



This is the 1st Affidavit of
J. Livingstone in this case and
was made on March 2, 2021

S=211985

No. _____
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

AFFIDAVIT OF JAMES LIVINGSTONE

I, **JAMES LIVINGSTONE**, care of 1021 West Hastings Street, Suite 2400, Vancouver,
in the Province of British Columbia, **MAKE OATH AND SAY AS FOLLOWS:**

1. I am the Chief Executive Officer and sole director of Ardenton Capital Corporation (“ACC”), formerly Regimen Capital Partners Inc. (“Regimen”), and the President and sole director of Ardenton Capital Bridging Inc. (“ACBI” and together with ACC, the “Petitioners”), the Petitioners in these proceedings. Except for a period when I was not the sole ACC director, I have served in my ACC capacities since May 2010 and in my ACBI capacities since 2017. As such, I have personal knowledge of the matters herein, except where such facts are based upon information and belief and where so stated I do verily believe the same to be true.

2. I am authorized to make this affidavit on behalf of the Petitioners.

3. I was a partner at Wolrige Mahon LLP, an accounting firm, from 2003 to 2008. I am a chartered professional accountant.

I. NATURE OF APPLICATION AND RELIEF SOUGHT

4. This affidavit is made in support of an application by the Petitioners for an Order (the “**Initial Order**”) and relief under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) as set out in the Petitioners’ Petition to the Court

5. For ease of reference, the Petitioners and their non-filing affiliates are collectively referred to as “**Ardenton**.” All dollar references in this affidavit are Canadian dollars unless otherwise referenced.

6. The urgency for this application is as a result of (i) immediate liquidity constraints; (ii) the magnitude of the Petitioners’ debt obligations, which accrue interest at an annual rate of between 8% and 14.4% per annum (weighted average of approximately 12%), and which the Petitioners’ do not have the present ability to pay; (iii) the pending maturity date of certain of its debt obligations; and (iv) the Petitioners inability to pay their obligations generally as they come due.

7. Accordingly, the Petitioners require a stay of proceedings (the “**Stay of Proceedings**”) and related relief under the CCAA in order to stabilize the business and facilitate a restructuring under the Court’s supervision for the benefit of all of the Petitioners’ stakeholders and allow for the prospect of a going concern business upon the Petitioners exit from CCAA, as more particularly described below.

8. If the Initial Order is granted, the Petitioners intend to return to Court within ten (10) days to seek this Court’s approval of an Amended and Restated Initial Order (together with the Initial Order, the “**Initial Orders**”), which, among other things, would:

- (a) increase the amount of the Administration Charge (as defined below);

- (b) increase the amount of the D&O Charge (as defined below);
- (c) extend the Stay of Proceedings; and
- (d) such further and other relief as counsel may request, and the Court may deem just.

9. If the relief sought in the Initial Orders is ultimately granted, the Petitioners intend to use the time afforded by the Stay of Proceedings, with the assistance of the Monitor (as defined below), to implement a restructuring of the Petitioners' business by the implementation of a plan or plans of compromise of arrangement with their creditors (a "**Plan**"), or, in the alternative, a combination of a recapitalization and refinancing.

II. INTRODUCTION

10. ACC is a multinational private equity corporation formed by the amalgamation of Regimen (which changed its name to ACC on August 31, 2016) with Livingstone Acquisitions Inc. on January 2, 2018. ACC's predecessor Regimen was incorporated on May 3, 2010, under the *Business Corporations Act* (British Columbia).

11. Through various holding companies including ACBI, ACC acquires stakes in mid-market private businesses. ACC currently has indirect majority ownership interests in fourteen portfolio companies located in Canada, the United States of America ("**USA**") and the United Kingdom ("**UK**") (collectively, the "**Opcos**"). ACC provides operating and financial support to the Opcos.

12. Until recently, ACC had several physical offices in Canada (Vancouver, Edmonton, Toronto and Guelph), the USA (Dallas, Philadelphia and Chicago) and the UK (Manchester and London). To reduce operating costs, ACC has recently reduced its number of offices in Canada,

and eliminated all offices in the USA and the UK. Currently, ACC only maintains the Vancouver head office. Some Employees are now working remotely.

13. The capital structure of ACC is comprised of a combination of equity and unsecured debt. ACC's equity is comprised of a number of classes of voting and non-voting common shares, issued in various classes (and in some instances series within classes).

14. As of December 31, 2020, ACC had raised approximately \$400 million through the issuance of a combination of common equity, hybrid notes, preferred securities and promissory notes. The majority of ACC's capital was raised through debt instruments.

15. ACC's liquidity constraints are largely as a result of: (i) the Opcos not generating sufficient cash flow for ACC to meet all of its corporate overhead costs, pay interest on its debt, fund redemptions and acquire additional businesses; and (ii) significant disruptions in capital raising markets because of the impact of the COVID-19 pandemic. To address the former, ACC sourced capital routinely to meet substantially all of its cash requirements, including its debt obligations, with most of these requirements funded through the issuance of preferred securities, which are debt instruments.

16. To reduce its costs, in addition to office closures, ACC has implemented significant cost-reduction measures, including layoffs and reductions in payroll and headcount. ACC has also worked with the Opcos to access available capital held at the Ardenton Opco level. Additionally, the Petitioners have sought to attract new financing from other sources.

17. ACC began deferring payments on its preferred and hybrid security products in April 2020, in large part to conserve cash at the Opcos. The deepening impact of the COVID-19 pandemic

derailed the Petitioners' attempts to catch up on deferred payments to its investors or lenders in 2020.

18. Despite these efforts by management, the Petitioners remain unable to service its significant debt obligations. The historical business model and the effects of the COVID-19 pandemic have materially impacted ACC's cash flow such that it is in significant arrears to all creditors and these obligations continue to accrue interest. There is no foreseeable manner in which to service these obligations absent a restructuring of ACC's balance sheet.

19. No distributions have been made by ACC with respect to the Preferred Securities and Notes (as defined below) since September 2020. The Petitioners accrued and unpaid interest presently totals approximately \$24 million. As noted, interest on ACC's debt instruments accrues at an average rate of approximately 12% per annum.

20. The Petitioners are insolvent and require CCAA protection to allow them the breathing room necessary to maximize value for all affected stakeholders by exploring a Plan as a means to secure the maximum recovery for creditors on their investments.

21. The Stay of Proceedings will provide the Petitioners the time and breathing room required to explore a Plan and other strategic alternatives in a Court-supervised process and is in both the Petitioners' and their stakeholders' best interests.

B. BACKGROUND REGARDING THE PETITIONERS

(i) ***Corporate Structure***

22. The Petitioners, ACC and ACBI, are companies formed under British Columbia law. The Petitioners' senior management work primarily from the head office, located in Vancouver, British Columbia. The BC Company Summaries issued on March 1, 2021 for each of the Petitioners are attached and marked as **Exhibits "A" and "B"** to this affidavit.

23. ACC is currently registered extra-provincially to carry on business in Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick Nova Scotia, Prince Edward Island and Newfoundland and Labrador.

24. ACC has eight direct wholly-owned subsidiaries: Ardenton Capital (Canada) Inc. ("**ACCI**"), ACBI, Ardenton Capital Limited ("**ACL**"), Ardenton Employee Equity Inc. ("**AEEI**"), Ardenton Equity Partners Inc., Ardenton Financial Inc. ("**AFI**"), Ardenton Partners Inc. and Go Plumbing and HVAC Services Ltd. ACC also holds a small minority equity interest in Regimen Equity Partners Limited Partnership.

25. The direct ACC subsidiaries, ACCI and ACBI, each own, directly or indirectly, a majority interest in a total of eight businesses in Canada and the USA.

26. ACCI is the majority shareholder of:

- (a) 1971035 Ontario Inc. ("**Leone**"), a Mississauga, Ontario based manufacturer, distributor and installer of ornamental iron and chain link fencing, founded in 1975;

- (b) Canadian Posters International Inc., a Toronto based company founded in 1976, specializing in art, custom wallcovering, mirrors and décor for hotels, healthcare, commercial and residential spaces;
 - (c) Combat Networks Inc. (“**Combat**”), an Ottawa based company founded in 2001, which provides voice, data and video communications solutions to government, health care, education and small and large companies across Canada;
 - (d) Stevenson Industrial Refrigeration Ltd., which operates in Saskatchewan, Alberta and Manitoba and is engaged in the design, fabrication, installation, maintenance and supply of parts for large-scale, ammonia-based refrigeration systems to operators of recreational facilities, food processors and mining customers;
 - (e) The Pipe Yard Ltd., based in Blackfalds, Alberta, which primarily supplies new, surplus and secondary steel pipe to pile driving customers supporting the oil and gas industry in western Canada; and
 - (f) OES Inc. (“**OES**”), a London, Ontario based designer, manufacturer and marketer of proprietary control systems, electronic products, scoreboards and quality assurance devices founded in 1980.
27. ACBI is the indirect majority shareholder of:
- (a) Achieve 1, LLC (“**Achieve 1**”), a Richmond, Virginia-based company founded in 2009, which integrates customized technology-based business solutions for a diversified base of corporate customers; and

- (b) Comtrad Strategic Sourcing Inc., a Mississauga-based company, which specializes in sourcing products from Asian suppliers for delivery to original equipment manufacturers and distributors with operations in North America.

28. ACCI is also the sole shareholder of each of Blakie Land Holdings Inc. (“**Blakie**”) and Combat Land Holdings Inc. (“**Combat Land**”). Blakie is the property holding company which owns the premises from which OES operates in London, Ontario. Combat Land is the property holding company that owns one of the two properties from which Combat operates in Ottawa, Ontario.

29. ACC also holds an indirect majority ownership interest in six operating companies in the UK through its subsidiary, ACL:

- (a) Shaftec Automotive Components Ltd., a Birmingham, UK based company, which specializes in the supply and manufacture of automotive components, including transmission, steering and brake products, to the automotive industry;
- (b) Food Innovations (Manufacturing) Limited, Doric Crimped Limited, Doric Cake Crafts Limited and Doric FPD Limited comprise the Food Innovations Baking Group, a Manchester, UK based multi-site manufacturer of home baking products, including a wide range of edible decorative products;
- (c) W. Corbett & Co (Galvanizing) Limited, a Tedford, UK based company founded in 1860, is a hot dip galvanizer serving UK manufacturing businesses across a broad range of sectors, including structural steel, cable management and transportation;

- (d) PP Control & Automation Limited, a West Midlands, UK based company established in 1967, which supplies strategic outsourcing solutions to original equipment manufacturers and machine builders internationally;
 - (e) Budget Greeting Cards Limited and Budget Greeting Cards (Ireland) Limited carry on business under the name BGC Wholesale and are based in Manchester, UK. BGC designs and sells greeting cards and gift wrap, as well as other stationary and celebratory products to small and medium sized businesses; and
 - (f) Pebbles Care Limited, Partners in Care Limited and Radical Services Limited, carry on business under the name Pebbles Care, and are a Dunfermline, Scotland based operator of care homes and specialist school academies across the UK.
30. ACL's wholly owned subsidiary Ardenton Capital Investments Limited employs the organization's UK operations employees.
31. With respect to the balance of the direct subsidiaries:
- (a) Ardenton Employee Equity Inc. is the trustee of ACC's Canadian employee long term incentive plan. Under this plan, restricted shares were granted to employees of ACC. The restricted shares are held in trust by AEEI and do not transfer until such time as they vest in accordance with the terms of the plan.
 - (b) Ardenton Equity Partners Inc. is inactive.
 - (c) AFI is a registered exempt market dealer that distributes ACC Securities (as defined below) products under prospectus exemptions primarily in Canada.

(d) Ardenton Partners Inc. is a holding company to G.K. Mechanical Ltd. and Leader Mechanical Contracting Ltd., whose operations have been wound down.

(e) Go Plumbing and HVAC Services Ltd. is inactive.

32. A copy of Ardenton's organizational chart is attached to this affidavit and marked as **Exhibit "C"**.

(ii) *The Petitioners' Business and Operations*

33. Ardenton does not use a typical private equity model, which would rely on a limited partnership structure to raise capital for its investment. Instead, the majority of ACC's capital is raised by issuing unsecured debt instruments with a five-year term (subject to redemption rights) and which pay interest between 8% to 14% annually. ACC also issued a comparatively small amount of common equity.

34. ACC's investment objective is to acquire and develop a diverse portfolio of private companies at attractive valuations while leveraging its internal operational expertise to optimize and grow each business.

35. Since its inception, the majority of the capital raised by ACC has been through the issuance of Preferred Securities (as defined below). As of December 31, 2020, approximately \$260 million of all monies raised by ACC has been through the issuance of Preferred Securities.

36. Purchases of the Opco's are funded with a combination of debt (comprised of preferred securities directly or indirectly issued by the portfolio company to ACC, vendor loans and bank debt at the Ardenton Opco level) and equity.

37. Under our business model ACC collects interest from the Opcos under preferred securities issued to direct and indirect ACC subsidiaries, as well as management fees and dividends. Other capital from the Opcos has been sourced on one occasion through the refinancing of preferred securities with less expensive bank debt, and, in a few instances, proceeds generated from the sale of interests in the Opcos.

38. ACC uses the majority of the proceeds of its fundraising and the interest, management fees and dividends generated from the Ardenton Opco level to (a) fund acquisitions and capital expenditures, (b) pay its corporate overhead costs, (c) fund redemptions, (d) pay interest, and (e) meet other capital needs of the portfolio companies from time to time.

39. ACC has not made any interest payments to its debtholders since September 2020, except certain interest payments on the ACC Promissory Note (as defined below). Consequently, ACC's obligations to its debtholders are now in significant arrears. In many instances, the underlying debt securities agreements issued by ACC contain provisions limiting the investors recourse against ACC in the event of a default by ACC thereunder.

(iii) ***Non-Consolidated Financial Position of the Petitioners***

40. ACC generated negative EBITDA of approximately \$3.6 million and \$6.6 million in 2018 and 2019, respectively. Copies of ACC's audited financial statements for the fiscal years ended December 31, 2018, and December 31, 2019, respectively, are attached to this affidavit and marked as **Exhibits "D"** and **"E"**. ACC generated EBITDA of approximately \$4.1 million in 2020. A draft copy of ACC's financial statements for the fiscal year ended December 31, 2020 is attached to this affidavit and marked as **Exhibit "F"**. ACC's net loss for 2018 was approximately \$24.3 million, for 2019 approximately \$31.0 million and for 2020 approximately \$29.1 million. A large

portion of the loss is due to interest expense of \$17.2 million, \$28.0 million, and \$36.0 million in 2018, 2019 and 2020, respectively.

41. ACBI generated EBITDA of approximately \$444,000, \$617,000, and \$599,000 in each of 2018, 2019 and 2020, respectively. ACBI's net loss for 2018 was approximately \$1.9 million, for 2019 approximately \$1.4 million, and for 2020 approximately \$2.2 million.

Assets

42. As of December 31, 2020, the total book value of ACC's assets was approximately \$194.2 million, consisting primarily of investment in subsidiaries, related party receivables, goodwill and other assets.

43. As of December 31, 2020, the total book value of ACBI's assets was approximately \$25.6 million, consisting primarily of investment in subsidiaries, related party receivables and other assets.

Liabilities

44. As of February 28, 2021, ACC's liabilities total approximately \$336.4 million, all of which are unsecured. Of the liabilities approximately \$332.3 is owed to investors.

45. As of February 28, 2021, ACBI liabilities total approximately \$18.2 million, all of which are unsecured. Substantially all of ACBI's debt consists of promissory notes owing to investors.

46. ACC is over-burdened by its current debt obligations and, accordingly, these numbers do not reflect Ardenton's potential fair market value or growth prospects. A more detailed summary of the Petitioners' debt obligations is provided in the following section of my affidavit.

(iv) *Stakeholders*

47. ACC has four categories of debt securities and seven equity securities classes (collectively, “**ACC Securities**”). ACC issued the ACC Securities to investors through direct issuances, issuances facilitated by AFI or through various third-party agents.

48. Other than as set out below, we generally take care in keeping the identities of our investors and the amounts invested by each confidential. Accordingly, we have avoided including the names of any specific investors within this affidavit, without their consent. Notwithstanding the foregoing, we understand that the Monitor is required to include a detailed list of creditors and their claims against the Petitioners in any notices and reports they are required to file or deliver to comply with the CCAA. The Petitioners are requesting an order from this Court that the Monitor be permitted to exclude the amounts owed to any specific investor in any public documents and their addresses, without the investors consent.

49. With that in mind, the following provides a general description of the debt component of the ACC Securities, which consists of:

- (a) a single USD\$1,000,000 promissory note issued by ACC having a maturity date of February 17, 2022 (the “**ACC Promissory Note**”);
- (b) preferred securities, which are a form of contractual debt instrument entitling investors to regular interest payments, having no fixed term, but are redeemable between one and five years from the date of issue, provided, the issuer has sufficient liquidity to do so (collectively, the “**Preferred Securities**”);

- (c) notes that are a form of contractual debt instrument permitting investors to regular interest distributions, having no fixed term, issued under an arrangement with Montrusco Bolton Investments Inc., and which are otherwise materially similar to the Preferred Securities (the “**MBI Notes**” and, together with the Preferred Securities, the “**Preferred Securities and Notes**”); and
- (d) hybrid securities that consist of a combination of an unsecured debenture and a warrant to acquire equity in ACC (collectively, the “**Hybrid Securities**”).

50. While each of the arrangements mentioned above are unsecured obligations, the contractual terms contained within these underlying ACC Securities provide for the following priorities:

- (a) Firstly, any general indebtedness of ACC to its creditors and the ACC Promissory Note;
 - (b) Secondly, the Preferred Securities and Notes; and
 - (c) Lastly, the debenture component of the Hybrid Securities.
- (v) ***Promissory Noteholders***

Ardenton Capital Corporation

51. The ACC Promissory Note initially issued on January 17, 2020, in the principal amount of USD\$1,000,000 and provided for a USD\$20,000 borrowing fee. The ACC Promissory Note was subsequently amended on February 10, 2020, extending the maturity date to February 17, 2021 and providing for an interest rate of 12% per annum on a go forward basis. On February 10, 2021,

the ACC Promissory Note was further amended to extend the maturity date to February 17, 2022. The ACC Promissory Note is governed under the laws of the State of Texas.

Ardenton Capital Bridging Inc.

52. ACBI has issued eleven promissory notes (collectively, “**ACBI Notes**”) consisting of: (i) eight Canadian dollar-denominated notes, with an aggregate principal value of \$7,236,364 and a weighted average annual interest rate of 12.56%, and (ii) three U.S. dollar-denominated notes, with an aggregate principal value of US\$8,250,000 and a weighted average annual interest rate of 12.48%, each of which is maturing in 2021.

53. The ACBI Notes are unsecured obligations of ACBI and are described in greater detail below:

<i>Noteholder</i>	<i>Principal</i>	<i>Interest</i>	<i>Maturity Date</i>
Noteholder 1	\$200,000	12.0%	February 28, 2021
Noteholder 2 ¹	\$176,364	14.0%	March 31, 2021
Noteholder 3	\$5,300,000	12.5%	March 31, 2021
Noteholder 4	\$250,000	12.0%	April 7, 2021
Noteholder 5	\$350,000	12.9%	November 16, 2021
Noteholder 5	\$300,000	14.4%	November 16, 2021
Noteholder 6	\$150,000	12.0%	December 15, 2021
Noteholder 7	\$510,000	12.0%	December 31, 2021
Noteholder 8	US\$2,000,000	12.0%	October 31, 2021
Noteholder 9	US\$2,000,000	14.0%	November 27, 2021
Noteholder 8	US\$4,250,000	12.0%	December 3, 2021

(vi) ***Preferred Securities and Notes***

54. The Preferred Securities and Notes are unsecured debt obligations, issued in series and ranking *pari passu* as between each series. The aggregate outstanding principal amount of Preferred Securities and Notes, across all series, was, as of February 28, 2021, \$99,462,940, interest at a weighted average annual rate of 13.19%, USD\$110,451,000, accruing interest at a weighted average annual rate of 12.44%, and GBP£400,000 accruing interest at a weighted average annual rate of 12.90%. The Preferred Securities and Notes rank subordinate to all other indebtedness of ACC owing to any other creditors but ahead of all Hybrid Securities and the ACC Equity.

55. The Preferred Securities and Notes are comprised of the following series (having the attributes set out opposite them):

¹ This particular note was issued to Leone, an Ardenton Opco.

<i>Series</i>	<i>Principal</i>	<i>Annual Interest</i>	<i>Redemption Rights</i>	<i>Issue Period</i>
<i>Preferred Securities</i>				
Series I Preferred Securities	\$51,656,940 US\$18,268,000	14.0%, paid monthly	Redeemable on request after 5 years, provide ACC can limit redemptions up to 25% per annum, commencing on 5th anniversary of issuance with the balance due on the 8th anniversary. ACC may suspend redemptions entirely if unable to raise sufficient funds to fund obligations.	March 1, 2014 – July 31, 2017
Series IV Preferred Securities	\$450,000	10.0%, paid monthly	Redeemable on request after 3 years, provided ACC can limit redemptions up to 25% per annum, commencing on 3rd anniversary of issuance with the balance due on the 6th anniversary. ACC may suspend redemptions entirely if unable to raise sufficient funds to fund obligations.	October 31, 2016 – November 30, 2017
Series V Preferred Securities	\$15,056,000 US\$5,600,000 GBP400,000	12.9%, paid monthly	Redeemable on request after 5 years, provided ACC can limit redemptions up to 25% per annum, commencing on 5th anniversary of issuance with the balance due on the 8th anniversary. ACC may suspend redemptions entirely if unable to raise sufficient funds to fund obligations.	October 31, 2016 – March 29, 2018
Series VI Preferred Securities	\$350,000	12.0%, paid monthly	Redeemable on request after 3 years, provided ACC may limit redemptions up to 25% per annum, commencing on 3rd anniversary of issuance with the balance due on the 6th anniversary. ACC may suspend redemptions entirely if unable to raise sufficient funds to fund obligations.	September 30, 2016 – December 30, 2016
Series VII Preferred Securities	\$2,450,000	14.0%, paid monthly	Redeemable on request after August 31, 2020, provided ACC may limit redemptions up to 25% per annum, commencing on August 31, 2020 with the balance due on August 31, 2023. ACC may suspend redemptions entirely if unable to raise sufficient funds to fund obligations.	September 30, 2017 – September 30, 2017

<i>Series</i>	<i>Principal</i>	<i>Annual Interest</i>	<i>Redemption Rights</i>	<i>Issue Period</i>
Series I - 2018 Preferred Securities (5 years)	\$12,050,000 US\$20,023,000	12.0%, paid monthly	Redeemable on request after 5 years, provided ACC may limit redemptions to 25% per annum, commencing on 1st anniversary of the retraction right commencement date with the balance due on the 4th anniversary. ACC may suspend redemptions entirely if unable to raise sufficient funds to fund obligations.	March 31, 2018 - May 1, 2019
Series I-F 2018 Preferred Securities (5 years)	US\$13,650,000	12.25%, paid monthly	Redeemable on request after 5 years, provided ACC may limit redemptions to 25% per annum, commencing on 1st anniversary of the retraction right commencement date with the balance due on the 4th anniversary. ACC may suspend redemptions entirely if unable to raise sufficient funds to fund obligations.	August 31, 2018 - February 28, 2019
Series I-F 2018 Preferred Securities (3 years)	US\$3,750,000	9.25%, paid monthly	Redeemable on request after 3 years, provided ACC may limit redemptions to 25% per annum, commencing on 1st anniversary of the retraction right commencement date with the balance due on the 4th anniversary. ACC may suspend redemptions entirely if unable to raise sufficient funds to fund obligations.	July 31, 2018 - February 28, 2019
Series II 2018 Preferred Securities (5 years)	\$230,000	11.0%, paid monthly	Redeemable on request after 5 years, provided ACC may limit redemptions to 25% per annum, commencing on 1st anniversary of the retraction right commencement date with the balance due on the 4th anniversary. ACC may suspend redemptions entirely if unable to raise sufficient funds to fund obligations.	March 29, 2019 - March 29, 2019
Series I 2019 Preferred Securities (5 years)	\$15,920,000 US\$7,410,000	12.0%, paid monthly	Redeemable on request after 5 years, provided ACC may limit redemptions to 25% per annum, commencing on 1st anniversary of the retraction right commencement date with the balance due on the 4th anniversary. ACC may suspend redemptions entirely if unable to raise sufficient funds to fund obligations.	April 1, 2019 - March 25, 2020

<i>Series</i>	<i>Principal</i>	<i>Annual Interest</i>	<i>Redemption Rights</i>	<i>Issue Period</i>
Series I 2019 Preferred Securities (3 years)	\$750,000 US\$500,000	12.0%, paid monthly	Redeemable on request after 3 years provided ACC may limit redemptions up to 25% per annum, commencing on 1st anniversary of the retraction right commencement date with the balance due on the 4th anniversary. ACC may suspend redemptions entirely if unable to raise sufficient funds to fund obligations.	June 28, 2019 – September 13, 2019
Series I - 2020 Pref Securities (5 years)	\$150,000	12.0%, paid annually	Redeemable on request after 5 years, provided ACC may limit redemptions up to 25% per annum, commencing on 1st anniversary of the retraction right commencement date with the balance due on the 4th anniversary. ACC may suspend redemptions entirely if unable to raise sufficient funds to fund obligations.	April 27, 2020 – April 27, 2020
Series I - 2020X Pref Securities (1 year)	\$150,000 US\$3,250,000	12.0%, paid annually	Redeemable on request after the first year, provided ACC may limit redemptions to up to 25% per annum, commencing on 1st anniversary of the retraction right commencement date with the balance due on the 4th anniversary. ACC may suspend redemptions entirely if unable to raise sufficient funds to fund obligations.	June 5, 2020 – July 31, 2020
Series III - 2020 Pref Securities (5 years)	\$250,000 US\$200,000	12.0%, paid quarterly	Redeemable on request after 5 years, provided ACC may limit redemptions to up to 25% per annum, commencing on 1st anniversary of the retraction right commencement date with the balance due on the 4th anniversary. ACC may suspend redemptions entirely if unable to raise sufficient funds to fund obligations.	September 29, 2020 – October 30, 2020

MBI Notes

<i>Series</i>	<i>Principal</i>	<i>Annual Interest</i>	<i>Redemption Rights</i>	<i>Issue Period</i>
Series I - 2019 Pref Notes (5 years)	US\$37,800,000	12.4%, paid quarterly	<p>Redeemable on request after 5 years, provided ACC may limit redemptions to 50% after the 5th anniversary of the issuance date with the balance due on the 6th anniversary of the issuance date.</p> <p>ACC may suspend redemptions entirely if it is unable to (i) fund monthly interest payments or redemption request on any preferred securities, (ii) fund interest payment on any other Indebtedness or securities ranking senior to Preferred Notes, and/or (iii) raise sufficient funds to fund obligations.</p>	February 15, 2019 – September 30, 2019

(vii) *Hybrids*

56. The Hybrid Securities are securities issued in series, from time to time, as a package comprised of: (i) an unsecured debt obligation of ACC (the “**Debentures**”); and (ii) a warrant to acquire Class F Non-Voting Shares (“**Warrants**”).

57. The Debentures are denominated in both Canadian and U.S. dollars and as of February 28, 2021, the aggregate outstanding principal amount of Debentures, across all series, was \$19,481,750, accruing interest at a weighted average annual rate of 8.74%, and USD\$33,805,000, accruing interest at a weighted average annual rate of 9.33%.

58. Holders of Debentures have the right to request that ACC redeem their Debentures, after the fifth anniversary of their issuance, provided that ACC may limit redemptions to four annual payments equal to 25% of requested redemption amount, with the first of such payment due within 90 days of such request. ACC has the right to suspend redemptions entirely if it is unable to: (i) fund monthly interest payments or requested redemptions under any of the Preferred Securities, (ii) fund interest payments or any payments due on any other indebtedness or securities ranking

senior to the Debentures, and/or (iii) due to prevailing market conditions at the time, raise sufficient funds on commercially reasonable terms to fund such redemption obligations.

59. The individual series of Debentures are described in more detail as follows:

<i>Series</i>	<i>Principal</i>	<i>Annual Interest</i>	<i>Issue Period</i>
<i>Canadian Dollar Denominated</i>			
Series I (CAD, 2018) Debenture	\$8,076,750	8.0%	July 31, 2018 – September 30, 2019
Series I (CAD, 2019) Units	\$8,555,000	9.0%	November 29, 2019 – April 30, 2020
Series I (CAD, 2020X) Units	\$150,000	11.5% (first two years from issue), thereafter 9.0%	June 30, 2020 – June 30, 2020
Series II (CAD, 2020X) Units	\$2,700,000	10%	July 31, 2020 – October 30, 2020
<i>U.S. Dollar Denominated</i>			
Series I (USD, 2018) Units – Debenture	US\$2,225,000	8.0%	August 31, 2018 – September 30, 2019
Series I (USD, 2018) Units – Notes	US\$15,130,000	8.4%	May 10, 2019 – September 30, 2019
Series I (USD, 2019) Units	US\$4,500,000	9.0%	February 28, 2020 – April 30, 2020
Series I (USD, 2020X) Units	US\$7,000,000	11.5% (first two years from issue), thereafter 9.0%	June 11, 2020 – June 30, 2020
Series II (USD, 2020X) Units	US\$4,950,000	10.0%	July 31, 2020 – September 30, 2020

60. Each Debenture is accompanied by a Warrant to acquire between 1.32 and 1.93 Class F Non-Voting Common Shares at an exercise price ranging between \$170 and \$255.78 per Class F Share, if exercised prior to their expiry, 8 years following their respective issuance dates.

61. The Warrants contain a put right, allowing the holder of the Warrants to put all of their outstanding Warrants to ACC, in exchange for, at the holder's option: (i) the in-the-money value

of the Warrants; or (ii) as to one-half of their Warrants, the in-the-money value of such half of the Warrants and, as to the remaining one-half of their Warrants, and subject to payment of the applicable exercise price, Class F Non-Voting Shares. The put rights are exercisable for 60 day periods in the 6th and 8th years following the issuance of the Warrants. The obligations to fund the put rights under the Warrants rank subordinate to the Preferred Securities and Notes and other indebtedness, obligations or securities ranking senior to the Non-Voting Class F Shares. Similar to the Debenture terms, ACC has the ability suspend its put obligations if ACC does not have the financial capacity to satisfy the foregoing.

62. There are, as of February 28, 2021, a total of 94,918 warrant shares outstanding.

(viii) *ACC Equity*

63. The issued and outstanding equity of ACC (the “**ACC Equity**”) consists of: (i) 462,174 Class A Voting Shares; (ii) 32,393 Class C Voting Shares; (iii) 8,489 Class D Non-Voting Shares; (iv) 82,841 Series I Class E Non-Voting Shares; and (v) 8,975 Series II Class E Non-Voting Shares.

64. As among themselves, the ACC Equity, with the exception of Series I Class H Shares (no right as to both dividend and distribution), ranks equally as to dividends and entitlements on liquidation, wind-up or dissolution.

65. The Class A, C and D shareholders are subject to a unanimous shareholders’ agreement, which provides for a put right after December 2021. The Class E shareholders also have a put right under the company’s articles.

(ix) ***PPSA Registrations***

66. Copies of the following documents are attached and marked as **Exhibits “G”, “H”, “I”, “J”, “K”, “L”, “M”, “N” and “O”** to this affidavit:

- (a) the *Personal Property Security Act* (British Columbia) (“**BC PPSA**”) search results for ACC current to March 1, 2021;
- (b) the *Personal Property Security Act* (Alberta) search results for ACC current to February 12, 2021;
- (c) the *Personal Property Security Act* (Saskatchewan) (the “**SK PPSA**”) search results for ACC current to February 12, 2021;
- (d) the *Personal Property Security Act* (Manitoba) search results for ACC current to February 12, 2021;
- (e) *Personal Property Security Act* (Ontario) (the “**ON PPSA**”) search results for ACC with currency to February 11, 2021, together with a copy of the ON PPSA certified search results current to February 11, 2021;
- (f) the *Personal Property Security Act* (New Brunswick) search results for ACC with current to February 12, 2021;
- (g) the *Personal Property Security Act* (Nova Scotia) search results for ACC with currency to February 12, 2021;
- (h) the *Personal Property Security Act* (Prince Edward Island) search results for ACC with current to February 12, 2021; and

- (i) the *Personal Property Security Act* (Newfoundland and Labrador) search results for ACC current to February 12, 2021.

67. The BC PPSA search results show that The Toronto-Dominion Bank (“**TD Bank**”) has made four registrations against ACC, and HSBC Bank Canada (“**HSBC**”) has made one registration against ACC. The SK PPSA search results show that TD Bank has made one registration against ACC. The ON PPSA search results show that TD Bank has made four registrations against ACC.

68. A copy of the BC PPSA search results for ACBI, Livingstone Acquisitions Inc. and Regimen (former names of ACC) current to March 1, 2021, and the ON PPSA search results for ACBI current to February 11, 2021, together with a copy of the ON PPSA certified search results current to February 11, 2021, are attached and marked as **Exhibit “P”** to this affidavit. The BC PPSA search results show that TD Bank has made one registration against Regimen Capital Partners Inc., which appears to be a legacy registration.

69. It appears that the TD Bank registrations were made in respect of limited recourse guarantees supported by share pledges that ACC had previously made in support of loans to the Opcos. Shares in the Opcos pledged to TD Bank are now held by ACCI after an internal reorganization completed by Ardenton in 2019; ACCI is not a petitioner in these proceedings. ACC is in the process of working with TD Bank to rectify the security documents so that they properly reflect the correct owner of the pledged shares. ACC anticipates that once these proceedings are completed, all registrations by TD Bank under the BC PPSA, the SK PPSA and the ON PPSA made against the Petitioners will be discharged.

70. The HSBC registrations were made, to the best of my knowledge, solely in respect of ACC's existing bank accounts and existing products with HSBC.

(x) *Leased Premises*

71. As mentioned above, ACC has exited most of its leased premises to reduce costs, with only a couple leases remaining in place. If the Court grants the requested relief set out above, ACC intends to disclaim the remaining leases for the Vancouver office, the now vacated Toronto office lease and ACC's lease arrangement with Mason Capital Inc. in respect of the Guelph lease, where some of ACC and ACCI employees worked until recently. ACC is currently making arrangements to move its Vancouver office space to a more affordable location, taking into account the reduction in its number of employees.

(xi) *Employees*

72. ACC has reduced its headcount significantly in recent months. It presently employs 15 employees across Canada (the "**Employees**"), most of whom are based in Vancouver. ACC's workforce is not unionized. Additionally, within Ardenton group:

- (a) ACCI currently has three employees;
- (b) Ardenton Capital (USA), Inc., a subsidiary of ACBI, has two employees;
- (c) Ardenton Capital Investments Limited, a subsidiary of ACL, employs five individuals, and several of its other employees are in various stages of furlough;
and

- (d) AFI has one employee, which individual is also employed by ACC in a different capacity.

73. ACC's executive team currently consists of me, as sole director and president. The other members of the executive leadership team departed during 2020. There are also, below me, six employees currently filling the role of senior management. These six employees have extensive operational, finance and accounting, legal and regulatory, and management skills and experience in a wide range of industries, including, in particular, private equity.

74. One member of ACC's management team is technically an employee of ACCI; however, his involvement and oversight of the day-to-day operations of the Ardenton group, including ACC, is important to the success of the Petitioners restructuring efforts.

75. Except for certain employee health tax deduction which are currently in arrears, all other government remittances related to ACC employees are current, including, without limitation, source deductions, income tax withholdings, worker's compensation, Canada Pension Plan and employment insurance. The Petitioners intend to keep these amounts current going forward.

76. I am the sole director and officer of ACBI; it has no employees.

77. Neither ACC nor ACBI have a pension plan.

(xii) ***Government***

78. The Petitioners' federal and outstanding provincial sales tax obligations and goods and services tax obligations are all current, as well as their source deduction remittances.

79. I am not aware of any actual or threatened claims or investigations by any government or similar authority related to the Petitioners or their property or assets.

80. Nevertheless, in an abundance of caution, the Petitioners intend to provide a copy of this application to each of the Ministry of Finance of Ontario, the Ministry of Finance of British Columbia, and Canada Revenue Agency before the comeback hearing regarding the second part of the relief requested as outlined above.

(xiii) ***General Trade Creditors***

81. As part of ACC's total liabilities, ACC currently has approximately \$1.6 million in general trade debt, including amounts owing to various service providers.

82. At the ACB level, there is current trade and/or vendor debt of approximately \$9,400.

C. FINANCIAL SITUATION AND THE NEED FOR CCAA PROTECTION

83. As previously mentioned, most of the Opcos are currently generating positive EBITDA; however, they are not providing sufficient cash flow to service the Petitioners' day to day obligations nor its debt service obligations under the ACC Securities or the ACBI Notes.

84. There is an opportunity to expand the value of ACC's portfolio by growing the existing portfolio and investing in the growth of the existing Opcos.

85. I believe that a restructuring of the Petitioners' debt obligations, together with the continued growth of the Opcos will significantly improve recoveries to Ardenton's stakeholders of the amounts invested to-date, and that such an approach is preferable to a liquidation of the Petitioners' assets, consisting primarily of the Opcos, particularly in the present COVID-19

environment. ACC continues to work on a business plan, with the input and guidance of the Monitor, that will form the basis of a Plan that ACC intends to present to its creditors in due course.

(i) ***The Petitioners Are Insolvent***

86. As I have been advised by counsel, Kyle Plunkett of Aird & Berlis, and I believe, under the CCAA, a company is insolvent if, among other things, it is, for any reason, unable to meet its obligations as they generally become due.

87. In light of the present circumstances, ACC is insolvent because its revenue or existing cash flow are insufficient to meet its obligations as they generally become due.

88. ACBI is insolvent because its revenue is insufficient to meet its obligations as they generally become due.

89. Additionally, as at December 31, 2020, ACC has negative book value of \$129.5 million. The negative book value reflects that the book value of the liabilities of each of these entities exceeds the book value of the assets.

90. As of December 31, 2020, ACBI has a positive book value of \$3.2 million; however, a significant portion of the assets are comprised of intercompany receivables and, therefore, its book value is overstated. Furthermore, ACBI is not able to meet its obligations generally as they come due, including certain maturities in the near future.

91. Based on the unaudited 2020 Year-End Balance Sheets, ACC had liabilities with a book value of approximately \$323.7 million as of December 31, 2020. This figure does not include any

costs associated with realizing on its assets, nor any amounts in respect of damages for breach of any contracts that ACC cannot perform.

(ii) ***Payments during the CCAA Proceedings***

92. As described in the proposed Initial Orders, the Petitioners seek authorization to pay certain expenses, whether incurred before, on or after the Initial Order, in respect of:

- (a) to the extent applicable, any outstanding wages and future salaries, employee benefits, vacation pay and expenses, payable on or after the Initial Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and
- (b) the fees and disbursements of any Assistants (as such term is defined in the proposed Initial Orders) retained or employed by the Petitioners.

93. The continued payment of these obligations is necessary for the business to continue to operate in connection with the CCAA proceedings and to provide Ardenton with the time it requires to address Ardenton's current financial circumstances. The Petitioners believe that continuing to pay these expenses in the ordinary course is in stakeholders' best interest.

94. There are also outstanding claims against ACC from two former executives on account of unpaid bonuses for the fiscal year 2019. It is intended that these payments be dealt with and/or administered as claims within the CCAA proceedings.

95. In the proposed Initial Orders, the Petitioners also seek the authority to pay all reasonable expenses incurred in carrying on the business in the ordinary course after the Initial Order,

including (a) expenses reasonably necessary for the preservation of the Petitioners' business or assets; (b) expenses required to ensure compliance with any governmental, regulatory, or other regulatory requirements or enforcement action; and (c) payment for goods and services supplied or to be supplied to the Petitioners after the date of the Initial Order, including the professional fees of the Monitor and its legal counsel, and the legal counsel of the Petitioners.

D. CASH MANAGEMENT SYSTEM

96. As of the date of this affidavit, ACC maintains the following bank accounts:

Location	Institution	Currency	Account title
Canada	HSBC	CAD	ACC - CAD - Operating
Canada	HBCA	CAD	ACC - CAD - Trust
Canada	HBCA	CAD	ACC - CAD - Interest
Canada	HBCA	CAD	ACC - CAD - Pref
Canada	HBCA	CAD	ACC - CAD - Hybrid
Canada	HBCA	GBP	ACC - GBP - Operating
Canada	HBCA	GBP	ACC - GBP - Trust
Canada	HBCA	GBP	ACC - GBP - Interest
Canada	HBCA	GBP	ACC - GBP - Pref
Canada	HBCA	GBP	ACC - GBP - Hybrid
Canada	HBCA	USD	ACC - USD - Operating
Canada	HBCA	USD	ACC - USD - Trust
Canada	HBCA	USD	ACC - USD - Interest

Canada	HBCA	USD	ACC -USD- MB Income
Canada	HBCA	USD	ACC-USD-MB Growth
Canada	HBCA	USD	ACC - USD - Pref
Canada	HBCA	USD	ACC - USD - Hybrid
United States	HBUS	USD	ACC(US) - USD - Tru
United States	HBUS	USD	ACC(US) - USD - Int
Canada	TDCA	CAD	ACC Current Account
Canada	TDCA	CAD	ACC Interest Account
Canada	TDCA	USD	ACC USD Account
Canada	TDCA	USD	ACC Interest Account

97. As of the date of this affidavit, ACBI maintains the following bank accounts:

Location	Institution	Currency	Account title
Canada	HSBC	CAD	ACB CAD Operating
Canada	HSBC	GBP	ACB GBP Operating
Canada	HSBC	USD	ACB USD Operating

98. I do not expect that there will be any changes to the existing cash management system, other than the addition of the Monitor's oversight or as otherwise expressly set out in any order of this Court concerning any post-filing financing pursuant to a court-approved debtor-in-possession loan facility, if such facility is ultimately determined to be necessary.

E. RESTRUCTURING UNDER CCAA PROTECTION

99. Each Petitioner is a “company” to which the CCAA applies as they are each formed under the *Business Corporations Act* (British Columbia).

100. Each Petitioner has claims against it in the aggregate above the \$5.0 million statutory requirement.

101. The Petitioners are insolvent.

102. For Ardenton to ensure the best possible recovery for its stakeholders, including, without limitation, the holders of ACBI Notes and the ACC Securities, investors and employees, management of the Petitioners have determined that a recapitalization of their balance sheets is required immediately. Such a result is preferable to the immediate liquidation of the Opcos.

103. ACC intends to prepare and present a Plan to its creditors, including, without limitation, investors, the holders of the ACC Securities, the holders of the ACBI Notes, suppliers and creditors.

F. STAY OF PROCEEDINGS

104. A CCAA stay of proceedings is needed to assist Ardenton, with the Monitor’s support, to restructure its businesses efficiently under the protection of the Court without the threat of proceedings, actions or discontinuation of essential services. A stay of proceedings will temporarily restrain the exercise of rights and remedies under the various agreements, including loan documents, to which the Petitioners are a party, preserve the status quo, and restrain existing creditors from taking advantage of the Petitioners and other creditors in the circumstances. In so

doing, the Petitioners, with the aid of the Monitor, will be in a position to, among other things, determine the validity of creditors' claims, understand the priority of such claims and assist the Petitioners to file a plan to restructure the Petitioners' financial and other obligations.

105. In that regard, a stay of proceedings against the Petitioners is necessary at this time, among other things,

- (a) to allow the Petitioners breathing room so that they can focus their efforts to stabilize their business operations and preserve enterprise value;
- (b) provide a forum to explore a CCAA plan of compromise or arrangement that would maximize recovery for creditors and other stakeholders;
- (c) provide a forum to engage with the various stakeholders under the supervision of a Court process; and
- (d) explore, if necessary, strategic transactions for certain of the Opcos.

106. I believe that a stay of proceedings will not materially prejudice any of the existing creditors when compared to the consequences if a stay of proceedings is not granted. I believe that the alternative to a stay of proceedings and the commencement of these proceedings is the forced sale or liquidation of the Petitioners and their assets, respectively. I believe that by restructuring our debt obligations, stakeholders will receive a recovery through a reorganization superior to a liquidation. Ardenton does not have the ability to service its existing debt obligations and these proceedings are the most efficient and effective means to restructure these obligations.

G. APPOINTMENT OF THE MONITOR

107. It is proposed that KSV Restructuring Inc. (“**KSV**”) will act as the Monitor in the CCAA Proceedings if the proposed Initial Order is issued (the “**Monitor**”).

108. KSV has assisted the Petitioners in preparing for this CCAA application, including, without limitation, reviewing the cash flow projections of the Petitioners, assuming the relief sought is granted (the “**Cash Flow Projections**”). The amounts set out in the Cash Flow Projections reflect, among other things, the minimum payments required to maintain the Petitioners’ business during a stay period to May 9, 2021, as well as professional fees. A copy of the Cash Flow Projections and a report containing the prescribed representations of the Petitioners regarding the preparation of the Cash Flow Projections is attached and marked as **Exhibit “Q”** to this affidavit.

109. Robert Kofman, President of KSV, advises me that a further description and analysis of the Petitioners’ financial position will be included in the pre-filing report of the proposed Monitor to be filed in support of the Petitioners’ application for CCAA protection.

110. Management believes that it is in all stakeholders’ best interests if this court appoints KSV as the court-appointed Monitor of the Petitioners. As a result of KSV’s involvement with the Petitioners in advance of and in preparation for this filing, KSV has gained significant insight into the Petitioners’ business, and will be in a position to perform the monitoring duties effectively and without delay.

111. KSV has consented to act as Monitor of the Petitioners under the requirements of the CCAA, subject to the court's approval. A copy of KSV's consent is included at Schedule C of the Petition in these proceedings.

112. At no time in the past two (2) years has KSV or any of its partners or managers been the Petitioners or any of the other Ardenton companies' auditor, accountant or employee.

H. INTERIM FINANCING DURING THE CCAA PROCEEDINGS

113. In the event that the Petitioners are unable to generate sufficient funds in the near term to fund their restructuring initiatives under these CCAA proceedings, the Petitioners intend to pursue third party interim financing and return to Court to seek approval of such financing to address their working capital requirements.

I. CHARGES

(i) *Administration Charge*

114. In connection with its appointment, it is proposed that the proposed Monitor, along with its legal counsel and Petitioners' counsel, be granted a Court-ordered charge as security for their respective fees and disbursements relating to services rendered at their standard rates and charges, in respect of the Petitioners up to a maximum of \$350,000 (the "**Administration Charge**") to ensure the active involvement and assistance of such persons during the CCAA proceedings.

115. Each of the Petitioners' legal counsel, the Monitor and the Monitor's legal counsel, as a condition of their continued involvement with the Petitioners, has indicated that its ongoing

involvement is conditional upon the granting of an order under the CCAA which grants the Administration Charge, which shall rank first in priority ahead of all other encumbrances.

116. The amount of the proposed Administration Charge has been reviewed with the Monitor. ACC is largely illiquid at this time, and given the nature and complexity of the restructuring of ACC, the professionals require protection that their fees be protected in the event that Ardenton is unable to pay them in the ordinary course. Additionally, because of ACC's illiquidity, the professionals have accrued and unpaid fees related to preparing for these proceedings. Accordingly, a charge is required until either alternative financing is obtained or cash flow is sourced from the Opcos or otherwise.

(ii) ***D&O Charge***

117. I, as the sole director and officer of each of the Petitioners will be actively involved in overseeing and directing the business' operation during the CCAA proceedings and efforts to resolve the Petitioners' current financial crisis.

118. As is customary in CCAA proceedings, the Petitioners are seeking to stay all proceedings against the former, current and future directors and officers of the Petitioners (the "D&O").

119. I understand that directors and officers can be held personally liable for some of the corporation's obligations, including those related to payroll remittances, provincial sales taxes and goods and services taxes.

120. The Petitioners' current D&O insurance is set to expire on June 1, 2021, and it is unclear whether the Petitioners' existing insurers are prepared to extend the Petitioners' existing insurance coverage after the expiry of the existing policies.

121. The insurance policies for the directors and officers of the Petitioners are subject to a total limit of \$15.0 million and, as is typical for policies of this nature, it contains exclusions and limitations to the coverage provided. Accordingly, there is a potential for there to be insufficient coverage regarding the potential director and officer liabilities or that the existing coverage will not be extended after June 1, 2021. Obtaining replacement coverage will be a challenge, if the existing policy is terminated.

122. Accordingly, the proposed Initial Order provides for a Court-ordered charge to indemnify the current D&O of the Petitioners to protect them from certain liabilities they may incur during the CCAA proceedings in their capacities as directors and officers in the maximum amount of \$110,000 (the “**D&O Charge**”). KSV has reviewed and supports the amount of the proposed D&O Charge.

123. I believe that the request of the Petitioners’ D&O to receive adequate protection in the form of the D&O Charge is fair and reasonable and advances the integral need of the Petitioners to have fully functional, experienced and qualified advisors, directors and officers. Particularly, the specialized knowledge held by the current management, and their relationships with various key creditors and their representatives gained throughout the growth of the Petitioners’ business, cannot be replicated or easily replaced.

124. In any event, the Petitioners and I will first look to the existing D&O policy for coverage, if necessary and available, and the D&O Charge shall only be called upon to the extent necessary.

J. PRIORITIES OF CHARGES

125. The Petitioners believe that the amounts of the Administration Charge and the D&O Charge (together, the “**Charges**”) in the Initial Orders are appropriate in the circumstances.

126. It is proposed that the priorities of the Charges (as defined below) be as follows:

(a) First – the Administration Charge; and

(b) Second – the D&O Charge.

127. The Initial Orders sought by the Petitioners provide for the Charges to rank in priority to all other security interests, trusts, liens, charges, encumbrances and claims of secured creditors, statutory or otherwise, other than certain specified exceptions, such as purchase-money security interests, statutory deemed trusts for source deductions, certain pension plan amounts, municipal property tax and utility liens (each to the extent it is a super-priority charge). Kyle Plunkett of Aird & Berlis LLP advises me, and I believe, that the specified exceptions are intended to represent those claims that have priority outside of CCAA proceedings.

K. SERVICE AND NOTICE

128. The Petitioners are also seeking approval of their proposed manner of service and notice of the Initial Orders and the comeback hearing authorized under the Initial Order. In particular, the Petitioners suggest that the Monitor provide notice by way of publication, by making the Initial Orders publicly available as prescribed in the CCAA, and by sending a notice (which shall include the date of the comeback hearing) to known creditors with claims over \$1,000.

129. Given the limitations imposed on the ability of the Petitioners and the Monitor to process and send notices to creditors by physical mail as a result of the COVID-19 pandemic and the fact that many businesses may not have staff on-site to open such mailings, the Petitioners are seeking the court's authorization to deliver the notices to known creditors by email instead of physical mail. If the Petitioners do not have email addresses on file for a known creditor, the Monitor will send a notice by physical mail in the usual manner. In the current circumstances, the Petitioners believe that the notices are more likely to come to known creditors' prompt attention if they are sent by email.

130. The proposed Initial Order also provides that the Petitioners may rely on the notice provided by the Monitor (as described above) to provide notice of the comeback hearing and shall only be required to serve motion materials concerning the comeback hearing on those parties who serve a Notice of Appearance or Response to the Petition in the proceeding or otherwise request service of such materials or to be added to the service list, in writing, in advance of the comeback hearing.

L. URGENCY TO FILE FOR CCAA

131. As a result of the immediate funding needs of the Petitioners, over and above day-to-day operational costs, and in the interest of protecting its stakeholders, the status quo is not sustainable. The Petitioners' financial resources are not sufficient to meet the investor commitments or repay its debt obligations, some of which are due and payable as of today, and, in the very near term, its operational costs.

132. The primary objective of the Petitioners is to preserve and maximize value for all stakeholders.

133. Due to the immediate cash flow requirements, a stay of proceedings is essential to stabilize the continued operations of Ardenton and to provide a platform to allow Ardenton to restructure its business so that it can return and be viable in the long term. The stay of proceedings afforded to the Petitioners, should this Court grant the requested relief, will provide the Petitioners with the necessary protection to advance and in due course implement a restructuring, which, I believe, will result in the Petitioners being able to repay its debt obligations through a restructuring plan to be filed.

134. Accordingly, the Petitioners believe it is in their best interest, as well those of their stakeholders, to file for CCAA protection.

135. On March 1, 2021, I, as the sole director of each of the Petitioners, passed resolutions approving the Petitioners' commencement of proceedings under the CCAA.

M. CONCLUSION

136. I am of the view that a Court-supervised process is the best forum to stabilize the Petitioners' business operations, addressing stakeholders' interests and implementing a transparent restructuring to maximize value for all of the Petitioners' stakeholders.


137. As described above, Ardenton's business has relied on funding from its investors and management fees and distributions collected from the Opcos to fund its business and meet obligations to investors and lenders. Ardenton is unable to source fresh capital in the present market and the Opcos do not generate sufficient cash flow to meet the Petitioner's cash flow requirements.

138. The Petitioners seek CCAA protection at this time to protect the value of the business. The relief requested in the proposed Initial Orders will provide the Petitioners with an opportunity to address their current challenges collaboratively with their stakeholders.

139. As such, I believe it is in the best interests of all stakeholders of Ardenton for this court to grant the relief sought by the Petitioners so that Ardenton has the opportunity to prepare and present a restructuring plan to its creditors. The proceedings will allow the Petitioners, with the Monitor's oversight, to restructure their businesses and preserve value for stakeholders. I believe this is preferable to the Petitioners' assets being liquidated in the near term, which will most certainly result in significant losses for investors.

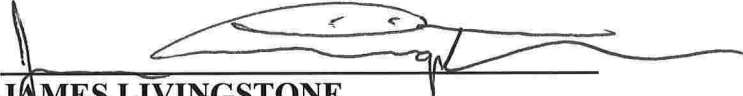
140. I make this affidavit in support of the Petitioners' motions for the relief set out in the Initial Orders and no other or improper purpose.

SWORN before me at the City of)
Vancouver, in the Province of British)
Columbia, this 2nd day of March, 2021.)



A Commissioner for taking Affidavits in)
the Province of British Columbia)

THOMAS W. CLIFFORD
BARRISTER & SOLICITOR
MLT AIKINS LLP
2600-1066 WEST HASTINGS STREET
VANCOUVER, B.C. V6E 3X1
TELEPHONE: 604-608-4555



JAMES LIVINGSTONE



001

BC Company Summary

For

ARDENTON CAPITAL CORPORATION

Date and Time of Search: March 01, 2021 11:15 AM Pacific Time
Currency Date: October 15, 2020

This is Exhibit "A" referred to in the Affidavit of J. Livingstone sworn (or affirmed) before me at Vancouver, B.C. this 2 day of March 2021.

ACTIVE

A Commissioner/Notary Public for the Province of British Columbia

Incorporation Number: BC1147647
Name of Company: ARDENTON CAPITAL CORPORATION
Recognition Date and Time: January 02, 2018 04:31 PM Pacific Time as a result of an Amalgamation In Liquidation: No
Last Annual Report Filed: January 02, 2021 Receiver: No

AMALGAMATING CORPORATION(S) INFORMATION

Name of Amalgamating Corporation: ARDENTON CAPITAL CORPORATION, LIVINGSTONE ACQUISITIONS INC.
Incorporation Number in BC: BC0880123, BC0829447

REGISTERED OFFICE INFORMATION

Mailing Address: 2400 - 1021 WEST HASTINGS STREET VANCOUVER BC V6E 0C3 CANADA
Delivery Address: 2400 - 1021 WEST HASTINGS STREET VANCOUVER BC V6E 0C3 CANADA

RECORDS OFFICE INFORMATION

Mailing Address: 2400 - 1021 WEST HASTINGS STREET VANCOUVER BC V6E 0C3 CANADA
Delivery Address: 2400 - 1021 WEST HASTINGS STREET VANCOUVER BC V6E 0C3 CANADA

DIRECTOR INFORMATION

Last Name, First Name, Middle Name: Livingstone, James

Mailing Address: 2400 - 1021 WEST HASTINGS STREET VANCOUVER BC V6E 0C3 CANADA
Delivery Address: 2400 - 1021 WEST HASTINGS STREET VANCOUVER BC V6E 0C3 CANADA

OFFICER INFORMATION AS AT January 02, 2021

002

Last Name, First Name, Middle Name:

Livingstone, James

Office(s) Held: (CEO, President)

Mailing Address:

2400 - 1021 WEST HASTINGS STREET
VANCOUVER BC V6E 0C3
CANADA

Delivery Address:

2400 - 1021 WEST HASTINGS STREET
VANCOUVER BC V6E 0C3
CANADA



BC Company Summary For ARDENTON CAPITAL BRIDGING INC.

Date and Time of Search: March 01, 2021 11:16 AM Pacific Time
Currency Date: October 15, 2020
Incorporation Number: BC1135003
Name of Company: ARDENTON CAPITAL BRIDGING INC.
Recognition Date and Time: Incorporated on September 22, 2017 02:28 PM Pacific Time
Last Annual Report Filed: September 22, 2020
In Liquidation: No
Receiver: No

This is Exhibit "D" referred to in the Affidavit of J. Livingstone sworn (or affirmed) before me at Vancouver, B.C. this 2 day of March 2021. A Commissioner/Notary Public for the Province of British Columbia

ACTIVE

REGISTERED OFFICE INFORMATION

Mailing Address: 2400 - 1021 WEST HASTINGS STREET VANCOUVER BC V6E 0C3 CANADA
Delivery Address: 2400 - 1021 WEST HASTINGS STREET VANCOUVER BC V6E 0C3 CANADA

RECORDS OFFICE INFORMATION

Mailing Address: 2400 - 1021 WEST HASTINGS STREET VANCOUVER BC V6E 0C3 CANADA
Delivery Address: 2400 - 1021 WEST HASTINGS STREET VANCOUVER BC V6E 0C3 CANADA

DIRECTOR INFORMATION

Last Name, First Name, Middle Name: Livingstone, James
Mailing Address: 2400, 1021 WEST HASTINGS ST. VANCOUVER BC V6E 0C3 CANADA
Delivery Address: 2400, 1021 WEST HASTINGS ST. VANCOUVER BC V6E 0C3 CANADA

OFFICER INFORMATION AS AT September 22, 2020

Last Name, First Name, Middle Name:

Charbonneau, Jeff

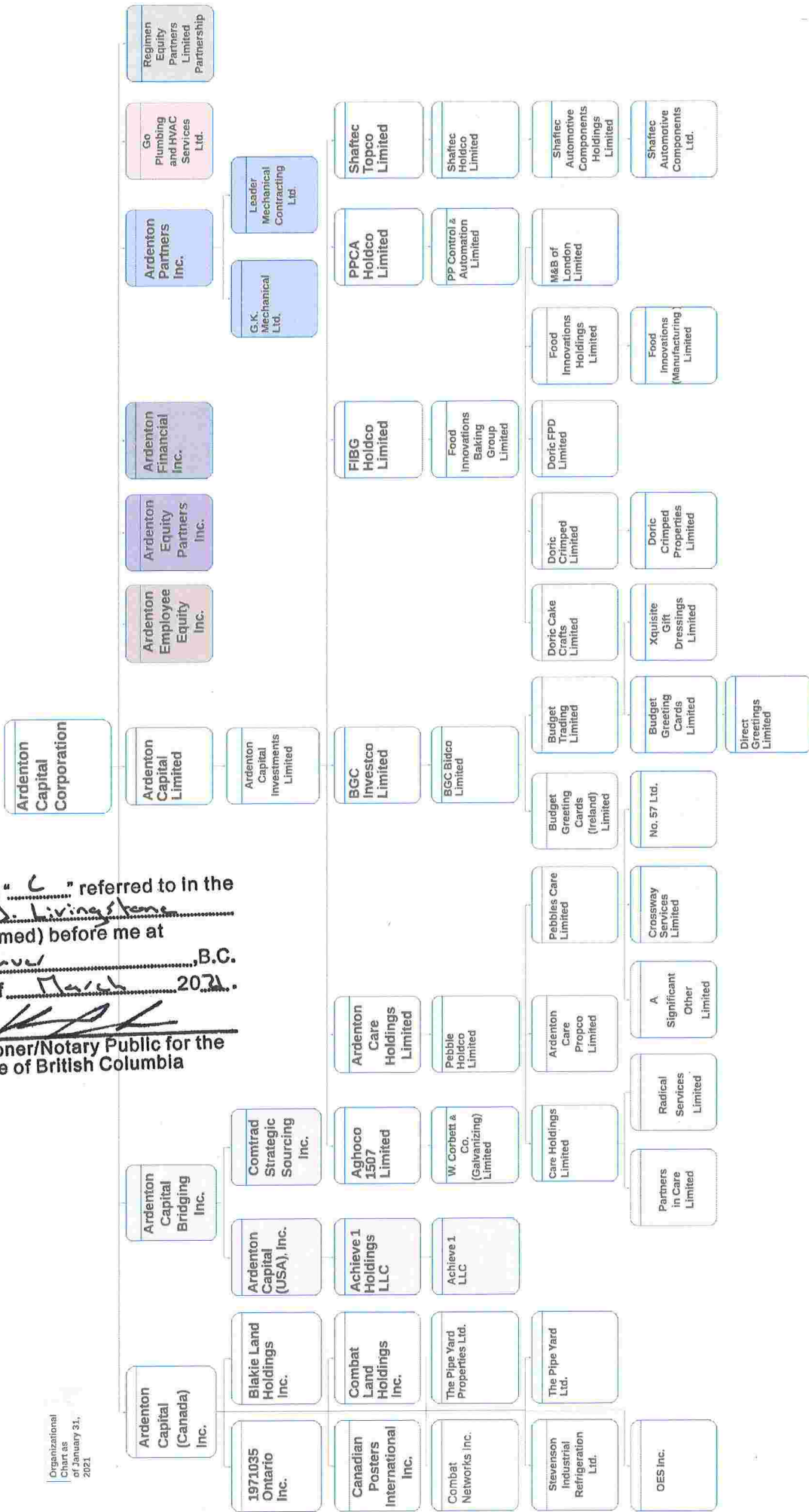
Office(s) Held: (Secretary)**Mailing Address:**2400 - 1021 WEST HASTINGS STREET
VANCOUVER BC V6E 0C3
CANADA**Delivery Address:**2400 - 1021 WEST HASTINGS STREET
VANCOUVER BC V6E 0C3
CANADA

Last Name, First Name, Middle Name:

Livingstone, James

Office(s) Held: (President)**Mailing Address:**2400 - 1021 WEST HASTINGS STREET
VANCOUVER BC V6E 0C3
CANADA**Delivery Address:**2400 - 1021 WEST HASTINGS STREET
VANCOUVER BC V6E 0C3
CANADA

Organizational Chart as of January 31, 2021



This is Exhibit "C" referred to in the Affidavit of J. Livingstone sworn (or affirmed) before me at Vancouver, B.C. this 2 day of March, 2021.

[Signature]
 A Commissioner/Notary Public for the Province of British Columbia

Ardenton Capital Corporation
Non-Consolidated Financial Statements
(Expressed in Canadian Dollars unless
stated otherwise)

December 31, 2018 and 2017

This is Exhibit "D" referred to in the
Affidavit of J. Livingstone
sworn (or affirmed) before me at
Vancouver, B.C.
this 2 day of March 2021.


A Commissioner/Notary Public for the
Province of British Columbia

Ardenton Capital Corporation

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Non-Consolidated Financial Statements
(Expressed in Canadian Dollars)

For the years ended December 31, 2018 and 2017**Page**

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Independent auditor's report

To the Directors of
Ardenton Capital Corporation

Opinion

We have audited the non-consolidated financial statements of **Ardenton Capital Corporation** [the "Company"], which comprise the non-consolidated balance sheets as at December 31, 2018 and 2017, and the non-consolidated statements of net loss, non-consolidated statements of changes in deficit and non-consolidated statements of cash flows for the years then ended, and notes to the non-consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the non-consolidated financial position of the Company as at December 31, 2018 and 2017, and its non-consolidated results of operations and its non-consolidated cash flows for the years then ended in accordance with Canadian accounting standards for private enterprises.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the non-consolidated financial statements section* of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

We were not engaged to audit the non-consolidated balance sheet of the Company as at January 1, 2017, and, accordingly, we do not express an opinion on the non-consolidated balance sheet as at January 1, 2017.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.



Auditor's responsibilities for the audit of the non-consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the non-consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the non-consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit

Vancouver, Canada
July 17, 2019

Ernst & Young LLP

Chartered Professional Accountants



Ardenton Capital Corporation

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Non-Consolidated Balance Sheets

(Expressed in Canadian Dollars, unless otherwise stated)

As at		December 31, 2018	December 31, 2017	January 1, 2017 (unaudited)
Assets				
	Note			
Current				
Cash		\$12,729,624	\$2,401,201	\$2,206,435
Receivables		5,762,021	604,239	7,818
Prepaid expenses and deposits		476,059	348,132	774,933
Total current assets		18,967,704	3,353,572	2,989,186
Due from related parties	15	72,288,676	24,921,184	4,602,658
Due from shareholder	15	409,569	-	-
Investments	6	403,334	403,334	403,334
Investment in subsidiaries	7	27,864,084	28,288,638	15,103,859
Investment in joint ventures	8	25	875,126	875,126
Equipment	11	1,285,226	1,393,686	20,901
Total assets		\$121,218,618	\$59,235,540	\$23,995,063
Liabilities and Shareholders' Deficiency				
Liabilities				
Current				
Payables and accruals		\$4,539,040	\$1,567,170	\$1,254,146
Subscriptions held in trust		-	1,814,321	-
Due to related parties	15	17,423,829	3,634,870	91,107
Short term debt		-	1,564,802	1,025,000
Current portion of long-term debt	13	2,384,045	-	466,077
Current portion of redeemable preferred shares and securities	14	8,024,000	4,300,000	2,069,000
Total current liabilities		32,370,914	12,881,163	4,905,330
Long term debt	13	6,351,438	-	-
Hybrid securities	14	9,586,115	-	-
Redeemable preferred shares and securities	14	151,692,780	101,278,631	51,668,763
Total Liabilities		200,001,247	114,159,794	56,574,093
Share Capital	16	16,228,085	1,989,543	1,989,543
Deficit		(95,010,714)	(56,913,797)	(34,568,573)
Total Shareholders' Deficiency		(78,782,629)	(54,924,254)	(32,579,030)
Total Liabilities and Shareholders' Deficiency		\$121,218,618	\$59,235,540	\$23,995,063

Approved and authorized for issue on July 17, 2019



Director

Ardenton Capital Corporation

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Non-Consolidated Statements of Loss

(Expressed in Canadian Dollars, unless otherwise stated)

For the years ended		December 31, 2018	December 31, 2017
Revenue			
	Note		
Dividends	15	\$ 1,568,934	\$ 1,239,600
Interest income	15	3,401,691	2,492,592
Management fees	15	2,244,014	1,421,124
Miscellaneous		6,163	25,500
		7,220,801	5,178,816
Expenses			
Salaries and benefits		2,877,970	1,291,868
Advertising and promotion		112,150	109,055
Consulting fees		652,188	515,427
Management fees	15	251,500	62,125
Office and miscellaneous		638,662	294,669
Professional fees		438,835	275,747
Rent and utilities		183,014	188,410
		5,154,319	2,737,301
Income Before Undernoted		2,066,482	2,441,515
Other			
Transaction costs		10,004,694	8,130,184
Amortization of equipment	11	306,271	198,998
Amortization of share and debt issuance costs	14	1,196,991	1,097,091
Foreign exchange (gain)/loss in operations	12	4,139,198	(1,019,174)
Foreign exchange (gain)/loss on intercompany loans		(2,076,234)	-
(Gain)/loss on disposal of investments	10	(4,383,720)	-
Interest on loans payable		88,996	423,699
Interest and dividends on redeemable preferred shares and securities	14	17,088,844	12,377,112
Impairment of investment		-	3,578,920
		26,365,039	24,786,830
Net Loss		\$ (24,298,557)	\$ (22,345,315)

Ardenton Capital Corporation

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Non-Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars, unless otherwise stated)

For the years ended	December 31, 2018	December 31, 2017
Operating Activities		
Net loss	\$ (24,298,557)	\$ (22,345,224)
<i>Adjustments for items not affecting cash:</i>		
Amortization of equipment	306,271	198,998
Foreign exchange (gain)/loss	2,062,964	(1,019,174)
Amortization of share issuance costs	1,196,991	1,097,091
Loss/(gain) on disposal of investments	(4,383,720)	-
	(25,116,053)	(22,068,309)
<i>Change in non-cash working capital</i>		
Amounts receivable	(5,157,782)	(596,421)
Prepaid expenses and deposits	(127,927)	426,801
Amounts payable and accrued liabilities	2,971,870	313,024
	(27,429,892)	(21,924,905)
Investing Activities		
Purchase of equipment	(197,811)	(1,571,783)
Sale/(purchase) of investments	5,683,375	(13,184,778)
Due from shareholder	(409,569)	-
	5,075,995	(14,756,561)
Financing Activities		
Repayments to related parties	(31,502,299)	(17,303,019)
Issuance of common shares	15,000,002	-
Advances (repayments) of short-term debt	(3,379,123)	539,802
Advances (repayments) of long-term debt	-	(466,077)
Repurchase of share capital	(5,823,652)	-
Funds held in trust (for issuance of shares and securities)	-	1,814,321
Issuance of redeemable preferred shares and securities	52,076,548	56,738,542
Issuance of hybrid securities	9,586,115	-
Redemption of redeemable preferred shares and securities	(3,400,000)	(4,464,000)
	32,557,591	36,859,569
Foreign exchange effect on cash balances	124,728	16,663
Net increase in cash	10,328,423	194,766
Cash, beginning	2,401,201	2,206,435
Cash, ending	\$ 12,729,624	\$ 2,401,201

Ardenton Capital Corporation**Non-Consolidated Statements of Changes in Equity (deficit)****(Expressed in Canadian Dollars, unless otherwise stated)**

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For the years ended	December 31, 2018	December 31, 2017
Share capital (Note 16)		
Balance, beginning of year	\$ 1,989,543	\$ 1,989,543
Issued/(redeemed) during the year	14,238,542	-
Balance, end of year	16,228,085	1,989,543
Deficit, beginning of year	(56,913,347)	(34,568,482)
Other (Note 16)	(13,798,360)	-
Net loss	(24,298,557)	(22,345,315)
Deficit, end of year	(95,010,714)	(56,913,797)
Total (Deficiency)	\$ (78,782,629)	\$ (54,924,254)

For the years ended December 31, 2018 and 2017

1. NATURE OF BUSINESS

Ardenton Capital Corporation ("the Company") was formed as a result of the amalgamation described in note 5 and is a private equity corporation focused on meaningful business partnerships and long-term growth. Its principal business activities are the long-term holding of investments and the provision of management services to its investees.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

These non-consolidated financial statements were prepared in accordance with Part II of the CPA Canada Handbook - Accounting, Accounting Standards for Private Enterprises ("ASPE"), which sets out generally accepted accounting principles for non-publicly accountable enterprises in Canada and includes the significant accounting policies described hereafter.

(b) Significant Accounting Estimates

The preparation of these non-consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the non-consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Actual outcomes could differ from these estimates. These non-consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the non-consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future that management has made and other sources of estimation uncertainty at the end of the reporting period that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- i. the carrying values of the investments in subsidiaries;
- ii. the carrying values of the investments in joint ventures;
- iii. the collectability of amounts due from related parties; and

Critical Accounting Judgments

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments. The Company made the following critical accounting judgment:

- i. the determination that the Company operates on a going concern basis

The Company completes an annual forecast to determine cash flows required for future operations and utilizes the forecast as a basis for going concern analysis.

(c) Current and Non-current Classification

Assets and liabilities are generally classified as current if expected to be realized or settled within twelve months following the reporting date. Loans, receivables, payables, related party transactions and preferred shares and securities are included in current assets or liabilities, except when maturities are greater than twelve months after the end of the reporting period, which results in classification as non-current assets or liabilities.

Notes to the Non-Consolidated Financial Statements
(Expressed in Canadian Dollars, unless otherwise stated)

For the years ended December 31, 2018 and 2017

2. SIGNIFICANT ACCOUNTING POLICIES (continued)*(d) Foreign Currency*

The Company's functional and presentation currency is the Canadian dollar.

Accounts stated in foreign currencies are translated according to the temporal method. Under this method, monetary assets and liabilities are translated into Canadian dollars at the exchange rate in effect at the non-consolidated balance sheet date, and non-monetary items are translated at the prevailing historical rate at the time of the transaction. Revenue and expenses arising from foreign currency transactions are translated into Canadian dollars at the exchange rate in effect at the transaction date. The exchange gains or losses resulting from foreign currency transactions are included in net income.

(e) Cash

Cash consist primarily of cash held at banks and other short-term highly liquid investments with original maturities of three months or less and are subject to immaterial interest rate or credit risk.

*(f) Equipment**Recognition and Measurement*

On initial recognition, equipment is valued at cost, being the purchase price and directly attributable costs of acquisition or construction required to bring the asset to the location and condition necessary to be capable of operating in the manner intended by the Company, including appropriate borrowing costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognized within provisions.

Equipment is subsequently measured at cost less accumulated amortization, less any accumulated impairment losses. When parts of an item of equipment have different useful lives, they are accounted for as separate items (major components) of equipment.

Subsequent Costs

The cost of replacing part of an item of equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its costs can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of equipment are recognized in the Company's profit or loss as incurred.

Amortization

Amortization is included in profit or loss on a straight-line basis over the estimated useful life of the assets as follows:

Computer equipment	- 5 years straight line
Office equipment	- 5 years straight line
Leasehold improvements	- over the term of the lease

Amortization methods, useful lives and residual values are reviewed at each financial year end and adjusted prospectively if necessary.

Notes to the Non-Consolidated Financial Statements
(Expressed in Canadian Dollars, unless otherwise stated)

For the years ended December 31, 2018 and 2017

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Equipment

Impairment

Property and equipment is tested for recoverability whenever events or changes in circumstance indicate that their carrying amounts may not be recoverable. Impairment loss is recognized when the carrying amount of an asset is not recoverable and exceeds its fair value.

Derecognition

Upon sale or abandonment, the cost of the property and equipment and related accumulated amortization, are removed from the accounts and any gains or losses thereon are included in profit or loss.

(g) Financial Instruments

Financial assets with fixed or determinable payments that are not quoted in an active market are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses and include cash, amount receivables, and note receivables, with the exception of amounts due from related parties which are measured at carrying value.

Impairment of financial assets measured at amortized cost

Financial assets measured at amortized cost are assessed for indicators of impairment. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial asset have been impacted.

Other financial liabilities

Financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method and include amounts payable and accruals, short and long term debt, due to related parties, and redeemable preferred shares, securities and hybrid securities (Note 14), with the exception of amounts due to related parties which are measured at carrying value.

(h) Share Capital

The Company's common shares are classified as equity instruments. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(i) Income Taxes

The future income taxes method is used to account for income taxes. Under this method, future income taxes are recognized for the future income tax consequences attributable to differences between the financial statement carrying values of assets and liabilities and their respective income tax basis [temporary differences]. Future income tax assets and liabilities are measured using substantively enacted income tax rates expected to apply to taxable income in the years during which temporary differences are expected to be realized or settled. The effect on future income tax assets and liabilities of a change in tax rates is included in income in the period that includes the enactment date. A valuation allowance is provided to the extent that, in the opinion of management, it is more likely than not that future income tax assets will not be realized.

Notes to the Non-Consolidated Financial Statements
(Expressed in Canadian Dollars, unless otherwise stated)

For the years ended December 31, 2018 and 2017

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Revenue Recognition

Dividend income is recognized in profit or loss on the date on which the right to receive payment is established when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably.

Interest is recognized using the effective interest method on a proportionate basis.

Management fees income is recorded as services are rendered when the amount of revenue, stage of completion of the work and costs incurred and required to complete the services can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Company.

(k) Finance Costs

Finance costs are comprised of interest on loans payable, amortization of share issuance costs and interest and dividends on preferred shares and securities. Interest on loans payable and interest and dividends on preferred shares and securities are recognized using the effective interest method.

(l) Redeemable Preferred Shares, Securities and Hybrid Securities Issuance Costs

Costs directly attributable to the issuance of redeemable preferred shares, securities and hybrid securities are capitalized and amortized on a straight-line basis over 5 years, as the share and securities are redeemable and retractable after that time.

(m) Acquisition Costs

Acquisition costs consist of, but are not restricted to, legal, tax, advisory, valuation, and other professional and consultant fees related to the due-diligence of deals, as well as an allocated portion of other expenses reasonably attributable to the activities of the Company related to acquisitions and are generally expensed as incurred.

(n) Share-Based Payments

Non-employees and senior management of the Company receive remuneration in the form of share-based payment transactions, whereby services are rendered as consideration for equity instruments (equity-settled transactions).

Services rendered by non-employees and senior management are measured at fair value and consideration is satisfied through the award of shares of the Company. When fair value of the shares is greater than the cash received, the difference is capitalized to share issuance costs and amortized over five years to the extent that services were provided with any excess being recorded as share-based compensation. When fair value of the shares is less than the cash received, the difference is credited to contributed surplus. Forfeitures are accounted for as incurred.

(o) Investments in Subsidiaries and Joint Ventures

The Company recognizes its investments in subsidiaries and joint ventures at cost. Investments recognized at cost are subject to an impairment review when indicators of impairment are present. The Company uses a combination of internal and external indicators to identify circumstances where impairment testing is necessary at each non-consolidated balance sheet date and to assess whether there is objective evidence that one of its investments is impaired. If an impairment loss exists, then the loss is recognized in profit and loss.

For the years ended December 31, 2018 and 2017

3. FINANCIAL RISK MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks. The directors approve and monitor the risk management processes. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Cash held by banks, accounts receivable and amounts due from related parties are subject to credit risk. Credit risk associated with cash is managed by holding the investments in large Canadian financial institutions. Investment objectives are primarily directed towards preservation of capital and liquidity. The investment policy provides limitations on concentrations of credit risk, credit quality and the duration of investments, as well as minimum rating requirements for cash and cash equivalents held in banks and financial institutions. Amounts receivable are related to government remittances and management fees which are monitored and received on a quarterly basis. Repayment of the due from related parties amounts and the amount due from the Company's parent is dependent upon the financial performance of the Company's subsidiaries, joint ventures and other related parties.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the non-consolidated statement of financial position as shown in the table below:

As at	December 31, 2018	December 31, 2017
Cash	12,729,624	2,401,201
Amounts Receivable	5,762,021	604,239
Amounts due from related parties	72,288,676	24,921,184

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. The Company ensures, as far as reasonably possible, it will have sufficient financial resources to meet short to medium term business requirements, after taking into account cash flows from operations and the Company's holdings of cash. The Company's cash is currently invested in business accounts which are available on demand. The Company's amounts payable and accrued liabilities have contractual maturities of less than 90 days. The Company's primary financial obligations relate to its redeemable preferred shares and securities which are managed through monitoring the repayment dates and monthly distribution payments and managing its cash flows accordingly. The Company's objective is to maintain sufficient available cash to fund ongoing operational and capital requirements. In addition to trade and other receivables, the Company has cash of \$12,729,624 at December 31, 2018 (2017 - \$2,401,201).

Interest Rate Risk

Interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company monitors its interest rate exposure on an ongoing basis. The Company is exposed to interest rate risk on cash, non-interest-bearing related party amounts as well as its redeemable preferred shares and securities, which bear interest at fixed rates and are subject to redemption over the next 5 years.

Currency Exchange Rate Risk

The Company holds monetary assets denominated in currencies other than the functional currency (the Canadian dollar). It is therefore exposed to currency risk, as the value of the financial instruments denominated in other currencies will fluctuate due to the changes in exchange rates. Accordingly, the Company's cash flow is subject to currency exchange rate risk. The following table provides a summary of foreign currency denominated financial assets and liabilities.

Non-Consolidated Financial Statements

(Expressed in Canadian Dollars, unless otherwise stated)

For the years ended December 31, 2018 and 2017

3. FINANCIAL RISK MANAGEMENT (continued)

As at	December 31, 2018	December 31, 2017
US dollars		
Assets	11,489,362	231,794
Liabilities	-	-
Great British Pounds		
Assets	1,500	9,027
Liabilities	-	-

4. FIRST-TIME ADOPTION OF ACCOUNTING STANDARDS FOR PRIVATE ENTERPRISES

These non-consolidated financial statements are the first non-consolidated financial statements which the Company has prepared since the Amalgamation in accordance with Part II of the CPA Canada Handbook – Accounting, which constitutes accounting standards for private enterprises in Canada (“ASPE”). In preparing its opening balance sheet as at January 1, 2017 [the “Transition Date”], the Company has applied Section 1500, First-time adoption, retrospectively using the following four principles such that it has:

- Recognized all assets and liabilities whose recognition is required by ASPE;
- Not recognized items as assets or liabilities if ASPE does not permit such recognition;
- Reclassified items recognized previously as one type of asset, liability or component of equity, but are now recognized as a different type of asset, liability or component of equity;
- Applied ASPE in measuring all recognized assets and liabilities.

As the Amalgamated Company has not historically prepared non-consolidated financial statements, no reconciliation has been prepared to previously reported figures. Section 1500 provides a number of elective exemptions from the retrospective adoption of ASPE. The Company has elected to use the following transition exemption:

- The Company has elected to not restate its non-financial assets or non-financial liabilities related to transactions with related parties when the related party transaction occurred prior to the Transition Date.

Note 5 to the non-consolidated financial statements illustrates the accounting and transactions that occurred upon amalgamation.

Non-Consolidated Financial Statements

(Expressed in Canadian Dollars, unless otherwise stated)

For the years ended December 31, 2018 and 2017

5. AMALGAMATION

On January 2, 2018, in accordance with the Articles of Amalgamation dated January 2, 2018, an amalgamation was effected between the predecessor company of Ardenton Capital Corporation ("ACC"), and ACC's parent company, Livingstone Acquisition Inc. ("LAI"). Immediately after, ACC and LAI amalgamated and carried on business as Ardenton Capital Corporation ("Ardenton" or "The Company").

The below tables illustrate the Share Structure of both entities immediately prior to amalgamation, as well as the Opening Share structure of the amalgamated entity following the stated Share transfers per the Amalgamation agreement;

Livingstone Acquisitions Inc. Share Transfer on Amalgamation					
	Pre-Amalgamation Shares Issued	Shares Cancelled	Stated Share Exchange	Post Amalgamation Shares Issued	Post Amalgamation Share Class
Class A					
Class A Shareholders	450,000	-	1.027052	462,173	A
Class B					
Class B Shareholders	75,000	75,000	-	-	

Ardenton Capital Corporation - Share transfer on Amalgamation					
	Pre-Amalgamation Shares Issued	Shares Cancelled	Remaining Share Exchange	Post Amalgamation Shares Issued	Post Amalgamation Share Class
Class A					
Class A Shareholders	22,086,500	20,006,500	0.026123	54,335	C
Class B					
Class B Shareholders	325,000	-	0.026123	8,489	D

Ardenton Capital Corporation ("Amalco"). - Outstanding common shares after Amalgamation		
	No. of Shares	Value of Shares
Class A	462,173	\$450
Class B	-	-
Class C	54,336	\$1,514,093
Class D	8,490	\$325,000
Total	524,999	\$1,839,543

Non-Consolidated Financial Statements**(Expressed in Canadian Dollars, unless otherwise stated)**

For the years ended December 31, 2018 and 2017

5. AMALGAMATION OF ACC AND LAI (continued)

The issued and outstanding shares of the Company held by LAI were deemed to have been cancelled for nil proceeds and the shares of LAI held by the Company were deemed to have been cancelled for nil proceeds, with any difference charged to the Company's deficit.

The amalgamation has been measured at the carrying amount. On amalgamation, all intercompany transactions have been eliminated. The non-consolidated financial statements of the amalgamated Company reflect the earnings, assets and liabilities of the combined businesses for the entire period in which the amalgamation occurred and for all prior periods. The balance sheets of the businesses immediately prior to amalgamation on January 2, 2018 are as follows:

	ACC	LAI
Assets	62,144,181	2,896,294
Liabilities	127,561,026	31,372,380
Capital Stock	5,513,602	75,450
Retained earnings (Deficit)	(59,903,243)	(28,400,635)

6. INVESTMENTS

The Company acquired a 3.29% equity investment in Regimen Equity Partners Limited Partnership. The value of this investment as at December 31, 2018 was \$403,334 (Dec 31 2017: \$403,334, Jan 1 2017: \$403,334).

Non-Consolidated Financial Statements

(Expressed in Canadian Dollars, unless otherwise stated)

For the years ended December 31, 2018 and 2017

7. INVESTMENTS IN SUBSIDIARIES

All the entities in which the Company is directly invested are incorporated in Canada except for Ardenton Capital Limited (UK), Ardenton Capital Investments Limited (UK), and Ardenton Capital Inc. (USA). The Company holds investments directly or indirectly in the following entities;

	<u>December 31,</u> <u>2018</u>	<u>December 31,</u> <u>2017</u>	<u>January 1,</u> <u>2017</u> <u>(unaudited)</u>
GO Plumbing and HVAC Services Ltd. ("Go Plumbing") Principal business activity: mechanical contracting Principal place of business: Edmonton, Alberta	90%	90%	90%
The Pipe Yard Ltd. ("TPY") Principal business activity: the sale of piling pipe to the construction industry Principal place of business: Blackfalds, Alberta	68%	68%	68%
Ardenton Equity Partners Inc. ("AEP") (amalgamation of AEP, Ardenton Investment Inc. ("All") & Legacy Equity Partners One Inc. on September 21, 2018 onwards) Principal business activity: holding company Principal place of business: Vancouver, British Columbia	100%	-	-
OES Inc. ("OES") (from November 24, 2016) Principal business activity: technology solutions Principal place of business: London, Ontario	70%	70%	70%
Combat Networks Inc. ("Combat") (from November 10, 2016) Principal business activity: network solutions integrator Principal place of business: Ottawa, Ontario	70%	70%	70%
Ardenton Capital Limited ("ACL") (from October 18, 2016) 100% Owned by ACL (2017 – 100%):	100%	100%	100%
Ardenton Capital Investments Limited ("ACIL") (from October 20, 2016) Principal business activity: both holding companies Principal place of business: both Manchester, United Kingdom: 90% Owned by ACIL (2017 – 90%):			
Aghoco 1507 Limited ("Aghoco") (from January 31, 2017) Principal business activity: holding company Principal place of business: Manchester, United Kingdom			

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7. INVESTMENTS IN SUBSIDIARIES (continued)

	<u>December 31,</u> <u>2018</u>	<u>December 31,</u> <u>2017</u>	<u>January 1,</u> <u>2017</u> <u>(unaudited)</u>
100% Owned by Aghoco (2017 – 100%):			
W. Corbett & Co (Galvanizing) ("Corbetts")			
(from April 7, 2017)			
Principal business activity: hot dip galvanizing			
Principal place of business: Telford, United Kingdom			
85% Owned by ACIL:			
PPCA HoldCo Limited ("PP HoldCo")			
(from May 2, 2018 – note 8)			
Principal business activity: holding company			
Principal place of business: Manchester, United Kingdom			
100% Owned by PP HoldCo			
PP Control & Automation Limited ("PP Controls")			
(from June 7, 2018 – note 8)			
Principal business activity: Strategic outsourcing solutions			
Principal place of business: Walsall, United Kingdom			
100% Owned by ACIL:			
Shaftec TopCo Limited ("Shaftec TopCo")			
(October 17, 2018 – note 8)			
Principal business activity: holding company			
Principal place of business: Manchester, United Kingdom			
60% Owned by Shaftec TopCo:			
Shaftec HoldCo Limited ("Shaftec HoldCo")			
(October 17, 2018 – note 8)			
Principal business activity: holding company			
Principal place of business: Manchester, United Kingdom			
100% Owned by Shaftec HoldCo:			
Shaftec Automotive Components Holdings Limited ("SACHL")			
(November 30, 2018 – note 8)			
Principal business activity: holding company			
Principal place of business: Birmingham, United Kingdom			
100% Owned by SACHL:			
Shaftec Automotive Components Limited ("SACL")			
(November 30, 2018 – note 8)			
Principal business activity: Supplier of Remanufactured auto parts			
Principal place of business: Birmingham, United Kingdom			

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	<u>December 31,</u> <u>2018</u>	<u>December 31,</u> <u>2017</u>	<u>January 1,</u> <u>2017</u> <u>(unaudited)</u>
7. INVESTMENTS IN SUBSIDIARIES (continued)			
Ardenton Capital (USA) Inc. (AUSA) (from February 27, 2017) Principal business activity: holding company Principal place of business: Dallas, United States of America 70% Owned by AUSA:	100%	100%	-
Achieve One Holdings LLC ("A1 Holdings") (from March 5, 2018 – note 6) Principal business activity: holding company Principal place of business: Virginia, United States of America 100% Owned by A1 Holdings:			
Achieve One LLC ("A1") (from March 5, 2018 – note 6) Principal business activity: seller of IT Hardware and Software Principal place of business: Virginia, United States of America			
1971035 Ontario Inc. (the "Leone Group of Companies") (from January 31, 2017 (amalgamated February 28, 2017) – Principal business activity: iron and chain link fencing Principal place of business: Mississauga, Ontario	51%	51%	-
Comtrad Strategic Sourcing Inc. (Comtrad) (from October 12, 2017 – Note 8) Principal business activity: OEM parts sourcing Principal place of business: Mississauga, British Columbia	90%	90%	-
Ardenton Financial Inc. (AFI) (from August 29, 2017) Principal business activity: exempt market dealer Principal place of business: Vancouver, British Columbia	100%	100%	-
Ardenton Capital Bridging Inc. (ACB) (from September 22, 2017) Principal business activity: holding company Principal place of business: Vancouver, British Columbia	100%	100%	-
Stevenson Industrial Refrigeration Limited ("Stevenson") (From July 25, 2016) Principal business activity: Commercial & Industrial Refrigeration Principal place of business: Saskatoon, Saskatchewan	65%	65%	65%

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7. INVESTMENTS IN SUBSIDIARIES (continued)

The Company's investments in subsidiaries recorded at cost consist of the following

Subsidiary	December 31, 2018	December 31, 2017	January 1, 2017 (unaudited)
Ardenton Financial Inc.	1	1	-
Ardenton Capital Bridging	8,745,011	1	-
Leone Group of Companies	2,800,000	2,800,000	-
GO Plumbing and HVAC Services Ltd.	8	8	8
The Pipe Yard Ltd.	1,971,557	1,971,557	1,971,557
Ardenton Investment Inc.	772,581	772,581	772,581
Stevenson Industrial Refrigeration Ltd.	1,235,000	1,235,000	1,235,000
Combat Networks Inc.	4,760,000	4,760,000	4,760,000
OES Inc.	6,440,000	6,440,000	6,440,000
Ardenton Capital Limited	161	161	161
LAI Blakie	920,000	920,000	-
Combat Land Holdings	219,766	219,766	-
Ardenton Capital (USA) Inc.	-	12	-
Comtrad Strategic Sourcing Inc.	-	9,245,000	-
Other	-	(75,450)	(75,450)
Total investments in subsidiaries	27,864,084	28,288,638	15,103,859

On April 1, 2018 Ardenton Capital Corporation elected to transfer 4,495 Class "A" Common shares in the capital of Comtrad and \$4,750,000 of preferred securities of Comtrad to Ardenton Capital Bridging Inc. (ACB) for consideration of 8,745,000 Class "A" common shares in ACB. Subsequent to the transfer date, any rights associated with the Class "A" Common shares and the \$4.75M of preferred securities were transferred to ACB

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8. INVESTMENTS IN JOINT VENTURES

All of the joint venture interests in which the Company shares control of the investment are incorporated in Canada and the ownership interest of these are listed below:

	December 31, 2018	December 31, 2017	January 1, 2017 (unaudited)
Interpro Technical Services Limited ("ITS")	-	50%	50%
<i>Principal business activity: the repair and maintenance of industrial turbines.</i>			
<i>Principal place of business: Port Coquitlam, British Columbia</i>			
Northwest Plastics Ltd. ("NPL")	50%	50%	50%
<i>Principal business activity: the rotational molding of plastics parts and products.</i>			
<i>Principal place of business: Port Coquitlam, British Columbia</i>			
Pipe Yard Properties Inc. ("PYP")	25%	25%	25%
<i>Principal business activity: the sale of piling pipe to the construction industry</i>			
<i>Principal place of business: Blackfalds, Alberta</i>			

The Company's investments in joint ventures recorded at cost consist of the following:

Joint Venture	December 31, 2018	December 31, 2017
Interpro Technical Services Limited	-	250,001
PipeYard Properties Inc.	25	25
Northwest Plastics Ltd.	-	625,100
Total investments in joint ventures	25	875,126

The Company disposed of its stake in ITS on 31 December, 2018 and NPL on 16 January 2018. Please see note 10 disposal of investments for more information on these divestments.

For the year ended December 31, 2018

9. BUSINESS ACQUISITIONS2018 Acquisitions**(a) Acquisition of Achieve 1**

On March 5, 2018, the Company's wholly owned subsidiary ACB through its subsidiary, AUSA, acquired 70% of the issued and outstanding shares of A1 Holdings for cash consideration of USD14,265,000 (\$18,420,000). The Company funded USD9,975,000 (\$13,006,000) of this consideration which is recorded as a due from related party balance.

The Company issued loan notes in the amount of USD9,975,000 (\$13,006,000) to AUSA in order to facilitate the acquisition. These loan notes are recorded as a Due from Related Party balance as at December 31, 2018.

(b) Acquisition of PP Controls

On June 7 2018, the Company's wholly owned subsidiary ACL, through its subsidiaries ACIL completed the acquisition of 85% of the issued share capital of PP HoldCo for consideration of £13,386,000 (\$23,314,000). The Company funded £7,085,000 (\$12,340,000) of this consideration which is recorded as a due from related party balance.

The Company issued loan notes in the amount of £7,085,000 (\$12,340,000) to ACIL in order to facilitate the acquisition. These loan notes are recorded as a Due from Related Party balance as at December 31, 2018.

(c) Acquisition of Shaftec

On November 30 2018, the Company's wholly owned subsidiary ACL, through its subsidiaries ACIL, Shaftec TopCo and Shaftec HoldCo completed the acquisition of 60% of the issued share capital of SACHL, for consideration of £11,340,000 (\$19,239,000). The Company funded £4,187,000 (\$7,098,000) of this consideration which is recorded as a due from related party balance.

The Company issued loan notes in the amount of £4,187,000 (\$7,098,000) to ACIL in order to facilitate the acquisition. These loan notes are recorded as a Due from Related Party balance as at December 31, 2018

2017 Acquisitions**(d) Acquisition of Corbetts**

On January 31, 2017, the Company's wholly owned subsidiary, Ardenton Capital Limited, through its subsidiary Ardenton Capital Investments Limited acquired 90% of the outstanding shares of Aghoco 1507 Limited ("Aghoco").

On April 7, 2017, Aghoco acquired 100% of the issued share capital of W.Corbett & Co (Galvanizing) Limited for cash consideration of \$17,031,346. Of this consideration, the Company funded \$11,584,260 which is recorded as part of the Company's investment in Ardenton Capital Ltd.

For Ardenton Capital Investments Limited, a loan note of \$11,584,260 which bears interest at 12.9% per annum and is due on April 7, 2022. This amount has been recorded as an Investment in subsidiary since the purpose of the loan was to acquire W.Corbett & Co. (Galvanizing) Limited.

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9. BUSINESS ACQUISITIONS (continued)**(e) Acquisition of the Leone Group of Companies**

On January 31, 2017, 2525612 Ontario Inc. which was 51% owned by the Company, acquired 100% of the issued and outstanding shares of Leone Fence Co. Ltd., Iron Eagle Industries Inc., and Shield Fence & Wire Products Inc. (together the "Leone Group of Companies") for cash consideration of \$11,500,000 and contingent consideration of \$1,307,860 for total consideration of \$13,178,192, of this consideration, the Company funded \$2,800,000. On February 28, 2017, 2525612 Ontario Inc. and the Leone Group of Companies were amalgamated to form 1971035 Ontario Inc. and continued operating as the Leone Group of Companies. After the amalgamation, the Company continued to own 51% of the Leone Group of Companies.

The consideration paid has been allocated to the net assets acquired based on their acquisition date fair values and the excess of the purchase price over the value of the net assets acquired, including the future tax liability relating to the acquired intangible assets of \$819,917, has been recorded as goodwill.

Part of the purchase agreement includes contingent consideration based on the amount earnings before interest, taxes, depreciation and amortization exceeds a targeted amount for the 12 and 24 month periods following the acquisition date up to a maximum of \$1,500,000. On the date of acquisition, a liability in the amount of \$1,307,860 was recorded, representing the net present value of future cash flows relating to the contingent consideration. At December 31, 2017, the Company recognized \$1,000,000 of this contingent consideration as a result meeting the earn-out target in the first earn-out period.

(f) Acquisition of Comtrad

On October 12, 2017, ACC7 Inc. ("ACC7") which was 90% owned by the Company, acquired 100% of the issued and outstanding shares of Waljon Industries Ltd. ("Waljon") for cash consideration of \$19,059,000, of this consideration, the Company funded \$9,245,000. On the same day, ACC7 and Waljon were amalgamated and commenced operations as Comtrad Strategic Sourcing Inc. After the amalgamation, the Company continues to own 90% of Comtrad Strategic Sourcing Inc.

The fair value of assets and liabilities of Waljon acquired by ACC7 was determined at the acquisition date which resulted in fair value adjustments to inventory and intangible assets, future income tax liability relating to the acquired intangible assets of \$3,334,108 and the recognition of goodwill.

In accordance with section 2.4 of the Waljon Share Purchase Agreement, a net working capital shortfall of \$926,373 was determined 90 days following the acquisition. As a result, \$500k of acquisition proceeds, held in escrow, were released to the purchaser resulting in a corresponding write down of the initial investment value on ACC's books by \$500,000.

On April 1, 2018 Ardenton Capital Corporation (ACC) elected to transfer 4,495 Class "A" Common shares in the capital of Comtrad and \$4,750,000 of preferred securities of Comtrad to non-arms length Ardenton Capital Bridging Inc. (ACB) for consideration of 8,745,000 Class "A" common shares in ACB. The election was made under Section 85(1) of the Income Tax Act. Subsequent to the transfer date, any rights associated with the Class "A" Common shares and the \$4.75M of preferred securities were transferred to ACB.

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10. DISPOSAL OF INVESTMENTS

On January 16, 2019, the Company sold its 50% interest in NPL back to NPL for \$1. The Company's total investment in NPL was \$625,100, and the resulting loss on sale was \$625,099. Prior to December 31, 2018, the Company was actively negotiating with its partner to divest of its interest in NPL, and this transaction and its quantum were reasonably assured.

On December 31, 2018, the Company made the following disposals;

- sold its 50% interest in ITS back to ITS for \$4,380,000. The Company's original investment in ITS was \$250,001, and the resulting gain on this transaction was \$4,129,999.
- sold its 50% interest in ITS's estimated excess working capital for \$100,000.
- sold its 50% interest in Manifest Capital, ITS's real estate HoldCo, back to Manifest Capital, and received \$889,000 representing its equity interest in the real estate.

11. EQUIPMENT

	December 31, 2018		
	Cost	Accumulated Amortization	Net
Computer Equipment	327,484	114,437	213,046
Office equipment	389,026	165,979	223,047
Leasehold improvements	1,079,485	230,532	849,133
	<u>1,795,995</u>	<u>510,769</u>	<u>1,285,226</u>

	December 31, 2017		
	Cost	Accumulated Amortization	Net
Computer Equipment	224,847	30,432	194,415
Office equipment	362,599	72,534	290,064
Leasehold improvements	1,010,738	101,532	909,207
	<u>1,598,184</u>	<u>204,498</u>	<u>1,393,686</u>

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11. EQUIPMENT (Continued)

		January 1, 2017 (unaudited)	
	Cost	Accumulated Amortization	Net
	\$	\$	\$
Office equipment	25,109	4,962	20,147
Leasehold improvements	1,293	539	754
	<u>26,402</u>	<u>5,501</u>	<u>20,901</u>

12. FOREIGN EXCHANGE GAINS AND LOSSES

Realized foreign exchange gains and losses are gains and losses that have been converted into cash, while unrealized gains relate to non-cash financial assets and liabilities denominated in foreign currencies.

Foreign Exchange Gain (Loss)	2018	2017
Realized	155,056	611,347
Unrealized	<u>(4,294,254)</u>	<u>(1,630,521)</u>
	<u>(4,139,198)</u>	<u>1,019,174</u>

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13. LONG TERM DEBT

The Company had the following Long-Term Debt obligations;

	December 31, 2018	December 31, 2017	January 1, 2017 (unaudited)
<u>Ardenton Capital Corporation</u>			
Note payable bearing 0% interest repayable in semi-annual installments of \$1,587,860 due December 31, 2020.	6,351,438	-	-
Note payable bearing 0% interest, repayable in five equal payments of \$794,680 with final payment due April 15, 2019.	2,384,040	-	-
Payable to Lysander Properties Ltd., non-interest bearing, unsecured, and without specific terms of repayment.	-	-	250,000
	-	-	108,063
Payable to 1694343 AB Ltd., bearing interest at 8% per annum, unsecured, repayable in monthly instalments of principal and interest of \$4,253, due August 1, 2017.	-	-	108,014
Payable to 763372 AB Ltd., bearing interest at 8% per annum, unsecured, repayable in monthly instalments of principal and interest of \$4,253, due August 1, 2017.	-	-	108,014
Total long-term Debt	8,735,483	-	466,077
Less: current portion	(2,384,045)	-	466,077
Non-current portion of long-term debt	6,351,438	-	-

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14. REDEEMABLE PREFERRED SHARES AND SECURITIES

Preferred Shares	Authorized	Preferential Cumulative Annual Dividend %	Issue Price per Security \$	Redemption Term
Series A	Unlimited	12.0	10	On request, 5 years
Series B	Unlimited	12.0	10	On request, 5 years
Series C	Unlimited	12.0	10	On request, 5 years

Preferred Securities	Preferential Cumulative Annual Interest %	Issue Price per Security \$	Redemption Term
Series I	14.0	10	On request, 5 years
Series II	10.0	1,000	On request, 2 years
Series III	14.0	10	On request, 5 years
Series IV	10.0	1,000	On request, 3 years
Series V	12.9	1,000	On request, 5 years
Series VI	12.0	1,000	On request, 3 years
Series VII	14.0	1,000	On request, August 31, 2020

Hybrid Securities	Preferential Cumulative Annual Interest %	Issue Price per Security \$
Series I (2018)	8.0	1,000

The Series I preferred securities are also issued in United States Dollars at the rate of 10 foreign currency units per security. The Series V preferred securities are also issued in United States Dollars and British Pounds at the rate of 1,000 foreign currency units per security. Preferred securities issued in foreign currencies are translated to Canadian dollars on the date of issuance and the value of the securities are recalculated based on the spot rate at each reporting date. Changes in value as a result of foreign currency fluctuations are recorded in the statement of net income (loss).

All shares and securities are redeemable at the option of the holder, at the issue price plus all accrued and unpaid interest and dividends, on the term anniversary of the issue date. Redemptions can be demanded for up to 25% of the outstanding balance. The remaining balance can be redeemed up to a further 25% per year in the three years succeeding the term anniversary date. The Company may, at any time after the term anniversary date of the issue date, redeem any outstanding preferred shares or securities by paying the holder of the shares or securities the issue price plus any outstanding dividends calculated to the date of redemption.

Dividends and interest on preferred shares and preferred securities are payable in equal monthly instalments. \$17,088,844 (2017 - \$12,377,112) was paid in interest and dividends on redeemable preferred shares and securities during the year ended December 31, 2018.

Issuance of Hybrid Security Units:

During the year, the Company issued new securities in the form of the Series 1 (2018) Units. These Hybrid securities include both a debenture and warrant element. The debentures are redeemable at the option of the holder or issuer at par after 5 years.

The warrants attached to the debentures expire 8 years after the hybrid security issuance and can be redeemed by way of put options available in 2024 (year 6) or 2026 (year 8). The debenture redeemable amount is the issue price plus all accrued and unpaid interest and dividends at the date of redemption.

Upon exercise, Warrants convert to 1.32 Class F non-voting common share of the Company at an exercise price of \$181.07 per share and rank pari passu with other common shareholders.

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14. REDEEMABLE PREFERRED SHARES AND SECURITIES (continued)

The debentures of the hybrid securities are redeemable at the option of the holder or issuer at par after 5 years. The warrants expire after 8 years with a put option available in 2024 (year 6) or 2026 (year 8) at the issue price plus all accrued and unpaid interest and dividends at the date of redemption. Upon exercise, Warrants convert to 1.32 non-voting common share of Ardenton at an exercise price of \$181,07 per share and rank pari passu with other common shareholders.

The table below sets out the change in the preferred shares, preferred securities and hybrid securities outstanding:

No. of shares/securities	2017 Opening balance	2017 Issued	2017 Redeemed	2017 Closing balance
Series A (CAD)	61,900	-	(21,400)	40,500
Series B (CAD)	222,000	-	(125,000)	97,000
Series C (CAD)	277,400	-	-	277,400
Series I (CAD)	3,930,500	1,593,319	-	5,523,819
Series I (USD)	300,000	1,526,800	-	1,826,800
Series II (CAD)	1,800	-	-	1,800
Series III (CAD)	300,000	-	(300,000)	-
Series IV (CAD)	300	450	-	750
Series V (CAD)	400	12,063	-	12,463
Series V (USD)	100	4,750	-	4,850
Series V (GBP)	100	300	-	400
Series VI (CAD)	1,850	-	-	1,850
Series VII (CAD)	-	4,000	-	4,000
TOTAL 2017	5,096,350	3,141,682	(446,400)	7,791,632

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14. REDEEMABLE PREFERRED SHARES AND SECURITIES (continued)

No. of shares/securities	2018 Opening balance	2018 Issued	2018 Redeemed	2018 Closing balance
Series A (CAD)	40,500	-	(38,000)	2,500
Series B (CAD)	97,000	-	(97,000)	-
Series C (CAD)	277,400	-	(120,000)	157,400
Series I (CAD)	5,523,819	-	-	5,523,819
Series I (USD)	1,826,800	-	-	1,826,800
Series II (CAD)	1,800	-	(85,000)	(83,200)
Series III (CAD)	-	-	-	-
Series IV (CAD)	750	-	-	750
Series V (CAD)	12,463	2,593	-	15,056
Series V (USD)	4,850	954	-	5,804
Series V (GBP)	400	-	-	400
Series VI (CAD)	1,850	-	-	1,850
Series VII (CAD)	4,000	-	-	4,000
Series I - 2018 (5 Year) (CAD)	-	6,050	-	6,050
Series I - 2018 (5 Year) (USD)	-	20,727	-	-
Series I - F - 2018 (5 Year) (CAD)	-	-	-	-
Series I - F - 2018 (5 Year) (USD)	-	17,552	-	17,552
Series I - F - 2018 (3 Year) (USD)	-	4,684	-	4,684
Series I (CAD, 2018) Hybrid (CAD)	-	5,425	-	5,425
Series I (2018) Hybrid (USD)	-	4,161	-	4,161
TOTAL 2018	7,791,632	62,146	(340,000)	7,493,051

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14. REDEEMABLE PREFERRED SHARES AND SECURITIES (continued)

Value of shares (CAD\$)	2017 Opening Balance \$	2017 Issued \$	2017 Redeemed \$	FX Adjustment \$	2017 Closing Balance \$
Series A (CAD)	619,000	-	(214,000)	-	405,000
Series B (CAD)	2,220,000	-	(1,250,000)	-	970,000
Series C (CAD)	2,774,000	-	-	-	2,774,000
Series I (CAD)	39,305,000	15,933,190	-	-	55,238,190
Series I (USD)	4,020,120	20,323,731	-	(1,426,645)	22,917,206
Series II (CAD)	1,800,000	-	-	-	1,800,000
Series III (CAD)	3,000,000	-	(3,000,000)	-	-
Series IV (CAD)	300,000	450,000	-	-	750,000
Series V (CAD)	400,000	12,063,000	-	-	12,463,000
Series V (USD)	134,004	6,068,750	-	(118,429)	6,084,325
Series V (GBP)	167,886	512,910	-	(2,356)	678,440
Series VI (CAD)	1,850,000	-	-	-	1,850,000
Series VII (CAD)	-	4,000,000	-	-	4,000,000
Unamortized Issuance costs	(2,852,247)	-	-	-	(4,351,530)
TOTAL 2017	53,737,763	59,351,581	(4,464,000)	(1,547,430)	105,578,631

Represented as:

Current portion of redeemable preferred shares & securities	<u>4,300,000</u>
Redeemable preferred shares & securities	<u>101,278,631</u>

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14. REDEEMABLE PREFERRED SHARES AND SECURITIES (continued)

Value of shares (CAD\$)	2018 Opening Balance \$	2018 Issued \$	2018 Redeemed \$	FX Adjustment \$	2018 Closing Balance \$
Series A (CAD)	405,000	-	(380,000)	-	25,000
Series B (CAD)	970,000	-	(970,000)	-	-
Series C (CAD)	2,774,000	-	(1,200,000)	-	1,574,000
Series I (CAD)	55,238,190	-	-	-	55,238,190
Series I (USD)	22,917,206	-	-	2,004,000	24,921,206
Series II (CAD)	1,800,000	-	(850,000)	-	950,000
Series III (CAD)	-	-	-	-	-
Series IV (CAD)	750,000	-	-	-	750,000
Series V (CAD)	12,463,000	2,593,000	-	-	15,056,000
Series V (USD)	6,084,325	954,425	-	600,770	7,639,520
Series V (GBP)	678,440	-	-	19,120	697,560
Series VI (CAD)	1,850,000	-	-	-	1,850,000
Series VII (CAD)	4,000,000	-	-	-	4,000,000
Series I - 2018 (5 Year) (CAD)	-	6,050,000	-	-	6,050,000
Series I - 2018 (5 Year) (USD)	-	20,727,310	-	824,322	21,551,632
Series I - F - 2018 (5 Year) (CAD)	-	-	-	-	-
Series I - F - 2018 (5 Year) (USD)	-	17,551,823	-	728,392	18,280,215
Series I - F - 2018 (3 Year) (USD)	-	4,683,800	-	90,900	4,774,700
Series I (2018) Hybrid (CAD)	-	5,425,000	-	-	5,425,000
Series I (2018) Hybrid (USD)	-	4,161,115	-	-	4,161,115
Unamortized Issuance costs	(4,351,530)	-	-	-	(3,641,243)
	105,578,631	62,146,473	(3,400,000)	4,267,504	169,302,895

Represented as:

Current portion of redeemable preferred shares & securities	8,024,000
Redeemable preferred shares & securities	151,692,780
Redeemable Hybrid Securities	9,586,115

Ardenton Capital Corporation

Non-Consolidated Financial Statements

(Expressed in Canadian Dollars, unless otherwise stated)

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For the year ended December 31, 2018

15. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

As disclosed in Notes 6 and 7, the Company has several subsidiaries and joint ventures. These are therefore related parties as outlined below:

	December 31, 2018	December 31, 2017	January 1, 2017 (unaudited)
	\$	\$	\$
Due from related parties			
Ardenton Capital Investments Limited (see reference (a))	42,231,761	15,361,686	194,178
Ardenton Capital (USA) Inc. (see reference (b))	18,234,532	2,499,994	-
Ardenton Investment Inc.	4,201,886	2,862,003	2,580,086
Go Plumbing & HVAC	1,710,660	1,188,799	44,378
Ardenton Partners Inc.	13,426	-	-
Ardenton Growth Partners	1,135,485	-	-
Stevenson Industrial Refrigeration Ltd.	874,432	238,537	-
Combat Networks Inc.	-	1,038,192	-
OES Inc.	-	123,166	-
Leone Group of companies	790	214,349	-
Comtrad Strategic Sourcing Inc.	-	138,948	-
Ardenton Financial Inc.	1,743,318	252,283	-
The Pipe Yard	1,151,433	1,154,156	1,300,839
Ardenton Capital Bridging 2.	971,844	-	-
Manifest Capital Limited	-	-	109,704
Livingstone Holdings Inc.	-	-	366,198
Other	19,109	(150,929)	7,275
Total due from related parties	72,288,676	24,921,184	4,602,658

(a) Denominated in GBP

(b) Denominated in USD

	December 31, 2018	December 31, 2017	January 1, 2017 (unaudited)
	\$	\$	\$
Due from Shareholder			
Livingstone Holdings Inc.	409,569	-	-
Total due from Shareholder	409,569	-	-

Non-Consolidated Financial Statements

(Expressed in Canadian Dollars, unless otherwise stated)

For the year ended December 31, 2018

15. RELATED PARTY TRANSACTIONS (continued)

The amount due from Stevenson bears interest at 5% per annum and is due on demand. The amounts due from ACIL bear interest at 12% per annum with some due to be repaid on the fifth anniversary and some due to be paid on the tenth anniversary of the loan note. Of the amount due from Ardenton Financial Inc., \$1,753,499 is a subordinated debt instrument that does not bear interest and without specific terms of repayment. All other amounts due from related parties or shareholder are non-interest bearing and without specific terms of repayment.

	December 31, 2018	December 31, 2017	January 1, 2017 (unaudited)
Due to related parties	\$	\$	\$
Subsidiaries			
Ardenton Equity Partners Inc.	4,266,667	90,458	90,458
The Pipe Yard Ltd.	-	1,000,000	-
Ardenton Capital Bridging Inc.	12,785,724	2,544,412	-
LAI Blakie	357,383	-	-
Combat Land Holdings	14,000	-	-
Other	56	-	592
Total due to related parties	17,423,829	3,634,870	91,050

All amounts due to related parties are non-interest bearing and without specific terms of repayment.

During the year, the Company had the following transactions with related parties:

	December 31, 2018 \$	December 31, 2017 \$
Dividend Revenue		
Subsidiaries		
TVE Industrial	723,334	-
Interpro Technical Services Limited	500,000	750,000
The Pipe Yard Ltd.	345,600	489,600
	<u>1,568,934</u>	<u>1,239,600</u>
Interest Income		
Subsidiaries		
Ardenton Capital Investments Limited.	2,170,540	1,114,978
Ardenton Investment Inc.	-	280,000
Stevenson Industrial Refrigeration Ltd.	97,659	94,251
Combat Networks Inc.	239,326	280,605
OES Inc.	95,594	418,637
Leone Group of Companies	185,309	155,863
Comtrad Strategic Sourcing Inc.	75,545	134,301
TVE Industrial Services Inc	186,664	-
Other	351,055	13,957
	<u>3,401,691</u>	<u>2,492,592</u>

Ardenton Capital Corporation

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Non-Consolidated Financial Statements**(Expressed in Canadian Dollars, unless otherwise stated)**

For the year ended December 31, 2018

15. RELATED PARTY TRANSACTIONS (continued)

	December 31, 2018	December 31, 2017
	\$	\$
Management Fee Revenue		
Subsidiaries		
Combat Networks Inc.	125,000	100,000
OES Inc.	110,000	100,000
Leone Group of Companies	75,000	62,620
Comtrad Strategic Sourcing Inc.	150,000	32,967
Ardenton Capital (USA) Inc.	1,133,404	666,461
Ardenton Capital Investments Limited	650,610	459,076
	<u>2,244,014</u>	<u>1,421,124</u>
Expenses		
Subsidiaries		
The Pipe Yard Ltd.	1,008	3,317
Stevenson Industrial Refrigeration Ltd.	-	6,596
Combat Networks Inc.	32,464	32,182
OES Inc.	20,699	27,572
Leone Group of Companies	-	20,986
Comtrad Strategic Sourcing Inc.	3,661	4,646
Other Parties		
Livingstone Holdings Inc. (Management fees etc.)	251,500	62,125
	<u>309,332</u>	<u>157,424</u>

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Non-Consolidated Financial Statements

(Expressed in Canadian Dollars, unless otherwise stated)

For the year ended December 31, 2018

16. SHARE CAPITAL

Authorized: Unlimited Class A Voting common shares;
 Unlimited Class B Non-Voting common shares;
 Unlimited Class C Voting common shares;
 Unlimited Class D Non-Voting common shares;
 Unlimited Class E common shares.

		December 31, 2018 \$	December 31, 2017 \$
Issued:			
	462,173 (2017: 462,173)	450	450
	32,393 (2017: 54,337)	902,633	1,514,093
	8,489 (2017: 12,408)	325,000	475,000
	82,841 (2017: 0)	15,000,002	-
		<u>16,228,085</u>	<u>1,989,543</u>

As part of the Amalgamation dated January 2, 2018 between ACC and LAI, the issued share capital of the pre-amalgamated entities was restructured (note 5).

Prior to the amalgamation, the Company agreed to purchase 75,000 Common Non-Voting shares of LAI and 150,000 Class B Non-Voting shares of ACC. The purchase was effected on January 1, 2018. Per the agreement the Company will pay the previous shareholders an aggregate purchase consideration of \$10,585,730. This consideration will be settled through bi-annual installments with the final payment owing on 31 December 2020.

During the year, the Company also repurchased 21,945 Class C common shares for consideration of \$3,973,400 in accordance with the holder's put option that was exercised.

During 2018, the Company started to issue a new series of shares, Class E common shares. These shares will have no dividend distributions during the first 5 years and are redeemable by the holder, or the issuer, after the 5th anniversary based on a third-party equity valuation.

At any time on or after Dec. 1, 2021, any Class A and C shareholder has the right by notice to the Company requiring the Company to repurchase all of his/her shares at the then fair market value.

Commencing Jan. 1, 2021, on an annual basis, any Class D shareholder has the right to sell to the Company all of his/her shares at the then fair market value during a "Put Notice Delivery Period" of 60 days commencing on May 1 of that year.

Class E shareholders can redeem shares held on a biennial basis during a "Redemption Period" commencing on the fifth anniversary of the share issuance date.

Ardenton Capital Corporation**Non-Consolidated Financial Statements****(Expressed in Canadian Dollars, unless otherwise stated)**

For the year ended December 31, 2018

17. INCOME TAXES

The Company has accumulated losses of \$58,616,366 for income tax purposes which may be deducted in the calculation of taxable income in future years. The losses expire as follows:

	\$
2027	21,785
2028	14,042
2029	14,856
2030	969
2031	54,893
2032	253,765
2033	566,129
2034	1,551,038
2035	9,150,138
2036	19,709,639
2037	7,823
2038	27,271,289
	<hr/> 58,616,366 <hr/>

The potential tax benefit which may result from application of these losses is not reflected in these non-consolidated financial statements.

Ardenton Capital Corporation

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Non-Consolidated Financial Statements**(Expressed in Canadian Dollars, unless otherwise stated)**

For the year ended December 31, 2018

18. COMMITMENTS AND CONTINGENCIES

The Company has entered into operating leases for its office facilities, equipment and furniture. Future lease payments under non-cancelable operating leases are:

	\$
2019	694,656
2020	694,656
2021	694,656
2022	653,986
2023	624,936
Thereafter	1,857,044
	<u>5,219,934</u>

For the year ended December 31, 2018

19. SUBSEQUENT EVENTS**Acquisition of Budget Trading Limited and Budget Greeting Cards Limited**

In March 2019, the Company, through its subsidiary ACIL, completed the acquisition of 51% of the issued share capital of Budget Trading Limited and Budget Greeting Cards Limited, a design and wholesaler of greeting cards and associated gift products.

On the date of acquisition, £10,478,033 (\$18,284,167) was paid in satisfaction of the purchase price. The Company funded £5,310,000 (\$9,265,950) of this consideration.

Acquisition of Food Innovations Baking Group Limited

In May 2019, the Company, through its subsidiary ACIL, completed the acquisition of 51% of the issued share capital of Food Innovations Baking Group Limited, a manufacturer of edible and non-edible home baking products.


On the date of acquisition, £26,298,774 (\$44,813,979) was paid in satisfaction of the purchase price. The Company funded £11,809,341 (\$20,123,506) of this consideration.

Fundraising Relationship

Ardenton has partnered with a Canadian boutique investment firm to raise upwards to USD150 - 200 million (\$195 - \$260 million) from Canadian institutional investors in 2019. The fund was launched in January 2019. At the time these statements were finalized, USD30.2 million (\$39.5 million) has been raised through the fund. All raises constitute investment in the Company's preferred securities for the purpose of acquiring portfolio companies. For all amounts drawn down in connection with the fund, the Company must provide a summary description of the relevant Portfolio Company to which such drawdown notice relates including information on geography, industry and deal parameters. All amounts drawn down as preferred securities of the Company rank pari passu with all other unsecured preferred securities, ahead of all classes of common shares and subordinate to all indebtedness and secured preferred securities. The Company has undertaken to provide regular reporting to the firm including investment information and valuation reports (if and when prepared).

Ardenton Capital Corporation

Non-consolidated statements
For the year ended December 31, 2019

This is Exhibit "E" referred to in the
Affidavit of J. Livingstone
sworn (or affirmed) before me at
Vancouver, B.C.
this 2 day of March 2021.

A Commissioner/Notary Public for the
Province of British Columbia

Independent auditor's report

To the Directors of
Ardenton Capital Corporation

Opinion

We have audited the non-consolidated financial statements of **Ardenton Capital Corporation** [the "Company"], which comprise the non-consolidated balance sheet as at December 31, 2019, and the non-consolidated statement of net loss, non-consolidated statement of changes in shareholders' deficiency and non-consolidated statement of cash flows for the year then ended, and notes to the non-consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the non-consolidated financial position of the Company as at December 31, 2019, and its non-consolidated results of operations and its non-consolidated cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the non-consolidated financial statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the non-consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the non-consolidated financial statements

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the non-consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the non-consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-consolidated financial statements.



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As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the non-consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit

Vancouver, Canada
April 14, 2020

Ernst & Young LLP

Chartered Professional Accountants



ARDENTON CAPITAL CORPORATION

Non-Consolidated Balance Sheet

As at	31-Dec-19	31-Dec-18
Assets		
Current		
Cash	2,495,973	12,729,624
Receivables	544,109	5,762,021
Prepaid expenses and deposits	544,440	476,059
Total current assets	3,584,522	18,967,704
Due from related parties <i>[note 14]</i>	223,247,368	72,288,676
Due from shareholder <i>[note 14]</i>	473,036	409,569
Investments <i>[note 4]</i>	403,334	403,334
Investment in subsidiaries <i>[note 6]</i>	27,960,997	27,864,084
Investment in joint ventures <i>[note 7]</i>	-	25
Equipment <i>[note 10]</i>	1,523,856	1,285,226
Total assets	257,193,113	121,218,618
Liabilities and Shareholders' Deficiency		
Liabilities		
Current		
Payables and accruals	4,588,196	4,539,040
Due to related parties <i>[note 14]</i>	81,923,122	17,423,829
Current portion of long-term debt <i>[note 12]</i>	4,763,552	2,384,045
Current portion of redeemable preferred shares and securities <i>[note 13]</i>	5,675,000	8,024,000
Total current liabilities	96,949,870	32,370,914
Long term debt <i>[note 12]</i>	-	6,351,438
Hybrid securities <i>[note 13]</i>	39,872,299	9,586,115
Redeemable preferred shares and securities <i>[note 13]</i>	220,128,453	151,692,780
Total liabilities	356,950,622	200,001,247
Share capital <i>[note 15]</i>	21,105,739	16,228,085
Share Based Compensation	179,738	-
Warrants	4,923,397	-
Deficit	(125,966,383)	(95,010,714)
Total Deficiency	(99,757,509)	(78,782,629)
Total liabilities and shareholders' deficiency	257,193,113	121,218,618

Approved and authorized for issue on April 14, 2020



 James Livingstone, Director

ARDENTON CAPITAL CORPORATION
Non-Consolidated Statement of Loss

For the year ended	31-Dec-19	31-Dec-18
Revenue		
Dividends <i>[note 14]</i>	-	1,568,934
Interest income <i>[note 14]</i>	7,132,472	3,401,691
Management fee <i>[note 14]</i>	3,659,437	2,244,014
Miscellaneous	1,175	6,163
	<u>10,793,084</u>	<u>7,220,802</u>
Expenses		
Salaries and benefits	2,266,144	2,877,970
Advertising and promotion	84,814	112,150
Consulting fees	24,656	652,188
Management fees <i>[note 14]</i>	60,000	251,500
Office and miscellaneous	1,382,236	638,662
Professional fees	358,285	438,835
Rent and utilities	170,492	183,014
	<u>4,346,627</u>	<u>5,154,319</u>
	-	-
Income before undernoted	<u>6,446,457</u>	<u>2,066,483</u>
Other		
Transaction costs <i>[note 14]</i>	13,093,665	10,004,694
Amortization of equipment <i>[note 10]</i>	325,109	306,271
Amortization of share and debt issuance costs <i>[note 13]</i>	1,442,295	1,196,991
Foreign exchange (gain)/loss in operations <i>[note 11]</i>	(4,854,679)	4,139,198
Foreign exchange (gain)/loss on intercompany loans <i>[note 11]</i>	(576,404)	(2,076,234)
(Gain)/loss on disposal of investments <i>[note 9]</i>	-	(4,383,720)
Interest on loans payable	-	88,996
Interest and dividends on redeemable preferred shares and securities <i>[note 13]</i>	26,399,047	17,088,844
Interest on hybrid securities	1,573,093	-
	<u>37,402,126</u>	<u>26,365,040</u>
	-	-
Net Loss for the year	<u>(30,955,669)</u>	<u>(24,298,557)</u>

ARDENTON CAPITAL CORPORATION

Non-Consolidated Statement of Changes in Shareholders' Deficiency

For the year ended	31-Dec-19	31-Dec-18
Share Capital <i>[note 15]</i>		
Balance, beginning of year	16,228,085	1,989,543
Issued/(redeemed) during the year	<u>4,877,654</u>	<u>14,238,542</u>
Balance, end of year	<u>21,105,739</u>	<u>16,228,085</u>
Deficit		
Balance, beginning of year	(95,010,714)	(56,913,347)
Other	-	(13,798,810)
Net loss	<u>(30,955,669)</u>	<u>(24,298,557)</u>
Balance, end of year	<u>(125,966,383)</u>	<u>(95,010,714)</u>
Warrants		
Balance, beginning of year	-	-
Issued during the year	<u>4,923,397</u>	<u>-</u>
Balance, end of year	<u>4,923,397</u>	<u>-</u>
Share based compensation		
Balance, beginning of year	-	-
Amortization of Awards during year	<u>179,738</u>	<u>-</u>
Balance, end of year	<u>179,738</u>	<u>-</u>
Total (Deficiency)	<u>(99,757,509)</u>	<u>(78,782,629)</u>

ARDENTON CAPITAL CORPORATION

Non-Consolidated Statement of Cash Flows

For the year ended	31-Dec-19	31-Dec-18
Operating Activities		
Net loss	(30,955,669)	(24,298,557)
<i>Adjustments for items not affecting cash:</i>		
Amortization of equipment	325,109	306,271
Foreign exchange (gain)/loss	(4,854,679)	2,062,964
Amortization of share and debt issuance costs	1,442,295	1,196,991
Loss/(gain) on disposal of investments	-	(4,383,720)
Share based compensation	179,738	-
	(33,863,207)	(25,116,051)
 <i>Change in non-cash working capital</i>		
Amounts receivable	5,217,912	(5,157,782)
Prepaid expenses and deposits	(68,381)	(127,927)
Amounts payable and accrued liabilities	49,156	2,971,870
	(28,664,520)	(27,429,890)
 Investing Activities		
Purchase of equipment	(563,843)	(197,811)
Sale/(purchase) of investments	-	5,683,375
Due from shareholder	(63,467)	(409,569)
	(627,310)	5,075,995
 Financing Activities		
Repayments to related parties	(88,375,879)	(31,502,299)
Issuance of common shares	4,877,654	15,000,002
Advances (repayments) of short-term debt	2,379,507	(3,379,123)
Advances (repayments) of long-term debt	(6,351,438)	-
Repurchase of share capital	-	(5,823,652)
Issuance of redeemable preferred shares and securities	78,341,878	52,076,548
Issuance of hybrid securities	36,212,940	9,586,115
Redemption of redeemable preferred shares and securities	(7,674,000)	(3,400,000)
	19,410,662	32,557,591
 Foreign exchange effect on cash balances	 (352,484)	 124,727
 Net (decrease) increase in cash	 (10,233,651)	 10,328,423
Cash, beginning	12,729,624	2,401,201
 Cash, ending	 2,495,973	 12,729,624

Ardenton Capital Corporation

Notes to non-consolidated financial statements

December 31, 2019

1. Nature of business

Ardenton Capital Corporation [the "Company"] was formed as a result of the amalgamation described in note 5 and is a private business investment company with a diversified portfolio of private companies. The company acquires majority positions in cash flow generating companies and works closely with them to achieve long term business growth.

2. Significant accounting policies

[a] Basis of preparation

These non-consolidated financial statements were prepared in accordance with Part II of the *CPA Canada Handbook – Accounting, "Accounting Standards for Private Enterprises" ["ASPE"]*, which sets out generally accepted accounting principles for non-publicly accountable enterprises in Canada and includes the significant accounting policies described hereafter.

[b] Significant accounting estimates

The preparation of these non-consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the non-consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Actual outcomes could differ from these estimates. These non-consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the non-consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future that management has made and other sources of estimation uncertainty at the end of the reporting period that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- [i] the carrying values of the investments in subsidiaries;
- [ii] the carrying values of the investments in joint ventures;
- [iii] the collectability of amounts due from related parties; and

Critical accounting judgments

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments. The Company made the following critical accounting judgment:

- [i] the determination that the Company operates on a going concern basis.

The Company completes an annual forecast to determine cash flows required for future operations and utilizes the forecast as a basis for going concern analysis

[c] Current and non-current classification

Assets and liabilities are generally classified as current if expected to be realized or settled within twelve months following the reporting date. Loans, receivables, payables, related party transactions and preferred shares and

Ardenton Capital Corporation

Notes to non-consolidated financial statements

December 31, 2019

securities are included in current assets or liabilities, except when maturities are greater than twelve months after the end of the reporting period, which results in classification as non-current assets or liabilities.

[d] Foreign currency

The Company's functional and presentation currency is the Canadian dollar.

Accounts stated in foreign currencies are translated according to the temporal method. Under this method, monetary assets and liabilities are translated into Canadian dollars at the exchange rate in effect at the non-consolidated balance sheet date, and non-monetary items are translated at the prevailing historical rate at the time of the transaction. Revenue and expenses arising from foreign currency transactions are translated into Canadian dollars at the exchange rate in effect at the transaction date. The exchange gains or losses resulting from foreign currency transactions are included in net income.

[e] Cash

Cash consist primarily of cash held at banks and other short-term highly liquid investments with original maturities of three months or less and are subject to immaterial interest rate or credit risk.

[f] Equipment

Recognition and measurement

On initial recognition, equipment is valued at cost, being the purchase price and directly attributable costs of acquisition or construction required to bring the asset to the location and condition necessary to be capable of operating in the manner intended by the Company, including appropriate borrowing costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognized within provisions.

Equipment is subsequently measured at cost less accumulated amortization, less any accumulated impairment losses. When parts of an item of equipment have different useful lives, they are accounted for as separate items [major components] of equipment.

Subsequent costs

The cost of replacing part of an item of equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its costs can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of equipment are recognized in the Company's profit or loss as incurred.

Amortization

Amortization is included in profit or loss on a straight-line basis over the estimated useful life of the assets as follows:

Computer equipment	5 years straight-line
Office equipment	5 years straight-line
Leasehold improvements	over the term of the lease

Amortization methods, useful lives and residual values are reviewed at each financial year end and adjusted prospectively if necessary.

Ardenton Capital Corporation

Notes to non-consolidated financial statements

December 31, 2019

Impairment

Property and equipment is tested for recoverability whenever events or changes in circumstance indicate that their carrying amounts may not be recoverable. Impairment loss is recognized when the carrying amount of an asset is not recoverable and exceeds its fair value.

Derecognition

Upon sale or abandonment, the cost of the property and equipment and related accumulated amortization, are removed from the accounts and any gains or losses thereon are included in profit or loss.

[g] Financial Instruments

Financial assets with fixed or determinable payments that are not quoted in an active market are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses and include cash, receivables, and note receivables, with the exception of amounts due from related parties and due from shareholders which are measured at carrying value.

Impairment of financial assets measured at amortized cost

Financial assets measured at amortized cost are assessed for indicators of impairment. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial asset have been impacted.

Other financial liabilities

Financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method and include payables and accruals, short- and long-term debt and redeemable preferred shares, securities and hybrid securities [note 14], with the exception of amounts due to related parties which are measured at carrying value.

[h] Share capital

The Company's common shares are classified as equity instruments. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

[i] Income taxes

The future income taxes method is used to account for income taxes. Under this method, future income taxes are recognized for the future income tax consequences attributable to differences between the financial statement carrying values of assets and liabilities and their respective income tax basis [temporary differences]. Future income tax assets and liabilities are measured using substantively enacted income tax rates expected to apply to taxable income in the years during which temporary differences are expected to be realized or settled. The effect on future income tax assets and liabilities of a change in tax rates is included in income in the period that includes the enactment date. A valuation allowance is provided to the extent that, in the opinion of management, it is more likely than not that future income tax assets will not be realized.

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[j] Revenue recognition

Dividend income is recognized in profit or loss on the date on which the right to receive payment is established when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably.

Interest is recognized using the effective interest method on a proportionate basis.

Management fees income is recorded as services are rendered when the amount of revenue, stage of completion of the work and costs incurred and required to complete the services can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Company.

[k] Redeemable preferred shares, securities and hybrid securities issuance costs

Costs directly attributable to the issuance of redeemable preferred shares, securities and hybrid securities are capitalized and amortized on a straight-line basis over 5 years, as the share and securities are redeemable and retractable after that time.

[l] Transaction costs

Transaction costs consist of, but are not restricted to, legal, tax, advisory, valuation, and other professional and consultant fees related to the due-diligence of deals, as well as an allocated portion of other expenses reasonably attributable to the activities of the Company related to acquisitions and are generally expensed as incurred.

[m] Share-based payments

Non-employees and senior management of the Company receive remuneration in the form of share-based payment transactions, whereby services are rendered as consideration for equity instruments [equity-settled transactions].

Services rendered by non-employees and senior management are measured at fair value and consideration is satisfied through the award of shares of the Company. When fair value of the shares is greater than the cash received, the difference is capitalized to share issuance costs and amortized over five years to the extent that services were provided with any excess being recorded as share-based compensation. When fair value of the shares is less than the cash received, the difference is credited to contributed surplus. Forfeitures are accounted for as incurred.

[n] Investments in subsidiaries and joint ventures

The Company recognizes its investments in subsidiaries and joint ventures at cost. Investments recognized at cost are subject to an impairment review when indicators of impairment are present. The Company uses a combination of internal and external indicators to identify circumstances where impairment testing is necessary at each non-consolidated balance sheet date and to assess whether there is objective evidence that one of its investments is impaired. If an impairment loss exists, then the loss is recognized in profit and loss.

3. Financial risk management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The directors approve and monitor the risk management processes. The type of risk exposure and the way in which such exposure is managed is provided as follows:

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Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Cash held by banks, receivables, payables and amounts due from related parties and shareholders are subject to credit risk. Credit risk associated with cash is managed by holding the investments in large Canadian financial institutions. Investment objectives are primarily directed towards preservation of capital and liquidity. The investment policy provides limitations on concentrations of credit risk, credit quality and the duration of investments, as well as minimum rating requirements for cash and cash equivalents held in banks and financial institutions. Amounts receivable are related to government remittances and management fees which are monitored and received on a quarterly basis. Repayment of the due from related parties amounts and the amount due from the Company's parent is dependent upon the financial performance of the Company's subsidiaries, joint ventures and other related parties.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the non-consolidated balance sheet as shown in the table below:

	2019	2018
	\$	\$
Cash	2,495,973	12,729,624
Receivables	544,109	5,762,021
Due from related parties	218,520,042	72,288,676
Due from shareholder	473,036	409,569

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. The Company ensures, as far as reasonably possible, it will have sufficient financial resources to meet short to medium term business requirements, after taking into account cash flows from operations and the Company's holdings of cash. The Company's cash is currently invested in business accounts which are available on demand. The Company's amounts payable and accrued liabilities have contractual maturities of less than 90 days. The Company's primary financial obligations relate to its redeemable preferred shares and securities which are managed through monitoring the repayment dates and monthly distribution payments and managing its cash flows accordingly. The Company's objective is to maintain sufficient available cash to fund ongoing operational and capital requirements. This is managed by maintaining accurate cashflow forecasts and reviewing payments due to ensure sufficient funds are available throughout the year. In addition to trade and other receivables, the Company has cash of \$2,495,973 at December 31, 2019 [2018 – \$12,729,624].

The Company is dependent on capital raises to fund operations and future acquisitions. The Company raises funds through the issuance of Preferred Securities, Hybrid securities and Common Shares. On an annual basis, the Company performs a budget to forecast future operations, acquisitions and capital raises. Management continues to identify and pursue new sources of financing to meet operating cash flow requirements. The Company believes that based on working capital as at December 31, 2019, combined with capital raises subsequent to year end and funding commitments, it will have sufficient capital to operate and service its financial obligations during the year ending December 31, 2020.

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Interest rate risk

Interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company monitors its interest rate exposure on an ongoing basis. The Company is exposed to interest rate risk on cash, non-interest-bearing related party amounts as well as its redeemable preferred shares and securities, which bear interest at fixed rates and are subject to redemption over the next five years.

Currency exchange rate risk

The Company holds monetary assets denominated in currencies other than the functional currency [the Canadian dollar]. It is therefore exposed to currency risk, as the value of the financial instruments denominated in other currencies will fluctuate due to the changes in exchange rates. Accordingly, the Company's cash flow is subject to currency exchange rate risk. The following table provides a summary of foreign currency denominated financial assets and liabilities.

	2019	2018
	\$	\$
US dollars		
Assets	802,737	11,489,362
Liabilities	133,157,823	49,465,222
Great British Pounds		
Assets	2,269	1,500
Liabilities	685,680	697,560

4. Investments

The Company holds a 3.29% equity investment in Regimen Equity Partners Limited Partnership without control or significant influence. The carrying value of this investment as at December 31, 2019 was \$403,333 [2018 – \$403,334].

5. Amalgamation

On January 2, 2018, in accordance with the Articles of Amalgamation dated January 2, 2018, an amalgamation was effected between the predecessor company of Ardenton Capital Corporation ["ACC"], and ACC's parent company, Livingstone Acquisitions Inc. ["LAI"]. Immediately after, ACC and LAI amalgamated and carried on business as Ardenton Capital Corporation ["Ardenton" or the "Company"].

The below tables illustrate the share structure of both entities immediately prior to the amalgamation, as well as the opening share structure of the amalgamated entity following the stated share transfers per the amalgamation agreement.

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Livingstone Acquisitions Inc. ["LAI"] share transfer on amalgamation

	Pre-amalgamation shares issued	Shares cancelled	Stated share exchange	Post amalgamation shares issued	Post amalgamation share class
Class A					
Class A shareholders	450,000	—	1.027052	462,173	A
Class B					
Class B shareholders	75,000	75,000	—	—	B

Ardenton Capital Corporation ["ACC"] - share transfer on amalgamation

	Pre-amalgamation shares issued	Shares cancelled	Stated share exchange	Post amalgamation shares issued	Post amalgamation share class
Class A					
Class A shareholders	22,086,500	20,006,500	0.026123	54,335	C
Class B					
Class B shareholders	325,000		0.026123	8,489	D

	No. of shares #	Value of shares \$
Outstanding common shares after amalgamation		
Class A	462,173	450
Class B	—	—
Class C	54,336	1,514,093
Class D	8,490	325,000
Total	524,999	1,839,543

The issued and outstanding shares of the Company held by LAI were deemed to have been cancelled for nil proceeds and the shares of LAI held by the Company were deemed to have been cancelled for nil proceeds, with any difference charged to the Company's deficit.

The amalgamation has been measured at the carrying amount. On amalgamation, all intercompany transactions have been eliminated. The non-consolidated financial statements of the amalgamated Company reflect the earnings, assets and liabilities of the combined businesses for the entire period in which the amalgamation occurred and for all prior periods. The balance sheets of the businesses immediately prior to amalgamation on January 2, 2018 are as follows:

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	ACC \$	LAI \$
Assets	62,144,181	2,896,294
Liabilities	127,561,026	31,372,380
Capital Stock	5,513,602	75,450
Retained earnings (deficit)	(59,903,243)	(28,400,635)

6. Investment in subsidiaries

All the entities in which the Company is directly invested are incorporated in Canada except for Ardenton Capital Limited (UK), Ardenton Capital Investments Limited (UK), and Ardenton Capital Inc. (USA). The Company holds investments directly or indirectly in the following entities:

	2019 %	2018 %
GO Plumbing and HVAC Services Ltd. ["Go Plumbing"]	100%	100%
Ardenton Partners Inc. ["API"] [amalgamation of Ardenton Partners Inc. ["API"], Ardenton Growth Partners. Inc. ["RCPA"]]	100	100
Ardenton Employees Equity Inc. ["AEE"] [previously Ardenton Capital Canada Inc.]	100	100
Ardenton Capital (Canada) Inc. ["ACA"] [amalgamation of Ardenton Capital (Canada) Inc. (previously Ardenton Investment Canada Inc.) and Ardenton Capital (Canada) Inc.]	100	100
Ardenton Equity Partners Inc. ["AEP"] [amalgamation of AEP, Ardenton Investment Inc. ["AII"] & Legacy Equity Partners One Inc.]	64	100
68% Owned by ACA [2018 – 68%]: The Pipe Yard Ltd. ["TPY"]	-	68
74.5% Owned by ACA [2018 – 70%]: OES Inc. ["OES"]	-	70

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	2019 %	2018 %
70% Owned by ACA [2018 – 70%]: Combat Networks Inc. ["Combat"]	-	70
75% Owned by ACA: Canadian Posters International Inc. ["CPI"]	-	NA
65% Owned by ACA: Stevenson Industrial Refrigeration Limited ["Stevenson"]	-	65
Ardenton Capital Limited ["ACL"]	100	100
Ardenton Capital [USA] Inc. [AUSA]	100	100
1971035 Ontario Inc. [the "Leone Group of Companies"]	-	51
Comtrad Strategic Sourcing Inc. [Comtrad]	90	90
Ardenton Financial Inc. [AFI]	100	100
Ardenton Capital Bridging Inc. [ACB]	100	100
Northwest Plastics Ltd. ["NPL"]	-	50

Ardenton Capital Corporation

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The Company's investments in subsidiaries recorded at cost consist of the following:

	2019	2018
	\$	\$
Ardenton Financial Inc.	200,000	1
Ardenton Capital Bridging	8,745,011	8,745,011
Leone Group of Companies	1,323,636	2,800,000
Ardenton Capital (Canada) Inc.	11,745,057	-
GO Plumbing and HVAC Services Ltd.	8	8
The Pipe Yard Ltd.	-	1,971,556
Ardenton Equity Partners Inc.	772,580	772,581
Stevenson Industrial Refrigeration Ltd.	617,500	1,235,000
Combat Networks Inc.	1,733,893	4,760,000
OES Inc.	2,823,150	6,440,000
Ardenton Capital Limited	161	161
Blakie Land Holdings	-	920,000
Combat Land Holdings	-	219,766
Other	1	-
	<u>27,960,997</u>	<u>27,864,084</u>

On April 1, 2018 Ardenton Capital Corporation elected to transfer 4,495 Class "A" Common shares in the capital of Comtrad and \$4,750,000 of preferred securities of Comtrad to Ardenton Capital Bridging Inc. ["ACB"] for consideration of 8,745,000 Class "A" common shares in ACB. Subsequent to the transfer date, any rights associated with the Class "A" Common shares and the \$4,750,000 of preferred securities were transferred to ACB.

On October 2, 2019, the common share ownership interest in the Leone Group of Companies, The Pipe Yard Ltd., Stevenson Industrial Refrigeration Ltd., Combat Networks Inc., OES Inc., LAI Blakie, Combat Land Holdings Inc. and The Pipe Yard Properties Ltd. were transferred to Ardenton Capital (Canada) Inc and received \$11,745,057 in shares as consideration. Subsequent to the transfer date, any rights associated with the above entities were transferred to ACA at cost. The Company retained its interest in the preferred shares of certain entities with a carrying amount equal to the values indicated in the table above.

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7. Investments in joint ventures

All of the joint venture interests in which the Company shares control of the investment are incorporated in Canada and the ownership interest of these are listed below:

	2019 %	2018 %
Northwest Plastics Ltd. ["NPL"] Principal business activity: the rotational molding of plastics parts and products. Principal place of business: Port Coquitlam, British Columbia	-	50
Pipe Yard Properties Inc. ["PYP"] Principal business activity: the sale of piling pipe to the construction industry Principal place of business: Blackfalds, Alberta	-	25

The value of the Company's investments in joint ventures recorded at cost consist of the following:

	2019 \$	2018 \$
PipeYard Properties Inc.	-	25
Total investments in joint ventures	-	25

The Company transferred its stake in PYP on October 1, 2019 to its wholly owned subsidiary Ardenton Capital (Canada) Inc. The Company sold its stake in NPL to the other shareholders on January 16, 2019 for total consideration of \$1[*note 10*].

8. Business acquisitions

2019 acquisitions

[a] Acquisition of BGC Group of companies

On March 5, 2019, the Company's wholly owned subsidiary, ACIL, through its subsidiary ACIL acquired 100% of the outstanding shares of BGC Investco Limited.

On March 5, 2019, BGC Investco acquired 51% of the issued share capital of BGC Bidco for cash consideration of £19,271,000 [\$33,821,000].

The Company issued loan notes in the amount of £5,443,999 [\$9,554,218] to ACIL in order to facilitate the acquisition. These loan notes are recorded as a Due from Related Party balance as at December 31, 2019.

[b] Acquisition of the FIBG Group of companies

On May 2, 2019, the Company's wholly owned subsidiary, ACIL, through its subsidiary ACIL acquired 51% of the outstanding shares of FIBG HoldCo.

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On May 30, 2019, FIBG HoldCo acquired 100% of the issued share capital of FIBG Limited for cash consideration of £25,001,000 [\$42,602,000].

The Company issued loan notes in the amount of £11,704,624 [\$19,944,679] to ACIL in order to facilitate the acquisition. These loan notes are recorded as a Due from Related Party balance as at December 31, 2019.

[c] Acquisition of Pebbles Group of companies

On November 8, 2019, the Company's wholly owned subsidiary, ACIL, through its subsidiary ACIL acquired 96.23% of the outstanding shares of ACHL.

On November 8, 2019, ACHL acquired 100% of the issued share capital of Pebbles Holdco for cash consideration of £35,571,000 [\$60,168,000].

[d] Acquisition of Canadian Posters Inc.

On December 20, 2019, 2718653 Ontario Inc. ("CPI Acquireco"), which was 75% owned by the Company's wholly owned subsidiary ACA, acquired 100% of the issued and outstanding shares of CPI for cash consideration of \$48,390,000. On the same day, CPI Acquireco and CPI were amalgamated and commenced operations as CPI. After the amalgamation, the Company through its subsidiary ACA continues to own 75% of CPI.

The Company issued loan notes in the amount of \$23,250,000 to ACA in order to facilitate the acquisition. These loan notes are recorded as a Due from Related Party balance as at December 31, 2019.

2018 Acquisitions

[a] Acquisition of Achieve 1

On March 5, 2018, the Company's wholly owned subsidiary ACB through its subsidiary, AUSA, acquired 70% of the issued and outstanding shares of A1 Holdings for cash consideration of USD14,265,000 [\$18,420,000]. The Company funded USD9,975,000 [\$13,006,000] of this consideration which is recorded as a due from related party balance.

The Company issued loan notes in the amount of USD9,975,000 [\$13,006,000] to AUSA in order to facilitate the acquisition. These loan notes are recorded as a Due from Related Party balance as at December 31, 2018.

[b] Acquisition of PP Controls

On June 7, 2018, the Company's wholly owned subsidiary ACL, through its subsidiaries ACIL completed the acquisition of 85% of the issued share capital of PP HoldCo for consideration of £13,386,000 [\$23,314,000]. The Company funded £7,085,000 [\$12,340,000] of this consideration which is recorded as a due from related party balance.

The Company issued loan notes in the amount of £7,085,000 [\$12,340,000] to ACIL in order to facilitate the acquisition. These loan notes are recorded as a Due from Related Party balance as at December 31, 2018.

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[c] Acquisition of Shaftec

On November 30, 2018, the Company's wholly owned subsidiary ACL, through its subsidiaries ACIL, Shaftec TopCo and Shaftec HoldCo completed the acquisition of 60% of the issued share capital of SACHL, for consideration of £10,434,000 [\$17,689,000]. The Company funded £4,187,000 [\$7,098,000] of this consideration which is recorded as a due from related party balance.

The Company issued loan notes in the amount of £4,187,000 [\$7,098,000] to ACIL in order to facilitate the acquisition. These loan notes are recorded as a Due from Related Party balance as at December 31, 2018.

9. Disposal of investments

On January 16, 2019, the Company sold its 50% interest in NPL back to NPL for \$1. The Company's total investment in NPL was \$625,100, and the resulting loss on sale was \$625,099. Prior to December 31, 2018, the Company was actively negotiating with its partner to divest of its interest in NPL, and this transaction and its quantum were reasonably assured.

10. Equipment

	2019		
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Computer equipment	488,336	249,586	238,750
Office equipment	1,091,650	344,841	746,809
Leasehold improvements	779,852	241,555	538,297
	2,359,838	835,982	1,523,856
	2018		
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Computer equipment	327,484	114,437	213,047
Office equipment	389,026	165,979	223,047
Leaschold improvements	1,079,485	230,532	849,132
	1,795,995	510,948	1,285,226

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11. Foreign exchange gains and losses

Realized foreign exchange gains and losses are gains and losses that have been converted into cash, while unrealized gains relate to non-cash financial assets and liabilities denominated in foreign currencies.

	2019 \$	2018 \$
Realized	(576,404)	155,056
Unrealized	(4,854,679)	(4,294,254)
	<u>(5,431,083)</u>	<u>(4,139,198)</u>

12. Long-term debt

The Company had the following Debt obligations:

	2019 \$	2018 \$
Ardenton Capital Corporation		
Note payable bearing 0% interest repayable in semi-annual installments of \$1,587,860 due December 31, 2020. The Company agreed with the counterparty to defer payment of the amount due on December 31, 2019 to January 30, 2020	4,763,552	6,351,438
Note payable bearing 0% interest, repayable in five equal payments of \$794,680 with final payment made April 15, 2019.	-	2,384,040
Total long-term debt	-	8,735,478
Less current portion	4,763,552	(2,384,045)
Non-current portion of long-term debt	-	<u>6,351,433</u>

13. Redeemable preferred shares and securities

Preferred shares	Authorized	Preferential cumulative annual dividend %	Issue price per security \$	Redemption term
Series A	Unlimited	12.0	10	On request, 5 years
Series B	Unlimited	12.0	10	On request, 5 years
Series C	Unlimited	12.0	10	On request, 5 years

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Preferred securities	Preferential cumulative annual interest %	Issue price per security \$	Redemption term
Series I	14.0	10	On request, 5 years
Series II	10.0	1,000	On request, 2 years
Series III	14.0	10	On request, 5 years
Series IV	10.0	1,000	On request, 3 years
Series V	12.9	1,000	On request, 5 years
Series VI	12.0	1,000	On request, 3 years
Series VII	14.0	1,000	On request, August 31, 2020

Hybrid Securities	Preferential cumulative annual interest %	Issue price per security \$
Series I [2018]	8.0	1,000
MBI Series	8.4	1,000
Series I [2019]	9.0	1,000

The Series I preferred securities are also issued in United States Dollars at the rate of 10 foreign currency units per security. The Series V preferred securities are also issued in United States Dollars and British Pounds at the rate of 1,000 foreign currency units per security. Preferred securities issued in foreign currencies are translated to Canadian dollars on the date of issuance and the value of the securities are recalculated based on the spot rate at each reporting date. Changes in value as a result of foreign currency fluctuations are recorded in the statement of net income (loss).

All shares and securities are redeemable at the option of the holder, at the issue price plus all accrued and unpaid interest and dividends, on the term anniversary of the issue date. Redemptions can be demanded for up to 25% of the outstanding balance. The remaining balance can be redeemed up to a further 25% per year in the three years succeeding the term anniversary date. The Company may, at any time after the term anniversary date of the issue date, redeem any outstanding preferred shares or securities by paying the holder of the shares or securities the issue price plus any outstanding dividends calculated to the date of redemption.

Dividends and interest on preferred shares and preferred securities are payable in equal monthly instalments. \$27,972,140 [2018 – \$17,088,844] was paid in interest and dividends on redeemable preferred shares and securities during the year ended December 31, 2019.

Issuance of Hybrid Security units

During the year ended December 31, 2019, the Company issued new securities in the form of the Series 1 [2019] Units. These Hybrid securities include both a debenture and warrant element. The debentures are redeemable at the option of the holder or issuer at par after 5 years.

The warrants attached to the debentures expire 8 years after the hybrid security issuance and can be redeemed by way of put options available in 2025 [year 6] or 2027 [year 8]. The debenture redeemable amount is the issue price plus all accrued and unpaid interest and dividends at the date of redemption.

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Upon exercise, Warrants convert to 1.46 Class F non-voting common share of the Company at an exercise price of \$255.78 per share and rank pari passu with other common shareholders.

The table below sets out the change in the preferred shares, preferred securities and hybrid securities outstanding:

2019

No. of shares/securities	Opening balance	Issued	Redeemed	Closing balance
Series A [CAD]	2,500	-	2,500	-
Series B [CAD]	-	-	-	-
Series C [CAD]	157,400	-	157,400	-
Series I [CAD]	5,523,819	-	332,500	5,191,319
Series I [USD]	1,826,800	-	-	1,826,800
Series II [CAD]	950	-	950	-
Series III [CAD]	-	-	-	-
Series IV [CAD]	750	-	300	450
Series V [CAD]	15,056	-	-	15,056
Series V [USD]	5,600	-	-	5,600
Series V [GBP]	400	-	-	400
Series VI [CAD]	1,850	-	1,500	350
Series VII [CAD]	4,000	-	-	4,000
Series I – 2018 [5 Year] [CAD]	6,050	6,000	-	12,050
Series I – 2018 [5 Year] [USD]	15,798	4,225	-	20,023
Series I – F – 2018 [5 Year] [CAD]	-	-	-	-
Series I – F – 2018 [5 Year] [USD]	13,400	250	-	13,650
Series I – F – 2018 [3 Year] [USD]	3,500	250	-	3,750
Series I [CAD, 2018] Hybrid [CAD]	5,425	7,105	-	12,350
Series I [2018] Hybrid [USD]	3,050	3,800	-	6,850
Series I [CAD, 2019] Hybrid [CAD]	-	1,250	-	1,250
Series I - 2019 (5 Year) [CAD]	-	8,590	-	8,590
Series I - 2019 (5 Year) [USD]	-	4,750	-	4,750
Series I - 2019 (3 Year) [CAD]	-	750	-	750
Series I - 2019 (3 Year) [USD]	-	500	-	500
Series I - 2019 (5 Year) Notes (USD)	-	37,800	-	37,800
MBI Series [USD, 2018] Hybrid [USD]	-	-	-	-
Notes	-	17,000	-	17,000
Series II - 2018 (5 Year) CAD	-	230	-	230
	7,586,348	92,500	495,150	7,183,698

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2018

No. of shares/securities	Opening balance	Issued	Redeemed	Closing balance
Series A [CAD]	40,500	—	(38,000)	2,500
Series B [CAD]	97,000	—	(97,000)	—
Series C [CAD]	277,400	—	(120,000)	157,400
Series I [CAD]	5,523,819	—	—	5,523,819
Series I [USD]	1,826,800	—	—	1,826,800
Series II [CAD]	1,800	—	(850)	950
Series III [CAD]	—	—	—	—
Series IV [CAD]	750	—	—	750
Series V [CAD]	12,463	2,593	—	15,056
Series V [USD]	4,850	954	—	5,600
Series V [GBP]	400	—	—	400
Series VI [CAD]	1,850	—	—	1,850
Series VII [CAD]	4,000	—	—	4,000
Series I – 2018 [5 Year] [CAD]	—	6,050	—	6,050
Series I – 2018 [5 Year] [USD]	—	15,798	—	15,798
Series I – F – 2018 [5 Year] [CAD]	—	—	—	—
Series I – F – 2018 [5 Year] [USD]	—	13,400	—	13,400
Series I – F – 2018 [3 Year] [USD]	—	3,500	—	3,500
Series I [CAD, 2018] Hybrid [CAD]	—	5,425	—	5,425
Series I [2018] Hybrid [USD]	—	3,050	—	3,050
	<u>7,791,632</u>	<u>62,146</u>	<u>(340,000)</u>	<u>7,586,348</u>

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2019

Value of shares [CAD\$]	Opening balance	Issued	Redeemed	FX adjustment	Closing balance
Series A [CAD]	25,000	-	(25,000)	-	-
Series B [CAD]	-	-	-	-	-
Series C [CAD]	1,574,000	-	(1,574,000)	-	-
Series I [CAD]	55,238,190	-	(3,325,000)	-	51,913,190
Series I [USD]	24,921,206	-	-	(1,048,584)	23,872,622
Series II [CAD]	950,000	-	(950,000)	-	-
Series III [CAD]	-	-	-	-	-
Series IV [CAD]	750,000	-	(300,000)	-	450,000
Series V [CAD]	15,056,000	-	-	-	15,056,000
Series V [USD]	7,639,520	-	-	(321,440)	7,318,080
Series V [GBP]	697,560	-	-	(11,880)	685,680
Series VI [CAD]	1,850,000	-	(1,500,000)	-	350,000
Series VII [CAD]	4,000,000	-	-	-	4,000,000
Series I – 2018 [5 Year] [CAD]	6,050,000	6,000,000	-	-	12,050,000
Series I – 2018 [5 Year] [USD]	21,551,632	5,567,683	-	(953,258)	26,166,057
Series I – F – 2018 [5 Year] [CAD]	-	-	-	-	-
Series I – F – 2018 [5 Year] [USD]	18,280,215	328,875	-	(771,270)	17,837,820
Series I – F – 2018 [3 Year] [USD]	4,774,700	-	-	125,000	4,900,500
Series I [2018] Hybrid [CAD]	5,425,000	7,105,000	-	-	12,530,000
Series I [2018] Hybrid [USD]	4,161,115	7,049,690	-	184,491	11,395,296
Series I [CAD, 2019] Hybrid [CAD]	-	1,250,000	-	-	1,250,000
Series I - 2019 (5 Year) [CAD]	-	8,590,000	-	-	8,590,000
Series I - 2019 (5 Year) [USD]	-	6,291,995	-	(868,775)	5,423,220
Series I - 2019 (3 Year) [CAD]	-	750,000	-	-	750,000
Series I - 2019 (3 Year) [USD]	-	659,125	-	(5,725)	653,400
Series I - 2019 (5 Year) Notes (USD)	-	49,924,200	-	(527,160)	49,397,040
MBI Series [USD, 2018] Hybrid [USD] Notes	-	20,808,250	-	(1,036,366)	19,771,884
Series II - 2018 (5 Year) CAD	-	230,000	-	-	230,000
Unamortized issuance costs	(3,641,243)	-	-	-	-
Unamortized Issuance costs – Hybrid series	-	-	-	-	(5,074,881)
	169,302,895	114,554,818	(7,674,000)	(5,234,167)	265,675,752

Represented as:

Current portion of redeemable preferred shares and securities
 Redeemable preferred shares and securities

5,675,000
220,128,453

Ardenton Capital Corporation

Notes to non-consolidated financial statements

December 31, 2019

Value of shares [CAD\$]	Opening balance	Issued	Redeemed	FX adjustment	Closing balance
Redeemable hybrid securities					<u>39,872,299</u>

2018

Value of shares [CAD\$]	Opening balance	Issued	Redeemed	FX adjustment	Closing balance
Series A [CAD]	405,000	—	(380,000)	—	25,000
Series B [CAD]	970,000	—	(970,000)	—	—
Series C [CAD]	2,774,000	—	(1,200,000)	—	1,574,000
Series I [CAD]	55,238,190	—	—	—	55,238,190
Series I [USD]	22,917,206	—	—	2,004,000	24,921,206
Series II [CAD]	1,800,000	—	(850,000)	—	950,000
Series III [CAD]	—	—	—	—	—
Series IV [CAD]	750,000	—	—	—	750,000
Series V [CAD]	12,463,000	2,593,000	—	—	15,056,000
Series V [USD]	6,084,325	954,425	—	600,770	7,639,520
Series V [GBP]	678,440	—	—	19,120	697,560
Series VI [CAD]	1,850,000	—	—	—	1,850,000
Series VII [CAD]	4,000,000	—	—	—	4,000,000
Series I – 2018 [5 Year] [CAD]	—	6,050,000	—	—	6,050,000
Series I – 2018 [5 Year] [USD]	—	20,727,310	—	824,322	21,551,632
Series I – F – 2018 [5 Year] [CAD]	—	—	—	—	—
Series I – F – 2018 [5 Year] [USD]	—	17,551,823	—	728,392	18,280,215
Series I – F – 2018 [3 Year] [USD]	—	4,683,800	—	90,900	4,774,700
Series I [2018] Hybrid [CAD]	—	5,425,000	—	—	5,425,000
Series I [2018] Hybrid [USD]	—	4,161,115	—	—	4,161,115
Unamortized issuance costs	(4,351,530)	—	—	—	(3,641,243)
	<u>105,578,631</u>	<u>62,146,473</u>	<u>(3,400,000)</u>	<u>4,267,504</u>	<u>169,302,895</u>

Represented as:

Current portion of redeemable preferred shares and securities	<u>8,024,000</u>
Redeemable preferred shares and securities	<u>151,692,780</u>
Redeemable hybrid securities	<u>9,586,115</u>

Ardenton Capital Corporation

Notes to non-consolidated financial statements

December 31, 2019

14. Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

As disclosed in notes 6 and 7, the Company has several subsidiaries and joint ventures. These are therefore related parties with amounts recorded in the financial statements as outlined below:

Due from related parties	2019	2018
	\$	\$
Ardenton Capital Investments Limited	108,118,668	42,231,761
Ardenton Capital (USA) Inc.	17,400,516	18,234,532
Ardenton Equity Partners Inc.	4,293,968	4,201,886
Ardenton Capital (Canada) Inc.	25,592,731	-
Ardenton Employee Equity Inc.	4,727,326	-
Go Plumbing & HVAC	1,700,755	1,710,660
Ardenton Partners Inc.	27,148,213	13,426
Ardenton Growth Partners	-	1,135,485
Stevenson Industrial Refrigeration Ltd.	904,651	874,432
Combat Land Holdings	13,412	-
Leone Group of companies	-	790
Ardenton Financial Inc.	327,169	1,743,318
The Pipe Yard	1,232,800	1,151,433
Ardenton Capital Bridging	31,768,035	-
Ardenton Capital Bridging 2.	-	971,844
Other related parties	19,124	19,109
Total due from related parties	223,247,368	72,288,676

Due from shareholder

	2019	2018
	\$	\$
Livingstone Holdings Inc.	473,036	409,569
Total due from shareholder	473,036	409,569

The amount due from Stevenson bears interest at 5% per annum and is due on demand. The amounts due from ACIL bear interest at 12% per annum with the entire amount due to be repaid on the fifth anniversary and some due to be paid on the tenth anniversary of the loan note. All amounts due from related parties or shareholder are non-interest bearing and without specific terms of repayment.

Ardenton Capital Corporation

Notes to non-consolidated financial statements

December 31, 2019

	2019 \$	2018 \$
Due to related parties		
Subsidiaries		
Ardenton Equity Partners Inc.	4,266,667	4,266,667
Ardenton Investment Inc.	90,458	-
Ardenton Growth Partners	26,048,442	—
Ardenton Capital (USA) Inc.	1,624,891	—
The Pipe Yard Ltd.	81,368	—
Ardenton Capital Bridging Inc.	47,362,711	12,785,724
Blakie Land Holdings	430,000	357,383
Combat Land Holdings	53,042	14,000
Ardenton Financial Inc.	354,294	—
Ardenton Capital (Canada) Inc.	1,611,193	—
Other	56	56
Total due to related parties	81,923,122	17,423,830

All amounts due to related parties are non-interest bearing and without specific terms of repayment.

During the year, the Company had the following transactions with related parties:

	2019 \$	2018 \$
Dividend revenue		
Subsidiaries		
TVE Industrial	-	723,334
Interpro Technical Services Limited	-	500,000
The Pipe Yard Ltd.	-	345,600
	-	1,568,934

Ardenton Capital Corporation

Notes to non-consolidated financial statements

December 31, 2019

	2019	2018
	\$	\$
Interest income		
Subsidiaries		
Ardenton Capital Investments Limited.	6,179,848	2,170,540
Stevenson Industrial Refrigeration Ltd.	97,659	97,659
Combat Networks Inc.	223,672	239,326
OES Inc.	379,259	95,594
Leone Group of Companies	185,310	185,309
Comtrad Strategic Sourcing Inc.	-	75,545
TVE Industrial Services Inc	-	186,664
Other	66,724	351,055
	<u>7,132,472</u>	<u>3,401,692</u>

	2019	2018
	\$	\$
Management fee revenue		
Subsidiaries		
Combat Networks Inc.	150,000	125,000
OES Inc.	130,000	110,000
Leone Group of Companies	75,000	75,000
Comtrad Strategic Sourcing Inc.	150,000	150,000
Ardenton Financial Inc.	1,500,000	-
Ardenton Capital (USA) Inc.	890,110	1,133,404
Ardenton Capital Investments Limited	764,327	650,610
	<u>3,659,437</u>	<u>2,244,014</u>

	2019	2018
	\$	\$
Expenses		
Subsidiaries		
The Pipe Yard Ltd.	-	1,008
Stevenson Industrial Refrigeration Ltd.	-	-
Combat Networks Inc.	-	32,464
OES Inc.	-	20,699
Leone Group of Companies	-	-
Comtrad Strategic Sourcing Inc.	-	3,661
Other parties		
Livingstone Holdings Inc. [Management fees]	240,000	251,500
	<u>240,000</u>	<u>309,332</u>

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. The management fees of \$240,000 are allocated \$60,000 to management fee operating expense and \$180,000 to transaction costs.

Ardenton Capital Corporation

Notes to non-consolidated financial statements

December 31, 2019

15. Share capital

Authorized

Unlimited Class A voting common shares
 Unlimited Class B non-voting common shares
 Unlimited Class C voting common shares
 Unlimited Class D non-voting common shares
 Unlimited Class E series 1 and 2 common shares
 Unlimited Class G common shares

Issued

	2019	2018
	\$	\$
462,173 Class A common shares	450	450
32,393 Class C common shares	902,633	902,633
8,489 Class D common shares	325,000	325,000
82,841 Class E series 1 common shares	15,000,002	15,000,002
587 Class E series 2 common shares	150,328	-
18,482 Class G common shares	4,727,326	-
	21,105,739	16,228,085

As part of the Amalgamation dated January 2, 2018 between ACC and LAI, the issued share capital of the pre-amalgamated entities was restructured [note 5].

Prior to the amalgamation, the Company agreed to purchase 75,000 Common Non-Voting shares of LAI and 150,000 Class B Non-Voting shares of ACC. The purchase was effected on January 1, 2018. Per the agreement the Company will pay the previous shareholders an aggregate purchase consideration of \$10,585,730. This consideration will be settled through bi-annual installments with the final payment owing on 31 December 2020.

During the year ended December 31, 2018, the Company also repurchased 21,945 Class C common shares for consideration of \$3,973,400 in accordance with the holder's put option that was exercised.

During 2018, the Company started to issue a new class of shares, Class E common shares. These shares will have no dividend distributions during the first 5 years and are redeemable by the holder, or the issuer, after the 5th anniversary at the then fair market value based on a third-party equity valuation.

At any time on or after Dec. 1, 2021, any Class A and C shareholder has the right by notice to the Company requiring the Company to repurchase all of his/her shares at the then fair market value.

Commencing Jan. 1, 2021, on an annual basis, any Class D shareholder has the right to sell to the Company all of his/her shares at the then fair market value during a "Put Notice Delivery Period" of 60 days commencing on May 1 of that year.

Ardenton Capital Corporation

Notes to non-consolidated financial statements

December 31, 2019

Class E shareholders can redeem shares held on a biennial basis during a "Redemption Period" commencing on the fifth anniversary of the share issuance date.

Class G common shares - Restricted Share Awards

The fair value of restricted share awards is estimated by Class E series 2 common shares. Restricted stock activity during the years ended December 31, 2019 are as follows:

	Number of Shares	Year Ended December 31, 2019 Weighted-Average Grant- Date Fair Value per Share
Non-vested, beginning of period	-	-
Granted	18,482	255.78
Vested	-	-
Cancelled and forfeited	-	-
Non-vested, at end of period	18,482	255.78

Awards are being amortized to expense over the vesting period. 20% of the Restricted Shares will become vested on January 1st of the year in which the third anniversary of the Award Date occurs. 30% of the Restricted Shares will become vested on January 1st of the year in which the fourth anniversary of the Award Date occurs. 50% of the Restricted Shares will become vested on January 1st of the year in which the fourth anniversary of the Award Date occurs.

16. Income taxes

The Company has accumulated losses of \$58,616,366 for income tax purposes which may be deducted in the calculation of taxable income in future years. The losses expire as follows:

	\$
2027	21,785
2028	14,042
2029	14,856
2030	969
2031	54,893
2032	253,765
2033	566,129
2034	1,551,038
2035	9,150,138
2036	19,709,639
2037	7,823
2038	27,256,137
2039	30,796,382
	<u>89,397,596</u>

Ardenton Capital Corporation

Notes to non-consolidated financial statements

December 31, 2019

The potential tax benefit which may result from application of these losses is not reflected in these non-consolidated financial statements.

17. Commitments and contingencies

The Company has entered into operating leases for its office facilities, equipment and furniture. Future lease payments under non-cancelable operating leases are:

	\$
2020	452,377
2021	437,528
2022	453,026
2023	456,127
2024	458,042
Thereafter	858,467
	<u>3,115,567</u>

Ardenton Capital Corporation Balance Sheet (in CAD)

Reporting Book: ACCRUAL
As of Date: 12/31/2020
Location: Ardenton Capital Corporation


Month Ending
12/31/2020

Assets

Current Assets	
Cash and Cash Equivalents	253,969.18
Accounts Receivable, Net	58,388.47
Intercompany Receivable	158,710,396.59
Other Current Assets	119,666.73
Total Current Assets	159,142,420.97
Fixed Assets, Net	
Fixed Assets	2,503,978.79
Accumulated Depreciation	796,170.31
Total Fixed Assets, Net	1,707,808.48
Intangible Assets, Net	
Intangible Assets	4,759,016.47
Amortization	376,557.03
Total Intangible Assets, Net	4,382,459.44
Investments	
Investment in Subsidiary	27,960,996.49
Total Investments	27,960,996.49
Other Assets	
Deposits and Prepayments	307,425.86
Other Assets	666,123.40
Total Other Assets	973,549.26
Total Assets	\$ 194,167,234.64

Liabilities and Equity

Current Liabilities	
Accounts Payable	1,544,913.26
Accrued Liabilities	20,423,397.05
Deferred Revenue	7,830.22
Sales & Used Tax Payable	(210.65)
Note Payable - Current Portion	5.17
Short Term Debts	52,238,580.00
Other Current Liabilities	1,222,252.34
Total Current Liabilities	75,436,767.39

This is Exhibit "F" referred to in the
Affidavit of J. Livingstone
sworn (or affirmed) before me at
Vancouver, B.C.
this 2 day of March, 2021.

A Commissioner/Notary Public for the
Province of British Columbia

Long Term Liabilities	
Loans	248,226,228.03
Total Long Term Liabilities	<u>248,226,228.03</u>
Stockholders Equity	
Capital Stock	6,813,304.48
Common Stock	17,955,351.80
Deferred Stock Compensation	755,818.34
Retained Earnings	(157,779,319.89)
Net Income (Loss)	2,759,084.49
Total Stockholders Equity	<u>(129,495,760.78)</u>
Total Liabilities and Equity	<u><u>\$ 194,167,234.64</u></u>

Created on: 02/23/2021 1:42 PM PST

Ardenton Capital Corporation
A2 - Profit and Loss - 12 Months history (in CAD)

Reporting Book:

As of Date:

Location:

ACCRUAL

12/31/2020

Ardenton Capital Corporation

Year To Date

12/31/2020

Revenue

420000 - Support Fees Revenues	3,300,000
430000 - Interest Income	12,633,232
Total Revenue	15,933,232

Operating Expenses

General and Administrative Expenses

631000 - IT Infrastructure Expense	683,163
631500 - IT Software/Systems/Support Expense	151,241
632000 - IT Hardware Expense	68
637000 - Subscriptions	20,604
637500 - Regulatory Fees	2,632
638000 - Professional Membership Dues	182,718
638500 - Training and Development	3,546
623000 - Bank Charges & Interest	46,663

Travel, Meals and Entertainment

681000 - Airfare	97,121
682000 - Other Travel	3,443
683000 - Hotel	56,072
685000 - Other Transportation	39,067
686000 - Parking	123
688000 - Client Meals & Entertainment	13,169
634000 - Staff Meals and Entertainment	76,272
636000 - Social Team Engagement	2,368
636500 - HR Employee Engagement	5,381
633000 - Courier/Postage	662
633500 - Printing/Photocopying	1,721
638600 - Employee cellphone and internet	3,976
639000 - Office Supplies	1,594
639500 - Miscellaneous Office Expense	139,553
679000 - Office telephone and internet	25,461
Total General and Administrative Expenses	1,556,618

Marketing and Advertising Expenses

621000 - Marketing/Promotion/Networking	182,694
621500 - Corporate Conferences	50,172
Total Marketing and Advertising Expenses	232,866

Depreciation and Amortization Expense	
734000 - Depreciation - Leasehold Improvements	26,418
735000 - Depreciation - Real Estate and Building	287,289
736000 - Depreciation - Office Equipment	21,715
738000 - Depreciation - IT Infrastructure	(7,334)
731000 - Depreciation - Computer Software/Systems/Support	8,656
732000 - Amortization - Share Issuance Cost	1,917,230
Total Depreciation and Amortization Expense	2,253,974

Payroll and Related Expenses

Benefits

614000 - Vacation	416,494
615000 - Pension Expense	85,186
616000 - Employee Benefits	144,131

Payroll Expenses

617010 - Payroll Expenses - EI	173,302
617020 - Payroll Expenses - CPP	5,300
617070 - Payroll Expenses	601

Payroll Taxes

617050 - COPRHLT Employer Expense	2,855
617500 - Workers Compensation	37,802
617550 - Government Healthcare	2,916

Salary and Wages

610000 - Salaries & Wages	4,238,367
611000 - Commissions	(180,500)
612000 - Bonus	84,551
613000 - Severance	291,635
618000 - Parking & Other Taxable Benefits	535

Stock-based Compensation

619000 - Share Based Compensation Expense	576,080
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Total Payroll and Related Expense	5,879,255
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Utilities and Facilities

655000 - Base Rent	431,407
656000 - Operating Expenses Related To Rent	69,422

Total Utilities and Facilities	500,829
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Operating and Maintenance Expenses

622000 - Bad Debts expense	(92,959)
761000 - Support Fees Expense	240,000
762000 - Commission Fee Brokerage Expense	2,307,205
624000 - Consulting Fees	5,933
641000 - Audit & Accounting	195,070
642000 - Legal	357,063
643000 - Tax	49,979
644000 - Other Professional Fees	208,546
645000 - Recruitment Fees - Agency	58,313
646000 - Recruitment Fees - Direct	16,723
690600 - Advisory Board Expenses	58,581

Total Operating and Maintenance Expenses	<u>3,404,454</u>
Taxes and Insurance	
625000 - Insurance Expenses	293,391
690000 - Expensed GST/HST	<u>29,141</u>
Total Taxes and Insurance	<u>322,532</u>
Total Operating Expenses	<u><u>14,150,528</u></u>

Other Income (Expense)

Other Income	
752000 - Unrealized FX (Gain)/Loss	5,203,347
751000 - Realized FX (Gain)/Loss	(12,196)
792000 - Secondary market transaction fee Revenue	3,974
793000 - Misc Revenue	15,285
Total Other Income	<u>5,210,410</u>

Other Expense	
601000 - Interest expense on Preferred Securities	(31,629,016)
603000 - Interest expense on Hybrid Securities	(4,417,021)
711000 - Active Transaction Costs	0
712000 - Closed Transaction Costs	(424)
713000 - Dead Transaction Costs	(81)
721000 - Fines and penalties	(884)
782000 - Other Expenses	0
794000 - Clearing/Suspense Account	460
Total Other Expense	<u>(36,046,966)</u>

Total Other Income (Expense)	<u><u>(30,836,556)</u></u>
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Net Income (Loss) (29,053,852)

ESC Corporate Services Transaction Result

Transaction Id: 15429825
Province: BC
Date Requested: Mon Mar 1 11:52 2021
Date Generated: Mon Mar 1 11:53 2021
Ref #: 0064103.00003
Debtor: ARDENTON CAPITAL

Debtor Name

- ARDENTON CAPITAL (CANADA) INC
- ARDENTON CAPITAL CORPORATION
- ARDENTON CAPITAL CORPORATION
- ARDENTON CAPITAL CORPORATION
- ARDENTON CAPITAL CORPORATION

No more selections to be displayed

***** P P S A S E C U R I T Y A G R E E M E N T *****

Reg. Date: OCT 26, 2016	Reg. Length: 5 YEARS
Reg. Time: 15:32:19	Expiry Date: OCT 26, 2021
Base Reg. #: 623643J	Control #: D4059063


This registration was selected and included for your protection because of close proximity to your search criteria.

Block#

S0001 Secured Party: THE TORONTO-DOMINION BANK
1933 WILLINGDON AVENUE, 2ND FL
BURNABY BC V5C 5J3

=D0001 Base Debtor: ARDENTON CAPITAL CORPORATION
(Business) 1021 WEST HASTINGS, 9TH FLOOR
VANCOUVER BC V6E 0C3

This is Exhibit "G" referred to in the
Affidavit of J. Livingstone
sworn (or affirmed) before me at
Vancouver, B.C.
this 2 day of March, 2021.


A Commissioner/Notary Public for the
Province of British Columbia

General Collateral:

ALL OF THE SHARES OF EACH CLASS OF SHARES IN THE CAPITAL OF 2525612 ONTARIO INC. NOW OWNED OR HEREAFTER OWNED OR ACQUIRED BY THE DEBTOR TOGETHER WITH ALL RENEWALS AND REPLACEMENTS THEREOF AND SUBSTITUTIONS THEREFOR (COLLECTIVELY THE "PLEGDED INVESTMENT PROPERTY") INCLUDING, WITHOUT LIMITATION ALL OF THE DEBTOR'S RIGHT, TITLE, CLAIM AND INTEREST IN AND TO THE MONIES OTHERWISE DUE AND PAYABLE OR TO BECOME DUE AND PAYABLE TO THE DEBTOR UNDER THE TERMS OF ANY OF THE PLEDGED INVESTMENT PROPERTY AND ALL DISTRIBUTIONS OF INCOME OR CAPITAL THEREOF, THEREON OR THEREFROM OR PROCEEDS (INCLUDING PROCEEDS OF SALE) THEREFROM AND UNDER ANY FURTHER PLEDGED INVESTMENT PROPERTY EVIDENCING REINVESTMENT OF THE WHOLE OR ANY PART OF THE MONIES PAID UNDER ANY OF THE PLEDGED INVESTMENT PROPERTY, WHETHER BY SALE THEREOF OR OTHERWISE.
PROCEEDS: ALL PROCEEDS INCLUDING, WITHOUT LIMITATION, MONEY,

CHATTEL PAPER, INTANGIBLES, GOODS, DOCUMENTS OF TITLE,
INSTRUMENTS AND INVESTMENT PROPERTY AND FINANCIAL ASSETS.

Registering

Party: BULL, HOUSSER & TUPPER LLP
SUITE 1800-510 WEST GEORGIA ST
VANCOUVER BC V6B 0M3

*** Name/Address Changed on January 10, 2017 to:

Registering

Party: NORTON ROSE FULBRIGHT CANADA LLP
SUITE 1800-510 WEST GEORGIA ST
VANCOUVER BC V6B 0M3

Continued on Page 2

Search Criteria: ARDENTON CAPITAL

Page: 2

***** P P S A S E C U R I T Y A G R E E M E N T *****

Reg. Date: FEB 09, 2017 Reg. Length: 5 YEARS
Reg. Time: 13:49:48 Expiry Date: FEB 09, 2022
Base Reg. #: 815741J Control #: D4321127

This registration was selected and included for your protection
because of close proximity to your search criteria.

Block#

S0001 Secured Party: THE TORONTO-DOMINION BANK - 96560
1933 WILLINGDON AVENUE
BURNABY BC V5C 5J3

=D0001 Base Debtor: ARDENTON CAPITAL CORPORATION
(Business) 1021 HASTINGS W 9TH FLOOR
VANCOUVER BC V6E 0C3

General Collateral:

ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY AND
PROCEEDS THEREOF.

Registering

Party: THE TORONTO-DOMINION BANK - 96560
1933 WILLINGDON AVENUE
BURNABY BC V5C 5J3

***** P P S A S E C U R I T Y A G R E E M E N T *****

Reg. Date: JUL 20, 2016 Reg. Length: 5 YEARS
 Reg. Time: 16:30:10 Expiry Date: JUL 20, 2021
 Base Reg. #: 427982J Control #: D3924828

This registration was selected and included for your protection because of close proximity to your search criteria.

Block#

S0001 Secured Party: THE TORONTO-DOMINION BANK
 1933 WILLINGDON AVENUE, 2/F
 BURNABY BC V5C 5J3

D0001 Base Debtor: REGIMEN CAPITAL PARTNERS INC.
 (Business) 570-1285 WEST PENDER STREET
 VANCOUVER BC V6E 4B1

General Collateral:

ALL PRESENT AND AFTER ACQUIRED RIGHT, TITLE AND INTEREST OF THE DEBTOR IN AND TO ALL SHARES IN THE CAPITAL OF STEVENSON INDUSTRIAL REFRIGERATION LTD. (THE "SHARES") AND ALL MONEY, INVESTMENT PROPERTY, GOODS, RIGHTS ARISING OUT OF OR PROPERTY COLLECTED ON OR DISTRIBUTED ON ACCOUNT OF THE SHARES, AND ALL PROCEEDS THEREOF. PROCEEDS: ALL GOODS, INVESTMENT PROPERTY, INSTRUMENTS, DOCUMENTS OF TITLE, CHATTEL PAPER, INTANGIBLES OR MONEY NOW OR HEREAFTER FORMING PROCEEDS OF THE FOREGOING COLLATERAL. TERMS USED IN THIS GENERAL COLLATERAL DESCRIPTION WHICH ARE DEFINED IN THE PERSONAL PROPERTY SECURITY ACT (BRITISH COLUMBIA) SHALL HAVE THE MEANINGS SPECIFIED IN THAT ACT, UNLESS THE CONTEXT OTHERWISE INDICATES.

Continued on Page 3

Search Criteria: ARDENTON CAPITAL

Page: 3

Registering

Party: SYNERGY BUSINESS LAWYERS
 2300-925 WEST GEORGIA STREET
 VANCOUVER BC V6C 3L2

----- AMENDMENT / OTHER CHANGE -----

Reg. #: 817190J Reg. Date: FEB 10, 2017
 Reg. Time: 08:17:04
 Control #: D4322586
 Base Reg. Type: PPSA SECURITY AGREEMENT
 Base Reg. #: 427982J Base Reg. Date: JUL 20, 2016

Details Description:

ADD DEBTOR.

Block#

*** ADDED ***

=D0002 Bus. Debtor: ARDENTON CAPITAL CORPORATION
1021 HASTINGS W 9TH FLOOR
VANCOUVER BC V6E 0C3

Registering

Party: D & H LIMITED PARTNERSHIP
4126 NORLAND AVENUE, SUITE 201
BURNABY BC V5G 3S8

***** P P S A S E C U R I T Y A G R E E M E N T *****

Reg. Date: SEP 10, 2019 Reg. Length: 10 YEARS
Reg. Time: 08:30:58 Expiry Date: SEP 10, 2029
Base Reg. #: 755186L Control #: D6297918

This registration was selected and included for your protection
because of close proximity to your search criteria.

Block#

S0001 Secured Party: HSBC BANK CANADA
PERSONAL LENDING
2ND FLOOR 885 WEST GEORGIA ST
VANCOUVER BC V6C 3G1

=D0001 Base Debtor: ARDENTON CAPITAL CORPORATION
(Business) 2400-1021 WEST HASTINGS STREET
VANCOUVER BC V6E 0C3

General Collateral:

THE ENTIRE RIGHT, TITLE, CLAIM AND INTEREST OF THE DEBTOR
IN AND TO ALL MONIES WHICH ARE NOW OR WHICH MAY FROM TIME
TO TIME IN THE FUTURE STAND TO THE CREDIT OF THE DEBTOR IN
ANY ACCOUNT AT THE BRANCH OF THE SECURED PARTY LOCATED AT
885 WEST GEORGIA STREET, VANCOUVER, BC V6C 3G1 AND ALL
PROCEEDS INCLUDING, WITHOUT LIMITATION, ALL GOODS,
SECURITIES, INSTRUMENTS, DOCUMENTS OF TITLE, CHATTEL PAPER,
INTANGIBLES AND MONEY (ALL AS DEFINED IN THE PERSONAL
PROPERTY SECURITY ACT, ANY REGULATIONS THEREUNDER AND ANY
AMENDMENTS THERETO).

Continued on Page 4

Search Criteria: ARDENTON CAPITAL

Page: 4

Registering

Party: HSBC BANK CANADA
885 W GEORGIA ST CONCOURSE LEV
VANCOUVER BC V6C 3G1

Search ID #: Z13513294

Transmitting Party

ELDOR-WAL REGISTRATIONS (1987) LTD.

1200, 10123 99 st NW
EDMONTON, AB T5J 3H1

Party Code: 50073881
Phone #: 780 429 5969
Reference #: 118-161819-KP1760

Search ID #: Z13513294

Date of Search: 2021-Feb-12

Time of Search: 09:19:37

Business Debtor Search For:

ARDENTON CAPITAL CORPORATION

No Result(s) Found

NOTE:

A complete Search may result in a Report of Exact and Inexact Matches.
Be sure to read the reports carefully.

Result Complete

This is Exhibit "H" referred to in the
Affidavit of J. Livingstone
sworn (or affirmed) before me at

Vancouver, B.C.
this 2 day of March, 2021.


A Commissioner/Notary Public for the
Province of British Columbia





**Saskatchewan
Personal Property Registry
Search Result**

087

Searching Party: PPSA Canada Inc.
Search Date: 12-Feb-2021 10:19:47
Search Type: Standard

Search #: 203487420
Client Reference: 118-161819-KP1760
Control #:


Search Criteria

Search By: Business Debtor Name
Business Name

ARDENTON CAPITAL CORPORATION

The following list displays all matches & indicates the ones that were selected.
1 Registration(s) Found: Exacts (1) - Similar (0)

Selected	Match	Reg #	Registration Type	Debtor Name	City	Enforcement Instruction Reg #
Yes	Exact	301854926	Personal Property Security Agreement	ARDENTON CAPITAL CORPORATION	VANCOUVER	N/A

This is Exhibit "I" referred to in the
Affidavit of J. Livingstone
sworn (or affirmed) before me at
Vancouver, B.C.
this 2 day of March, 2021.

A Commissioner/Notary Public for the
Province of British Columbia



**Saskatchewan
Personal Property Registry
Search Result**

088

Current - Exact

Registration Type: Personal Property Security Agreement
Registration Date: 02-Jan-2019 15:11:15

Registration #: 301854926
Expiry Date: 02-Jan-2024

Event Type: Setup
Transaction Reason: Regular

Notations

Trust Indenture: NO

Registrant

Party ID:	150000519-1	Address:	4126 Norland Avenue
Entity Type:	Business		Burnaby, British Columbia
Name:	Canadian Securities Registration Systems		V5G3S8 Canada

Secured Party

Item #:	1	Address:	1933 WILLINGDON AVENUE
Party ID:	151016243-1		Burnaby, British Columbia
Entity Type:	Business		V5C5J3
Name:	THE TORONTO-DOMINION BANK - 96560		Canada

Debtor Party

Item #:	1	Address:	2917B MINERS AVE
Party ID:	150867645-1		SASKATOON, Saskatchewan
Entity Type:	Business		S7K4Z6
Name:	STEVENSON INDUSTRIAL REFRIGERATION LTD.		Canada
* Item #:	2	Address:	1021 WEST HASTINGS ST SUITE 2400
Party ID:	153153276-1		VANCOUVER, British Columbia
Entity Type:	Business		V6E0C3
Name:	ARDENTON CAPITAL CORPORATION		Canada
Item #:	3	Address:	2917B MINERS AVE
Party ID:	153153277-1		SASKATOON, Saskatchewan
Entity Type:	Person		S7K4Z6
Name:	FRANCOEUR, GREGORY		Canada
Item #:	4	Address:	2917B MINERS AVE
Party ID:	153153278-1		SASKATOON, Saskatchewan
Entity Type:	Person		S7K4Z6
Name:	STEVENSON, ROBERT		Canada

General Property

All present and after acquired accounts, debts, monies, claims and liabilities, of any type or kind, including but not limited to intangibles owing to debtor by STEVENSON INDUSTRIAL REFRIGERATION LTD., ARDENTON CAPITAL CORPORATION, GREGORY FRANCOEUR, ROBERT STEVENSON.



**Saskatchewan
Personal Property Registry
Search Result**

End of Search Result

Business Debtor

Search by Business Debtor

Date: 2021-02-12
Time: 10:23:04 AM
Transaction Number: 10258510125

Business Name: ARDENTON CAPITAL CORPORATION

0 exact matches were found.

0 similar matches were found.

This is Exhibit "2" referred to in the
Affidavit of J. Livingstone
sworn (or affirmed) before me at

Vancouver, B.C.
this 2 day of March, 2021.


A Commissioner/Notary Public for the
Province of British Columbia



SECURITY IS EVERYTHING
Phone: (416) 225-5511

Ontario Search Results
ID 1809025
Search Type [BD] Business Debtor

091

Your Ref No. 118-161819-JY

Searched : 12FEB2021 10:02 AM
Printed : 12FEB2021 10:04 AM

PSSME01 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 02/12/2021
CCCL369 ENQUIRY REQUEST 10:02:08

FILE CURRENCY 11FEB 2021
CHANGE ACCOUNT (Y/N) : N ACCOUNT NUMBER : 009233 0001 ACCOUNT CODE : LIEBNWE

SEARCH TYPE (BD,IN,IS,MV) :
SEARCH CRITERIA :

SUB-SEARCH

RETRIEVE REGISTRATIONS RECORDED SINCE (DDMMYYYY) :
RESPONSE TYPE (V,P) : V RESPONSE LANGUAGE (E,F) : E PICK-UP CODE :
RESPONSE MAILING ADDRESS


NAME :
:
ADDRESS :
CITY : PROV :
POSTAL CODE :

PRINT RESPONSE LOCALLY (Y/N) : N
ENQUIRY FOR "ARDENTON CAPITAL BRIDGING INC." ENDED

NO MATCH

**"NO MATCH" MEANS THAT NO LIENS WERE FOUND IN THE ONTARIO
PERSONAL PROPERTY REGISTRY BASED ON THE SEARCH CRITERIA YOU SPECIFIED**

END OF REPORT

This is Exhibit "K" referred to in the
Affidavit of J. Livingston
sworn (or affirmed) before me at
Vancouver, B.C.
this 1 day of March, 2021.

A Commissioner/Notary Public for the
Province of British Columbia

RUN NUMBER : 043
RUN DATE : 2021/02/12
ID : 20210212100223.82

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 1
(4562)

THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE
OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM IN RESPECT OF THE FOLLOWING:

TYPE OF SEARCH : BUSINESS DEBTOR

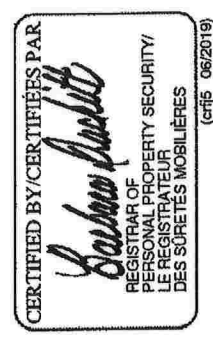
SEARCH CONDUCTED ON : ARDENTON CAPITAL CORPORATION

FILE CURRENCY : 11FEB 2021

ENQUIRY NUMBER 20210212100223.82 CONTAINS 7 PAGE(S), 4 FAMILY(IES).

THE SEARCH RESULTS MAY INDICATE THAT THERE ARE SOME REGISTRATIONS WHICH SET OUT A BUSINESS DEBTOR NAME WHICH IS SIMILAR TO THE NAME IN WHICH YOUR ENQUIRY WAS MADE. IF YOU DETERMINE THAT THERE ARE OTHER SIMILAR BUSINESS DEBTOR NAMES, YOU MAY REQUEST THAT ADDITIONAL ENQUIRIES BE MADE AGAINST THOSE NAMES.

AIRD & BERLIS LLP
ATTN: JENAYA MCLEAN
HOLD FOR PICKUP
TORONTO ON M5J2T9



CONTINUED... 2



PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

RUN NUMBER : 043
RUN DATE : 2021/02/12
ID : 20210212100223.82

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : ARDENTON CAPITAL CORPORATION
FILE CURRENCY : 11 FEB 2021

FORM IC FINANCING STATEMENT / CLAIM FOR LITEN

FILE NUMBER
730217367

CAPTION PAGE TOTAL REGISTRATION REGISTRATION REGISTERED REGISTRATION
FILING NO. OF PAGES NO. OF PAGES NUMBER UNDER PERIOD PERIOD
001 001 20170726 1243 1862 0689 P PFSA 6

00 DEBTOR NAME ARDENTON CAPITAL CORPORATION
DATE OF BIRTH
FIRST GIVEN NAME
INITIAL
SURNAME
ONTARIO CORPORATION NO.
BC V6E 0C3

01 DEBTOR ADDRESS 1021 WEST HASTINGS STREET, 9TH FLOOR VANCOUVER
DATE OF BIRTH
FIRST GIVEN NAME
INITIAL
SURNAME
ONTARIO CORPORATION NO.
ON M5K 1A2

02 DEBTOR NAME COMBAT NETWORKS INC.
DATE OF BIRTH
FIRST GIVEN NAME
INITIAL
SURNAME
ONTARIO CORPORATION NO.
ON M5K 1A2

03 DEBTOR NAME 236 WESTBROOK ROAD OTTAWA
DATE OF BIRTH
FIRST GIVEN NAME
INITIAL
SURNAME
ONTARIO CORPORATION NO.
ON M5K 1A2

04 DEBTOR NAME THE TORONTO-DOMINION BANK TORONTO
DATE OF BIRTH
FIRST GIVEN NAME
INITIAL
SURNAME
ONTARIO CORPORATION NO.
ON M5K 1A2

05 DEBTOR NAME 55 KING STREET WEST, BRANCH #1957 TORONTO
DATE OF BIRTH
FIRST GIVEN NAME
INITIAL
SURNAME
ONTARIO CORPORATION NO.
ON M5K 1A2

06 DEBTOR NAME BLANEY MCMURTRY LLP (J.C. PAPADAKIS)
DATE OF BIRTH
FIRST GIVEN NAME
INITIAL
SURNAME
ONTARIO CORPORATION NO.
ON M5C 3G5

07 DEBTOR NAME 2 QUEEN STREET EAST, SUITE 1500 TORONTO
DATE OF BIRTH
FIRST GIVEN NAME
INITIAL
SURNAME
ONTARIO CORPORATION NO.
ON M5C 3G5

08 DEBTOR NAME
DATE OF BIRTH
FIRST GIVEN NAME
INITIAL
SURNAME
ONTARIO CORPORATION NO.
ON M5C 3G5

09 DEBTOR NAME
DATE OF BIRTH
FIRST GIVEN NAME
INITIAL
SURNAME
ONTARIO CORPORATION NO.
ON M5C 3G5

10 DEBTOR NAME
DATE OF BIRTH
FIRST GIVEN NAME
INITIAL
SURNAME
ONTARIO CORPORATION NO.
ON M5C 3G5

11 DEBTOR NAME
DATE OF BIRTH
FIRST GIVEN NAME
INITIAL
SURNAME
ONTARIO CORPORATION NO.
ON M5C 3G5

12 DEBTOR NAME
DATE OF BIRTH
FIRST GIVEN NAME
INITIAL
SURNAME
ONTARIO CORPORATION NO.
ON M5C 3G5

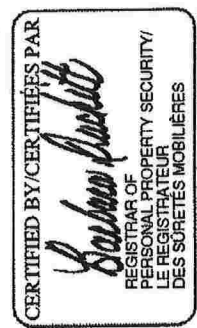
13 DEBTOR NAME
DATE OF BIRTH
FIRST GIVEN NAME
INITIAL
SURNAME
ONTARIO CORPORATION NO.
ON M5C 3G5

14 DEBTOR NAME
DATE OF BIRTH
FIRST GIVEN NAME
INITIAL
SURNAME
ONTARIO CORPORATION NO.
ON M5C 3G5

15 DEBTOR NAME
DATE OF BIRTH
FIRST GIVEN NAME
INITIAL
SURNAME
ONTARIO CORPORATION NO.
ON M5C 3G5

16 DEBTOR NAME
DATE OF BIRTH
FIRST GIVEN NAME
INITIAL
SURNAME
ONTARIO CORPORATION NO.
ON M5C 3G5

17 DEBTOR NAME
DATE OF BIRTH
FIRST GIVEN NAME
INITIAL
SURNAME
ONTARIO CORPORATION NO.
ON M5C 3G5



CONTINUED...

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

RUN NUMBER : 043
RUN DATE : 2021/02/12
ID : 20210212100223.82

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : ARDENTON CAPITAL CORPORATION
FILE CURRENCY : 11 FEB 2021

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
722415677

00 CHARGION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FILING NO. OF PAGES SCHEDULE MEMBER UNDER PERIOD
001 001 20161110 1536 1862 0393 P PFSA 6

01 DATE OF BIRTH INITIAL SURNAME ONTARIO CORPORATION NO.
FIRST GIVEN NAME ARDENTON CAPITAL CORPORATION BC V6E 0C3
BUSINESS NAME 1021 WEST HASTINGS, 9TH FLOOR VANCOUVER

02 DEBTOR DATE OF BIRTH INITIAL SURNAME ONTARIO CORPORATION NO.
NAME BUSINESS NAME ARDENTON CAPITAL CORPORATION BC V6E 0C3
ADDRESS 1021 WEST HASTINGS, 9TH FLOOR VANCOUVER

03 DEBTOR DATE OF BIRTH INITIAL SURNAME ONTARIO CORPORATION NO.
NAME BUSINESS NAME ARDENTON CAPITAL CORPORATION BC V6E 0C3
ADDRESS 1021 WEST HASTINGS, 9TH FLOOR VANCOUVER

04 SECURED PARTY / INITIAL SURNAME ONTARIO CORPORATION NO.
FILE CLAIMANT THE TORONTO-DOMINION BANK ON M5K 1A2
ADDRESS 55 KING STREET WEST, BRANCH #1020 TORONTO

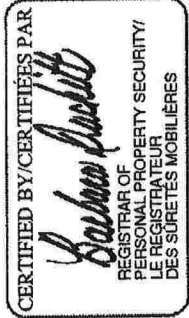
05 COLLATERAL CLASSIFICATION MOTOR VEHICLE AMOUNT DATE OF NO-FIXED
CONSUMER INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED

06 YEAR MAKE MODEL VULIN
MOTOR VEHICLE

07 GENERAL PLEDGE OF SHARES IN THE CAPITAL STOCK OF OES INC.
COMATERIALS
DESCRIPTION

08 REGISTERING BLANEY MCURRY LLP (J.C. PAPADAKIS)
AGENT ADDRESS 2 QUEEN STREET EAST, SUITE 1500 TORONTO ON M5C 3G5

09 ***FOR FURTHER INFORMATION CONTACT THE SECURED PARTY ***
CONTINUED... 4



RUN NUMBER : 043
 RUN DATE : 2021/02/12
 ID : 20210212100223.82

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY RESPONSE
 CERTIFICATE

REPORT : PSSR060
 PAGE : 4
 (4565)

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : ARDENTON CAPITAL CORPORATION
 FILE CURRENCY : 11 FEB 2021

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
 722417814

00 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
 FILING NO. OF PAGES SCHEDULE NUMBER ENDER PERIOD
 001 001 20161110 1605 1862 0405 P PPSA 6

01 DEBTOR DATE OF BIRTH INITIAL SURNAME ONTARIO CORPORATION NO.
 NAME BUSINESS NAME ARDENTON CAPITAL CORPORATION V6E 0C3
 ADDRESS 1021 WEST HASTINGS STREET, 9TH FLOOR VANCOUVER

02 DEBTOR DATE OF BIRTH INITIAL SURNAME ONTARIO CORPORATION NO.
 NAME BUSINESS NAME ARDENTON CAPITAL CORPORATION V6E 0C3
 ADDRESS 1021 WEST HASTINGS STREET, 9TH FLOOR VANCOUVER

03 DEBTOR DATE OF BIRTH INITIAL SURNAME ONTARIO CORPORATION NO.
 NAME BUSINESS NAME ARDENTON CAPITAL CORPORATION V6E 0C3
 ADDRESS 1021 WEST HASTINGS STREET, 9TH FLOOR VANCOUVER

04 DEBTOR DATE OF BIRTH INITIAL SURNAME ONTARIO CORPORATION NO.
 NAME BUSINESS NAME ARDENTON CAPITAL CORPORATION V6E 0C3
 ADDRESS 1021 WEST HASTINGS STREET, 9TH FLOOR VANCOUVER

05 SECURED PARTY / THE TORONTO-DOMINION BANK TORONTO ON M5K 1A2
 LIEN CLAIMANT ADDRESS 55 KING STREET WEST, BRANCH #1020

06 SECURED PARTY / THE TORONTO-DOMINION BANK TORONTO ON M5K 1A2
 LIEN CLAIMANT ADDRESS 55 KING STREET WEST, BRANCH #1020

07 SECURED PARTY / THE TORONTO-DOMINION BANK TORONTO ON M5K 1A2
 LIEN CLAIMANT ADDRESS 55 KING STREET WEST, BRANCH #1020

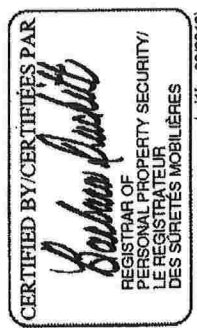
08 SECURED PARTY / THE TORONTO-DOMINION BANK TORONTO ON M5K 1A2
 LIEN CLAIMANT ADDRESS 55 KING STREET WEST, BRANCH #1020

09 SECURED PARTY / THE TORONTO-DOMINION BANK TORONTO ON M5K 1A2
 LIEN CLAIMANT ADDRESS 55 KING STREET WEST, BRANCH #1020

10 COLLATERAL CLASSIFICATION MOTOR VEHICLE AMOUNT DATE OF NO-FIXED
 CONSUMED INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURETY OR MATURETY DATE

11 YEAR MAKE MODEL VEHICLE
 12 MOTOR VEHICLE

13 GENERAL PLEDGE OF SHARES IN THE CAPITAL OF COMBAT NETWORKS INC.
 14 COLLATERAL DESCRIPTION
 15 REGISTERING BLANEY MCMURTRY LLP (J.C. PAPADAKIS)
 AGENT ADDRESS 2 QUEEN STREET EAST, SUITE 1500 TORONTO ON M5C 3G5



CONTINUED... 5

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

RUN NUMBER : 043
RUN DATE : 2021/02/12
ID : 20210212100223.82

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : ARDENTON CAPITAL CORPORATION
FILE CURRENCY : 11FEB 2021

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
721330131

00 CAPTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
001 001 20161027 0943 1862 9191 P PFSA 5

01 DATE OF BIRTH INITIAL SURNAME
02 DEBTOR FIRST GIVEN NAME INITIAL SURNAME
03 NAME BUSINESS NAME ARDENTON CAPITAL CORPORATION ONTARIO CORPORATION NO. V6E 0C3
04 ADDRESS 1021 WEST HASTINGS STREET, 9TH FLOOR VANCOUVER

05 DEBTOR DATE OF BIRTH INITIAL SURNAME
06 NAME BUSINESS NAME ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY THE TORONTO-DOMINION BANK
09 ALIEN CLAIMANT ADDRESS 1933 WILLINGDON AVENUE, 2ND FLOOR BURNABY BC V5C 5J3

10 COLLATERAL CLASSIFICATION MOTOR VEHICLE AMOUNT DATE OF NO. FILED
CONSUMER LAYENWOK EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE

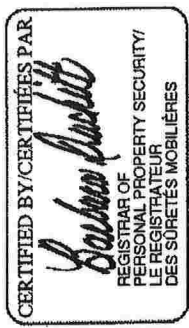
11 YEAR MAKE MODEL VALUE
12 MOTOR VEHICLE

13 GENERAL WEIRFOULDS LLP (M.MCISAAC)
14 GENERAL 66 WELLINGTON STREET WEST, SUITE 4100 TORONTO ON M5K 1B7
15 DESCRIPTION

16 REGISTERING WEIRFOULDS LLP (M.MCISAAC)
17 AGENT ADDRESS 66 WELLINGTON STREET WEST, SUITE 4100 TORONTO ON M5K 1B7

*** FOR FURTHER INFORMATION CONTACT THE SECURED PARTY ***

CONTINUED... 6



RUN NUMBER : 043
RUN DATE : 2021/02/12
ID : 20210212100223.82

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 6
(4567)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : ARDENTON CAPITAL CORPORATION
FILE CURRENCY : 11 FEB 2021

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CASHION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED
KILLING NO. OF PAGES SCHEDULE NUMBERS UNDER
001 001 20161103 1147 1862 9861

01 RECORD FILE NUMBER 721930131

21 PAGE AMENDED NO SPECIFIC PAGE AMENDED CHANGE REQUIRED REMARVAL CORRECT
001 X A AMENDMENT YEARS PARLLOS

22 FIRST GIVEN NAME SURNAME
BUSINESS NAME ARDENTON CAPITAL CORPORATION

23 OTHER CHANGE TO DELETE THE COLLATERAL CLASSIFICATIONS "INVENTORY", "EQUIPMENT"
24 REASON/ AND "MOTOR VEHICLE".
25 DESCRIPTION

26 DEBTOR/ DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
27 TRANSFEREE BUSINESS NAME
28 ADDRESS

ONTARIO CORPORATION NO.

29 ASSIGNOR SECURED PARTY/LIEN-CLAIMANT/ASSIGNER

08 COLLATERAL CLASSIFICATION ADDRESS

09 CONSUMER GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED AMOUNT MATURITY OF MATURITY DATE

10 YEAR MAKE MODEL V-I-N

11 MOTOR VEHICLES

12 GENERAL

13 COLLATERAL

14 DESCRIPTION

15 REGISTERING AGENT OR

16 SECURED PARTY/ ADDRESS WEIRFOULDS LLP (M. MCISAAC) TORONTO

17 LIEN CLAIMANT 66 WELLINGTON STREET WEST, SUITE 4100 TORONTO

ON MSK 1B7

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED...

7



Ontario

(en 24 08/2019)

097



REPORT : PPSR060
 PAGE : 7
 (4568)

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY RESPONSE
 CERTIFICATE

RUN NUMBER : 043
 RUN DATE : 2021/02/12
 ID : 20210212100223.82

TYPE OF SEARCH : BUSINESS DEPTOR
 SEARCH CONDUCTED ON : ARDENTON CAPITAL CORPORATION
 FILE CURRENCY : 11FEB 2021

INFORMATION RELATING TO THE REGISTRATIONS LISTED BELOW IS ATTACHED HERETO.

FILE NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER
730217367	20170726 1243 1862 0689		
722415627	20161110 1536 1862 0393		
722417814	20161110 1605 1862 0405		
721930131	20161027 0943 1862 9191	20161103 1147 1862 9861	

5 REGISTRATON(S) ARE REPORTED IN THIS ENQUIRY RESPONSE.

099

This report lists registrations in the Personal Property Registry that match the following search criteria:

Province or Territory Searched: New Brunswick
Type of Search: Debtors (Enterprise)
Search Criteria: ARDENTON CAPITAL CORPORATION
Date and Time of Search (YYYY-MM-DD hh:mm): 2021-02-12 12:20 (Atlantic)
Transaction Number: 21293023
Searched By: W175316

The following table lists records that match the Debtors (Enterprise) you specified.

Exact	Included	Original Registration Number	Enterprise Name	Place

An '*' in the 'Exact' column indicates that the Debtor (Enterprise) exactly matches the search criteria.

Included Column Legend

- An asterisk (*) in the 'Included' column indicates that the registration's details are included within the Search Result Report.

Registration Counts


- 0 registration(s) contained information that **exactly** matched the search criteria you specified.
- 0 registration(s) contained information that **closely** matched the search criteria you specified.

When reviewing the registrations below, note that a registration which has expired or been discharged within the last 30 days can still be re-registered by the secured party.

All registration date/time values are stated in Atlantic Time.

For more information concerning the Personal Property Registry, go to www.acol.ca

END OF REPORT

This is Exhibit "L" referred to in the Affidavit of J. Livingstone sworn (or affirmed) before me at Vancouver, B.C. this 2 day of March, 2021.

 A Commissioner/Notary Public for the Province of British Columbia

This report lists registrations in the Personal Property Registry that match the following search criteria:

Province or Territory Searched: Nova Scotia
Type of Search: Debtors (Enterprise)
Search Criteria: ARDENTON CAPITAL CORPORATION
Date and Time of Search (YYYY-MM-DD hh:mm): 2021-02-12 12:19 (Atlantic)
Transaction Number: 21293012
Searched By: W175316

The following table lists records that match the Debtors (Enterprise) you specified.

Exact	Included	Original Registration Number	Enterprise Name	Place
-------	----------	------------------------------	-----------------	-------

An "*" in the 'Exact' column indicates that the Debtor (Enterprise) exactly matches the search criteria.

Included Column Legend

- An asterisk (*) in the 'Included' column indicates that the registration's details are included within the Search Result Report.

Registration Counts

- 0 registration(s) contained information that **exactly** matched the search criteria you specified.


- 0 registration(s) contained information that **closely** matched the search criteria you specified.

When reviewing the registrations below, note that a registration which has expired or been discharged within the last 30 days can still be re-registered by the secured party.

All registration date/time values are stated in Atlantic Time.

For more information concerning the Personal Property Registry, go to www.acol.ca

END OF REPORT

This is Exhibit "N" referred to in the
Affidavit of J. Livingstone
sworn (or affirmed) before me at
Vancouver, B.C.
this 7 day of March, 2021.

A Commissioner/Notary Public for the
Province of British Columbia

This report lists registrations in the Personal Property Registry that match the following search criteria:

Province or Territory Searched: Prince Edward Island
Type of Search: Debtors (Enterprise)

Search Criteria: ARDENTON CAPITAL CORPORATION

Date and Time of Search (YYYY-MM-DD hh:mm): 2021-02-12 12:21 (Atlantic)
Transaction Number: 21293034
Searched By: W175316

The following table lists records that match the Debtors (Enterprise) you specified.

Exact	Included	Original Registration Number	Enterprise Name	Place
-------	----------	------------------------------	-----------------	-------

An "*" in the 'Exact' column indicates that the Debtor (Enterprise) exactly matches the search criteria.

Included Column Legend

- An asterisk (*) in the 'Included' column indicates that the registration's details are included within the Search Result Report.

Registration Counts

- 0 registration(s) contained information that **exactly** matched the search criteria you specified.
- 0 registration(s) contained information that **closely** matched the search criteria you specified.

When reviewing the registrations below, note that a registration which has expired or been discharged within the last 30 days can still be re-registered by the secured party.

All registration date/time values are stated in Atlantic Time.

For more information concerning the Personal Property Registry, go to www.acol.ca

END OF REPORT

This is Exhibit "N" referred to in the
Affidavit of J. Livingstone
sworn (or affirmed) before me at
Vancouver, B.C.
this 2 day of March, 2021.

[Signature]
A Commissioner/Notary Public for the
Province of British Columbia

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This report lists registrations in the Personal Property Registry that match the following search criteria:

Province or Territory Searched: Newfoundland and Labrador
Type of Search: Debtors (Enterprise)
Search Criteria: ARDENTON CAPITAL CORPORATION
Date and Time of Search (YYYY-MM-DD hh:mm): 2021-02-12 12:21 (Atlantic)
Transaction Number: 21293031
Searched By: W175316

The following table lists records that match the Debtors (Enterprise) you specified.

Exact	Included	Original Registration Number	Enterprise Name	Place

An '*' in the 'Exact' column indicates that the Debtor (Enterprise) exactly matches the search criteria.

Included Column Legend

- An asterisk (*) in the 'Included' column indicates that the registration's details are included within the Search Result Report.

Registration Counts


- 0 registration(s) contained information that **exactly** matched the search criteria you specified.
- 0 registration(s) contained information that **closely** matched the search criteria you specified.

When reviewing the registrations below, note that a registration which has expired or been discharged within the last 30 days can still be re-registered by the secured party.

All registration date/time values are stated in Atlantic Time.

For more information concerning the Personal Property Registry, go to www.acol.ca

END OF REPORT

This is Exhibit " 0 " referred to in the
 Affidavit of J. Livingstone
 sworn (or affirmed) before me at
Vanouver, B.C.
 this 2 day of March 2021.

 A Commissioner/Notary Public for the
 Province of British Columbia

PROVINCE OF BRITISH COLUMBIA
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM

Search Date:	03/01/2021
File Currency Date:	03/01/2021
Search Start Date:	
Client Reference:	0064103.00003
Type of Search:	DEBTOR SEARCH
Search Criteria:	ARDENTON CAPITAL BRIDGING INC.

NO REGISTRATIONS ARE REPORTED IN THIS ENQUIRY RESPONSE

TRANSACTION ID: 15429826
ESC CORPORATE SERVICES LTD.
445 KING STREET WEST, SUITE 400
TORONTO ON M5V 1K4

This is Exhibit "P" referred to in the
Affidavit of J. Livingstone
sworn (or affirmed) before me at
Vancouver, B.C.
this 7 day of March 2021.
[Signature]
A Commissioner/Notary Public for the
Province of British Columbia

Lterm: XPSP0050 BC OnLine: PPRS SEARCH RESULT
For: PA14549 PPSACANADA.COM

2021/02/12
10:38:37

Attn./Ref. No.: (001242265)

Index: BUSINESS DEBTOR

Search Criteria: REGIMEN CAPITAL PARTNERS INC.

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***** P P S A S E C U R I T Y A G R E E M E N T *****

Reg. Date: JUL 20, 2016 Reg. Length: 5 YEARS
Reg. Time: 16:30:10 Expiry Date: JUL 20, 2021
Base Reg. #: 427982J Control #: D3924828

Block#

S0001 Secured Party: THE TORONTO-DOMINION BANK
1933 WILLINGDON AVENUE, 2/F
BURNABY BC V5C 5J3

=D0001 Base Debtor: REGIMEN CAPITAL PARTNERS INC.
(Business) 570-1285 WEST PENDER STREET
VANCOUVER BC V6E 4B1

General Collateral:

ALL PRESENT AND AFTER ACQUIRED RIGHT, TITLE AND INTEREST OF THE DEBTOR IN AND TO ALL SHARES IN THE CAPITAL OF STEVENSON INDUSTRIAL REFRIGERATION LTD. (THE "SHARES") AND ALL MONEY, INVESTMENT PROPERTY, GOODS, RIGHTS ARISING OUT OF OR PROPERTY COLLECTED ON OR DISTRIBUTED ON ACCOUNT OF THE SHARES, AND ALL PROCEEDS THEREOF. PROCEEDS: ALL GOODS, INVESTMENT PROPERTY, INSTRUMENTS, DOCUMENTS OF TITLE, CHATTEL PAPER, INTANGIBLES OR MONEY NOW OR HEREAFTER FORMING PROCEEDS OF THE FOREGOING COLLATERAL. TERMS USED IN THIS GENERAL COLLATERAL DESCRIPTION WHICH ARE DEFINED IN THE PERSONAL PROPERTY SECURITY ACT (BRITISH COLUMBIA) SHALL HAVE THE MEANINGS SPECIFIED IN THAT ACT, UNLESS THE CONTEXT OTHERWISE INDICATES.

Registering

Party: SYNERGY BUSINESS LAWYERS
2300-925 WEST GEORGIA STREET
VANCOUVER BC V6C 3L2

----- A M E N D M E N T / O T H E R C H A N G E -----

Reg. #: 817190J Reg. Date: FEB 10, 2017
Reg. Time: 08:17:04
Control #: D4322586

Base Reg. Type: PPSA SECURITY AGREEMENT
Base Reg. #: 427982J Base Reg. Date: JUL 20, 2016

Details Description:

ADD DEBTOR.

Block#

*** ADDED ***

D0002 Bus. Debtor: ARDENTON CAPITAL CORPORATION
1021 HASTINGS W 9TH FLOOR
VANCOUVER BC V6E 0C3



SECURITY IS EVERYTHING

Phone: (416) 225-5511

Ontario Search Results
ID 1809025
Search Type [BD] Business Debtor

107

Your Ref No. 118-161819-JY

Searched : 12FEB2021 10:02 AM
Printed : 12FEB2021 10:04 AM

PSSME01 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 02/12/2021
CCCL369 ENQUIRY REQUEST 10:02:08

FILE CURRENCY 11FEB 2021

CHANGE ACCOUNT (Y/N) : N ACCOUNT NUMBER : 009233 0001 ACCOUNT CODE : LIEBNWE

SEARCH TYPE (BD, IN, IS, MV) :

SEARCH CRITERIA :

SUB-SEARCH

RETRIEVE REGISTRATIONS RECORDED SINCE (DDMMYYYY) :

RESPONSE TYPE (V,P) : V RESPONSE LANGUAGE (E,F) : E PICK-UP CODE :

RESPONSE MAILING ADDRESS

NAME :

:

ADDRESS :

CITY :

PROV :

POSTAL CODE :

PRINT RESPONSE LOCALLY (Y/N) : N

ENQUIRY FOR "ARDENTON CAPITAL BRIDGING INC." ENDED

NO MATCH

**"NO MATCH" MEANS THAT NO LIENS WERE FOUND IN THE ONTARIO
PERSONAL PROPERTY REGISTRY BASED ON THE SEARCH CRITERIA YOU SPECIFIED**

END OF REPORT

RUN NUMBER : 043
RUN DATE : 2021/02/12
ID : 20210212100215.74

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 1
(4561)

THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE
OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM IN RESPECT OF THE FOLLOWING:

TYPE OF SEARCH : BUSINESS DEBTOR

SEARCH CONDUCTED ON : ARDENTON CAPITAL BRIDGING INC.

FILE CURRENCY : 11FEB 2021

ENQUIRY NUMBER 20210212100215.74 CONTAINS 1 PAGE(S), 0 FAMILY(IES).

NO REGISTRATIONS ARE REPORTED IN THIS ENQUIRY RESPONSE.

AIRD & BERLIS LLP
ATTN: JENAYA MCLEAN
HOLD FOR PICKUP
TORONTO ON M5J2T9



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

MANAGEMENT'S REPORT ON CASH FLOW STATEMENT
(paragraph 10(2)(b) of the CCAA)

The management of Ardenton Capital Corporation and Ardenton Capital Bridging Inc. (collectively, the "Petitioners") have developed the assumptions and prepared the attached statement of projected cash flow as of the 2nd day of March, 2021 for the period March 3, 2021 to May 9, 2021 ("Cash Flow"). All such assumptions are disclosed in the notes to the Cash Flow.

The hypothetical assumptions are reasonable and consistent with the purpose of the Cash Flow as described in Note 1 to the Cash Flow, and the probable assumptions are suitably supported and consistent with the plans of the Petitioners and provide a reasonable basis for the Cash Flow.

Since the Cash Flow is based on assumptions regarding future events, actual events will vary from the information presented and the variations may be material.

The Cash Flow has been prepared solely for the purpose outlined in Note 1 using a set of hypothetical and probable assumptions set out therein. Consequently, readers are cautioned that the Cash Flow may not be appropriate for other purposes.

Dated at Vancouver this 2nd day of March, 2021.

Ardenton Capital Corporation and Ardenton Capital Bridging Inc.

James Livingstone

This is Exhibit "Q" referred to in the
Affidavit of J. Livingstone
sworn (or affirmed) before me at
Vancouver, B.C.
this 2 day of March, 2021.

A Commissioner/Notary Public for the
Province of British Columbia

Ardenton Capital Corporation and Ardenton Capital Bridging Inc.

Projected Statement of Cash Flow

For the Period Ending May 9, 2021

(Unaudited; \$C)

Notes	Weeks Ending										Total	
	07-Mar-21	14-Mar-21	21-Mar-21	28-Mar-21	04-Apr-21	11-Apr-21	18-Apr-21	25-Apr-21	02-May-21	09-May-21		
Receipts												
1												
2	634,825	-	-	-	353,030	-	-	2,888,796	318,280	220,000		4,414,931
3	-	-	-	-	-	-	-	-	151,089	-		151,089
4	-	-	-	-	-	-	-	-	42,375	-		42,375
Total Receipts	634,825	-	-	-	353,030	-	-	2,888,796	511,744	220,000		4,608,395
Disbursements												
5	-	90,017	66,662	-	29,528	-	210,149	-	11,649	-		408,006
6	-	112,222	-	-	132,330	-	96,398	-	104,999	-		445,948
7	-	-	-	-	41,500	-	-	-	41,500	-		83,000
	-	-	-	-	27,000	-	-	-	27,000	-		54,000
	64,467	-	-	-	10,000	-	-	-	10,000	-		84,467
	-	2,500	10,500	-	7,500	-	10,500	-	7,500	-		36,000
	-	-	-	-	23,500	-	2,500	-	23,500	-		52,000
Total Disbursements	64,467	204,739	77,162	-	271,357	-	319,547	-	226,148	-		1,163,421
Net cash flow before the undermoted												
8	570,358	(204,739)	(77,162)	-	81,672	-	2,569,249	-	285,596	220,000		3,444,973
Restructuring fees	-	-	200,000	-	200,000	-	200,000	-	200,000	-		800,000
Net cash flow	570,358	(204,739)	(277,162)	-	(118,328)	-	2,369,249	-	85,596	220,000		2,644,973
Opening Cash Balance												
	252,992	823,349	618,610	341,448	341,448	223,120	223,120	2,592,369	2,592,369	2,677,965		252,992
Net cash flow	570,358	(204,739)	(277,162)	-	(118,328)	-	2,369,249	-	85,596	220,000		2,644,973
Closing Cash Balance	823,349	618,610	341,448	341,448	223,120	223,120	2,592,369	2,592,369	2,677,965	2,897,965		2,897,965

Ardenton Capital Corporation and Ardenton Capital Bridging Inc.
Notes to Projected Statement of Cash Flow
For the Period Ending May 9, 2021
(Unaudited; \$C)

Purpose and General Assumptions

1. The purpose of the projection is to present a cash flow forecast of the Petitioners for the period from March 3, 2021 to May 9, 2021 (the "Period") in respect of their potential proceedings under the Companies' Creditors Arrangement Act ("CCAA").

The cash flow projection has been prepared based on hypothetical and most probable assumptions.

Hypothetical Assumptions

2. Represent receipts from the Petitioners' subsidiaries, including interest, management fees, and other receipts. Receipts for the week ending March 7, 2021 include \$542,000 from a transaction the Petitioners completed prior to the filing to sell 15% of Ardenton Capital (Canada) Inc.'s interest in Combat Networks Inc. Receipts also include proceeds from the refinancing of OES Inc. in the amount of \$2.9 million in the week ending April 18, 2021.
3. Represents interest received from Comtrad Strategic Sourcing Inc. ("Comtrad"), a subsidiary of Ardenton Capital Bridging Inc. ("ACBI")
4. Represents management fees paid by Comtrad to ACBI.

Probable Assumptions

5. Represents operating disbursements to the Petitioners' subsidiaries, including disbursements for payroll, professional fees, mortgage, and taxes.
6. Represents the Petitioners' payroll, payroll remittances and related fees.
7. Includes accounting, legal, and consulting fees not related to the Petitioners' restructuring.
8. Includes estimated payments to the Monitor, its counsel and the Petitioners' insolvency counsel.