

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE MR. )

WEDNESDAY, THE 4<sup>th</sup>

JUSTICE HAINEY )

DAY OF APRIL, 2018



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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF DISCOVERY AIR INC.

APPLICANT

**SSP APPROVAL ORDER**

**THIS MOTION**, made by Discovery Air Inc. (the "**Applicant**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an order, *inter alia*, approving a sale solicitation process and certain related relief, was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the Notice of Motion of the Applicant, the affidavit of Paul Bernards sworn March 27, 2018, and the Exhibits thereto (the "**Bernards Affidavit**"), the First Report of KSV Kofman Inc., in its capacity as Monitor (the "**Monitor**") dated March 29, 2018, and the affidavit of Stephen Campbell sworn April 4, 2018 filed, and on hearing the submissions of counsel for the Applicant, the Monitor and Clairvest Group Inc., the Ad Hoc Committee of Holders of 8.375% Unsecured Debentures, no one else appearing although duly served as appears from the Affidavits of Service of Katie Parent sworn March 29, 2018 and April 2, 2018, filed:

*the Supplement to the  
First Report of  
the Monitor, dated  
April 3, 2018,*

*GH*

## SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined herein shall have the meaning ascribed to them under the Sale Solicitation Process attached hereto as Schedule "A" (the "SSP").

## APPROVAL OF STALKING HORSE AGREEMENTS

3. **THIS COURT ORDERS** that the execution, delivery, entry into, compliance with, and performance by the Applicant of each of the Top Aces Stalking Horse Agreement, GSH Stalking Horse Agreement, ATL Stalking Horse Agreement and DMS Stalking Horse Agreement (each, as defined in the Bernards Affidavit, and, collectively the "**Stalking Horse Agreements**"), be and is hereby ratified, authorized and approved, *provided, however*, that nothing contained in this Order approves the sale or the vesting of any property, assets or undertaking of the Applicant to either of the Stalking Horse Bidders pursuant to any of the Stalking Horse Agreements and that, if any or all of the Stalking Horse Agreements are the Accepted Bid under the SSP, the approval of the sale and vesting of the assets contemplated to be sold thereunder to the applicable Stalking Horse Bidder shall be considered by this Court on a subsequent motion or motions made to this Court following completion of the SSP, all in accordance with the terms of the SSP.
4. **THIS COURT ORDERS** that the Stalking Horse Agreements be and are hereby approved and accepted solely for the purposes of constituting stalking horse bids under the SSP.
5. **THIS COURT DECLARES** that the Stalking Horse Bidders are parties to these proceedings.
6. **THIS COURT ORDERS** that the Stalking Horse Agreements shall not be rendered invalid or unenforceable and the rights and remedies of the Stalking Horse Bidders thereunder shall not otherwise be limited or impaired in any way by: (a) the Applicant's CCAA proceedings and the declarations of insolvency made in connection therewith; (b) any application(s) for bankruptcy order(s) issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) (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 security interests, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) which binds the Applicant, and notwithstanding any provision to the contrary in any Agreement:

- (a) the execution, delivery or performance of the Stalking Horse Agreements shall not create or be deemed to constitute a breach by the Applicant of any Agreement to which it is a party; and
- (b) the Stalking Horse Bidders shall not have any liability to any person whatsoever as a result of any breach of any Agreement caused by or resulting from the Applicant entering into the Stalking Horse Agreements.

#### **APPROVAL OF SSP**

7. **THIS COURT ORDERS** that the SSP (subject to such non-material amendments as may be agreed to by the Monitor and the Stalking Horse Bidders (including all schedules thereto)) be and is hereby approved and the Monitor, the Applicant, the Non-Applicant Subsidiaries (as defined in the Initial Order) Top Aces Inc. and Top Aces Holdings Inc. (together with the Applicant and the Non-Applicant Subsidiaries, the “**Companies**”) are hereby authorized and directed to take such steps as they deem necessary or advisable (subject to the terms of the SSP) to carry out the SSP, subject to prior approval of this Court being obtained before completion of any transaction(s) under the SSP.

8. **THIS COURT ORDERS** that the Monitor, the Companies and their respective affiliates, partners, directors, employees, advisors, agents and controlling persons shall have no liability with respect to any and all losses, claims, damages or liability of any nature or kind to any person in connection with or as a result of performing their duties under the SSP, except to the extent of such losses, claims, damages or liabilities resulting from the gross negligence or wilful misconduct of the Monitor or the Companies, as applicable, as determined by the Court.

9. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Monitor, the Applicant and the Non-Applicant Subsidiaries (under the direction of the Monitor) are hereby authorized and permitted to disclose and transfer to each potential bidder (the “**Bidders**”) (including, without limitation, the Stalking Horse Bidders) and to their Representatives, if requested by such Bidders, personal information of identifiable individuals, including, without limitation, all human resources and payroll information in the Companies’ records pertaining to the Companies’ past and current employees, but only to the extent desirable or required to negotiate or attempt to complete a sale of the shares and assets contemplated by the Stalking Horse Agreements (a “**Sale**”). Each Bidder or Representative to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation for the purpose of effecting a Sale, and if it does not complete a Sale, shall return all such information to the Monitor, or in the alternative destroy all such information and provide confirmation of its destruction if requested by the Monitor. The Successful Bidder(s) shall maintain and protect the privacy of such information and, upon closing of the transaction contemplated in the Accepted Bid(s), shall be entitled to use the personal information provided to it that is related to the Property acquired pursuant to the SSP in a manner that is in all material respects identical to the prior use of such information by the relevant Company or Companies, and shall return all other personal information to the Monitor, or ensure that all other personal information is destroyed and provide confirmation of its destruction if requested by the Monitor.

10. **THIS COURT ORDERS** that none of the Companies or any of their employees or Representatives shall communicate directly with Clairvest regarding any information relating to the SSP including, without limitation, the identities of the Interested Parties (as defined in the SSP).

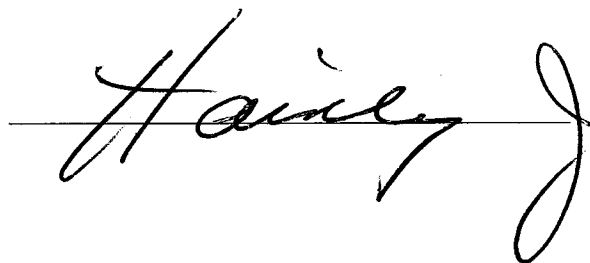
#### **GENERAL**

11. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States, or any other jurisdiction, to give effect to this Order and to assist the Applicant, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicant 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 Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

12. **THIS COURT ORDERS** that each of the Applicant 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 that 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.

13. **THIS COURT ORDERS** that at any time during the SSP, the Monitor, the Applicant or any Stalking Horse Bidder may apply to the Court for directions with respect to the SSP.

A handwritten signature in black ink, appearing to read "Hainey J.", written over a horizontal line.

ENTERED AT / INSCRIT À TORONTO  
ON / BOOK NO:  
LE / DANS LE REGISTRE NO:

APR 4 - 2018

PER / PAR: 

**Schedule "A" – Sale Solicitation Process**

## SALE SOLICITATION PROCESS

### Introduction

On March 21, 2018, Discovery Air Inc. (the “**Debtor**”) commenced a proceeding (the “**CCAA Proceeding**”) under the *Companies’ Creditors Arrangement Act* (Canada) (the “**CCAA**”) before the Ontario Superior Court of Justice (Commercial List) (the “**Court**”). Pursuant to the initial order issued by the Court in the CCAA Proceeding (the “**Initial Order**”), KSV Kofman Inc. was appointed as monitor (the “**Monitor**”) in the CCAA Proceeding.

The following Schedules are incorporated into this SSP: (a) Schedule “A” – References and Definitions; (b) Schedule “B” – Form of Acknowledgment of Sale Solicitation Process; (c) Schedule “C” – Addresses for Notice; and (d) Schedule “D” – Auction Procedures.

On April 4, 2018, the Debtor brought a motion before the Court, for, among other things, an order (the “**SSP Order**”) approving:

- (a) the Top Aces Stalking Horse Agreement pursuant to which the Top Aces Stalking Horse Bidder has agreed to: (i) purchase: (A) the Top Aces Holdco Shares; (B) certain assets owned by the Debtor and used in the Top Aces business and/or shared between the Top Aces business and the businesses of GSH, ATL and DMS; and (C) intercompany debt owing by Top Aces and/or Top Aces Holdco to the Debtor, if any (collectively, “**Top Aces Property**”); and (ii) assume or otherwise satisfy certain liabilities and/or extinguish certain indebtedness, if any;
- (b) the following Stalking Horse Agreements between the Debtor and the Northern Stalking Horse Bidder:
  - (i) the GSH Stalking Horse Agreement pursuant to which the Northern Stalking Horse Bidder has agreed to: (i) purchase: (A) the GSH Shares; (B) certain assets owned by the Debtor and used in the GSH business as more particularly described in the GSH Stalking Horse Agreement; and (C) certain intercompany debt owing by GSH to the Debtor (collectively, the “**GSH Property**”); and (ii) assume or otherwise satisfy certain liabilities and/or extinguish certain indebtedness of the Debtor;
  - (ii) the ATL Stalking Horse Agreement pursuant to which the Northern Stalking Horse Bidder has agreed to: (i) purchase: (A) the ATL Shares; (B) certain assets owned by the Debtor and used in the ATL business as more particularly described in the ATL Stalking Horse Agreement; and (C) certain intercompany debt owing by ATL to the Debtor (collectively, the “**ATL Property**”); and (ii) assume or otherwise satisfy certain liabilities and/or extinguish certain indebtedness owing by the Debtor;
  - (iii) the DMS Stalking Horse Agreement pursuant to which the Northern Stalking Horse Bidder has agreed to: (i) purchase: (A) the DMS Shares; and (B) certain assets owned by the Debtor and used in the DMS business as more particularly described in the DMS Stalking Horse Agreement

(together with the DMS Shares, the “DMS Property”); and (ii) assume or otherwise satisfy certain liabilities and/or extinguish certain indebtedness owing by the Debtor; and

(c) this SSP.

On April [4], 2018, the Court granted the SSP Order. The Monitor will conduct the SSP in accordance with the SSP Order and this SSP.

Under the SSP, all qualified interested parties will be provided with an opportunity to participate in the SSP on the terms set out herein.

### **Commencement of the SSP and Identifying Bidders**

1. The purpose of the SSP is to conduct certain processes to provide interested parties with opportunities to submit competing offers on an “as is, where is” basis to purchase: (a) the Top Aces Property; (b) the GSH Property or all or substantially all of the assets of GSH; (c) the ATL Property or all or substantially all of the assets of ATL; and (d) the DMS Property or all or substantially all of the assets of DMS (each, an “**Opportunity**”). The SSP shall apply to each of the Opportunities and the related processes and transactions, including without limitation, the Top Aces Transaction, Great Slave Transaction, Air Tindi Transaction and Discovery Mining Transaction.
2. Any sales pursuant to this SSP will be without surviving representations or warranties of any kind, nature, or description by the Monitor, the Companies or any of their respective directors, officers, agents, advisors or other representatives unless otherwise agreed in a definitive agreement.
3. All of the Debtor’s right, title and interest in and to any of the Property or other assets to be sold pursuant to any Transactions will be sold free and clear of the pledges, liens, security interests, encumbrances, claims, charges, options, and interests therein and thereon as set out in the Court order approving such sale unless specifically permitted to continue pursuant to the terms of the Accepted Bid.

### **Timeline**

4. The following table sets out the key milestones and deadlines under the SSP, which may be extended or amended by the Monitor in its discretion by up to two weeks without Court approval:

<b>Milestone</b>	<b>Deadline (Top Aces SSP)</b>	<b>Deadline (GSH SSP)</b>	<b>Deadline (ATL SSP)</b>	<b>Deadline (DMS SSP)</b>
Commencement SSP	April 4, 2018	April 4, 2018	April 4, 2018	April 4, 2018
Bid Deadline	May 21, 2018	June 4, 2018	June 4, 2018	June 4, 2018
Auction	May 31, 2018	June 14, 2018	June 14, 2018	June 14, 2018



Closing Date Deadline	July 31, 2018	July 31, 2018	July 31, 2018	July 31, 2018
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### Solicitation of Interest: Notice of the SSP

5. The Debtor will issue a press release providing notice of the SSP and any such other relevant information as the Debtor and Monitor consider appropriate (a “**Notice**”) with Canada Newswire for designated dissemination in Canada and such other jurisdictions as the Monitor, in consultation with the Debtor, considers appropriate.
6. The Monitor shall be entitled, but not obligated, to arrange for a Notice to be published in *The Globe and Mail* (National Edition), and any other newspaper or industry journal as the Monitor considers appropriate, if any, if it believes that such advertisement would be useful in the circumstances.
7. The Monitor, with the assistance of the Companies and their Representatives, has prepared:
  - (a) a list of potential financial bidders who may be interested in a Top Aces Transaction and a list of potential financial and strategic bidders who may be interested in any or all of the Northern Transactions (collectively, “**Potential Bidders**”);
  - (b) Teaser Letters describing the Opportunities, outlining the processes under the Top Aces SSP and Northern SSP, respectively, and inviting recipients of the Teaser Letters to express their interest pursuant to the applicable SSP;
  - (c) a form of NDA; and
  - (d) CIMs describing the Opportunities, which will be made available by the Monitor to Bidders (as defined below).
8. The Monitor, with the assistance of the Companies and their Representatives, has established Data Rooms in respect of the SSPs, which Data Rooms may continue to be updated from time to time during the SSP.
9. The Monitor and its Representatives may consult with, or seek the assistance or cooperation of, the Companies with respect to any matter relating to this SSP and the conduct thereof, including, without limitation, the activities described in paragraphs 6 to 8 above. The Companies and their Representatives shall cooperate fully with the Monitor and its Representatives and provide such assistance as is reasonably requested by the Monitor in connection with the SSP.
10. The Monitor will send the applicable Teaser Letter(s) and applicable form or forms of NDA to all applicable Potential Bidders as soon as reasonably practicable after the granting of the SSP Order and to any other party who requests a copy of a Teaser Letter and NDA or who is identified by the Debtor or the Monitor as a potential bidder as soon as reasonably practicable after such request or identification, as applicable.

### Delivery of CIMs

11. Any party who wishes to participate in one or more of the SSPs (an “**Interested Party**”), including any Potential Bidder, must provide to the Monitor:
  - (a) a NDA executed by it, and a letter setting forth the identity of the Interested Party, the contact information for such Interested Party and full disclosure of the direct and indirect principals of the Interested Party;
  - (b) an acknowledgment of the applicable SSP or SSPs in which the Interested Party wishes to participate, in the form attached hereto as Schedule “B”; and
  - (c) such form of financial disclosure and credit quality support or enhancement that allows the Monitor to make a reasonable determination as to the Interested Party’s financial and other capabilities to consummate a Sale Proposal.
  
12. If it is determined by the Monitor, in its reasonable business judgment, that an Interested Party: (i) has delivered the documents contemplated in paragraph 11 above; and (ii) has the financial capability based on the availability of financing, experience and other considerations, to be able to consummate a sale pursuant to the SSP or SSPs in which the Interested Party is interested, then such Interested Party will be deemed to be a “**Bidder**”. For greater certainty, the Monitor may, in its reasonable business judgment, determine that an Interested Party may be deemed a Bidder in one SSP but not another.
  
13. The Monitor will provide each Bidder with a copy of the applicable CIM(s) and access to any corresponding Data Rooms. Bidders and Qualified Bidders (as defined below) must rely solely on their own independent review, investigation and/or inspection of all information and of the Property in connection with their participation in any of the SSPs and any transaction they enter into with the Debtor. The Companies, the Monitor and their respective directors, officers, agents and advisors make no representation or warranty whatsoever as to the information (including, without limitation, with respect to its accuracy or completeness) (i) contained in any of the CIMs or the Data Rooms; (ii) provided through the due diligence process or otherwise made available pursuant to any of the SSPs; or (iii) otherwise made available to a Potential Bidder, Interested Party, Bidder or Qualified Bidder, except to the extent expressly contemplated in any definitive documentation duly executed and delivered by the Successful Bidder (as defined below) duly executed by the applicable Company and approved by the Court.
  
14. At any time during the SSP, the Monitor may, in its reasonable business judgment, eliminate a Bidder from any of the SSPs, in which case such party will no longer be a Bidder for the purposes of such SSP, provided however, this provision does not apply to either of the Stalking Horse Bidders. For greater certainty, the Monitor may, in its reasonable business judgment, eliminate a Bidder participating in multiple SSPs from one SSP but not other SSPs.
  
15. None of the Companies nor any of their Representatives or affiliates shall meet or communicate with a Potential Bidder, Interested Party, Bidder or Qualified Bidder (including the Stalking Horse Bidders in respect of the Stalking Horse Bids) regarding

any Transaction or Opportunity without (a) first informing and obtaining the consent of the Monitor, and (b) allowing the Monitor the right and opportunity to participate in such meeting, management presentation or communication. In the event a disagreement arises between the Companies and the Monitor with respect to any matters related directly or indirectly to this SSP, the Monitor, unless otherwise ordered by the Court, shall have the sole authority to make a final decision with respect to such matters.

16. Neither the Companies nor their Representatives or affiliates shall communicate the identities of any Interested Parties or information in respect of any bids or transaction documents to representatives of either of the Stalking Horse Bidders, whether in that capacity or any other capacity, unless and until the identities of the Qualified Bidders are exchanged with all other Qualified Bidders at Auction. For greater certainty, the foregoing provision is not intended to prevent or restrict the Companies or their Representatives from meeting or communicating with either of the Stalking Horse Bidders or any party related thereto regarding matters that do not relate to the SSP.
17. The Monitor, with the Companies' assistance, shall afford each Bidder such access to applicable due diligence materials and information pertaining to the applicable SSP or SSPs as the Monitor deems appropriate in its reasonable business judgment. Due diligence access may include management presentations, access to the Data Room(s), on-site inspections, and other matters which a Bidder may reasonably request and which the Monitor deems appropriate. The Monitor will designate one or more representatives to coordinate all reasonable requests for additional information and due diligence access from each Bidder and the manner in which such requests must be communicated. Neither the Debtor nor the Monitor will be obligated to furnish any information relating to the Property to any person other than to Bidders. For the avoidance of doubt, selected due diligence materials may be withheld from certain Bidders if the Monitor determines such information to represent proprietary or sensitive competitive information.

#### **Formal Offers and Determination of Qualified Bids**

18. Bidders will be able to refer to template Purchase Agreements (which will be based on the Stalking Horse Agreements) placed in the Data Rooms.
19. Bidders that wish to make a formal offer within one or more of the SSPs (a "**Sale Proposal**") must submit such Sale Proposal to the Monitor so as to be received by the Monitor not later than 5:00 PM (Toronto Time) on (a) May 21, 2018 with respect to the Top Aces SSP, and (b) June 4, 2018 with respect to the Northern SSP (the "**Bid Deadline**"). All Sale Proposals in respect of the applicable transactions must be in the form of a duly authorized and executed Purchase Agreement with any changes disclosed in a comparison against the template Purchase Agreement, if applicable, and delivered by email and/or hard copy to each of the persons specified in Schedule "C" hereto. Bidders who wish to submit a Sale Proposal for the assets of any or all of GSH, ATL and/or DMS may submit any such Sale Proposal in a separate form of asset purchase agreement reflecting terms consistent with an insolvency transaction, including without surviving representations and warranties. For greater certainty, Bidders must submit a separate

Purchase Agreement or asset purchase agreement for each SSP in which the Bidder is making a Sale Proposal.

20. The Monitor, in consultation with the Debtor, may modify the Bid Deadline with respect to some or all of the SSPs. Any such modification shall be communicated to all Bidders for the applicable SSP in writing and posted on the Monitor's Website.
21. In order to be considered a "**Final Bid**", a Sale Proposal shall include the following terms (collectively, the "**Final Bid Criteria**"):
  - (a) Subject to subsection (b) below, that the bid is binding and irrevocable until the earlier of (i) 30 days after the Bid Deadline and (ii) approval by the Court of the Accepted Bid (the "**Bid Termination Date**");
  - (b) include an acknowledgement that if such Final Bid is selected by the Monitor as the Backup Bid at the Auction, such Final Bid shall remain binding, irrevocable and open for acceptance by the Debtor until the closing of the transaction with the Successful Bidder;
  - (c) include a refundable cash deposit in the form of a wire transfer (to a bank account specified by the Monitor) or such other form of deposit as is acceptable to the Monitor, payable to the Monitor, in trust, in an amount equal to 15% (the "**Deposit**") of the purchase price contemplated by the Bidder's Final Bid;
  - (d) provide contact information (including an email address) for the Bidder and disclose the identity of each entity (including its ultimate shareholders and/or sponsors) that will be bidding for the Property or otherwise participating in a Final Bid and the complete terms of any such participation;
  - (e) include written evidence of a firm, irrevocable commitment for financing or other evidence of an ability to consummate the proposed transaction or transactions comprising the Final Bid, that will allow the Monitor to make a determination as to the Bidder's financial and other capabilities to consummate the proposed transaction;
  - (f) include acknowledgments and representations of the Bidder that: (i) it has had an opportunity to conduct any and all due diligence regarding the Property, the Companies or otherwise prior to making its bid; (ii) it has relied solely upon its own independent review, investigation and/or inspection of the Property (including, without limitation, any documents in connection therewith) in making its bid; and (iii) it did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory or otherwise, regarding the Property or the Companies or the completeness of any information provided in connection therewith, except as expressly contemplated in any definitive documentation duly executed by the Successful Bidder and the applicable Company and approved by the Court;

- (g) include written evidence, in form and substance reasonably satisfactory to the Monitor, of authorization and approval from the Bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the transaction contemplated by the Final Bid;
  - (h) provides value to the creditors and other stakeholders of the Companies (having regard to the relative priority of creditor claims) that is equal to or greater than the value of the applicable Stalking Horse Agreement;
  - (i) describes the specific Property to be acquired by the Bidder;
  - (j) details of any liabilities to be assumed by the Bidder;
  - (k) not be subject to further due diligence;
  - (l) not be subject to financing;
  - (m) include a description of any regulatory or other third-party approvals required for the Bidder to consummate the proposed transaction, and the time period within which the Bidder expects to receive such regulatory and/or third-party approvals, and those actions the Bidder will take to ensure receipt of such approvals as promptly as possible;
  - (n) include a description of any desired arrangements with respect to transition services that may be required from any of the Companies in connection with the sale transaction;
  - (o) not be subject to any conditions precedent except those that are customary in a transaction of this nature;
  - (p) not be conditional upon approval by the Court of any bid protection, such as a break-up fee, termination fee, expense reimbursement or similar type of payment;
  - (q) be received by the Bid Deadline; and
  - (r) contemplate closing the transaction set out therein on or before July 31, 2018 (the "**Closing Date Deadline**").
22. The Monitor may, if it deems appropriate or desirable in the circumstances, modify or amend the Final Bid Criteria.
23. Following the Bid Deadline, the Monitor will determine if each Sale Proposal delivered to the Monitor meets the Final Bid Criteria, provided that each Sale Proposal may be negotiated among the Monitor and the applicable Bidder and may be amended, modified or varied to improve such Sale Proposal as a result of such negotiations. The Monitor shall be under no obligation to negotiate identical terms with, or extend identical terms to, each Bidder.

24. The Monitor may make any modification to the SSP it considers appropriate in the circumstance and, where it considers such modification to be material, it may seek Court approval of such modification on notice to parties in the CCAA Proceeding. For greater certainty, the extension of any deadline by up to two weeks shall not be considered material.
25. If a Sale Proposal meets the Final Bid Criteria, as determined by the Monitor in its sole discretion, such Final Bid will be deemed to be a “**Qualified Bid**” and the Bidder in respect of each such Qualified Bid shall be a “**Qualified Bidder**” in respect of the applicable SSP. The Monitor may waive strict compliance with any one or more of the Final Bid Criteria and deem such non-compliant Sale Proposal to be a Qualified Bid, provided that doing so shall not constitute a waiver by the Monitor of the Final Bid Criteria or an obligation on the part of the Monitor to designate any other Sale Proposal as a Qualified Bid.

#### **Selection of Successful Bidders**

26. Within five (5) Business Days of the applicable Bid Deadline, or at such later time as the Monitor may deem appropriate, the Monitor will advise each Bidder if its Sale Proposal is a Qualified Bid (the “**Notification Date**”) with respect to the applicable SSP.
27. Each Stalking Horse Bidder is, and is deemed to be, a Qualified Bidder in respect of the applicable SSP and each Stalking Horse Agreement is, and is deemed to be, a Qualified Bid for all purposes in connection with the applicable SSP.
28. If one or more Qualified Bids (in addition to the Stalking Horse Agreement) for a particular SSP is received by the Bid Deadline, all Qualified Bidders for such SSP (including the applicable Stalking Horse Bidder) shall proceed to an Auction to be held on the applicable auction date (set out in the Auction Procedures below), which shall proceed according to the Auction Procedures to identify the Successful Bidder. The Monitor, in consultation with the Debtor, may postpone or delay the commencement of an Auction with respect to either or both of the SSPs in accordance with the Auction Procedures.
29. If no Qualified Bid for a SSP other than the applicable Stalking Horse Agreement is received by the Bid Deadline, an Auction for such SSP will not be held and that Stalking Horse Bidder will be declared to be the Successful Bidder with respect to the applicable Transaction. The “**Accepted Bid**” for a SSP will be either (i) the applicable Stalking Horse Agreement if no other Qualified Bid for such SSP is received by the Bid Deadline or so designated by the Monitor; or (ii) in the event of an Auction, the superior bid as determined by the Monitor pursuant to the Auction Procedures. The party that submitted the Accepted Bid for a SSP is referred to herein as the “**Successful Bidder**” with respect to such SSP.
30. Within seven (7) Business Days of the selection of an Accepted Bid for a Transaction (or as soon as reasonably possible thereafter), the Debtor shall file an Approval Motion. All of the Qualified Bids for the particular Transaction and SSP other than the Accepted Bid

and the Backup Bid shall be deemed rejected by the Monitor on and as of the date of approval of the applicable Accepted Bid by the Court.

31. All Deposits received by the Monitor in connection with the SSP will be retained by the Monitor in trust in one or more separate bank accounts. Any Deposit held by the Monitor with respect to the Accepted Bid (plus accrued interest, if any) will be non-refundable (other than as may be provided for in the Purchase Agreement that constitutes the Accepted Bid) and will be applied to the purchase price to be paid by the Successful Bidder upon closing of the transaction under the Accepted Bid. The Deposits (plus applicable interest, if any) of Bidders not selected as Qualified Bidders will be returned to such Bidders within three (3) Business Days of the Notification Date. The Deposits (plus applicable interest, if any) of Qualified Bidders (other than the Backup Bidder) not selected as the Successful Bidder will be returned to such parties within three (3) Business Days of the Bid Termination Date. The Deposit of the Backup Bidder, if any, will be returned to such Backup Bidder upon the Closing of the Transaction with the Successful Bidder, together with applicable interest, if any.
32. If the Successful Bidder for any Transaction fails to close the transaction contemplated by the Accepted Bid by the Closing Date Deadline or such other date as may otherwise be mutually agreed upon among one or more of the Companies, the Monitor and the Successful Bidder, the Monitor shall be authorized but not required to: (a) direct any Company that is a party to such Accepted Bid to exercise such rights and remedies as are available to the applicable Company under the Accepted Bid including, if applicable, deeming that the Successful Bidder has breached its obligations pursuant to the Accepted Bid and that the Successful Bidder has forfeited its Deposit to the applicable Company; (b) designate the Backup Bidder as the Successful Bidder and direct the applicable Company to close the Transaction under the Backup Bid; or (c) take such other steps as it deems advisable, including seeking further advice and directions from the Court. The Companies reserve their right to seek all available remedies, including damages or specific performance, in respect of any defaulting Successful Bidder (including any Backup Bidder designated as a Successful Bidder).

#### **Confidentiality and Access to Information**

33. Each Potential Bidder, Interested Party, Bidder or Qualified Bidder (including the Stalking Horse Bidder) shall not be permitted to receive any confidential or competitive information that is not made generally available to all participants in the SSP, including the number or identity of Potential Bidders, Bidders, Qualified Bidders, and Qualified Bids; the details of any bids, Sale Proposals or Final Bids submitted; or the details or existence of any confidential discussions or correspondence among the Companies, the Monitor and any Bidder in connection with the SSP.
34. In addition, the Monitor may consult with any other parties with a material interest (as determined in the Monitor's sole discretion) in the CCAA Proceeding regarding the status and material information and developments relating to the SSP to the extent considered appropriate by the Monitor and taking into account, among other things, whether such party is a Bidder, Qualified Bidder, or other participant or prospective participant in the

SSP; provided that such parties may be required to enter into confidentiality arrangements satisfactory to the Monitor. For greater certainty, the Stalking Horse Bidders or their Representatives or affiliates shall not be entitled to any information regarding the status of the SSP unless such information is provided to all Qualified Bidders in the process.

### **Supervision of the SSP**

35. The Monitor will oversee, in all respects, the conduct of the SSP and, without limitation, the Monitor will participate in the SSP in the manner set out herein and in the SSP Order. All discussions or inquiries to the Companies regarding the SSP shall be directed to the Monitor. Under no circumstances should Representatives of the Companies be contacted directly or indirectly in respect of the SSP, including diligence requests, without the prior written consent of the Monitor. Any such unauthorized contact or communication could result in exclusion from the SSP. For greater certainty, the foregoing provision is not intended to prevent or restrict the Companies or their affiliates and Representatives from meeting or communicating with any Stalking Horse Bidder, in a capacity other than as a Stalking Horse Bidder, or any party related thereto regarding matters that do not relate to the SSP.
36. Other than as specifically set forth in the Stalking Horse Agreements or in a definitive agreement between the applicable Company and a Successful Bidder, the SSP does not, and will not be interpreted to, create any contractual or other legal relationship among the Companies, the Monitor, any Potential Bidder, Interested Party, Bidder, Qualified Bidder, the Successful Bidder, or any other party.
37. Subject to the terms of the Initial Order or other Court order and any entitlement of the Stalking Horse Bidder to a Stalking Horse Expense Reimbursement, participants in the SSP are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any Final Bid, participation in the SSP, Auction, due diligence activities, and any further negotiations or other actions whether or not they lead to the consummation of a transaction.



## SCHEDULE "A"- REFERENCES AND DEFINITIONS

In this document, unless the context otherwise required, words importing the singular include the plural and vice versa. Capitalized terms used herein and not otherwise defined shall have the meaning given to them in the Initial Order. Except where otherwise expressly provided, all dollar reference amounts are to Canadian dollars.

The terms below shall have the following meaning given to them:

- (a) "**Accepted Bid**" has the meaning given to it in paragraph 29;
- (b) "**Air Tindi Transaction**" means the transaction contemplated by the ATL Stalking Horse Agreement or any other transaction under the ATL Stalking Horse Agreement or any superior bid pursuant to the process set out herein;
- (c) "**Approval Motion**" means the Debtor's motion or motions to be filed with the Court seeking one or more orders to approve the Accepted Bids;
- (d) "**ATL**" means Air Tindi Ltd.;
- (e) "**ATL Property**" has the meaning given to it in the Introduction;
- (f) "**ATL Shares**" means 1870 issued and outstanding Class A common shares in the capital of ATL, being 100% of the issued and outstanding shares of ATL;
- (g) "**ATL SSP**" means the sale and solicitation process to solicit bids for the ATL Property as set out herein;
- (h) "**ATL Stalking Horse Agreement**" means the stalking horse agreement between the Debtor and the Northern Stalking Horse Bidder dated as of March 21, 2018, as the same may be amended, modified, improved or changed pursuant to the terms of this SSP, for the purchase and sale of the ATL Property;
- (i) "**Auction**" means an auction conducted pursuant to this SSP pursuant to the Auction Procedures;
- (j) "**Auction Location**" has the meaning given to it in paragraph 1 of the Auction Procedures;
- (k) "**Auction Procedures**" mean the auction procedures set out in Schedule "D" hereto;
- (l) "**Backup Bid**" has the meaning given to it in paragraph 13 of the Auction Procedures;

- (m) “**Backup Bidder**” has the meaning given to it in paragraph 13 of the Auction Procedures;
- (n) “**Bid Deadline**” has the meaning given to it in paragraph 19;
- (o) “**Bid Termination Date**” has the meaning given to it in paragraph 21(a);
- (p) “**Bidder**” has the meaning given to it in paragraph 12;
- (q) “**Business Day**” means any day, other than Saturday or Sunday, on which the principal commercial banks in Toronto are open for commercial banking business during normal banking hours;
- (r) “**CCAA**” has the meaning given to it in the Introduction;
- (s) “**CCAA Proceeding**” has the meaning given to it in the Introduction;
- (t) “**Clairvest**” means Clairvest Group Inc. and all of its affiliates including certain funds managed by Clairvest Group Inc. and Mr. G. John Krediet;
- (u) “**Closing Date Deadline**” has the meaning given to it in paragraph 21(r);
- (v) “**CIM**” means a confidential information memorandum to be prepared in connection with the SSP with respect to such Company’s Property and business;
- (w) “**Companies**” means the Debtor, Top Aces, Top Aces Holdco, GSH, ATL and DMS, and “**Company**” means any of them;
- (x) “**Court**” has the meaning given to it in the Introduction;
- (y) “**Credit Bid**” means a bid that provides for all or part of the consideration to be paid to be satisfied by way of a credit bid of secured indebtedness of the Debtor;
- (z) “**Data Rooms**” means the electronic data rooms to be established in connection with the SSP;
- (aa) “**Deposit**” has the meaning given to it in paragraph 21(c);
- (bb) “**Debtor**” has the meaning given to it in the Introduction;
- (cc) “**Discovery Mining Transaction**” means the transaction contemplated by the DMS Stalking Horse Agreement or any other transaction under the DMS Stalking Horse Agreement or any superior bid pursuant to the process set out herein;
- (dd) “**DMS**” means Discovery Mining Services Ltd.

- (ee) “**DMS Property**” has the meaning given to it in the Introduction;
- (ff) “**DMS Shares**” means 22,883,047 issued and outstanding Class A common shares in the capital of DMS, being 100% of the issued and outstanding shares of DMS;
- (gg) “**DMS SSP**” means the sale and solicitation process to solicit bids for the DMS Property as set out herein;
- (hh) “**DMS Stalking Horse Agreement**” means the stalking horse agreement between the Debtor and the Northern Stalking Horse Bidder dated as of March 21, 2018 as the same may be amended, modified, improved or changed pursuant to the terms of this SSP for the purchase and sale of the DMS Property;
- (ii) “**Final Bid**” has the meaning given to it in paragraph 19;
- (jj) “**Final Bid Criteria**” has the meaning given to it in paragraph 20;
- (kk) “**Great Slave Transaction**” means the transaction contemplated by the GSH Stalking Horse Agreement or any other transaction under the GSH Stalking Horse Agreement or any superior bid pursuant to the process set out herein;
- (ll) “**GSH**” means Great Slave Helicopters Ltd.;
- (mm) “**GSH Property**” has the meaning given to it in the Introduction;
- (nn) “**GSH Shares**” means (i) 157,891,795 issued and outstanding Class A common shares; (ii) 1,111 issued and outstanding Class D common shares; (iii) 40,000,000 issued and outstanding Class E common shares; (iv) 7,624 issued and outstanding Class F Preferred shares; (v) 11,072 issued and outstanding Class G Preferred shares; and (vi) 14,400 issued and outstanding Class H Preferred shares, in each case of the capital of GSH, being 100% of the issued and outstanding shares of GSH;
- (oo) “**GSH SSP**” means the sale and solicitation process to solicit bids for the GSH Property as set out herein;
- (pp) “**GSH Stalking Horse Agreement**” means the stalking horse agreement between the Debtor and the Northern Stalking Horse Bidder dated as of March 21, 2018 as the same may be amended, modified, improved or changed pursuant to the terms of this SSP for the purchase and sale of the GSH Property;
- (qq) “**Initial Order**” has the meaning given to it in the Introduction;
- (rr) “**Interested Party**” has the meaning given to it in paragraph 11;
- (ss) “**Potential Bidders**” has the meaning given to it in paragraph 6;

- (tt) **“Leading Bid”** has the meaning given to it in paragraph 11 of the Auction Procedures;
- (uu) **“Monitor”** has the meaning given to it in the Introduction;
- (vv) **“Monitor’s Website”** means the Monitor’s website at [www.ksvadvisory.com/insolvency-cases/discovery-air](http://www.ksvadvisory.com/insolvency-cases/discovery-air).
- (ww) **“NDA”** a non-disclosure agreement to be used in connection with the solicitation of bids in this SSP;
- (xx) **“Northern SSP”** means collectively the GSH SSP, ATL SSP and DMS SSP;
- (yy) **“Northern Transactions”** means the Great Slave Transaction, Air Tindi Transaction and Discovery Mining Transaction;
- (zz) **“Northern Stalking Horse Bidder”** means 10671541 Canada Inc.;
- (aaa) **“Northern Stalking Horse Agreements”** means the GSH Stalking Horse Agreement, ATL Stalking Horse Agreement and DMS Stalking Horse Agreement;
- (bbb) **“Notice”** has the meaning given to it in paragraph 6;
- (ccc) **“Notification Date”** has the meaning given to it in paragraph 26;
- (ddd) **“Opportunity”** has the meaning given to it in paragraph 1;
- (eee) **“Overbid”** has the meaning given to it in paragraph 9 of the Auction Procedures;
- (fff) **“Property”** means the Top Aces Property, GSH Property, ATL Property and/or DMS Property as the context may require;
- (ggg) **“Purchase Agreements”** means the template forms of purchase agreements to be placed in the Data Rooms upon which Bidders are to make Sale Proposals;
- (hhh) **“Qualified Bid”** has the meaning given to it in paragraph 25;
- (iii) **“Qualified Bidder”** has the meaning given to it in paragraph 25;
- (jjj) **“Representatives”** means, with respect to a particular party, such party’s directors, officers, employees, partners, principals, advisors (including legal and financial advisors) and agents provided that with respect to the Companies, “Representatives” shall not include any individual who is an employee, director, officer, partner, principal or advisor to Clairvest.

- (kkk) “**Sale Proposal**” has the meaning given to it in paragraph 19;
- (lll) “**SSP**” means the sale and solicitation processes contemplated herein, including without limitation, the Top Aces SSP, GSH SSP, ATL SSP or DMS SSP, or any one of them as the context may require;
- (mmm) “**SSP Order**” has the meaning given to it in the Introduction;
- (nnn) “**Stalking Horse Agreements**” means, collectively, the Top Aces Stalking Horse Agreement and the Northern Stalking Horse Agreements.
- (ooo) “**Stalking Horse Bidder**” means the Top Aces Stalking Horse Bidder and the Northern Stalking Horse Bidder;
- (ppp) “**Starting Bid**” has the meaning given to it in paragraph 7 of the Auction Procedures;
- (qqq) “**Subsequent Bid**” has the meaning given to it in paragraph 4 of the Auction Procedures;
- (rrr) “**Successful Bidder**” has the meaning given to it in paragraph 29;
- (sss) “**Teaser Letter**” means the process summary letters to be prepared by the Monitor, in consultation with the Companies, in connection with the SSP;
- (ttt) “**Top Aces**” means Top Aces Inc. (formerly known as Discovery Air Defence Services Inc.);
- (uuu) “**Top Aces Holdco**” means Top Aces Holdings Inc.;
- (vvv) “**Top Aces Holdco Shares**” means 253.83602 issued and outstanding Class A common shares in the capital of Top Aces Holdco, being 100% of the issued and outstanding shares of Top Aces Holdco owned by the Debtor;
- (www) “**Top Aces Property**” has the meaning given to it in the Introduction;
- (xxx) “**Top Aces SSP**” means the sale and solicitation process to solicit bids for the Top Aces Property as set out herein;
- (yyy) “**Top Aces Stalking Horse Agreement**” means the stalking horse agreement between the Debtor and the Top Aces Stalking Horse Bidder dated as of March 21, 2018 as the same may be amended, modified, improved or changed pursuant to the terms of this SSP for the purchase and sale of the Top Aces Property;
- (zzz) “**Top Aces Stalking Horse Bidder**” means, collectively, CEP IV Co-Investment Limited Partnership, Clairvest Equity Partners IV Limited Partnership, Clairvest

Equity Partnership IV-A Limited Partnership, DA Holdings Limited Partnership and G. John Krediet.

- (aaaa) “**Top Aces Transaction**” means the transaction contemplated by the Top Aces Stalking Horse Agreement or any other transaction under the Top Aces Stalking Horse Agreement or any superior bid pursuant to the process set out herein;
- (bbbb) “**Transactions**” means the Top Aces Transaction, Great Slave Transaction, Air Tindi Transaction and/or Discovery Mining Transaction.

**SCHEDULE "B"**

**Acknowledgement of the Sale and Solicitation Process**

**TO:** Discovery Air Inc.

**AND TO:** KSV Kofman Inc. in its capacity as monitor in the CCAA proceedings of Discovery Air Inc.

**RE:** Sale and Solicitation Process in respect of the following Transaction(s) [*check all that apply*]:

- Top Aces Transaction
  - Great Slave Transaction
  - Air Tindi Transaction
  - Discovery Mining Transaction
- 

The undersigned hereby acknowledges receipt of the sale and solicitation process approved by the Order of the Honourable Justice Hainey of the Ontario Superior Court of Justice (Commercial List) dated April 4, 2018 (the "SSP") and that compliance with the terms and provisions of the SSP is required in order to participate in the SSP and for any Final Bid (as defined in the SSP) to be considered by the Monitor.

This \_\_\_\_ day of \_\_\_\_\_, 2018.

**[Insert Interested Party name]**

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Per:

Email Address:

**SCHEDULE "C" – ADDRESSES FOR NOTICES**

**KSV Kofman Inc.**

**Court-Appointed Monitor in Discovery Air Inc.'s CCAA proceedings**

150 King Street West

Suite 2308, Box 42

Toronto ON M5H 1J9

Attention: Bobby Kofman & David Sieradzki

Email: [bkofman@ksvadvisory.com](mailto:bkofman@ksvadvisory.com)/ [dsieradzki@ksvadvisory.com](mailto:dsieradzki@ksvadvisory.com)

**-with copies to-**

**Goldman Sloan Nash & Haber LLP**

**Lawyers for the Debtor**

1600-480 University Avenue

Toronto, ON M5G 1V2

Attention: Mario Forte and Jennifer Stam

Email: [forte@gsnh.com](mailto:forte@gsnh.com)/ [stam@gsnh.com](mailto:stam@gsnh.com)

**Goodmans LLP**

**Lawyers for the Monitor**

Bay Adelaide Centre

333 Bay Street, Suite 3400

Toronto ON M5H 2S7

Attention: L. Joseph Latham and Bradley Wiffen

Email: [jlatham@goodmans.ca](mailto:jlatham@goodmans.ca) / [bwiffen@goodmans.ca](mailto:bwiffen@goodmans.ca)



## SCHEDULE "D" - AUCTION PROCEDURES

1. The Auctions, if any, shall be conducted by the Monitor, at the offices of Goodmans LLP, 333 Bay Street, Suite 3400, Toronto, ON, M5H 2S7 or such other location as the Monitor may choose in advance of the commencement of an Auction (the "**Auction Location**") commencing at 10:00 a.m. (Toronto time) on the following dates:

- Top Aces SSP: May 21, 2018
- Northern SSP: June 14, 2018

No later than 24 hours prior to the scheduled date of the Auction, the Monitor shall communicate any change in the Auction Location from the offices of Goodmans LLP to another location to all applicable Qualified Bidders in writing (including by e-mail) and post notice of such change in location at the offices of Goodmans LLP and on the Monitor's Website.

2. To the extent that the Monitor is to conduct multiple Auctions, it may choose to conduct such Auctions concurrently or consecutively in its discretion. Any delay or postponement of the commencement of an Auction shall be communicated in accordance with paragraph 27 of the SSP.
3. Unless otherwise ordered by the Court or consented to in writing by the Monitor, only the authorized representatives and professional advisors of the Monitor, the Companies and the applicable Qualified Bidders (including, for certainty, the applicable Stalking Horse Bidder) invited to an Auction shall be eligible to attend an Auction and make any Subsequent Bid (as defined below) at an Auction. Administrative personnel, including without limitation, a court reporter or similar official, will also attend an Auction at the invitation of the Monitor.
4. At an Auction, all applicable Qualified Bidders (including, for certainty, a Stalking Horse Bidder) shall be permitted to increase their Qualified Bids in accordance with the procedures set forth herein (each, a "**Subsequent Bid**"). All Subsequent Bids presented during an Auction shall be made and received in one room on an open basis. All Qualified Bidders participating in an Auction shall be entitled to be present for all bidding with the understanding that the true identity of each participating Qualified Bidder shall be fully disclosed to all other Qualified Bidders and that all material terms of each Subsequent Bid presented during an Auction will be fully disclosed to all Qualified Bidders throughout an Auction.
5. In order to participate in an Auction and submit a Subsequent Bid(s), all Qualified Bidders must have at least one individual representative with authority to bind

such Qualified Bidder present in person at the Auction Location during the Auction.

6. All proceedings at an Auction shall be transcribed by a person(s) designated by the Monitor.
7. At least two (2) days prior to an Auction, the Monitor will advise all Qualified Bidders for the applicable SSP which of the Qualified Bids (including a Stalking Horse Agreement) the Monitor has determined in its reasonable business judgment, after consultation with its advisors and the Companies, constitutes the superior Qualified Bid (the “**Starting Bid**”).
8. The Starting Bid will be deemed to be the first bid at the Auction and bidding at the Auction will continue, in one or more rounds of bidding, so long as during each round, at least one Subsequent Bid is submitted by a Qualified Bidder that, in the reasonable business judgement of the Monitor (i) improves upon the then Leading Bid (as herein defined) and (ii) meets the Overbid requirement.
9. The first round of bidding at an Auction in respect of the following processes and transactions shall commence in increments to be established by the Monitor and communicated to all Qualified Bidders no later than 2 days prior to the commencement of the applicable Auction (each an “**Overbid**”). The Monitor in its sole discretion shall be entitled to change the amount of the applicable Overbid at the commencement of or in subsequent rounds of bidding at the Auction.
10. Credit Bids will be permitted at an Auction, provided that the validity of such secured indebtedness has been confirmed by the Monitor in its sole satisfaction prior to commencement of such Auction. Bidding shall continue until such time as the superior bid in any Auction is determined by the Monitor, in its reasonable business judgment, after consultation with its advisors. The Monitor, in its sole discretion, shall have the right to modify the bidding increments at the commencement of any round of the Auction. Insofar as a Subsequent Bid (including any Subsequent Bid by a Stalking Horse Bidder) includes a Credit Bid or the assumption of liabilities, the Monitor shall determine the value of the consideration provided by such Subsequent Bid presented at the Auction, and in making such determination shall take into account the amount and priority of any Credit Bid and any liabilities to be assumed by a Qualified Bidder.
11. After the first round of bidding and between each subsequent round of bidding, the Monitor shall announce the Subsequent Bid that the Monitor has determined in its reasonable business judgment, after consultation with its advisors, to be the superior bid (the “**Leading Bid**”). At the commencement of the Auction, the Starting Bid shall be the Leading Bid. A round of bidding will conclude after each participating Qualified Bidder has had an opportunity to submit a Subsequent Bid with full knowledge of the Leading Bid.

12. If no Qualified Bidder submits a Subsequent Bid (as determined by the Monitor) after a period of 30 minutes following the Monitor's acceptance of a Subsequent Bid as the Leading Bid, and provided that the Monitor chooses not to adjourn the subject Auction, the Leading Bid shall be the Accepted Bid, whereupon such Auction will be concluded. The Monitor shall have the right, but not the obligation, to extend the time period to submit a Subsequent Bid.
13. If an Auction is conducted, the Monitor shall determine, in its reasonable business judgment after consultation with its advisors, the next best Qualified Bid after the Accepted Bid (the "**Backup Bid**"). The Qualified Bidder that has submitted the Backup Bid will be designated as the "**Backup Bidder**". The Backup Bidder shall be required to keep its last submitted Subsequent Bid, or if it has not made a Subsequent Bid, its Qualified Bid (the "**Backup Bid**") open and irrevocable until the closing of the transaction with the Successful Bidder pursuant to the terms of the SSP.
14. At or during an Auction, the Monitor, after consultation with its advisors, may employ and announce additional procedural rules that are fair and reasonable under the circumstances for conducting such Auction; provided, however, that such rules are (a) not inconsistent with the SSP or these Auction Procedures, the CCAA, the SSP Order, or any other order of the Court entered in connection with the SSP or Auction Procedures and (b) disclosed to each Qualified Bidder at or during the Auction.

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

Court File No.: CV-18-594380-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF DISCOVERY AIR  
INC. (the "APPLICANT")

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
(Commercial List)

Proceeding commenced at Toronto

**SSP APPROVAL ORDER**

**GOLDMAN SLOAN NASH & HABER LLP**  
480 University Avenue, Suite 1600  
Toronto, Ontario M5G 1V2  
Fax: 416-597-6477

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