C. 1985, c. C-50, and regulations thereto, in respect of the Federal Crown, and the *Crown Proceeding Act*, R.S.B.C. 1996, c. 89, in respect of the British Columbia Crown.

GENERAL

53. The Petitioners or the Monitor may from time to time apply to this Court for directions in the discharge of its powers and duties hereunder.

54. Nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of any Petitioner, the Business or the Property.

55. THIS COURT REQUESTS the aid and recognition of other Canadian and foreign Courts, tribunal, regulatory or administrative bodies, including any Court or administrative tribunal of any federal or State Court or administrative body in the United States of America or the United Kingdom to act in aid of and to be complementary to this Court in carrying out the terms of this Order where required. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Petitioners and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Petitioners and the Monitor and their respective agents in carrying out the terms of this Order.

56. Each of the Petitioners and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada, including acting as a foreign representative of any Petitioner to apply to the United States Bankruptcy Court for relief pursuant to Chapter 15 of the *United States Bankruptcy Code*, 11 U.S.C. §§ 101-1330, as amended or pursuant to the *Insolvency Act*, 1986, (c. 45) of the United Kingdom.

57. Any Petitioner may (subject to the provisions of the CCAA and the BIA) at any time file a voluntary assignment in bankruptcy or a proposal pursuant to the commercial reorganization provisions of the BIA if and when the Petitioners determine that such a filing is appropriate.

58. The Petitioners are hereby at liberty to apply for such further interim or interlocutory relief as it deems advisable within the time limited for Persons to file and serve Responses to the Petition.

59. Leave is hereby granted to hear any application in these proceedings on two (2) clear days' notice after delivery to all parties on the Service List of such Notice of Application and all affidavits in support, subject to the Court in its discretion further abridging or extending the time for service.

60. Any interested party (including the Petitioners and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to all parties on the Service List and to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

61. Endorsement of this Order by counsel appearing on this Notice of Application, except for counsel for the Petitioners, is hereby dispensed with.

62. This Order and all of its provisions are effective as of 12:01 a.m. local Vancouver time on the Order Date.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

Signature of William E.J. Skelly
☐ Party ☑ Lawyer for the Petitioners

SUPREME COURT
OF BRITISH COLUMBIA
SEAL
VICTORIA
REGISTRY

Certified this day to be a true copy of the instrument of which it purports to be a copy according to the records of this court.

APR 0 1 2021

Per: _____ Registrar
Duly Authorized Signing Officer

BY THE COURT

Macintosh J.

REGISTRAR

Schedule "A"

(List of Counsel)

Name of Counsel	Party Represented
William E.J. Skelly Kyle Plunkett	The Petitioners, Ardenton Capital Corporation and Ardenton Capital Bridging Inc.
Colin Brousson	The Monitor, KSV Restructuring Inc.

No. S-211985
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 ARDENTON CAPITAL CORPORATION AND ARDENTON CAPITAL BRIDGING INC.

PETITIONERS

ORDER MADE AFTER APPLICATION

(Stay Extension and Key Employee Retention Plan)

BEFORE THE HONOURABLE)
) May 6, 2021
MR. JUSTICE MACINTOSH)

ON THE APPLICATION of the Petitioners coming on for hearing by MS TEAMS at Vancouver, British Columbia, on the 6th day of May, 2021; AND ON HEARING William E.J. Skelly and Kyle Plunkett, counsel for the Petitioners, Colin Brousson, counsel for the Monitor, and those other counsel listed on **Schedule "A"** hereto; AND UPON READING the material filed, including the Fifth Affidavit of James Livingstone, made on April 27, 2021 (the "**Livingstone #5 Affidavit**"), the Sixth Affidavit of James Livingstone, made on April 27, 2021, filed under Sealing Order (the "**Livingstone #6 Affidavit**"), the Pre-Filing Report of the KSV Restructuring Inc. (the "**Monitor**"), made on March 3, 2021, the First Report of the Monitor, made on March 10, 2021, the Second Report of the Monitor, made on March 25, 2021, and the Third Report of the Monitor, made on April 28, 2021 (collectively, the "**Monitor's Reports**"); AND UPON BEING ADVISED that the secured creditors who are likely to be affected by the charges created herein were given notice; AND pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36 as amended, the British Columbia Supreme Court Civil Rules and the inherent jurisdiction of this Honourable Court;

THIS COURT ORDERS AND DECLARES THAT:

1. Unless otherwise indicated, the definitions contained in this Order have the same meaning as defined in the Second Amended and Restated Initial Order filed in these proceedings on April 1, 2021.

2. The Stay Period be and is hereby extended to and including July 6, 2021.

3. The key employee retention plan (the "**KERP**") of the Petitioner, Ardenton Capital Corporation ("**ACC**'), and its subsidiary, Ardenton Capital Canada Inc., which is described in the Livingstone #5 Affidavit, and in unredacted form in Confidential Exhibit "A" of the Livingstone #6 Affidavit, filed under Sealing Order, be and is hereby approved, and ACC is authorized and directed to make the payments contemplated thereunder should the employees become entitled thereto in accordance with the terms and conditions of the KERP.

4. Each of the beneficiaries of the KERP shall be entitled to the benefit of and are hereby granted a charge on the Property (the "**KERP Charge**"), which KERP Charge shall not exceed an aggregate amount of $496,000, to secure the amounts payable under the KERP pursuant to section 3 herein. The KERP Charge shall have the priority set out in section 5 herein.

5. The KERP Charge shall have the benefit of paragraphs 41 through 46 of the Second Amended and Restated Initial Order and constitute a "Charge". The KERP Charge shall rank in priority to all Encumbrances other than: (a) the liens and encumbrances in favour of HSBC Bank Canada against the Property existing as at the date of the Initial Order; (b) the Administration Charge; (c) the Interim Lender's Charge; and (d) the Director's Charge, such that the priorities of the Administration Charge, the Directors' Charge, the KERP Charge, the Intercompany Charge and the Interim Lender's Charge, as among them, shall be as follows:

First – Administration Charge (to the maximum amount of $750,000);

Second – Interim Lender's Charge;

Third – Director's Charge (to the maximum amount of $240,000);

Fourth – KERP Charge (to the maximum amount of $496,000); and

Fifth – Intercompany Charge in the case of the Property of ACC.

6. In the event that any of the beneficiaries of the KERP are terminated with cause or resign prior to being entitled to receiving payment thereunder, ACC may be permitted to substitute such employee or employees with a new employee, with the approval of the Monitor, provided that any such substitution shall not exceed the total aggregate of the KERP Charge.

7. The relief sought at paragraph 7 of the draft Order Made After Application, Schedule "B" to the Notice of Application filed in these proceedings on April 28, 2021, is adjourned generally.

8. Endorsement of this Order by counsel appearing on this Notice of Application, except for counsel for the Petitioners, is hereby dispensed with.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

Signature of William E.J. Skelly
☐ Party ☑ Lawyer for the Petitioners

BY THE COURT

REGISTRAR

CHECKED
SC

Schedule "A"

(List of Counsel)

Name of Counsel	Party Represented
William E.J. Skelly Thomas W. Clifford	The Petitioners, Ardenton Capital Corporation and Ardenton Capital Bridging Inc.
Colin Brousson	The Monitor, KSV Restructuring Inc.
Kibben Jackson	Montrusco Bolton Investments Inc., Montrusco Bolton Alternative Fund L.P., MBI/Ardenton Private Equity Income Fund, L.P. and MBI/Ardenton Private Equity Income and Growth Fund, L.P.
Adrienne Ho	Leone Financial Corporation, shareholder of 1971035 Ontario Inc.
Christopher Ramsay	RCM Capital Management Ltd.

File No. S-211985
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 ARDENTON CAPITAL CORPORATION AND ARDENTON CAPITAL BRIDGING INC.

PETITIONERS

ORDER MADE AFTER APPLICATION
(Stay Extension Order)

BEFORE	The Honourable Mister Justice Macintosh	June 28, 2021

ON THE APPLICATION of the Petitioners, Ardenton Capital Corporation ("**ACC**") and Ardenton Capital Bridging Inc. ("**ACBI**" and together with ACC, the "**Companies**") coming on for hearing at the Law Courts, 800 Smithe Street, in the City of Vancouver, in the Province of British Columbia on the 28th day of June, 2021 (the "**Order Date**"); AND ON HEARING William E.J. Skelly, counsel for the Petitioners, Colin Brousson, counsel for the Monitor, and those other counsel listed on Schedule "A" hereto; AND ON READING the material filed, including the Fourth Report of KSV Restructuring Inc. (the "**Monitor**") dated June 18, 2021; AND pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36 as amended (the "**CCAA**"), the British Columbia Supreme Court Civil Rules and the inherent jurisdiction of this Honourable Court;

THIS COURT ORDERS AND DECLARES THAT:

1. The time for service of the Notice of Application for this Order is hereby abridged and validated so that the Notice of Application is properly returnable today, and further service is hereby dispensed with.

2. The Stay Period be and is hereby extended to and including October 1, 2021 or such later date this Court may order.

3. Endorsement of this Order by counsel appearing on this application, other than counsel for the Petitioners, is hereby dispensed with.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER:

Signature of William E. J. Skelly
Lawyer for the Petitioners

Mantas J — BY THE COURT:

REGISTRAR

CHECKED KH

APPENDIX "A"
(to the Stay Extension Order)

List of Counsel

Name of Counsel	Party Represented
William E.J. Skelly	The Petitioners, Ardenton Capital Corporation and Ardenton Capital Bridging Inc.
Colin Brousson	The Monitor, KSV Restructuring Inc.
Christopher Ramsay	RCM Capital Management Ltd.
Sean Zweig David Gruber	The Investor Committee

No. S-211985
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

AND

IN THE MATTER OF ARDENTON CAPITAL CORPORATION AND ARDENTON CAPITAL BRIDGING INC.

PETITIONERS

ORDER MADE AFTER APPLICATION
(Chief Restructuring Officer and Separation Agreement)

BEFORE THE HONOURABLE	)	MONDAY THE 26TH DAY
	)	
MR. JUSTICE MACINTOSH	)	OF JULY, 2021

THE APPLICATION of KSV Restructuring Inc. in its capacity as monitor (the "**Monitor**") of the Petitioners coming on for hearing by telephone at Vancouver, British Columbia, on the 26th day of July, 2021; AND ON HEARING Colin Brousson, counsel for the Monitor, and William E. J. Skelly, counsel for the Petitioners, and those other counsel listed on **Schedule "A"** hereto; AND UPON READING the material filed, including the Fifth Report of the Monitor, made on July 15, 2021 (the "**Fifth Report**") and the Confidential Supplemental Fifth Report of the Monitor, made on July 14, 2021 (the "**Confidential Supplement**"); AND UPON BEING ADVISED that the secured creditors who are likely to be affected by the charge created herein were given notice; AND pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36 as amended (the "**CCAA**"), the British Columbia Supreme Court Civil Rules and the inherent jurisdiction of this Honourable Court;

THIS COURT ORDERS AND DECLARES THAT:

1. Capitalized terms contained in this Order not otherwise defined herein shall have the meanings ascribed to them in the Fifth Report and the Second Amended and Restated Initial Order (the "**ARIO**").

SERVICE

2. Service of Notice of this Application and supporting materials is hereby declared to be good and sufficient, and no other person is required to have been served with notice of this Application, and time for service of this Application is abridged to that actually given.

CONSULTING AGREEMENT

3. The Consulting Agreement between Ardenton Capital Corporation and Kingsman Scientific Management Inc. forming Appendix 1 to the Confidential Supplement, appointing Kingsman Scientific Management Inc. (the "**Consultant**") to provide the services of Kyle Makofka (the "**CRO**") as Chief Restructuring Officer of the Petitioners, be and is hereby approved, and ACC be and is hereby is authorized and directed to enter into and carry out the terms of the Consulting Agreement, including without limitation making the payments to the Consultant contemplated thereunder.

4. The Consultant shall be entitled to the benefit of and is hereby granted a charge on the Property (the "**CRO Charge**"), which CRO Charge shall not exceed an aggregate amount of $200,000, to secure the amounts payable under the Consulting Agreement. The CRO Charge shall have the priority set out in paragraph 4 herein.

5. The CRO Charge shall have the benefit of paragraphs 41 through 46 of the ARIO and constitute a "Charge" thereunder. The CRO Charge shall rank in priority to all Encumbrances other than the liens and encumbrances in favour of HSBC Bank Canada against the Property existing as at the date of the Initial Order, and shall rank pari passu with the Administration Charge, such that the priorities of the CRO Charge, the Administration Charge, the Directors' Charge, the KERP Charge, the Intercompany Charge and the Interim Lender's Charge, as among them, shall be as follows:

   First – Administration Charge and CRO Charge - pari passu
   (to the maximum amounts of $750,000 and $200,000, respectively);

   Second – Interim Lender's Charge;

   Third – Director's Charge (to the maximum amount of $240,000);

   Fourth – KERP Charge (to the maximum amount of $496,000); and

   Fifth – Intercompany Charge in the case of the Property of ACC.

6. Neither the Consultant nor any officer, director, employee or agent of the Consultant shall incur any liability as a result of fulfilment of its duties or the CRO acting as a director of the Petitioners during the pendency of these proceedings, save and except for any liability or obligation incurred as a result of gross negligence or wilful misconduct on their part.

7. Until further order of this Court, no action or other proceeding shall be commenced directly, or by way of counterclaim, third party claim or otherwise, against or in respect of the Consultant or its officers, directors, employees or agents relating to its appointment or its conduct pursuant to the Consultant Agreement, and all rights and remedies of any Person against or in respect of the Consultant and the CRO are hereby stayed and suspended, except with leave of this Court, any such application seeking leave of this Court shall be served upon the Consultant, the Monitor and the Petitioners at least seven (7) days prior to the return date of any such application for leave.

8. In addition to the rights and protections afforded to the Consultant as an officer of the Court, no provision of this Order is intended, or shall be deemed, to appoint or otherwise obligate the Consultant as a director of any of the Petitioners. The CRO may be appointed as a director of the Petitioners if the CRO agrees to such appointment, as set out in the Consulting Agreement, and in such capacity, the CRO shall be entitled to the benefit of the Directors' Charge.

9. The Consultant shall not take possession of the Petitioners' current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the "**Property**"), and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or the Property, or any part thereof.

10. The obligations of ACC to the Consultant pursuant to the Consulting Agreement shall be treated as unaffected and may not be compromised in any Plan or proposal filed under the BIA in respect of ACC.

SEPARATION AGREEMENT

11. The Separation Agreement among Ardenton Capital Corporation and James Livingstone ("**Livingstone**") and Livingston Holdings Inc. ("**LHI**") forming Appendix "D" to the Fifth Report be and is hereby approved, and ACC be and is hereby is authorized and directed to enter into and carry out the terms of the Separation Agreement.

12. ACC is hereby authorized and directed to pay Livingstone: (i) his base Salary, pro-rated to the effective date of the Separation Agreement (the "**Effective Date**"), in the amount and manner set out in the Separation Agreement; and (ii) a lump sum payment for any accrued but unused vacation pay owing to him up to and including the Effective Date in the amount and manner set out in the Separation Agreement (the "**Payment Amounts**").

13. LHI shall continue to receive its compensation in accordance with the Separation Agreement up to and including the Effective Date, with such compensation continuing to be set-off against LHI's outstanding shareholder loan owing to ACC (the "**Director Compensation**").

14. The Monitor and the Petitioners are hereby authorized and directed to admit as Proven Claims for purposes of the Petitioners' Claims Procedure in these proceedings, as

applicable in accordance with the Separation Agreement, the claims of Livingstone and LHI set out in section 7 of the Separation Agreement, and that all other claims (whether filed or unfiled) of Livingstone and LHI against the Petitioners, save and except the Payment Amounts and the Director Compensation, be and are hereby disallowed and forever barred.

15. Endorsement of this Order by counsel appearing on this Notice of Application, except for counsel for the Monitor, is hereby dispensed with.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

Signature of Colin D. Brousson
DLA Piper (Canada) LLP
Lawyer for the Monitor

BY THE COURT Macintosh J.

REGISTRAR

CHECKED

Schedule "A"

(List of Counsel)

Name of Counsel	Party Represented
William E. J. Skelly	The Petitioners, Ardenton Capital Corporation and Ardenton Capital Bridging Inc.
Colin Brousson	The Monitor, KSV Restructuring Inc.
David Gruber and Sean Zweig	Ardenton Investors Committee

Alberta Court of Queen's Bench
Canadian Airlines Corp. (Re)
Date: 2000-05-12

A.L. Friend, Q.C., H.M. Kay, Q.C., and R.B. Low, Q.C., for Canadian Airlines.

V.P. Lalonde and Ms M. Lalonde, for AMR Corporation.

S. Dunphy, for Air Canada.

P.T. McCarthy, Q.C., for PricewaterhouseCoopers.

D. Nishimura, for Resurgence Asset Management LLC.

E. Halt, for Claims Officer.

A.J. McConnell, for Bank of Nova Scotia Trust Company of New York and Montreal Trust Co. of Canada.

(Calgary No. 0001-05071)

May 12, 2000.

[1] PAPERNY J. (orally): — Resurgence Asset Management LLC "Resurgence" appeared on behalf of holders of approximately 60 percent of the unsecured notes issued by Canadian Airlines Corporation in the total amount of $100 million U.S. These unsecured note holders are proposed to be classified as unsecured creditors in the plan that is the subject of these proceedings.

[2] Resurgence applied for the following relief:

> 1. An order lifting the stay of proceedings against Canadian Airlines Corporation and Canadian Airlines International Ltd. (respectively "CAC" and "CAIL" and collectively called "Canadian") to permit Resurgence to commence and proceed with an oppression action against Canadian, Air Canada and others.
>
> 2. Further, and in the alternative, Resurgence sought the same relief described in item one above in the context of the C.C.A.A. proceedings.
>
> 3. An order that any and all unsecured claims held or controlled, directly or indirectly by Air Canada shall be placed in a separate class and either not allowed to be voted at all, or, alternatively, allowed to be voted in separate class from all other affected unsecured claims.
>
> 4. An order that there be a separation in class between creditors of CAC and CAIL
>
> 5. An order striking Section 6.2(2)(ii) of the plan on the basis that it is contrary to the C.C.A.A.

[3] Resurgence abandoned the application described in item 1 above, and the application in item 2 was addressed in my ruling given May 8, 2000, in these proceedings.

Standing

[4] Prior to dealing with the remaining issues of classification, voting and Section 6.2(2)(ii) of the plan, the issue of standing needs to be addressed. This was a matter of some debate, largely in the context of the first two applications. Canadian argued that Resurgence was only a fund manager and did not hold the unsecured notes, beneficially or otherwise, and, accordingly, did not have standing to make any of the applications. The evidence establishes that Resurgence is not the legal owner and the evidence of beneficial ownership is equivocal.

[5] Canadian has not raised this issue on any of the previous occasions on which Resurgence has been before the court in these proceedings. There has been a consent order involving Resurgence and Canadian.

[6] In my view, it is not appropriate now for Canadian to suggest that Resurgence does not represent the interests of the holders of 60 percent of the unsecured notes and essentially seek a declaration that Resurgence is a stranger to these proceedings.

[7] I am not prepared to dismiss the applications of Resurgence on classification, voting and amending the plan out of hand on the basis of standing.

[8] Resurgence was also supported in these applications by the senior secured note holders. For the purposes of these applications, I accept that Resurgence is representing the interests of 60 percent of the unsecured note holders.

Classification of Air Canada's Unsecured Claim

[9] By my April 14, 2000 order in these proceedings, I approved transactions involving CAIL, a large number of aircraft lessors and Air Canada, which achieved approximately $200 million worth of concessions for CAIL. In exchange for granting the concession, each creditor received a guarantee from Air Canada and the assurance that the creditor would immediately cease to be affected by the C.C.A.A. proceedings.

[10] These concessions or deficiency claims were quantified and reflected in promissory notes which were assigned to Air Canada in exchange for its guarantee of the aircraft leases. The monitor approved the method of quantifying these claims and recognized the value of the concessions to Canadian. In that order I reserved the issue of classification and voting to be determined at some later date. The plan provides for two classes of creditors, secured and unsecured.

[11] The unsecured class is composed of a number of types of unsecured claims, including aircraft financings, executory contracts, unsecured notes, litigation claims, real estate leases and the deficiencies, if any, of the senior secured note holders.

[12] In one portion of the application, Resurgence seeks to have Air Canada vote the promissory notes in separate class and relied on several factors to distinguish the claims of other Affected, Unsecured Creditors from Air Canada's unsecured claim, including the following:

> 1. The Air Canada appointed board caused Canadian to enter into these C.C.A.A. proceedings under which Air Canada stands to gain substantial benefits in its own operations and in the merged operations and ownership contemplated after the compromise of debts under the plan.
>
> 2. Air Canada is providing the fund of money to be distributed to the Affected Unsecured Creditors and will, therefore, end up paying itself a portion of that money if it is included in the Affected Unsecured Creditors' class and permitted to vote.
>
> 3. Air Canada gave no real consideration in acquiring the deficiency claims and manufactured them only to secure a 'yes' vote.

[13] Air Canada and Canadian argue that the legal right associated with Air Canada's unsecured promissory notes and with the other Affected, Unsecured Claims, are the same and that the matters raised by Resurgence, as relating to classification, are really matters of fairness, more appropriately dealt with at the fairness hearing. Air Canada and Canadian emphasized that classification must be determined according to the rights of the creditors, not their personalities.

[14] The starting point in determining classification is the statute under which the parties are operating and from which the court obtains its jurisdiction. The primary purpose of the C.C.A.A. is to facilitate the re-organization of insolvent companies, and this goal must be given proper consideration at every stage of the C.C.A.A. process, including classification of claims; see, for example, *Norcen Energy Resources Ltd. v. Oakwood Petroleums Ltd.* (1988), 72 C.B.R. (N.S.) 20 (Alta. Q.B.)

[15] Beyond identifying secured and unsecured classes, the C.C.A.A. does not offer any guidance to the classification of claims. The process, instead, has developed in the case law.

[16] A frequently cited description of the method of classification of creditors for the purposes of voting on a plan, under the C.C.A.A., is *Sovereign Life Assurance Co. v Dodd* (1891), [1892] 2 Q.B. 573 (Eng. C.A.).

[17] At page 583 (Q.B.), Bowen, L.J. stated:

> The word 'class' is vague and to find out what is meant by it, we must look at the scope of the section which is a section enabling the court to order a meeting of a class of creditors to be called. It seems plain that we must give such a meaning to the term 'class' as will prevent the section being so worked as to result in confiscation and injustice, and that it must be confined to those persons whose rights are not so dissimilar as to make it impossible for them to consult together with the view to their common interest.

This test has been described as the "commonality of interest" test. All counsel agree that this is the test to apply in classification of claims under the C.C.A.A. However, there is a dispute on the types of interests that are to be considered in determining commonality.

[18] Generally, the cases hold that classification is a fact-driven determination unique to the circumstances of every case, upon which the court should be loathe to impose rules for universal application, particularly in light of the flexible and remedial jurisdiction involved; see, for example, *Re Fairview Industries Ltd.* (1991), 11 C.B.R. (3d) 71 (N.S. T.D.)

[19] The majority of the cases presented to me, held that commonality of the interest is to be determined by the rights the creditor has vis-a-vis the debtor. Courts have also found it helpful to consider the context of the proposed plan and treatment of creditors under a liquidation scenario. In the absence of bad faith, motivation for supporting or rejecting a plan is not a classification issue in the authorities.

[20] In considering what interests are included in the commonality of interest test, Forsyth J., in *Norcen Energy Resources Ltd.* (Supra) had to determine whether all the secured creditors of the company ought to be included in one class. The creditors all had first-charge security and the same method of valuation was applied to each secured claim in order to determine security value under the plan. The distinguishing features were submitted to be based on the difference in the security held, including ease of marketability and realization potential. In holding that a separate class was not necessary, Forsyth J., said at page 29:

> Different security positioning and changing security values are a fact of life in the world of secured financing. To accept this argument would again result in a different class of creditor for each secured lender.

In doing so, Forsyth J. rejected the "identity of the interest" approach in which creditors in a class must have identical interests.

[21] It was also submitted in *Norcen Energy Resources Ltd.* that since the purchaser under the plan had made financing arrangements with the Royal Bank, the bank had an interest not shared by the other secured creditors. Forsyth J., held that in the absence of any allegation that the Royal Bank was not acting bona fide in considering the benefit of the plan, the secured creditors could not be heard to criticize the presence of the Royal Bank in their class.

[22] Forsyth J., also emphasized in *Norcen Energy Resources Ltd.* that the commonality test cannot be considered without also considering the underlying purpose of the C.C.A.A., which is to facilitate reorganizations of insolvent companies. To that end, the court should not approve a classification scheme which would make a reorganization difficult, if not impossible, to achieve. At the same time, while the C.C.A.A. grants the court the authority to alter the legal rights of parties other than the debtor company without their consent, the court will not permit a confiscation of rights or an injustice to occur.

[23] The *Norcen Energy Resources Ltd.* approach was specifically adopted in British Columbia in *Northland Properties Ltd. v. Excelsior Life Insurance Co. of Canada* (1989), 73 C.B.R. (N.S.) 195 (B.C. C.A.), where it was held that various mortgagees with different mortgages against different properties were included in the same class.

[24] In *Savage v. Amoco Acquisition Co.* (1988), 68 C.B.R. (N.S.) 154 (Alta. C.A.) the Alberta Court of Appeal rejected the argument that shareholders who have private arrangements with the applicant or who are brokers or officers or otherwise in a special position vis-a-vis the debtor company, should be put in a special category.

[25] At page 158 the court stated in regard to the test applied to classification:

> We do not think that this rule justifies the division of shareholders into separate classes on the basis of their presumed prior commitment to a point of view. The state of facts, common to all, is that they are all offered this proposal, face as an alternative the break-up of this apparently insolvent company and hold shares that appear to be worthless on break-up. In any event, any attempt to divide them on the basis suggested, would be futile. One would have as many groups as there are shareholders.

The commonality of interest test was addressed by the British, Columbia Supreme Court in *Re Woodward's Ltd.* (1993), 84 B.C.L.R. (2d) 206 (B.C. S.C.). Tysoe J. rejected the identity of interest approach and held that it was permissible to include creditors with

different legal rights in the same class, so long as their legal rights were not so dissimilar that it was still possible for them to vote with a common interest.

[26] Tysoe J. went on to find that legal interests should be considered in the context of the proposed plan and that it was also necessary to examine the legal rights of creditors in the context of the possible failure of the plan.

[27] In other words, "interest" for the purpose of classification does not include the personality or identity of the creditor, and the interests it may have in the broader commercial sphere that might influence its decision or predispose it to vote in a particular way; rather, "interest" involves the entitlement of the debt holder viewed within the context of the provisions of the proposed plan. In that regard, see *Woodward's Ltd.* at page 212.

[28] In *Fairview Industries Ltd.*, the court held that in classification there need not be a commonality of interest of debts involved, so long as the legal interests were the same. Justice Glube (as she then was) stated that it did not automatically follow that those with different commercial interests, for example, those with security on "quick" assets, are necessarily in conflict with those with security on "fixed" assets. She stated that just saying there is a conflict is insufficient to warrant separation.

[29] In *Sklar-Peppler Furniture Corp. v. Bank of Nova Scotia* (1991), 86 D.L.R. (4th) 621 (Ont. Gen. Div.) at 626 like *Norcen Energy Resources Ltd.,* the "identity of interests" approach was rejected. The court preserved a class of creditors which included debenture holders, terminated employees, realty lessors and equipment lessors.

[30] Borins J. held that not every difference in the nature of the debt warrants a separate class and that in placing a broad and purposive interpretation on the C.C.A.A., the court should "take care to resist approaches which would potentially jeopardize a potentially viable plan." He observed that "excessive fragmentation is counterproductive to the legislative intent to facilitate corporate reorganization" and that it would be "improper to create a special class simply for the benefit of an opposing creditor which would give that creditor the potential to exercise an unwarranted degree of power." (p. 627).

[31] In summary, the cases establish the following principles applicable to assessing commonality of interest:

1. Commonality of interest should be viewed on the basis of the non-fragmentation test, not on an identity of interest test;

2. The interests to be considered are the legal interests the creditor holds qua creditor in relationship to the debtor company, prior to and under the plan as well as on liquidation;

3. The commonality of these interests are to be viewed purposively, bearing in mind the object of the C.C.A.A., namely to facilitate reorganizations if at all possible;

4. In placing a broad and purposive interpretation on the C.C.A.A., the court should be careful to resist classification approaches which would potentially jeopardize potentially viable plans.

5. Absent bad faith, the motivations of the creditors to approve or disapprove are irrelevant.

6. The requirement of creditors being able to consult together means being able to assess their legal entitlement *as creditors* before or after the plan in a similar manner.

[32] With this background, I will make several observations relating to the reasons asserted by Resurgence that distinguish Air Canada from the rest of the Affected Unsecured Creditors.

[33] The first two reasons given relate to interests of Air Canada extraneous to its legal rights as a unsecured creditor. The third reason relates largely to the further assertion that Air Canada should not be allowed to vote at all. The matter of voting is addressed more specifically later in these reasons.

[34] The factors described by Resurgence distinguish between Air Canada and other unsecured creditors relate largely to the fact that Air Canada is the assignee of the unsecured debt. In my view, that approach is to be discouraged at the classification stage. To require the court to consider who holds the claim, as distinct from what they hold, at that point would be untenable. I note that Mr. Edwards recognizes in 1947 in his article, *"Reorganizations under the Companies Creditors Arrangement Act",* (1947), 25 Cdn. Bar Rev. 587, and observe this concern is heightened in the current commercial reality of debt trading.

[35] Resurgence also asserted that a court should avoid placing creditors with a potential conflict of interest in the same class and relies on *Re NsC Diesel Power Inc.* (1990), 79 C.B.R. (N.S.) 1 (N.S. T.D.), a case in which the court considered a potential conflict of interest between subcontractors and direct contractors. To the extent this case can be seen as decided on the basis of the distinct legal rights of the creditors, I agree with the result. To the extent that the case determined that a class could be separated based

on a conflict of interest not based on legal right, I disagree. In my view, this would be the sort of issue the court should consider at the fairness hearing.

[36] Resurgence also relied on the decisions of the British Columbia Supreme Court in *Re Northland Properties Ltd.* (1988), 73 C.B.R. (N.S.) 166 (B.C. S.C.), a case decided prior to *Norcen Energy Resources Ltd..* In that case the court held that a subsidiary wholly owned by Northland Bank was incorporated to purchase certain bonds from Northland in exchange for preferred shares and was not entitled to vote. The court found that would be tantamount to Northland Bank voting in its own reorganization and relied on *Re Wellington Building Corp.,* [1934] O.R. 653, 16 C.B.R. 48 (Ont. S.C.) In this regard. I would note that the passage relied upon at page 5 in that case, in *Wellington Building Corp* (Supra) dealt with whether the scheme, as proposed, was unfair.

[37] All creditors proposed to be included in the class of Affected, Unsecured Creditors, are all unsecured and are treated the same under the plan. All would be treat similarly under the BIA. The plan provides that they will receive 12 cents on the dollar. The Monitor opined that in liquidation unsecured creditors would realize a maximum of 3 cents on the dollar. Their legal interests are essentially the same. Issue is taken with the presence of Air Canada, supporter and funder of the plan, also having taken an assignment of a substantial, unsecured claim. However, absent bad faith, who creditors are is not relevant. Air Canada's mere presence in the class does not in and of itself constitute bad faith.

[38] Further, all of these methods of distinguishing Air Canada's unsecured claim at their core are fundamentally issues of fairness which will be addressed by the Court at the fairness hearing on June 5, 2000. I am prepared to give serious consideration to these matters at that time and direct that there be a separate tabulation of the votes cast by Air Canada arising from any assignments of promissory notes they have taken, so that there is an evidentiary record to assist me in assessing the fairness of the vote when and if I am called upon to sanction the plan. This approach was taken by Justice Forsyth in *Norcen Energy Resources Ltd.,* and in my view is consistent with the underlying purpose of the C.C.A.A. I wish to emphasize that the concerns raised by Resurgence will form part of the assessment of the overall fairness of the plan.

[39] Permitting the classification to remain intact for voting purposes will not result in a confiscation of rights of or injustice to the unsecured note holders. Their treatment does not at this point depart from any other Affected Unsecured Creditors and recognizes the similarity of legal rights. Although based on different legal instruments, the legal rights of

the unsecured note holders and Air Canada are essentially the same. Neither has security, nor specific entitlement to assets. Further, the ability of all of the Affected Unsecured Creditors to realize their claims against the debtor companies, depend in significant part, on the company's ability to continue as a going concern.

[40] The separate tabulation of votes will allow the "voice" of unsecured creditors to be heard, while at the same time, permit rather than rule out the possibility that a plan might proceed.

[41] It is important to preserve this possibility in the interests of facilitating the aim of the C.C.A.A. and protecting interests of all constituents. To fracture the class prior to the vote, may have the effect of denying the court jurisdiction to consider sanctioning a plan which may pass the fairness test but which has been rejected by one creditor. This would be contrary to the purpose of the C.C.A.A.

Separating the Claims Against CAC and CAIL

[42] Resurgence briefly argued that since Air Canada's debt is owed by CAIL only, it could only look to CAIL's assets in a bankruptcy and would not be able to look to any CAC assets. In contrast, Resurgence suggested that the unsecured note holders are creditors of both CAIL under a guarantee, and CAC under the notes. Resurgence submitted that the resulting difference in legal rights destroys the commonality of interests.

[43] There is insufficient evidence to suggest that the unsecured note holders are also creditors of CAIL. Counsel referred only to a statement made by Mr. Carty on cross-examination that there was an "unsecured guarantee". However, no documents have been brought to my attention that would support this statement and, in of itself, the statement is not determinative. In any case, I do not have sufficient evidence before me to conclude that there would be a meaningful difference in recoveries for unsecured creditors of CAC and CAIL in the event of bankruptcy. I, therefore, cannot conclude on this basis that rights are being confiscated, unlike Tysoe J.'s ability to do so in *Re Woodward's Ltd.* Simply looking to different assets or pools of assets will not alone fracture a class; some unique additional legal right of value in liquidation going unrecognized in a plan and not balanced by others losing rights as well is needed on the analysis of Tysoe J.

[44] I recognize the struggle between the unsecured note holders, represented by Resurgence on one side, and Air Canada and Canadian on the other. Resurgence fears the inclusion of Air Canada and the Affected Unsecured Creditors' class will swamp the vote. Air Canada and Canadian fear that exclusion of Air Canada will result in the voting down of a plan which, in their view, otherwise stands a realistic chance of approval. As

unsecured creditors, they do share similar legal rights. As supporters or opponents of the plan, they may well have distinctly different financial or strategic interests. I believe that in the circumstances of this case, these other interests and their impact on the plan, are best addressed as matters of fairness at the June 5, 2000 hearing, and in this way, the concerns will be heard by the court without necessarily putting an end to the entire process.

Voting

[45] Although my decision on classification makes it clear that I will permit Air Canada to vote on the plan, I wish to comment further on this issue. Air Canada submitted that it should be entitled to vote the face value of the promissory notes which represent deficiency claims assigned to it from aircraft lessors in the same fashion as any other creditor who has acquired the claims by assignment. All parties accept that deficiency claims such as these would normally be included and voted upon in an unsecured claims class. The request by Resurgence to deny them a vote would have the effect of varying rights associated with those notes.

[46] The concessions achieved in the re-negotiation of the aircraft leases, represent value to CAIL. The methodology of calculation of the claims and their valuation was reviewed by the Monitor and this is not being challenged. Rather, it is because it is Air Canada that now holds them, that it is objectionable to Resurgence. Resurgence asserts that Air Canada manufactured the assignment so it could preserve a 'yes' vote. This, in my view, is a matter going to fairness. Is it fair for Air Canada to vote to share in the pool of cash funded by it for the benefit of unsecured creditors? That matter is best resolved at the fairness hearing.

[47] Resurgence relied on *Northland Properties Ltd.* in which a wholly owned subsidiary of the debtor company was not allowed to vote because to do so would amount to the debtor company voting in its own reorganization. The corporate relationship between Air Canada and CAIL can be distinguished from the parent and wholly owned subsidiary in *Northland Properties Ltd..* Air Canada is not CAIL's parent and owns 10 percent of a numbered company which owns 82 percent of CAIL. Further, as noted above, the court in *Northland Properties Ltd.* apparently relied on the passage from *Wellington Building Corp* which indicated in that case the court was being asked to approve a plan as fair. Again, the basis on which Resurgence seeks to deprive Air Canada of its vote is really an issue of fairness.

Section 6(2)(2) of the Plan

[48] Resurgence wishes me to strike out Section 6(2)(2) of the plan, which essentially purports to provide a release by affected creditors of all claims based in whole or in part on any act, omission transaction, event or occurrence that took place prior to the effective date in any way relating to the debtor companies and subsidiaries, the C.C.A.A. proceeding or the plan against:

1. The debtor companies and its subsidiaries;

2. The directors, officers and employees;

3. The former directors, officers and employees of the debtor companies and its subsidiaries; or

4. The respective current and former professionals of the entities, including the Monitor, its counsel and its current officers and directors, et cetera. Resurgence submits that this provision constitutes a wholesale release of directors and others which is beyond that permitted by Section 5.1 of the C.C.A.A. CAIL and CAC submit that the proposed release was not intended to preclude rights expressly preserved by the statute and are prepared to amend the plan to state this.

[49] Section 5.1(3) of the C.C.A.A. provides that the court may declare that a claim against directors shall not be compromised if it is satisfied that the compromise would not be fair and reasonable in the circumstances.

[50] In this application of Resurgence, the court must deal with two issues: One, what releases are permitted under the statute; and, two, what releases ought to be permitted, if any, under the plan.

[51] In my view, I will be in a better position to assess the fairness of the proposed compromise of claims which is drafted in extremely broad terms, when I consider the other issues of fairness raised by Resurgence. Accordingly, I leave that matter to the fairness hearing as well.

[52] In summary, the application contained in paragraph (d) of the Resurgence Notice of Motion is dismissed. The application in paragraph (e) is adjourned to June 5, 2000.

Application dismissed.

2015 BCSC 1376
British Columbia Supreme Court

North American Tungsten Corp., Re

2015 CarswellBC 2232, 2015 BCSC 1376, [2015] B.C.W.L.D. 6686, [2015] B.C.W.L.D. 6687, 256 A.C.W.S. (3d) 767

In the Matter of the Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended

In the Matter of the Canada Business Corporations Act, R.S.C. 1985, c. C-44, as amended

In the Matter of North American Tungsten Corporation Ltd. Petitioner

Butler J., In Chambers

Heard: July 8, 2015
Judgment: July 9, 2015
Docket: Vancouver S154746

Counsel: John R. Sandrelli, Jordan D. Schultz, for Petitioner
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Mary Buttery, H. Lance Williams, for Government of Northwest Territories
Jonathan McLean, Angela L. Crimeni, for Wolfram Bergbau and Hütten AG, Global Tungsten & Powders Corp.

Subject: Civil Practice and Procedure; Insolvency

Headnote

Bankruptcy and insolvency --- Companies' Creditors Arrangement Act — Initial application — Grant of stay — Extension of order

Debtor company was involved in exploration, development, mining and processing of tungsten and other minerals — World market for tungsten was depressed — Debtor sought protection under Companies' Creditors Arrangement Act — At time of initial order, debtor had significant cash flow problems — Debtor applied for extension of stay of proceedings granted in initial order, and for approval of interim financing — Applications granted — Extension of stay was appropriate.

Bankruptcy and insolvency --- Companies' Creditors Arrangement Act — Arrangements — Approval by court — Miscellaneous

Debtor company was involved in exploration, development, mining and processing of tungsten and other minerals — World market for tungsten was depressed — Debtor sought protection under Companies' Creditors Arrangement Act — At time of initial order, petitioner had significant cash flow problems — Debtor had extensive discussions with monitor and stakeholders to put in place potential Sale and Investment Solicitation Process (SISP), and arrived at agreement for interim financing which would be secured by debtor's property and take priority over all secured creditors — Debtor applied for extension of stay of proceedings, and for approval of interim financing — Applications granted — Interim financing approved — Operating plan debtor had implemented responded to cash flow problems and was intended to put debtor in position to enhance prospects of viable restructuring and/or future SISP — Interim financing would allow debtor to satisfy obligations along with its ongoing revenues from operations through to November 2015 — By that time SISP should be well underway and perhaps concluded.

APPLICATIONS by debtor company for extension of stay of proceedings, and for approval of interim financing.

***Butler J., In Chambers*:**

1

THE COURT: This is my ruling on the applications I heard yesterday. The petitioner, North American Tungsten Corporation Ltd. (the "Company"), applies for an extension of the stay of proceedings which was granted in the initial order in this matter on June 9, 2015 (the "Initial Order"), and seeks approval for interim financing pursuant to s. 11.2 of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36.

2 I will set out the background to this matter and the parties' positions. For the reasons that follow, I am approving the Company's application to extend the stay and approving the interim financing facility on the terms proposed as those were modified during the course of argument yesterday. As always, if a transcript of this ruling is ordered, I reserve the right to amend it, but only as to form, not substance.

Background

3 The Company is involved in the exploration, development, mining and processing of tungsten and other minerals. The main capital assets of the Company are the Cantung Mine located in the Northwest Territories and the Mactung property, an undeveloped exploration property located on the border of the Yukon Territory and the Northwest Territories. The Mactung property is one of the largest deposits of tungsten in the world. It has received approvals from the federal and Yukon governments to proceed to the next stage of development, but a very large capital investment will be required to construct a mine.

4 The Company sought protection under the *CCAA* as a result of circumstances mostly beyond its control, including a severely depressed world market for tungsten. At the reduced price the Company has been receiving for its tungsten, the Cantung Mine was generating sufficient cash flow to pay the majority of its operational and administrative costs but was unable to meet its financing costs. At the time of the Initial Order, the Company was experiencing significant cash flow problems.

5 Alvarez & Marsal Canada Inc. was appointed Monitor under the Initial Order. A summary of the amounts claimed as owing by secured creditors and their respective security interests as at July 7, 2015 is set out in the Monitor's Fourth report. I will refer to that summary because an understanding of the security interests held by the principal creditors is necessary to consider the issues raised on this application.

6 Callidus Capital Corporation is owed approximately $13.33 million. This is secured by all present and after-acquired property not related to Mactung. That includes more than 200 pieces of mining equipment used at the Cantung Mine. The Monitor has opined that there is sufficient value in the equipment to satisfy that debt.

7 The Government of Northwest Territories ("GNWT") is owed $24.67 million. This is secured by all present and after-acquired property related to Mactung. While there is some issue and ongoing negotiation about the actual amount of debt which arises from the Company's reclamation obligations, it is significant.

8 Global Tungsten & Powders Corp. ("GTP") and Wolfram Bergbau and Hütten AG ("WBH") are the Company's only two customers for all of the tungsten produced from the Cantung Mine. The total indebtedness to the customers is approximately $8.16 million. They also hold security over all present and after-acquired property related to Mactung.

9 Debenture holders are owed $13.58 million, which is secured by all present and after-acquired property of the Company.

10 Queenwood Capital Partners II LLC ("Queenwood II") is owed approximately $18.51 million, secured by all present and after-acquired property of the Company. The principals of Queenwood II are related to Company insiders.

11 The total amount of the secured debt is in the range of $80 million. There is also approximately $14 million in unsecured liabilities. The reported book value of the assets at the time of the Initial Order was approximately $64 million, which included a value of $20 million for the Mactung property. The fair market value or realizable value has not been determined by the Monitor.

12 The somewhat unique situation here is that Callidus does not have security over the Mactung property and the GNWT and the customers do not have security over the Cantung property.

13 The stay granted by the Initial Order expired yesterday, but I extended it until July 10, 2015 to allow me to consider the arguments advanced on this application. Since the Initial Order, management of the Company has been working in good faith to develop a plan of arrangement. Management has developed an operating plan to manage cash flow through the next several months. I will not refer to the projected cash flow except to say that it anticipates receipt of the interim financing and continued revenues of more than $22 million from operations.

14 The Company has been involved in extensive discussions with the Monitor and stakeholders to put in place a potential Sale and Investment Solicitation Process ("SISP"). To date the plan has involved re-focusing on surface mining and milling ore stockpiles rather than underground mining. Employees have been terminated. If the interim financing is obtained, the Company plans to continue operations at the mine until the end of October 2015, including management of environmental care. It plans to conduct an orderly wind down of underground mining activities, including a staged sale of equipment used in the underground work. It plans to reconfigure the mill facilities to facilitate tailings reprocessing so that it can use existing tailings stores as well as the surface extraction as a revenue source. It also plans to undertake limited expenditures on Cantung reclamation and Mactung environmental work with a view to increasing asset values. It hopes to seek court approval of a SISP in the next couple of weeks.

15 As a result of difficulties arising from timing of receipt of payments from GTP, one of the customers, the cash flow problems for the Company became critical within the last ten days. The Company sought interim financing and received an offer from a third party. Callidus was opposed to that offer of financing and the Company eventually obtained a $500,000 loan from Callidus on June 29, 2015 on a short-term basis (the "Gap Advance"). They continued to negotiate and arrived at an agreement for interim financing (the "Interim Facility") and a forbearance agreement (the "Forbearance Agreement"). These form the basis for the application before this court. Terms of these agreements which are relevant to the application include:

a) the $500,000 Gap Advance would be deemed to be an advance under the Interim Facility;

b) Callidus will advance an additional $2.5 million, which along with the Gap Advance would be secured over all of the property of the Company and have priority over the secured creditors; and

c) the Company will have to make repayments to Callidus by certain dates and those payments include payments of interest and principal on the existing loan facility (the "Post-Filing Payments").

16 At the hearing of the application, one of the more contentious issues was the Company's request that the court make the order in relation to the Gap Advance *nunc pro tunc*. This term was sought because s. 11.2(1) of the *CCAA* allows a court to make an order for interim financing but "The security or charge may not secure an obligation that exists before the order is made."

17 Of course the Gap Advance was an obligation which existed before the making of any order for interim financing. During the course of argument yesterday, the Company withdrew the application for a *nunc pro tunc* order in relation to the Gap Advance. This occurred because Callidus agreed to modify the terms of the Interim Facility such that the Gap Advance will be treated as an advance under its existing facility. In other words, the proposed Interim Facility is now for a $2.5 million loan facility and not $3.0 million, as set out in the application.

Position of the Company

18 The Company says that in all of the circumstances, proceeding with the Forbearance Agreement and the Interim Facility is better for the petitioner's restructuring efforts and necessary given the urgent need for funding. It stresses that without access to the interim financing, it will be unable to meet its ongoing payroll obligations or its negotiated payment terms for the post-filing obligations. It will be unable to continue restructuring and will likely face liquidation by its secured creditors. It also says there is greater value for all stakeholders if the Company is permitted to continue operating as a going concern. It says there would likely be no recovery for creditors other than the senior secured creditors without access to the Interim Facility. The local community of Watson Lake and local businesses would suffer significantly, as 100 employees would be out of work. Further, the Company says there is little prejudice to the secured creditors. In addition, it says if the mine site is abandoned,

there would be a larger reclamation obligation, which would be to the detriment of the GNWT and other creditors with claims against an interest in the Mactung property.

Position of the Customers

19 The customers oppose the Interim Facility and the extension of the stay. They argue that the financing of $2.5 million at interest rates of 21% will not help the Company emerge from this process with a workable plan. They argue that putting the Cantung Mine into care and maintenance as of November and hoping that tungsten prices rise in the future is not a workable plan.

20 The customers say the result of approval of the Interim Facility is that the security interests of WBH and GTP would be prejudiced because those interests would be subordinated to Callidus as well as the GNWT. Finally, they argue that the bankruptcy of the Company and sale of its assets is inevitable no matter what happens.

Position of the GNWT

21 The GNWT does not oppose the extension of the stay nor the granting of the Interim Facility. However, it opposes the Forbearance Agreement which would grant the Interim Facility priority over the GNWT Mactung security, which it holds to secure the environmental and reclamation obligations of the Company. It says that it would be prejudiced as a result of the granting of that priority and that in the circumstances here there is no reason to do so. It says that Callidus would effectively receive approximately $1.5 million in Post-Filing Payments in very short order, which essentially allows it an unfair priority.

The Monitor

22 The Monitor provided detailed comments supporting the Company's application for interim financing as well as the stay. In doing so it made the following observations:

- Without the interim financing, the Company would have no choice but to immediately cease operations. This would negatively impact the progress of reclamation of the mine and tailings ponds and may have a negative impact on the near term market value of the Mactung property.

- The key senior management of the Company remain in place and are committed to pursuing restructuring solutions or transactions that will see an orderly transition of ownership and stewardship of the assets.

- The Interim Facility is supported by Queenwood II and the debenture holders, the creditors who potentially have the most to lose.

- Based on the confidential appraisal, it appears that the equipment values in aggregate exceed the amounts due to Callidus, which may eliminate or at least mitigate the potential prejudice to creditors having security over Mactung.

- The terms of the Interim Facility including interest rates and fees are consistent with market terms for interim financings in the context of distressed companies and are commercially reasonable in these circumstances when compared to the terms of other court approved interim financing facilities.

23 The Monitor concludes its comments in its Fourth Report by stating that "the interim financing contemplated by the Interim Lending Facility and the Forbearance Agreement will enhance the prospects of a viable restructuring and/or a future SISP being undertaken by the Company. Overall... the Monitor is of the view that, balancing the relative prejudices to the stakeholders, the terms of the Forbearance Agreement and Interim Lending Facility are reasonable in the circumstances and the Monitor supports the Company's application..."

Extension of the Stay

24 I turn now to the reasons for granting the extension of the stay. Subsection 11.02(2) of the *CCAA* provides that the Company may apply for an extension of the stay of proceedings for a period that the court considers necessary on any terms that the court may impose. Subsection 11.02(3) provides:

> (3) The court shall not make the order unless
>
> (a) the applicant satisfies the court that circumstances exist that make the order appropriate; and
>
> (b) in the case of an order under subsection (2), the applicant also satisfies the court that the applicant has acted, and is acting, in good faith and with due diligence.

25 A number of decisions have considered whether "circumstances exist that make the order appropriate". In *Ted Leroy Trucking Ltd., Re*, 2010 SCC 60 (S.C.C.), the Court emphasized that the underlying purpose of the legislation must be considered when construing the provisions in the *CCAA*. Justice Deschamps stated at para. 70:

> ... Appropriateness under the *CCAA* is assessed by inquiring whether the order sought advances the policy objectives underlying the *CCAA*. The question is whether the order will usefully further efforts to achieve the remedial purpose of the *CCAA* — avoiding the social and economic losses resulting from liquidation of an insolvent company. I would add that appropriateness extends not only to the purpose of the order, but also to the means it employs.

26 When granting an extension, it is a prerequisite for the petitioner to provide evidence of what it intends to do in order to demonstrate to the court and stakeholders that extending the proceedings will advance the purpose of the *CCAA*. The debtor company must show that it has at least "a kernel of a plan": *Azure Dynamics Corp., Re*, 2012 BCSC 781 (B.C. S.C. [In Chambers]).

27 It is also appropriate for the company to use the *CCAA* to effect the sale of the company's business as a going concern. While the main focus of the legislation is the reorganization of insolvent companies, a sales and investment solicitation process (SISP) may be the most efficient way to maximize the value of stakeholders' interests and minimize the harm which stems from liquidation: *Anvil Range Mining Corp., Re* (2001), 25 C.B.R. (4th) 1 (Ont. S.C.J. [Commercial List]).

28 When *CCAA* proceedings are in their early stages, it is appropriate for courts to give deference when considering extensions of the stay, provided the requirements of s. 11.02(3) have been met. See, for example, *Pacific Shores Resort & Spa Ltd., Re*, 2011 BCSC 1775 (B.C. S.C. [In Chambers]).

29 The good faith and due diligence requirement of s. 11.02(3) includes observance of reasonable commercial standards of fair dealings in the proceedings, the absence of an intent to defraud and a duty of honesty to the court and to the stakeholders directly affected by the *CCAA* process.

30 I am satisfied that it is appropriate to grant the extension of the stay as sought by the Company. I reject the position of the customers that the Company has failed to put forward any kind of plan. The operating plan which the Company has begun to put in place responds to the existing cash flow problems and is intended to put the Company in a position to enhance the prospects of a viable restructuring and/or a future SISP.

31 It is more than a kernel of a plan. It is a strategy to move forward in an orderly way which may provide benefits to all stakeholders. It takes into account the remedial purpose of the legislation and attempts to minimize the potential social and economic losses of liquidation of the Company. None of the parties suggested that the Company is acting with an absence of either good faith or due diligence, and I am satisfied from the evidence of Mr. Lindahl and the comments of the Monitor that the Company is indeed proceeding in a fashion which fulfills its obligations of good faith and due diligence.

The Interim Facility

32 I turn to my reasons for approving the interim financing. Subsection 11.2(4) of the *CCAA* sets out factors which the court must consider in determining whether to grant a priority charge to an interim lender. The factors in that section which are most relevant to this application are:

> (a) the period during which the company is expected to be subject to proceedings under this Act;
>
> . . .
>
> (d) whether the loan would enhance the prospects of a viable compromise or arrangement being made in respect of the company;
>
> (e) the nature and value of the company's property;
>
> (f) whether any creditor would be materially prejudiced as a result of the security or charge; and
>
> (g) the monitor's report... if any.

33 While the factors listed in that section should be considered, the court may also consider additional factors, which may include the following as set out in *Timminco Ltd., Re*, 2012 ONCA 552 (Ont. C.A.) at para. 6, and I am paraphrasing:

> a) without interim financing would the petitioner be forced to stop operating;
>
> b) whether bankruptcy would be in the interests of the stakeholders; and
>
> c) would the interim lender have provided financing without a super priority charge...

34 In *Indalex Ltd., Re*, 2013 SCC 6 (S.C.C.) at paras. 58 and 59, the Court approved of the following factors which had been considered by the chambers judge:

> a) the applicants needed additional financing to support operations during the period of the going concern restructuring;
>
> b) there was no other alternative available and in particular no suggestion that the interim financing would have been available without the super priority charge;
>
> c) the balancing of prejudice weighed in favour of approval of the interim loan facility.

35 When I consider all of these factors, I am satisfied that it is appropriate to approve the Interim Facility. My reasons for doing so include the following:

- The cash flow projections show that the $2.5 million from the Interim Facility will be sufficient to allow the Company to satisfy obligations along with its ongoing revenues from operations through to November 2015. By that time the SISP should be well underway and perhaps concluded.

- I accept the Monitor's comments regarding the Interim Facility and Forbearance Agreement. In other words, I accept that the Company would not be able to find other interim financing on more favourable terms and that without such financing, the Company would have no choice but to immediately cease operations.

- I further accept the Monitor's comment that cessation of the operations would negatively impact the reclamation of the Cantung Mine and tailings ponds and may have a negative impact on the market value of the Mactung property.

- The Interim Facility enhances the Company's prospects of carrying out a successful SISP and presenting a viable plan to its creditors. If it is forced to shut down its operations, the Company will likely not be able to continue these proceedings and could not continue with the SISP.

• Bankruptcy and a forced liquidation of the assets is not in the best interests of any stakeholder.

• It is unlikely that any creditor will be materially prejudiced by the priority financing. There are two significant reasons for this. First, I accept the Monitor's view that the equipment security is likely to be sufficient to satisfy the existing debt to Callidus. Second, to the extent that the payments to Callidus under the Interim Facility cover Post-Filing Payments, those will likely be offset by the fact that the ongoing operations will result in the conversion of substantial inventories of unprocessed ore. That ore is Cantung property and so it is currently subject to the existing Callidus security. Under the operating plan, revenue from that asset will be used for ongoing operations.

• I further accept the comments of the Monitor and the submissions of the Company that keeping the Cantung Mine operating will likely assist the Company in managing its environmental obligations and thus limit the risk that the GNWT will be faced with a significant reclamation project. As counsel for the Monitor indicated, abandonment of the mine is likely to result in greater costs. The situation would undoubtedly be somewhat chaotic.

• Finally, I conclude that the Interim Facility will further the policy objectives underlying the *CCAA* by mitigating the effects of an immediate cessation of the mining operations which would result in the loss of employment for the Cantung Mine workers and negatively impact the surrounding community.

36 Before concluding, I will make one final comment regarding the requirements of the Forbearance Agreement that the Company make the Post-Filing Payments to Callidus. The Initial Order permits such payments to Callidus. Further, there is nothing in the *CCAA* which prohibits these payments. In the circumstances I have already outlined above, the use of the inventories of unprocessed ore to fund ongoing operations would only be possible with the approval of the Interim Facility. In other words the Post-Filing Payments may be offset by the revenues earned from that asset, which would be a benefit to all creditors.

37 In summary, I am granting the extension of the stay. I believe the request was to July 17, 2015. I will hear from counsel on that issue if there is some other date that is preferred. Further, I approve the Forbearance Agreement and the Interim Facility in the amount of $2.5 million, and as previously indicated, the Gap Advance is not included in that.

38 What about the date for an extension of the stay?

39

MR. SCHULTZ: Yes, My Lord. So that'll turn a little bit on your availability actually, as was indicated by Mr. Sandrelli, the Company anticipates bringing an application to coincide with the end of the stay for a further extension and approval of a SISP. The Company is also hopeful that an application to approve as was alluded to some further financing from Callidus in respect to the GTP receivable. So I guess I am in your hands a little bit as to whether you might be available on the 17th for an hour to hear those.

40

THE COURT: I can be available, but it would have to be by telephone. I am in Williams Lake next week.

41

MR. SCHULTZ: Okay.

42

THE COURT: So I think that we should proceed with that because the next couple weeks after that I am probably not available.

43

MR. SCHULTZ: Okay. In that case then the 17th is probably the best day, and that would be the day we will be seeking the extension to for now.

44

THE COURT: All right. The stay is extended to July 17, 2015.

Applications granted.

2020 BCSC 1845
British Columbia Supreme Court

Quest University Canada (Re)

2020 CarswellBC 3030, 2020 BCSC 1845, 325 A.C.W.S. (3d) 466, 84 C.B.R. (6th) 226

In the Matter of the COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, as amended

And In the Matter of the SEA TO SKY UNIVERSITY ACT, S.B.C. 2002, c. 54

And In the Matter of A PLAN OF COMPROMISE AND ARRANGEMENT OF QUEST UNIVERSITY CANADA (Petitioner)

Fitzpatrick J.

Heard: November 3, 2020
Judgment: November 26, 2020
Docket: Vancouver S200586

Counsel: J.R. Sandrelli, T. Jeffries, for Petitioner
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P. Rubin, G. Umbach, for Primacorp Ventures Inc.
K. Jackson, for RCM Capital Management Ltd. and SESA-BC Holdings Ltd.
P. Reardon, K. Strong, for Southern Star Developments Ltd.
C.D. Brousson, for Vanchorverve Foundation
D. Lawrenson, for Halladay Education Group
K. Mak, for Capilano University
G. Barr, R. McKenna, for Confidential Party (Development Partner #1)
J. Sanders, for Quest University Faculty Union
S.A. Poisson, for Bank of Montreal
A. Welch, for Her Majesty The Queen In Right of Province of British Columbia and the Ministry of Advanced Education Skills and Training
K.E. Siddall, for 1114586 B.C. Ltd.
L. Hiebert, for Association for the Advancement of Scholarship

Subject: Insolvency; Public

Related Abridgment Classifications

Bankruptcy and insolvency
XIX Companies' Creditors Arrangement Act
XIX.3 Arrangements
XIX.3.e Miscellaneous

Headnote

Bankruptcy and insolvency --- Companies' Creditors Arrangement Act — Arrangements — Miscellaneous

Debtor was not-for profit post-secondary educational institution with complex asset holdings, which relied on donations and was not self-sustaining financially — Initial order granted under Companies' Creditors Arrangement Act (Can.) — Debtor brought petition for claims process order, to identify and determine claims against it, order for meeting of creditors to present plan of arrangement, transaction approval and vesting order to approve proposed purchase and sale transaction — Petition granted with respect to claims process and creditor meeting, and regarding breakup fee — Transaction at issue provided for

sufficient funds to pay all debtor's secured creditors' claims, including claims secured by charges under Act, funding for plan of arrangement, funds for insolvency proceedings, and working capital facility, as well as marketing and recruiting support to permit debtor to become self-sustaining as post-secondary institution — Timeline set for claims process was ambitious however, negative claims process in relation to many of unsecured creditors ameliorated any concerns — Secured creditors were aware of proceedings since outset — Requirement that secured creditors file proof of claims would flush out any issues well ahead of intended closing of transaction, if approved — Approval of claims process was important step forward allowing debtor to identify and quantify claims — Creditor meeting approved — Plan was not doomed to fail — Plan properly classified affected creditors in one class for voting purposes — Transaction was not true stalking horse bid in sense that debtor sought approval of transaction with breakup fee and with expectation that debtor would use that bid to entice other proposals — Breakup fee and related charge was appropriate in circumstances, particularly given factors including fee was approved by debtor's board of directors, fee was not driven by purchase price and would only be material for short period of time — Proceedings regarding transaction order adjourned.

Table of Authorities

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Boutique Euphoria inc., Re (2007), 2007 CarswellQue 14279, 65 C.B.R. (5th) 57, 2007 QCCS 7129 (C.S. Que.) — referred to

Brainhunter Inc., Re (2009), 2009 CarswellOnt 8207, 62 C.B.R. (5th) 41 (Ont. S.C.J. [Commercial List]) — referred to

Bul River Mineral Corp, Re (2014), 2014 BCSC 645, 2014 CarswellBC 1010, 12 C.B.R. (6th) 57, 26 B.L.R. (5th) 278 (B.C. S.C.) — referred to

Bul River Mineral Corp., Re (2014), 2014 BCSC 1732, 2014 CarswellBC 2702, 16 C.B.R. (6th) 173 (B.C. S.C.) — referred to

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IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF GREEN GROWTH BRANDS INC. (2020), 2020 ONSC 3565, 2020 CarswellOnt 8331 (Ont. S.C.J.) — referred to

Mosaic Group Inc., Re (2004), 2004 CarswellOnt 2254, 3 C.B.R. (5th) 40, [2004] O.T.C. 476 (Ont. S.C.J.) — referred to

Nelson Financial Group Ltd., Re (2011), 2011 ONSC 2750, 2011 CarswellOnt 3100, 79 C.B.R. (5th) 307 (Ont. S.C.J.) — referred to

Nortel Networks Corp., Re (2009), 2009 CarswellOnt 4467, 55 C.B.R. (5th) 229 (Ont. S.C.J. [Commercial List]) — referred to

Nortel Networks Corp., Re (2009), 2009 CarswellOnt 4838, 56 C.B.R. (5th) 224 (Ont. S.C.J. [Commercial List]) — referred to

Quest University Canada (Re) (2020), 2020 BCSC 318, 2020 CarswellBC 568, 77 C.B.R. (6th) 117 (B.C. S.C.) — referred to

Quest University Canada (Re) (2020), 2020 BCSC 860, 2020 CarswellBC 1425 (B.C. S.C.) — referred to

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ScoZinc Ltd., Re (2009), 2009 NSSC 136, 2009 CarswellNS 229, 53 C.B.R. (5th) 96, 277 N.S.R. (2d) 251, 882 A.P.R. 251 (N.S. S.C.) — followed

ScoZinc Ltd., Re (2009), 2009 NSSC 163, 2009 CarswellNS 283, 55 C.B.R. (5th) 205 (N.S. S.C.) — referred to

Stelco Inc., Re (2005), 2005 CarswellOnt 6283, 15 C.B.R. (5th) 288, 204 O.A.C. 216, 78 O.R. (3d) 254 (Ont. C.A.) — referred to

Ted Leroy Trucking Ltd., Re (2010), 2010 SCC 60, 2010 CarswellBC 3419, 2010 CarswellBC 3420, 12 B.C.L.R. (5th) 1, (sub nom. *Century Services Inc. v. A.G. of Canada)* 2011 D.T.C. 5006 (Eng.), (sub nom. *Century Services Inc. v. A.G. of Canada)* 2011 G.T.C. 2006 (Eng.), [2011] 2 W.W.R. 383, 72 C.B.R. (5th) 170, 409 N.R. 201, (sub nom. *Ted LeRoy Trucking Ltd., Re)* 326 D.L.R. (4th) 577, (sub nom. *Century Services Inc. v. Canada (A.G.))* [2010] 3 S.C.R. 379, [2010] G.S.T.C. 186, (sub nom. *Leroy (Ted) Trucking Ltd., Re)* 296 B.C.A.C. 1, (sub nom. *Leroy (Ted) Trucking Ltd., Re)* 503 W.A.C. 1 (S.C.C.) — considered

Tiger Brand Knitting Co., Re (2005), 2005 CarswellOnt 1240, 9 C.B.R. (5th) 315 (Ont. S.C.J.) — referred to
Timminco Ltd., Re (2014), 2014 ONSC 3393, 2014 CarswellOnt 9328, 14 C.B.R. (6th) 113 (Ont. S.C.J.) — considered

Statutes considered:

Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36

Generally — referred to

s. 6 — considered

s. 11 — considered

s. 11.2 [en. 1997, c. 12, s. 124] — considered

s. 11.2(4) [en. 2005, c. 47, s. 128] — considered

s. 11.2(4)(g) [en. 2007, c. 36, s. 65] — considered

s. 22(1) — considered

s. 22(2) — considered

PETITION by debtor for approval of order.

***Fitzpatrick J.*:**

INTRODUCTION

1 The petitioner, Quest University Canada ("Quest"), seeks a number of orders on this application, all steps toward what it considers will be a successful restructuring of its affairs under the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36 (the "*CCAA*").

2 Quest seeks: a Claims Process Order, to identify and determine claims against it; a Meeting Order, to allow Quest to present a plan of arrangement to its creditors; and, a Transaction Approval and Vesting Order ("TAVO") to approve the proposed purchase and sale transaction between it and Primacorp Ventures Inc. ("Primacorp").

3 There is minor opposition to the granting of the Claims Process Order and Meeting Order.

4 There is substantial opposition to the granting of the TAVO. To allow the opposing parties further time to develop their materials, the Court adjourned that aspect of the application to November 12 — 13, 2020. In the meantime, however, Quest seeks approval of its agreement to pay Primacorp a Break Up Fee and that the Court grant a Break Up Fee Charge to secure those amounts. Various parties oppose this relief.

5 At the conclusion of this hearing, I granted the Claims Process Order and the Meeting Order. I also approved Quest's agreement to pay the Break Up Fee and granted the Break Up Fee Charge. These are my reasons for those orders.

BACKGROUND FACTS

6 On January 16, 2020, these proceedings began with the granting of the Initial Order.

7 Quest's restructuring has been unique in many respects. Quest is a not-for-profit post-secondary educational institution, a status that bears on its options in this proceeding. Quest has never really been self-sustaining financially; rather, it has historically relied on donations, secured loans and land sales to supplement its revenue.

8 Quest's asset holdings are complex. The campus, which includes the main buildings and residences, is located in Squamish, BC. Initially, Quest held substantial development lands that surrounded the campus lands; however, over the years, Quest sold some of those lands to generate revenue. Even so, a significant amount of development land remains.

9 Given Quest's history, its debt structure is also complex. There are many secured creditors, including Vanchorverve Foundation and Capilano University ("CapU"), with the latter holding a right of first refusal over certain lands. In addition, I approved Quest obtaining secured interim financing to assist its refinancing efforts in these *CCAA* proceedings: *Quest University Canada (Re)*, 2020 BCSC 318 (B.C. S.C.) and *Quest University Canada (Re)*, 2020 BCSC 860 (B.C. S.C.).

10 Quest also has complex financial agreements concerning four residence buildings on the campus, as discussed in *Quest University Canada (Re)*, 2020 BCSC 921 (B.C. S.C.) (the "Rent Deferral Reasons"). Other agreements entered into by Quest, such as leases and naming rights agreements, potentially affect any disposition of its assets.

11 Quest has faced numerous challenges in these proceedings in continuing its educational endeavours, particularly arising from the impact of the COVID-19 pandemic beginning in March 2020. Nevertheless, Quest has continued throughout these proceedings to pursue some form of partnership, including an academic partnership that would see a continuation of its education services. Quest has also engaged with various development partners to determine if that option would resolve its financial difficulties, either alone or in conjunction with a transaction with an academic partner.

12 Quest has been disappointed along the way. In March 2020, a development partner withdrew from the process after submitting a bid. On May 28, 2020, I granted an order extending the stay until August 10, 2020, to allow Quest to pursue an agreement with the party identified as "Academic Partner". Unfortunately, a transaction with the Academic Partner did not materialize by June 2020: Rent Deferral Reasons at paras. 20 — 22.

13 On August 7, 2020, I granted an order extending the stay to December 24, 2020 to allow Quest to pursue another transaction over that time, while also offering an uninterrupted fall term to its students. Over this last extension period, Quest has chosen to enter into a transaction with Primacorp.

14 It is a condition precedent of the Primacorp transaction that the Court grant the TAVO and that Quest obtain creditor and this Court's approval of a plan of arrangement. Other conditions precedent also arise. Quest is required to disclaim subleases held by Southern Star Developments Ltd. ("Southern Star"). Quest has already delivered those disclaimers. As a result, Southern Star is opposing the granting of the TAVO and challenging the disclaimers, with both matters to be addressed at the later hearing. Other conditions precedent relate to various agreements and charges and litigation claims relating to Quest's assets, including its lands.

15 Having reached this stage in the sales process, Quest now seeks the Claims Process Order and the Meeting Order, and will shortly seek the TAVO, as the first steps toward a conclusion to these proceedings. Quest takes the position that the Primacorp transaction maximizes the value of its assets and offers the greatest benefit to its stakeholders.

16 It is not necessary at this stage to consider the sales process in detail, since that will be relevant to Quest's later application for the TAVO. Having said that, it is of note that the Monitor, in its Fourth Report dated November 2, 2020, describes that process as "thorough". In that Report, the Monitor also supports the Primacorp transaction as the one most beneficial to Quest's creditors.

17 Writ large, the Primacorp transaction, or more accurately described as a series of transactions, provides for:

a) Sufficient funds to pay all Quest's secured creditors' claims, including claims secured by the *CCAA* charges;

b) Funding for a plan of arrangement to be voted on by Quest's unsecured creditors;

c) Funds for these insolvency proceedings; and

d) A working capital facility, and marketing and recruiting support to permit Quest to become self-sustaining as a post-secondary institution.

18 The main and subsidiary agreements executed between Quest and Primacorp in September/October 2020 are complex. They include, as defined in the Monitor's Fourth Report, the Primacorp Purchase and Sale Agreement (the "Primacorp PSA"), the Campus Lease, an Operating Loan Agreement and an Operating Agreement. Significant terms include that Primacorp will:

a) Purchase substantially all of Quest's lands and related assets, including the Campus Lands, the Development Lands, the Residence Lands, chattels and vehicles;

b) Lease specific Campus Lands back to Quest under a long-term lease arrangement;

c) Provide marketing and recruiting expertise and sufficient working capital to allow Quest to continue as a university;

d) Fund sufficient monies to pay the lesser of the Unsecured Creditor Claims and $1.35 million under a plan of arrangement. In addition, the Purchase Price will satisfy all of Quest's secured lenders and any commissions on sales; and

e) Provide Quest with a $20 million secured credit facility.

19 All of the transaction documents are in settled form and the signed documents are in escrow. Primacorp and Quest are working towards a closing date in late December 2020.

CLAIMS PROCESS

20 The remedial objective of the *CCAA* is to facilitate a restructuring of a debtor company. Section 11 of the *CCAA* imbues the supervising judge with a broad statutory authority to make such orders as are appropriate toward achieving that objective: *Bul River Mineral Corp., Re*, 2014 BCSC 1732 (B.C. S.C.) at para. 29 ("*Bul River #2*").

21 Establishing a claims process toward determining claims to be advanced under the *CCAA* is a recognized step in proceedings across Canada: *ScoZinc Ltd., Re*, 2009 NSSC 136 (N.S. S.C.) at para. 23; and *Bul River #2* at paras. 31-32.

22 In *Timminco Ltd., Re*, 2014 ONSC 3393 (Ont. S.C.J.) at paras. 41 — 44, Regional Senior Justice Morawetz (as he then was) discussed "first principles" from the *CCAA* in relation to claims process orders and the establishment of a claims bar date. He stated:

[41] It is also necessary to return to first principles with respect to claims-bar orders. The *CCAA* is intended to facilitate a compromise or arrangement between a debtor company and its creditors and shareholders. For a debtor company engaged in restructuring under the *CCAA*, which may include a liquidation of its assets, it is of fundamental importance to determine the quantum of liabilities to which the debtor and, in certain circumstances, third parties are subject. It is this desire for certainty that led to the development of the practice by which debtors apply to court for orders which establish a deadline for filing claims.

23 Quest submits that a claims process is necessary to enable it to implement a plan and close the Primacorp transaction.

24 Quest indicates that there are five secured creditors holding approximately $30.7 million in debt. Quest estimates that there are 446 unsecured creditors holding approximately $2 million in debt. If the Court upholds the Southern Star disclaimers, Southern Star will also be entitled to advance a claim against Quest as an unsecured creditor.

25 Quest developed the proposed claims process with input and support from the Monitor. The features of the proposed claims process are:

a) The claims process will not address claims arising post-filing, save for a Restructuring Claim and amounts secured by *CCAA* Charges;

b) The claims process addresses claims against Governors and Officers in relation to a pre-filing claim or Restructuring Claims;

c) The claims process requires that secured creditors prove their claims;

d) The claims bar date for claims is November 24, 2020; the claims bar date for Restructuring Claims is the later of November 24, 2020 and ten days after the date on which a Creditor receives a Notice of Disclaimer or Resiliation;

e) To facilitate creditor participation in the Claims Process, Quest designed a negative claims process for almost all vendors, students and employees. As such, after receipt of a claims package indicating Quest's determination of the claim, that creditor need only respond if there is disagreement as to the amount of its claim set out in the notice; and

f) Disputes will be handled in the usual fashion, but by the Monitor. After consultation with Quest, the Monitor will deliver any Notices of Revision or Disallowance. Creditors may then deliver a Notice of Dispute to the Monitor. Failing settlement of a dispute, the Monitor may refer the matter to the Court for a determination after a hearing *de novo*.

26 I agree that the timeline set for the claims process is ambitious. As noted by the Monitor, it is relatively short. However, in my view, the negative claims process in relation to many of the unsecured creditors ameliorates any concerns. In addition, the secured creditors have been aware of these proceedings since the outset; those secured creditors who might have more complicated claims have been actively involved. I can only presume that the secured creditors are well aware of their own claims. The requirement that secured creditors file proof of claims will flush out any issues well ahead of the intended closing of the Primacorp transaction later this year, if approved.

27 The Quest University Faculty Union (the "Union") was the only party who objected to the granting of the Claims Process Order. In October 2019, the Union was certified as the bargaining agent of Quest employees although no bargaining has yet occurred. The Union indicates that the employees are entitled to compensation in relation to accrued credits. The Union is uncertain as to whether this is a pre- or post-filing claim, with only the former giving rise to the need to file a proof of claim.

28 I agree with Quest that this uncertainty is not an appropriate basis upon which to delay this relief. Clearly, the Union can engage with Quest toward clarifying this issue as to whether or not the Union needs to file a proof of claim. Under the Primacorp transaction, Quest intends to continue to operate as an entity and will, presumably, retain most, if not all, current employees.

29 I agree that approval of a claims process is an important step forward allowing Quest to identify and quantify claims against it and members of its Board of Governors and Officers. Whether or not this Court ultimately approves the TAVO, this process will assist in the implementation of any later plan and any distributions to creditors.

THE MEETING ORDER

30 Quest has developed a plan of compromise and arrangement dated November 1, 2020 (the "Plan"). It is a requirement of the Primacorp transaction that Quest do so and that Quest seek and obtain approval of the Plan by its creditors and this Court.

31 The *CCAA* expressly allows the court to order a meeting of the secured and unsecured creditors to consider a plan of arrangement:

Compromise with unsecured creditors

4. Where a compromise or an arrangement is proposed between a debtor company and its unsecured creditors or any class of them, the court may, on the application in a summary way of the company, of any such creditor or of the trustee in bankruptcy or liquidator of the company, order a meeting of the creditors or class of creditors, and, if the court so determines, of the shareholders of the company, to be summoned in such manner as the court directs.

Compromise with secured creditors

5. Where a compromise or an arrangement is proposed between a debtor company and its secured creditors or any class of them, the court may, on the application in a summary way of the company, or of any such creditor or of the trustee

> in bankruptcy or liquidator of the company, order a meeting of the creditors or class of creditors, and, if the court so determines, of the shareholders of the company, to be summoned in such manner as the court directs.

32 It is not the role of the Court at this stage to consider or rule on the fairness or reasonableness of the Plan. Rather, I adopt the discussion in *ScoZinc Ltd., Re*, 2009 NSSC 163 (N.S. S.C.) at para. 7; namely, that I should only exercise my discretion to refuse to refer the Plan to the creditors if the plan is doomed to fail at either the creditor or court approval stage.

33 The Plan provides for one class of creditors for the purposes of voting, namely the Affected Creditor Class. The Plan provides for payment in full of Convenience Creditors (Creditors with Affected Claims that are less than or equal to $1,000). The Plan also allows Affected Creditors with a Proven Claim greater than $1,000 to make a Cash Election to receive $1,000 in satisfaction of their Claim. These latter provisions will significantly affect approximately 250 students who have claims within these limits.

34 All Convenience Creditors and Cash Election Creditors are deemed to vote in favour of the Plan.

35 Affected Creditors who are not Convenience Creditors or Cash Election Creditors (the "Remaining Creditors") shall receive fifty cents ($0.50) for every dollar of their Affected Claim, up to a maximum total disbursement of $1.35 million for Convenience Claims, Cash Election Claims and the Affected Claims of Remaining Creditors (the "Maximum Claim Pool"). In the event the Affected Claims exceed the Maximum Claim Pool, Convenience Creditors will receive the lesser of their Affected Claim and $1,000; Cash Election Creditors will receive the sum of $1,000; and, the Remaining Creditors will receive their *pro rata* share of the Maximum Claim Pool after deduction of the amounts payable to Convenience Creditors and Cash Election Creditors.

36 The Plan is premised on payment in full of all secured creditors to the extent of their claims, upon closing of the Primacorp transaction. The Plan provides for the payment of such amounts owed to Her Majesty in Right of Canada and employees, as required by the *CCAA*.

37 The Plan will not compromise Unaffected Claims that include: post-filing claims (other than certain Restructuring and Governor/Officer Claims); secured claims; claims secured by *CCAA* Charges; claims against any Governor and Officer that cannot be compromised pursuant to the *CCAA*; and, claims in respect of payments referred to in s. 6 of the *CCAA*.

38 The Monitor assisted in the development of the Plan and it supports the Plan. The Monitor's Fourth Report indicates that the Monitor considers the Plan fair and reasonable.

39 The Meeting Order authorizes Quest to convene a meeting on December 2, 2020. Due to the COVID-19 pandemic, the Monitor has arranged to hold the Creditors' Meeting virtually in accordance with the Electronic Meeting Protocol.

40 Another matter for consideration is whether the Plan has properly established the classes of creditors for voting at the proposed meeting. The Plan provides that all Affected Creditors will be placed into one creditor class at the meeting.

41 Section 22(1) of the *CCAA* provides:

> A debtor company may divide its creditors into classes for the purpose of a meeting to be held under section 4 or 5 in respect of a compromise or arrangement relating to the company and, if it does so, it is to apply to the court for approval of the division before the meeting is held.

42 Section 22(2) of the *CCAA* lists the factors to be considered when taking into account placing all the creditors in the same class:

> 22(2) For the purpose of subsection (1), creditors may be included in the same class if their interests or rights are sufficiently similar to give them a commonality of interest, taking into account
>
> a) the nature of the debts, liabilities or obligations giving rise to their claims;

b) the nature and rank of any security in respect of their claims;

c) the remedies available to the creditors in the absence of the compromise or arrangement being sanctioned, and the extent to which the creditors would recover their claims by exercising those remedies; and

d) any further criteria, consistent with those set out in paragraphs (a) to (c), that are prescribed.

43 The test to determine the classification of creditors is known as the "commonality of interests" test: *Canadian Airlines Corp., Re*, [2000] A.J. No. 1693 (Alta. Q.B.) at paras. 17 — 19.

44 No stakeholder objects to the classification of the creditors under the Plan.

45 I agree that the Plan properly classifies the creditors — namely, the Affected Creditors — in one class for voting purposes. They all hold unsecured claims against Quest and they all rank the same in priority. While the Convenience and Cash Election Creditors will be treated slightly differently, practical reasons justify this approach, and they are common in *CCAA* plans: *Nelson Financial Group Ltd., Re*, 2011 ONSC 2750 (Ont. S.C.J.) at para. 14 and *Angiotech Pharmaceuticals Inc., Re*, 2011 BCSC 450 (B.C. S.C. [In Chambers]) at para. 6.

46 The classification of the creditors under the Plan is appropriate in the circumstances. I concur with the Monitor that Quest has a reasonable chance of obtaining approval of the Plan from the creditors and the Court. Quest's Plan meets the low threshold at this stage. The Plan should be put before the creditors, and if approved, before the Court.

THE BREAK UP FEE / CHARGE

47 The Primacorp PSA executed by Quest requires, as a condition precedent, that Quest obtain court approval of its agreement to pay Primacorp what is defined as a "Break Up Fee". In addition, the Primacorp PSA requires that Quest obtain a court ordered charge (the "Break Up Fee Charge" or "Charge") against Quest's assets to secure the Break Up Fee, ranking only behind the Administration Charge, the Interim Lender's Charge and Directors and Officers Charge ("D&O") (as defined in the Amended and Restated Initial Order ("ARIO")).

48 The Primacorp PSA provides:

> 10.13 Expense Reimbursement. In consideration of [Primacorp] having expended considerable time and expense in connection with this Agreement and the negotiation thereof, and the identification and quantification of assets to be included in the Purchased Assets, if the transactions do not close . . . [Quest] shall pay to [Primacorp] . . . an amount equal to [Primacorp's] actual out of pocket fees incurred in connection with the transactions contemplated by this Agreement together with the preparation, negotiation and execution of delivert of this Agreement . . . (the "Break Up Fee") . . .
>
> [Emphasis added.]

49 The agreed upon Break Up Fee was initially limited to $500,000 to a certain stage of the negotiations. At this point, that limit no longer applies.

50 Quest's obligation to pay the Break Up Fee is engaged where the Primacorp transaction fails to close as a result of (i) Quest materially breaching the Primacorp PSA; (ii) Quest refusing to work in good faith towards negotiating, execution or delivery of the required closing documents; or (iii) Quest executing and delivering a letter of intent or purchase agreement with another person that is inconsistent with and prevents the completion of the Primacorp transaction.

51 Quest is not be obligated to pay the Break Up Fee if this Court does not approve the Primacorp transaction in accordance with the application for the TAVO to be heard next week.

52 Quest submits that the Break Up Fee is commercially reasonable in the circumstances, consistent with other transactions that have been approved in *CCAA* proceedings. Quest's request for approval of the Break Up Fee and Charge is supported by the Monitor.

53 Section 11 of the *CCAA* allows this Court to exercise its discretion to grant orders as are appropriate toward achieving the broad statutory and policy objectives under the *CCAA*. In *Ted Leroy Trucking Ltd., Re*, 2010 SCC 60 (S.C.C.), the Court stated:

> [70] The general language of the *CCAA* should not be read as being restricted by the availability of more specific orders. However, the requirements of appropriateness, good faith, and due diligence are baseline considerations that a court should always bear in mind when exercising *CCAA* authority. Appropriateness under the *CCAA* is assessed by inquiring whether the order sought advances the policy objectives underlying the *CCAA*. The question is whether the order will usefully further efforts to achieve the remedial purpose of the *CCAA* — avoiding the social and economic losses resulting from liquidation of an insolvent company. I would add that appropriateness extends not only to the purpose of the order, but also to the means it employs. Courts should be mindful that chances for successful reorganizations are enhanced where participants achieve common ground and all stakeholders are treated as advantageously and fairly as the circumstances permit.
>
> [Emphasis added.]

54 Quest has also referred to s. 11.2 of the *CCAA* that provides the court with specific authority to grant a charge in favour of a person who is lending money to the debtor company. That provision does not apply since Primacorp is not lending Quest any monies; however, I have found the s. 11.2(4) factors to be useful in my analysis.

55 In "Rights of First Refusal and Options to Purchase in Insolvency Proceedings" (2019) 8 J.I.I.C. 103, the authors Virginie Gauthier, David Sieradzki and Hugo Margoc discussed the rationale for break fees at 125 — 126:

> It is well established convention in both Canadian and U.S. insolvency proceedings that a party willing to incur the time and expense to perform the level of diligence required to submit an unconditional "stalking horse" offer prior to the commencement of a sale process should be entitled to bid protections. Those bid protections typically include a "break fee" and "expense reimbursement" mechanism. The overriding rationale for these types of bid protections is to compensate the stalking horse bidder for its substantial time and expense to the extent it is ultimately not the successful bidder at the conclusion of the sale process.

56 As noted by the authors of the above article, numerous Canadian courts have considered break fees or break up fees with or without an accompanying charge. These can arise in *CCAA* proceedings, proposal proceedings, receiverships and foreclosures.

57 In the *CCAA* context, cases include *Mosaic Group Inc., Re*, [2004] O.J. No. 2323 (Ont. S.C.J.) at para. 16; *Tiger Brand Knitting Co., Re*, [2005] O.J. No. 1259 (Ont. S.C.J.) at paras. 13 and 37 (described as a "stay fee"); *Stelco Inc., Re*, [2005] O.J. No. 4733 (Ont. C.A.) at para. 20; *Boutique Euphoria inc., Re*, 2007 QCCS 7129 (C.S. Que.) at paras. 63-72; *Nortel Networks Corp., Re*, [2009] O.J. No. 3169 (Ont. S.C.J. [Commercial List]) at para. 56 and [2009] O.J. No. 4487 (Ont. S.C.J. [Commercial List]) at para. 10; *Brainhunter Inc., Re* (2009), 62 C.B.R. (5th) 41 (Ont. S.C.J. [Commercial List]) at para. 10; *Bul River Mineral Corp, Re*, 2014 BCSC 645 (B.C. S.C.) at paras. 110 — 111; and, *IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF GREEN GROWTH BRANDS INC.*, 2020 ONSC 3565 (Ont. S.C.J.) at para. 52.

58 There is no doubt that some break fees and related charges may be seen as unfairly and unreasonably extracting value from the estate with little or no benefit to the stakeholders. As in many exercises of its discretion under the *CCAA*, the court must be mindful of such concerns. Each situation must be considered in the context of its own unique circumstances, including the present state of affairs faced by the debtor company and its stakeholders.

59 If a break fee is fair and reasonable in all of the circumstances in the sense that it provides a corresponding or greater benefit to the estate, court approval of such a fee and a related charge may be warranted. Relevant factors that may be considered by the court when asked to approve a break fee and grant a charge include:

a) Was the agreement reached as a result of arm's length negotiations?;

b) Has the agreement been approved by the debtor company's board or specifically constituted committees who are conducting the sales process?;

c) Is the relief supported by the major creditors?;

d) What may be the effect of such a fee/charge? Will it have a chilling effect on the market, or will it facilitate the sales process?;

e) Is the amount of the fee reasonable? In relation to expenses anticipated to be covered, is the amount reasonable given the bidder's time, resources and risk in the process?;

f) Will the fee and charge enhance the realization of the debtor's assets?;

g) Will the fee and charge enhance the prospects of a viable compromise or arrangement being made in respect of the company?; and

h) Does the monitor support the relief?

60 The Primacorp transaction is not a true stalking horse bid in the sense that Quest seeks approval of the transaction with the Break Up Fee and with the expectation that Quest will then use that bid to entice other proposals. Quest is seeking approval of the Primacorp transaction now; however, it remains the case that other persons remain interested in Quest's assets and they may later seek approval of another bid.

61 Quest is pursuing the Primacorp transaction at this time on a tight timeline given Quest's need to achieve a speedy resolution in order to provide assurances to its students and other stakeholders for the 2021 academic school calendar. In addition, Quest has been facing increasing pressure from its secured creditors to move to a resolution of the matter after almost ten months in this proceeding.

62 All of the relevant circumstances were considered by the Monitor who has indicated its support of the Break Up Fee and Break Up Fee Charge (the s. 11.2(4)(g) factor). It its Fourth Report, the Monitor states:

> 5.17 . . . Quest's agreement to the Break Up Fee was instrumental in encouraging Primacorp to expend time and expense engaging in extensive discussions with Quest to reach a definitive agreement at a time when no other proposals were forthcoming. Quest benefited from this commitment as it resulted in the Primacorp Agreement as well as the advancement of other potential proposals thereby giving Quest the confidence that Primacorp was the superior partner. The quantum of the Break Fee is calculated on an expense recovery basis and the Monitor considered it to be reasonable in light of the value of the transaction.

63 I agree with Quest and the Monitor that the Break Up Fee and Charge is appropriate in these circumstances, particularly given the following factors:

a) The Break Up Fee has been approved by Quest's board of directors and Quest's Restructuring Committee, both having integral knowledge of Quest's options at this stage of the proceedings;

b) The Break Up Fee is not akin to a "fee" that one sees in many stalking horse bids, including those approved by Canadian courts, that is driven by the purchase price. Rather, the Break Up Fee is limited to Primacorp's actual out-of-pocket fees incurred in connection with the transaction. It is evident from the materials before the Court that the negotiations leading

to the transaction were extensive and that Primacorp has already expended significant resources engaging in that process and doing its necessary due diligence;

c) The Break Up Fee and Break Up Fee Charge is only expected to be material for a short period of time. It will become irrelevant if the Primacorp transaction is approved under the TAVO;

d) The Break Up Fee is only payable if the Transaction does not close due to Quest's breach of its obligations in respect of the transaction or Quest takes steps to pursue a transaction that makes it impossible to close the Primacorp transaction;

e) Quest's management has remained intact throughout the proceedings and the Monitor continues to be of the view that Quest is acting with good faith and due diligence;

f) The major secured creditors Vanchorverve Foundation, and the Interim Lender have been kept apprised of Quest's consideration of its options and, in particular, the Primacorp transaction, which includes the requirement for the Break Up Fee and Charge. They remain supportive of this relief;

g) The Break Up Fee and Charge will enhance Quest's ability to put forward the Plan and obtain creditor approval of the Plan, which will provide for the funds to satisfy Quest's creditors' claims and allow Quest to continue as a viable post-secondary institution;

h) The value of Quest's assets and property is substantial and there is every indication that there is sufficient value to repay all the secured creditor's claims and the Break Up Fee; and

i) No creditor will be materially prejudiced by the Break Up Fee and Charge. The only creditor who registered an objection to this relief was CapU, a secured creditor. CapU submitted that the Court should adjourn this relief and address it at the later application for the TAVO. However, CapU stands to recover its secured loan under this transaction or any alternate transaction. CapU also holds a right of first refusal but has failed to identify any prejudice in that respect arising from this relief referring only vaguely to the possibility of its rights being affected.

64 The only other person objecting to the approval of the Break Up Fee and Charge was Development Partner #1, who asserted that it was premature to grant that relief. I decline to address these submissions as they come from a potential competing bidder whose future involvement is unclear and who presently has no standing in this proceeding.

CONCLUSION

65 I grant the relief sought by Quest at this preliminary stage, including granting the Claims Process Order and the Meeting Order. I also approve the Break Up Fee and grant the Break Up Fee Charge.

Petition granted.

Ontario Court (General Division)

Citation: Sklar-Peppler Furniture Corp. v. Bank of Nova Scotia
Date: 1991-10-31

Borins J.

Counsel:
Barbara Grossman, for applicant, and respondent, 949073 Ontario Inc.
L. Crozier and *Catherine Francis*, for respondent, H & R Properties Limited.
Kent E. Thompson, for respondent, Bank of Nova Scotia.

[1] BORINS J. (orally):—This is an application brought by Sklar-Peppler Furniture Corporation (subsequently referred to as "Sklar") pursuant to ss. 4, 5 and 11 of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (subsequently referred to as "C.C.A.A."), for the relief contained in the draft order annexed to the notice of application.

[2] The essential nature of the relief requested is the maintenance of the *status quo* in regard to the business operations conducted by Sklar by preventing any of its creditors from taking proceedings against it under the *Bankruptcy Act*, R.S.C. 1985, c. B-3, and the *Winding-up Act*, R.S.C. 1985, c. W-10, or commencing or continuing any lawsuit or related proceedings against Sklar until further order of the court, pending the consideration of a plan of compromise or arrangement between Sklar and the classes of its creditors affected by the proposed plan.

[3] Before the court is the proposed plan. It is a most comprehensive document, 39 pages in length, to which is appended an additional 33 pages containing information referred to in the plan, including the classification of creditors for the purpose of voting in respect to the approval of the plan as required by s. 6 of the Act. The urgent nature of this application, with the resulting need to provide an early decision in respect to it, as well as a limited time available to me since the conclusion of submissions late yesterday, do not permit me to review in detail the provisions of the plan. However, I am able to say that I have examined in detail the plan and the evidence before the court and, subject to what follows, I would have had no hesitation in granting the order as sought because the order and the plan, in my view, provide a compelling example of the very situation to which the C.C.A.A. is intended to address. The proposed plan exemplifies the policy and objectives of the Act as it proposes a regime for the court-supervised reorganization of the applicant company intended to avoid the devastating social and economic effects of a creditor-initiated termination of its ongoing business operations and enabling the company to carry on its business in a manner in which it is intended to cause the least possible harm to the company, its creditors, its employees and former employees and the communities in which it carries on and carried on its business operations.

[4] Two of the named respondents, the Bank of Nova Scotia and 949073 Ontario Inc. are the major creditors of Sklar and their combined indebtedness is about $60 million. The bank is a secured creditor and 949073 Ontario Inc. is an unsecured creditor which is the guarantor of a debt of Sklar and which has given security to the bank. Counsel for the bank advised the court of the bank's strong support for the order sought by Sklar. The applicant is indebted to trade and other secured creditors in the aggregate amount of about $10.5 million. There are six

other named respondents. Three of these respondents are the landlords of premises under lease to Sklar which Sklar, as part of its proposed reorganization, can no longer afford and which, therefore, it no longer requires for what it hopes will be its continuing business operations. Two of the other three respondents are lessors of equipment to Sklar, the continued use of which Sklar also considers to be uneconomical. The sixth respondent is a conditional sales vendor of certain equipment purchased by Sklar.

[5] On October 24, 1991, Sklar delivered a notice to each of the three realty landlords advising them that due to its financial situation it was unable to continue to occupy the leased premises, that it has vacated the premises in question and that it would make delivery of the keys to the premises and expressing the view that each landlord would take appropriate steps to protect its interest and secure the leased premises. Each of the landlords replied to the notice stating, *inter alia*, that Sklar's letter constituted a repudiation of its lease.

[6] As for the respondents, Mr. Hess was in attendance as a representative of Michael Weining AG and through counsel for the applicant advised the court that Michael Weining AG neither opposed nor consented to the granting of the order. A similar position was taken by two realty lessors, Shermic Inc., and Joante Investments Ltd., who appeared respectively by counsel and a representative. Nothing was heard from the remaining two equipment lessors, Triathlon Leasing Inc. and Pitney Bowes of Canada Ltd. The only opposition to the granting of the order was that of the realty lessor H & R Properties Limited. As I will explain, as I understand, the principal objections of H & R Properties Limited are not to the plan as such, but are in respect to the way in which certain provisions of the plan purport to interfere with its contractual rights as landlord and its remedies against Sklar consequent upon its repudiation of the lease and in respect of the classification of creditors for the purposes of the vote required to consider the approval or rejection of the plan.

[7] However, before I discuss the submissions made by counsel for H & R Properties, there are some observations which I wish to make by way of background. Sklar is a long-established company which has carried on the business of manufacturing and marketing wooden furniture and upholstered furniture for many years in southern Ontario. A subsidiary carries on its business in the United States. Until its financial circumstances caused the company to reduce its operations, it formerly employed approximately 212 people in Hanover and 60 people in Toronto. It now employs about 400 people in Whitby, and about 200 people are employed by the American subsidiary, in operations which it proposes to continue if the plan is approved.

[8] Since late 1989, Sklar has experienced financial difficulties and is now insolvent. Among the reasons for its insolvency are the combined effects of economic recession, the introduction of free trade, the strong Canadian dollar, the high volume of bankruptcies among Canadian furniture manufacturers and the effects of the Goods and Services Tax on consumer spending. It has already introduced economic measures designed to deal with its financial problems. If the plan is not approved, the Bank of Nova Scotia will enforce its security. This will result in Sklar's bankruptcy, which in turn will result in its remaining employees losing their jobs and no funds being available to satisfy the claims of unsecured creditors, including terminated employees. The plan provides for a fund of $1.5 million to pay, on a *pro rata* basis, the amounts due to the over 1,000 unsecured creditors to whom the proposed plan will be mailed

and who will be given the opportunity to vote, in person or by proxy, with respect to its approval or rejection. Sklar has issued the debentures necessary to qualify it as a debtor company within the meaning of ss. 2 and 3 of the C.C.A.A. Although an issue was raised as to whether H & R Properties Limited is an unsecured creditor within s. 2 of the Act, I am satisfied that under the broad definition of unsecured creditor contained in the Act and the cases which I have considered, H & R Properties is an unsecured creditor both in respect of the outstanding rent which is now owed to it by Sklar, and any contingent claim for unliquidated damages to which it may become entitled as a result of Sklar's apparent repudiation of its lease.

[9] This brings me to the objections raised by counsel for H & R Properties in their submissions. There are two main objections which are, in a sense, related. The first objection relates to para. 20 of the draft order which stipulates that H & R Properties is an "Affected Creditor" as defined in the order and the plan and provides that the claims of every such creditor includes claims for contingent and unliquidated claims arising, *inter alia*, under any lease. The first objection relates as well to the provisions of para. 26 of the plan which states that if the plan is approved, realty leases will be terminated as of the date the order is granted, and the lessors "will be treated insofar as the situation permits in a manner equivalent to treatment to which they would be entitled if the company had gone into bankruptcy" on the date the order is granted. The second objection relates to the classification of the creditors in the plan. The plan provides for two classes of creditors. The first class comprised a secured creditor, the Bank of Nova Scotia, and an unsecured creditor, 949073 Ontario Inc. The second class contains all other affected creditors, numbering over 1,000, and includes the holders of debentures issued by the company, all terminated employees of the company, the three realty lessors and the three equipment lessors.

[10] In considering the objections raised by H & R Properties, I wish to emphasize that while I have read the authorities provided by counsel for all parties, time has not permitted me to discuss and analyze them in these reasons. I have, however, in an appendix to my reasons, listed the authorities provided by counsel for all parties. I have also read the helpful article by Goldman, Baird and Weinczok, "Arrangements Under the Companies' Creditors' Arrangements Act" (1991), 1 C.B.R. (3d) 135, in which the authorities are reviewed.

[11] With respect to the first objection, I am satisfied that on the broad interpretation which the authorities have placed on s. 11 of the C.C.A.A. and the discretionary powers which it provides to the court in considering an application under the C.C.A.A. and the purposes of the legislation, the provisions of para. 20 of the draft order are appropriate to avoid impairment to the ability of Sklar to continue its business operations during the period while the plan of compromise or arrangement is under consideration. To the extent that it is appropriate to comment on para. 26 of the plan, I see nothing inappropriate in its terms. However, the plan is yet to be approved by the creditors and it is only after it has been approved by them that it is, in my view, appropriate for the court, in considering whether or not court approval is to be given, to comment specifically on a proposed plan except, of course, in regard to the classification of creditors and its probability of success or failure in relation to the circumstances of the application.

[12] The second objection concerns the classification of creditors. This objection emanates from the fact that H & R Properties is displeased with the impact of the plan and in particular

para. 26 on any claims which it might have for future rent subsequent to the date its lease with Sklar is terminated. It fears that because it is in a class with over 1,000 creditors, the negative vote which one presumes it proposes to cast against the plan will be meaningless and the plan will be approved. It, therefore, submits that a third class of creditors should be established consisting of the three realty lessors and the other three respondents. It submits that because there is no community of interest between itself and the other creditors, the applicant is attempting to isolate it by placing it in a class in which it does not belong and to thereby force upon it conditions which it feels are unacceptable.

[13] The subject of the appropriate classification of creditors has attracted considerable attention over the past decade. The earlier cases and the recent cases are discussed at pp. 157-69 of the article to which I have referred. In my view, an important principle to consider in approaching ss. 4 and 5 of the C.C.A.A. is that followed in *Re Wellington Building Corp.*, [1934] 4 D.L.R. 626, 16 C.B.R. 48, [1934] O.R. 653, in which it was emphasized that the object of ss. 4 and 5 is not confiscation but is to enable compromises to be made for the common benefit of the creditors as creditors, or for the common benefit of some class of creditors as such. To this I would add that recognition must be given to the legislative intent to facilitate corporate reorganization, and that in the modern world of large and complex business enterprises the excessive fragmentation of classes could be counter-productive to the fulfilment of this intent. In this regard, to approach the classification of creditors on the basis of identity of interest, as suggested by counsel for H & R Properties, would in some instances result in the multiplicity of classes which would make any reorganization difficult, if not impossible, to achieve. In my view, in placing a broad and purposive interpretation upon the provisions of the C.C.A.A., the court should take care to resist approaches which would potentially fragment creditors and thereby jeopardize potentially viable plans of arrangement, such as the plan advanced in this application.

[14] In *Nova Metal Products Inc. v. Comiskey* (1990), 1 C.B.R. (3d) 101, 1 O.R. (3d) 289 *sub nom. Elan Corp. v. Comiskey*, 41 O.A.C. 282 (C.A.), Finlayson J.A. discussed the factors to be considered in the classification of shareholders. Based upon the factors considered by him, and agreed with by Doherty J.A. in his dissenting reasons, and the factors discussed in the various cases reviewed in the article, I am not persuaded that a separate class should be created consisting of the realty lessors, the equipment lessors and the conditional sales vendor. Not every difference in the nature of a debt due to a creditor or a group of creditors warrants the creation of a separate class. What is required is some community of interest and rights which are not so dissimilar as to make it impossible for the creditors in the class to consult with a view toward a common interest. I do not see any reason for lessors, simply because they are lessors, to constitute a separate class of creditors. In reaching this conclusion I have also considered that para. 26 of the plan does take into account the rights given to landlords under the *Bankruptcy Act* and incorporates these rights into the plan. By the same token it would be improper to create a special class simply for the benefit of the opposing creditor which would give that creditor the potential to exercise an unwarranted degree of power. The proposed plan is not for the exclusive benefit of H & R Properties but is intended to be for the benefit of all of the creditors. In my view, it presents a realistic proposal of compromise and reorganization which has a probable chance of success if presented to the creditors for their consideration.

[15] Accordingly, the order will go as asked.

[16] Application granted.

Most Negative Treatment: Check subsequent history and related treatments.

2005 CarswellOnt 6483
Ontario Superior Court of Justice [Commercial List]

Stelco Inc., Re

2005 CarswellOnt 6483, [2005] O.J. No. 4814, 143 A.C.W.S. (3d) 623, 15 C.B.R. (5th) 297

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

AND IN THE MATTER OF A PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO STELCO INC. AND THE OTHER APPLICANTS LISTED IN SCHEDULE "A"

APPLICATION UNDER THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

Farley J.

Heard: November 9, 2005
Judgment: November 10, 2005 *
Docket: 04-CL-5306

Proceedings: affirmed *Stelco Inc., Re* (2005), 2005 CarswellOnt 6510 (Ont. C.A.)

Counsel: Michael E. Barrack, James D. Gage, Geoff R. Hall for Applicants
Kyla Mahar for Monitor
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Ashley John Taylor (Agent) to Secured Creditors for CIT
Paul MacDonald, Andy Kent, Hilary Clarke for Converts Committee
Aubrey Kauffman for Tricap
Ken Rosenberg, Jeff Larry for USW
H. Whitely for CIBC
Steven Bosnick for USW Locals 8782, 8328
Murray Gold, Andrew Hatney for Salaried Retirees
Gale Rubenstein for Superintendent

Subject: Insolvency
Related Abridgment Classifications
Bankruptcy and insolvency
VI Proposal
VI.6 Effect of proposal
VI.6.a General principles
Headnote
Bankruptcy and insolvency --- Proposal — General principles
Designation of creditor class — Steel manufacturer was under protection of Companies' Creditors Arrangement Act — Committee of senior debenture holders and informal independent converts' committee were creditors — Informal independent converts' committee brought motion for order that proposed plan be amended regarding rights of bondholders to bring action against bankrupt, and for designation regarding classes of creditors — Committee of senior debenture holders brought contingent cross-motion for order that it be constituted as separate class of creditor — Motions dismissed — Separate classes for senior

debenture holders and/or informal independent converts' committee inappropriate — All debt in question was unsecured debt — No confiscation of rights occurred by placing creditors in same class — No conflict of interest existed — Questions of tyranny by minority or minority were not appropriate.

Bankruptcy and insolvency --- Proposal — Effect of proposal — General principles

Steel manufacturer was under protection of Companies' Creditors Arrangement Act — Committee of senior debenture holders and informal independent ionverts' committee were creditors — Informal independent converts' committee brought motion for order that proposed plan be amended regarding rights of bondholders to bring action against bankrupt, and for designation regarding classes of creditors — Committee of senior debenture holders brought contingent cross-motion for order that it be constituted as separate class of creditor — Motions dismissed — Bankrupt undertook to amend plan to clarify intent regarding rights of bondholders — Plan was not intended to affect rights of certain creditors as against other creditors.

Table of Authorities

Cases considered by *Farley J.*:

Campeau Corp., Re (1991), 10 C.B.R. (3d) 100, 86 D.L.R. (4th) 570, 1991 CarswellOnt 155 (Ont. Gen. Div.) — referred to

Canadian Airlines Corp., Re (2000), 2000 CarswellAlta 623, 19 C.B.R. (4th) 12 (Alta. Q.B.) — followed

Canadian Airlines Corp., Re (2000), 2000 ABCA 149, 2000 CarswellAlta 503, 80 Alta. L.R. (3d) 213, 19 C.B.R. (4th) 33, 261 A.R. 120, 225 W.A.C. 120 (Alta. C.A. [In Chambers]) — referred to

Pacific Coastal Airlines Ltd. v. Air Canada (2001), 2001 BCSC 1721, 2001 CarswellBC 2943, 19 B.L.R. (3d) 286 (B.C. S.C.) — referred to

Royal Bank v. Gentra Canada Investments Inc. (2000), 2000 CarswellOnt 248, 1 B.L.R. (3d) 170, 1 C.L.R. (3d) 260 (Ont. S.C.J. [Commercial List]) — referred to

Royal Bank v. Gentra Canada Investments Inc. (2001), 2001 CarswellOnt 2232, 15 B.L.R. (3d) 25, 147 O.A.C. 96 (Ont. C.A.) — referred to

Royal Oak Mines Inc., Re (1999), 1999 CarswellOnt 625, 6 C.B.R. (4th) 314 (Ont. Gen. Div. [Commercial List]) — referred to

Royal Oak Mines Inc., Re (1999), 1999 CarswellOnt 792, 7 C.B.R. (4th) 293 (Ont. Gen. Div. [Commercial List]) — referred to

San Francisco Gifts Ltd., Re (2004), 42 Alta. L.R. (4th) 352, 5 C.B.R. (5th) 92, 359 A.R. 71, 2004 ABQB 705, 2004 CarswellAlta 1241 (Alta. Q.B.) — followed

San Francisco Gifts Ltd., Re (2004), 42 Alta. L.R. (4th) 371, 5 C.B.R. (5th) 300, 361 A.R. 220, 339 W.A.C. 220, 2004 ABCA 386, 2004 CarswellAlta 1607 (Alta. C.A.) — referred to

Sklar-Peppler Furniture Corp. v. Bank of Nova Scotia (1991), 8 C.B.R. (3d) 312, 86 D.L.R. (4th) 621, 1991 CarswellOnt 220 (Ont. Gen. Div.) — referred to

843504 Alberta Ltd., Re (2003), 2003 ABQB 1015, 2003 CarswellAlta 1786, 4 C.B.R. (5th) 306, 30 Alta. L.R. (4th) 91, 351 A.R. 222 (Alta. Q.B.) — referred to

Statutes considered:

Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36

Generally — referred to

s. 4 — considered

s. 5 — considered

s. 6 — considered

s. 8 — referred to

MOTION by creditors relating to terms of proposal in bankruptcy.

***Farley J.*:**

1 Fortunately time cleared so that the motion of the Informal Independent Converts' Committee ("ConCom") which surfaced late last week — and the responding cross motion of the Informal Committee of Senior Debenture Holders ("BondCom") — could be accommodated today, less than week before the scheduled vote on Stelco Inc.'s Plan of Arrangement under the CCAA set for November 15, 2005.

2 The motion of ConCom was for an order:

> (i) directing the Applicants to amend page 39 of the Notice of Proceedings and Meetings and Information Circular (the "Information Circular") with respect to the Applicants' Proposed Plan of Arrangement or Compromise (the "Proposed Plan") in the manner set out in the Draft Order to confirm that the right (if any) of the Bondholders (as hereinafter defined) to assert claims or other remedies against other creditors of Stelco Inc. ("Stelco") will be subject to the effect of the Proposed Plan (the "Bondholders Claims Statement") and that the right (if any) of the Bondholders to assert claims (the "Anti-Convert Claims") pursuant to Article 6 (the "Inter-Trustee Provisions") of the First Supplemental Trust Indenture dated January 21, 2002 between Stelco and CIBC Mellon Trust Company (the "Supplemental Trust Indenture") will be extinguished effective upon the implementation of the Proposed Plan;
>
> (ii) declaring that, if the Proposed Plan is approved by the requisite majority of the creditors of Stelco and sanctioned by this Court, the Inter-Trustee Provisions shall, from and after the effective date of the Proposed Plan, be of no force or effect;
>
> (iii) in the alternative, directing the Applicants to amend the Proposed Plan to provide that the Noteholders (as hereinafter defined) shall constitute a separate class of Stelco creditors for the purposes of voting on the Proposed Plan or any amended version thereof; and
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> (iv) such further and other relief as counsel may request and this Honourable Court may permit.

3 The cross motion of BondCom was for an Order:

> 2. for a declaration that, if any or all of the relief sought by the Convertible Noteholders as set out in its notice of motion dated November 4, 2005 is granted, that the Senior Debenture Holders shall constitute a separate class of Stelco Inc. ("Stelco") creditors for the purposes of voting on the Proposed Plan of Arrangement or Compromise (the "Proposed Plan") or any amended version thereof; and
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> 3. such further and other relief as to this Honourable Court seems just.

4 No one present at this hearing disputed the proposition that it was appropriate to have the creditors vote on the Plan with the necessary benefit of clear statements of what was involved in such a vote and to eliminate therefore any ambiguities to the extent possible so that an objective creditor could make a reasoned decision. In that respect it would appear to me that the language of the Information Circular at p.39 thereof should be clarified to track that of the Meeting Order of October 4, 2005 at para. 34 thereof as to the operative element. Further it was acknowledged by everyone that the Plan itself provided that it may be amended before the vote. In that respect there would be no impediment for Stelco to adjust the language of the Plan in the sense of clarifying what its intent has been and continues to be in respect of matters affecting the debt in question and as held by those represented by the ConCom and by the BondCom. (Note: Subsequent to release of these reasons in handwritten form, I was advised on November 10, 2005 that Stelco has undertaken to make the aforesaid clarifications.)

5 I wish to emphasize that nothing in my reasons should be taken as being determinative of or affecting the relationship of the ConCom holders of debt vis-à-vis the BondCom holders of debt (that would as well encompass the holders of all Senior Debt as that term is defined in the Supplemental Trust Indenture). If those two sides are not able to work out an agreement between themselves, then they are at liberty to come to court to have that adjudicated.

6 ConCom points out that the Supplemental Trust Indenture was an agreement between Stelco and the holders of the ConCom debt, but it was not an agreement signed by the holders of the BondCom debt. While true, that would not preclude a claim of the BondCom holders based on the concept of third party beneficiary.

7 The CCAA is styled as "An act to facilitate compromises and arrangements between companies and their creditors" and its short title is: *Companies' Creditors Arrangement Act*. Ss. 4, 5 and 6 talk of compromises or arrangements between a company and its creditors. There is no mention of this extending by statute to encompass a change of relationship among the creditors vis-à-vis the creditors themselves and not directly involving the company. See *Pacific Coastal Airlines Ltd. v. Air Canada*, [2001] B.C.J. No. 2580 (B.C. S.C.) at paras. 24-25; *Royal Bank v. Gentra Canada Investments Inc.*, [2000] O.J. No. 315 (Ont. S.C.J. [Commercial List]) at para. 41, appeal dismissed (Ont. C.A.); *843504 Alberta Ltd., Re*, [2003] A.J. No. 1549 (Alta. Q.B.) at para. 13; *Royal Oak Mines Inc., Re*, [1999] O.J. No. 709 (Ont. Gen. Div. [Commercial List]) at para. 24; *Royal Oak Mines Inc., Re*, [1999] O.J. No. 864 (Ont. Gen. Div. [Commercial List]) at para. 1.

8 ConCom points out the language of article 4.01 of the Plan:

> **4.01 Cancellation of Certificates**
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> At the Effective Time, all debentures, certificates, agreements, invoices and other instruments evidencing Affected Claims against Stelco or Existing Common Shares will not entitle any holder thereof to any compensation or participation other than as expressly provided for in this Plan or in the Articles or Reorganization, respectively, and will be cancelled and null and void, and all debentures, certificates, agreements, invoices and other instruments evidencing Affected Claims against any Subsidiary Applicant will not entitle any holder thereof (other than Stelco or its successors and assignees) to any compensation or participation other than as expressly provided for in this Plan and, if in the possession or control of any Person must, at the request of Stelco, be delivered to Stelco. (emphasis added)

However this must be carefully analyzed in context. This deals with "Affected Claims against Stelco." See also in this respect articles 6.01, 6.02 and 6.05.

> **6.01 Effect of Plan Generally**
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> At the Effective Time, the treatment of Affected Claims will be final and binding on the Applicants, the Affected Creditors and the trustees under the trust indentures for the Bonds (and their respective heirs, executors, administrators and other legal representatives, successors and assigns), and this Plan will constitute: (a) full, final and absolute settlement of all rights of the Affected Creditors; (b) an absolute release and discharge of all indebtedness, liabilities and obligations of or in respect of the Affected Claims against Stelco, including any interest and costs accruing thereon; (c) an absolute assignment to Stelco of all indebtedness, liabilities and obligations of or in respect of the Affected Claims against Subsidiary Applicants, including any interest and costs accruing thereon, and an absolute release and discharge of any rights of Affected Creditors in respect thereof (excluding, for greater certainty, any rights assigned to Stelco); and (d) a reorganization of the capital and change in the minimum and maximum number of directors of Stelco in accordance with the provisions of Article 3 and the Articles of Reorganization. (emphasis added)
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> **6.02 Prosecution of Judgments**
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> At the Effective Time, no step or proceeding may be taken in respect of any suit, judgement, execution, cause of action or similar proceeding in connection with any Affected Claim (other than by Stelco in respect of Affected Claims assigned to it pursuant to this Plan) and any such proceedings will be deemed to have no further effect against any Applicant or any of its assets and will be released, discharged, dismissed or vacated without cost to the Applicants. Any Applicant may apply to Court to obtain a discharge or dismissal, if necessary, of any such proceedings without notice to the Affected Creditor. (emphasis added)
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> **6.05 Consents, Waivers and Agreements**

> At the Effective Time, each Affected Creditor will be deemed to have consented and agreed to all of the provisions of the Plan, as an entirety. Without limitation to the foregoing, each Affected Creditor (but for greater certainty, excluding Stelco in respect of Affected Claims assigned to it pursuant to this Plan) will be deemed:
>
> (a) to have executed and delivered to the Applicants all consents, assignments, releases and waivers, statutory or otherwise, required to implement and carry out this Plan as an entirety;
>
> (b) to have waived any default by or rescinded any demand for payment against any Applicant that has occurred on or prior to the Plan Implementation Date pursuant to, based on or as a result of any provision, express or implied, in any agreement or other arrangement, written or oral, existing between such Affected Creditor and such Applicant with respect to an Affected Claim; and
>
> (c) to have agreed that, if there is any conflict between the provisions, express or implied, of any agreement or other arrangement, written or oral, existing between such Affected Creditor and any Applicant with respect to an Affected Claim as at the Plan Implementation Date and the provisions of this Plan, then the provisions of this Plan take precedence and priority and the provisions of such agreement or other arrangement are amended accordingly.
>
> (emphasis added)

This is not language which purports to, nor in my opinion does, affect relationships between creditors vis-à-vis themselves. With respect, I do not see s. 8 of the CCAA as coming into play here, nor is it necessary to have it come into play in this inter-creditor dispute which does not directly involve Stelco. No doubt it would be helpful to have Stelco clarify that aspect which ConCom has sincerely felt was ambiguous in article 4.01 of the Plan to reflect that these instruments are cancelled and null and void only as to the future (ie. that is after the Effective Time) vis-à-vis Stelco, but not as to the inter-creditor dispute or relationship. (See note above re: undertaking of Stelco.)

9 I would only note in passing that the holders of the ConCom debt freely bought into a situation governed by s. 6.2 of the Supplemental Trust Indenture which contemplated their relationship with the BondCom debt (Senior Debt) in the event of insolvency proceedings or a reorganization. Give the caveats in s. 6.3 it would not appear to me that this clause advances the argument pressed by the ConCom.

10 Therefore as to the relief request by ConCom in (i) and (ii) above, I would dismiss that part of the motion. That dismissal in no way affects the clarification of language mentioned above which would be of assistance to all concerned.

11 Secondly, I would note that while apparently Stelco had not specifically advised as to its position, at the time of the hearing, its counsel was quite straight forward in his opening comments when he stated that Stelco had intended and always intended that its Plan (as distributed) was only to affect rights between Stelco and its Affected Creditors, and specifically Stelco had no intent to alter the relationship between its creditors in the sense of one group of creditors vis-à-vis another group (i.e. the ConCom debt vis-à-vis BondCom debt (Senior Debt)). In this latter regard he indicated that Stelco was not intending to affect whatever subordination rights there may be between these two groups. This would be in the sense that what was the situation between these two groups as a result of the Supplemental Trust Indenture, especially at s. 6, would continue to be the relationship after the Effective Time.

12 The next question is whether or not there should be separate classes for the ConCom debt and/or the BondCom debt/ Senior Debt. I am of the view that the law in regard to classification is correctly set out in *Canadian Airlines Corp., Re* (2000), 19 C.B.R. (4th) 12 (Alta. Q.B.), leave to appeal denied (2000), 19 C.B.R. (4th) 33 (Alta. C.A. [In Chambers]), cited in the Alberta Court of Appeal subsequent decision *Canadian Airlines Corp., Re* (2000), 261 A.R. 120 (Alta. C.A. [In Chambers]), at para. 27. See also *San Francisco Gifts Ltd., Re* (2004), 5 C.B.R. (5th) 92 (Alta. Q.B.) at para. 11, leave to appeal denied 2004 ABCA 386 (Alta. C.A.). As noted by Toplinski J. at para. 11 of San Francisco:

(11) The commonality of interest test has evolved over time and now involves application of the following guidelines that were neatly summarized by Paperny J. (as she then was) in *Resurgence Asset Management LLS v. Canadian Airlines Corp.* ("Canadian Airlines")

1. Community of interest should be viewed based on the non-fragmentation test, not on an identity of interest test.

2. The interests to be considered are the legal interests that a creditor holds qua creditor in relationship to the debtor prior to and under the Plan as well as on liquidation.

3. The commonality of interests should be viewed purposively, bearing in mind that the object of the CCAA, namely to facilitate reorganizations if possible.

4. In placing a broad and purposive interpretation on the CCAA, the Court should be careful to resist classification approaches that would potentially jeopardize viable Plans.

5. Absent bad faith, the motivations of creditors to approve or disapprove [of the Plan] are irrelevant.

6. The requirement of creditors being able to consult together means being able to assess their legal entitlement as creditors before or after the Plan in a similar manner. (emphasis added)

13 I would note as well that the primary and most significant attribute of the ConCom debt and that of the BondCom debt/Senior Debt plus the trade debt vis-à-vis Stelco is that it is all unsecured debt. Thus absent valid reason to have separate classes it would be reasonable, logical, rational and practical to have all this unsecured debt in the same class. Certainly that would avoid any unnecessary fragmentation — and in this respect multiplicity of classes does not mean that that fragmentation starts only when there are many classes. Unless more than one class is necessary, fragmentation would start at two classes. Fragmentation if necessary, but not necessarily fragmentation.

14 Is it necessary to have more than one class? Firstly, it would not appear to me that as between Stelco and the unsecured creditors overall there is any material distinction. Secondly, there would not appear to me to be any confiscation of any rights (or the other side of the coin any new imposition of obligations) upon the holders of ComCom debt. The subrogation issue was something which these holders assumed on the issue of that debt. Thirdly, I do not see that there is a realistic conflict of interest. Each group of unsecured creditors including the ConCom debt holders and the BondCom debt holders has the same general interest vis-à-vis Stelco, namely to extract from Stelco through the Plan the maximum value in the sense of consideration possible (subject to the practical caution that whatever is achieved must be compatible with Stelco being able to continue in a competitive industry so that the burden of this consideration cannot be so great as to swamp the newly renovated boat which had previously been sinking). That situation is not impacted for our purposes here in this motion by the possibility that in a subsequent dispute between the ConCom holders and the BondCom holders there may be a difference of opinion as to the valuation of the consideration obtained.

15 Counsel for BondCom and Stelco raised generally the question of there possibly being a tyranny of the minority if the ConCom debt was a separate class; counsel for ConCom raised the issue of tyranny of the majority if there was not a separate class for the ConCom debt. To my mind that questions of tyranny of the majority is something which may be addressed in the sanction hearing, if one takes place, as to the fairness, reasonableness and equitableness of the Plan. See item 4 of the Paperny list in *Canadian Airlines Corp.*; see also *Sklar-Peppler Furniture Corp. v. Bank of Nova Scotia* (1991), 8 C.B.R. (3d) 312 (Ont. Gen. Div.) at p. 318 and *Campeau Corp., Re* (1991), 10 C.B.R. (3d) 100 (Ont. Gen. Div.) at p. 103.

16 Therefore I do not see that ConCom has made out a case for a separate class. That aspect of its motion is also dismissed.

17 Given the dismissal of the ConCom motion, the BondCom motion for a separate class for its debt becomes moot.

Motions dismissed.

Footnotes

* Affirmed *Stelco Inc., Re* (2005), 2005 CarswellOnt 6510, 15 C.B.R. (5th) 305 (Ont. C.A.)

2020 ABCA 363
Alberta Court of Appeal

Trican Well Service Ltd v. Delphi Energy Corp

2020 CarswellAlta 1843, 2020 ABCA 363, [2021] A.W.L.D. 870, 328 A.C.W.S. (3d) 447

In the Matter of the Companies' Creditors Arrangement Act, RSC 1985, c C-36, as amended

And in the Matter of a Plan of Compromise or Arrangement
of Delphi Energy Corp. and Delphi Energy (Alberta) Limited

Trican Well Service Ltd. and Ensign Drilling Inc. (Applicants) and Delphi Energy Corp. and Delphi Energy (Alberta) Limited (Respondents) and PricewaterhouseCoopers Inc. and Luminus Management LLC (Interested Parties)

Marina Paperny J.A.

Heard: October 7, 2020
Judgment: October 15, 2020
Docket: Calgary Appeal 2001-0183-AC

Counsel: H.A. Gorman, Q.C., M. Brockman, C. Onwuekwe, Q.C., S. Davies, for Applicants
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J.G.A. Kruger, Q.C., for PricewaterhouseCoopers Inc.
J.L. Oliver, J.W. Hocher, J.J. Bellissimo, for Luminus Management LLC

Subject: Insolvency
Related Abridgment Classifications
Bankruptcy and insolvency
XIX Companies' Creditors Arrangement Act
XIX.4 Appeals
Headnote
Bankruptcy and insolvency --- Companies' Creditors Arrangement Act — Appeals
Order was made sanctioning plan of arrangement put forward by respondents under Companies' Creditors Arrangement Act — Applicants were trade creditors who filed builders' liens against respondents' properties for goods and services — Applicants brought application for leave to appeal order sanctioning plan of arrangement — Application dismissed — Applicants sought leave to appeal on two grounds — First proposed ground of appeal was that judge misapplied or misapprehended commonality of interest test for classification of voters, essentially denying trade creditors voting power — Second proposed ground of appeal was that judge should not have sanctioned plan that breached statutory requirement under s. 5.1(2) of Act because it purported to compromise statutorily protected claims against directors — Neither proposed ground of appeal was of sufficient merit to warrant appeal — Issues raised to impugn exercise of discretion that plan was not fair and reasonable had been thoroughly considered by appellate courts across country and principles were well known — Exercise of discretion by supervising judge was not product of legal error or misapprehension of evidence — Judge appeared to have had very solid understanding of financial circumstances of respondents and all objecting creditors when she concluded plan was fair and reasonable.
Table of Authorities
Cases considered by *Marina Paperny J.A.*:
Allen-Vanguard Corp., Re (2011), 2011 ONSC 5017, 2011 CarswellOnt 8984, 81 C.B.R. (5th) 270 (Ont. S.C.J. [Commercial List]) — referred to

Bellatrix Exploration Ltd v. BP Canada Energy Group ULC (2020), 2020 ABCA 178, 2020 CarswellAlta 807, 79 C.B.R. (6th) 205 (Alta. C.A.) — referred to
Canadian Airlines Corp., Re (2000), 2000 CarswellAlta 623, 19 C.B.R. (4th) 12 (Alta. Q.B.) — considered
Connacher Oil and Gas Ltd., Re (July 16, 2019), Doc. Calgary 1601-06131 (Alta. Q.B.) — referred to
Liberty Oil & Gas Ltd., Re (2003), 2003 ABCA 158, 2003 CarswellAlta 684, 44 C.B.R. (4th) 96 (Alta. C.A.) — referred to
Royal Bank v. Fracmaster Ltd. (1999), 1999 CarswellAlta 539, *(*sub nom. *UTI Energy Corp. v. Fracmaster Ltd.)* 244 A.R. 93, *(*sub nom. *UTI Energy Corp. v. Fracmaster Ltd.)* 209 W.A.C. 93, 11 C.B.R. (4th) 230, 1999 ABCA 178 (Alta. C.A.) — considered
SemCanada Crude Co., Re (2009), 2009 ABQB 490, 2009 CarswellAlta 1269, 57 C.B.R. (5th) 205, 479 A.R. 318 (Alta. Q.B.) — referred to
Sino-Forest Corp., Re (2012), 2012 ONSC 7041, 2012 CarswellOnt 15919, 99 C.B.R. (5th) 269 (Ont. S.C.J. [Commercial List]) — referred to
Sklar-Peppler Furniture Corp. v. Bank of Nova Scotia (1991), 8 C.B.R. (3d) 312, 86 D.L.R. (4th) 621, 1991 CarswellOnt 220 (Ont. Gen. Div.) — referred to
9354-9186 Québec inc. v. Callidus Capital Corp. (2020), 2020 SCC 10, 2020 CSC 10, 2020 CarswellQue 3772, 2020 CarswellQue 3773, 78 C.B.R. (6th) 1, 444 D.L.R. (4th) 373, 1 B.L.R. (6th) 1 (S.C.C.) — referred to

Statutes considered:

Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36

Generally — referred to

s. 5.1(2) [en. 1997, c. 12, s. 122] — considered

s. 6 — considered

s. 13 — considered

s. 22 — considered

s. 22(2) — referred to

APPLICATION for leave to appeal order sanctioning plan of arrangement.

***Marina Paperny J.A.*:**

Introduction

1 The applicants, Trican Well Services Ltd. (Trican) and Ensign Drilling Inc (Ensign), seek leave to appeal an order sanctioning a plan of arrangement put forward by the respondents Delphi Energy Corp and Delphi Energy (Alberta) Limited (collectively, Delphi) under the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36 [*CCAA*]. The applicants are trade creditors who filed builders' liens against Delphi's properties for goods and services.

2 Delphi is a junior energy producer. In 2019, it implemented a recapitalization transaction from which it drew down funds to drill three new wells in 2020. In March 2020, the combination of an oil price collapse and COVID-19 put Delphi in financial peril. Ultimately, Delphi's cash flow was restricted by senior lenders. On April 14, 2020, Delphi filed for *CCAA* protection.

3 A plan of arrangement (the Plan) was put forward and approved by the requisite double majorities of creditors, and the Sanction Order was granted on September 11, 2020. Two classes of affected creditors voted on the Plan: secured creditors, comprising Delphi's Second Lien Noteholders in respect of the secured portion of their claims, and "general unsecured creditors". The unsecured creditors included trade creditors, which category included the applicants, the Second Lien Noteholders in respect of their unsecured deficiency claims, and a convenience class of unsecured creditors with claims of less than $5,000. All unsecured creditors had the option to join the convenience class and accept a $5,000 payout on their claims; they were then deemed to have voted in favour of the Plan.

4 The applicants provided goods and services in the erection of Delphi's three new wells and are owed approximately $7.5 million. At the sanction hearing, they submitted that their builders' lien rights were improperly subordinated to the interests of supplemental debenture holders, Delphi's first lien lenders and second lien noteholders, resulting in the applicants and other prospective lien holders becoming general unsecured creditors. They take issue with the manner in which the voting classes of creditors were established, which they say resulted in the voting power of the trade creditors being overwhelmed.

5 The applicants seek leave to appeal the Sanction Order, submitting it was neither fair nor reasonable, and was not in compliance with the statutory requirements for a sanction order under the *CCAA*. Specifically, the applicants seek leave to appeal on the following grounds:

> a) the chambers judge misapplied or misapprehended the commonality of interest test for classification of voters, essentially denying trade creditors voting power; and
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> b) the chambers judge ought not to have sanctioned a plan that breached the statutory requirement under s 5.1(2) of the *CCAA* because it purports to compromise statutorily protected claims against directors.

6 In oral argument on the leave application the applicants submitted that, while they did not appeal the original classification order, their classification for the purpose of voting and the fairness of the Plan were important considerations at the sanction hearing, and these circumstances were improperly disregarded by the supervising judge in granting the Sanction Order.

7 In her reasons for sanctioning the plan the supervising judge noted that the overall indebtedness of Delphi was insurmountable, with total secured claims of $142.3 million and unsecured claims of another $27 million, for a total indebtedness of $170 million. If the Plan is approved, the 104 small creditors comprising the Convenience Class will each receive $5,000; approximately 100 parties will share *pari passu* in an unsecured claims pool of $3 million dollars, or about 2.4% on the dollar recovery. All the secured debt, less the deficiency claim amount, will be converted to equity. The supervising judge stated, "but for some trailing obligations, Delphi, if the plan is sanctioned and closes, will emerge debt free with 38 employees and will continue operating as an energy company headquartered in Alberta".

8 In concluding that the Plan was fair and reasonable, the supervising judge considered the alternative of liquidation, wherein all unsecured parties would lose and the company would cease to operate. She found that "upon close examination, the unsecured claim class is properly constituted, even if the convenience class are excluded, the vote in favour would still have carried the plan". In concluding there was sufficient commonality of interest among the class, she noted that the balancing of creditors' interests also discloses that the shareholders are compromising substantial claims, the plan sponsor being by far the largest loser.

Considering an application for leave to appeal under the CCAA

9 The test for leave to appeal is set out in s 13 of the *CCAA*:

> Except in Yukon, any person dissatisfied with an order or a decision made under this Act may appeal from the order or decision on obtaining leave of the judge appealed from or of the court or a judge of the court to which the appeal lies and on such terms as to security and in other respects as the judge or court directs.

10 When considering whether to grant leave to appeal the discretionary decision of a supervising judge under the *CCAA*, appellate courts are instructed to consider several factors: whether the point on appeal is of significance to the practice; whether the point raised is of significance to the proceeding itself; whether the appeal is *prima facie* meritorious; and whether the appeal will unduly hinder the progress of the action: *Liberty Oil & Gas Ltd., Re*, 2003 ABCA 158 (Alta. C.A.) at paras 15-16, (2003), 44 C.B.R. (4th) 96 (Alta. C.A.); *Bellatrix Exploration Ltd v. BP Canada Energy Group ULC*, 2020 ABCA 178 (Alta. C.A.) at para 16.

11 The standard of review applied to the discretionary decision of a supervising judge is highly deferential, absent an error in law or principle or an exercise of discretion that is clearly unreasonable. As stated by Fruman JA in *Royal Bank v. Fracmaster Ltd.*, 1999 ABCA 178 (Alta. C.A.) at para 3, (1999), 244 A.R. 93 (Alta. C.A.):

> [T]his is a court of review. It is not our task to reconsider the merits of the various offers and decide which proposal might be best. The decisions made by the chambers judge involve a good measure of discretion, and are owed considerable deference. Whether or not we agree, we will only interfere if we conclude that she acted unreasonably, erred in principle or made a manifest error.

12 The Supreme Court of Canada recently reiterated the need for caution in the review of a supervising judge's discretionary decisions, noting that "[a]ppellate courts must be careful not to substitute their own discretion in place of the supervising judge's": *9354-9186 Québec inc. v. Callidus Capital Corp.*, 2020 SCC 10 (S.C.C.) at para 53.

13 Whether a plan is fair and reasonable is a question of mixed law and fact, and as such is entitled to deference. The very nature of a *CCAA* proceeding requires the balancing of a multiplicity of divergent interests and stakeholders with a view to a fair and reasonable compromise in aid of a successful restructuring, if possible. Ascertaining how that can be accomplished with as little pain as possible is a delicate task, requiring a clear understanding of all the interests at stake, the effect of the plan on all stakeholders and, equally importantly, the effect of the alternative to restructuring on those same stakeholders. An appellate court should not lightly intervene in this balancing exercise.

First proposed ground of appeal: The classification of creditors

14 In assessing whether a plan is fair and reasonable, as required by s 6 of the *CCAA*, the supervising judge must consider the composition of the voting class of unsecured creditors. Section 22 of the *CCAA* empowers the company to divide its creditors into classes for the purpose of a compromise or arrangement. Creditors may be included in the same class if "their interests or rights are sufficiently similar to give them a commonality of interest", taking into account the following factors (s 22(2)):

> (a) the nature of the debts, liabilities or obligations giving rise to their claims;
>
> (b) the nature and rank of any security in respect of their claims;
>
> (c) the remedies available to the creditors in the absence of the compromise or arrangement being sanctioned, and the extent to which the creditors would recover their claims by exercising those remedies; and
>
> (d) any further criteria, consistent with those set out in above.

15 The key considerations in determining if a proposed class has the requisite commonality of interest are set forth in *Canadian Airlines Corp., Re* (2000), 19 C.B.R. (4th) 12 (Alta. Q.B.) at para 31:

> 1. Commonality of interest should be viewed on the basis of the non-fragmentation test, not on an identity of interest test.
>
> 2. The interests to be considered are the legal interests the creditor holds qua creditor in relationship to the debtor company, prior to and under the plan as well as on liquidation.
>
> 3. The commonality of these interests are to be viewed purposively, bearing in mind the object of the C.C.A.A., namely to facilitate reorganizations if possible.
>
> 4. In placing a broad and purposive interpretation on the C.C.A.A., the court should be careful to resist classification approaches which would potentially jeopardize potentially viable plans.
>
> 5. Absent bad faith, the motivations of the creditors to approve or disapprove are irrelevant.
>
> 6. The requirement of creditors being able to consult together means being able to assess their legal entitlement *as creditors* before or after the plan in a similar manner.
>
> [emphasis in original]

16 Excessive fragmentation, which is counterproductive to facilitating a reorganization, should be avoided. Fragmentation is not just about the number of classes, but the effect that fragmentation of classes might have on the ability to achieve the legislative goal of a viable reorganization: see *SemCanada Crude Co., Re*, 2009 ABQB 490 (Alta. Q.B.) at para 21. What is required is some "community of interest and rights which are not so dissimilar as to make it impossible for the creditors in the class to consult with a view toward a common interest": *Sklar-Peppler Furniture Corp. v. Bank of Nova Scotia* (1991), 86 D.L.R. (4th) 621 (Ont. Gen. Div.) at para 14. Another important consideration is avoidance of tyranny of the minority: "it would be improper to create a special class simply for the benefit of the opposing creditor which would give that creditor the potential to exercise an unwarranted degree of power": *Sklar-Peppler* at para 14.

17 In this case, the applicants submit that the trade creditors were unfairly classified and, had they their own separate class, they would have defeated the Plan. They submit that the supervising judge failed to properly characterize the commonality of interest test. Put simply, the applicants say they have no commonality of interest with the other members of the class. The trade creditors will receive a negligible amount, whereas the convenience class will receive what amounts to full recovery, and the second lien noteholders with deficiencies will see the conversion of their secured debt to equity.

18 It is worth nothing that the trade creditors could have opted into the convenience class had they so chosen. Moreover, the second lien noteholders will see the secured portion of their claims converted from debt to equity, but their deficiencies are subject to the same 2.4 cents on the dollar that the trade creditors will receive under the Plan.

19 A review of the transcript makes clear that the supervising judge understood the situation of the various creditors. She was alive to the fact that, if the trade creditors were given their own class, they could veto the Plan. She understood that if the convenience class was removed, the vote would have passed regardless.

20 The matter of classification is discretionary, as was the supervising judge's determination that the overall Plan was fair and reasonable in the circumstances. The proposed issue on appeal is clearly of importance to the applicants, as if they were successful on appeal they would be in a position to veto the Plan. However, given the degree of deference that would be paid to the decision of the supervising judge on issues of classification, I am not persuaded that this ground of appeal has a likelihood of success.

Second proposed ground of appeal: Failure to meet the statutory requirements under s. 5.1(2)

21 The applicants accept that a plan may compromise some claims against directors by capping them to proceeds under insurance policies. However, they submit that statutorily protected claims against directors must be exempted from any compromise in light of s 5.1(2), which excludes claims based on allegations of misrepresentation or wrongful or oppressive conduct. The applicants submit the Sanction Order irrevocably limits such protected claims to the unspecified proceeds of insurance policies which, they say, is statutorily prohibited. The applicants also submit that Delphi failed to put the insurance policies into evidence before the supervising judge.

22 Delphi submits that the Plan does not compromise the claims against directors, but merely channels financial recovery to available insurance proceeds, and that this is consistent with the practice of *CCAA* courts across Canada, including in Alberta [1] .

23 There is clear authority for Delphi's proposition, although I was not directed to any appellate authority considering the issue. In my view, the merit of this proposed ground of appeal depends on whether Delphi's position, that the claim in this case is not being compromised, withstands scrutiny. A careful review of the Plan and the Sanction Order makes clear that the applicants' claim against the directors is not being compromised within the meaning of the *CCAA*. Rather, recovery on that claim is limited to the amount of directors' and officers' insurance in place. That amount is $40 million. The total builders' lien claims, were they to be completely successful, amount to approximately $20 million. I note as an aside that the bad faith argument upon which this potential claim is premised was found for the purpose of the sanction hearing to be without evidentiary foundation. In all these circumstances, there is no merit to the argument that the claim is being impermissibly compromised.

Conclusion

24 In my view, in light of the standard of review applicable to a decision on fairness, and in light of the applicable law, neither proposed ground of appeal is of sufficient merit to warrant an appeal.

25 I am also mindful of the last consideration, that is the undue hinderance of the restructuring if leave to appeal is granted. The applicants concede that some delay would be occasioned by an appeal, although they propose the appeal be heard on an expedited basis. However, the record suggests that the prospect of a going-concern restructuring will be seriously imperiled if the plan sponsors choose not to fund the Plan beyond the agreed plan outside date. If the Plan is not consummated, Delphi will undoubtedly be faced with liquidation, the only other alternative put forward. The economic consequences of liquidation would be considerably worse for all stakeholders, including the applicants.

26 In my view, this is not a case where leave to appeal ought to be granted. The issues raised to impugn the exercise of discretion that the Plan is not fair and reasonable have been thoroughly considered by appellate courts across the country and the principles are well known. The exercise of discretion by the supervising judge was not the product of legal error or misapprehension of the evidence. She appears to have had a very solid understanding of the financial circumstances of Delphi and all the objecting creditors when she concluded the plan was fair and reasonable.

27 The application for leave to appeal is, accordingly, dismissed.

Application dismissed.

Footnotes

1 *Connacher Oil and Gas Ltd., Re* [(July 16, 2019), Doc. Calgary 1601-06131 (Alta. Q.B.)], 2019 Plan Sanction Order of Justice Dario (16 July 2019) Calgary 1601-06131 at para 31; *Sino-Forest Corp., Re* [2012 CarswellOnt 15919 (Ont. S.C.J. [Commercial List])], Plan Sanction Order of Justice Morawetz (10 December 2012) Toronto CV-12-9667-00CL at para 37; *Allen-Vanguard Corp., Re*, 2011 ONSC 5017 (Ont. S.C.J. [Commercial List]) at paras 26-27 and 78.

Canada Federal Statutes
Companies' Creditors Arrangement Act
Part I — Compromises and Arrangements (ss. 4-8)

R.S.C. 1985, c. C-36, s. 4

s 4. Compromise with unsecured creditors

Currency

4.Compromise with unsecured creditors

Where a compromise or an arrangement is proposed between a debtor company and its unsecured creditors or any class of them, the court may, on the application in a summary way of the company, of any such creditor or of the trustee in bankruptcy or liquidator of the company, order a meeting of the creditors or class of creditors, and, if the court so determines, of the shareholders of the company, to be summoned in such manner as the court directs.

Currency

Federal English Statutes reflect amendments current to June 21, 2021
Federal English Regulations Current to Gazette Vol. Extra 155:6 (August 16, 2021)

Canada Federal Statutes
Companies' Creditors Arrangement Act
Part I — Compromises and Arrangements (ss. 4-8)

R.S.C. 1985, c. C-36, s. 5

s 5. Compromise with secured creditors

Currency

5.Compromise with secured creditors

Where a compromise or an arrangement is proposed between a debtor company and its secured creditors or any class of them, the court may, on the application in a summary way of the company or of any such creditor or of the trustee in bankruptcy or liquidator of the company, order a meeting of the creditors or class of creditors, and, if the court so determines, of the shareholders of the company, to be summoned in such manner as the court directs.

Currency

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Canada Federal Statutes
Companies' Creditors Arrangement Act
Part II — Jurisdiction of Courts (ss. 9-18.5)

R.S.C. 1985, c. C-36, s. 11.02

S 11.02

Currency

11.02

11.02(1)Stays, etc. — initial application

A court may, on an initial application in respect of a debtor company, make an order on any terms that it may impose, effective for the period that the court considers necessary, which period may not be more than 10 days,

(a) staying, until otherwise ordered by the court, all proceedings taken or that might be taken in respect of the company under the *Bankruptcy and Insolvency Act* or the *Winding-up and Restructuring Act*;

(b) restraining, until otherwise ordered by the court, further proceedings in any action, suit or proceeding against the company; and

(c) prohibiting, until otherwise ordered by the court, the commencement of any action, suit or proceeding against the company.

11.02(2)Stays, etc. — other than initial application

A court may, on an application in respect of a debtor company other than an initial application, make an order, on any terms that it may impose,

(a) staying, until otherwise ordered by the court, for any period that the court considers necessary, all proceedings taken or that might be taken in respect of the company under an Act referred to in paragraph (1)(a);

(b) restraining, until otherwise ordered by the court, further proceedings in any action, suit or proceeding against the company; and

(c) prohibiting, until otherwise ordered by the court, the commencement of any action, suit or proceeding against the company.

11.02(3)Burden of proof on application

The court shall not make the order unless

(a) the applicant satisfies the court that circumstances exist that make the order appropriate; and

(b) in the case of an order under subsection (2), the applicant also satisfies the court that the applicant has acted, and is acting, in good faith and with due diligence.

11.02(4)Restriction

Orders doing anything referred to in subsection (1) or (2) may only be made under this section.

Amendment History
2005, c. 47, s. 128; 2019, c. 29, s. 137

Currency
Federal English Statutes reflect amendments current to February 17, 2021
Federal English Regulations are current to Gazette Extra Vol. 155:3 (February 15, 2021)

End of Document

Canada Federal Statutes
Companies' Creditors Arrangement Act
Part III — General (ss. 18.6-43) [Heading added 2005, c. 47, s. 131.]
Classes of Creditors [Heading added 2005, c. 47, s. 131.]

R.S.C. 1985, c. C-36, s. 22

s 22.

Currency

22.

22(1)Company may establish classes

A debtor company may divide its creditors into classes for the purpose of a meeting to be held under section 4 or 5 in respect of a compromise or arrangement relating to the company and, if it does so, it is to apply to the court for approval of the division before the meeting is held.

22(2)Factors

For the purpose of subsection (1), creditors may be included in the same class if their interests or rights are sufficiently similar to give them a commonality of interest, taking into account

(a) the nature of the debts, liabilities or obligations giving rise to their claims;

(b) the nature and rank of any security in respect of their claims;

(c) the remedies available to the creditors in the absence of the compromise or arrangement being sanctioned, and the extent to which the creditors would recover their claims by exercising those remedies; and

(d) any further criteria, consistent with those set out in paragraphs (a) to (c), that are prescribed.

22(3)Related creditors

A creditor who is related to the company may vote against, but not for, a compromise or arrangement relating to the company.

Amendment History

2005, c. 47, s. 131; 2007, c. 36, s. 71

Currency

Federal English Statutes reflect amendments current to June 21, 2021
Federal English Regulations Current to Gazette Vol. Extra 155:6 (August 16, 2021)