



**Second Report of
KSV Restructuring Inc.
as CCAA Monitor of
Ardenton Capital Corporation and
Ardenton Capital Bridging Inc.**

March 25, 2021

Contents		Page
1.0	Introduction.....	1
1.1	Purposes of this Report.....	2
1.2	Restrictions	3
1.3	Currency	3
2.0	Background	4
3.0	Investor Committee.....	5
3.1	Recommendation Re Investor Committee	7
4.0	DIP Solicitation Process.....	8
4.1	DIP Solicitation Process Results	9
4.2	DIP Facility.....	9
4.3	Secured Creditors	11
4.4	Recommendation re DIP Facility	12
5.0	Claims Procedure	13
5.1	Notice to Creditors	13
5.2	Proof of Claims	14
5.3	Determination of Claims	15
5.4	Excluded Claims	16
5.5	Recommendation re: Claims Procedure.....	16
6.0	Professional Fees.....	17
7.0	Confidential Appendices	17
8.0	Companies' Activities Since the Date of the Initial Order.....	18
9.0	Monitor's Activities	19
10.0	Conclusion and Recommendation	20

Appendix	Tab
Amended and Restated Initial Order	A
Coporate Chart	B
Letter to Investors dated March 15, 2021.....	C
DIP Solicitation Letter	D
DIP Term Sheet.....	E
Comparative Summary of DIP Facilities.....	F

Confidential Appendix	Tab
Schedule of Amounts owed to Members of Investor Committee	1
List of Investors and Amounts Owed.....	2
DIP Summary	3



COURT FILE NO.: S-211985

IN THE SUPREME COURT OF BRITISH COLUMBIA

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

AND IN THE MATTER OF ARDENTON CAPITAL CORPORATION AND
ARDENTON CAPITAL BRIDGING INC.

PETITIONERS

SECOND REPORT OF KSV RESTRUCTURING INC. AS
MONITOR

MARCH 25, 2021

1.0 Introduction

1. Pursuant to an order (the "Initial Order") of the Supreme Court of British Columbia (the "Court") made on March 5, 2021, Ardenton Capital Corporation ("ACC") and Ardenton Capital Bridging Inc. ("ACBI" and together with ACC, the "Companies") were granted protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCA") and KSV Restructuring Inc. ("KSV") was appointed monitor (the "Monitor"). The Companies and their non-filing affiliates and related companies are collectively referred to in this report (the "Report") as "Ardenton".
2. Also pursuant to the terms of the Initial Order, the Court:
 - a) granted a stay of proceedings until March 15, 2021; and
 - b) granted a charge:
 - i. in the amount of \$350,000 (the "Administration Charge") on the Companies' current and future property, assets and undertaking (collectively, the "Property") to secure the fees and disbursements of the Companies' counsel, as well as the fees and disbursements of the Monitor and its counsel (the "Administration Professionals"); and
 - ii. in the amount of \$110,000 (the "D&O Charge") on the Property in favour of the Companies' sole director, as well as its officers.

3. At the initial application, the Court set March 15, 2021 as the date for the comeback motion in these proceedings (the “Comeback Motion”). At the Comeback Motion, the Court issued an amended and restated Initial Order (the “Amended and Restated Initial Order”) pursuant to which:
 - a) the stay of proceedings was extended to May 7, 2021;
 - b) the amount of the Administration Charge was increased to \$1 million;
 - c) the amount of the D&O Charge was increased to \$240,000; and
 - d) a charge in favour of ACBI was created for any advances it makes to ACC during these proceedings (the “Intercompany Charge”) (collectively, the Administration Charge, the D&O Charge and the Intercompany Charge are referred to as the “Court-Ordered Charges”).

A copy of the Amended and Restated Initial Order is provided in Appendix “A”.

4. The principal purpose of the CCAA proceedings is to provide the Companies 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 are intended to provide a forum to allow the Companies to develop a plan of arrangement or compromise (the “Plan”) that is intended to provide creditors with a better outcome than an immediate liquidation of the Companies’ business and assets.

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide background information regarding the Companies and these proceedings;
 - b) discuss the rationale for the appointment of a committee comprised of seven investors (the “Investor Committee”) which will work with the Monitor and the Companies to formulate a Plan that will be presented to creditors;
 - c) summarize the process (the “DIP Solicitation Process”) carried out by the Monitor to solicit debtor-in-possession (“DIP”) financing proposals for a \$5 million DIP facility (the “DIP Facility”);
 - d) summarize the terms of the recommended DIP Facility between RCM Capital Management Ltd., or its designated assignee (“RCM”), as lender (the “Lender”), ACC, as borrower (the “Borrower”) and ACBI as guarantor, including a court-ordered charge on the Companies’ business and assets, which is a condition of the DIP Facility, subject only to the Administration Charge to a maximum of \$750,000 and the encumbrances in favour of Toronto Dominion Bank (“TD Bank”) to a maximum of \$100,000 and HSBC Canada (“HSBC”) (the “DIP Charge”);

- e) summarize the proposed claims procedure (the “Claims Procedure”) for soliciting and determining claims against the Companies and against the Companies’ directors and officers;
- f) provide an update on the Companies’ and the Monitor’s activities since the Monitor’s first report to Court dated March 11, 2021 (the “First Report”); and
- g) recommend that the Court issue an order or orders, *inter alia*:
 - i. approving the appointment of the Investor Committee and its members and providing the Investor Committee and its members with protections consistent with those afforded to the Monitor in the Initial Order;
 - ii. approving the DIP Facility and the DIP Charge;
 - iii. reducing the amount of the Administration Charge to \$750,000;
 - iv. approving the Claims Procedure and authorizing the Monitor to carry out the Claims Procedure on the basis set out in the proposed claims procedure order (the “Claims Procedure Order”);
 - v. sealing the confidential appendices to this Report; and
 - vi. approving the Monitor’s activities from the commencement of these proceedings to the date of this Report.

1.2 Restrictions

1. In preparing this Report, the Monitor has relied upon the Companies’ unaudited financial information, books and records and discussions with the Companies’ management and its legal counsel.
2. The Monitor has not audited or otherwise verified the accuracy or completeness of the financial information relied upon 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, the Monitor 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. This Report does not consider the potential future impact of the COVID-19 pandemic on the Companies’ business and operations, including on the Companies’ portfolio companies (collectively, the “PCs”). Such impact cannot be determined at this time.

1.3 Currency

1. All currency references in this Report are in Canadian dollars.

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 US and the United Kingdom. A copy of ACC's corporate chart is attached as Appendix "B".
3. ACC does not use a typical private equity model, which relies on a limited partnership structure to raise capital for its Investors. Rather, ACC raised 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.
4. All of ACBI's debt was raised through the issuance of promissory notes.
5. Through the end of 2020, the Companies had raised over \$400 million through the issuance of common equity, hybrid units (which have a debt and an equity warrant component), preferred securities and promissory notes (each instrument being a "Security" and collectively, the "Securities"). The monies raised by ACC and ACBI were used in part to acquire PCs, and together with PC Distributions (as defined below), to pay Ardenton's operating expenses, fund interest on the Companies' existing debt obligations and redeem Securities.
6. A summary of ACC's and ACBI's obligations¹, by Security, as at the date of the Initial Order is provided in the table below.

(unaudited; \$000s)	ACC	ACBI	Total
Promissory Notes	1,312	18,205	19,517
Preferred Securities	263,952		263,952
Hybrid Securities	67,050		67,050
Total	332,315	18,205	350,520

7. ACC's interest in the PCs is owned indirectly through its holding company subsidiaries including ACBI (the "HoldCos"). ACC's acquisitions are funded through a combination of debt and equity advanced by ACC indirectly to the PCs through the HoldCos that own the PCs. ACC indirectly receives interest, management fees and dividends from the PCs (collectively "PC Distributions"), although these PC Distributions have not historically been a major source of capital for ACC, which continues to be the case. In addition, ACC has on one occasion sourced capital from a PC by refinancing its loan from ACC (made through a 12% preferred security) with bank debt priced less expensively than the preferred security (the "PC Refinancing Transaction").

¹ Includes accrued and unpaid interest at the date of the Initial Order.

8. Further information regarding the Companies and these proceedings can be found in the Monitor’s prior reports issued in these proceedings, including its pre-filing report (the “Pre-Filing Report”) and in affidavits sworn by James Livingstone, ACC’s Chief Executive Officer. Court materials in these proceedings can be found on the Monitor’s website at <https://www.ksvadvisory.com/insolvency-cases/case/ardenton-capital-corporation>.

3.0 Investor Committee

1. Since the commencement of these proceedings, Mr. Livingstone and representatives of the Monitor have engaged in discussions with a significant number of the Companies’ investors. In light of feedback from these discussions, it became apparent to Mr. Livingstone and the Monitor that these proceedings would benefit from the establishment of a committee of investors. During those discussions, several investors expressed an interest in sitting on such a committee. The primary purpose of the Investor Committee is for the Companies and the Monitor to work with the Investor Committee to formulate a Plan that will be presented to creditors for their consideration.
2. On March 15, 2021, the Monitor sent an update letter to investors. The update letter advised of the Monitor’s intention to form the Investor Committee and to have it approved by the Court by the end of March. In response to this letter, several additional individuals contacted the Monitor to advise that they have an interest in sitting on the Investor Committee. A copy of the March 15, 2021 letter to investors is provided in Appendix “C”.
3. The Monitor has identified seven individuals for the Investor Committee. These individuals are significant investors and/or an advisor or representative of groups of investors. The Monitor believes these investors represent a broad cross-section of the various Securities issued by the Companies. A summary of the holdings of the Investor Committee members, or the investors they represent, is provided in the table below.

Name	Preferred Securities	Hybrid Securities	Promissory Notes
Montrusco Bolton Investors Inc.	X	X	X ²
Requisite Capital Management LLC	X	X	
Monkey Toes LLC	X	X	X ³
Birnam Wood Capital LLC	X		
Wood Group Capital Inc.	X		
Robert Maroney	X		
Donald Lang		X	

² Issued by ACBI.

³ Issued by ACC and ACBI.

4. The amounts owing to the Investor Committee members, or the investors that they represent, total, at least, approximately \$156 million, or 44% of the total outstanding Securities. The amount owing to each investor on the Investor Committee, or the investors they represent, is provided in Confidential Appendix “1”. The balance of the Securities is owed to 284 investors comprising approximately \$200 million. A complete list of investors and the amounts owed to each is provided in Confidential Appendix “2”.⁴
5. The Monitor has spoken with each prospective member of the Investor Committee. The Investor Committee members have diverse backgrounds that will provide various insights and perspectives into the restructuring process. Each of the Investor Committee members has significant financial and/or operational experience.
6. The Investor Committee is to have the following construct:
 - a) the Investor Committee is intended to perform an advisory and consultation function so that the goals and priorities of the Companies’ creditors are considered and reflected in the Plan;
 - b) the decisions of the Investor Committee are not binding on the creditors, the Monitor or the Companies;
 - c) the members of the Investor Committee will not be compensated for sitting on the Investor Committee;
 - d) the Investor Committee is to consider the interests of all ACC and ACBI investors;
 - e) in the event that any member of the Investor Committee is unhelpful, disruptive or misses, without reasonable explanation, either two consecutive Investor Committee meetings, or three Investor Committee meetings in aggregate, the member can be expelled from the Committee by a resolution passed by two-thirds of the other Committee members or the Monitor can bring a motion to have them removed;
 - f) there may be instances when Investor Committee members believe it would be helpful to discuss ideas and issues with stakeholders and/or the constituents that they represent or with whom they have a relationship. Generally, Investor Committee discussions are to be conducted on a confidential basis; however, the Monitor will work with the Investor Committee to agree to the scope of information that can be shared with other stakeholders. An Investor Committee member that breaches the Committee confidentiality rules can be expelled from the Committee by a resolution passed by two-thirds of the other Committee members, or the Monitor can bring a motion to have them removed;

⁴ Pursuant to the terms of the Initial Order, the amount owing to each investor is confidential. Accordingly, that information has not been provided in this Report, except in the confidential appendices.

- g) members of the Investor Committee should not have any liability for sitting on the Investor Committee, except for their gross negligence or wilful misconduct. The Monitor is of the view that Investor Committee members should be afforded protections consistent with those provided to the Monitor or a court-appointed officer in an insolvency proceeding. It is contemplated that leave of the Court would be required to commence an action against the Investor Committee or any member of the Investor Committee; and
- h) The establishment of the Investor Committee will not obviate the need for the Companies to provide creditors with periodic updates concerning the performance of the PCs and other financial updates.

3.1 Recommendation Re Investor Committee

1. For the following reasons, the Monitor recommends that the Court issue an order approving the appointment of the Investor Committee and its initial members, and granting protections to the Investor Committee and its members consistent with those provided to the Monitor in the Initial Order:
 - a) the Investor Committee members own or represent a cross-section of Securities totaling, at least, approximately \$156 million (or 44%) of the total Securities outstanding as of the date of the Initial Order;
 - b) the Investor Committee will provide the Companies and the Monitor with the opportunity to engage with a single representative group of investors on the formulation of the Plan so that the goals and priorities of the investors are reflected in the Plan. This will assist to make these CCAA proceedings more efficient and will reduce the professional costs in these proceedings;
 - c) without the establishment of a single investor committee, it is likely that there will be several informal committees established, each advancing its own interests. This will make it difficult for the Monitor to build broad consensus for the Plan and could cause these proceedings to be unsuccessful. It is also likely to significantly increase professional costs and cause delay in reaching consensus concerning a Plan;
 - d) based on the Monitor's discussions with the prospective Investor Committee members, the members of the Investor Committee have significant financial and/or operational experience that should facilitate the restructuring process;
 - e) Investor Committee members should not have any liability for serving on the Investor Committee and accordingly, it is appropriate to grant them Court-ordered protections similar to those afforded to the Monitor in the Initial Order. If Investor Committee members are not provided appropriate protections, it is unlikely that investors would be prepared to sit on the committee, which would be to the detriment of the successful completion of these proceedings;

- f) Investor Committee members will not be compensated for sitting on the Investor Committee; and
- g) the decisions of the Investor Committee are not binding on the Companies' creditors, the Monitor and the Companies, but rather are intended to provide guidance to the Monitor and the Companies as to the structure of a Plan that addresses the key issues that will be considered by creditors so that the Plan has the best opportunity to be accepted by the creditors.

4.0 DIP Solicitation Process

1. The Monitor advised in its pre-filing report and in the First Report that the Companies may need DIP financing. Mr. Livingstone also foreshadowed the potential need for DIP financing in his affidavits sworn in these proceedings. These reports and affidavits discussed that ACC was at the date of the Initial Order working on a PC Refinancing Transaction, and if completed, the Companies would not require a DIP Facility, at least in the short-term.
2. Since the commencement of these proceedings, it has become apparent that the PC Refinancing Transaction will not be completed at this time and accordingly, given their lack of liquidity, the Companies require a DIP Facility to fund their operating expenses and professional costs during these proceedings. Additionally, the DIP Facility provides the Companies with liquidity if the Companies incur negative cash flow variances versus its cash flow forecasts. Accordingly, on March 10, 2021, the Monitor commenced the DIP Solicitation Process to obtain DIP Facility proposals by sending a letter (the "DIP Solicitation Letter") to prospective DIP lenders (the "Prospective Lenders"). A copy of the letter sent by the Monitor to Prospective Lenders is attached as Appendix "D".
3. An overview of the DIP Solicitation Process is as follows:
 - a) early in these proceedings, several Prospective Lenders contacted the Monitor to advise of their interest to provide a DIP loan to the Companies;
 - b) the Monitor sent the DIP Solicitation Letter to eight Prospective Lenders, including those which had contacted the Monitor;
 - c) to be permitted into the process, Prospective Lenders were required to sign a confidentiality agreement (the "CA"). Upon execution of the CA, Prospective Lenders were provided access to an online data room, which included financial information concerning the Companies and the PCs, as well as a draft term sheet for the DIP Facility prepared by the Monitor, in consultation with the Companies; and
 - d) Prospective Lenders were encouraged to submit proposals using the draft term sheet, with any changes blacklined against it.

4.1 DIP Solicitation Process Results

1. The results of the DIP Solicitation Process are summarized as follows:
 - a) eight parties executed the CA and were provided access to the data room; and
 - b) three offers were submitted.
2. A summary of the offers is provided in Confidential Appendix “3” (the “DIP Summary”). The Companies and the Monitor are of the view that the best DIP Facility proposal was submitted by the Lender.

4.2 DIP Facility⁵

1. The terms of the DIP Facility are set out in the term sheet (the “DIP Term Sheet”). A copy of the DIP Term Sheet is attached as Appendix “E”. The significant terms of the DIP Facility are below.
 - a) Lender: RCM
 - b) Guarantor: ACBI
 - c) Amount: \$5 million
 - d) Maturity Date: ACC will repay all of the Interim Financing Obligations in full, on the earlier of: (i) the occurrence of any Event of Default which is continuing and has not been cured; (ii) the implementation of a Plan and by an order entered by the Court; (iii) conversion of the CCAA Proceedings into a proceeding under the *Bankruptcy and Insolvency Act* (Canada); and (iv) the date that is six months from the date of the Initial Advance, subject to the ability of the Borrower, with the reasonable consent of the Lender to extend the Maturity Date for an additional six month period by notice in writing to the Interim Lender delivered prior to the expiry of the initial six month term (the earliest of such dates being the “Maturity Date”).
 - e) Interest rate: 10% per annum on outstanding advances (there are no unused facility fees, set up fees or other fees related to the DIP Facility).
 - f) DIP Charge: First-ranking Court ordered charge over the Borrowers’ business and assets, subject to the Administration Charge to a maximum of \$750,000 and the secured claims of TD Bank (to a maximum of \$100,000) and HSBC.

⁵ Terms not defined in this section have the meaning provided to them in the DIP Term Sheet.

- g) Budget: The Borrower has delivered, with consent of the Monitor, and the Lender has accepted, a current weekly line-item budget covering the period of at least ninety-one (91) days following the date of this Term Sheet (together with all updates thereto approved by the Interim Lender in their sole discretion, including the Revised Budget if approved by the Interim Lender in their sole discretion, the “Agreed Budget”).

On Wednesday of each week by 4:00 p.m. (Vancouver time), commencing on the first week after the initial funding, ACC will deliver to the Lender: (i) a report showing actual cash receipts and actual expenditures for each line-item in the Agreed Budget covering the previous week and comparing the foregoing amounts with the budgeted cash receipts and budgeted expenditures, respectively, set forth in the Agreed Budget for such line-item during such one week period, and (ii) a one week roll-forward of the Agreed Budget, which shall reflect the Borrower’s good faith projections and be in form and detail consistent with the initial Agreed Budget and subject to the approval of the Lender in its sole discretion (if so approved by the Interim Lender, the “Revised Budget”).

- h) Conditions, include:

- i. reduction in the Administration Charge to \$750,000;
- ii. entry of the DIP Order and the granting of the DIP Charge; and
- iii. no Default or Event of Default shall have occurred or, if applicable, will occur as a result of the requested Interim Advance;

- i) Events of Default, include:

- i. termination of the CCAA proceedings or lifting the CCAA stay of proceedings to permit (A) the enforcement of any Lien against Companies, or a material portion of their respective property, assets or undertaking, or (B) the appointment of a receiver and manager, receiver, interim receiver or similar official, or substituting the Monitor, or the making of a bankruptcy order against the Companies; granting any Lien which is senior to or *pari passu* with the Interim Lender Charge, other than the Permitted Priority Liens;
- ii. the issuance of an order modifying the DIP Charge or any orders in a manner which adversely impacts the Lender without the prior consent of the Lender;
- iii. failure of any of the Companies to comply with (i) any of the negative covenants in the DIP Term Sheet, and to the extent such failure or default is capable of being remedied, such failure or default shall continue unremedied for a period of ten (10) Business Days or (ii) any of the positive covenants in the DIP Term Sheet, and to the extent such failure or default is capable of being remedied, such failure or default shall continue unremedied for a period of thirty (30) Business Days;

- iv. if the Companies' exposure to HSBC exceeds \$40,000;
- v. the occurrence of a Material Adverse Change⁶;
- vi. any material violation or breach of any Court Order by the Companies;
and
- vii. any Revised Budget (A) contemplates or forecasts an adverse change from the then-existing Agreed Budget, and such change(s) constitute a Material Adverse Change or (B) contemplates or forecasts a cash flow deficit in excess of \$500,000 or the equivalent amount thereof in any other currency (each, an "Updated Budget Default").

4.3 Secured Creditors

1. The DIP Facility will not have priority over the following obligations owing to TD Bank to a maximum of \$100,000 and HSBC.

4.3.1 TD Bank

1. TD Bank has registered financing statements against ACC under the British Columbia, Ontario and Saskatchewan Personal Property Security Acts.
2. The Monitor has been advised that TD's registrations were made in respect of:
 - a) 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. The Monitor understands that ACC is working with TD to reflect the correct owner of the pledged PC shares; and
 - b) a GSA which secured the Companies' TD VISA corporate credit card liabilities, which are currently approximately \$47,000.
3. As the subsidiaries for which TD has a secured limited recourse guarantee are now owned by ACCI and not ACC, the Amended and Restated Initial Order sets out that the Court-Ordered Charges rank in priority to the TD security interest, subject to a \$100,000 priority afforded to TD for amounts owing to it or that may be owing to it in the future in respect of the TD VISA cards.

⁶ "Material Adverse Change" means any event which, individually or in the aggregate, results, or could reasonably be expected to result, in a material adverse change in: (a) the ability of the Companies to perform any obligation under the DIP Term Sheet or any Court Order, or the ability of ACC to carry out a Plan; (b) the validity or enforceability of any of the D&O Charge or the ranking of any of the Liens granted thereby or the material rights or remedies intended or purported to be granted to the Lender under the D&O Charge; (c) the rights and remedies of the Lender under the DIP Term Sheet; (d) the business of the Companies, on a consolidated basis, including without limitation a material adverse qualification (other than a "going concern" qualification resulting from the CCAA proceedings); (e) the ability of the Companies to carry on its business as conducted as of the date of this Term Sheet; or (f) the Collateral.

4. The Monitor understands that TD has recently terminated the Visa facilities and that the Companies intend to repay this obligation at their earliest opportunity.

4.3.2. HSBC

1. HSBC has registered a financing statement against ACC under the British Columbia Personal Property Security Act. HSBC is not a lender to the Companies. ACC maintains bank accounts at HSBC and has a Visa facility with HSBC. The HSBC registration against ACC relates to HSBC's security for ACC's obligations in relation to account management and related services, as well as any exposure under the Visa facility. The amounts that may be owing to HSBC at any point in time are not anticipated to be significant and the ranking of HSBC's security is not to be affected by the DIP Charge.

4.3.3. Priority of Charges

1. The proposed priority of the Court-ordered charges is as follows:
 - a) first, the Administration Charge;
 - b) second, the DIP Charge;
 - c) the D&O Charge; and
 - d) the Intercompany Charge.

4.4 Recommendation re DIP Facility

1. The Monitor considered the following factors regarding the terms of the DIP Facility, as well those set out in Section 11.2 of the CCAA:
 - a. the Companies are facing a liquidity crisis. They are projected to exhaust their cash balances by approximately mid-April. Absent DIP Financing, the Companies may not be able to pay operating costs and professional fees in relation to these proceedings. In the Monitor's view, the Companies require the DIP Facility to ensure that they have sufficient liquidity to continue to operate and to fund the costs of these proceedings for the benefit of all of the Companies' stakeholders;
 - b. the DIP Facility enhances the prospect that the Companies will be able to successfully restructure and will prevent a fire sale of certain of the PCs, which would be the Companies' only other option to generate liquidity, if required. Such option is not in the interest of the Companies' stakeholders;
 - c. the DIP Facility is for six months and can be extended by another six months by ACC, which may be necessary if these proceedings are not completed by the six-month anniversary of these proceedings;

- d. the DIP Facility has no fees, including an unused line fee, which is an important consideration as the full amount of the DIP Facility is not projected at this time to be drawn;
- e. the Companies are permitted to repay the DIP Facility at any time, without penalty; and
- f. based on the other DIP proposals received, and a comparison of the terms of the DIP Facility to the terms of other DIP facilities approved by Canadian courts in CCAA proceedings commenced between 2018 and 2021 (see Appendix “F”), the Monitor believes that the terms of the DIP Facility are reasonable for the following reasons:
 - the interest rate of the proposed DIP Facility is consistent with, and in many instances lower than, DIP facilities approved by Canadian courts in other CCAA and restructuring proceedings;
 - there are no fees payable under the DIP Facility, including an unused line fee; and
 - the DIP Facility is for a six-month term and can be extended at no cost for an additional six months, if required. The maximum term of the DIP Facility should be sufficient to complete or substantially complete these proceedings.

5.0 Claims Procedure⁷

1. **This Report summarizes the Claims Procedure. Interested parties are strongly encouraged to read the Claims Procedure Order in its entirety. To the extent there are inconsistencies between this Report and the Claims Procedure Order, the Claims Procedure Order shall prevail. The full details of the Claims Procedure have not been reproduced or summarized in this Report.**
2. The Monitor developed the Claims Procedure to solicit and determine any and all Claims, including Pre-Filing Claims, D&O Claims and Restructuring Claims.
3. The key terms and provisions of the Claims Procedure are summarized in the following sections of this Report.

5.1 Notice to Creditors

1. The Claims Procedure requires a Notice to Claimants to be published in *The Globe and Mail* (National Edition) and the Vancouver Sun by the Monitor by no later than April 6, 2021.

⁷ Capitalized terms in this section have the meaning provided to them in the Claims Procedure Order unless otherwise defined herein.

2. The Monitor will post the Notice to Claimants, the Claims Package and the Claims Procedure Order on its website as soon as possible. The Claims Package includes an Instruction Letter, a Proof of Claim and a Notice of Dispute.
3. The Monitor shall send a Known Claimant Claims Package to each Known Claimant and to Canada Revenue Agency, and any similar revenue or taxing authority of each and every province or territory of Canada in which the Companies carry on business within ten (10) Business Days following the granting of the Claims Procedure Order, by ordinary mail or electronic mail to the Known Claimant's last known address provided by the Companies, or the address provided to the Monitor by the Known Claimant.

5.2 Proof of Claims

1. Most of the creditors of the Companies are investors. To increase the efficiency of the Claims Procedure, the Monitor and the Companies will determine the claim amounts for all Known Claims as at the Filing Date, based on the Companies' books and records. Any Known Claimant that does not dispute the amount of its Known Claim is not required to take any further action and the Known Claim will be deemed to be the Claimant's proven claim for the purposes of voting and distribution under any Plan.
2. Any Known Claimant wishing to dispute the amount or other aspect of the Known Claim must file a Notice of Known Claim Dispute with the Monitor on or before the Pre-Filing Claims Bar Date, being 4:00 p.m. (PST) on May 14, 2021 or such other date as may be ordered by the Court.
3. Any Person who wishes to assert:
 - a. a Pre-Filing Claim (not set out in a Known Claimant Notice) must deliver a completed Proof of Claim to the Monitor on or before the Pre-Filing Claims Bar Date;
 - b. a Restructuring Claim⁸, must deliver a completed Proof of Claim form to the Monitor on or before the applicable Restructuring Claims Bar Date. The Restructuring Period Claims Bar Date is the later of (i) the Pre-Filing Claims Bar Date; and (ii) thirty (30) days after the Monitor sends a Claims Package with respect to a Restructuring Claim; and
 - c. a D&O Claim, must deliver a completed Proof of Claim form to the Monitor on or before the Pre-Filing Claims Bar Date, if in respect of a claim arising before the Filing Date, or the Restructuring Claims Bar Date if in respect of a Disclaimer, as applicable.

⁸ Any right or claim of any Person that may be asserted or made in whole or in part against the Companies in connection with any indebtedness, liability or obligation of any kind whatsoever owed by any of the Companies to such Person arising out of the Disclaimer of any lease, contract, or other arrangement, agreement or obligation (whether oral or written) by any of the Companies on or after the Filing Date, whether such restructuring, termination, repudiation or disclaimer took place or takes place before or after the date of this Claims Procedure Order.

4. Any Person who does not file a Proof of Claim in accordance with this Claims Procedure Order with the Monitor by the Pre-Filing Claims Bar Date or Restructuring Claims Bar Date, as applicable, shall:
 - a) not be entitled to receive further notice with respect to, and shall not be entitled to participate as a Claimant or creditor in, the Claims Procedure or the CCAA Proceeding in respect of such Claim;
 - b) with respect to a Pre-Filing Claim or a Restructuring Claim, upon approval of a Plan, be forever barred from asserting such Claim against the Companies and the Companies shall not have any liability in respect of such Claim and such Claim shall be extinguished;
 - c) with respect to a D&O Claim, upon approval of a Plan, be forever barred from asserting such Claim against any of the Directors or Officers and the Directors and Officers shall not have any liability in respect of such Claim and such Claim shall be extinguished;
 - d) not be permitted to vote on any Plan at any Meeting on account of such Claim; and
 - e) not be permitted to participate in any distributions under any Plan related to such Claim or under this CCAA Proceeding.

5.3 Determination of Claims

1. The Monitor, in consultation with the Companies (and in the case of a D&O Claim, in consultation with the respective Directors or Officers, if applicable) shall review all Proofs of Claim and Notices of Known Claim Dispute filed in accordance with this Claims Procedure Order, and at any time may, among other things:
 - a) attempt to resolve and settle any issue arising in a Proof of Claim or Notice of Known Claim Dispute or in respect of a Claim;
 - b) accept the claim; and
 - c) revise or disallow the amount of any Claim and so notify the Claimant in writing by way of a Notice of Revision or Disallowance.
2. The Monitor will not accept or revise any portion of a D&O Claim absent: (i) the consent of the applicable Director and Officer in consultation with the applicable insurer; or (ii) further Order of the Court.
3. Any Person who intends to dispute the amount set out in a Notice of Revision or Disallowance must deliver a Notice of Dispute to the Monitor in writing, with a copy to the Monitor, by 4:00 p.m. (PST) on the day that is no later than fourteen (14) calendar days after such Claimant received the Notice of Revision or Disallowance. If they do not submit a Notice of Dispute, the value and status of such Claim shall be deemed to be set out in the Notice of Revision or Disallowance, respectively, for the purposes of voting and distribution under any Plan.

4. In the event that the Monitor and the Claimant are unable to resolve any Disputed Claim in respect of any Pre-Filing Claim or Restructuring Claim, the Monitor shall bring a motion for advice and direction to have the unresolved Disputed Claim determined by the Court.
5. In the event that the Monitor, in consultation with the applicable Director or Officer, is unable to resolve any Disputed Claim in respect of any D&O Claim, the Monitor shall bring a motion for advice and direction to have the unresolved Disputed D&O Claim determined by the Court.

5.4 Excluded Claims

1. The only Excluded Claims are the secured claims of TD, HSBC and amounts secured by the Court-Ordered Charges.

5.5 Recommendation re: Claims Procedure

1. The Monitor believes the Claims Procedure is reasonable and appropriate for the following reasons:
 - a) the filing of claims and the completion of the Claims Procedure is a gating issue to the timely completion of these proceedings. The Monitor has stated in its reports and in its discussions with investors, that it is its intention to advance these proceedings expeditiously. Commencing the Claims Procedure at this time is consistent with this objective;
 - b) the proposed notices, dispute resolution provisions and timelines set out in the Claims Procedure Order are consistent with those commonly approved by Canadian courts in CCAA proceedings and are sufficient to allow creditors to file Claims in these proceedings, particularly as the Companies will be providing most of the creditors with the amounts of their claims as of the date of the Initial Order, as set out in the Companies' books and records;
 - c) in the Monitor's view, the Pre-Filing Claims Bar Date, being approximately 44 days from the date scheduled for this application, is sufficient for creditors to file a Proof of Claim and D&O Proof of Claim (as applicable) with the Monitor; and
 - d) in the Monitor's view, the basis on which the Claims Procedure proposes to address Known Claims, being by far the largest pool of creditors, will allow the Monitor to calculate Known Creditor claims on a consistent manner based on the Companies' books and records, and minimize the number of disputed claims, thereby streamlining the Claims Procedure and minimizing the professional costs of the Claims Procedure.

6.0 Professional Fees

1. At the Comeback Motion, there was a discussion concerning the Administration Charge and the professional fees incurred to-date. Additionally, one of the purposes of the DIP Facility is to fund the fees and costs of the Administration Professionals. Accordingly, the Monitor is providing an update on the estimated fees and costs of the Administration Professionals as of March 15, 2021, as summarized in the table below.

	(\$000s)
KSV	280
DLA Piper (Canada) LLP	61
Aird & Berlis LLP	200
MLT Aikins LLP	62
Nathanson Shachter & Thompson LLP (D&O counsel)	5
	<u>608</u>

2. Since the commencement of these proceedings, one of the Administration Professionals has received payment of one invoice in the amount of \$29,341, while none of the other Administration Professionals has received payment of their fees and costs since that time, including in respect of their activities related to preparing for these proceedings. Additionally, one of the Administration Professionals has an outstanding retainer of \$50,000. If the DIP Facility is approved, the Administration Charge will be reduced from \$1 million to \$750,000. The Administration Professional with a retainer intends to apply its retainer against its first invoice rendered in these proceedings.
3. As a result of the discussion at the Comeback Motion, and subject to the approval of the DIP Facility, the Administration Professionals have agreed to reduce the Administration Charge to \$750,000. This is also a condition of the DIP Facility.

7.0 Confidential Appendices

1. This Report discusses two sets of information that the Monitor believes should be sealed: information concerning the amounts owed to Investors and the DIP Summary.
2. As discussed in the Monitor's Pre-Filing Report and in the affidavit of Mr. Livingstone sworn March 2, 2021, the Companies' investors have an expectation of privacy as to the amounts owing to them by the Companies. The Initial Order authorizes the Companies to keep this information confidential and accordingly, the Monitor believes it is appropriate that the information provided in Confidential Appendices "1" and "2" be sealed on that basis. The Monitor does not believe any party will be prejudiced if this information is sealed.

3. The DIP Summary provided in Confidential Appendix “3” includes a summary of the DIP proposals. The Monitor believes that the DIP Summary should be filed with the Court on a confidential basis and be sealed (“Sealing Order”). If the DIP Facility transaction does not close for any reason, a subsequent DIP solicitation process would be prejudiced by the release of the information. The Monitor is not aware of any party that will be prejudiced if the information is sealed. Accordingly, the Monitor believes the proposed Sealing Order is appropriate in the circumstances.

8.0 Companies’ Activities Since the Date of the Initial Order

1. The Companies’ activities since the date of the Initial Order have included:
 - a) continuing to operate its business in the ordinary course;
 - b) engaging routinely with the Companies’ investors and interested parties;
 - c) overseeing the operations of the PCs;
 - d) considering Ardenton’s liquidity issues and assisting the Monitor to respond to questions from Prospective Lenders;
 - e) communicating with suppliers to secure goods and services during these proceedings;
 - f) dealing with regulators;
 - g) advancing its restructuring efforts and considering various restructuring options;
 - h) working on a multi-year pro-forma of the PCs;
 - i) providing feedback from investors concerning the Investor Committee and discussing same with the Monitor;
 - j) assisting the Monitor with the drafting of a claims procedure;
 - k) drafting an investor update (in progress);
 - l) dealing with its auditors;
 - m) restructuring its US operations;
 - n) preparing to move its Vancouver office effective April 1, 2021; and
 - o) keeping the Monitor apprised of all of the foregoing.

9.0 Monitor's Activities

1. The Monitor's activities since the commencement of these proceedings have included:
 - a) corresponding regularly with Ardenton's management regarding all aspects of these proceedings;
 - b) continuing to engage with investors;
 - c) working with the Companies to put in place the Investor Committee;
 - d) speaking with several individuals who expressed an interest in sitting on the Investor Committee;
 - e) drafting the Claims Procedure Order and discussing same with the Companies;
 - f) corresponding with the Companies' creditors;
 - g) preparing and updating a virtual data room for Prospective Lenders;
 - h) facilitating due diligence by Prospective Lenders;
 - i) negotiating and finalizing the DIP Term Sheet;
 - j) monitoring the Companies' receipts and disbursements;
 - k) working with the Companies to consider restructuring issues;
 - l) dealing with the Companies' auditors;
 - m) dealing with issues affecting the UK operations, including the UK PCs;
 - n) drafting the First Report and this Report; and
 - o) maintaining the service list.

10.0 Conclusion and Recommendation

1. Based on the foregoing, KSV respectfully recommends that this Honourable Court make an order granting the relief detailed in Section 1.1(1)(g) of this Report.

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.,
IN ITS CAPACITY AS MONITOR OF
ARDENTON CAPITAL CORPORATION AND ARDENTON CAPITAL BRIDGING INC.
AND NOT IN ITS PERSONAL OR CORPORATE CAPACITIES**

Appendix “A”



No. S-211985
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

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

AND

IN THE MATTER OF ARDENTON CAPITAL CORPORATION AND
ARDENTON CAPITAL BRIDGING INC.

PETITIONERS

ORDER MADE AFTER APPLICATION
(Amended and Restated Initial Order)

BEFORE THE HONOURABLE)
) March 15, 2021
MR. JUSTICE MACINTOSH)

THE APPLICATION of the Petitioners coming on for hearing at Vancouver, British Columbia, on the 15th day of March, 2021; AND ON HEARING William E.J. Skelly and Kyle Plunkett, counsel for the Petitioners, Colin Brousson, counsel for the Monitor, and those other counsel listed on **Schedule "A"** hereto; AND UPON READING the material filed, including the First Affidavit of James Livingstone, made on March 2, 2021 (the "**Livingstone #1 Affidavit**"), the Pre-Filing Report of KSV Restructuring Inc. (the "**Monitor**"), dated March 3, 2021, the Second Affidavit of James Livingstone, made on March 5, 2021, the Third Affidavit of James Livingstone, made on March 10, 2021 and the First Report of the Monitor, made on March 10, 2021; AND UPON BEING ADVISED that the secured creditors who are likely to be affected by the charges created herein were given notice; AND pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36 as amended (the "**CCAA**"), the British Columbia Supreme Court Civil Rules and the inherent jurisdiction of this Honourable Court;

THIS COURT ORDERS AND DECLARES THAT:

AMENDED AND RESTATED INITIAL ORDER

1. This Amended and Restated Initial Order amends and restates the Order of this Court (the “**Initial Order**”) made in these proceedings on March 5, 2021 (the “**Order Date**”).

JURISDICTION

2. Each Petitioner is a company to which the CCAA applies.

SUBSEQUENT HEARING DATE

3. The hearing of the Petitioners’ application for an extension of the Stay Period (as defined in paragraph 16 of this Order) and for any ancillary relief shall be held by MS Teams (or as the Court may direct) at the Courthouse at 800 Smithe Street, Vancouver, British Columbia at _____ .m. on _____, the _____ day of _____, 2021 or such other date as this Court may order.

PLAN OF ARRANGEMENT

4. The Petitioners shall have the authority to file and may, subject to further order of this Court, file with this Court, a plan of compromise or arrangement (hereinafter referred to as the “**Plan**”).

POSSESSION OF PROPERTY AND OPERATIONS

5. Subject to this Order and any further Order of this Court, each Petitioner shall remain in possession and control of its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the “**Property**”), and continue to carry on its business (the “**Business**”) in the ordinary course and in a manner consistent with the preservation of the Business and the Property. The Petitioners shall be authorized and

empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively, “**Assistants**”) currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for carrying out the terms of this Order.

6. The Petitioners shall be entitled to continue to utilize the central cash management system currently in place as described in the Livingstone #1 Affidavit or replace it with another substantially similar central cash management system (the “**Cash Management System**”) and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Petitioner of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Petitioner, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

7. The Petitioners shall be entitled, but not required, to pay the following expenses which may have been incurred prior to the Order Date:

- (a) all outstanding wages, salaries, employee and pension benefits (including long and short term disability payments), vacation pay and expenses (but excluding severance pay) payable before or after the Order Date, in each case incurred in the ordinary course of business and consistent with the relevant compensation policies and arrangements existing at the time incurred (collectively “**Wages**”); and
- (b) the fees and disbursements of any Assistants retained or employed by the Petitioners which are related to either Petitioner’s restructuring, at their standard rates and charges, including payment of the fees and disbursements of legal counsel retained by the Petitioners, whenever and wherever incurred, in respect of:

- (i) these proceedings or any other similar proceedings in other jurisdictions in which the Petitioners or any subsidiaries or affiliated companies of any Petitioner are domiciled;
- (ii) any litigation in which any Petitioner is named as a party or is otherwise involved, whether commenced before or after the Order Date; and
- (iii) any related corporate matters.

8. Except as otherwise provided herein, each Petitioner shall be entitled to pay all expenses reasonably incurred by such Petitioner in carrying on the Business in the ordinary course following the Order Date, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably incurred and which are necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors' and officers' insurance), maintenance and security services, provided that any capital expenditure exceeding \$25,000 shall be approved by the Monitor;
- (b) all obligations incurred by the Petitioners after the Order Date, including without limitation, with respect to goods and services actually supplied to the Petitioners following the Order Date (including those under purchase orders outstanding at the Order Date but excluding any interest on the Petitioner's obligations incurred prior to the Order Date); and
- (c) fees and disbursements of the kind referred to in paragraph 6(b) which may be incurred after the Order Date.

9. The Petitioners are authorized to remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from Wages, including, without limitation, amounts in respect of (i)

employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes or any such claims which are to be paid pursuant to Section 6(3) of the CCAA;

- (b) all goods and services or other applicable sales taxes (collectively, “Sales Taxes”) required to be remitted by any Petitioner in connection with the sale of goods and services by any Petitioner, but only where such Sales Taxes accrue or are collected after the Order Date, or where such Sales Taxes accrued or were collected prior to the Order Date but not required to be remitted until on or after the Order Date; and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal property taxes, municipal business taxes or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors.

10. Until such time as a real property lease is disclaimed in accordance with the CCAA, the Petitioners shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable as rent to the landlord under the lease) based on the terms of existing lease arrangements or as otherwise may be negotiated between any Petitioner and the landlord from time to time (“Rent”), for the period commencing from and including the Order Date. On the date of the first of such payments, any Rent relating to the period commencing from and including Order Date shall also be paid.

11. Except as specifically permitted herein, the Petitioners are hereby directed, until further Order of this Court:

- (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Petitioners to any of its creditors as of the Order Date except as authorized by this Order;

- (b) to make no payments in respect of any financing leases which create security interests;
- (c) to grant no security interests, trust, mortgages, liens, charges or encumbrances upon or in respect of any of its Property, nor become a guarantor or surety, nor otherwise become liable in any manner with respect to any other person or entity except as authorized by this Order;
- (d) to not grant credit except in the ordinary course of the Business only to its customers for goods and services actually supplied to those customers, provided such customers agree that there is no right of set-off in respect of amounts owing for such goods and services against any debt owing by any Petitioner to such customers as of the Order Date; and
- (e) to not incur liabilities except in the ordinary course of Business.

RESTRUCTURING

12. Subject to such requirements as are imposed by the CCAA, the Petitioners shall have the right to:

- (a) permanently or temporarily cease, downsize or shut down all or any part of its Business or operations and commence marketing efforts in respect of any of its redundant or non-material assets and to dispose of redundant or non-material assets not exceeding \$50,000 in any one transaction or \$250,000 in the aggregate;
- (b) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate; and
- (c) pursue all avenues of refinancing for the Petitioners' Business or Property, in whole or part;

all of the foregoing to permit the Petitioners to proceed with an orderly restructuring of the Business (the "**Restructuring**").

13. The Petitioners shall provide each of the relevant landlords with notice of the Petitioners' intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Petitioners' entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors who claim a security interest in the fixtures, such landlord and the Petitioners, or by further Order of this Court upon application by the Petitioners, the landlord or the applicable secured creditors on at least two (2) clear days' notice to the other parties. If the Petitioners disclaims the lease governing such leased premises in accordance with Section 32 of the CCAA, they shall not be required to pay Rent under such lease pending resolution of any dispute concerning such fixtures (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Petitioners' claim to the fixtures in dispute.

14. If a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then: (a) during the period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours on giving the Petitioners and the Monitor 24 hours' prior written notice; and (b) at the effective time of the disclaimer, the landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims the landlord may have against the Petitioners, or any other rights the landlord might have, in respect of such lease or leased premises and the landlord shall be entitled to notify the Petitioners of the basis on which it is taking possession and gain possession of and re-lease such leased premises to any third party or parties on such terms as the landlord considers advisable, provided that nothing herein shall relieve the landlord of its obligation to mitigate any damages claimed in connection therewith.

15. Pursuant to Section 7(3)(c) of the *Personal Information Protection and Electronics Documents Act*, S.C. 2000, c. 5 and Section 18(1)(o) of the *Personal Information Protection Act*, S.B.C. 2003, c. 63, and any regulations promulgated under authority of either Act, as applicable (the "**Relevant Enactment**"), each Petitioner, in the course of these proceedings, is permitted to, and hereby shall, disclose personal information of identifiable individuals in its possession or

control to stakeholders, its advisors, prospective investors, financiers, buyers or strategic partners (collectively, “**Third Parties**”), but only to the extent desirable or required to negotiate and complete the Restructuring or to prepare and implement the Plan or transactions for that purpose; provided that the Third Parties to whom such personal information is disclosed enter into confidentiality agreements with the Petitioners binding them in the same manner and to the same extent with respect to the collection, use and disclosure of that information as if they were an organization as defined under the Relevant Enactment, and limiting the use of such information to the extent desirable or required to negotiate or complete the Restructuring or to prepare and implement the Plan or transactions for that purpose, and attorning to the jurisdiction of this Court for the purposes of that agreement. Upon the completion of the use of personal information for the limited purposes set out herein, the Third Parties shall return the personal information to the Petitioners or destroy it. If the Third Parties acquire personal information as part of the Restructuring or the preparation and implementation of the Plan or transactions in furtherance thereof, such Third Parties may, subject to this paragraph and any Relevant Enactment, continue to use the personal information in a manner which is in all respects identical to the prior use thereof by the Petitioners.

STAY OF PROCEEDINGS, RIGHTS AND REMEDIES

16. Until and including May 7, 2021, or such later date as this Court may order (the “**Stay Period**”), no action, suit or proceeding in any court or tribunal (each, a “**Proceeding**”) against or in respect of any Petitioner or the Monitor, or affecting the Business or the Property, shall be commenced or continued except with the written consent of the Petitioners and the Monitor or with leave of this Court, and any and all Proceedings currently under way against or in respect of any Petitioner or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

17. During the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being “**Persons**” and each being a “**Person**”) against or in respect of any Petitioner or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Petitioners and the Monitor or leave of this Court.

18. Nothing in this Order, including paragraphs 13 and 14, shall: (i) empower any Petitioner to carry on any business which such Petitioner is not lawfully entitled to carry on; (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA; (iii) prevent the filing of any registration to preserve or perfect a mortgage, charge or security interest (subject to the provisions of Section 39 of the CCAA relating to the priority of statutory Crown securities); or (iv) prevent the registration or filing of a lien or claim for lien or the commencement of a Proceeding to protect lien or other rights that might otherwise be barred or extinguished by the effluxion of time, provided that no further step shall be taken in respect of such lien, claim for lien or Proceeding except for service of the initiating documentation on the Petitioners.

NO INTERFERENCE WITH RIGHTS

19. During the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by any Petitioner, except with the written consent of the Petitioners and the Monitor or leave of this Court.

CONTINUATION OF SERVICES

20. During the Stay Period, all Persons having oral or written agreements with any Petitioner or mandates under an enactment for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, services, utility or other services to the Business or any Petitioner, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with, or terminating the supply of such goods or services as may be required by any Petitioner, and that each Petitioner shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the Order Date are paid by the Petitioners in accordance with normal payment practices of the Petitioners or such other practices as may be agreed upon by the supplier or service provider and the Petitioners and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

21. Notwithstanding any provision in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the Order Date, nor shall any Person be under any obligation to advance or re-advance any monies or otherwise extend any credit to any Petitioner on or after the Order Date. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

22. During the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against the directors or officers of any Petitioner with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Petitioners whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Petitioners, if one is filed, is sanctioned by this Court or is refused by the creditors of the Petitioners or this Court. Nothing in this Order, including in this paragraph, shall prevent the commencement of a Proceeding to preserve any claim against a director or officer of any Petitioner that might otherwise be barred or extinguished by the effluxion of time, provided that no further step shall be taken in respect of such Proceeding except for service of the initiating documentation on the applicable director or officer.

DIRECTORS AND OFFICERS INDEMNIFICATION AND CHARGE

23. Each Petitioner shall indemnify its directors and officers against obligations and liabilities that they may incur as directors or officers of any Petitioner after the commencement of the within proceedings, except to the extent that, with respect to any director or officer, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

24. The directors and officers of each Petitioner shall be entitled to the benefit of and are hereby granted a charge (the “**Directors’ Charge**”) on the Property, which charge shall not exceed an aggregate amount of \$240,000, as security for the indemnity provided in paragraph 23 of this Order. The Directors’ Charge shall have the priority set out in paragraphs 36 and 38 herein.

25. Notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors’ Charge, and (b) each Petitioner’s directors and officers shall only be entitled to the benefit of the Directors’ Charge to the extent that they do not have coverage under any directors’ and officers’ insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 23 of this Order.

APPOINTMENT OF MONITOR

26. KSV Restructuring Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Petitioners with the powers and obligations set out in the CCAA or set forth herein, and that the Petitioners and its shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Petitioners pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

27. The Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Petitioners’ receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) advise the Petitioners in their preparation of the Petitioners’ cash flow statements;

- (d) advise the Petitioners in their development of the Plan and any amendments to the Plan;
- (e) assist the Petitioners, to the extent required by the Petitioners, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (f) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Petitioners, to the extent that is necessary to adequately assess the Petitioners' business and financial affairs or to perform its duties arising under this Order;
- (g) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (h) perform such other duties as are required by this Order or by this Court from time to time.

28. The Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, or by inadvertence in relation to the due exercise of powers or performance of duties under this Order, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof, and nothing in this Order shall be construed as resulting in the Monitor being an employer or a successor employer, within the meaning of any statute, regulation or rule of law or equity, for any purpose whatsoever.

29. Nothing herein contained shall require or allow the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination

including, without limitation, the *Canadian Environmental Protection Act*, the *Fisheries Act*, the *British Columbia Environmental Management Act*, the *British Columbia Fish Protection Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. For greater certainty, the Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

30. The Monitor shall provide any creditor of the Petitioners with information provided by the Petitioners in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Petitioners is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Petitioners may agree.

31. In addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the rights and protections afforded the Monitor by the CCAA or any applicable legislation.

ADMINISTRATION CHARGE

32. The Monitor, counsel to the Monitor, if any, and counsel to the Petitioners shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Petitioners as part of the cost of these proceedings. The Petitioners are hereby authorized and directed to pay the accounts of the Monitor, counsel to the Monitor and counsel to the Petitioners on a periodic basis.

33. The Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the British Columbia Supreme Court who may determine the manner in which such accounts are to be passed, including by hearing the matter on a summary basis or referring the matter to a Registrar of this Court.

34. The Monitor, counsel to the Monitor, if any, and counsel to the Petitioners shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$1,000,000, as security for their respective fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order which are related to the Petitioners' restructuring.

✓ The Administration Charge includes an amount not to exceed \$25,000, plus applicable taxes, to secure the fees and disbursements relating to services rendered or to be rendered by independent legal counsel to the directors and officers of the Petitioners. The Administration Charge shall have the priority set out in paragraphs 36 and 38 hereof. ✓ 9.1.14

INTERCOMPANY CHARGE

35. The Petitioner, Ardenton Capital Bridging Inc. ("**ACBI**"), shall be entitled to the benefit of and is hereby granted a charge (the "**Intercompany Charge**") on the Property of the Petitioner, Ardenton Capital Corporation ("**ACC**"), as security for all advances or payments made by ACBI to ACC, from and after the date of the Initial Order. The Intercompany Charge shall have the priority set out in paragraphs 36 and 38 hereof.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

36. The priorities of the Administration Charge, the Directors' Charge and the Intercompany Charge, as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$1,000,000);

Second – Directors' Charge (to the maximum amount of \$240,000); and

Third – Intercompany Charge in the case of the Property of ACC.

37. Any security documentation evidencing, or the filing, registration or perfection of, the Administration Charge, the Intercompany Charge and the Directors' Charge (collectively, the "Charges") shall not be required, and that the Charges shall be effective as against the Property and shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered or perfected subsequent to the Charges coming into existence, notwithstanding any failure to file, register or perfect any such Charges.

38. Each of the Charges shall constitute a mortgage, security interest, assignment by way of security and charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, mortgages, charges and encumbrances and claims of secured creditors, statutory or otherwise (collectively, "Encumbrances"), in favour of any Person, save and except those claims contemplated by section 11.8(8) of the CCAA, the liens and encumbrances in favour of the Toronto-Dominion Bank against the Property to a maximum amount of \$100,000, and the liens and encumbrances in favour of HSBC Bank Canada against the Property existing as at the date of the Initial Order.

39. Except as otherwise expressly provided herein, or as may be approved by this Court, the Petitioners shall not grant or suffer to exist any Encumbrances over any Property that rank in priority to, or *pari passu* with the Charges, unless the Petitioners obtain the prior written consent of the Monitor and the beneficiaries of the Administration Charge and the Director's Charge.

40. The Administration Charge, the Directors' Charge and the Intercompany Charge, shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "Chargees") shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease,

mortgage, security agreement, debenture, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) which binds the Petitioners; and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the Charges shall not create or be deemed to constitute a breach by the Petitioners of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges; and
- (c) the payments made by the Petitioners pursuant to this Order, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

41. THIS COURT ORDERS that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the applicable Petitioner’s interest in such real property leases.

SERVICE AND NOTICE

42. The time for service of the Notice of Application for this Order is hereby abridged and deemed good and sufficient and this Notice of Application is properly returnable today.

43. The Monitor shall (a) without delay, publish in the national edition of the Globe and Mail, a notice containing the information prescribed under the CCAA, (b) within five days after Order Date, (i) make this Order publicly available in the manner prescribed under the CCAA, (ii) send, in the prescribed manner, a notice to every known creditor who has a claim against any Petitioner of more than \$1,000, and (iii) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, save and except the Petitioners’ investors, whose addresses and claim amounts shall be treated as confidential (unless otherwise consented to by the

investor in writing), and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

44. The Petitioners and the Monitor are at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission to the Petitioners' creditors or other interested parties at their respective addresses as last shown on the records of the Petitioners and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

45. Any Person that wishes to be served with any application and other materials in these proceedings must deliver to the Monitor by way of ordinary mail, courier, personal delivery or electronic transmission a request to be added to a service list (the "**Service List**") to be maintained by the Monitor. The Monitor shall post and maintain an up to date form of the Service List on its website at: <https://www.ksvadvisory.com/insolvency-cases/case/ardenton-capital-corporation>.

46. Any party to these proceedings may serve any court materials in these proceedings by emailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time, and the Monitor shall post a copy of all prescribed materials on its website at: <https://www.ksvadvisory.com/insolvency-cases/case/ardenton-capital-corporation>.

47. Notwithstanding paragraphs 44 and 46 of this Order, service of the Petition, the Notice of Hearing of Petition, any affidavits filed in support of the Petition and this Order shall be made on the Federal and British Columbia Crowns in accordance with the *Crown Liability and Proceedings Act*, R.S.C. 1985, c. C-50, and regulations thereto, in respect of the Federal Crown, and the *Crown Proceeding Act*, R.S.B.C. 1996, c. 89, in respect of the British Columbia Crown.

GENERAL

48. The Petitioners or the Monitor may from time to time apply to this Court for directions in the discharge of its powers and duties hereunder.

49. Nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of any Petitioner, the Business or the Property.

50. THIS COURT REQUESTS the aid and recognition of other Canadian and foreign Courts, tribunal, regulatory or administrative bodies, including any Court or administrative tribunal of any federal or State Court or administrative body in the United States of America or the United Kingdom to act in aid of and to be complementary to this Court in carrying out the terms of this Order where required. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Petitioners and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Petitioners and the Monitor and their respective agents in carrying out the terms of this Order.

51. Each of the Petitioners and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada, including acting as a foreign representative of any Petitioner to apply to the United States Bankruptcy Court for relief pursuant to Chapter 15 of the *United States Bankruptcy Code*, 11 U.S.C. §§ 101-1330, as amended or pursuant to the *Insolvency Act*, 1986, (c. 45) of the United Kingdom.

52. Any Petitioner may (subject to the provisions of the CCAA and the BIA) at any time file a voluntary assignment in bankruptcy or a proposal pursuant to the commercial reorganization provisions of the BIA if and when the Petitioners determine that such a filing is appropriate.

53. The Petitioners are hereby at liberty to apply for such further interim or interlocutory relief as it deems advisable within the time limited for Persons to file and serve Responses to the Petition.

54. Leave is hereby granted to hear any application in these proceedings on two (2) clear days' notice after delivery to all parties on the Service List of such Notice of Application and all

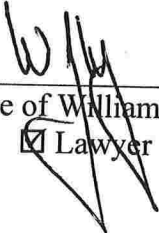
affidavits in support, subject to the Court in its discretion further abridging or extending the time for service.

55. Any interested party (including the Petitioners and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to all parties on the Service List and to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

56. Endorsement of this Order by counsel appearing on this Notice of Application, except for counsel for the Petitioners, is hereby dispensed with.

57. This Order and all of its provisions are effective as of 12:01 a.m. local Vancouver time on the Order Date.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:



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

BY THE COURT



REGISTRAR



Schedule "A"

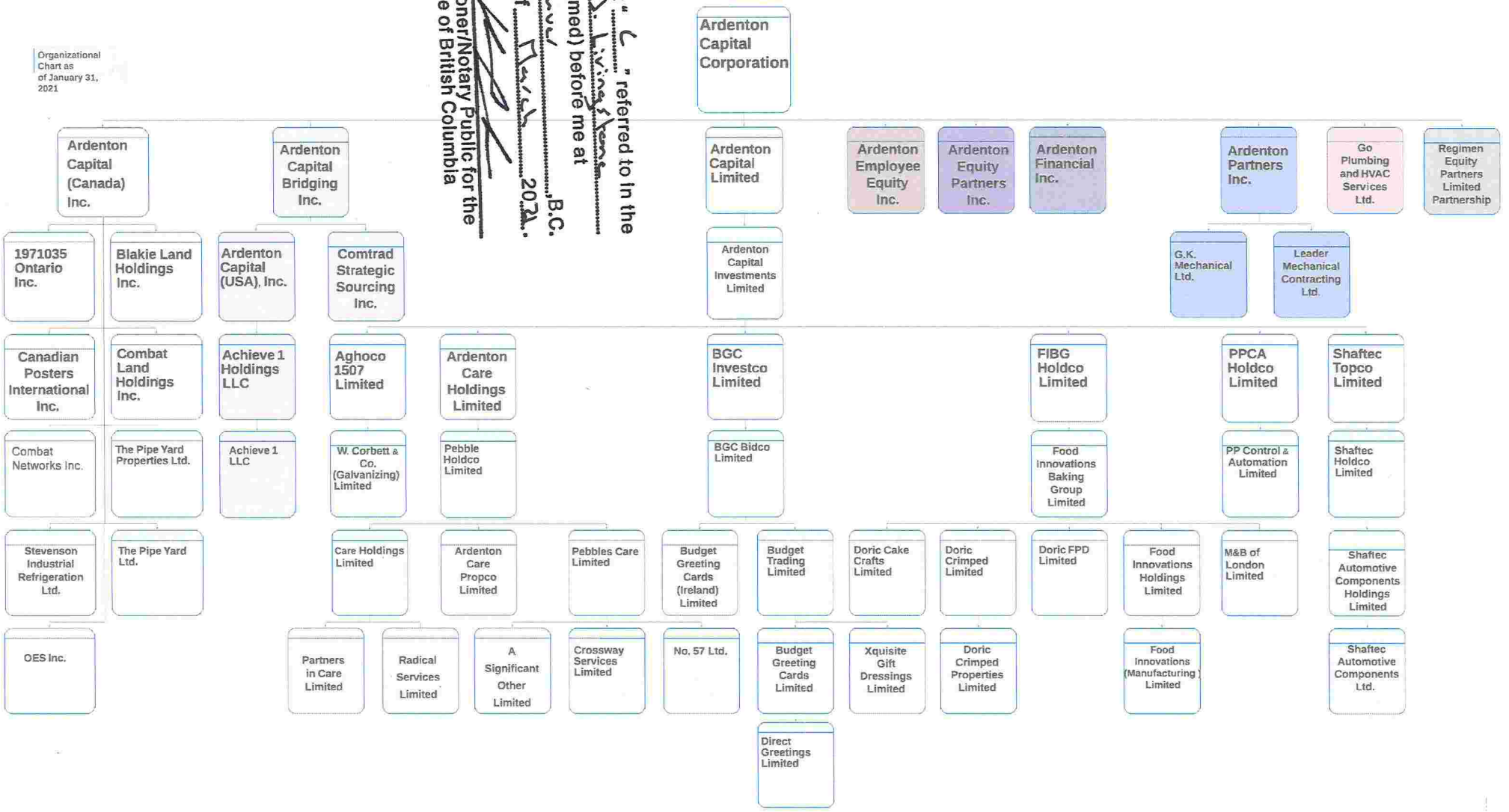
(List of Counsel)

Name of Counsel	Party Represented
William E.J. Skelly Kyle Plunkett	The Petitioners, Ardenton Capital Corporation and Ardenton Capital Bridging Inc.
Colin Brousson	The Monitor, KSV Restructuring Inc.
Claire Hildebrand	Oxford Management Services Inc.
Kibben Jackson	Montrusco Bolton Investments Inc.
Adrienne Ho	Leone Financial Corporation

Appendix “B”

Organizational Chart as of January 31, 2021

This is Exhibit "C" referred to in the Affidavit of N. 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



Appendix “C”



ksv advisory inc.

150 King Street West, Suite 2308

Toronto, Ontario, M5H 1J9

T +1 416 932 6262

F +1 416 932 6266

ksvadvisory.com

March 15, 2021

DELIVERED BY EMAIL

**TO: INVESTORS OF ARDENTON CAPITAL CORPORATION AND
ARDENTON CAPITAL BRIDGING INC.**

As you know, on March 5, 2021, the Supreme Court of British Columbia (the “Court”) issued an order (the “Initial Order”) granting Ardenton Capital Corporation (“ACC”) and Ardenton Capital Bridging Inc. (“ACBI”, and together with ACC, the “Companies”) protection under the *Companies’ Creditors Arrangement Act* (“CCAA”). KSV Restructuring Inc. was appointed as the Monitor in the CCAA proceedings.

We are writing to provide you with a brief update concerning the CCAA proceedings.

Pursuant to an order issued by the Court this morning, the stay of proceedings granted to the Companies pursuant to the Initial Order was extended to May 7, 2021. A copy of the order issued this morning will be available later today on the Monitor’s website at <https://www.ksvadvisory.com/insolvency-cases/case/ardenton-capital-corporation>.

The Companies and the Monitor are committed to advancing these proceedings expeditiously. In that regard, we are writing to advise you of the next steps in the proceedings.

- In the next few weeks, the Companies will be bringing a motion for the approval of a claims process, which is an important step in any CCAA process. Pursuant to this process, creditors will be able to confirm the amount of their claims against the Companies as of the date of the Initial Order. This is a gating issue to the timely completion of these proceedings, and it is helpful to complete it early in the proceedings.
- The Companies are presently preparing an update concerning the performance of the portfolio companies. It is expected that the update will be available by the end of March.
- In response to feedback received by the Monitor from investors since the commencement of these proceedings, the Monitor is in the process of putting together a five-person investor committee representing a cross section of investors who will, *inter alia*, provide advice and feedback to the Monitor and the Companies on a plan of arrangement or compromise that will ultimately be subject to a vote by creditors. The intention is to have a collaborative process with the investor committee that sees an acceptable plan presented to creditors and which reflects investor objectives and priorities. The Monitor will bring a motion in these proceedings for the approval by the Court of the investor committee and its members.

We will continue to be in touch throughout these proceedings.

Yours very truly,

**KSV RESTRUCTURING INC.
IN ITS CAPACITY AS COURT-APPOINTED MONITOR
OF ARDENTON CAPITAL CORPORATION AND ARDENTON CAPITAL BRIDGING INC.
AND NOT IN ITS PERSONAL OR CORPORATE CAPACITIES**

Appendix “D”



ksv restructuring inc.
150 King Street West, Suite 2308
Toronto, Ontario, M5H 1J9
T +1 416 932 6262
F +1 416 932 6266

ksvadvisory.com

March 10, 2021

DELIVERED BY EMAIL

•

Attention: •

Dear •:

Re: Ardenton Capital Corporation (“ACC”) and Ardenton Capital Bridging Inc. (“ACBI”, and together with ACC, the “Companies”)

Pursuant to an order made by Supreme Court of British Columbia (“Court”) dated March 5, 2021 (“Initial Order”), the Companies were granted protection under the *Companies’ Creditors Arrangement Act* (“CCAA”) and KSV Restructuring Inc. was appointed monitor (the “Monitor”). A copy of the Initial Order and other motion materials filed in these proceedings are available on the Monitor’s website at: <https://www.ksvadvisory.com/insolvency-cases/case/ardenton-capital-corporation>.

ACC is the parent company of an integrated multinational private equity business. None of ACC’s fourteen portfolio companies (collectively, the “PCs”) are subject to these proceedings. All of the PCs continue to operate in the normal course. The PCs are held through intermediary holding companies including ACBI (“Holdcos”). ACBI is the only Holdco that is subject to these proceedings.

The principal purpose of the CCAA proceedings is to provide the Companies 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 Companies to develop a plan of arrangement that is intended to provide creditors with a better outcome than an immediate liquidation of the Companies’ interests in the PCs and other assets. The Companies intend to move through the CCAA proceedings expeditiously with the goal of emerging as a going concern.

The Monitor is seeking proposals to provide debtor-in-possession financing (“DIP Financing”) to fund the working capital needs and professional costs of the Companies during these restructuring proceedings.

The key terms of the DIP facility are as follows:

Borrowers	ACC and ACBI
Committed Amount	\$5 million
Completion Date	Required to be in place by March 30, 2021
Collateral	The primary collateral offered is ACC’s interest in the Holdcos, and ACBI’s interest in the PCs owned by it.
Charge	A Court ordered, first-ranking charge on the assets of the Companies, subject to the Administration Charge and the D&O Charge
Term	Six months with a six-month renewal option, in the discretion of ACC

In connection with the terms of the confidentiality agreement you previously executed, information concerning ACC, the Holdcos and the PCs has been made available to you in an online data room. The data room contains, among other things, historical financial statements for the PCs, Holdcos and ACC, a draft DIP term sheet (the "Term Sheet") and six-month cash flow projection.

Should you be interested in submitting a proposal to provide the DIP Financing, you are encouraged to submit your proposal substantially in the form of the Term Sheet, with any changes blacklined against the original.

DIP Financing proposals must be submitted to the Monitor on or before 5 p.m. (Toronto time) on March 20, 2021.

The selected DIP Financing proposal will require Court approval. The Monitor and the Companies are not obliged to accept any offer. The Monitor and the Companies reserve the right to evaluate all offers, to negotiate their terms and to reject any and all offers and to amend the DIP Financing process as it considers appropriate.

If you have any questions, please do not hesitate to contact the undersigned.

Yours very truly,

**KSV RESTRUCTURING INC.
IN ITS CAPACITY AS COURT-APPOINTED MONITOR
OF ARDENTON CAPITAL CORPORATION AND ARDENTON CAPITAL BRIDGING INC.
AND NOT IN ITS PERSONAL OR CORPORATE CAPACITIES**

Appendix “E”

**CDN. \$5,000,000
INTERIM FINANCING TERM SHEET**

March 23, 2021

WHEREAS on March 5, 2021, the Loan Parties (as defined below) obtained protection under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") to restructure its debts and affairs pursuant to an initial order (as amended and restated, the "**Initial Order**") of the Supreme Court of British Columbia (the "**Court**");

AND WHEREAS pursuant to the Initial Order, KSV Restructuring Inc. was appointed Monitor of the Loan Parties (in such capacity, the "**Monitor**") in the proceedings under the CCAA (the "**CCAA Proceedings**");

AND WHEREAS the Borrower has requested that the Interim Lender provide financing to fund certain cash requirements of the Borrower and certain of its affiliates during the pendency of the CCAA Proceedings;

AND WHEREAS the Interim Lender is willing to provide the Interim Facility herein to the Borrower in accordance with the terms and conditions set out in this Term Sheet

NOW THEREFORE in consideration of the mutual covenants, terms and conditions set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **BORROWER** Ardenton Capital Corporation (the "**Borrower**").
2. **LENDER** RCM Capital Management Ltd. or its designated assignee (the "**Interim Lender**").
3. **GUARANTOR** Ardenton Capital Bridging Inc. (the "**Guarantor**" and together with the Borrower, the "**Loan Parties**" and individually, a "**Loan Party**").
4. **DEFINED TERMS** Capitalized terms used in this Interim Financing Term Sheet (including in the recitals above) (also referred to herein as "**this Term Sheet**") not otherwise defined herein shall have the meanings given thereto in **Schedule A**.
5. **CURRENCY** Except as otherwise expressly provided herein, all dollar amounts herein are in Canadian Dollars. All payments made hereunder shall be made in the currency in respect of which the obligation requiring such payment arose.
6. **PURPOSE** The Borrower shall use the proceeds of the Interim Facility solely for the following purposes and in the following order,

in each case during and for the purposes of the Borrower's pursuit of a restructuring under its CCAA Proceedings:

- a) To fund professional fees of the Monitor and the legal fees of counsel to the Interim Lender, the Loan Parties and the Monitor. It is agreed to and acknowledged by the Loan Parties and the Interim Lender that those fees and expenses incurred to the date hereof, as and including those provided for in the Agreed Budget as of the date hereof are reasonable and can be funded from the Interim Facility.
- b) To fund the payment of interest and other amounts payable under the Interim Facility in accordance with the terms hereof.
- c) To finance (i) agreed operating expenses, including the operating expenses of the Borrower's affiliates, restructuring costs in the CCAA Proceedings, and (ii) agreed general corporate purposes of the Borrower, including the payment of insurance premiums and/or run-off coverage, in each case and all in accordance with the Agreed Budget.
- d) To fund such other costs and expenses as agreed to by the Interim Lender, in writing.

For greater certainty, the Borrower may not use the proceeds of the Interim Facility to pay any pre-filing obligations of the Loan Parties without the prior written consent of the Interim Lender; it being agreed by the Interim Lender that such consent is not required for the Borrower to pay (i) reasonable fees and disbursements for the pre-filing period incurred in contemplation of the CCAA Proceedings owing to counsel to the Loan Parties, the Monitor and counsel to the Monitor (ii) taxes, accrued payroll and other ordinary course liabilities, provided that such amounts are included in the Agreed Budget, or (iii) any other amounts owing by the Loan Parties to the extent specifically identified in the Agreed Budget.

7. **INTERIM FACILITY,**

A super-priority, debtor-in-possession interim, non-revolving credit facility (the "**Interim Facility**") up to a maximum principal amount of \$5,000,000 (the "**Maximum Amount**"), subject to the terms and conditions contained herein.

**MAXIMUM
AMOUNT**

Advances under the Interim Facility (collectively the “**Interim Advances**” and individually an “**Interim Advance**”) shall be deposited into the Deposit Account and utilized by the Borrower in accordance with the Agreed Budget and the terms hereof.

8. GUARANTEES

All present and future obligations of the Borrower under or in connection with this Term Sheet and all other documents in connection with the Interim Facility will be guaranteed by unlimited guarantees granted by the Guarantor in form and substance satisfactory to the Interim Lender (the “**Guarantee**”).

**9. CONDITIONS
PRECEDENT TO
EFFECTIVENESS
AND INTERIM
ADVANCES**

The effectiveness of this Term Sheet and the agreement of the Interim Lender to make advances of the Interim Facility shall be subject to the satisfaction of the following conditions precedent, as determined by the Interim Lender:

- a) The Court shall have issued an order in the CCAA Proceedings (the “**DIP Order**”), satisfactory to the Interim Lender, in its sole discretion, on notice to such parties as are acceptable to the Interim Lender, which shall: (i) approve this Interim Financing Term Sheet and the Interim Facility; (ii) grant the Interim Lender a first ranking charge (the “**Interim Lender Charge**”) over all of the assets, undertaking and property (collectively, the “**Property**”) of each of the Borrower and the Guarantor securing all obligations owing by the Borrower and the Guarantor to the Interim Lender under this Interim Financing Term Sheet and the Guarantee, respectively (collectively, the “**Interim Financing Obligations**”), which shall have super-priority over all Liens and encumbrances, whether registered or not, other than the Permitted Priority Liens; and (iii) treat the Interim Lender as an unaffected creditor in the CCAA Proceedings.
- b) The Interim Lender shall have received the Agreed Budget.
- c) The Guarantee shall be satisfactory to the Interim Lender, acting reasonably, and shall have been executed by the Guarantor;

The making of each Interim Advance by the Interim Lender shall be further subject to the satisfaction of the following conditions precedent (collectively, the “**Funding Conditions**”) as determined by the Interim Lender:

- d) The DIP Order shall not have been stayed, vacated or otherwise caused to be ineffective or materially amended, restated or modified, without the consent of the Interim Lender and such DIP Order shall have become a final order not subject to appeal.
- e) All Interim Financing Fees and Expenses for which invoices have been provided to the Borrower shall have been paid, or arrangements satisfactory to the Interim Lender shall have been made to pay such amounts.
- f) The Loan Parties shall be in compliance with all orders issued in the CCAA Proceedings;
- g) The Loan Parties shall have paid all statutory liens, trust and other priming government claims including, without limitation, source deductions, except, in each case, for any such amounts that are not yet due and payable or which are in dispute in which case appropriate reserves have been made.
- h) All of the representations and warranties of the Loan Parties as set forth herein shall be true and accurate in all material respects.
- i) No Default or Event of Default shall have occurred or, if applicable, shall occur as a result of the requested Interim Advance.
- j) No Material Adverse Change shall have occurred after the date hereof.
- k) There shall be no Liens ranking in priority to the Interim Lender Charge other than the Permitted Priority Liens.
- l) The Interim Lender shall have received a written request for an Interim Advance from the Borrower, substantially in the form attached hereto as **Schedule B**, which shall be executed by a director

or officer of the Borrower, and shall certify, inter alia, that (i) the requested Interim Advance is within the Maximum Amount and is consistent with the Agreed Budget, (ii) has been approved by the Monitor and (iii) the Borrower and the other Loan Parties are in compliance with this Term Sheet and all Court Orders.

- m) The requested Interim Advance shall not cause the aggregate amount of all outstanding Interim Advances to exceed the Maximum Amount or be greater than the amount shown on the Agreed Budget as at the date of such Interim Advance.

For greater certainty, the Interim Lender shall not be obligated to make any Interim Advance or otherwise make available funds pursuant to this Interim Financing Term Sheet unless and until all the foregoing applicable conditions have been satisfied and all the foregoing applicable documentation and confirmations have been obtained (for certainty, each of the same, as applicable, as a condition precedent to each Interim Advance), each in form and content satisfactory to the Interim Lender in their sole discretion (unless specified otherwise), unless otherwise waived in writing by the Interim Lender.

10. COSTS AND EXPENSES

The Borrower shall pay all of the reasonable and documented legal fees (on a solicitor-client, full indemnity basis), out-of-pocket disbursements and any reasonable costs of the Interim Lender in connection with or otherwise related to the Interim Facility, the Interim Lender Charge, or the CCAA Proceedings, and for certainty, including without limitation the preparation and negotiation of all of this Term Sheet and Court filings in connection with the CCAA Proceedings, any amendments thereto or analysis thereof or the assessment or enforcement of any rights and/or remedies of the Interim Lender thereunder or in connection with in connection with the CCAA Proceedings (collectively, the “**Interim Financing Fees and Expenses**”).

11. INTERIM LENDER CHARGE

All Interim Financing Obligations of the Borrower and Guarantor shall be secured by the Interim Lender Charge which shall be granted by the Court on terms and conditions satisfactory to the Interim Lender in their sole discretion. The

Loan Parties shall not permit any Liens to charge or affect any of the Collateral, except for the Permitted Liens.

12. MONITOR

The Court-appointed monitor in the CCAA Proceedings shall be KSV Restructuring Inc. (in such capacity, the “**Monitor**”). The Monitor shall be authorized to have direct discussions with the Interim Lender, and the Interim Lender shall be entitled to receive information from the Monitor as may be requested by the Interim Lender from time to time. The Borrower represents and warrants that counsel for the Monitor is DLA Piper (Canada) LLP.

13. TERM AND MATURITY

All of the Interim Financing Obligations are required to be paid in full, and the Borrower shall repay all of the Interim Financing Obligations in full, on the earlier of: (i) the occurrence of any Event of Default hereunder which is continuing and has not been cured; (ii) the implementation of a plan of compromise or arrangement within the CCAA Proceedings (a “**Plan**”) which has been approved by the requisite majorities of the Loan Parties’ creditors and by an order entered by the Court; (iii) conversion of the CCAA Proceedings into a proceeding under the *Bankruptcy and Insolvency Act* (Canada); and (iv) the date that is 6 months from the date of the Initial Advance, subject to the ability of the Borrower, with the reasonable consent of the Interim Lender to extend the Maturity Date for an additional 6 months period by notice in writing to the Interim Lender delivered prior to the expiry of the initial 6 months term. (the earliest of such dates being the “**Maturity Date**”).

The commitment in respect of the Interim Facility shall expire on the Maturity Date and all amounts outstanding under the Interim Facility shall be repaid in full no later than the Maturity Date (unless otherwise extended in writing by the Interim Lender), without the Interim Lender being required to make demand upon the Borrower or to give notice that the Interim Facility has expired and the obligations are due and payable. The order of the Court sanctioning any Plan or Bankruptcy Sale shall not discharge or otherwise affect in any way any of the obligations of the Borrower and the Guarantor to the Interim Lender under the Interim Facility, other than after the permanent and indefeasible payment in cash to the Interim Lender of all obligations under the Interim Facility on or before the date such Plan is implemented or Bankruptcy Sale is completed.

**14. AGREED BUDGET
AND REVISED
BUDGETS**

The Borrower has delivered with consent of the Monitor, and the Interim Lender has accepted in their sole discretion, on the date hereof a current weekly line item budget covering the period of at least ninety-one (91) days following the date of this Term Sheet (together with all updates thereto approved by the Interim Lender in their sole discretion, including the Revised Budget if approved by the Interim Lender in their sole discretion, the “**Agreed Budget**”). The Agreed Budget sets forth expected receipts and the expected operating and other expenditures to be made during each calendar week and in the aggregate for the period of time covered by the Agreed Budget.

On Wednesday of each week by 4:00 p.m. (Vancouver time), commencing on the first week after the initial funding, the Borrower shall deliver to the Interim Lender: (a) a report showing actual cash receipts and actual expenditures for each line item in the Agreed Budget covering the previous week and comparing the foregoing amounts with the budgeted cash receipts and budgeted expenditures, respectively, set forth in the Agreed Budget for such line item during such one week period, and (b) a one week roll-forward of the Agreed Budget, which shall reflect the Borrower’s good faith projections and be in form and detail consistent with the initial Agreed Budget and subject to the approval of the Interim Lender in its sole discretion (if so approved by the Interim Lender, the “**Revised Budget**”).

**15. AVAILABILITY
UNDER INTERIM
FACILITY**

Provided that the Funding Conditions are satisfied to the satisfaction of the Interim Lender, each Interim Advance shall be made separately by the Interim Lender to the Borrower within four (4) Business Days of delivery by the Borrower to the Interim Lender of a written request for an Interim Advance, substantially in the form attached hereto as **Schedule B**.

Each Interim Advance shall be in a minimum aggregate amount that is no less than \$500,000 and in excess thereof in integral multiples of \$500,000.

All proceeds of Interim Advances shall be deposited into the Deposit Account. The Deposit Account shall be subject to the Interim Lender Charge.

The initial Interim Advance shall be in an amount not in excess of \$5,000,000 (the “**Initial Advance**”).

16. EVIDENCE OF INDEBTEDNESS

The Interim Lender's accounts and records constitute, in the absence of manifest error, conclusive evidence of the indebtedness of the Borrower to the Interim Lender under the Interim Facility.

17. VOLUNTARY PREPAYMENTS AND MANDATORY PREPAYMENTS

Provided the Monitor is satisfied that there are sufficient cash reserves in the Loan Parties' bank accounts to satisfy amounts secured by the Permitted Priority Liens and amounts anticipated on the date of the voluntary prepayment under the Agreed Budget in respect of which Interim Advances were made that have not yet been incurred or paid, the Borrower may prepay any amounts outstanding or any portion of any amounts outstanding under the Interim Facility at any time prior to the Maturity Date with at least two (2) Business Days' prior written notice, and provided that any such prepayment is not less than \$250,000 and in excess thereof in integral multiples of \$25,000. Any amounts prepaid can be re-borrowed prior to the Maturity Date.

Unless otherwise consented to in writing by the Interim Lender, and provided the Monitor is satisfied that the Loan Parties have sufficient cash reserves to satisfy amounts secured by the Permitted Priority Liens, the Interim Facility Obligations shall be promptly repaid upon (i) a sale of any of the Collateral out of the ordinary course of business and consented to in writing by the Interim Lender, in an amount equal to the net cash proceeds of such sale (for greater certainty, net of reasonable transaction fees and expenses and applicable taxes in respect thereof) or (ii) the issuance of any shares, warrants or other equity interests or rights to acquire equity interests of the Borrower or any other Loan Party, in an amount equal to the net cash proceeds of such sale (for greater certainty, net of reasonable transaction fees and applicable taxes in respect thereof). Any amount repaid may be re-borrowed prior to the Maturity Date.

18. INTEREST RATE

The Interim Advances shall bear interest at a rate per annum equal to 10%. Such interest shall be calculated daily on the daily closing principal balance owing hereunder in respect of the Interim Facility, and shall be payable monthly in arrears on each Interest Payment Date for each Interim Advance for the period from and including the date upon which the Interim Lender advances such Interim Advance to the Borrower to and including the day such Interim Advance is repaid or paid, as the case may be, to the Interim Lender, and shall be calculated on the principal amount of each Interim Advance outstanding during such period. All interest shall be computed on the basis

of a 360-day year of twelve 30-day months, provided that, whenever any interest is calculated on the basis of a period of time other than a calendar year, the annual rate of interest to which each rate of interest determined pursuant to such calculation is equivalent for the purposes of the *Interest Act* (Canada) is such rate as so determined multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by the number of days used in the basis for such determination.

**19. REPRESENTATIONS
AND WARRANTIES**

Each of the Loan Parties jointly and severally represents and warrants to the Interim Lender, which representations and warranties shall be deemed to be repeated at each request for an Interim Advance, and upon which the Interim Lender rely on entering into this Interim Financing Term Sheet, that:

- a) Subject to the granting of the DIP Order, the execution and delivery of, and transactions contemplated by, this Interim Financing Term Sheet:
 - (i) are within the powers of each of the Loan Parties;
 - (ii) have been duly authorized by all necessary corporate and, if required, shareholder approval of each of the Loan Parties;
 - (iii) have been duly executed and delivered by or on behalf of each of the Loan Parties;
 - (iv) constitute legal, valid and binding obligations of each of the Loan Parties; and
 - (v) do not require the consent or approval of, registration or filing with, or any other action by, any Governmental Authority.
- b) The activities of the Loan Parties have been conducted in material compliance with all Applicable Law, subject to the provisions of the CCAA and any Court Order, unless: (i) otherwise ordered by the Court, or (ii) the

sanctions for non-compliance are stayed by a Court Order.

- c) Each of the Loan Parties has maintained its obligations for payroll, source deductions, goods and services tax and harmonized sales tax, and other taxes, as applicable, and is not in arrears in respect of payment of these obligations.
- d) The Agreed Budget is reasonable and prepared in good faith.
- e) No Default or Event of Default has occurred and is continuing.
- f) The Loan Parties have made full and complete disclosure in writing to the Interim Lender of (i) all litigation or other proceedings involving the Loan Parties (or any one or more of them) and (ii) all claims and/or threatened claims, litigation or proceedings against any one or more of the Loan Parties.

20. AFFIRMATIVE COVENANTS

Each of the Loan Parties jointly and severally covenants and agrees to perform and do each of the following until the Interim Financing Obligations are permanently and indefeasibly repaid in full and the Interim Facility is terminated:

- a) (i) Allow the Interim Lender or its advisors, on reasonable written notice during regular business hours, and at any time after and during the continuance of an Event of Default, to enter on and inspect each of the Loan Parties' assets and properties; (ii) provide the Interim Lender or its advisors, on reasonable written notice and during normal business hours, full access to the books and records of the Loan Parties; and (iii) cause management of the Loan Parties to fully co-operate with the Interim Lender and the Monitor or their respective agents and advisors, as applicable.
- b) Deliver to the Interim Lender the following reporting packages: (i) documents referred to in Section 14 above, on the dates and times

specified in Section 14; (ii) copies of all pleadings, motions, applications, judicial or financial information and other documents to be filed by or on behalf of any Loan Party with the Court, in each case in a reasonable period of time prior to filing such documents with the Court to the extent practicable in the circumstances; all such court filings by the Loan Parties shall be in form and substance satisfactory to the Interim Lender and their counsel to the extent that any such filings affect or can reasonably be expected to affect the rights and interests of the Interim Lender; (iii) prompt notice of material events, including, without limitation, defaults, new material litigation or changes in status of ongoing material litigation, regulatory and other filings; (iv) other reasonable information requested by the Interim Lender from time to time, (v) prompt notice of any event that could reasonably be expected to result in a Material Adverse Change and (vi) without limiting the foregoing, in a timely manner and prior to effecting or incurring such transaction or expense, the Loan Parties shall deliver to the Monitor and the Interim Lender copies of any financial reporting which shows a material transaction or material expense, or a materially adverse financial position of the Loan Parties, which is not reflected in the Agreed Budget, and shall forthwith provide any reports or commentary received from the Monitor in respect of same.

- c) Use the proceeds of the Interim Facility only for the purposes described in Section 6, and in a manner consistent with the restrictions set out herein.
- d) Comply with the provisions of the Court orders made in the CCAA Proceedings (collectively, the “**Court Orders**” and each a “**Court Order**”);.
- e) Operate within the Agreed Budget.

- f) Forthwith notify the Interim Lender and the Monitor of the occurrence of any Default or Event of Default.
- g) Comply with all Applicable Laws except to the extent not required to do so pursuant to the Initial Order or any other Court Order.
- h) Take all actions necessary or available to defend the Court Orders from any appeal, reversal, modifications, amendment, stay or vacating not expressly consented to in writing in advance by the Interim Lender, (x) in its sole discretion in respect of any appeal, reversal, modification, amendment stay or vacating relating to the Interim Facility or any other matter that adversely affects the Interim Lender and (y) acting reasonably in respect of any other appeal, reversal, modification, amendment, stay or vacating.
- i) Promptly upon becoming aware thereof, provide details of the following to the Interim Lender: any pending, or threatened claims, potential claims, litigation, actions, suits, arbitrations, other proceedings or notices received in respect of same, against any Loan Party, by or before any court, tribunal, Governmental Authority or regulatory body, which would be reasonably likely to result in, individually or in the aggregate, in a judgment in excess of \$250,000 or the equivalent amount thereof in any other currency.
- j) Provide to the Interim Lender regular updates regarding the status of the CCAA Proceedings including, without limitation, reports on the progress of any Plan or Restructuring Option and any information which may otherwise be confidential, subject to same being maintained as confidential by the Interim Lender; provided however, in no event shall any information subject to privilege be required to be provided to the Interim Lender.

**21. NEGATIVE
COVENANTS**

Each of the Loan Parties jointly and severally covenants and agrees not to do the following, other than with the prior written consent of the Interim Lender:

- a) Transfer, lease, farm-out or otherwise dispose of all or any part of its Property, except for Permitted Dispositions.
- b) Make any investments or acquisitions of any kind, direct or indirect, in any business or otherwise other than as expressly provided for, or permitted to be incurred, in the Agreed Budget and the Court Orders.
- c) Make any payments or distributions of any kind other than as may be permitted by a Court Order and that does not result in an Event of Default and is provided for in the Agreed Budget.
- d) Create or permit to exist indebtedness, liabilities or obligations (including guarantees thereof or indemnities or other financial assistance in respect thereof) other than (i) indebtedness, liabilities or obligations of the Borrower to HSBC Bank Canada, up to a maximum amount of \$40,000, (ii) any other existing (pre-filing) debt and disclosed to the Interim Lender in writing, (iii) debt contemplated by this Interim Financing Term Sheet, (iv) post-filing trade payables or other post-filing unsecured obligations incurred in the ordinary course of business in accordance with the Agreed Budget and any Court Order, and (v) indebtedness, liabilities or obligations expressly provided for, or permitted to be incurred, in the Agreed Budget and the Court Orders.
- e) Make or give any additional financial assurances, in the form of bonds, letters of credit, guarantees or otherwise, to any person including without limitation any Governmental Authority.

- f) Support or not oppose a motion by another Person to provide to any third party a Lien on the Collateral, other than the Permitted Liens.
- g) Change its name, amalgamate, consolidate with or merge into, or enter into any similar transaction with any other entity.
- h) Cease (or threaten to cease) to carry on their business or activities as currently being conducted or modify or alter in any material manner the nature and type of their operations, business or the manner in which such business is conducted.
- i) Amend, replace or modify the Agreed Budget other than in accordance with the terms of this Term Sheet.
- j) Apply for, or consent to, any Court Orders or any change or amendment to any Court Order which affects the Interim Lender or the Agent, without the prior consent of the Interim Lender.
- k) Enter into any contract or other agreement which involves potential expenditures in excess of \$100,000 or the equivalent amount thereof in any other currency without the prior written consent of the Interim Lender, provided that the payment of such amount must be permitted by and will not constitute a default under the Agreed Budget or any Court Order.
- l) Other than as provided for under the Agreed Budget, distributions between the Loan Parties or otherwise agreed to by the Interim Lender, make (i) any distribution, dividend, return of capital or other distribution in respect of equity securities (in cash, securities or other property or otherwise); or (ii) a retirement, redemption, purchase or repayment or other acquisition of equity securities or indebtedness (including any payment of principal, interest, fees or any other payments thereon).

- m) (i) Enter into, renew, amend or modify any transaction or contractual relationship with any Related Party; or (ii) make any payment with respect to, or perform any obligation under, an agreement with a Related Party other than in accordance with the Agreed Budget.
- n) Enter into, renew, amend, modify or assume any employment, consulting or analogous agreement or arrangement with any director, senior or executive officer or senior management of the Loan Parties or any Related Party, or make any payment to any such Person in respect of any bonus, change of control payment or severance package of any kind whatsoever other than (i) any court approved key employee retention plan, (ii) as consented to by the Monitor and approved by the Court on prior notice to the Interim Lender or (iii) as consented to by the Interim Lender, acting reasonably.
- o) Make any investments or acquisitions of any kind, direct or indirect, in any business or otherwise other than as reflected in the Agreed Budget.
- p) Other than the Monitor, its legal counsel and legal counsel to the Loan Parties, and the Interim Lender engaged as of the date hereof, pay, incur any obligation to pay, or establish any retainer with respect to, the fees, expenses or disbursements of a legal, financial or other advisor of any party, unless such fees, expenses or disbursements, as applicable, are reviewed and approved in advance by the Monitor and the Interim Lender.
- q) Create or permit to exist any Liens on any of its properties or assets other than the Permitted Liens.
- r) Make any payments or expenditures (including capital expenditures) other than in accordance with the Agreed Budget.

- s) Seek, obtain or support (i) any Court Order or any amendment to a Court Order except with the prior written consent of the Interim Lender, (x) in their sole discretion in respect of any Court Order or amendment thereto relating to the Interim Facility, or any other matter that adversely affects the Interim Lender and (y) acting reasonably in respect of any other Court Order or amendment thereto.
- t) Amalgamate, consolidate with or merge into or sell all or substantially all of their assets to another entity, or change its corporate or capital structure (including its organizational documents) or enter into any agreement committing to such actions except in connection with a Plan which will result in the repayment in full of all of the Interim Facility Obligations.

22. EVENTS OF DEFAULT

The occurrence of any one or more of the following events without the Interim Lender's written consent shall constitute an event of default ("**Event of Default**") under this Term Sheet:

- a) the issuance of an order of the Court (including any Court Order) or any other court of competent jurisdiction:
 - (i) dismissing the CCAA Proceedings, or lifting the stay in the CCAA Proceedings to permit (A) the enforcement of any Lien against a Loan Party, or a material portion of their respective property, assets or undertaking, or (B) the appointment of a receiver and manager, receiver, interim receiver or similar official, or substituting the Monitor, or the making of a bankruptcy order against any Loan Party; granting any Lien which is senior to or *pari passu* with the Interim Lender Charge, other than the Permitted Priority Liens; or
 - (ii) staying, reversing, vacating or otherwise modifying any Court Order

without the prior consent of the Interim Lender (x) in the sole discretion of the Interim Lender in respect of any Court Order or amendment thereto relating to the Interim Financing Facility or any other matter that adversely affects the Interim Lender and (y) acting reasonably in respect of any other amendment;

- b) the filing of any pleading by any Loan Party seeking any of the matters set forth in paragraph a) above, or failure of the Loan Parties to diligently oppose any Person that brings an application or motion for the relief set out in paragraph a) above;
- c) failure of any of the Loan Parties to comply with (i) any of the negative covenants in this Interim Financing Term Sheet, and to the extent such failure or default is capable of being remedied, such failure or default shall continue unremedied for a period of ten (10) Business Days or (ii) any of the positive covenants in this Interim Financing Term Sheet, and to the extent such failure or default is capable of being remedied, such failure or default shall continue unremedied for a period of thirty (30) Business Days;
- d) any Revised Budget is not delivered to the Interim Lender when due;
- e) (i) any Revised Budget (A) contemplates or forecasts an adverse change from the then-existing Agreed Budget, and such change(s) constitute a Material Adverse Change or (B) contemplates or forecasts a cash flow deficit in excess of \$500,000 or the equivalent amount thereof in any other currency (each, an **“Updated Budget Default”**);
- f) the occurrence of a Material Adverse Change;

- g) any representation or warranty by a Loan Party in this Interim Financing Term Sheet is incorrect or misleading in any material respect;
- h) the aggregate amount of the outstanding Interim Advances under the Interim Facility exceeds the Maximum Amount;
- i) any material violation or breach of any Court Order;
- j) any proceeding, motion or application is commenced or filed by any of the Loan Parties, or if commenced by another party, supported or otherwise consented to by any Loan Party, (i) seeking the invalidation, subordination or other challenging of or is otherwise inconsistent with the terms of the Interim Facility, including without limitation the Interim Lender Charge, this Interim Financing Term Sheet; (ii) challenging the validity, priority, perfection or enforceability of the Liens created pursuant to the Interim Lender Charge; (iii) unless the Plan, Restructuring Option or Bankruptcy Sale provides for repayment in full of the Interim Facility Obligations, seeking the approval of any Plan, Restructuring Option or Bankruptcy Sale which does not have the prior consent of the Interim Lender; or (iv) could otherwise reasonably be expected to adversely affect the interests of the Interim Lender; the priority of the Liens created pursuant to the Interim Lender Charge is varied without the consent of the Interim Lender any Plan is sanctioned or any Bankruptcy Sale is consummated by any of the Loan Parties that is not consistent with or contravenes any provision of this Interim Financing Term Sheet, in a manner that is materially adverse to the interests of the Interim Lender, as determined by the Interim Lender, or would reasonably be expected to materially adversely affect the interests of the Interim Lender, as determined by the Interim Lender, unless the Interim Lender have consented thereto;

- k) failure of the Borrower to pay any principal amount owing under this Interim Financing Term Sheet when due;
- l) failure of the Borrower to pay (i) interest or any portion thereof owing under this Term Sheet when due and such Default shall remain unremedied for a period of five (5) Business Days or (ii) legal or other advisory fees and expenses of the Interim Lender within fifteen (15) days after receipt by the Borrower of an invoice for such fees;
- m) any Loan Party commences an action or takes any other proceeding to obtain any form of relief against the Interim Lender;
- n) the expiry without further extension of the stay of proceedings provided for in the Initial Order;
- o) any Loan Party ceases (or threatens to cease) to carry on business in the ordinary course, except where such cessation occurs in connection with a Plan or Bankruptcy Sale which otherwise satisfies the terms and conditions contained herein; or
- p) the denial or repudiation by any Loan Party of the legality, validity, binding nature or enforceability of this Interim Financing Term Sheet.

23. REMEDIES

Upon the occurrence of an Event of Default that is continuing, and subject to the Court Orders, the Interim Lender may, in its sole and absolute discretion, elect to terminate their respective commitments to make Interim Advances to the Borrower hereunder and declare all Interim Financing Obligations in respect of this Interim Financing Term Sheet to be immediately due and payable and cease making any further Interim Advances.

In addition, upon the occurrence of an Event of Default that is continuing, the Interim Lender may, in its sole discretion, on not less than five (5) Business Days' written notice to the Loan Parties and the Monitor, and subject to any Court Order:

- a) apply to a court for the appointment of a receiver, an interim receiver or a receiver and manager over the Collateral to substitute the Monitor and/or enhance any powers of the Monitor, or for the appointment of a trustee in bankruptcy of the Borrower and Guarantor;
- b) set-off or combine any amounts then owing by the Interim Lender (or any one or more of them) to any of the Loan Parties against the obligations of any of the Loan Parties to the Interim Lender hereunder;
- c) apply to the Court for an order or orders, on terms satisfactory to the Monitor and the Interim Lender, providing the Monitor with the power, in the name of and on behalf of the Borrower and Guarantor, to take all necessary steps in the CCAA Proceedings;
- d) subject to obtaining prior approval from the Court, exercise the powers and rights of a secured party under the *Personal Property Security Act* (British Columbia) or any other Applicable Law relating to the enforcement of Liens by secured creditors against any types of property and for certainty including the Collateral; and
- e) subject to obtaining prior approval from the Court, exercise all such other rights and remedies under the, the Court Orders and Applicable Law.

The rights and remedies of the Interim Lender under this Interim Financing Term Sheet are cumulative and are in addition to and not in substitution for any other rights and remedies available at law or in equity or otherwise, including under the CCAA.

24. AMENDMENTS, WAIVERS, ETC.

No amendment or waiver of any provisions of this Term Sheet or consent to any departure by the Loan Parties from any provision thereof is effective unless it is in writing and signed by the Interim Lender (and in the case of amendments, the Loan Parties). Such amendment, waiver or consent shall be

effective only in the specific instance and for the specific purpose for which it is given.

**25. COUNTERPARTS
AND FACSIMILE
SIGNATURES**

This Interim Financing Term Sheet may be executed in any number of counterparts, each of which when taken together shall constitute one and the same instrument. Any counterpart of this Interim Financing Term Sheet can be executed and delivered by any manner of direct electronic transmission including without limitation “pdf email” or “DocuSign”, each of which shall be deemed to be an original hereof.

26. CONFIDENTIALITY

This Interim Financing Term Sheet is delivered on the condition that each of the Loan Parties and their affiliates shall not disclose such documents or the substance of the financing arrangements proposed therein to any person or entity outside of their respective organizations, except to those professional advisors who are in a confidential relationship with them and as required in connection with any court filing in the CCAA Proceedings.

**27. FURTHER
ASSURANCES**

Each of the parties hereto shall execute and deliver such additional documents, instruments, conveyances and assurances and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated hereby and thereby.

**28. TIME IS OF THE
ESSENCE**

Time is of the essence in this Interim Financing Term Sheet and the Interim Financing Facility and all transactions contemplated thereby.

**29. ENTIRE
AGREEMENT**

This Term Sheet constitutes the entire agreement between the parties hereto pertaining to the matters therein set forth and supersede and replace any prior understandings or arrangements pertaining to the Interim Facility. There are no warranties, representations or agreements between the parties in connection with such matters except as specifically set forth herein or in the Interim Financing Loan Documentation.

30. SEVERABILITY

Each of the provisions contained in this Interim Financing Term Sheet is distinct and severable and a declaration of invalidity, illegality or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof.

31. GOVERNING LAW

This Interim Financing Term Sheet shall be governed by and construed in accordance with the laws of the Province of

British Columbia and the federal laws of Canada applicable therein. Without prejudice to the ability of the Interim Lender and the Agent to enforce this Interim Financing Term Sheet in any other proper jurisdiction, each of the Loan Parties irrevocably submits and attorns to the non-exclusive jurisdiction of the courts of the Province of British Columbia.

32. NOTICES

Any notice, request, consent, waiver or other communication hereunder to any of the parties shall be in writing and be well and sufficiently given if delivered personally or direct electronic transmission, including email, pdf email or “DocuSign” to such Person at its address set out on its signature page hereof. Any such notice, request or other communication hereunder shall be concurrently sent to the Monitor and its counsel. Any such notice shall be deemed to be given and received when received, unless received after 5:00 Eastern Time or on a day other than a Business Day, in which case such notice, request, consent, waiver or other communication shall be deemed to be received on the next following Business Day.

[Signature pages follow]

IN WITNESS WHEREOF the parties hereto have executed this Term Sheet as of March 23, 2021.

BORROWER:

Address:

60 West 6th Avenue
Suite 200
Vancouver, BC V5Y 1K1

Attention: Peter Crawford and Greg Palmer
Email: PCrawford@ardenton.com and
GPalmer@ardenton.com

With a copy to:

MLT Aikins LLP
Suite 2600
1066 West Hastings Street
Vancouver, BC V6E 3X1

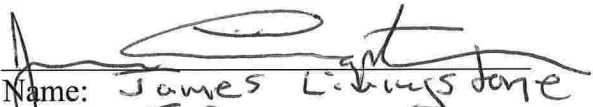
Attention: William Skelly
Email: wskelly@mltaikins.com

- and -

Aird & Berlis LLP
Attention: Kyle Plunkett
Email: kplunkett@airdberlis.com


Address: Same as Borrower

ARDENTON CAPITAL CORPORATION

By: 
Name: James Livingstone
Title: CEO

GUARANTOR:

**ARDENTON CAPITAL BRIDGING
INC.**

By: 
Name: James Livingstone
Title: CEO

Address:

570 Granville, Suite 810
Vancouver, BC, V6C 3P1

Attention: Conrad Krebs
Email: ckrebs@rcmorris.com

With a copy to:
Clarke Wilson LLP

Attention: Chris Ramsay
Email: cramsay@cwilson.com

INTERIM LENDER:

RCM Capital Management Ltd.

By: Bradley Meadows

Name: Brad Meadows

Title: Partner

SCHEDULE A
DEFINED TERMS

“**Administration Charge**” means the administration charge on the Collateral in an aggregate amount not to exceed \$750,000.

“**Agreed Budget**” has the meaning given thereto in Section 14.

“**Bankruptcy Sale**” means the sale of all or substantially all of the assets of the Loan Parties pursuant to a sale approved by the Court.

“**Business Day**” means a day, excluding Saturday and Sunday, on which banks are generally open for business in the Province of British Columbia.

“**Canadian Dollars**” means the lawful currency of Canada.

“**CCAA**” has the meaning given thereto in the preamble.

“**CCAA Proceedings**” has the meaning given thereto in the preamble.

“**Collateral**” means all present and future assets and property of the Borrower and the Guarantor, real and personal, tangible or intangible, and whether now owned or which are hereafter acquired;

“**Court**” has the meaning given thereto in the preamble.

“**Court Order**” and “**Court Orders**” have the meanings given thereto in Section 20.d).

“**D&O Charge**” means the directors and officers charge on the Collateral in an aggregate amount not to exceed \$240,000.

“**Default**” means any event or condition which, with the giving of notice, lapse of time or upon a declaration or determination being made (or any combination thereof), would constitute an Event of Default.

“**Deposit Account**” means the account(s) maintained by the Loan Parties to which payments and transfers under the Interim Financing Term Sheet are to be deposited, which are specified in writing by the Borrower to the Interim Lender or such other account or accounts as the Borrower may from time to time designate by written notice to the Interim Lender.

“**DIP Order**” has the meaning given thereto in Section 9.

“**Environmental Liabilities**” means all liabilities, obligations, responses, remedial and removal costs, investigation and feasibility study costs, capital costs, operation and maintenance costs and other costs and expenses, including fines, penalties, sanctions and interest incurred as a result of or related to any claim, investigation, proceeding or demand of any Governmental Authority against any of the Loan Parties including, without limitation, arising under or related to any law relating to the environment or in connection with any substance which is or is deemed under any

applicable law to be, alone or in combination, hazardous, hazardous waste, toxic, a pollutant, a contaminant or source of pollution or contamination whether on, at, in, under, from or about or in the vicinity of any real or personal property owned by any of the Loan Parties, or any real or personal property that was previously owned, leased or occupied by any of the Loan Parties.

“**Event of Default**” has the meaning given thereto in Section 22.

“**Funding Conditions**” has the meaning given there in Section 9.

“**Governmental Authority**” means any federal, provincial, state, regional, municipal or local government or any department, agency, board, tribunal or authority thereof or other political subdivision thereof and any entity or person exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, government or the operation thereof.

“**Intercompany Charge**” means the intercompany charge on the Collateral to secure any and all advances, payments or distributions made by the Guarantor to the Borrower from after the date of the Initial Order.

“**Interest Payment Date**” means the first day of each month in respect of the immediately preceding month; provided that, in any case, on the Maturity Date or, if applicable, any earlier date on which the Interim Facility is fully cancelled or permanently reduced in full, shall be an Interest Payment Date with respect to all Interim Advances then outstanding under the Interim Facility.

“**Interim Advance**” and “**Interim Advances**” have the meanings given thereto in Section 7.

“**Interim Facility**” has the meaning given thereto in Section 7.

“**Interim Financing Fees and Expenses**” has the meaning given thereto in Section 10.

“**Interim Financing Obligations**” has the meaning given thereto in Section 9.

“**Interim Lender**” has the meaning given thereto in Section 2.

“**Interim Lender Charge**” has the meaning given thereto in Section 9.

“**Liens**” means all mortgages, charges, pledges, hypothecs, assignments by way of security, conditional sales or other title retention arrangements, liens, encumbrances, security interests or other interests in property, howsoever created or arising, whether fixed or floating, perfected or not, which secure payment or performance of an obligation;

“**Material Adverse Change**” means any event, circumstance, occurrence or change which, individually or in the aggregate, results, or could reasonably be expected to result, in a material adverse change (and for certainty including a series of adverse effects, none of which is material in and of itself but which, cumulatively, result in a material adverse change) in:

- (a) the ability of any Loan Party to timely and fully perform any obligation under this Interim Financing Term Sheet or any Court Order, or the ability of the Borrower to carry out a Plan or Restructuring Option;

- (b) the validity or enforceability of any of the Interim Lender Charge or the ranking of any of the Liens granted thereby or the material rights or remedies intended or purported to be granted to the Interim Lender under or pursuant to such Interim Lender Charge;
- (c) the rights and remedies of the Interim Lender under this Term Sheet;
- (d) the business, prospects, operations, assets, condition (financial or otherwise) or results of operations of the Loan Parties, on a consolidated basis, including without limitation a material adverse qualification (other than a “going concern” qualification resulting from the CCAA proceedings);
- (e) the ability of any Loan Party to carry on its business as conducted as of the date of this Term Sheet; or
- (f) the Collateral.

“**Maturity Date**” has the meaning given thereto in Section 13.

“**Maximum Amount**” has the meaning attributed thereto in Section 7.

“**Permitted Disposition**” means assets sold, leased or disposed of during a fiscal year having an aggregate fair market value not exceeding \$100,000 (or the equivalent amount thereof in any other currency) for such fiscal year, and (iv) any other sale, lease or disposition expressly provided for, or permitted to be incurred, in the Agreed Budget and the Court Orders.

“**Permitted Liens**” means (i) the Interim Lender Charge; (ii) any charges created under the DIP Order or other order of the Court in the CCAA Proceedings subsequent in priority to the Interim Lender Charge, the limit and priority of each of which shall be acceptable to the Interim Lender as confirmed in writing by the Interim Lender and for certainty, including the D&O Charge and the Intercompany Charge; (iii) inchoate statutory Liens arising in the ordinary course of business, provided to pay all such amounts are paid as and when due; and (iv) the Permitted Priority Liens.

“**Permitted Priority Liens**” means: (a) the Administration Charge; (b) statutory super-priority Liens for unpaid employee source deductions to the extent they are given first priority over other Liens by Applicable Law; (c) Liens for unpaid municipal or county property taxes or utilities to the extent that they are given first priority over other Liens by Applicable Law; (d) the properly perfected security interests and Liens registered against the Loan Parties in favour of The Toronto-Dominion Bank, up to a maximum amount of \$100,000, and HSBC Bank Canada as at the date of the Initial Order; and (e) such other Liens as may be agreed to in writing by the Interim Lender. For greater certainty, except as expressly set forth herein, Liens arising from the construction, repair, maintenance and/or improvement of real or personal property, shall not be “**Permitted Priority Liens**”.

“**Person**” means an individual, partnership, corporation, business trust, joint stock company, limited liability company, trust, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature.

“**Plan**” has the meaning given thereto in Section 13.

“**Restructuring Option**” means any transaction involving the refinancing of a Loan Party, a transaction involving the recapitalization of the Borrower, the sale of all or substantially all of the assets of any Loan Party or any other restructuring of the Loan Parties’ businesses and operations, including any liquidation, bankruptcy or other insolvency proceeding in respect of any of Loan Party.

“**Revised Budget**” has the meaning given thereto in Section 14.

“**Updated Budget Default**” has the meaning given thereto in Section 22.

SCHEDULE B
REQUEST FOR ADVANCE

REQUEST FOR ADVANCE

TO: The Interim Lender

AND TO: The Monitor

DATE: _____, 20__

Dear Sirs:

The undersigned refers to the interim financing term sheet dated as of March 23, 2021 (the "**Term Sheet**") made among Ardenton Capital Corporation (the "**Borrower**"), the Ardenton Capital Bridging Inc., as guarantor, and the Interim Lender.

Capitalized terms used in this Request for Advance have the same meanings herein as are ascribed thereto in the Term Sheet.

2. The Borrower hereby gives you notice pursuant to the Term Sheet that the undersigned requests an Interim Advance under the Interim Facility (the "**Interim Facility Advance**") in the Term Sheet be deposited into the Deposit Account as follows:
 - (a) Amount of Interim Advance requested: \$ _____
 - (b) Requested funding date: _____
 - (c) Total principal amount currently outstanding (excluding this Interim Facility Advance): \$ _____
 - (d) Availability remaining under the Interim Facility (excluding this Interim Facility Advance): \$ _____

3. Each of the undersigned, being _____ an officer of the Borrower, hereby certify to you for and on behalf of the Borrower (and not in his or her personal capacity) as follows:
 - (a) all of the representations and warranties contained in the Term Sheet are true and correct in all material respects in each case on and as of the date hereof and will be true and correct as of the date of the requested Interim Facility Advance as though made on and as of such date (unless expressly stated to be made as of a specified date);
 - (b) no Default or Event of Default has occurred and is continuing or shall result from the requested Interim Facility Advance;

- (c) the Interim Facility Advance shall not cause the aggregate amount of all outstanding Interim Advances to exceed the Maximum Amount or be greater than the amount shown on the Agreed Budget as at the date of such Interim Facility Advance;
- (d) the Interim Facility Advance is consistent with the Agreed Budget; and
- (e) the other Loan Parties are in compliance with the Term Sheet and the Court Orders.

The undersigned certifies that **[he/she]** is _____, of the Borrower, and that as such **[he/she]** is authorized to execute this certificate on behalf of the Borrower. The undersigned further certifies, represents and warrants on behalf of the Borrower (and not in his or her personal capacity) that the Borrower is entitled to receive the requested Interim Advance under the terms and conditions of the Term Sheet.

**ARDENTON CAPITAL
CORPORATION**

By: _____
Name:
Title:

Appendix “F”

Comparative Summary of DIP Facilities

Appendix "F"

January 1, 2018 to March 24, 2021
(\$, 000)

Debtor	Lender	Proceeding Type	Trustee	Filing Date	Jurisdiction	Industry	Commitment	Interest Rate	Fees
2505243 Ontario Limited	Peter and Paul's Gifts Limited	NOI	KSV	September 24, 2020	Ontario	Food & Accommodation	300		5.0%
2607380 Ontario Inc.	Meridian	CCAA	Richter	February 26, 2020	Ontario	Real Estate	7,200		9.3%
33 Laird Inc. et al.	An Affiliate of Beaux Properties International Inc.	NOI	MNP	December 3, 2020	Ontario	Real Estate	250		10.0%
3834310 Canada Inc. (Groupe Capitaux Medias)	Investissement Quebec	NOI	PwC	August 19, 2019	Quebec	Media	5,000		Confidential
Accel Energy Canada Limited	Third Eye Capital Corporation (as agent) and ICC Credit Holdings Ltd. and other parties as lenders.	NOI	PwC	October 21, 2019	Alberta	Oil and Gas	30,000		12.0%
AgMedica Bioscience Inc.	SV V Bridge III, LP	CCAA	EY	December 2, 2019	Ontario	Cannabis	7,500		9.5%
AgMedica Bioscience Inc.	Hillmount Capital Inc.	CCAA	EY	December 2, 2019	Ontario	Cannabis	7,500		9.5%
Air Georgian Limited	2229275 Alberta Ltd.	NOI	KPMG	January 31, 2020	Ontario	Aviation	800		12.0%
Algold Resources Ltd. (TSX: ALG)	Aya Gold & Silver Inc.	NOI	Raymond Chabot	January 15, 2021	Quebec	Mining	2,400		20.0%
Aralez Pharmaceuticals Inc. and Aralez Pharmaceuticals Canada Inc.	Deerfield Management Company, L.P.	CCAA	Richter	August 10, 2018	Ontario	Pharmaceuticals	10,000		10.0%
Argex Titanium Inc.	11345974 Canada Inc.	NOI	PwC	July 2, 2019	Quebec	Technology	1,500		18.5%
Ascent Industries Corp.	Pillar Capital Corporation	CCAA	EY	March 1, 2019	British Columbia	Cannabis	2,000		15.0%
Aspen Air	C.F. Capital Corporation	NOI	KSV	June 12, 2018	Alberta	Manufacturing	300		10.0%
Atis Group	BNS	CCAA	Raymond Chabot	February 24, 2021	Quebec	Manufacturing	6,250	Prime plus 3.75%	Facility fee of \$112,500
Bellatrix Exploration Ltd.	Names of lenders redacted	CCAA	PwC	October 2, 2019	Alberta	Oil and Gas	15,000 USD		10.0%
Bioamber Canada & Bioamber Sarnia Inc.	Maynbridge Capital	CCAA	PwC	May 24, 2018	Ontario	Manufacturing	3,500		9.0%
Biomod Concepts Inc.	T Investment Corp.	NOI	Richter	April 8, 2019	Quebec	Technology	700		15%
Bondfield Construction Company Limited	Zurich Insurance Company Ltd.	CCAA	EY	April 3, 2019	Ontario	Construction	8,000		6.0%
Bondfield Construction Company Limited	Bridging Finance, as agent	CCAA	EY	April 3, 2019	Ontario	Construction	6,000		14.0%
Burry's Shipyard	BDC	NOI	Deloitte	July 10, 2018	Newfoundland	Manufacturing	300	BDC's Floating Base Rate + 6.45%	Loan processing fee of \$6, monthly administration fee of \$0.25, professional costs of lender.
Change of Scandinavia Canada Retail Inc.	Change of Scandinavia Holding A/S and Change of Scandinavia A/S	NOI	Richter	March 2, 2021	Quebec	Retail	2,000		15.0%
DEL Equipment Inc.	Diesel Equipment Limited	CCAA	MNP	October 22, 2019	Ontario	Automotive	1,000		7%
Discovery Air Inc.	CEP IV Co-Investment Limited Partnership	CCAA	KSV	March 21, 2018	Ontario	Transportation	12,600		10.0%
Divestco Inc.	Krik Popadymetz, Wade Darryl Brillon, Marvin Lefebvre, Monashes Vernon Liquor Store Ltd. and Michael Brent Gough	CCAA	Grant Thornton	March 4, 2019	Alberta	Oil and Gas	1,500		18.0%
Donaldson & James Ltd. and the Agency Employment Services Ltd.	FundThrough Inc.	NOI	Farber	January 23, 2019	Ontario	Staffing	3,000		24%
Energold Drilling Corp.	Energold DIP Lender, LLC	CCAA	FTI Consulting	September 13, 2019	British Columbia	Mining	3,800	8% for the first 45 days post-filings, 12% for the next 30 days, 18% thereafter	1.5% facility fee, professional costs of the lender \$90 closing fee, \$90 agent fee and \$90 exit fee
Eureka 93 Inc.	Spouter Corporation Inc., David and Donna VanSegbrook	NOI	Deloitte	February 14, 2020	Ontario	Cannabis	2,300		15.0%
FIGR Brands Inc.	Alliance One Tobacco Canada, Inc.	CCAA	FTI	January 21, 2021	Ontario	Cannabis	8,000		8.0%
Fluid Brands Inc.	CIBC	NOI	Richter	October 25, 2018	Ontario	Retail	25,300	In accordance with company's pre-filing credit agreement with lender.	The Lender's fees and expenses \$165 commitment fee; professional costs of lender.
Forme Development Group Inc.	Kingsett Mortgage Corporation	CCAA	KSV	November 30, 2018	Ontario	Real Estate	5,000	RBC's prime rate + 4.55% (minimum rate of 8.5%)	\$75 commitment fee, extension fee of \$25 on each 4-month extension; professional costs of the lender.
Fortress Global Enterprises Inc.	Investissement Quebec	CCAA	Deloitte	December 16, 2019	Quebec	Forestry	6,000		10.0%
Gedex Systems Inc.	FCMI Parent Co.	CCAA	Zeifmans	August 12, 2019	Ontario	Technology	600	In accordance with company's pre-filing credit agreement with lender.	Unknown
Gestion KnightsBridge Inc. and Investissements KnightsBridge S.E.C.	Claric Drolet Limited Partnership and Claric Bromont Limited Partnership	NOI	Richter	November 15, 2019	Quebec	Real Estate	100		10%
Greenfire Hangingstone Operating Corporation	Trafigura Canada General Partnership	NOI	A&M	October 8, 2020	Alberta	Technology	20,000		LIBOR plus 8%
Harvest Fraser Richmond Organics	Pillar Capital Corporation	CCAA	EY	October 12, 2018	British Columbia	Cleantech	1,000		14.0%
Harvest Fraser Richmond Organics	Maynbridge Capital	CCAA	EY	October 12, 2018	British Columbia	Cleantech	1,000		10.0%
Hollander Sleep Products Canada Limited (Canadian borrower of US group under Chapter 11 bankruptcy protection)	Syndicate of prepetition ABL lenders	Foreign order recognition	KSV	May 23, 2019	Ontario	Manufacturing	90,000(Canadian debtor sublimit of 20,000)		Effective interest estimated to be 6.5%
ILTA Grain Inc.	Farm Credit Canada	CCAA	PwC	July 7, 2019	British Columbia	Agriculture	8,000		8%
Invictus MD Strategies	ATB Financial	CCAA	PwC	February 13, 2020	British Columbia	Cannabis	3,000		10.0%
Jack Cooper Ventures	Prepetition ABL Lenders	Foreign order recognition	Alvarez & Marsal	August 9, 2019	Ontario	Automotive	85,000	LIBOR plus 3.5% or Base Rate plus 2.5%	0.25% standby fee
James E. Wagner Cultivation Ltd. et al	Trichome Financial Corp.	CCAA	KSV	April 1, 2020	Ontario	Cannabis	4,000		10.0%
Kolsy Homes	KV Capital Corporation	CCAA	Bowra Group	July 9, 2018	Alberta	Real Estate	600		Unknown
Laurentian University	Firm Capital Corporation	CCAA	EY	February 1, 2021	Ontario	Education	25,000	The greater of 8.50% or TD Prime Rate of Interest plus 6.05%	Commitment fee of \$500,000. and DIP Lender's legal fees
Le groupe S.M. Inc. et als	Integrated Asset Management	CCAA	Deloitte	August 24, 2018	Quebec	Construction	2,000		9.0%
Manitok Energy	SCCC Petroleum Corporation	NOI	FTIConsulting	January 10, 2018	Alberta	Oil and Gas	800		8.0%
Miniso Canada	MIHK Management Inc.	CCAA	Alvarez & Marsal	July 11, 2019	British Columbia	Retail	2,000		10.0%
Nautilus Minerals Inc.	Deap Sea Mining Finance Ltd.	CCAA	PwC	February 21, 2019	British Columbia	Mining	4,000		8.0%
North American Fur Auctions Inc.	Waygar Capital Inc.	CCAA	Deloitte	October 31, 2019	Ontario	Distribution	5,000 USD		12%
Ontario Graphite	Orion Corporation	CCAA	Deloitte	February 12, 2020	Ontario	Mining	2,800		15.0%
OpenHydro	OpenHydro Group Limited (In Liquidation)	CCAA	Grant Thornton	November 7, 2018	Nova Scotia	Biotech	500		N/A
Orbcare Inc.	iGan Partners Inc.	NOI	MNP	May 25, 2019	Ontario	Technology	1,200		10%
Pier 1 Imports (U.S.), Inc.	Various pre-petition lenders	Foreign order recognition	Alvarez & Marsal	February 18, 2020	Ontario	Retail	256,000 USD	Revolving loans: LIBOR + 3% FILO Loans: LIBOR + 4.5% ABL Term Loan: LIBOR + 8%	\$2,400 in aggregate fees (equal to 0.9% of the total financing)
Prendville Industries Ltd.	CIBC	NOI	EY	December 5, 2019	Ontario	Forestry	1,000		CIBC prime rate + 4.0%
Purcell Basin Minerals Inc. et al.	Braveheart Resources Inc.	CCAA	MNP	May 29, 2018	British Columbia	Mining	200		12.0%
Purcell Basin Minerals Inc. et al.	MLM Pacific LLC	CCAA	MNP	May 29, 2018	British Columbia	Mining	600		7.0%
Purewal Blueberry Farms Ltd.	Blueberry Holding (GP) Ltd.	NOI	FTI Consulting	April 30, 2018	British Columbia	Agriculture	500		15.0%
Ranch Energy Corporation et al.	Third Eye Capital Corporation	CCAA	EY	July 10, 2018	Alberta	Oil and Gas	1,400		12.0%
Rebuts Solides Canadiens inc. et al	RECYC-QUEBEC	CCAA	PwC	February 3, 2020	Quebec	Recycling	7,000		5.0%
Resource Capital Gold	Sprott Private Resource Lending (Collector) LP	NOI	PwC	January 28, 2019	British Columbia	Mining	2,200		18.0%
Rockshield Engineered Wood Products	Hillmount Capital Inc.	NOI	Dodick & Associates	February 8, 2021	Ontario	Manufacturing	1,500		11.0%
Société en commandite Tily de Laval et Promotions Anne Delisle Inc.	La Financière Transcapitale Inc.	CCAA	Lemieux Nolet Inc.	February 14, 2018	Quebec	Construction	800		Unknown
Stantive Technologies Group Inc.	1968392 Ontario Inc. and 233073 Ontario Inc.	NOI	EY	November 14, 2018	Ontario	Technology	800		12.0%
Stornaway Diamond Corporation	Osisko Gold Royalties Ltd., CDPQ Resources Inc., 1078243 Canada Limited and Diaquem Inc.	CCAA	Deloitte	September 9, 2019	Quebec	Mining	20,000		12.5%
TELEoP Inc.	Adarsan Holdings Limited and Diot Holdings Ltd.	CCAA	PwC	June 27, 2018	Ontario	Technology	1,500		5.0%
TGF Acquisition Parent Ltd., Sun Rich Fresh Foods Inc. and Tiffany Gate Foods Inc.	Cortland Capital Market Services Ltd.	CCAA	EY	February 17, 2021	British Columbia	Food & Accommodation	13,400	Either 15% or 12.5%, pursuant to the terms of the Term Sheet	Commitment fee of \$516,000.
Trade Secret Web Printing Inc.	B&Y Property Holdings Inc.	NOI	Crowe Soberman	November 22, 2019	Ontario	Printing	300		5%
Tradesmen Enterprises Limited Partnership	BMO	NOI	KSV	February 1, 2021	Alberta	Professional Services	1,900		12.0%

Comparative Summary of DIP Facilities
 January 1, 2018 to March 24, 2021
 (\$, 000)

Appendix "F"

Debtor	Lender	Proceeding Type	Trustee	Filing Date	Jurisdiction	Industry	Commitment	Interest Rate	Fees
Vari-Form	11032569 Canada Inc. (also the stalking horse bidder in these proceedings).	CCAA	PwC	January 8, 2019	Ontario	Automotive		22,800	5.0% N/A
Viafoura Inc.	Intercap Equity Inc.	NOI	KSV	December 1, 2019	Ontario	Technology		1,000	RBC prime rate plus 2% 1% of loan payable upon each extension of loan maturity beyond January 30, 2020.
VistaCare Communications Services of Canada Inc., et als	Bank of Montreal and Roynat Inc.	NOI	Grant Thornton	June 19, 2019	Nova Scotia	Telecommunications		2,700	9.5% \$25 commitment fee
Wayland Group Corp. et al	The House of Turlock Ltd.	CCAA	PwC	December 2, 2019	Ontario	Cannabis		1,100	13.0% \$50 initial commitment fee, subsequent commitment fee equal to the greater of \$125 and \$4% of the difference between the maximum DIP availability and the amount of the initial advance.
Yatsen Group of Companies	1699803 Ontario Inc.	CCAA	A&M	January 25, 2021	Ontario	Food & Accommodation		5,000	3.0% The Lender's fees and expenses
Yukon Zinc	Century Acquisitions Inc.	NOI	PwC	July 31, 2019	British Columbia	Mining		3,000	0.18 N/A