Pre-Filing Report of KSV Restructuring Inc. as Proposed CCAA Monitor of Ardenton Capital Corporation and Ardenton Capital Bridging Inc.

March 3, 2021

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Appendix **Tab**

COURT FILE NO.:_____________

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

PRE-FILING REPORT OF KSV RESTRUCTURING INC. AS PROPOSED MONITOR

MARCH 3, 2021

1.0 Introduction

1. KSV Restructuring Inc. ("KSV") understands that Ardenton Capital Corporation ("ACC") and Ardenton Capital Bridging Inc. ("ACBI" and together with ACC, the "Petitioners") intend to make an application to the Supreme Court of British Columbia (the "Court") under the *Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended* (the "CCAA"), for an initial order (the "Initial Order") granting the Petitioners' protection under the CCAA, and appointing KSV as the monitor in these proceedings ("Monitor"). The Petitioners and their non-filing affiliates and related companies are collectively referred to in this report (the "Report") as "Ardenton."

2. The principal purpose of the CCAA proceedings is to provide the Petitioners with the opportunity to restructure their debt obligations in a stable environment with the breathing space afforded by filing for protection under the CCAA. The proceedings will provide a forum to allow the Petitioners to develop a plan of compromise or arrangement that is intended to provide creditors with a better outcome than an immediate liquidation of the Petitioners' assets and business. The Petitioners intend to move through the CCAA proceedings expeditiously with the goal of emerging as a going concern at the earliest possible opportunity.

3. Pursuant to the terms of the Initial Order, the Petitioners are seeking:

   a) Court-ordered Administration and D&O Charges (as each term is defined below); and

   b) a stay of proceedings for the statutory ten (10) day period;

4. At a comeback motion to be scheduled within the initial statutory ten (10) day stay period (the "Comeback Motion"), the Petitioners intend to seek an increase to each of the Administration Charge and D&O Charge in amounts to be determined.

5. As discussed further in paragraph 3.6 below, at the Comeback Motion, or subsequently, the Petitioners may seek approval of a debtor-in-possession loan facility (a "DIP Facility"), the need for which is dependent on the Petitioners' cash flow generated from its portfolio companies (collectively the "PCs" and each a "PC"), as more fully detailed below, and certain transactions that ACC's management is presently negotiating.

6. The Affidavit of James Livingstone, the Chief Executive Officer and President of ACC, and the President of ACBI, sworn March 2, 2021 in support of the CCAA application (the "Affidavit"), provides, *inter alia*, background information and an overview of each of the Petitioners and their respective businesses, including the reasons for the commencement of these proceedings.

7. If the Court grants the relief set out in the Initial Order, the Court materials filed in these proceedings will be made available by KSV on its website at https://www.ksvadvisory.com/insolvency-cases/case/ardenton-capital-corporation. The case website will also include additional information concerning these proceedings, including "Frequently Asked Questions".

8. KSV is filing this Report as proposed Monitor.

1.1 Purposes of this Report

1. The purposes of this Report are to:

   a) provide KSV's qualifications to act as Monitor;

   b) provide background information about Ardenton;

   c) report on the Petitioners' cash flow projection for the period March 3, 2021 to May 9, 2021 (the "Cash Flow Forecast");

   d) discuss the rationale for:

      - a charge in the amount of $350,000 on each of the Petitioners' current and future property, assets and undertaking (collectively, the "Property") to secure the fees and disbursements of the Petitioners' counsel, as well as the fees and disbursements of the Monitor and its independent counsel (the "Administration Charge");

      - a charge in the amount of $110,000 on the Property in favour of the sole director and the officers of the Petitioners (the "D&O Charge") in respect of liabilities that accrue after the making of the Initial Order;

      - the proposed priority in the Initial Order of the Administration Charge and the D&O Charge; and

   e) recommend that this Court grant the relief sought by the Petitioners in its CCAA application materials.

1.2 Restrictions

1. In preparing this Report, KSV has relied upon Ardenton's unaudited financial information, books and records and discussions with Ardenton's management and legal counsel.

2. KSV has not audited or otherwise attempted to verify the accuracy or completeness of the financial information relied on to prepare this Report in a manner that complies with Canadian Auditing Standards ("CAS") pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, KSV expresses no opinion or other form of assurance contemplated under the CAS in respect of such information. Any party wishing to place reliance on the financial information should perform its own diligence.

3. An examination of the Cash Flow Forecast as outlined in the Chartered Professional Accountants of Canada Handbook has not been performed. Future oriented financial information relied upon in this Report is based upon the Petitioners' assumptions regarding future events; actual results achieved may vary from this information and these variations may be material. KSV expresses no opinion or other form of assurance on whether the Cash Flow Forecast will be achieved.

4. This report does not consider the potential future impact of the COVID-19 pandemic (the "Pandemic") on Ardenton's business and operations. Such impact cannot be determined at this time.

1.3 Currency

1. All currency references in this Report are in Canadian dollars. US Dollar and Great British Pounds have been converted to Canadian dollars at $1.30 and $1.72, respectively.

1.4 KSV's Qualifications to Act as Monitor

1. KSV is a licensed trustee within the meaning of subsection 2(1) of the *Bankruptcy and Insolvency Act* (Canada).

2. KSV has consented to act as Monitor in these proceedings should the Court grant the Initial Order. A copy of KSV's consent to act as Monitor is attached as Appendix "A".

3. Pursuant to an engagement letter dated December 24, 2020, KSV was engaged to assist ACC to consider restructuring options and conduct certain financial analyses of its business. As a result of its engagement, KSV has acquired significant knowledge of Ardenton's business and operations, including the key issues and challenges presently facing the Petitioners. KSV will be able to assist Ardenton without delay following the issuance of the Initial Order as a result of the knowledge it has gained since the outset of its engagement.

4. Neither KSV nor any of its representatives or affiliates has been at any time in the past two years: (a) a director, officer or employee of any member of the Petitioners; (b) related to any member of the Petitioners, or to any director or officer of any member of the Petitioners; or (c) the auditor, accountant or legal counsel, or a partner or an employee of the auditor, accountant or legal counsel, of any member of the Petitioners.

2.0 Background

1. ACC is the parent company of an integrated multinational private equity business. Through various holding companies, including ACBI, ACC acquires, with monies raised from its investors, majority ownership interests in the PCs, which are privately-owned mid-market businesses.

2. ACC currently has indirect majority ownership interests in fourteen (14) PCs located in Canada, the United States and the United Kingdom. A copy of ACC's corporate chart is attached as Appendix "B".

3. ACC was incorporated in British Columbia on May 3, 2010 as Regimen Capital Partners Inc. ("Regimen"). Regimen changed its name to Ardenton Capital Corporation on August 31, 2016, and subsequently amalgamated with its parent, Livingstone Acquisitions Inc., on January 2, 2018.

4. ACC does not use a typical private equity model, which relies on a limited partnership structure to raise capital for its investments. Rather, ACC raised the majority of its capital by issuing unsecured debt through instruments which pay annual interest of between 8% and 14% (weighted average of approximately 12%). ACC also issued common equity, but it is a comparatively small amount versus the amount it raised under its debt instruments. All of ACBI's debt was raised through the issuance of promissory notes.

5. Through the end of 2020, the Petitioners have raised over $400 million through the issuance of common equity, hybrid units (which have a debt and an equity component), preferred securities and promissory notes (collectively the "Securities" and each a "Security"). The monies raised by ACC and ACBI were used, together with the PC Distributions (as defined below), to purchase the PCs, pay Ardenton's operating expenses, fund interest payments on existing debt obligations and redeem Securities. Generally, the Petitioners' debtholders have limited recourse against the issuer in the event of a default.

6. ACC's interest in the PCs is owned indirectly through its subsidiaries. ACC's acquisitions are funded through a combination of equity and debt advanced by ACC indirectly to the PCs through the holding companies that own the PCs. ACC indirectly receives interest, management fees and dividends or distributions from the PCs (collectively "PC Distributions"), although the PC Distributions have not historically been a major source of capital for ACC. In addition, ACC has on one occasion sourced capital from a PC by refinancing its loan from ACC (through a 12% preferred security) with bank debt priced less expensively than the preferred security (the "PC Refinancing Transaction"). ACC is presently working to complete another such PC Refinancing Transaction.

7. ACC had not missed an interest payment on its debt obligations prior to the onset of the Pandemic; however, the Pandemic has negatively affected the ability of the PCs to make PC Distributions to ACC, and ACC's ability to continue to raise capital through the issuance of new Securities. Accordingly, the Petitioners are now significantly in arrears on their respective debt service obligations and neither can meet its obligations in the ordinary course. Interest arrears on the Petitioners' debt totalled approximately $24 million as at February 28, 2021, which amount continues to accrue.

8. ACC's business model has historically been capital intensive. As a result, Ardenton recently implemented several significant cost reductions, including reducing its headcount from a peak of 82 employees to 25[1] presently, and closing its offices in the US and the UK, and most of them in Canada. Ardenton intends to disclaim its remaining office leases in Vancouver and Toronto shortly after the commencement of the contemplated proceedings. Ardenton intends to operate from a single, less costly, leased office in Vancouver.

9. The Petitioners' cash balance is presently insufficient to meet their liabilities in the ordinary course, and they are facing a liquidity crisis. The Petitioners are significantly in arrears on their interest obligations and cannot meet their redemption obligations which are now due or coming due. Additionally, ACC is unable to pay its vendor obligations in the normal course[2]. Filing for CCAA protection will alleviate the Petitioners' immediate liquidity pressures and provide a forum for them to restructure their debt obligations.

2.1 Financial Position

1. A summary of the financial position of the Petitioners as at December 31, 2020 is provided below.

(unaudited; $000s)	ACC	ACBI
Current assets		
Intercompany receivables	158,710	16,089
Other current assets	433	772
Total current assets	159,143	16,861
Investments	27,961	8,745
Other assets	7,063	-
Total assets	194,167	25,606
Current liabilities		
Accrued interest	18,981	178
Current portion of loans	52,239	-
Accounts payable	1,545	9
Other	2,672	9
Total current liabilities	75,437	196
Loans	248,226	-
Promissory notes	-	22,201
Total liabilities	323,663	22,397
Equity		
Common stock	24,769	8,745
Other	756	808
Retained earnings	(155,021)	(6,344)
Total equity	(129,496)	3,209
Total liabilities and equity	194,167	25,606

[1] Of the 25 employees, 15 are employed by the Petitioners.

[2] ACBI's vendor obligations are presently insignificant.

2. The balance sheets reflect that:

   a) substantially all of the Petitioners' assets are illiquid – they largely consist of investments in the PCs, which were funded through intercompany loans and direct investments;

   b) the Petitioners had liabilities totalling approximately $346 million, mainly owing to debtholders; and

   c) both Petitioners have significant negative retained earnings, reflecting a history of accumulated losses.

3. A summary as at December 31, 2020[3] of the amounts owing under each type of Security issued by the Petitioners (including accrued and unpaid interest) is provided in the table below.

(unaudited; $000s)	ACC	ACBI	Total
Preferred securities	240,784	-	240,784
Hybrid securities	59,681	-	59,681
Accrued interest	18,981	178	19,159
Promissory notes	-	22,201	22,201
Total	319,446[4]	22,379	341,825

2.2 Secured Creditors

1. Toronto Dominion Bank ("TD") has registered financing statements against ACC under the British Columbia, Ontario and Saskatchewan *Personal Property Security Acts*. HSBC has registered a financing statement against ACC under the British Columbia *Personal Property Security Act*.

2. KSV has been advised that TD's registrations were made in respect of limited recourse guarantees supported by share pledges that ACC had previously made in support of loans by TD to certain PCs. Shares in the PCs pledged to TD Bank are now held by Ardenton Capital Canada Inc. ("ACCI"), a non-applicant subsidiary of ACC, after an internal reorganization completed by Ardenton in 2019. KSV understands that ACC is working with TD to reflect the correct owner of the pledged PC shares.

3. HSBC is not a lender to the Petitioners. ACC maintains bank accounts at HSBC. The HSBC registration against ACC relates to HSBC's security for ACC's obligations in relation to account management and related services. Presently, there are no material obligations owed by ACC in respect of such services.

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[3] Balances are based on ACC and ACBI's unaudited financial statements as at December 31, 2020.

[4] Reconciles to the balance sheet as follows: loans ($248,226) + accrued interest ($18,981) + current portion of loans ($52,239) = $319,446.

2.3 Unsecured Creditors

1. As at December 31, 2020, the amounts owing by the Petitioners, including accrued interest, to their debtholders is provided in the table in paragraph 2.1.3 above. Interest has continued to accrue on those obligations since December 31, 2020.

2. As at February 28, 2021, ACC's vendor obligations totalled approximately $1.6 million. ACC's vendor obligations relate to operating expenses, professional fees and broker fees, as further detailed below.

(unaudited; $000s)	ACC
Montrusco Bolton Investments Inc.	311
Ernst & Young LLP	193
Linedata Services Inc.	127
Lawson Lundell LLP	51
LinkedIN Ireland Company	49
Other	886
Total	1,617

3. Other unsecured creditors of ACC as at February 28, 2021 include former employees and former shareholders pursuant to an agreement to purchase their shares dated December 30, 2017, as further detailed below:

(unaudited; $000s)	ACC
Former shareholders	1,588
Various employees	900
Total	2,488

4. Further information concerning the Petitioners' liabilities is provided in the Affidavit.

3.0 Cash Flow Forecast

1. The Petitioners have prepared the Cash Flow Forecast for the period March 3, 2021 to May 9, 2021. The Cash Flow Forecast and the Petitioners' statutory report on the cash flow pursuant to Section 10(2)(b) of the CCAA is attached as Appendix "C".

2. The Cash Flow Forecast reflects that the Petitioners should have sufficient liquidity to pay post-filing expenses to May 9, 2021, as reflected in the table below.

(unaudited; $000s)	March 3 – May 9
Receipts	
Intercompany	4,415
Interest	151
Management fees	42
	4,608
Disbursements	
Intercompany	408
Payroll and benefits	446
Professional services	83
IT	54
Rent	84
Insurance	36
Restructuring fees	800
Other	52
	1,963
Net Cash Flow	2,645
Opening Cash Balance	253
Net Cash Flow	2,645
Closing Cash Balance	2,898

3. Based on KSV's review of the Cash Flow Forecast, the cash flow assumptions appear reasonable. KSV's statutory report on the Cash Flow Forecast is attached as Appendix "D".

4. An overview of Ardenton's cash management system is as follows:

   a. the PCs pay PC Distributions to ACC's subsidiaries, including Ardenton Capital (Canada) Inc., Ardenton Capital (USA) Inc., ACBI and Ardenton Capital Investments Limited (collectively, the "ACC Subsidiaries");

   b. the PC Distributions are then distributed by the ACC Subsidiaries directly and indirectly to ACC; and

   c. ACC then funds all the operating costs of the ACC Subsidiaries, including their normal course operating costs.

5. During the course of the CCAA proceedings, the ACC Subsidiaries intend to maintain sufficient cash received from the PCs to pay their operating costs, with the residual amount distributed to ACC. If, however, the ACC Subsidiaries require funding for operating expenses, ACC intends to make advances through intercompany loans. Other than ACBI, none of the ACC Subsidiaries have any significant third-party debt. In the case of ACBI, the Monitor understands that the Petitioners may seek a Court-ordered intercompany charge at the Comeback Motion to protect ACBI's creditors for any distributions made by ACBI to ACC.

6. If ACC continues to receive its expected normal course distributions from the PCs, and is able to complete the PC Refinancing Transaction referenced in paragraph 2.1.3 above, the Petitioners project that they will have sufficient liquidity to fund their operations and the costs of these proceedings for at least the next six months. If ACC is unable to source the liquidity it requires, the Petitioners may require a DIP Facility. On a contingency basis, the Petitioners have commenced discussions with prospective lenders. Further information regarding the need for a DIP Facility will be addressed in due course, if necessary.

4.0 Court Ordered Charges

4.1 Administration Charge

1. The Petitioners are seeking an Administration Charge in an amount not to exceed $350,000 until the date of the Comeback Motion to secure the fees and expenses of the Monitor, its counsel and the Petitioners' counsel.

2. The Administration Charge is a customary provision in an Initial Order in a CCAA proceeding - it is required by the professionals engaged to assist a debtor company in the CCAA proceedings and to protect them if the debtor is unable to pay professional fees and costs during the CCAA process.

3. The Petitioners worked with KSV to estimate the proposed amount of the Administration Charge.

4. KSV believes that the Administration Charge is reasonable and appropriate in the circumstances given the complexities of the Petitioners' business, including its global operations and its large number of investors. Additionally, the professionals involved in these proceedings have significant accrued and unpaid fees at this time due to the Petitioners' illiquidity. Accordingly, the professionals require the benefit of the Administration Charge to protect them for their pre-filing fees related to preparing for these proceedings, as well as for their fees and costs during these proceedings. Without such protection, the professionals are unlikely to be prepared to continue to provide services in these proceedings.

4.2 D&O Charge

1. KSV understands that the Petitioners are current on their normal course payroll obligations (including withholding taxes) and sales taxes, other than certain accrued and unpaid bonuses totaling approximately $654,000. The unpaid bonuses are not projected to be paid in the Cash Flow Forecast.

2. The Cash Flow Forecast contemplates payroll and sales taxes will continue to be paid in the ordinary course. The proposed D&O Charge provides protection for the directors and officers should the Petitioners fail to pay certain obligations which may give rise to liability for directors and officers.

3. The directors and officers shall only be entitled to the benefit of the D&O Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, to the extent such coverage is insufficient to pay an indemnified amount as described above, or to the extent that such coverage is denied by the insurance provider.

4. The amount of the D&O Charge was estimated by the Petitioners in consultation with KSV, taking into consideration the payroll obligations of ACC. The Petitioners are generally in a sales tax refund position. The amount of payroll in one payroll cycle is approximately $110,000, which represents the proposed amount of the D&O Charge until the date of the Comeback Motion.[5]

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[5] Excludes pre-filing bonuses.

5. KSV is of the view that the D&O Charge is reasonable in the circumstances and that the continued involvement of the directors and officers is beneficial to the Petitioners and these proceedings.

4.3 Priority of Charges

1. The Petitioners propose the Court-ordered charges have the following priority:

   a) First, the Administration Charge; and

   b) Second, the D&O Charge.

5.0 Creditor Notification

1. The proposed Initial Order requires the Monitor to:

   a) publish without delay a notice in the national edition of *The Globe and Mail* newspaper containing the information prescribed under the CCAA; and

   b) within five days of the granting of the Initial Order to:

      i. make the Initial Order publicly available in the manner prescribed under the CCAA;

      ii. send, in the prescribed manner, a notice to every known creditor who has a claim against the Company of more than $1,000 advising that the order is publicly available; and

      iii. prepare a list, showing the names and addresses of those creditors, and the estimated amounts of those claims, and make it publicly available in the prescribed manner, save and except the Petitioners' investors, whose addresses and claim amounts shall be treated confidentially.

2. ACC's management has advised KSV that its investors have an expectation of privacy and would therefore be averse to having their addresses and amounts invested in the Petitioners made publicly available. Accordingly, the Initial Order contemplates that the addresses and the amounts invested by investors will be not be disclosed on the creditors' list that will be made available on the Monitor's website or elsewhere. As a result of the privacy expectations of the investors, the Monitor supports this relief.

3. If appointed Monitor, KSV will also post the Initial Order and all motion materials on a its case website.

6.0 Conclusion and Recommendation

1. Based on the foregoing, KSV respectfully recommends that this Honourable Court make an order granting the relief detailed in Sections 1.0 (3) and 1.1 (1)(e) of this Report.

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

KSV RESTRUCTURING INC.,
AS PROPOSED MONITOR OF
ARDENTON CAPITAL CORPORATION AND ARDENTON CAPITAL BRIDGING INC.
AND NOT IN ITS PERSONAL CAPACITY

Appendix “A”

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

CONSENT TO ACT AS MONITOR

KSV RESTRUCTURING INC. consents to act as monitor of the Petitioners, Ardenton Capital Corporation and Ardenton Capital Bridging Inc., pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36.

DATED at Toronto this 1st day of March, 2021.

KSV RESTRUCTURING INC.

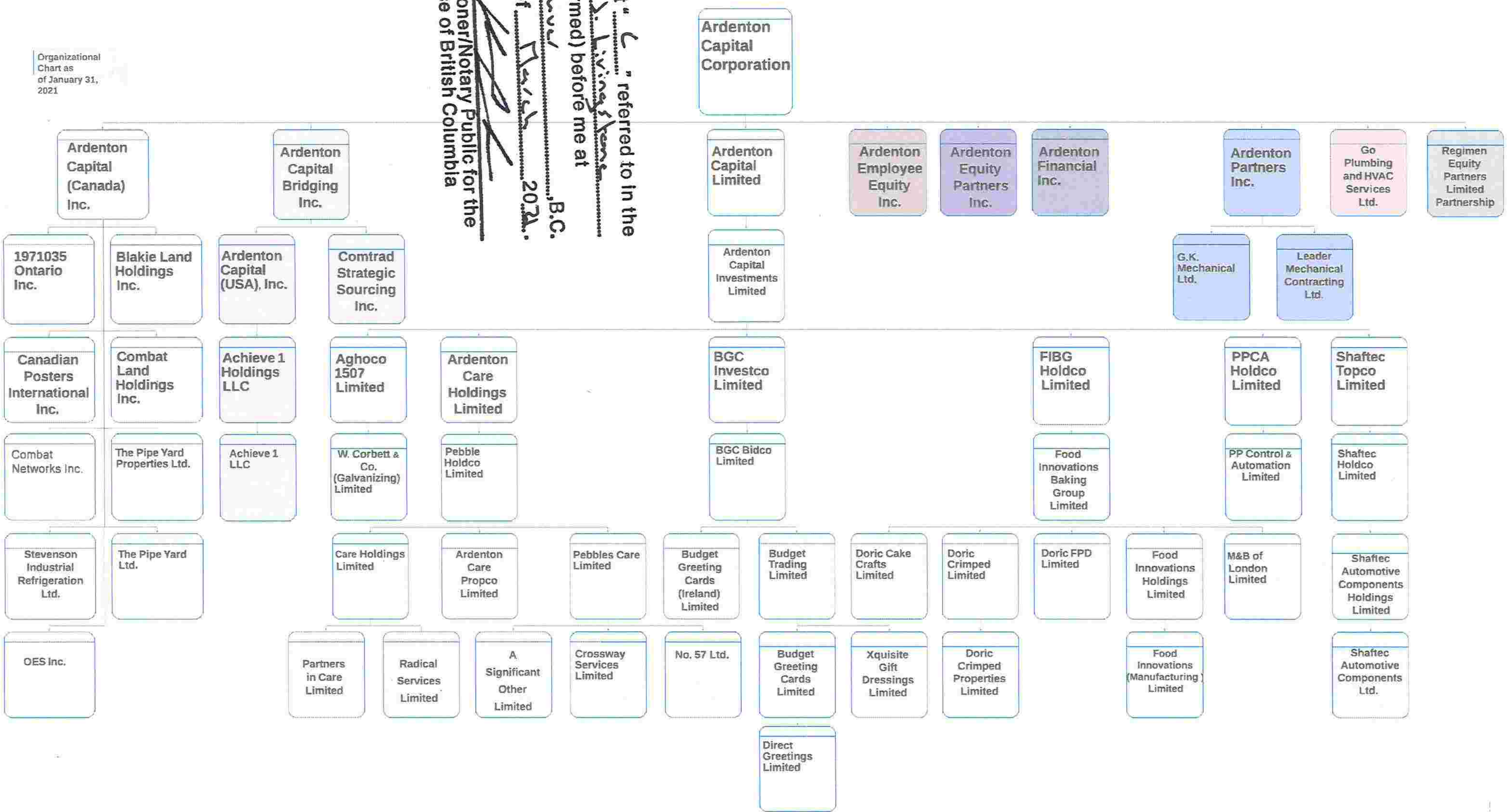
Per:_____________________________
Name: Robert Kofman
Title: President

Appendix “B”

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.

A Commissioner/Notary Public for the Province of British Columbia

Organizational Chart as of January 31, 2021



Appendix “C”

Ardenton Capital Corporation and Ardenton Capital Bridging Inc.

Projected Statement of Cash Flow

For the Period Ending May 9, 2021

(Unaudited; $C)

	Notes	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	Total
		Weeks Ending										
Receipts	1											
Intercompany	2	634,825	-	-	-	353,030	-	2,888,796	-	318,280	220,000	4,414,931
Interest	3	-	-	-	-	-	-	-	-	151,089	-	151,089
Management Fees	4	-	-	-	-	-	-	-	-	42,375	-	42,375
Total Receipts		634,825	-	-	-	353,030	-	2,888,796	-	511,744	220,000	4,608,395
Disbursements												
Intercompany	5	-	90,017	66,662	-	29,528	-	210,149	-	11,649	-	408,006
Payroll and benefits	6	-	112,222	-	-	132,330	-	96,398	-	104,999	-	445,948
Professional services	7	-	-	-	-	41,500	-	-	-	41,500	-	83,000
IT		-	-	-	-	27,000	-	-	-	27,000	-	54,000
Rent		64,467	-	-	-	10,000	-	-	-	10,000	-	84,467
Insurance		-	-	10,500	-	7,500	-	10,500	-	7,500	-	36,000
Other		-	2,500	-	-	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 undernoted		570,358	(204,739)	(77,162)	-	81,672	-	2,569,249	-	285,596	220,000	3,444,973
Restructuring fees	8	-	-	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.

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

Appendix “D”

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.

MONITOR'S REPORT ON CASH FLOW STATEMENT
(paragraph 23(1)(b) of the CCAA)

The attached statement of projected cash-flow of Ardenton Capital Corporation and Ardenton Capital Bridging Inc. (collectively, the "Petitioners"), as of the 2nd day March, 2021, consisting of a weekly projected cash flow statement for the period March 3, 2021, to May 9, 2021 ("Cash Flow") has been prepared by the management of the Petitioners for the purpose described in Note 1, using the probable and hypothetical assumptions set out in the notes to the Cash Flow.

Our review consisted of inquiries, analytical procedures and discussions related to information supplied by the management and employees of the Petitioners. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Cash Flow. We have also reviewed the support provided by management for the probable assumptions and the preparation and presentation of the Cash Flow.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects:

a) the hypothetical assumptions are not consistent with the purpose of the Cash Flow;

b) as at the date of this report, the probable assumptions developed by management are not suitably supported and consistent with the plans of the Petitioners or do not provide a reasonable basis for the Cash Flow, given the hypothetical assumptions; or

c) the Cash Flow does not reflect the probable and hypothetical assumptions.

Since the Cash Flow is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the Cash Flow will be achieved. We express no opinion or other form of assurance with respect to the accuracy of any financial information presented in this report, or relied upon in preparing this report.

The Cash Flow has been prepared solely for the purpose described in Note 1 and readers are cautioned that it may not be appropriate for other purposes.

Dated at Toronto, Ontario this 2nd day of March, 2021.

KSV Restructuring Inc.

KSV RESTRUCTURING INC.
IN ITS CAPACITY AS PROPOSED CCAA MONITOR OF
ARDENTON CAPITAL CORPORATION AND
ARDENTON CAPITAL BRIDGING INC.
AND NOT IN ITS PERSONAL CAPACITY