

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**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 GREAT SLAVE HELICOPTERS LTD.**

Applicant

**MOTION RECORD
Motion for Stay Extension and Distribution Order
Returnable December 18, 2018**

December 12, 2018

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INDEX

TAB	DOCUMENT
1	Notice of Motion
2	Third Report of the Monitor dated December 12, 2018
3	Fee approval affidavit of David Sieradzki sworn December 12, 2018
4	Fee approval affidavit of Joseph Latham sworn December 11, 2018
5	Form of Stay Extension and Distribution Order

1

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**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
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**NOTICE OF MOTION
Motion for Stay Extension and Distribution Order
Returnable December 18, 2018**

KSV Kofman Inc. (the "**Monitor**"), in its capacity as monitor of Great Slave Helicopters Ltd. ("**GSH**" or the "**Applicant**"), will make a motion before a Judge of the Ontario Superior Court of Justice on December 18, 2018 at 10:00 a.m., or as soon after that time as the motion can be heard, at 330 University Avenue, Toronto, Ontario.

PROPOSED METHOD OF HEARING: The motion is to be heard orally.

THE MOTION IS FOR:

1. an Order (the "**Stay Extension and Distribution Order**"), *inter alia*:
 - (a) extending the stay of proceedings granted pursuant to the Amended and Restated Initial Order dated September 4, 2018 (as amended, the "**Initial Order**") to and including February 28, 2019;
 - (b) authorizing and directing the Monitor to establish from the proceeds of the Applicant's business and assets held in the Monitor's trust account a holdback in the initial aggregate amount of \$1,210,000 (the "**Holdback**") and authorizing the Monitor to disburse amounts from the Holdback from time to time in connection

with the wind-down of the Applicant's estate and the completion of the CCAA and any ancillary proceedings;

- (c) reducing the aggregate amounts secured by each of the Administration Charge, the Directors' Charge and the KERP Charge (collectively, the "**Remaining Charges**"), which Remaining Charges shall attach solely to the Holdback;
 - (d) terminating and releasing the Intercompany Charge;
 - (e) authorizing the Monitor to make distributions to each of Clairvest Group Inc. and its affiliates and managed funds ("**Clairvest**"), Roynat Inc., and Canadian Imperial Bank of Commerce (collectively, the "**Secured Lenders**") in the amounts set out in the Third Report (as defined below) in respect of their respective secured claims against the Applicant;
 - (f) authorizing the Monitor to distribute to Clairvest, from time to time and without further order of the Court, any remaining balance of the Holdback following the satisfaction of the Holdback Expenses (as defined below) and any further proceeds or realizations generated by the Applicant or its business and assets; and
 - (g) approving the Third Report of the Monitor dated December 12, 2018 (the "**Third Report**") and the Monitor's activities described therein, and the fees and disbursements of the Monitor and its counsel for the period from November 1, 2018 to November 30, 2018; and
2. such further and other relief as this Court deems appropriate.¹

THE GROUNDS FOR THE MOTION ARE:

Background

1. On September 4, 2018, GSH was granted protection under the *Companies' Creditors Arrangement Act* (the "**CCAA**") pursuant to the Initial Order;

¹ Capitalized terms used and not defined herein have the meanings given to them in the Third Report.

2. On September 14, 2018, this Court granted an Order approving a sale and investment solicitation process (the “**SISP**”) for the marketing and sale of the Applicant’s business and assets and to seek investment proposals in connection therewith;
3. ECN Aviation Inc. (“**ECN**”), a secured lender that financed the acquisition of certain aircraft by the Applicant, opted not to participate in the SISP and the aircraft over which ECN has a first-ranking security interest (the “**ECN Aircraft**”) were returned to ECN;

Approval and Completion of Transactions

4. Following completion of the SISP and the review and selection of the successful bids, the Applicant sought Court approval of:
 - (a) a going concern sale transaction (the “**Transaction**”) providing for the sale of substantially all of the assets of the Applicant (other than accounts receivable and the Delta Aircraft (as defined below)) to 11088211 Canada Corp. (the “**Purchaser**”) pursuant to an asset purchase agreement dated as of November 8, 2018; and
 - (b) a sale transaction (the “**Delta Transaction**”) contemplated by an offer letter dated as of October 31, 2018 given by Delta Helicopters Ltd. for the purchase of a 1988 Eurocopter 350B2, Canadian Registration C-GJGK (the “**Delta Aircraft**”);
5. The Transaction and the Delta Transaction were approved by the Court pursuant to Approval and Vesting Orders granted November 23, 2018;
6. The Transaction was completed on November 23, 2018 and the Delta Transaction was completed on November 26, 2018. On those dates, in each case, the Monitor delivered the Monitor’s Certificate contemplated by the applicable Approval and Vesting Order to certify the completion of the transactions;

Extension of Stay of Proceedings

7. GSH has continued to act in good faith and with due diligence in the conduct of the CCAA proceedings;
8. The extension of the Stay Period (as defined in the Initial Order) to and including February 28, 2019 is necessary to provide stability while the Applicant and the Monitor complete post-closing Transaction matters, take steps to wind-down the Applicant's affairs, and complete these CCAA proceedings;

Establishment of Holdback and Modification of Remaining Charges

9. The Monitor understands that ECN is in the process of marketing the ECN Aircraft, which at the request of ECN did not form part of the Applicant's property marketed through the SISF. It is expected that any potential purchaser of all or certain of the ECN Aircraft will wish to purchase such aircraft free and clear of encumbrances, including the Court-ordered charges that currently charge all of the assets and property of the Applicant;
10. To facilitate the potential sale of the ECN Aircraft, the distribution of certain estate proceeds to the Secured Lenders, and the completion of the CCAA proceedings, the Monitor is seeking to establish the Holdback and obtain modifications to the Court-ordered charges granted in these proceedings;
11. The Stay Extension and Distribution Order authorizes the Monitor to establish the Holdback and to disburse amounts from the Holdback from time to time for the payment of any expense or obligation (collectively, the "**Holdback Expenses**") that is:
 - (a) secured by the Remaining Charges;
 - (b) incurred by the Applicant that relates to the period from and after the Initial Order or is otherwise payable pursuant to the Initial Order; or
 - (c) incurred by the Applicant in connection with the wind-down of the Applicant and the completion of the CCAA and any ancillary proceedings;

12. The Stay Extension and Distribution Order provides that the Intercompany Charge will be terminated and released and that the Remaining Charges will charge only the Holdback (and not, for certainty, any other property or assets of the Applicant) and be reduced to the following amounts:
 - (a) the Administration Charge shall be in the aggregate amount of \$750,000;
 - (b) the KERP Charge shall be in the aggregate amount of \$60,000; and
 - (c) the Directors' Charge shall be in the aggregate amount of \$400,000;

Distributions to Secured Lenders

13. The Monitor, on behalf of the Applicant, is currently holding the proceeds from the Transaction and the Delta Transaction. The assets sold in connection with those transactions include priority collateral of the Secured Lenders. The Monitor's counsel has conducted security reviews in respect of the security held by the Secured Lenders, which security reviews conclude that, subject to standard qualifications and assumptions, the Secured Lenders have valid, first-ranking security interests in their respective priority collateral;
14. As described in greater detail in the Third Report, the Secured Lenders have discussed and negotiated the allocation of proceeds available for distribution to the Secured Lenders based upon the Intercreditor Agreement and the value of their respective priority collateral. The Monitor has overseen these discussions and believes that the proposed distributions are reasonable;
15. The Stay Extension and Distribution Order (a) authorizes the Monitor, on behalf of the Applicant, to make distributions to the Secured Lenders in the amounts set forth in the Third Report, and (b) provides that Clairvest is entitled to the remaining balance of the Holdback following the satisfaction of the Holdback Expenses and to any further proceeds or realizations generated by the Applicant or its business and assets, and authorizes the Monitor, on behalf of the Applicant, to make interim or final distributions of such amounts to Clairvest from time to time without further Court order;

Monitor's Report, Activities and Fees

16. The Third Report sets out the activities of the Monitor and the conduct of the CCAA proceedings since the Monitor's previous report to the Court;
17. The fees and disbursements of the Monitor and its counsel for the period from November 1, 2018 to November 30, 2018 are set out in the Sieradzki and Latham affidavits to be filed in connection with this motion;
18. The hourly rates charged by the Monitor and its counsel are consistent with the rates charged by corporate law firms practicing in the area of corporate insolvency and restructuring in the Toronto market and are reasonable and appropriate in the circumstances;

General

19. The provisions of the CCAA, including sections 11 and 11.02; and
20. Such further and other grounds as counsel may advise and this Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the Motion:

1. The Third Report of the Monitor;
2. The affidavit of David Sieradzki, sworn December 12, 2018;
3. The affidavit of Joseph Latham, sworn December 11, 2018; and
4. Such further and other materials as counsel may advise and this Court may permit.

Dated: December 12, 2018

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

Court File No. CV-18-604434-00CL

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF GREAT
SLAVE HELICOPTERS LTD.**

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

Proceeding commenced at Toronto

**NOTICE OF MOTION
(Stay Extension and Distribution Order)**

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2



**Third Report of
KSV Kofman Inc.
as CCAA Monitor of
Great Slave Helicopters Ltd.**

December 12, 2018

Contents **Page**

1.0	Introduction	1
1.1	Purposes of this Report.....	1
1.2	Restrictions	3
1.3	Currency	3
2.0	Background	3
3.0	The Transaction	4
4.0	Recommended Distributions.....	6
5.0	Cash Flow Forecast.....	9
6.0	Other Matters	9
6.1	ECN.....	9
6.2	The Company’s Chilean Operations.....	10
7.0	Stay Extension	10
8.0	Next Steps in these Proceedings.....	10
9.0	Professional Fees.....	11
10.0	Conclusion and Recommendation	11

Appendix **Tab**

Initial Order dated September 4, 2018.....	A
First Report of the Monitor dated September 11, 2018 (without appendices).....	B
Second Report of the Monitor dated November 16, 2018 (without appendices).....	C
Endorsement of the Honourable Justice Hainey dated November 23, 2018	D
Asset Purchase Agreement dated as of November 8, 2018.....	E
Cash Flow Forecast and Management Report on Cash Flow	F
Monitor’s Report on Cash Flow Forecast.....	G



COURT FILE NO.: CV-18-604434-00CL

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**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF GREAT SLAVE HELICOPTERS LTD.**

THIRD REPORT OF KSV KOFMAN INC. AS MONITOR

December 12, 2018

1.0 Introduction

1. Pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "Court") made on September 4, 2018 (the "Initial Order"), Great Slave Helicopters Ltd. (the "Company") was granted protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA"), and KSV Kofman Inc. ("KSV") was appointed monitor (the "Monitor"). A copy of the Initial Order is attached as Appendix "A".
2. The principal purpose of these restructuring proceedings was to stabilize the business of the Company while a Court-approved sale and investment solicitation process ("SISP") was conducted. The SISP resulted in the sale of the business to Great Slave Helicopters 2018 Ltd.¹ (the "Purchaser"), which is owned by an arm's length party, as more fully discussed in this report ("Report").
3. This Report is filed in KSV's capacity as Monitor.

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide background information about the Company and these proceedings;
 - b) summarize the status of the following transactions approved by this Honourable Court on November 23, 2018:
 - i. a going-concern sale to the Purchaser pursuant to an Asset Purchase Agreement dated November 8, 2018 (the "APA"), whereby the Purchaser agreed to purchase substantially all of the Company's business and assets and assume certain liabilities (the "Transaction"); and

¹ The Purchaser was 11088211 Canada Corp., which changed its name on or around November 8, 2018 to Great Slave Helicopters 2018 Ltd.

- ii. a sale to Delta Helicopters Ltd. (“Delta”) of the Company’s 1988 Eurocopter 350B2, with a Canadian registration number C-GJGK (the “Aircraft”);
- c) set out the Monitor’s recommendations regarding distributions of the sale proceeds to the relevant secured creditors of the Company, being Clairvest Group Inc. and its affiliates and managed funds (“Clairvest”), Canadian Imperial Bank of Commerce (“CIBC”) and Roynat Inc. (“Roynat”) (collectively, the “Recommended Distributions”);
- d) summarize the Monitor’s proposed holdback in the amount of \$1.21 million (the “Holdback”) and how the Monitor believes the Holdback should be released;
- e) summarize the reasons that the Monitor believes the charges created by Court orders issued in these proceedings, being the Administration Charge, the KERP Charge, the Directors’ Charge and the Intercompany Charge (collectively, the “Charges”) should be: (i) reduced from \$1 million to \$750,000, in the case of the Administration Charge, from \$1.8 million to \$60,000, in the case of the KERP Charge, and from \$850,000 to \$400,000, in the case of the Directors’ Charge, and in each case attach solely to the Holdback, and (ii) terminated, released and discharged, in the case of the Intercompany Charge;
- f) report on the Company’s cash flow projection for the period December 10, 2018 to February 28, 2019 (“Cash Flow Forecast”);
- g) discuss the reasons to extend the stay of proceedings from January 18, 2019 to February 28, 2019;
- h) summarize the outstanding issues and anticipated next steps in these proceedings;
- i) discuss and seek approval of the fees and disbursements of the Monitor and its counsel, Goodmans LLP (“Goodmans”), from November 1, 2018 to November 30, 2018; and
- j) recommend that this Honourable Court make an order:
 - i. approving the Recommended Distributions and the Holdback and authorizing the Monitor to make subsequent distributions to Clairvest without further Court order, up to the amount of the Company’s indebtedness owing to Clairvest;
 - ii. reducing the Administration Charge, the KERP Charge and the Directors’ Charge as provided in Section 1.1(1)(e) above, which charges would continue to attach solely to the Holdback;
 - iii. terminating, releasing and discharging the Intercompany Charge;
 - iv. extending the stay of proceedings from January 18, 2019 to February 28, 2019;

- v. approving the fees and disbursements of the Monitor and Goodmans from November 1, 2018 to November 30, 2018; and
- vi. approving this Report and the Monitor's activities, as described herein.

1.2 Restrictions

1. In preparing this Report, KSV has relied upon the Company's unaudited financial information, including certain of its books and records, and discussions with the Company's management, the Company's counsel and representatives of Clairvest, the Company's largest secured creditor and indirect shareholder. KSV has not audited, reviewed or otherwise verified the accuracy or completeness of the information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook.
2. KSV expresses no opinion or other form of assurance with respect to the financial information presented in this Report or relied upon by KSV in preparing this Report. Any party wishing to place reliance on the Company's financial information should perform its own diligence and any reliance placed by any party on the information presented herein shall not be considered sufficient for any purpose whatsoever.
3. An examination of the Cash Flow Forecast as outlined in the Chartered Professional Accountant Canada Handbook has not been performed. Future oriented financial information relied upon in this Report is based upon the Company's assumptions regarding future events; actual results may vary from this information and these variations may be material. KSV expresses no opinion or other form of assurance on whether the Company's forecasted results will be achieved.

1.3 Currency

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

2.0 Background

1. Prior to the completion of the Transaction, the Company was one of Canada's largest onshore helicopter operators. It operated from two main bases located in Yellowknife, Northwest Territories and Calgary, Alberta, as well as from sub-bases throughout Canada (including Inuvik, Norman Wells and Fort Simpson, Northwest Territories; Terrace, Prince Rupert and Kelowna, British Columbia; and Dryden, Ontario).
2. The Company provided mineral and oil and gas exploration support, forest fire suppression, support to government agencies and other services, including environmental surveying, utilities/pipeline patrol, power line construction and telecommunications support.

3. The Company employed approximately 200 employees. The Company's workforce was not unionized and the Company did not maintain a pension plan. Following the completion of the Transaction and the transition of approximately 50 employees to the Purchaser, the Company presently has four employees. These employees are assisting with transitional issues related to the Transaction and with sundry matters required to complete these proceedings.
4. The Initial Order provides a limited stay of proceedings over the Company's parent, 10671541 Canada Inc., and two affiliated entities, Air Tindi Ltd. and Discovery Mining Services Ltd. (together, the "Non-Applicants" and Company are defined as the "Group") for the purpose of preventing creditor actions against the Non-Applicants due to the Company's insolvency, its filing for CCAA protection and the relief sought and obtained in any orders of the Court made in the CCAA proceedings.
5. Clairvest is the Company's largest secured creditor. As at November 30, 2018, the Company's obligations owing to Clairvest under its secured debentures totalled approximately \$70 million. The Company's other secured equipment lenders are ECN Aviation Inc. ("ECN"), which is owed approximately \$7.8 million and has priority security over eight Company helicopters with subordinate ranking security in all other assets, and Roynat Inc. ("Roynat"), which is owed approximately \$4.3 million and has priority security over four Company helicopters with subordinate ranking security in all other assets.
6. CIBC is the Group's operating lender, with priority security over certain non-aircraft assets of the Company and subordinate ranking security in all other assets. Pursuant to the Initial Order, the Company was authorized to continue to use its consolidated cash management system. CIBC was owed approximately \$5.2 million as at November 30, 2018. It was owed approximately \$15 million as at the date of the Initial Order.
7. Further information regarding these proceedings and the SISF is provided in the Monitor's First Report to Court dated September 11, 2018 (the "First Report") and its Second Report to Court dated November 16, 2018 (the "Second Report"), copies of which are attached as Appendices "B" and "C", respectively, without appendices.
8. The Court materials filed in these proceedings are available on the Monitor's website at www.ksvadvisory.com/insolvency-cases/great-slave-helicopters.

3.0 The Transaction

1. A summary of the Transaction is provided in the Second Report and is not repeated herein.
2. A summary of the major developments in respect of the Transaction and the Aircraft sale to Delta since the date of the Second Report is as follows:
 - a) the Transaction and the Aircraft sale to Delta were approved pursuant to Court orders made on November 23, 2018;

- b) the APA contemplates the acquisition by the Purchaser of the Company's interests in its joint ventures, each of which is with an aboriginal group. Certain of the joint venture agreements provide rights of first refusal ("ROFR") to the Company's joint venture partners and require that notices ("ROFR Notices") be provided to the joint venture partners should the Company wish to sell its interest. While all of the Company's joint venture partners were provided with notice of the Company's sale approval motion, the only parties to appear at the motion or request certain relief with respect to their ROFR interests were Sahtu Helicopters and 99461 N.W.T. Ltd. (jointly, "Sahtu") and Gwich'in Development Corporation ("GDC", and together with Sahtu the "ROFR Holders"). As a result of discussions with the ROFR Holders, the Approval and Vesting Order approving the Transaction provides, at paragraphs 8 and 9 thereof, a process to enable each of Sahtu and GDC to consider and determine whether to exercise the ROFR rights in its joint venture agreement. The Approval and Vesting Order provides that the Company shall deliver a ROFR Notice to the applicable ROFR Holder in accordance with its joint venture agreement. If the ROFR Holder elects to exercise its ROFR, it shall deliver a notice to the Company and the Monitor within the period of acceptance set out in its joint venture agreement, and thereafter the Company's joint venture interest shall vest in the ROFR Holder; if the ROFR Holder gives notice that it will not exercise its ROFR or fails to deliver any notice, the Company's joint venture interest shall thereafter vest in the Purchaser. The Approval and Vesting Order provides that the Monitor will issue a certificate, in the form attached to the Order, indicating whether or not the ROFR Holder has exercised its ROFR and confirming the vesting of the relevant joint venture interest in the ROFR Holder or the Purchaser, as applicable. In granting the Approval and Vesting Order, Mr. Justice Hainey issued an endorsement (the "Endorsement"), a copy of which is attached as Appendix "D", requiring that the Purchaser provide the Monitor and the Company with the purchase price allocation contemplated by the APA prior to the closing of the Transaction in order for the Company to commence the ROFR process set forth in the Approval and Vesting Order and the Sahtu and GDC joint venture agreements;
- c) on November 23, 2018, the Purchaser provided its purchase price allocation to the Company, which contained the information to enable the Company to issue the ROFR Notices in accordance with the Approval and Vesting Order and the Endorsement. On that date, the Transaction was completed and the Monitor filed a certificate with this Honourable Court confirming the closing of the Transaction;
- d) on November 25, 2018, the ROFR Notices were issued to Sahtu and GDC. The Monitor understands that, as of the date of this Report, neither Sahtu or GDC has provided notice as to whether it will exercise its ROFR;
- e) since closing the Transaction, the Purchaser, the Company and the Monitor have addressed transitional matters, including in respect of transferred employees and finalizing the schedules to the APA. Pursuant to the APA, the Company agreed to assist the Purchaser for a period of up to 90 days from the closing date to have its transportation licences re-issued to the Purchaser. The Monitor understands that this process is ongoing;

- f) on November 26, 2018, the sale of the Aircraft to Delta was completed. The Monitor filed a certificate with this Honourable Court confirming the closing of the Aircraft sale to Delta; and
 - g) since the closing of the Transaction, the Company has issued a number of disclaimer notices to landlords and other contract counterparties in respect of certain leases and contracts excluded from the Transaction.
3. The Second Report included a redacted version of the APA with preliminary schedules. The financial terms of the APA are no longer confidential and the schedules have since been finalized. An unredacted version of the APA, with the updated and final schedules, is attached as Appendix “E”.
 4. The proceeds of the Transaction and the Aircraft sale to Delta were paid to the Monitor on November 23 and 26, 2018, respectively. These funds are being held by the Monitor in its trust account, subject to a distribution order.

4.0 Recommended Distributions

1. The Monitor presently has approximately \$18.4 million in its trust account, representing the proceeds from the Transaction and the Aircraft sale, net of Court-approved payments under the key employee retention plan (“KERP”).
2. The Company’s secured creditors are summarized in the table below.

Secured Creditor	Company Involvement	Security	Debt ²
Clairvest	Guarantor	General security on all property, assets and undertaking (ranking subordinate to ECN and Roynat on their respective priority helicopters and to CIBC on the Company’s working capital assets)	\$70 million
CIBC	Guarantor	General security on the Company’s working capital assets (accounts receivable and inventory), with subordinate security in all other assets	\$5.2 million
ECN	Guarantor	Priority secured interest in eight Company helicopters, with subordinated security in all other assets	\$7.8 million
Roynat	Borrower	Priority secured interest in four Company helicopters, with subordinated security in all other assets	\$4.3 million

3. Each of Clairvest, CIBC, ECN and Roynat (collectively, the “Secured Lenders”) are parties to a Fourth Amended and Restated Intercreditor Agreement dated May 26, 2015 (as amended, the “Intercreditor Agreement”) between, among others, the Company and the Secured Lenders. The Intercreditor Agreement governs the relative priority of the security interests granted to the Secured Lenders in the Company’s collateral and provides each of the Secured Lenders with a first-ranking security interest in its respective priority collateral.

² Before interest and costs which continue to accrue.

4. Goodmans has provided opinions to the Monitor in respect of the security held by each of CIBC, Clairvest and Roynat.³ Subject to the standard assumptions and qualifications contained in the opinions, Goodmans has concluded that the security interests of each of CIBC, Clairvest and Roynat have been registered, filed or recorded as required under Ontario law to perfect such security interests in Ontario and that such parties have the relative rights in the collateral set out in the Intercreditor Agreement. While not rendering an opinion in respect of any province other than Ontario, the Goodmans security opinions also describe the PPSA registrations made by CIBC, Clairvest and Roynat in other provinces and territories.
5. Each of ECN and 9333 Helicopters Inc. ("9333") opted not to have their aircraft included in the SISP and advised the Monitor that they wished to take possession of their collateral. Prior to doing so, the Monitor had Goodmans review ECN's security and 9333's security. As more fully described in the Second Report, Goodmans reported that each of ECN and 9333 had a valid, enforceable and first-ranking security interest in respect of its priority aircraft collateral. Accordingly, each of ECN and 9333 was permitted to take possession of its priority collateral on a consensual basis.
6. The Monitor is proposing to make the following distributions:

Description	Amount (\$000s)
Balance in Monitor's trust account	18,432
<u>Less: Recommended Distributions</u>	
CIBC ⁴	(3,700)
Roynat	(700)
Clairvest	(12,822)
Balance / Holdback	1,210

7. Clairvest, Roynat and CIBC have discussed and negotiated the allocation of the proceeds available for distribution, based upon the Intercreditor Agreement and the value of each party's priority security. The Monitor has been involved with and overseen those discussions and negotiations and believes that the distributions are reasonable. While none of the secured creditors will be repaid in full through these distributions, they each have claims against other members of the Group.
8. The proposed Holdback of \$1.21 million is required to cash collateralize items that would otherwise continue to be secured by the Company's property, being: (a) professional fees covered under the Administration Charge (reduced from \$1 million to \$750,000); (b) the balance of the KERP that has yet to be paid (approximately \$60,000); and (c) any claims that may be subject to the Directors' Charge (reduced from \$850,000 to \$400,000, for the reasons noted below). The proposed Order contemplates corresponding reductions to the charges in the Initial Order, and their continuing application only to the amounts in the Holdback. A summary of the Charges and the status of each is as follows⁵:

³ Copies of the security opinions will be made available to the Court should the Court wish to review them.

⁴ The amount to be distributed to CIBC is based on reducing its overall exposure to the Group to \$1 million. As at the date of this Report, CIBC is owed approximately \$4.7 million. To the extent the amount reflected above needs to be increased or decreased, the amount to be distributed to Clairvest will be adjusted by a corresponding amount.

⁵ The maximum amount of each charge is provided in parenthesis.

- a) Administration Charge (original amount: \$1 million): The Holdback is to cover the unpaid and future fees and disbursements of the Monitor, Goodmans and Goldman Sloan Nash & Haber LLP, the Company's legal counsel.
 - b) KERP Charge (original amount: \$1.8 million): With the exception of four employees that continue to be retained to assist in transitional and accounting matters, all beneficiaries of the KERP have been paid their KERPs in full. The remaining four employees are owed approximately \$60,000 in aggregate, which is to be secured by the Holdback.
 - c) Directors' Charge (original amount: \$850,000): The Directors' Charge provides a mechanism to protect the Company's sole director in the event that the Company fails to pay accrued wages, vacation pay and other priming obligations for which a director may be liable, such as GST/HST. According to the Company's books and records, all accrued wages and vacation pay have been paid. Canada Revenue Agency ("CRA") has asserted a GST claim for approximately \$370,000, which the Company disputes. It is proposed that \$400,000 will be included in the Holdback until the GST dispute is resolved.
 - d) Intercompany Charge (n/a): The intercompany charge can be released at this time. There were no intercompany borrowings during the CCAA proceedings as the Company was able to generate positive cash flow during the CCAA period. Accordingly, no amounts were drawn from the Non-Applicants that would be secured by the Intercompany Charge.
9. The Monitor is not aware of any other secured creditors or any other claims that rank or may rank in priority to the claims of CIBC, Roynat or Clairvest, as applicable, in the sale proceeds. Any potential claim covered under the Charges has either been satisfied or is provided for in the Holdback.
 10. The Company's sole director has been consulted and has consented to the reduction of the Directors' Charge.
 11. Based on the foregoing, the Monitor recommends that the Court issue an order authorizing and directing the Monitor, on behalf of the Company, to make the Recommended Distributions. As Clairvest is projected to incur a substantial shortfall on its secured claim against the Company, and it has priority over the portion of the sale proceeds going into the Holdback, the Monitor also recommends that it be authorized to release the funds remaining in the Holdback to Clairvest from time to time, without further Court order.
 12. As at the date of this Report, CIBC is still considering the allocation to it which is within the Recommended Distributions. The Monitor will update this Honourable Court on CIBC's position at the return of this motion, or file a supplemental report, if necessary.

5.0 Cash Flow Forecast

1. The Cash Flow Forecast and the Company's statutory report on the cash flow prepared pursuant to Section 10(2)(b) of the CCAA is attached as Appendix "F".
2. As a result of the completion of the Transaction, the Company's operations have been discontinued. It is largely inactive, with the exception of the four employees referenced above. It is contemplated that the remaining costs in these proceedings (largely professional fees) will be paid from the Holdback in the Monitor's trust account.
3. The Cash Flow Forecast reflects that the Company has sufficient liquidity through the requested extension period.
4. Based on KSV's review of the Cash Flow Forecast, the assumptions appear reasonable. KSV's statutory report on the Cash Flow Forecast is attached as Appendix "G".

6.0 Other Matters

6.1 ECN

1. Early in these proceedings, ECN advised the Monitor and the Company that it preferred that the helicopters that were financed by ECN over which ECN had a first-ranking security interest (the "ECN Aircraft") not be sold as part of these proceedings. ECN decided to take possession of the ECN Aircraft and to dispose of them independently.
2. After the Monitor received an opinion from Goodmans confirming the validity and enforceability of the ECN security interests, the Monitor and the Company facilitated the return of the ECN Aircraft to ECN. ECN completed the repossession of the ECN Aircraft by October 26, 2018. Since the closing of the Transaction, Goodmans, on the Monitor's behalf, has been corresponding with Gowling WLG (Canada) LLP ("Gowlings"), ECN's legal counsel, to monitor the status of ECN's sale process, including to request an accounting of its costs and a budget to complete the realization process. Gowlings, on behalf of ECN, has shared with Goodmans and the Monitor information which it has to date on such costs, and regarding the proposed course of action to dispose of the ECN Aircraft.
3. As at the date of this Report, none of the ECN Aircraft have been sold by ECN.
4. Goodmans has advised Gowlings that the order sought in this motion would enable ECN to sell the eight ECN Aircraft free and clear of any Charges, without the need to incur the costs of any subsequent motion in these proceedings for this purpose.
5. The Monitor intends to continue to monitor the status of ECN's realization process as the Company would be entitled to any surplus realized on the sale of the ECN Aircraft. The surplus proceeds, if any, would be distributable to Clairvest.

6.2 The Company's Chilean Operations

1. The operations of the Company's Chilean subsidiary, Discovery Air Innovations Ltda. ("DA Chile"), were recently discontinued.
2. The Purchaser did not acquire the Company's interest in DA Chile and/or DA Chile's assets. The Monitor has been advised that the Company is pursuing a transaction for the shares of DA Chile with management of DA Chile. The Monitor will provide an update regarding DA Chile in a future report.

7.0 Stay Extension

1. The Monitor supports an extension of the stay of proceedings from January 18, 2019 to February 28, 2019 for the following reasons:
 - a) the Company is acting in good faith and with due diligence;
 - b) the extension will provide the opportunity to complete post-closing Transaction matters and to deal with outstanding issues, particularly accounts receivable collections, the Purchaser's regulatory approval process as required by aviation authorities, ECN's realization process and a potential transaction for DA Chile;
 - c) the Holdback is projected to be sufficient to cover future expenses incurred or to be incurred in these proceedings;
 - d) Clairvest, being the principal economic stakeholder in these proceedings, supports the stay extension;
 - e) counsel to Roynat has advised that Roynat supports the extension on the basis that the extension is without prejudice to Roynat seeking a lifting of the stay should its go-forward lending arrangements with the Non-Applicants not be finalized in the near term; and
 - f) no creditor will be materially prejudiced if the extension is granted.

8.0 Next Steps in these Proceedings

1. Subject to Court approval, it is expected that the next steps in these proceedings will be to:
 - a) pay the Recommended Distributions from the Monitor's trust account;
 - b) continue to provide transition services to the Purchaser, to the extent required;
 - c) monitor ECN's realization process;
 - d) facilitate collections of accounts receivable, being an excluded asset from the Transaction;
 - e) work with the Company to resolve its GST dispute with CRA; and
 - f) monitor the disposition or wind-up of DA Chile, to the extent required.

9.0 Professional Fees

1. The fees and disbursements of the Monitor and Goodmans from the commencement of these proceedings to October 31, 2018 were approved pursuant to a Court order made on November 23, 2018.
2. The Monitor's fees (excluding disbursements and HST) for the period November 1, 2018 to November 30, 2018, and those of its legal counsel, Goodmans, for the same period, total approximately \$138,448 and \$113,109, respectively.
3. The detailed invoices in respect of the fees and disbursements of the Monitor and Goodmans are provided in appendices to the affidavits filed by KSV and Goodmans in the accompanying motion materials.
4. The average hourly rates for KSV and Goodmans for the referenced billing periods were \$508.90 and \$701.23, respectively.
5. The Monitor is of the view that the hourly rates charged by Goodmans are consistent with the rates charged by corporate law firms practicing in the area of corporate insolvency and restructuring in the Toronto market, and that the fees charged are reasonable and appropriate in the circumstances.

10.0 Conclusion and Recommendation

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

* * *

All of which is respectfully submitted,



**KSV KOFMAN INC.
IN ITS CAPACITY AS MONITOR OF
GREAT SLAVE HELICOPTERS LTD.
AND NOT IN ITS PERSONAL CAPACITY**

Appendix “A”

Court File No. CV-18-604434-0001

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.)

TUESDAY, THE 4TH

JUSTICE HAINEY)

DAY OF SEPTEMBER, 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 GREAT SLAVE HELICOPTERS LTD.

APPLICANT

INITIAL ORDER

THIS APPLICATION, made by the Applicant, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Alasdair Martin, sworn August 31, 2018, and the Exhibits thereto (the "**Martin Affidavit**"), and on reading the consent of KSV Kofman Inc. ("**KSV**") to act as the Monitor (in such capacity, the "**Monitor**"), and upon reading the pre-filing report of KSV dated August 31, 2018, in its capacity as the proposed Monitor, and on hearing the submissions of counsel for the Applicant and 10671541 Canada Inc. ("**10671541**"), and the subsidiaries set out in Schedule "**A**" hereto together with the Applicant (the "**Northern Air Group**") the proposed Monitor and Clairvest Group Inc., no one appearing for any other party although duly served as appears from the affidavit of service of Jennifer Stam sworn **September 2, 2018**, (each of the subsidiaries and 10671541 a "**Non-Applicant Party**" and collectively the "**Non-Applicant Parties**"),

SERVICE AND DEFINED TERMS

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPLICATION

2. **THIS COURT ORDERS AND DECLARES** that the Applicant is a company to which the CCAA applies. Although not Applicants, the Non-Applicant Parties shall enjoy certain benefits of the protections and authorizations provided by this Order, as set out herein.

PLAN OF ARRANGEMENT

3. **THIS COURT ORDERS** that the Applicant shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the “**Plan**”).

POSSESSION OF PROPERTY AND OPERATIONS

4. **THIS COURT ORDERS** that the Applicant 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**”). Subject to further Order of this Court, the Applicant shall continue to carry on business in a manner consistent with the preservation of its business (the “**Business**”) and Property. The Applicant is 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 the carrying out of the terms of this Order.

5. **THIS COURT ORDERS** that the Applicant shall be entitled to continue to utilize the central cash management system, subject to the operating facility with Canadian Imperial Bank of Commerce (“**CIBC**”) and borrowings that may be made under that facility as well as the cash pooling arrangements currently in place as described in the Martin Affidavit or replace it with another substantially similar central cash management system (the “**Cash Management**

System”). 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 Northern Air Group of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, and shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Northern Air Group, pursuant to the terms of the documentation applicable to the Cash Management System. Further, such bank shall be, in its capacity as provider of the Cash Management System (and, in particular, in its capacity as the operating facility lender), an unaffected creditor under the Plan or any proposal filed by the Applicant under the *Bankruptcy and Insolvency Act* R.S.C. 1985 c. B-3, as amended (“**BIA**”) with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System. For greater certainty, any security held by CIBC in connection with the foregoing shall continue to retain its priority in respect of any usage or borrowings made from and after the date of this Order.

6. **THIS COURT ORDERS** that the Applicant shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and
- (b) the fees and disbursements of any Assistants retained or employed by the Applicant in respect of these proceedings, at their standard rates and charges.

7. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Applicant shall be entitled but not required to pay all reasonable expenses incurred by the Applicant in carrying on the Business in the ordinary course, prior to, on or after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably 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; and

- (b) payment for goods or services actually supplied to the Applicant following the date of this Order.

8. **THIS COURT ORDERS** that the Applicant shall 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 employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, and (iii) income taxes;
- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicant in connection with the sale of goods and services by the Applicant, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, 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 realty, municipal business 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 and which are attributable to or in respect of the carrying on of the Business by the Applicant.

9. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the Applicant 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 to the landlord under the lease) or as otherwise may be negotiated between the Applicant and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, once a month on the first day of

each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

10. **THIS COURT ORDERS** that the Applicant shall continue to make payments of interest at current rates in place as of the date of this Order (and, for greater certainty, not at any default rate) and other repayments of borrowings from time to time outstanding pursuant to the terms of the operating facility with CIBC provided, for greater certainty, that the maturity of and the final repayment of principal upon maturity or any acceleration under the CIBC facility is stayed as set out herein.

10A. **THIS COURT ORDERS** that the Applicant shall be entitled but not obligated to continue to make payments of interest at current rates in place as of the date of this Order (and, for greater certainty, not at any default rate) owing to each of Roynat Inc. (“**Roynat**”) and ECN Aviation Inc. (“**ECN**”) in connection with the secured credit facilities that it has with each such lender (all as contemplated by the cash flow forecast filed).

11. **THIS COURT ORDERS** that other than as set out in paragraphs 10 and 10a, and except as may otherwise specifically be permitted herein, the Applicant is 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 Applicant to any of its creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

12. **THIS COURT ORDERS** that the Applicant shall, subject to such requirements as are imposed by the CCAA have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of its business or operations, and to dispose of redundant or non-material assets not exceeding \$100,000 in any one transaction or \$500,000 in the aggregate;
- (b) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate;

- (c) with the approval of the Monitor, enter into or continue any one or more agreements for the provision of shared services with any or all of Top Aces Inc. and/or the Non-Applicant Parties; and
- (d) pursue all avenues of refinancing of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the Applicant to proceed with an orderly restructuring of the Business (the “**Restructuring**”).

13. **THIS COURT ORDERS** that the Applicant shall provide each of the relevant landlords with notice of the Applicant’ 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 Applicant’ 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, such landlord and the Applicant, or by further Order of this Court upon application by the Applicant on at least two (2) days notice to such landlord and any such secured creditors. If the Applicant disclaims the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (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 Applicant’ claim to the fixtures in dispute.

14. **THIS COURT ORDERS** that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice 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 Applicant and the Monitor 24 hours’ prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicant in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE NORTHERN AIR GROUP OR THEIR PROPERTY

15. **THIS COURT ORDERS** that until and including October 4, 2018, or such later date as this Court may order (the “**Stay Period**”), no proceeding or enforcement process in any court or tribunal (each, a “**Proceeding**”) shall be commenced or continued against or in respect of the Applicant or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicant and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicant or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

16. **THIS COURT ORDERS** that during the Stay Period, except with the written consent of the Applicant and the Monitor, or with leave of this Court, no Proceedings shall be commenced or continued against or in respect of the Non-Applicant Parties, or any of their current and future assets, businesses, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (collectively, the “**Non-Applicant Parties’ Property**”, and together with the Non-Applicant Parties’ businesses, collectively, the “**Non-Applicant Parties’ Property and Business**”), arising upon or as a result of (i) the insolvency of the Applicant; (ii) the making or filing of these proceedings or of any order in these proceedings; (iii) any default or event of default arising as a result of or pursuant to either of (i) or (ii) or any default under the terms of any document entered into in connection with any of the Applicant’s or the Non-Applicant Parties’ secured debt facilities including any guarantee thereunder to which any of the Applicant or the Non-Applicant Parties are a party; or (iv) any default arising out of a contract or agreement to which the Applicant and one or more Non-Applicant Parties is a party (collectively the “**Non-Applicant Party Default Events**”). Without limitation, the operation of any provision of a contract or agreement between a Non-Applicant Party and any other Person that purports to effect or cause a termination or cessation of any rights of the Non-Applicant Party, or to accelerate, terminate, discontinue, alter, interfere with, repudiate, cancel, suspend, amend or modify such contract or agreement, in each case as a result of one or more Non-Applicant Party Default Events, is hereby stayed and restrained during the Stay Period.

NO EXERCISE OF RIGHTS OR REMEDIES

17. **THIS COURT ORDERS** that 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 the Applicant or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicant and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicant to carry on any business which the Applicant 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 security interest, or (iv) prevent the registration of a claim for lien.

17A **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any Person against or in respect of the Non-Applicant Parties, or affecting the Non-Applicant Parties’ Property and Business, as a result of a Non-Applicant Party Default Event are hereby stayed and suspended except with the written consent of the Applicant and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Non-Applicant Parties to carry on any business which the Non-Applicant Parties are 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 security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

18. **THIS COURT ORDERS** that 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 the Applicant, except with the written consent of the Applicant and the Monitor, or leave of this Court.

18A **THIS COURT ORDERS** that 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 other party as a result of a

Non-Applicant Party Default Event, except with the written consent of the Applicant and the Monitor, or leave of this Court.

18B. **THIS COURT ORDERS** that, notwithstanding paragraphs 15 to 18A or any other provisions of this Order, upon the occurrence of an event of default under the CIBC operating facility other than a default which may arise as a result of, or otherwise relate to, the insolvency of the Applicant, the commencement of the Applicant's proceedings under the CCAA or any relief granted in these proceedings occurring after the date hereof (together, "**CCAA Related Defaults**") (which for clarity, shall include any such defaults arising from CCAA Related Defaults under any documentation held by other lenders to the Applicant or the Non-Applicant Parties), CIBC shall immediately upon notice to the Applicant and the Monitor be entitled to cease making advances to the Applicant and, upon 2 days' notice to the Applicant and the Monitor, may exercise any and all of its rights and remedies against the Applicant, the Non-Applicant Parties, the Property or the Non-Applicant Parties' Property under or pursuant to the CIBC operating facility and any and all security granted thereunder, including without limitation, set off and/or consolidate any amounts owing by CIBC to the Applicant against the obligations of the Applicant or the Non-Applicant Parties to CIBC under the operating facility, to make demand, accelerate payment and give other notices, provided however, that CIBC may not take any further steps to enforce its security without leave of this Court, including without limitation, applying for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicant and/or the Non-Applicant Parties and for the appointment of a trustee in bankruptcy of the Applicant and/or the Non-Applicant Parties; and the foregoing rights and remedies of CIBC shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicant, the Non-Applicant Parties, the Property, the Business or the Non-Applicant Parties' Property and Business.

CONTINUATION OF SERVICES

19. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Applicant or statutory or regulatory mandates 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 the Applicant, 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 the Applicant, and that the Applicant 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 date of this Order are paid by the Applicant in accordance with normal payment practices of the Applicant or such other practices as may be agreed upon by the supplier or service provider and each of the Applicant and the Monitor, or as may be ordered by this Court.

19A **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with one or more Non-Applicant Parties or statutory or regulatory mandates 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 any Non-Applicant Parties, 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 the Non-Applicant Parties as a result of a Non-Applicant Party Default Event, and that the Non-Applicant Parties shall be entitled to the continued use of their 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 date of this Order are paid by the Non-Applicant Parties in accordance with normal payment practices of the Non-Applicant Parties or such other practices as may be agreed upon by the supplier or service provider and each of the Applicant and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

20. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicant or any Non-Applicant Party. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

21. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicant or of the Non-Applicant Parties with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicant or of the Non-Applicant Parties 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 Applicant, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicant or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

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

23. **THIS COURT ORDERS** that the directors and officers of the Applicant 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 \$850,000, as security for the indemnity provided in paragraph 222 of this Order. The Directors' Charge shall have the priority set out in paragraphs 37 and 39 herein.

24. **THIS COURT ORDERS** that, 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) the Applicant'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 2 of this Order.

APPOINTMENT OF MONITOR

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

26. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Northern Air Group's receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) assist the Applicant, to the extent required by the Applicant, in its dissemination, to CIBC and its counsel on a periodic basis of financial and other information as agreed to between the Applicant and CIBC that may be used in these proceedings, including reporting on a basis to be agreed with the CIBC;
- (d) advise the Applicant in its preparation of the Applicant's cash flow statements and reporting which may be required by the CIBC, which information shall be reviewed with the Monitor and delivered to CIBC and its counsel on a periodic basis;
- (e) advise the Applicant in its development of the Plan and any amendments to the Plan;
- (f) assist the Applicant, to the extent required by the Applicant, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the

Applicant, to the extent that is necessary to adequately assess the Applicant's business and financial affairs or to perform its duties arising under this Order;

- (h) conduct, supervise and carry out any sales process(es) with respect to the Property and the Business;
- (i) 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;
- (j) commence applications for recognition of these proceedings outside of Canada in its capacity as foreign representative without further Order of this Court; and
- (k) perform such other duties as are required by this Order or by this Court from time to time.

27. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property or the Non-Applicant Parties' Property and shall take no part whatsoever in the management or supervision of the management of the Business or the Non-Applicant Parties' Property and Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the foregoing, or any part thereof.

28. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property or the Non-Applicant Parties' 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 *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety 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. 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 or the Non-Applicant Parties' Property within the meaning of any Environmental Legislation, unless it is actually in possession.

29. **THIS COURT ORDERS** that that the Monitor shall provide any creditor of the Applicant with information provided by the Applicant 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 Applicant 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 Applicant may agree.

30. **THIS COURT ORDERS** that, 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 protections afforded the Monitor by the CCAA or any applicable legislation.

31. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the Applicant shall be paid their reasonable fees and disbursements incurred prior to or following the date hereof, in each case at their standard rates and charges, by the Applicant as part of the costs of these proceedings. The Applicant is hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicant on a bi-weekly basis or at such other intervals as the Applicant and the Monitor may agree.

32. **THIS COURT ORDERS** that 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 Commercial List of the Ontario Superior Court of Justice.

33. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and the Applicant's counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$750,000, as security for their professional 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 in respect of

these proceedings. The Administration Charge shall have the priority set out in paragraphs 37 and 39 hereof.

34. **THIS COURT ORDERS** that KSV in its capacity as Monitor in these proceedings be and hereby is authorized to act as a foreign representative of the Applicant and of these proceedings for the purpose of having these proceedings recognized outside of Canada.

INTERCOMPANY FINANCING

35. **THIS COURT ORDERS** that 10671541 may advance funds to the Applicant after the date of this Order, whether through operation of the Cash Management System, an intercompany loan, or otherwise (“**Intercompany Advances**”). 10671541’s accounts and records shall constitute, in the absence of manifest error, *prima facie* evidence of the balance of the Intercompany Advances.

36. **THIS COURT ORDERS** that the Intercompany Advances to the Applicant shall be secured by a charge in favour of 10671541 (an “**Intercompany Charge**”) over the Property to the extent of the indebtedness to 10671541 for Intercompany Advances. The Intercompany Charge shall have the priority set out in paragraph 37.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

37. **THIS COURT ORDERS** that the priorities of the Directors’ Charge, the Administration Charge, the Intercompany Charge as among them, against the Property shall be as follows:

First – Administration Charge (to the maximum amount of \$750,000;

Second – Directors’ Charge (to the maximum amount of \$850,000;

Third – The Intercompany Charge;

38. **THIS COURT ORDERS** that the filing, registration or perfection of the Directors’ Charge and the Administration Charge or the Intercompany Charge (collectively, the “**Charges**”) shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent

to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

39. **THIS COURT ORDERS** that each of the Administration Charge and the Directors' Charge (all as constituted and defined herein) shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") of the Applicant in favour of any Person other than (i) any Person with a properly perfected purchase money security interest under the *Personal Property Security Act* (Ontario) or similar provincial legislation; (ii) any Person with a registered interest as defined by the Convention on International Interests in Mobile Equipment or (iii) any statutory super priority deemed trusts and liens for unremitted employee source deductions.

40. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicant shall not grant any Encumbrances over any Property or Non-Applicants Party's Property that rank in priority to, or *pari passu* with, any of the Directors' Charge, the Administration Charge, or the Intercompany Charge, unless the Applicant also obtain the prior written consent of the Monitor, and the beneficiaries of the Directors' Charge and the Administration Charge, or further Order of this Court.

41. **THIS COURT ORDERS** that the Directors' Charge, the Administration 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**") thereunder 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 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, 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) neither the creation of the Charges shall create or be deemed to constitute a breach by the Applicant of any Agreement to which they are 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 Applicant 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.

42. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the interests of the Applicant or of the Non-Applicant Parties in such real property leases.

SERVICE AND NOTICE

43. **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in The Globe & Mail (National Edition) a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicant of more than \$1000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

44. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the “Protocol”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL ‘<http://www.ksvadvisory.com/insolvency-cases/great-slave-helicopters/>’.

45. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicant and the Monitor are at liberty to serve or distribute 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 facsimile transmission to the Applicant's creditors or other interested parties at their respective addresses as last shown on the records of the Applicant and that any such service or distribution by courier, personal delivery or facsimile 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.

GENERAL

46. **THIS COURT ORDERS** that the Applicant or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

47. **THIS COURT ORDERS** that 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 the Applicant, the Business or the Property.

48. **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.

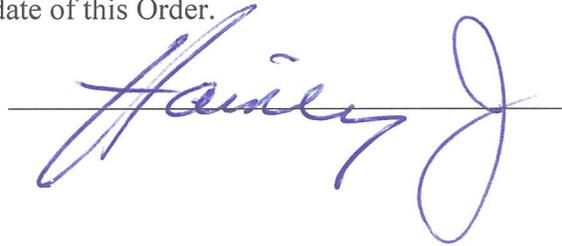
49. **THIS COURT ORDERS** that each of the Applicant and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as the foreign

[19]

representative of the Applicant for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

50. **THIS COURT ORDERS** that any interested party (including the Applicant and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

51. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.



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

SEP 04 2018

PER / PAR:



Schedule "A" – Non- Applicant Subsidiaries

1. Air Tindi Ltd.
2. Discovery Mining Services Ltd.

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 GREAT
SLAVE HELICOPTERS LTD. (the "APPLICANT")

Court File No.:

CV-18-604434-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

Proceeding commenced at Toronto

INITIAL ORDER

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Appendix “B”



**First Report of
KSV Kofman Inc.
as CCAA Monitor of
Great Slave Helicopters Ltd.**

September 11, 2018

Contents		Page
1.0	Introduction.....	1
1.1	Purposes of this Report.....	1
1.2	Restrictions.....	2
1.3	Currency.....	2
2.0	Background.....	3
3.0	SISP.....	4
3.1	SISP Recommendation.....	7
4.0	Lender Discussions Regarding Cost Sharing.....	8
5.0	KERP.....	9
6.0	Cash Flow Forecast.....	9
7.0	Stay Extension.....	10
8.0	Conclusion and Recommendation.....	10

Appendices

Appendix	Tab
Initial Order dated September 4, 2018.....	A
Report of the Proposed Monitor dated August 31, 2018 (without appendices).....	B
Sale and Investment Solitation Process.....	C
Management’s Report on Cash Flow Forecast.....	D
KSV’s Report on Cash Flow Forecast.....	E

COURT FILE NO.: CV-18-604434-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**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 GREAT SLAVE HELICOPTERS LTD.**

FIRST REPORT OF KSV KOFMAN INC. AS MONITOR

September 11, 2018

1.0 Introduction

1. Pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") made on September 4, 2018 (the "Initial Order"), Great Slave Helicopters Ltd. (the "Company") was granted protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA"), and KSV Kofman Inc. ("KSV") was appointed monitor (the "Monitor"). A copy of the Initial Order is attached as Appendix "A".
2. The principal purpose of these restructuring proceedings is to create a stabilized environment to conduct a Court-approved sale and investment solicitation process ("SISP") for the Company's business and assets.
3. KSV is filing this report ("Report") in its capacity as Monitor.

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide background information about the Company and these proceedings;
 - b) discuss the proposed SISP;
 - c) report on the Monitor's discussions concerning the allocation of costs in these proceedings among certain of the Company's secured lenders;
 - d) summarize the Company's proposed key employee retention plan ("KERP");
 - e) report on the Company's cash flow projection for the period September 10, 2018 to November 25, 2018 ("Cash Flow Forecast");

- f) discuss the reasons to extend the stay of proceedings from October 4, 2018 to November 23, 2018; and
- g) provide the Monitor's reasons for recommending that this Honourable Court make an order (the "Order"):
 - i. approving the SISP and authorizing the Monitor to conduct the SISP;
 - ii. granting a \$1.8 million charge (the "KERP Charge") in favour of the beneficiaries of the KERP;
 - iii. sealing the confidential exhibit to the Affidavit of Adrian Pasricha sworn September 11, 2018 (the "Affidavit"), which includes the identity and personal compensation information of the KERP employees;
 - iv. extending the stay of proceedings from October 4, 2018 to November 23, 2018; and
 - v. approving this report and the Pre-Filing Report dated August 31, 2018 (the "Pre-Filing Report") and the activities of the Monitor detailed therein.

1.2 Restrictions

1. In preparing this Report, KSV has relied upon the Company's unaudited financial information, including certain of its books and records, and discussions with the Company's management, the Company's counsel, representatives of Clairvest Group Inc. and its affiliates, including certain funds managed by Clairvest Group Inc. ("Clairvest"), the Company's largest secured creditor and indirect shareholder of the Group, and Clairvest's counsel. KSV has not audited, reviewed or otherwise verified the accuracy or completeness of the information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook.
2. KSV expresses no opinion or other form of assurance with respect to the financial information presented in this Report or relied upon by KSV in preparing this Report. Any party wishing to place reliance on the Company's financial information should perform its own diligence and any reliance placed by any party on the information presented herein shall not be considered sufficient for any purpose whatsoever.
3. An examination of the Cash Flow Forecast as outlined in the Chartered Professional Accountant Canada Handbook has not been performed. Future oriented financial information relied upon in this Report is based upon the Company's assumptions regarding future events; actual results achieved may vary from this information and these variations may be material. KSV expresses no opinion or other form of assurance on whether the Company's forecasted results will be achieved.

1.3 Currency

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

2.0 Background

1. The Company is one of Canada's largest onshore helicopter operators. It operates from its two main bases located in Yellowknife, Northwest Territories, and Calgary, Alberta, as well as from sub-bases throughout Canada (including Inuvik, Norman Wells and Fort Simpson, Northwest Territories; Terrace, Prince Rupert and Kelowna, British Columbia; and Dryden, Ontario) and in various locations in Chile, South America.
2. The Company provides mineral and oil and gas exploration support, forest fire suppression, support to government agencies and other services, including environmental surveying, utilities/pipeline patrol, power line construction and telecommunications support.
3. The Company has approximately 200 employees. Its Chilean subsidiary, Discovery Air Innovations Chile Ltda. has approximately 55 employees. The Company's employees are not unionized and the Company does not maintain a pension plan.
4. The Initial Order provides a limited stay of proceedings over the Company's parent, 10671541 Canada Inc. ("106"), and two affiliated entities, Air Tindi Ltd. ("ATL") and Discovery Mining Services Ltd. ("DMS") (together, the "Non-Applicants" and with the Company, the "Group") for the purpose of preventing creditor actions against the Non-Applicants due to the Company's insolvency, its filing for CCAA protection and the relief sought and obtained in any orders of the Court made in the CCAA proceedings.
5. Clairvest is the Company's largest secured creditor. As at August 30, 2018, the Company's obligations owing to Clairvest under its secured debentures totalled approximately \$71.3 million. The Company's other secured equipment lenders are ECN Aviation Inc. ("ECN"), which is owed approximately \$7.8 million and has a secured interest in eight Company helicopters with subordinate security in all other assets, and Roynat Inc. ("Roynat"), which is owed approximately \$4.3 million and has a secured interest in four Company helicopters with subordinate security in all other assets. ATL and DMS have secured obligations to each of ECN and Roynat in relation to the amounts owed to them by the Company.
6. CIBC is the Group's operating lender. Pursuant to the Initial Order, the Company was authorized to continue to use its consolidated cash management system. CIBC was owed approximately \$15.2 million as at August 30, 2018.
7. The affidavit of Alasdair Martin, the Company's President, sworn August 31, 2018, was filed with the Court in support of the Company's application for CCAA protection and provides, *inter alia*, details regarding the Company's background, including the reasons for the commencement of these proceedings. Mr. Martin has also filed an affidavit in support of this motion.
8. Further information regarding these proceedings and the Company's background is provided in the Pre-Filing Report, a copy of which is attached as Appendix "B", without appendices.
9. The Court materials filed in these proceedings are available on the Monitor's website at www.ksvadvisory.com/insolvency-cases/great-slave-helicopters.

3.0 SISP¹

1. The purpose of the SISP is for the Monitor to conduct a process to provide interested parties with opportunities to submit competing offers on an “as is, where is” basis to:
 - a) acquire all or any part of the Company’s business and assets (“Sale Proposal”);
 - b) make an investment in the Company (“Investment Proposal”); or
 - c) liquidate any or all of the Company’s assets (“Liquidation Proposal”).

A copy of the proposed SISP is attached as Appendix “C”.

2. The following table summarizes the proposed SISP milestones and timelines. The SISP contemplates that any of the deadlines can be extended by up to two weeks without an order of the Court.

Milestone	Deadline
Commencement of SISP	September 14, 2018
Bid Deadline	October 17, 2018
Notification Date	October 24, 2018
Bid Acceptance Date	October 31, 2018
Closing Date Deadline	November 23, 2018

3. Key terms of the SISP are summarized as follows²:
 - a) Consultative Rights: the SISP provides that the Monitor will consult with, or seek the assistance of, the Company and CIBC, Clairvest, ECN³ and Roynat (collectively, the “Lenders”) with respect to any matter relating to the SISP. Consultation shall only be required with those Lenders that have first priority to the sale proceeds from the Assets subject to that particular issue or transaction; provided, however, that the Monitor in its sole discretion may consult with Lenders it considers appropriate with respect to any matter relating to the SISP.
 - b) Joint Ventures: the Company maintains strategic partnerships through joint venture agreements with numerous aboriginal groups in northern and western Canada. The joint ventures allow the Company to provide helicopter services in remote aboriginal communities with limited or no overland access. In each instance, the majority shareholder of the joint venture entity is the aboriginal group. The Company’s interests in the joint ventures are to be marketed for sale as part of the SISP.

¹ All capitalized terms not otherwise defined in this section of the Report have the meaning set out in the SISP.

² The summary of the SISP contained in this section is for information purposes only. The full details of the SISP are provided in Appendix “C”. Interested parties are strongly encouraged to read the SISP in its entirety.

³ See Section 4 of this Report which provides an update on discussions with ECN and Roynat.

- c) Notice: the Company will issue a press release providing notice of the SISP and any other relevant information that the Company and the Monitor consider appropriate (the “Notice”). The Notice will be disseminated through Canada Newswire in Canada and such other jurisdictions as the Monitor, in consultation with the Company, considers appropriate.
- d) Publication: the SISP authorizes but does not direct the Monitor to publish a notice of the SISP in *The Globe and Mail* (National Edition) or any other newspaper or industry journal.
- e) Marketing: with the assistance of the Company, the Monitor has prepared the following:
 - i. a list of financial and strategic parties who may be interested in this opportunity, as well as a list of parties who may be interested in submitting a Liquidation Proposal;
 - ii. a non-disclosure agreement (“NDA”);
 - iii. a document describing the opportunity and the SISP (“Teaser”), which the Monitor will send, together with the NDA, to all prospective purchasers as soon as possible following the granting of the SISP Order, should it be granted, and to any other party who requests a copy of the Teaser or who is identified by the Company or the Monitor as a potential bidder; and
 - iv. a confidential information memorandum (“CIM”).
- f) Data Room: a virtual data room has been set up by the Monitor, with the assistance of the Company, for interested parties to perform diligence. The information available in the data room includes, *inter alia*, financial and corporate information, information regarding management and employees, operational data, contracts, information concerning legal, environmental and safety considerations and detailed specifications of the Company’s helicopters and other assets.
- g) Participation Requirements: any party who wishes to participate in the SISP (an “Interested Party”) must provide the Monitor with:
 - i. an executed NDA;
 - ii. the identity of the principals of the Interested Party;
 - iii. an acknowledgement of the terms of the SISP (in the form attached as Schedule “A” to the SISP); and
 - iv. such form of financial disclosure and credit support or enhancement that allows the Monitor to determine the Interested Party’s financial wherewithal and other capabilities to complete a transaction, if the Monitor considers this necessary, in its sole discretion.

Each Interested Party who meets the criteria noted above will be deemed a “Bidder”. The Monitor will provide each Bidder with a copy of the CIM and access to the data room.

- h) Due Diligence: the Monitor, with the Company's assistance, will provide each Bidder with due diligence information, including access to the data room, management presentations and on-site inspections (as considered appropriate, in the Monitor's discretion).
- i) Formal Offers: Bidders who wish to submit a Sale Proposal, Investment Proposal or Liquidation Proposal must do so by the Bid Deadline, being October 17, 2018.
- j) Final Bid Criteria: in order to be considered a Final Bid:
 - i. a Sale Proposal must, *inter alia*, be in the form of an authorized and executed definitive purchase agreement in a form of Asset Purchase Agreement consistent with transactions of this nature;
 - ii. an Investment Proposal must, *inter alia*, be in the form of a duly authorized and executed term sheet describing the detailed terms and conditions of the proposed transaction, including details regarding the proposed equity and debt structure of the Company following completion of the proposed transaction; and
 - iii. a Liquidation Proposal must, *inter alia*, contain the detailed terms and conditions of the proposed transaction, including identification of the assets subject to the transaction, the value attributed to each asset, the obligations to be assumed and/or costs to be paid by the liquidator, consideration payable and/or commission rate, including any net minimum guarantee amounts and/or participation percentages, and the liquidation term.

Bidders are strongly discouraged from submitting Letters of Intent or Expressions of Interest. Bids are to be binding and irrevocable until the earlier of: (i) 30 days after the Bid Deadline and (ii) approval by the Court of the relevant Accepted Bid. Other attributes of the Final Bid Criteria include:

- i. a refundable cash deposit is required in an amount equal to 15% of the purchase price contemplated by the Bidder's Final Bid or, in the case of an Investment Proposal, 15% of the value of the Investment Proposal;
- ii. that the transaction provides value to the Company's creditors and other stakeholders (having regard to the relative priority of creditor claims);
- iii. a description of the specific Business and/or Assets to be acquired by the Bidder;
- iv. details of any liabilities to be assumed by the Bidder;
- v. no conditions precedent except those that are customary in a transaction of this nature, including not being subject to further due diligence and/or financing;

- vi. a description of any desired arrangements with respect to transition services that may be required from the Company, including funding for same; and
 - vii. that the transaction not contemplate any bid protections, such as a break fee, termination fee, expense reimbursement or similar type of payment.
- k) Qualified Bid: if a Sale Proposal, Investment Proposal or Liquidation Proposal meets the Final Bid Criteria, as determined by the Monitor, it will be deemed a “Qualified Bid” and the Bidder in respect of each Qualified Bid will be a “Qualified Bidder”. The Monitor will notify each Bidder whether its Sale Proposal, Investment Proposal or Liquidation Proposal is a Qualified Bid within five (5) Business Days of the Bid Deadline (“Notification Date”).
- l) Accepted Bid: an “Accepted Sale Bid”, if any, will be determined by the Monitor in consultation with the Company and the Lenders. A party that submits an Accepted Sale Bid is referred to as a “Successful Sale Bidder”. An “Accepted Investment Bid”, if any, will be determined by the Monitor in consultation with the Company and the Lenders. A party that submits an Accepted Investment Bid is referred to as a “Successful Investment Bidder”. An “Accepted Liquidation Bid”, if any, will be determined by the Monitor in consultation with the Company and the Lenders. A party that submits an Accepted Liquidation Bid is referred to as a “Successful Liquidation Bidder”. The Monitor will notify each Successful Sale Bidder, Successful Investment Bidder and Successful Liquidation Bidder, as applicable, within five (5) Business Days of the Notification Date (“Bid Acceptance Date”).
- m) Court Approval: within seven Business Days of the Bid Acceptance Date, the Company shall file an Approval Motion with the Court in respect of the Accepted Bids.
- n) Unsold Assets: any Asset that is not sold or liquidated or otherwise dealt with pursuant to an Accepted Bid may be sold by the Company, with the assistance of the Monitor and in consultation with the Lenders; provided, however, that if the consideration that the Company receives for such Asset(s) in any one transaction exceeds \$250,000 or \$1 million in the aggregate, then the Company will seek Court approval of such sale. Where the Company intends to sell assets subject to a Lender’s security and the value of the transaction exceeds \$25,000, but is less than \$250,000, the Company shall seek the consent of that Lender.

3.1 SISP Recommendation

1. The Monitor recommends that this Court issue the SISP Order for the following reasons:
 - a) in the Monitor’s view, the SISP is commercially reasonable and is intended to canvass the market for going-concern, investment and/or liquidation proposals;

- b) in the Monitor's view, the duration of the SISP is sufficient to allow interested parties to perform diligence and to submit offers. It is contemplated that the SISP will commence immediately following the making of the Order, should it be granted, and the SISP provides flexibility for the Monitor to extend any deadline in the SISP by up to two weeks without Court approval, if determined by the Monitor to be necessary;
- c) in developing the timelines for the SISP, the Monitor considered that KSV, as Court appointed monitor in the CCAA proceedings commenced on March 21, 2018 by Discovery Air Inc. ("DAI"), the Company's former shareholder, recently carried out a Court approved sale process which included seeking offers for DAI's 100% equity interest in the Company. Accordingly, many of the parties to be approached under the SISP are familiar with the Company having already performed diligence on the Company's business and assets;
- d) the SISP has been designed to be consultative with the Lenders. The Monitor intends to communicate at least on a bi-weekly basis with each of the Lenders so that they are kept apprised of the status of the SISP and efforts to sell their collateral, to the extent it is included in the SISP; and
- e) the SISP provides prospective bidders with the opportunity to submit offers for all or portions of the Company's business and assets and/or to submit investment proposals or liquidation proposals. Accordingly, the SISP was designed to maximize value and also enhances the opportunity to sell all or portions of the Company on a going-concern basis.

4.0 Lender Discussions Regarding Cost Sharing

1. Since the making of the Initial Order, the Monitor and its counsel have been engaged in discussions with each of ECN's and Roynat's legal counsel regarding the allocation of certain costs in these proceedings among the Lenders, including professional costs. The Monitor advised of the cost allocation issue in its Pre-Filing Report. The objective of these discussions was to have all owned aircraft included in the SISP, subject to a fair and reasonable cost sharing arrangement acceptable to the Lenders.
2. On September 7, 2018, ECN advised that it has decided to exclude its eight helicopters from the SISP. Accordingly, arrangements will be made for an orderly return to ECN of its helicopters such that any operational impact is minimized. In the coming weeks, the Monitor understands that the Company and ECN will negotiate a protocol, pursuant to which, *inter alia*, the Company will continue to use ECN's helicopters for a period of time, following which ECN will take possession of its helicopters on an orderly basis.
3. As of the date of this Report, a cost-sharing formula has not been agreed with Roynat but discussions continue. The Monitor is hopeful that an agreement will be reached. The Monitor and its counsel will update the Court on the status of these discussions on the return of this motion.

5.0 KERP

1. The KERP was developed by the Company, in consultation with the Monitor. The KERP is in the maximum amount of \$1.8 million. The Company is seeking approval of the KERP and the creation of a related charge in the amount of \$1.8 million to secure the payments due under the KERP. The KERP charge is to rank subordinate to the Administrative Charge and in priority to the Directors' Charge; it will not have priority over ECN's or Roynat's security.
2. The KERP is intended to enhance the prospect that key employees provide their assistance throughout these proceedings. Key employees include certain of the Company's officers, pilots, safety, maintenance and operational personnel.
3. Of the \$1.8 million, approximately \$820,000 is in the form of employment guarantees to a specific date. These amounts will be paid as wages in the normal course as part of the Company's payroll. This portion of the KERP reduces over time. The balance of the KERP amounts is "stay bonuses"⁴ which are to be paid to an employee provided the employee has neither been terminated for cause nor resigned before a specific date.
4. The Monitor has been advised that certain of the Company's employees have recently resigned. The Monitor believes that the KERP will reduce the risk of further resignations. The involvement of the KERP employees should benefit all stakeholders as it will increase the likelihood that the Company's business, or a portion thereof, can be sold on a going-concern basis. The KERP will also assist to maximize recoveries for all stakeholders generally.
5. The Company is requesting an order sealing the confidential exhibit to the Affidavit which contains personal information for the KERP employees. The Monitor believes it is appropriate to seal this exhibit as this type of information is typically sealed to avoid disruption to the debtor company and to protect the privacy of the KERP employees. The Monitor does not believe that any stakeholder will be prejudiced if the KERP information is sealed.

6.0 Cash Flow Forecast

1. The Company has prepared a Cash Flow Forecast for the period ending November 25, 2018. The Cash Flow Forecast and the Company's statutory report on the cash flow prepared pursuant to Section 10(2)(b) of the CCAA is attached as Appendix "D". The Cash Flow Forecast reflects that the Company has sufficient liquidity to continue to operate through the requested extension period without the need for a debtor-in-possession loan facility.
2. Based on KSV's review of the Cash Flow Forecast, the assumptions appear reasonable. KSV's statutory report on the Cash Flow Forecast is attached as Appendix "E".

⁴ In the case of one employee, its more appropriately considered an "incentive".

7.0 Stay Extension

1. The Monitor supports the Company's request for an extension of the stay of proceedings from October 4, 2018 to November 23, 2018 for the following reasons:
 - a) the Company is acting in good faith and with due diligence;
 - b) the extension will provide the opportunity to carry out the SISP;
 - c) the Cash Flow Forecast reflects that the Company has sufficient liquidity to continue to operate during the proposed stay extension period;
 - d) Clairvest, being the largest secured creditor and indirect sole shareholder of GSH, supports the stay extension; and
 - e) no creditor will be materially prejudiced if the extension is granted.

8.0 Conclusion and Recommendation

1. Based on the foregoing, the Monitor 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 KOFMAN INC.
IN ITS CAPACITY AS MONITOR OF
GREAT SLAVE HELICOPTERS LTD.
AND NOT IN ITS PERSONAL CAPACITY**

Appendix “C”



**Second Report of
KSV Kofman Inc.
as CCAA Monitor of
Great Slave Helicopters Ltd.**

November 16, 2018

Contents	Page
1.0 Introduction.....	1
1.1 Purposes of this Report.....	1
1.2 Restrictions	2
1.3 Currency	3
2.0 Background	3
3.0 SISP	4
3.1 Capital Canada Ltd.	6
3.2 SISP Results.....	6
4.0 Transaction.....	6
4.1 Aircraft Sale to Delta	7
4.2 Recommendation	8
4.3 Anticipated Timeline to Closing	9
4.4 Sealing.....	9
5.0 Cash Flow Forecast.....	9
6.0 Stay Extension.....	10
7.0 Other Matters.....	10
7.1 Reimbursement agreement.....	10
7.2 Chilean Operations	11
8.0 Professional Fees.....	11
9.0 Anticipated Next Steps in these Proceedings.....	11
10.0 Conclusion and Recommendation	12

Appendix	Tab
Initial Order dated September 4, 2018	A
First Report of the Monitor dated September 11, 2018 (without appendices)	B
SISP Approval Order dated September 14, 2018.....	C
Press Release dated September 14, 2018	D
Extension letter and notice dated October 15, 2018.....	E
Letter dated October 15, 2018 to prospective purchasers.....	F
Asset Purchase Agreement dated November 8, 2018 (redacted version)	G
Offer dated October 31, 2018 from Delta Helicopters Ltd. (redacted version)	H
Cash Flow Forecast and Management Report on Cash Flow	I
Monitor's Report on Cash Flow Forecast	J
Reimbursement Agreement dated October 9, 2018	K

Confidential Appendix	Tab
Offer Summary	1
Asset Purchase Agreement dated November 8, 2018 (unredacted version)	2
Offer dated October 31, 2018 from Delta Helicopters Ltd. (unredacted version)	3

COURT FILE NO.: CV-18-604434-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**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 GREAT SLAVE HELICOPTERS LTD.**

SECOND REPORT OF KSV KOFMAN INC. AS MONITOR

November 16, 2018

1.0 Introduction

1. Pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "Court") made on September 4, 2018 (the "Initial Order"), Great Slave Helicopters Ltd. (the "Company") was granted protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA"), and KSV Kofman Inc. ("KSV") was appointed monitor (the "Monitor"). A copy of the Initial Order is attached as Appendix "A".
2. The principal purpose of these restructuring proceedings is to create a stabilized environment to conduct a Court-approved sale and investment solicitation process ("SISP") for the Company's business and assets.
3. KSV is filing this report ("Report") in its capacity as Monitor.

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide background information about the Company and these proceedings;
 - b) summarize the results of the SISP carried out by the Monitor in accordance with a Court order made on September 14, 2018 (the "SISP Approval Order");
 - c) summarize the terms of an asset purchase agreement dated November 8, 2018 (the "APA") pursuant to which 11088211 Canada Corp. (the "Purchaser") has agreed to purchase substantially all of the Company's business and assets and assume certain liabilities (the "Transaction");
 - d) summarize a proposed sale to Delta Helicopters Ltd. ("Delta") of the Company's 1988 Eurocopter 350B2, with a Canadian Registration number C-GJGK (the "Aircraft"), which asset is not being purchased by the Purchaser;

- e) report on the Company's cash flow projection for the period November 26, 2018 to December 30, 2018 ("Cash Flow Forecast");
- f) discuss the reasons to extend the stay of proceedings from November 23, 2018 to January 18, 2019;
- g) detail the fees and disbursements of the Monitor and its counsel, Goodmans LLP ("Goodmans"), from the commencement of these proceedings to October 31, 2018, and seek approval of same; and
- h) recommend that this Honourable Court make one or more orders:
 - i. approving the APA and the Transaction contemplated therein;
 - ii. approving the sale of the Aircraft to Delta;
 - iii. authorizing the Company to enter into any other ancillary documents and agreements required to complete the Transaction and/or the sale of the Aircraft to Delta;
 - iv. vesting in the Purchaser the Company's right, title and interest in and to the Assets (as defined in the APA), free and clear of all liens, charges, security interests and encumbrances, other than the Permitted Encumbrances;
 - v. vesting in Delta the Company's right, title and interest in and to the Aircraft, free and clear of all liens, charges, security interests and encumbrances;
 - vi. extending the stay of proceedings from November 23, 2018 to January 18, 2019;
 - vii. approving the fees and disbursements of the Monitor and Goodmans from the commencement of these proceedings to October 31, 2018;
 - viii. sealing the confidential appendices to this Report on the terms set out below; and
 - ix. approving this Report and the Monitor's activities described herein.

1.2 Restrictions

1. In preparing this Report, KSV has relied upon the Company's unaudited financial information, including certain of its books and records, and discussions with the Company's management, the Company's counsel and representatives of Clairvest Group Inc. and its affiliates, including certain funds managed by Clairvest Group Inc. ("Clairvest"), the Company's largest secured creditor and indirect shareholder. KSV has not audited, reviewed or otherwise verified the accuracy or completeness of the information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook.

2. KSV expresses no opinion or other form of assurance with respect to the financial information presented in this Report or relied upon by KSV in preparing this Report. Any party wishing to place reliance on the Company's financial information should perform its own diligence and any reliance placed by any party on the information presented herein shall not be considered sufficient for any purpose whatsoever.
3. An examination of the Cash Flow Forecast as outlined in the Chartered Professional Accountant Canada Handbook has not been performed. Future oriented financial information relied upon in this Report is based upon the Company's assumptions regarding future events; actual results achieved may vary from this information and these variations may be material. KSV expresses no opinion or other form of assurance on whether the Company's forecasted results will be achieved.

1.3 Currency

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

2.0 Background

1. The Company is one of Canada's largest onshore helicopter operators. It operates from two main bases located in Yellowknife, Northwest Territories and Calgary, Alberta, as well as from sub-bases throughout Canada (including Inuvik, Norman Wells and Fort Simpson, Northwest Territories; Terrace, Prince Rupert and Kelowna, British Columbia; and Dryden, Ontario).
2. The Company provides mineral and oil and gas exploration support, forest fire suppression, support to government agencies and other services, including environmental surveying, utilities/pipeline patrol, power line construction and telecommunications support.
3. The Company has approximately 200 employees. The Company's employees are not unionized and the Company does not maintain a pension plan.
4. The Initial Order provides a limited stay of proceedings over the Company's parent, 10671541 Canada Inc. ("106"), and two affiliated entities, Air Tindi Ltd. ("ATL") and Discovery Mining Services Ltd. ("DMS") (together, the "Non-Applicants" and with the Company, the "Group") for the purpose of preventing creditor actions against the Non-Applicants due to the Company's insolvency, its filing for CCAA protection and the relief sought and obtained in any orders of the Court made in the CCAA proceedings.
5. Clairvest is the Company's largest secured creditor. As at October 31, 2018, the Company's obligations owing to Clairvest under its secured debentures totalled approximately \$70 million. The Company's other secured equipment lenders are ECN Aviation Inc. ("ECN"), which is owed approximately \$7.8 million and has a secured interest in eight Company helicopters with subordinate security in all other assets, and Roynat Inc. ("Roynat"), which is owed approximately \$4.3 million and has a secured interest in four Company helicopters with subordinate security in all other assets.

6. CIBC is the Group's operating lender. Pursuant to the Initial Order, the Company was authorized to continue to use its consolidated cash management system. CIBC was owed approximately \$8.2 million as at November 9, 2018.
7. The affidavit of Alasdair Martin, the Company's President, sworn August 31, 2018, was filed with the Court in support of the Company's application for CCAA protection and provides, *inter alia*, details regarding the Company's background, including the reasons for the commencement of these proceedings. Mr. Martin has also filed an affidavit in support of this motion.
8. Further information regarding these proceedings and the SISP is provided in the Monitor's First Report to Court dated September 11, 2018 (the "First Report"), a copy of which is attached as Appendix "B", without appendices.
9. The Court materials filed in these proceedings are available on the Monitor's website at www.ksvadvisory.com/insolvency-cases/great-slave-helicopters.

3.0 SISP

1. The focus from the outset of these proceedings has been to carry out the SISP in a stabilized business environment.
2. The SISP Approval Order was made on September 14, 2018, a copy of which is attached as Appendix "C". The Monitor has carried out the SISP in accordance with the SISP Approval Order. A summary of the SISP is as follows:
 - a) immediately following the issuance of the SISP Approval Order, the Company issued a press release concerning the SISP, a copy of which is attached as Appendix "D";
 - b) the Monitor prepared an interest solicitation letter that was sent to 218 parties which it identified might be interested in an acquisition of, or investment in, the Company. The letter was also sent to parties that had contacted the Monitor on an unsolicited basis following its appointment;
 - c) the Monitor, with the Company's assistance, prepared a confidential information memorandum ("CIM") for this opportunity;
 - d) attached to the solicitation letter was a confidentiality agreement (the "CA") and a SISP acknowledgment (the "Acknowledgment") that interested parties were required to sign in order to obtain a copy of the CIM and access to an online data room set up by the Monitor;
 - e) over the course of the SISP, the Monitor facilitated diligence requests from interested parties, including by working with management to update the data room with current financial and other information and by arranging site visits and management meetings at the Company's premises in Yellowknife, NWT and/or Springbank, Alberta;

- f) offers were required to be submitted to the Monitor by 5:00 pm (Eastern time) on October 17, 2018; and
 - g) bidders were required to provide a cash deposit equal to 15% of their proposed purchase price at the time they submitted their bids.
3. The acquisition opportunity was also exposed to the market through an article published in Skies Magazine on September 14, 2018. The Monitor understands that Skies Magazine is a leading publication in the aviation industry.
 4. Paragraph 4 of the SISP provides the Monitor with the flexibility to extend any deadline for up to two weeks without Court approval. On October 15, 2018, the Monitor, in consultation with the Company and Clairvest, extended the bid deadline from October 17, 2018 to October 31, 2018. Before finalizing the extension, the Monitor also notified CIBC and Roynat. The Monitor then sent a letter to each party that had executed a CA and an Acknowledgement and posted a notice of the extension on its website. Copies of the letter and notice are attached as Appendix “E”.
 5. As part of the process to extend the bid deadline, on October 15, 2018, the Monitor also sent a letter to interested parties requesting, *inter alia*, that bidders submit on October 17, 2018 an overview of their prospective transaction, including the value range and material conditions. The letter also advised that the Monitor would be placing in the data room an electronic template version of the asset purchase agreement and recommended that interested parties submit their offer in the form of the template, with any changes blacklined against the template. A copy of the Monitor’s letter dated October 15, 2018 is attached as Appendix “F”.
 6. The Monitor provided regular SISP updates to the Company’s secured lenders, being Clairvest, Roynat and CIBC.
 7. From the outset of the CCAA process, ECN had expressed a desire that the eight helicopters which it had financed not be part of the SISP. ECN had effected registrations in respect of those helicopters in the International Registry of Mobile Assets under the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment (the “Capetown Convention”), and ECN decided to remove its aircraft and dispose of them independently. After the Monitor received an opinion from Goodmans confirming that the ECN interests were valid, enforceable and first ranking with respect to the eight aircraft, ECN was allowed to take possession of those aircraft on a consensual basis. Accordingly, ECN did not receive updates on the SISP.
 8. Similarly, 9333 Helicopters Inc. (“9333”) advised the Monitor that it wished to remove its helicopters from the SISP. 9333 had leased three helicopters to the Company, none of which were in regular active service. After the Monitor received an opinion from Goodmans confirming that 9333’s interests were valid, enforceable and first ranking in respect of those aircraft, 9333 was allowed to remove their aircraft on a consensual basis.

3.1 Capital Canada Ltd.

1. Capital Canada Ltd. (“CCL”) had been retained by Clairvest prior to these CCAA proceedings in an effort to identify a purchaser for the Company.
2. Given CCL’s prior involvement with the Company, its dealings with prospective going-concern purchasers and its substantial expertise in the aviation sector, on September 28, 2018, the Monitor, in consultation with Clairvest, engaged CCL as its agent to assist it to carry out the SISP. Pursuant to its engagement letter, CCL’s fees for its assistance in the SISP are to be paid by 106.
3. The Monitor worked closely with CCL throughout the SISP. CCL’s involvement was focused on pursuing going-concern transactions, including to continue its prior dealings with certain prospective purchasers. CCL’s experience in the aviation industry was helpful in generating a successful outcome for the SISP.

3.2 SISP Results

1. A summary of the SISP results is as follows:
 - a) Of the 218 strategic and financial parties approached by the Monitor, 58 parties signed a CA and Acknowledgement and participated in the SISP.
 - b) On October 17, 2018, three parties submitted “transaction overview” letters to the Monitor, as requested by the Monitor on October 15, 2018.
 - c) On October 31, 2018, 29 offers were submitted to the Monitor, as follows:

Type	Number of Offers
Going-concern	2
Select assets	20
Liquidation proposals	7

2. From October 31, 2018 to November 8, 2018, the Monitor, with the assistance of CCL and Goodmans, worked with the Purchaser and its counsel to finalize the terms of the APA. The offer was finalized and accepted on November 8, 2018 and the only material condition in the APA is Court approval.
3. A summary of the offers received is attached as Confidential Appendix “1”. The Monitor’s rationale for filing this schedule on a confidential basis is set out in Section 4.4 below.

4.0 Transaction¹

1. The key terms and conditions of the APA include the following:
 - a) Purchaser: entity incorporated by Pat Campling, an individual with significant experience in the aviation sector.

¹ Defined terms in this section of the Report have the meanings provided to them in the APA.

- b) Assets to be purchased: the Company's right, title and interest in, to and under substantially all of its business, assets and contracts, excluding accounts receivable and the Aircraft.
 - c) Joint Venture Interests: the Purchased Assets include the Company's minority interest in 13 joint venture agreements with Aboriginal groups. The Monitor understands that the Company and the Purchaser are in the process of discussing the Transaction with these joint venture partners, including that it provides for the continuation of helicopter services to remote areas throughout Northern Canada. All of the Company's joint venture partners are being served with the Company's Motion Record. Certain of the joint venture agreements include rights of first refusal that allow the Company's joint venture partner to acquire the Company's interest in the joint venture. It is the Purchaser's hope and intention to simply assume all of the existing obligations of the Company under the various agreements with these joint venture parties, and to not trigger any rights of first refusal mechanisms, but to maintain them going forward, in a fashion which is beneficial for those Aboriginal groups and the communities they serve.
 - d) Assumed Liabilities: all liabilities and obligations of the Company under the Contracts and in respect of the Transferred Employees. Within two days prior to closing, the Purchaser is required to identify the Transferred Employees and Contracts to be included in the Transaction.
 - e) Transportation Licenses: the Purchaser intends to have the transportation licences re-issued within 90 days following the Closing Date, during which period the Purchaser will continue to operate. The Company has agreed under the APA to assist the Purchaser for a period of up to 90 days after the Closing Date in its efforts to have transportation licences re-issued.
 - f) Conditions Precedent: the agreement is consistent with standard insolvency transactions, i.e. to be completed on an "as is, where is" basis with minimal representations, warranties and conditions. As noted, the only remaining material condition is Court approval. While financing is not a condition to the Transaction, Clairvest has agreed to provide a certain amount of new funding to the Purchaser in the event same becomes necessary. The Monitor understands that Clairvest and the Purchaser will have further discussions in this regard.
 - g) Deposit: in accordance with the SISF, the Purchaser funded a 15% deposit, which is held in the Monitor's trust account.
2. A redacted version of the APA is attached as Appendix "G". An unredacted version is filed as Confidential Appendix "2". The basis for sealing the unredacted version of the APA is provided in Section 4.4 below.

4.1 Aircraft Sale to Delta

1. On October 31, 2018, Delta submitted an offer letter for the Aircraft, a redacted copy of which (redacted for sale price only) is attached as Appendix "H". An unredacted version of the offer is filed as Confidential Appendix "3". The basis for sealing the unredacted version of the Delta offer letter is provided in Section 4.4 below.

2. Delta's offer letter contemplates a cash purchase price and is conditional on it receiving clean title to the Aircraft. In accordance with the SISP, Delta funded a 15% deposit, which is being held in the Monitor's trust account.

4.2 Recommendation

1. The Monitor believes the Transaction, and the proposed sale to Delta, are appropriate for the following reasons:
 - a) the SISP was carried out in accordance with the SISP Approval Order;
 - b) in the Monitor's view, the SISP was commercially reasonable, including its timelines, the breadth of the marketing process and the information made available to interested parties, including information in the CIM and the data room;
 - c) in respect of the SISP timeline, CCL canvassed the market for several months prior to the commencement of the SISP and KSV, in its capacity as CCAA monitor of Discovery Air Inc. ("DAI"), carried out a Court-approved sale process for DAI's subsidiaries, including the Company, in April and May of 2018. Accordingly, in the Monitor's view, and as evidenced by the number of offers received, the duration of the SISP (roughly 6 weeks) was sufficient to allow interested parties to perform diligence and submit offers;
 - d) the value of the Transaction was the highest of the offers received in the SISP;
 - e) the value of the Transaction (together with the value of the Excluded Assets and the Aircraft) exceeds, by far, the liquidation value of the Company's business and assets;
 - f) the SISP provided all prospective bidders with the opportunity to submit offers for the assets or investment proposals to recapitalize the Company – no investment proposals were submitted;
 - g) the Transaction is expected to preserve employment for a substantial number of the Company's employees, whereas the alternative, liquidation, would result in the loss of all employment;
 - h) the Transaction provides for the ongoing provision of helicopter services in remote areas of Northern Canada;
 - i) Clairvest, the Company's largest economic stakeholder, has agreed to support the Transaction;
 - j) CIBC has advised that it is not opposed to the requested relief;
 - k) Roynat has been advised of the results of the SISP, including the bids for the four aircraft it financed, and will be served with the Company's motion record together with all of the Company's other secured creditors;

- l) the Monitor does not believe that further time spent marketing the Company's business and assets will result in a superior transaction. Should a transaction not be completed imminently, the Company will be forced to discontinue operations as it lacks the liquidity to continue to operate;
 - m) Delta's offer for the Aircraft was the best offer received for that asset and the offer is unconditional. Based upon an opinion received from Goodmans, Clairvest has priority to the Aircraft and it supports the sale of the Aircraft; and
 - n) the Monitor is not aware of any party who has advised of any opposition.
2. Based on the foregoing, the Monitor recommends that this Honourable Court approve the Transaction and the sale of the Aircraft to Delta.

4.3 Anticipated Timeline to Closing

1. The Transaction contemplates a Closing Date of November 23, 2018 or such other date as the parties may agree in writing. There is no "outside date" and it is the Monitor's understanding that the Purchaser and the Company are working diligently to close the Transaction as soon as possible following Court approval (if granted).

4.4 Sealing

1. The Monitor recommends that the unredacted versions of the APA and Delta's offer letter be filed with the Court on a confidential basis and remain sealed until the closings of such transactions, as evidenced by the filing of the Monitor's certificates, as the availability of this information to other parties may negatively impact any future sale process for the Company's business and assets if the Transaction or the Delta sale do not close. The Monitor also recommends that the offer summary be sealed pending further order of the Court given the sensitive nature of the information contained therein. The Monitor does not believe that any stakeholder will be prejudiced if the information is sealed. The redacted versions of the APA and the Delta offer have been redacted for price and financial information only.

5.0 Cash Flow Forecast

1. The prior cash flow projection filed with the Court covered the period ended November 25, 2018. The Company has prepared a Cash Flow Forecast for the period ending December 30, 2018. The Cash Flow Forecast and the Company's statutory report on the cash flow prepared pursuant to Section 10(2)(b) of the CCAA is attached as Appendix "I".
2. The Cash Flow Forecast reflects that the Company has sufficient liquidity to continue to operate through the requested extension period without the need for a debtor-in-possession loan facility.
3. The Cash Flow Forecast contemplates normal course operations through December 30, 2018. As noted above, subject to Court approval, it is anticipated that the Transaction will close before December 30, 2018. Once the Transaction closes, the Company's business will be discontinued and its operating costs will be nominal. Any costs of operations to complete a wind-down would be funded from the proceeds of the Transaction or the sale of the Aircraft to Delta.

4. Based on KSV's review of the Cash Flow Forecast, the assumptions appear reasonable. KSV's statutory report on the Cash Flow Forecast is attached as Appendix "J".

6.0 Stay Extension

1. The Monitor supports the Company's request for an extension of the stay of proceedings from November 23, 2018 to January 18, 2019 for the following reasons:
 - a) the Company is acting in good faith and with due diligence;
 - b) the extension will provide the opportunity to complete the SISP;
 - c) the Cash Flow Forecast reflects that the Company is projected to have sufficient funding to continue to operate in the normal course through the proposed stay extension period;
 - d) Clairvest, being the principal economic stakeholder in these proceedings, supports the stay extension;
 - e) CIBC's counsel has advised that CIBC does not oppose the extension; and
 - f) no creditor will be materially prejudiced if the extension is granted.

7.0 Other Matters

7.1 Reimbursement agreement

1. In July, 2018, prior to the commencement of the CCAA proceedings, the Company's aircraft described as Bell 407, C-FNAK, S/N: 3112 was involved in an accident and assessed as a total loss. Clairvest was believed to have a first ranking security interest in this aircraft.
2. Pursuant to a Final Aircraft Hull Statement in Proof of Loss finalized on August 13, 2018, and the corresponding Final Computation of Loss Settlement between the Company and Clairvest, the underwriters on the Company's insurance policy were authorized to pay US\$1,750,794 directly to Clairvest as a settlement of all claims or liabilities under the insurance policy.
3. The insurance payments were made directly to Clairvest in October, 2018. When these payments were brought to the Monitor's attention, the Monitor instructed counsel to prepare a Reimbursement Agreement as there had not yet been a distribution motion in these proceedings nor had a security opinion been issued by the Monitor's counsel, Goodmans, at that time.
4. On October 9, 2018, Clairvest, the Company and the Monitor entered into the Reimbursement Agreement, a copy of which is attached as Appendix "K".
5. Goodmans has since rendered an opinion which provides that, among other things and subject to the customary qualifications detailed therein, Clairvest held a first ranking security interest in the subject aircraft. Accordingly, Clairvest is entitled to the insurance proceeds described above.

7.2 Chilean Operations

1. As at the date of this Report, the operations of the Company's Chilean subsidiary, Discovery Air Innovations Ltda. ("DA Chile"), are in the process of being discontinued. The Transaction does not include the Company's interest in DA Chile nor any of DA Chile's assets.
2. The Monitor has been advised that the Company is pursuing a transaction for the shares of DA Chile with management of DA Chile. Any transaction involving DA Chile will be the subject of a future motion in these proceedings, should Court approval be required, or will be disclosed by the Monitor in a subsequent report to Court.

8.0 Professional Fees

1. The Monitor's fees (excluding disbursements and HST) from the commencement of these proceedings, until October 31, 2018, and those of its legal counsel, Goodmans, for the same period, total approximately \$415,556 and \$162,544, respectively. The fees of the Monitor and Goodmans also include activities undertaken prior to the date of the Initial Order in connection with preparing for these CCAA proceedings.
2. The detailed invoices in respect of the fees and disbursements of the Monitor and Goodmans are provided in appendices to the affidavits filed by KSV and Goodmans in the accompanying motion materials.
3. The average hourly rates for KSV and Goodmans for the referenced billing periods were \$496.33 and \$633.45, respectively.
4. The Monitor is of the view that the hourly rates charged by Goodmans are consistent with the rates charged by corporate law firms practicing in the area of corporate insolvency and restructuring in the Toronto market, and that the fees charged are reasonable and appropriate in the circumstances.

9.0 Anticipated Next Steps in these Proceedings

1. Subject to Court approval of the Transaction, the Delta sale and the proposed stay extension, it is expected that the next steps in these proceedings will be to:
 - a) work with the Purchaser to close the Transaction;
 - b) assist to provide transition services to the Purchaser, to the extent required;
 - c) complete the Aircraft sale to Delta;
 - d) obtain from ECN an update and/or accounting of its marketing efforts to realize on the eight helicopters it repossessed in late October;
 - e) facilitate collections of accounts receivable, being an excluded asset from the Transaction; and
 - f) finalize an allocation of sale proceeds among the Company's secured creditors, following which a distribution motion will be brought before this Honourable Court.

10.0 Conclusion and Recommendation

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

* * *

All of which is respectfully submitted,

A handwritten signature in blue ink that reads "KSV Kofman Inc". The signature is written in a cursive, flowing style.

**KSV KOFMAN INC.
IN ITS CAPACITY AS MONITOR OF
GREAT SLAVE HELICOPTERS LTD.
AND NOT IN ITS PERSONAL CAPACITY**

Appendix “D”

November 23, 2018

My Endorsement is attached.

~~I~~ I am satisfied that

The attached approval and working order shall comply on the terms of the attached. There shall be a security order on the terms of para. 12 of the order.

The attached approval and working order re Aircraft-C56K shall comply on the terms of the attached. There shall be a security order on the terms of para. 8 of the order.

Haines J

ENDORSEMENT

The Court directs the purchaser to provide the Monitor and the Applicant with the purchase price allocation contemplated by the APA prior to the closing of the transaction in order for the Applicant to commence the ROFR process set forth in the Sahtu and Gwich'in Shareholder agreements.

Promptly following the receipt of the purchase price allocation and closing, the Monitor shall provide to ~~each of~~ Counsel to each of Sahtu and Gwich'in (on a confidential basis) the following information with respect to the purchase price allocation:

- (a) the aggregate purchase price;
- (b) the aggregate value allocated to all joint venture interests acquired by the purchaser; and
- (c) the value allocated to the Sahtu or Gwich'in joint venture interest, as applicable.

Until such time as the counterparties to the Sahtu and Gwich'in ROFR provisions exercise their rights in accordance with Paragraphs 8 and 9 of the Approval and Vesting Order, the purchaser shall operate the Sahtu and Gwich'in ROFR Assets in the ordinary course.

November 23/18

Handy J

Appendix “E”

AGREEMENT OF PURCHASE AND SALE

BETWEEN

GREAT SLAVE HELICOPTERS LTD.
as Seller

– and –

11088211 CANADA CORP.
as Buyer

NOVEMBER 8, 2018

AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT is dated as of November 8, 2018

B E T W E E N :

GREAT SLAVE HELICOPTERS LTD., a
corporation existing under the laws of Canada

(the “**Seller**”)

- and -

11088211 CANADA CORP., a corporation
existing under the laws of Canada

(the “**Buyer**”)

CONTEXT:

- A. On September 4, 2018, the Ontario Superior Court of Justice (the “**Court**”) granted an initial order (as amended, the “**Initial Order**”) pursuant to which the Seller obtained protection under the *Companies’ Creditors Arrangement Act* R.S.C. 1985, c. C-36 (as amended, the “**CCAA**”).
- B. Pursuant to the Initial Order, KSV Kofman Inc. was appointed monitor (the “**Monitor**”) in the Seller’s CCAA proceedings.
- C. On September 14, 2018, the Court granted an order approving a sale and investment solicitation process (the “**SISP Order**”) and, among other things, the Monitor was authorized to conduct the sale process pursuant to the SISP Order.
- D. The Seller wishes to sell and the Buyer wishes to purchase the Assets (as defined below) upon and subject to the terms and conditions of this Agreement.

THEREFORE, in consideration of the promises, mutual covenants and agreements contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Parties (as defined below), the Parties agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement the following terms have the following meanings:

- 1.1.1 “**Agreement**” means this agreement of purchase and sale, including all Schedules and Exhibits, as it may be supplemented, amended, restated or replaced from time to time by written agreement between the Parties.

- 1.1.2 “**Aircraft Equipment**” means the airframes listed on Schedule 2 and all related parts that are incorporated or installed on the Aircraft including any engines, major components, propellers and power units and the manuals, logs and technical records associated with each aircraft.
- 1.1.3 “**Applicable Law**” means, at any time, with respect to any Person, property, transaction or event, all applicable laws, statutes, regulations, treaties, judgments and decrees and (whether or not having the force of law) all applicable official directives, rules, consents, approvals, by-laws, permits, authorizations, guidelines, order and policies of any Governmental Authority having authority over that Person, property, transaction or event.
- 1.1.4 “**Approval and Vesting Order**” has the meaning given in Section 6.3.1.
- 1.1.5 “**Assets**” has the meaning given to it in Section 2.1.
- 1.1.6 “**Assumed Obligations**” means all obligations and liabilities of the Seller under the Contracts and in respect of the Transferred Employees.
- 1.1.7 “**Books and Records**” all business and financial records and files of the Business, in hard and soft copy, including the general ledger and accounting records relating to the Business, marketing materials, market research, all customer lists and lists of suppliers, customer records and databases, leases, sub-leases and leasing records, Contracts records, information relating to any Tax imposed on the Assets, all operating manuals, plans and specifications and all of the right, interest and benefit, if any, thereunder and to and in the domain names, telephone numbers and facsimile numbers used by the Sellers in the conduct of the Business; provided, however, that the Seller may retain copies of all books and records included in the Assets to the extent necessary or useful for the administration of the CCAA proceedings or any other proceedings in respect of any of the Seller or the filing of any Tax return or compliance with any Applicable Law or the terms of this Agreement or related to the Excluded Assets.
- 1.1.8 “**Business**” means the business of the Seller.
- 1.1.9 “**Business Day**” means any day excluding a Saturday, Sunday or statutory holiday in the Province of Ontario, and also excluding any day on which the principal chartered banks located in the City of Toronto are not open for business during normal banking hours.
- 1.1.10 “**Canadian Dollars**” or “**CAD \$**” each means the currency of Canada which, as at the time of payment or determination, is legal tender in Canada for the payment or determination of public or private debts.
- 1.1.11 “**CCAA**” has the meaning given to it in Recital A.
- 1.1.12 “**Closing**” means the successful completion of the Transaction.

- 1.1.13 “**Closing Date**” means November 23, 2018 or such other date as the Parties may agree in writing.
- 1.1.14 “**Communication**” means any notice, demand, request, consent, approval or other communication which is required or permitted by this Agreement to be given or made by a Party.
- 1.1.15 “**Confidentiality Agreement**” means the confidentiality agreement entered into between the Monitor and 600418 Saskatchewan Ltd. on behalf of the Buyer dated as of October 10, 2018, as same may be amended, restated, amended and restated, modified, supplemented or replaced from time to time.
- 1.1.16 “**Confidential Information**” has the meaning given to that term in the Confidentiality Agreement.
- 1.1.17 “**Contracts**” means the agreements and licenses listed in Schedule 1 including the contracts related to any personal property leases, Leased Locations, Joint Venture Interests, Transferred Employees or otherwise but excluding, for greater certainty, the Transportation Licenses.
- 1.1.18 “**Court**” means the Ontario Superior Court of Justice (Commercial List).
- 1.1.19 “**Deposit**” has the meaning given in Section 2.6.1.
- 1.1.20 “**Excluded Assets**” means any assets of the Seller not included as part of this Transaction including, without limitation, any accounts receivable and cash or cash equivalents, insurance or insurance claims under any of the Seller’s insurance policies, tax refunds, any contracts not included in the Contracts, and the Transportation Licenses.
- 1.1.21 “**Governmental Authority**” means any federal, provincial, state, local, municipal, regional, territorial, aboriginal, or other government, governmental or public department, branch, ministry, or court, domestic or foreign, including any district, agency, commission, board, arbitration panel or authority and any subdivision of the foregoing exercising or entitled or purporting to exercise any administrative, executive, judicial, ministerial, prerogative, legislative, regulatory or taxing authority or power of any nature; or any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing.
- 1.1.22 “**Initial Order**” has the meaning given to it in Recital A.
- 1.1.23 “**Intellectual Property**” means any and all trademarks, copyrights, patents, patent applications, industrial designs, engineering drawings, trade secrets, trade dress, trade styles or other logos owned by the Seller and all licenses related to the foregoing, any applications of and/or registrations by the Seller (whether domestic or foreign) in respect thereof, all software, know-how, hardware, servers and computers containing the foregoing, including, without limitation, the Intellectual Property described in Schedule 4.

- 1.1.24 “**Inventory**” means all items that are owned by the Seller for sale, license, rental, lease or other distribution in the ordinary course of the Business, or which are to be consumed by the Seller in the maintenance of Aircraft or the provision of services in the ordinary course of the Business, of every kind and nature and wheresoever situated, including inventories of spare parts, operating supplies and maintenance supplies or materials.
- 1.1.25 “**Joint Venture Interests**” means the Seller’s interest in the joint ventures listed on Schedule 5.
- 1.1.26 “**Leased Locations**” means the Seller’s leased locations listed on Schedule 6.
- 1.1.27 “**Transportation Licenses**” means the Seller’s Air Operator’s Certificate license and Approved Maintenance Organization license or any other operational licenses issued by any regulatory body to the Seller.
- 1.1.28 “**Monitor**” has the meaning given to it in Recital B.
- 1.1.29 “**Other Equipment**” means all machinery, equipment, furnishings, furniture, parts, tools, computer hardware, supplies, accessories and other tangible personal and moveable property (other than Inventory) owned by the Sellers for use in or relating to the Business, whether located on the Sellers’ premises or elsewhere, including all rights of the Seller under warranties, indemnities, licenses, and all similar rights related to such assets, and including without limitation those assets listed in Schedule 3; provided, however, that Other Equipment shall not include Aircraft equipment or any assets leased by the Seller.
- 1.1.30 “**Parties**” means the Seller and the Buyer, and “**Party**” means either one of them.
- 1.1.31 “**Permitted Encumbrances**” means:
- 1.1.31.1 unregistered liens for municipal taxes, assessments or similar charges incurred by the Seller in the ordinary course of its business that are not yet due and payable or, if due and payable, are to be adjusted between the Seller and the Buyer on Closing;
- 1.1.31.2 inchoate mechanic’s, construction and carrier’s liens and other similar liens arising by operation of law or statute in the ordinary course of the Seller’s business for obligations which are not delinquent and will be paid or discharged in the ordinary course of the Seller’s business;
- 1.1.32 “**Person**” means an individual, body corporate, sole proprietorship, partnership or trust or unincorporated association, unincorporated syndicate, unincorporated organization, or another entity, and a natural person, acting in his or her individual capacity or in his or her capacity as executor, trustee, administrator or legal representative, and any Governmental Authority.
- 1.1.33 “**Purchase Price**” means CDN\$17,820,000 (Seventeen Million, Eight Hundred and Twenty Thousand Canadian Dollars), with payment of the Purchase Price to be made

in accordance with Section 2.6 and allocation of the Purchase Price to be made in accordance with Section 2.7.

- 1.1.34 **“Real Property Interests”** means all real or immovable property in respect of which the Seller has either a freehold interest or a leasehold interest on which the Seller owns a building, all as listed on Schedule 7, and all of the Sellers’ right, title and interest in all buildings, structures, installations, improvements, appurtenances and fixtures thereon or forming part thereof.
- 1.1.35 **“SISP Order”** has the meaning given to it in Recital C.
- 1.1.36 **“Time of Closing”** means 5PM, Toronto Time, on the Closing Date or such other time on the Closing Date as the Parties may mutually agree.
- 1.1.37 **“Transaction”** means the transaction of purchase and sale contemplated by this Agreement.
- 1.1.38 **“Transferred Employees”** has the meaning given to it in Section 4.1.

1.2 Entire Agreement

This Agreement, together with the agreements and other documents to be delivered pursuant to this Agreement, constitutes the entire agreement between the Parties pertaining to the subject matter of this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties, other than the provisions of the Confidentiality Agreement, and there are no representations, warranties or other agreements between the Parties in connection with the subject matter of this Agreement except as specifically set out in this Agreement or the other agreements and documents delivered pursuant to this Agreement. This Agreement may not be amended or modified in any respect, except by written instrument signed by the Parties.

1.3 Time of Day

Unless otherwise specified, references to time of day or date mean the local time or date in the City of Toronto, Province of Ontario.

1.4 Business Day

Whenever any payment to be made or action to be taken under this Agreement is required to be made or taken on a day other than a Business Day, the payment is to be made or action taken on the next Business Day following.

1.5 Governing Law

This Agreement is governed by, and is to be construed and interpreted in accordance with, the laws of the Province of Ontario and the laws of Canada applicable in that Province.

1.6 Certain Rules of Interpretation

- 1.6.1 In this Agreement, words signifying the singular number include the plural and vice versa, and words signifying gender include all genders. Every use of the word “including” in this Agreement is to be construed as meaning “including, without limitation”.
- 1.6.2 The division of this Agreement into Articles and Sections, the insertion of headings and the provision of a table of contents are for convenience of reference only and do not affect the construction or interpretation of this Agreement.
- 1.6.3 References in this Agreement to an Article, Section, Schedule or Exhibit are to be construed as references to an Article, Section, Schedule or Exhibit of or to this Agreement unless the context requires otherwise.
- 1.6.4 Unless otherwise specified in this Agreement, time periods within which or following which any payment is to be made or act is to be done will be calculated by excluding the day on which the period commences and including the day on which the period ends. If the last day of a time period is not a Business Day, the time period will end on the next Business Day.
- 1.6.5 Unless otherwise specified, any reference in this Agreement to any statute includes all regulations made under or in connection with that statute, and is to be construed as a reference to that statute as amended, supplemented or replaced.
- 1.6.6 Whenever an amount of money is referred to in this Agreement, that amount will, unless otherwise expressly stated, be in Canadian Dollars.

1.7 Schedules and Exhibits

The following is a list of Schedules and Exhibits:

Schedule	Subject Matter	Section Reference
Schedule 1	Contracts	1.1.17
Schedule 2	Aircraft Equipment	1.1.2
Schedule 3	Other Equipment	1.1.29
Schedule 4	Intellectual Property	1.1.23
Schedule 5	Joint Venture Interests	1.1.25
Schedule 6	Leased Locations	1.1.26
Schedule 7	Real Property	1.1.34
Schedule 8	Transferred Employees	1.1.38

Schedule	Subject Matter	Section Reference
Schedule 9	Allocation of Purchase Price	2.7
Exhibit	Subject Matter	
Exhibit A	Form of Approval and Vesting Order	

ARTICLE 2 SALE AND PURCHASE AND ASSIGNMENT

2.1 Sale and Purchase of Assets

Subject to the terms and conditions of this Agreement, and relying upon the representations and warranties herein, at the Closing Time upon the Closing Date, the Seller hereby agrees to sell, assign, convey and transfer to the Buyer and the Buyer hereby agrees to purchase all right, title and interest of the Seller in and to the Aircraft Equipment, Other Equipment, Inventory, Contracts (including without limitation real property leases for the Leased Locations), Books and Records, Intellectual Property and Real Property Interests (collectively, the “**Assets**”).

The Buyer acknowledges that it is not purchasing any other assets, property or undertaking of the Seller other than the Assets, including without limitation the Excluded Assets.

2.2 Assignment and Assumption of Contracts

Subject to the conditions and terms of this Agreement, the Seller will assign to the Buyer all of the Seller’s rights, benefits and interests in and to the Contracts and the Buyer will assume the Assumed Obligations. This Agreement and any document delivered under this Agreement will not constitute an assignment or an attempted assignment of any Contract contemplated to be assigned to the Buyer under this Agreement which is not assignable without the consent of a third party if that consent has not been obtained and that assignment or attempted assignment would constitute a breach of such Contract or, in the alternative, if an order of the Court authorizing and approving the assignment of the Contracts to the Buyer has not been obtained. At the option of the Seller, any such assignment may be made in the name of and on behalf of the Seller.

The Parties agree that the Buyer shall be entitled, at any time on or before the date which is two (2) Business Days prior to the Closing Date, to remove any Contract and/or related Joint Venture Interest or Leased Location referenced in any of Schedule 2, Schedule 6 or Schedule 7, from such Schedule(s) and from the Assets conveyed, in each case by notice in writing to the Seller and the Monitor as provided for in Section 8.6 hereof. From and after the receipt of any such notice(s) in writing, the relevant Schedule shall be considered so amended. Further, the Parties acknowledge and agree that, should any such deletions occur, revised and final copies of the relevant Schedules will be exchanged at Closing between the Buyer, the Seller and the Monitor

and shall form part of the APA, in replacement of the original Schedules, from and after the Closing Date.

2.3 Assumed Obligations

In connection with its acquisition of the Assets, the Buyer will assume the Assumed Obligations, on Closing. On Closing, to the extent necessary, the Buyer will enter into an assumption agreement in form and substance satisfactory to the Seller. The Buyer agrees to pay all necessary costs for curing any defaults, paying any arrears, or performing any obligations under or with respect to the assignment of Contracts and Assumed Obligations.

2.4 Excluded Obligations

Other than the Assumed Obligations, the Buyer will not assume and will not be liable for any other liabilities or obligations of the Seller.

2.5 “As is, Where is”

The Buyer acknowledges that the Seller is selling the Assets on an “as is, where is” basis as they exist on the Closing Date, and that as of the Closing Date, the Seller will have no further liability to the Buyer. The Buyer further acknowledges that it has entered into this Agreement on the basis that the Seller does not guarantee title to the Assets and that the Buyer has conducted any inspections of the condition of and title to the Assets that it deemed appropriate, and has satisfied itself with regard to these matters. No representation, warranty or condition is expressed or can be implied as to title, encumbrances, description, fitness for purpose, merchantability, condition, quantity or quality, assignability or in respect of any other matter or thing concerning the Assets or the right of the Seller to sell them, save as expressly represented or warranted in this Agreement. Without limiting the generality of the foregoing, any and all conditions, warranties or representations expressed or implied pursuant to the *Sale of Goods Act* (Ontario) or similar legislation do not apply to this transaction of purchase and sale and have been waived by the Buyer. The description of the Assets contained in the Schedules is for purposes of identification only. No representation, warranty or condition has or will be given by the Seller concerning the completeness or accuracy of those descriptions.

2.6 Payment of the Purchase Price

The Buyer will pay the Purchase Price to the Monitor as follows:

- 2.6.1 the sum of CDN\$2,700,000 (Two Million, Seven Hundred Thousand Canadian Dollars) the receipt of which the Monitor acknowledges, was paid by the Buyer prior to the execution of this Agreement as a deposit (the “**Deposit**”), to be held by the Monitor in trust until the Closing and to be credited toward the Purchase Price upon Closing; and
- 2.6.2 the balance of the Purchase Price, after crediting the Deposit, will be paid upon Closing by certified cheque or by wire transfer to the Monitor.

The Monitor agrees to cause the Deposit to be placed into a non-interest bearing account or certificate of deposit. All amounts payable to the Monitor shall be by way of wire transfer (to a

bank account specified by the Monitor) or such other form of payment as is acceptable to the Monitor. The Buyer acknowledges and agrees that the Deposit is non-refundable except as provided under Section 7.7.

2.7 Allocation of Purchase Price

The Purchase Price will be allocated among the Assets in accordance with Schedule 9.

2.8 Taxes

- 2.8.1 The Buyer will pay upon Closing, in addition to the Purchase Price, all applicable federal and provincial or territorial taxes eligible in connection with the purchase and sale of the Assets, including harmonized sales tax and any other provincial or territorial sales tax, and shall provide the Seller with proof of payment of such taxes. Alternatively, where applicable, the Buyer will have the option to furnish the Seller with appropriate exemption certificates.
- 2.8.2 The Buyer agrees to indemnify and save the Seller harmless from and against all claims and demands for payment of all applicable taxes in connection with this Agreement and the Transaction, including penalties and interest and any liability or costs incurred as a result of any failure to pay those taxes when due.

ARTICLE 3 [INTENTIONALLY DELETED]

ARTICLE 4 EMPLOYEES

4.1 Employees

At least two (2) Business Days prior to the Closing Date, the Buyer shall provide a list to the Monitor and the Seller of those employees of the Seller to whom the Buyer wishes to offer employment on terms and conditions that are substantially similar and no less favourable to those terms and conditions that such employees currently enjoy. The employees who accept the Buyer's offer shall be referred to as the "Transferred Employees". Seller agrees that, on the Closing Date, it shall terminate the employment of any employees who are not Transferred Employees.

The Buyer shall assume and be responsible for all liabilities and obligations with respect to the Transferred Employees following the Closing Date, including, but not limited to, any required notice of termination, termination or severance pay (required under Applicable Law or under any Contract), employment insurance, workplace safety and insurance/workers' compensation, Canada Pension Plan, salary or wages, vacation pay, overtime pay, payroll or employer health Taxes, commissions, bonuses or vacation entitlements and accruals. The Buyer shall also

assume and be responsible for any vacation pay or wage liability with respect to the Transferred Employees, whether accruing or arising prior to or following the Closing Date.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES

5.1 Buyer's Representations and Warranties

The Buyer represents and warrants to the Seller that:

- 5.1.1 the Buyer is a corporation duly incorporated, organized and subsisting under the laws of Canada;
- 5.1.2 the Buyer has all necessary corporate power, authority and capacity to enter into this Agreement and to perform its obligations and the execution and delivery of this Agreement and the consummation of the Transaction have been duly authorized by all necessary corporate action on the part of the Buyer;
- 5.1.3 the Buyer is not a party to, bound or affected by or subject to any indenture, agreement, instrument, charter or by-law provision, order, judgment or decree which would be violated, contravened or breached by the execution and delivery by it of this Agreement or the performance by it of any of the terms contained in this Agreement;
- 5.1.4 to the best of the Buyer's knowledge, no actions or proceedings are pending or have been threatened to restrain or prohibit the completion of the Transaction;
- 5.1.5 this Agreement and each of the other documents contemplated under this Agreement to which the Buyer is or will be a Party have been or will be, as at the Time of Closing, duly and validly executed and delivered by the Buyer and constitutes or will, as at the Time of Closing, constitute legal, valid and binding obligations of the Buyer, as the case may be, enforceable in accordance with their terms;
- 5.1.6 the Buyer is not a non-Canadian person as defined in the *Investment Canada Act*; and
- 5.1.7 the Buyer is or will be registered under Part IX of the *Excise Tax Act* (Canada) on or before the Time of Closing.

5.2 Seller's Representations and Warranties

The Seller represents and warrants to the Buyer that:

- 5.2.1 the Seller has the right to enter into this Agreement and complete the Transaction;
- 5.2.2 the Seller is not a non-resident of Canada within the meaning of that term as used in the *Income Tax Act* (Canada);
- 5.2.3 the Seller has done no act to encumber the Assets other than allowing charges created pursuant to Permitted Encumbrances to exist or be formed in the ordinary course;

- 5.2.4 the Seller has not previously sold or done any act to encumber the Assets; and
- 5.2.5 to the best of the Seller's knowledge, no actions or proceedings are pending and none have been threatened to restrain or prohibit the completion of the Transaction.

ARTICLE 6 CONDITIONS

6.1 Conditions in favour of the Buyer

The obligation of the Buyer to complete the Transaction is subject and conditional to the satisfaction of the following conditions on or prior to the Time of Closing:

- 6.1.1 all representations and warranties of the Seller contained in this Agreement will be true as of the Closing Date with the same effect as though made on and as of that date;
- 6.1.2 the Seller acknowledges that the Buyer will seek to have the transportation licences for the Business re-issued, that the Buyer will continue to operate during that time, and Seller undertakes to assist the Buyer for a period of up to 90 days after the Closing Date in its efforts to have transportation licences re-issued in respect of the Business;
- 6.1.3 no action or proceedings will be pending or threatened to restrain or prohibit the completion of the Transaction contemplated by this Agreement;
- 6.1.4 the Seller will have performed each of its obligations under this Agreement to the extent required to be performed on or before the Closing Date;
- 6.1.5 no material loss or damage to the Assets when taken as a whole will have occurred on or before the Closing Date; and
- 6.1.6 the Buyer shall have received financing from Clairvest Group Inc., or affiliates thereof, in the amount of CDN \$8,910,000 (Eight Million, Nine Hundred and Ten Thousand Canadian Dollars), to close concurrently with the Closing.

The foregoing conditions are for the exclusive benefit of the Buyer. Any condition may be waived by the Buyer in whole or in part. Any such waiver will be binding on the Buyer only if made in writing.

6.2 Conditions in favour of the Seller

The obligation of the Seller to complete the Transaction is subject and conditional to the satisfaction of the following conditions on or prior to the Time of Closing:

- 6.2.1 all representations and warranties of the Buyer contained in this Agreement will be true as of the Closing Date with the same effect as though made on and as of that date;

- 6.2.2 no action or proceedings will be pending or threatened to restrain or prohibit the completion of the Transaction contemplated by this Agreement;
- 6.2.3 the Buyer will have performed each of its obligations under this Agreement to the extent required to be performed on or before the Closing Date; and
- 6.2.4 no material loss or damage to the Assets when taken as a whole will have occurred on or before the Closing Date.

The foregoing conditions are for the exclusive benefit of the Seller. Any condition may be waived by the Seller in whole or in part. Any such waiver will be binding on the Seller only if made in writing.

6.3 Conditions—Approval and Vesting Order

The obligations of the Seller and Buyer to complete the Transaction are subject to the following conditions being fulfilled or performed at or prior to the Time of Closing:

- 6.3.1 an order will have been made by the Court on or before November 23, 2018 approving this Agreement and the Transaction and vesting in the Buyer all the right, title and interest of the Seller in the Assets free and clear of all liens, security interests and other encumbrances, such order to be substantially in the form of the order attached as Exhibit A (the “**Approval and Vesting Order**”); and
- 6.3.2 the Approval and Vesting Order will not have been stayed, varied or vacated and no order will have been issued and no action or proceeding will be pending to restrain or prohibit the completion of the Transaction.

The Parties hereto acknowledge that the foregoing conditions are for the mutual benefit of the Seller and the Buyer.

6.4 Non-Satisfaction of Conditions

If any condition set out in this Article is not satisfied or performed prior to the time specified therefor, a Party for whose benefit the condition is inserted may in writing:

- 6.4.1 waive compliance with the condition in whole or in part in its sole discretion by written notice to the other Party and without prejudice to any of its rights of termination in the event of non-fulfilment of any other condition in whole or in part; or
- 6.4.2 elect on written notice to the other Party to terminate this Agreement before Closing.

ARTICLE 7 CLOSING

7.1 Closing

The completion of the Transaction will take place on the Closing Date at the Time of Closing or as otherwise determined by mutual agreement of the Parties in writing. If an in person closing is required it will take place at the offices of Goldman Sloan Nash & Haber LLP or as otherwise mutually agreed by the Parties.

7.2 Buyer's Deliveries on Closing

At or before the Time of Closing, the Buyer will execute and deliver to the Seller the following, each of which will be in form and substance satisfactory to the Seller, acting reasonably:

- 7.2.1 payment of the balance of the Purchase Price as contemplated in Section 2.6.2;
- 7.2.2 a bill of sale;
- 7.2.3 a certificate dated the Closing Date, confirming that all of the representations and warranties of the Buyer contained in this Agreement are true as of the Closing Date, with the same effect as though made on and as of the Closing Date;
- 7.2.4 a certificate dated the Closing Date, confirming that each of the conditions precedent in Section 6.1 of this Agreement have been fulfilled, performed or waived as of the Closing Date;
- 7.2.5 a certificate addressed to the Monitor setting out the certifications required by the Monitor's Certificate (as defined in the Approval and Vesting Order);
- 7.2.6 if necessary, payment or evidence of payment of applicable taxes or, if applicable, appropriate tax exemption certificates in accordance with Section 2.8;
- 7.2.7 an assumption agreement as contemplated by Sections 2.2 and 2.3; and
- 7.2.8 any other documentation as is referred in this Agreement or as the Seller may reasonably require to give effect to this Agreement or required by Applicable Law or any Governmental Authority.

7.3 Seller's Deliveries on Closing

At or before the Time of Closing, the Seller will execute and deliver to the Buyer the following, each of which will be in form and substance satisfactory to the Buyer, acting reasonably:

- 7.3.1 One bill of sale for all Assets other than Aircraft Equipment, and separate bills of sale for each of the aircraft constituting the Aircraft Equipment;
- 7.3.2 the Approval and Vesting Order;

- 7.3.3 a certificate dated the Closing Date confirming that all of the representations and warranties of the Seller contained in this Agreement are true as of the Closing Date, with the same effect as though made on and as of the Closing Date;
- 7.3.4 a certificate dated the Closing Date confirming that each of the conditions precedent in Section 6.2 of this Agreement have been fulfilled, performed or waived as of the Closing Date;
- 7.3.5 a certificate addressed to the Monitor setting out the certifications required by the Monitor's Certificate;
- 7.3.6 the Monitor's Certificate; and
- 7.3.7 any other documentation as is referred in this Agreement or as the Buyer may reasonably require to give effect to this Agreement.

7.4 Possession of Assets

The Seller will remain in possession of the Assets until the Time of Closing. On Closing, the Buyer will take possession of the Assets where situate at the Time of Closing. The Buyer acknowledges that the Seller has no obligation to deliver physical possession of the Assets to the Buyer. In no event will the Assets be sold, assigned, transferred or set over to the Buyer until the Buyer has satisfied all delivery requirements outlined in Section 7.2.

7.5 Access to and Removal of Assets

- 7.5.1 The Buyer may have reasonable access to the Assets during normal business hours prior to the Time of Closing for the purpose of enabling the Buyer to conduct any inspections of the Assets as it deems appropriate. Those inspections will only be conducted in the presence of a representative of the Seller if so required at the discretion of the Seller. The Buyer will remove the Assets from the Premises promptly after Closing.
- 7.5.2 The Buyer agrees to indemnify and save the Seller harmless from and against all claims, demands, losses, damages, actions and costs incurred or arising from or in any way directly related to the inspection of the Assets or the attendance of the Buyer, its employees contractors or agents.

7.6 Risk

The Assets will be and remain at the risk of the Seller until Closing and at the risk of the Buyer from and after Closing. If, prior to Closing, the Assets are substantially damaged or destroyed by fire or other casualty, then, at its option, the Buyer may decline to complete the Transaction. This option will be exercised by way of written notification, in accordance with Section 8.6, within 10 days after notification to the Buyer by the Seller of the occurrence of damage or destruction (or prior to the Closing Date if such occurrence takes place within 15 days of the Closing Date) in which event this Agreement will be terminated automatically and the Buyer will be entitled only to a return of the Deposit paid under Section 2.6.1 but without any other compensation. If the Buyer does not exercise this option, it will complete the Transaction and will be entitled to an

assignment of the proceeds of insurance referable to such damage or destruction. Where any damage or destruction is not substantial, as determined by the Seller in its sole opinion, acting reasonably, the Buyer will complete the Transaction and will be entitled to an assignment of the proceeds of insurance referable to such damage or destruction provided that such damage or destruction is insured or, otherwise, to an agreed abatement.

7.7 Termination

If either the Seller or the Buyer validly terminates this Agreement under the provisions of Sections 6.4 or 7.6:

7.7.1 all the obligations of both the Seller and Buyer under this Agreement will be at an end; and

7.7.2 neither Party will have any right to specific performance or other remedy against, or any right to recover damages or expenses from, the other.

For certainty, in the event that the Seller or the Buyer terminates this Agreement under Section 6.4, the Buyer will not be entitled to have the Deposit returned and the Deposit will be forfeited to the Seller, unless termination results from the failure to satisfy conditions in Sections 6.1.2, 6.1.4 or 6.3.

7.8 Breach by Buyer

If the Buyer fails to comply with its obligations under this Agreement, the Seller may by notice to the Buyer elect to treat this Agreement as having been repudiated by the Buyer. In that event, other than as provided for in Section 7.7, the Deposit and any other payments made by the Buyer will be forfeited to the Seller on account of its liquidated damages, and the Assets may be resold by the Seller. In addition, the Buyer will pay to the Seller, on demand, the deficiency, if any, arising upon such resale (after deducting the Deposit, the Interest on the Deposit and the expenses of resale) together with interest and all other damages or charges occasioned by or resulting from the default by the Buyer.

ARTICLE 8 GENERAL

8.1 Paramountcy

In the event of any conflict or inconsistency between the provisions of this Agreement, and any other agreement, document or instrument executed or delivered by the Seller in connection with this Transaction or this Agreement, the provisions of this Agreement will prevail to the extent of that conflict or inconsistency.

8.2 Commission

The Buyer acknowledges that it has not entered into any agreement with any party resulting in an obligation by the Seller to pay agent fees, broker fees, commissions or other amount payable on the Purchase Price or otherwise in connection with the Transaction, and the Buyer agrees to

indemnify the Seller against any claim for compensation or commission by any third party or agent retained by the Buyer in connection with, or in contemplation of, the Transaction.

8.3 Confidentiality

All information exchanged between the Seller and the Buyer in connection with the Transaction will be considered Information. For certainty, the Confidentiality Agreement will continue to be in effect until Closing. Any publicity relating to the Transaction and the manner of releasing any information regarding the Transaction will be mutually agreed upon by the Seller and the Buyer, both Parties acting reasonably.

8.4 Costs and Expenses

Except as otherwise specified in this Agreement, all costs and expenses (including the fees and disbursements of accountants, legal counsel and other professional advisers) incurred in connection with this Agreement and the completion of the Transaction are to be paid by the Party incurring those costs and expenses.

8.5 Time of Essence

Time is of the essence in all respects of this Agreement.

8.6 Notices

Any Communication must be in writing and either:

- 8.6.1 personally delivered;
- 8.6.2 sent by prepaid registered mail; or
- 8.6.3 sent by email or functionally equivalent electronic means of communication, charges (if any) prepaid.

Any Communication must be sent to the intended recipient at its address as follows:

- (a) to the Seller at:

Great Slave Helicopters Ltd.
150 Dickins Street
Yellowknife, NT X1A 3T2

Attention: Alasdair Martin
Email: Alasdair.martin@gsheli.com

with a copy to:

Goldman Sloan Nash & Haber LLP
480 University Ave., Suite 1600
Toronto, ON M5G 1V2

Attention: Mario Forte/ Jennifer Stam
Email: forte@gsnh.com / stam@gsnh.com

(b) to the Buyer at:

11088211 CANADA CORP.

Attention: Mr. Pat Campling Jr
Email: pcampling@transwestair.com

with a copy to:

Zatlyn Law Office
231 1061 Central Avenue
Prince Albert, SK S6V 4V4

Attention: Lawrence J. Zatlyn Q.C.
Email: zatlyn@sasktel.net

(c) to the Monitor at:

KSV Kofman Inc.
150 King Street West, Suite 2308, Box 42
Toronto, ON M5H 1J9

Attention: Bobby Kofman/ David Sieradzki
Email: bkofman@ksvadvisory.com / dsieradzki@ksvadvisory.com

with a copy to:

Goodmans LLP
Bay Adelaide Centre – West Tower
333 Bay Street, Suite 3400
Toronto, ON M5H 2S7

Attention: Joseph Latham
Email: jlatham@goodmans.ca

or at any other address that any Party may from time to time advise the other by Communication given in accordance with this Section 8.6. Any Communication delivered to the Party to whom it is addressed will be deemed to have been given and received on the day it is delivered at that Party's address, provided that if that day is not a Business Day then the Communication will be deemed to have been given and received on the next Business Day. Any Communication

transmitted by PDF or other form of electronic communication will be deemed to have been given and received on the day on which it was transmitted (but if the Communication is transmitted on a day which is not a Business Day or after 3:00 p.m. (local time in the City of Toronto, Province of Ontario), the Communication will be deemed to have been received on the next Business Day). Any Communication given by registered mail will be deemed to have been received on the fifth (5th) Business Day after which it is so mailed. If a strike or lockout of postal employees is then in effect, or generally known to be impending, every Communication must be effected by personal delivery or by PDF or other form of electronic communication.

8.7 Further Assurances

Each Party will, at the requesting Party's cost, execute and deliver all further agreements and documents and provide all further assurances as may be reasonably required by the other Party to give effect to this Agreement and, without limiting the generality of the foregoing, will do or cause to be done all acts and things, execute and deliver or cause to be executed and delivered all agreements and documents and provide all assurances, undertakings and information as may be required from time to time by all regulatory or governmental bodies.

8.8 Amendment and Waiver

No supplement, modification, amendment, waiver, discharge or termination of this Agreement is binding unless it is executed in writing by the Party to be bound. No waiver of, failure to exercise or delay in exercising, any provision of this Agreement constitutes a waiver of any other provision (whether or not similar) nor does such waiver constitute a continuing waiver unless otherwise expressly provided.

8.9 Submission to Jurisdiction

Without prejudice to the ability of any Party to enforce this Agreement in any other proper jurisdiction, each of the Parties irrevocably submits and attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario to determine all issues, whether at law or in equity arising from this Agreement. To the extent permitted by applicable law, each of the Parties irrevocably waives any objection (including any claim of inconvenient forum) that it may now or hereafter have to the venue of any legal proceeding arising out of or relating to this Agreement in the courts of that Province or that the subject matter of this Agreement may not be enforced in the courts and irrevocably agrees not to seek, and waives any right to, judicial review by any court which may be called upon to enforce the judgment of the courts referred to in this Section 8.9, of the substantive merits of any such suit, action or proceeding. To the extent a Party has or hereafter may acquire any immunity from jurisdiction of any court or from any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) with respect to itself or its property, that Party irrevocably waives that immunity in respect of its obligations under this Agreement.

8.10 Assignment and Enurement

Neither this Agreement nor any right or obligation under this Agreement may be assigned by either Party without the prior consent of the other Party. This Agreement enures to the benefit of and is binding upon the Parties and their respective successors and permitted assigns.

8.11 Severability

Each provision of this Agreement is distinct and severable. If any provision of this Agreement, in whole or in part, is or becomes illegal, invalid or unenforceable in any jurisdiction by a court of competent jurisdiction, the illegality, invalidity or unenforceability of that provision will not affect: the legality, validity or enforceability of the remaining provisions of this Agreement; or the legality, validity or enforceability of that provision in any other jurisdiction.

8.12 Counterparts

This Agreement may be executed and delivered by the Parties in one or more counterparts, each of which will be an original, and each of which may be delivered by facsimile, e-mail or other functionally equivalent electronic means of transmission, and those counterparts will together constitute one and the same instrument.

Each of the Parties has executed and delivered this Agreement, as of the date noted at the beginning of the Agreement.

GREAT SLAVE HELICOPTERS LTD.

Per:

Name: Alasdair Martin
Title: President

11088211 CANADA CORP.

Per:

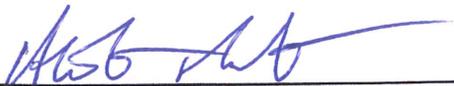
Name: Patrick Campling Jr.
Title: President

8.12 Counterparts

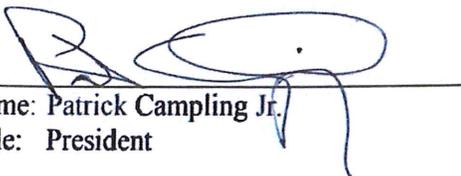
This Agreement may be executed and delivered by the Parties in one or more counterparts, each of which will be an original, and each of which may be delivered by facsimile, e-mail or other functionally equivalent electronic means of transmission, and those counterparts will together constitute one and the same instrument.

Each of the Parties has executed and delivered this Agreement, as of the date noted at the beginning of the Agreement.

GREAT SLAVE HELICOPTERS LTD.

Per: 
Name: Alasdair Martin
Title: President

11088211 CANADA CORP.

Per: 
Name: Patrick Campling Jr.
Title: President

SCHEDULE 1
CONTRACTS [SECTION 1.1.17]

GSH Key Contracts

Document Name	
1	ATL & GSHL - Auyuittuq - 5290 Nunavut - Shareholder Agreement - Oct. 1-11
2	ATL & GSHL - Janvier Land Site Services - Service Agreement - Nov. 12-13
5	GSHL - Amec Foster Wheeler - Change Order - Aug. 11-17
6	GSHL - Apache - Master Service & Supply Agreement - MSSA 100091 - Jan. 23-17
7	GSHL - Auyuittuq - Management Agreement - Oct. 1-11
8	GSHL - Auyuittuq - Marketing Agreement - Oct. 1-11
9	GSHL - BC - Standing Offer #SO-001061 - Sept. 23-16
10	GSHL - BC Wildfire Service - Standing Offer - Apr. 1-17
12	GSHL - Burns Lake - LOI - June 14-13
13	GSHL - Coast Tsimshian Enterprises - Helicopter Services Agreement - Dec. 1-13
14	GSHL - Conocophillips - Master Agreement - Aviation - Dec. 4-14
15	GSHL - Deh Cho Regional Partners Limited Partnership Agreement - June 1-04
16	GSHL - DehCho - Joint Venture Agreement - Nov. 2-04
17	GSHL - Deline - Management Agreement - Dec. 8-10
18	GSHL - Deline - Marketing Agreement - Dec. 8-10
19	GSHL - Deline - Shareholder Agreement - Dec. 8-10
20	GSHL - Denendeh - Management Agreement - June 1-97
21	GSHL - Enbridge - Amendment Agreement - Apr. 26-17
22	GSHL - Enbridge - Master Discount Agreement - 10048 - Apr. 27-17
23	GSHL - Enbridge - Master Discount Agreement- 10137 - Apr. 27-17
24	GSHL - Fort Smith Metis Council - Helicopter Services Agreement - Jan. 8-13
27	GSHL - GNWT - Offer Rotary Wing Aircraft - Feb. 21-17
28	GSHL - Gwich'in - Restated Management Agreement - Jan. 1-06 (<i>subject to the Gwich'in ROFR</i>)
29	GSHL - Gwich'in.GDC - Shareholder Agreement - Set. 21-04 (<i>subject to the Gwich'in ROFR</i>)
30	GSHL - Havgun - Management Agreement - Mar. 5-10
31	GSHL - Havgun & Gruben - Marketing Agreement - Mar. 5-10
32	GSHL - Havgun & Northwind - Marketing Agreement - Mar. 5-10
33	GSHL - Havgun.Gruben.Northwind - Shareholder Agreement - Mar. 5-10
34	GSHL - Hydro One - Vendor Acceptance Form - July 21-14
37	GSHL - K'Ahsho - Management & Marketing Agreement - Jan 30-15
38	GSHL - Kahsho.6226 NWT Ltd. - Shareholder Agreement - June 15-10
39	GSHL - Kitikmeot - Amendment & Restated Management & Agency Agreement - July 3-12
40	GSHL - Kitikmeot.Lyall - Amending Agreement - July 31-12
41	GSHL - Kitikmeot.Lyall - Shareholder Agreement - Apr. 1-00
42	GSHL - Kivallingmiut - Amended Management Agreement - May 8 14 (effective Oct. 29 13)
43	GSHL - Kivallingmiut - Management Agreement - Oct. 28 08
45	GSHL - LTS Infrastructure LP - Amending Agreement #1 (Work Order #5080235-001) - May 31-17
46	GSHL - MB - Sustainable Development Helicopter Flying Offer 2017
49	GSHL - Northwestel - Ethernet Services Agreement - Sept. 21-17
50	GSHL - Northwestel - Purchase Order #89431-000 - Apr. 12-17
51	GSHL - Northwestel Inc. - Contract for Services (Single Project) - Mar. 15-17

Document Name	
55	GSHL - PWSC - Amendment #1 to Call-Up Against Standing Offer - Polar Shelf - June 29-17
56	GSHL - PWSC - Task Authorization #4 - Polar Shelf (10103) - June 1-17
57	GSHL - PWSC - Task Authorization #4 - Polar Shelf (10108) - Mar. 15-17
58	GSHL - PWSC - Task Authorization #5 - Polar Shelf (10102) - June 1-17
59	GSHL - PWSC - Task Authorization #Polar Shelf (10102) - May 5-16
60	GSHL - Manitoulin Trucking Rates as of Dec 9 2016
61	GSHL - REPSOL Oil & Gas - Contract for Onshore VFR Rotary Aircraft Aviation Services - Aug. 29-16
62	GSHL - Sabina - Back River Project - Response - Contract 10195
63	GSHL - Sabina - Services Agreement - Addendum #2 - June 10-17
64	GSHL - Sabina - Services Agreement - Addendum #May 17-17
65	GSHL - Sabina - Services Agreement - Apr. 6-17
66	GSHL - Safran - Appendix 2 - Pricing & Discount Policy
67	GSHL - Safran - Follow On Support Contract - May 22-14
68	GSHL - Sahtu - Management Agreement - July 1-04 (<i>subject to the Sahtu ROFR</i>)
69	GSHL - Sahtu.994461 NWT - USA - July 12-99 (<i>subject to the Sahtu ROFR</i>)
70	GSHL - Sahtu.Husky Oil - Goods & Services Agreement - June 1-17
71	GSHL - Salt River First Nation - Helicopter Services Agreement - Jan. 8-13
72	GSHL - Tlichon Investment Corp - Helicopter Services Agreement - Dec. 1-10
73	GSHL - Tlichon Investment Corp - Helicopter Services Agreement - Dec. 1-10
74	GSHL - Tseax Aviation - Helicopter Services Agreement - Mar. 15-17
75	GSHL - Tseax Development - Helicopter Services Agreement - Apr. 30-16
76	GSHL & ATL - Kivallingmiut - USA - Oct. 28-08
80	Tlichon Helicopters - GSH
81	Keyoh Helicopters - GSH
82	Cheam - GSH
83	Chipewyan Prairie (Janvier) – GSH/ATL
84	Salt River FN - GSH
85	Fort Smith Metis - GSH
86	Squamish - GSH

SCHEDULE 2
AIRCRAFT EQUIPMENT [SECTION 1.1.2]

GSH Owned Helicopters

Total Operational A/C	A/C	Model	S/N
1	C-FGSD	206B	427
2	C-GVTK	206B	104
3	C-GHBY	206LR	45109
4	C-FBFH	206L1	45178
5	C-GSHF	206L3	51349
6	C-FGSC	AS350B2	3067
7	C-FHAF	AS350B2	1543
8	C-FYDA	AS350B2	4157
9	C-GFHN	AS350B2	2128
10	C-GGSV	AS350 B2	2281
11	C-GHMZ	AS350B2	2325
12	C-GNGK	AS350B2	2539
13	C-FIDA	AS350B3	4375
14	C-FQDA	AS350B3	4179
15	C-GBDA	AS350B3	4065
16	C-GSHD	205A++	30058
17	C-FBUC	212S	30687
18	C-GDAO	212	31139
19	C-FJAD	212HP	30966
20	C-FNOU	212HP	30787
21	C-FPMR	212HP	31115
22	C-GKTL	212HP	32124
23	C-FUBK	BK117-B2	7159
24	CP-3081 (XBK)	BK117-B2	7183

**SCHEDULE 3
OTHER EQUIPMENT [SECTION 1.1.29]**

GSH Vehicle Fleet

Automobile	Year	Make	Model	Serial Number	Province Territory Registered	Licence Plate
YK Stores Truck	2011	Ford	F150	1FTFW1EF5BFB12661	NT	C34599
YZF 02	2012	Ford	Explorer	1FMHK8B84CGA33749	NT	C34946
Fort Simpson (YFS01)	2006	Ford	F350	1FTWW31P36EB56499	NT	C34030
Fort Simpson (YFS02)	2006	Ford	F350	1FTWW31P56EC66258	NT	C34034
Fort Simpson (YFS03)	2012	Ford	Explorer	1FMHK8B8XCGA26420	NT	C34948
YVQ02	2006	Ford	Freestyle CV 140	1FMDK05197GA40944	NT	C34046
YVQ03	2012	Ford	Explorer	1FMHK8B83CGA26419	NT	C34947
YVQ04	2012	Ford	Explorer	1FMHK8B85CGA37521	NT	C34945
Inuvik (YEV01)	2009	GMC	Sierra 3500	1GTHK73619F113830	NT	C37205
YLW02	2010	Ford	Ranger	1FTLR4FE2APA23463	BC	2082 KM
Dodge Van	2010	Dodge	Grand Caravan	2D4RN4DE9AR181891	BC	173SXT
YBW 13	2012	Ford	F350	1FT8W3B63CEC88625	AB	BJX2678
YBW 20	2012	Ford	F150	1FTFW1ET1CFC62788	AB	BKH3601
Dryden	2012	Nissan	Pathfinder	5N1AR1NB4CC617233	AB	BGR1311

**SCHEDULE 4
INTELLECTUAL PROPERTY [SECTION 1.1.23]**

Trade Mark/Business Name/Patent/Copyright	Owner	Application #	Registration #	Status	Comments/Renewal date
	Great Slave Helicopters Ltd.	1504530	809111	Filed November 19, 2010 Registered October 14, 2011	Next renewal date: October 14, 2026
	Great Slave Helicopters Ltd.	683572	404048	Registered October 23, 1992 Renewed October 23, 2007	Next renewal date October 23, 2022
Trade Name - AKAITCHO HELICOPTERS	Great Slave Helicopters Ltd.		311107	NT – Registration Sept. 14-17	Business Name

SCHEDULE 5
JOINT VENTURE INTERESTS [SECTION 1.1.25]

JV Name	DA OU	Shareholder Structure
Sahtu Helicopters	GSH	Majority Fort Norman Metis, Minority GSH <i>(Subject to the Sahtu ROFR)</i>
Denedeh Helicopters	GSH	Majority Evergreen Forestry (Hay River and Ft. Providence FN). Minority GSH
Gwich'in Helicopters	GSH	Majority Gwich'in Dev. Corp. Minority GSH <i>(Subject to the Gwich'in ROFR)</i>
K'Asho Got'ine Helicopters	GSH	Majority Yamoga Land Corp. Minority GSH
Skeena River Helicopters	GSH	Majority CTE, minority GSH
Tseax Aviation	GSH	Majority Tseax Dev. Group, minority GSH
Kitikmeot Helicopters	GSH	Majority Bill Lyall. Minority GSH
Auyiuttuq Aviation	GSH/ATL	Majority Tootoo Consulting. Minority GSH/ATL
Kivallingmiut Aviation	GSH/ATL	Majority Tootoo Consulting. Minority GSH/ATL
DehCho Regional	GSH/ATL	N/A
Deline Helicopters	GSH	Majority Techni?q Ltd. Minority GSH
Kamloops Indian Band (KIB)	GSH	N/a
Havgun Helicopters	GSH	Equal split between E Gruben Transport / Northwind Ind. Minority GSH

SCHEDULE 6
LEASED LOCATIONS [SECTION 1.1.26]

GSH - Summary of Leased Locations

Location Description	Street Address	Location	Owned/Leased
Crew House	263 Mackenzie Drive	Norman Wells, NT	Leased
Crew House	19 Falcon Street	Norman Wells, NT	Leased
Hangar	Fort Liard Airport	Fort Liard, NT	Leased
Hangar	Inuvik Airport	Inuvik	Leased
Crew House	Inuvik	Inuvik	Leased
Hangar	Lot 18, Plan 58311 Group 1087 C.L.S.R 1216	Iqaluit	Leased

SCHEDULE 7
REAL PROPERTY INTERESTS [SECTION 1.1.30]

Location Description	Street Address	Location	Land	Buildings
Corporate Office, hangar space, air terminal space	106 Dickens Street (Lot 51, Block 906, Plan 4234)	Yellowknife, NT	Leased	Owned
Crew House	15 Bromley Drive	Yellowknife, NT	Owned	Owned
Crew House	6009 Finlayson Drive	Yellowknife, NT	Owned	Owned
Hangar	Norman Wells Airport	Norman Wells, NT	Leased	Leased
Hangar	Lot 710, Part 1 Plan 45681	Fort Simpson, NT	Leased	Leased
Hangar	Lot 411, Plan 1859	Fort Simpson, NT	Owned	Owned
Hangar	4325 Bristol Road	Terrace	Leased	Owned
Hangar	6285 Airport Way	Kelowna	Leased	Owned

**SCHEDULE 8
TRANSFERRED EMPLOYEES [SECTION 1.1.38]**

Transferred Employees

Pilots	HOC's
Shaun Emeny	Connor Gould
Thomas Frith	Nathan Savoie
Ryan Mutz	Tanner Peltier
Steve Crerar	Thomas Schneider
Daryl Ressler	Heidi Hoefler
Michael Moriarty	Ray Bergeron
Juergen Krieger	
Managers	Engineers
Jonathan Kirby	Krista Loder
Jonathon Talon	Sheldon McKay
Jennifer Burry	Joe Gourd
Charlie Grandy	Robert Higgins
Dennis Rusch	Chris Jenner
Mike Frieden	Mike Alix
Maureen Mills	Scott Dinsmore
Paul Dempsey	Marc Bilideau
Mark O'Brien	Christian Richard
	Dennis McBeth
	Wilbert Romero
	Kurt Vickery
	Jacques Fournier
Apprentices	Safety
Benton Davies	Troy Girard
Robert Hessian	Amber Pilon
Matthew Lemessurer	
QC/QA/Tech	Stores
Lindsay Gebauer	Katie Oniel
Elise Larock	Tyson Mandeville
IT	Accounting
Adam Dunn	Kassi Neary
	Arielle Taekema
	Diane Leggett

SCHEDULE 9
ALLOCATION OF PURCHASE PRICE [SECTION 2.7]

Allocation of Purchase Price to be agreed upon between Buyer and Seller, each acting reasonably

EXHIBIT A
FORM OF APPROVAL AND VESTING ORDER
[SECTION 6.3]

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE ●)
)
) ●, THE ●
 DAY OF ●, 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 GREAT SLAVE HELICOPTERS LTD.

APPLICANT

APPROVAL AND VESTING ORDER

THIS MOTION, made by Great Slave Helicopters Ltd. (the "**Applicant**") for an order approving the sale transaction (the "**Transaction**") contemplated by an asset purchase agreement (the "**Sale Agreement**") between the Applicant and 11088211 Canada Corp. (the "**Purchaser**") dated November ●, 2018, and appended to the affidavit of ●, sworn November ●, 2018, and vesting in the Purchaser the Applicant's right, title and interest in and to the Assets (as defined in the Sale Agreement), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion of the Applicant, the affidavit of ● sworn November ●, 2018, and the Exhibits thereto (the "**● Affidavit**"), the Second Report of KSV Kofman Inc. ("**KSV**"), in its capacity as Monitor (the "**Monitor**") dated November ●, 2018 (the "**Second Report**"), and on hearing the submissions of counsel for the Applicant, the Monitor and the Purchaser, and no one appearing for any other person on the service list, although properly served as appears from the affidavit of service of ● sworn November ●, 2018, filed:

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion, the Motion Record and Second Report is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Sale Agreement by the Applicant is hereby authorized and approved, with such minor amendments as the Applicant and the Purchaser, with the consent of the Monitor, may agree upon pursuant to the Sale Agreement. The Applicant, with the consent of the Monitor, is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Assets to the Purchaser.
3. **THIS COURT ORDERS AND DECLARES** that, upon the delivery of a Monitor's certificate to the Purchaser substantially in the form attached as Schedule "A" hereto (the "**Monitor's Certificate**"), all of the Applicant's right, title and interest in and to the Assets shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Amended and Restated Initial Order of the Honourable Mr. Justice Hainey dated September 4, 2018 (the "**Initial Order**"); (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal or movable property registry system in any provinces or territories in Canada, including, without limitation, under the Civil Code of Quebec; and (iii) any liabilities or obligations of the Applicant other than the Assumed Obligations (as defined in the Sale Agreement) (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the Assumed Obligations or the Permitted Encumbrances (each as defined in the Sale Agreement)). This Court orders that all of the Encumbrances affecting or relating to the Assets are hereby expunged and discharged as against the Assets.

4. **THIS COURT ORDERS** that, upon proof of payment of the Purchase Price (as defined in the Sale Agreement), that the Northwest Territories Land Titles Office cancel the existing certificates of title covering the properties described on Schedule B hereto (the “**NWT Real Properties**”), and to issue new certificates of title covering the NWT Real Properties in the name of the Purchaser free of the Encumbrances listed on Schedule B hereto and any subsequent encumbrances.

5. **THIS COURT ORDERS** that all counterparties to any Contract (as defined in the Sale Agreement) to which the Applicant is a party or beneficiary, are prohibited from exercising any right or remedy under such Contract, including, without limitation, any rights of termination, that arise as a result of, or otherwise relate to, the Transaction, the insolvency of the Applicant, the commencement of the Applicant’s proceedings under the *Companies’ Creditors Arrangement Act* (Canada) (the “**CCAA**”) or any relief granted in such proceedings.

6. **THIS COURT ORDERS** that, for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Assets shall stand in the place and stead of the Assets, and that from and after the delivery of the Monitor’s Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Assets with the same priority as they had with respect to the Assets immediately prior to the sale, as if the Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

7. **THIS COURT ORDERS AND DIRECTS** the Monitor to file with the Court a copy of the Monitor’s Certificate, forthwith after delivery thereof.

8. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Applicant is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Applicant’s records pertaining to the Applicant’s past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Applicant.

9. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Applicant and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Applicant;

the vesting of the Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Applicant and shall not be void or voidable by creditors of the Applicant, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

10. **THIS COURT ORDERS** that: (a) Confidential Appendix “1” to the Second Report of the Monitor shall be and is hereby sealed, kept confidential and shall not form part of the public record pending further Order of this Court; and (b) Confidential Appendix “2” to the Second Report of the Monitor shall be and is hereby sealed, kept confidential and shall not form part of the public record pending the filing of the Monitor’s Certificate contemplated by paragraph 3 hereof.

11. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Applicant and 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 the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

Schedule “A” - Form of Monitor’s Certificate

Court File No.: CV-18-604434-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

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 GREAT SLAVE HELICOPTERS LTD.

APPLICANT

MONITOR’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Mr. Justice Hainey of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated September 4, 2018, KSV Kofman Inc. was appointed as the monitor (the “**Monitor**”) of Great Slave Helicopters Ltd. (the “**Applicant**”).

B. Pursuant to an Order of the Court dated ●, 2018, the Court approved the agreement of purchase and sale made as of November ●, 2018 (the “**Sale Agreement**”) between the Applicant and 11088211 Canada Corp. (the “**Purchaser**”) and provided for the vesting in the Purchaser of the Applicant’s right, title and interest in and to the Assets, which vesting is to be effective with respect to the Assets upon the delivery by the Monitor to the Purchaser of a certificate confirming: (i) the payment by the Purchaser of the Purchase Price for the Assets; (ii) that the conditions to Closing as set out in Article 6 of the Sale Agreement have been satisfied or waived by the Applicant and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Monitor.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE MONITOR CERTIFIES the following:

1. The Purchaser has paid and the Monitor has received the Purchase Price for the Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in Article 6 of the Sale Agreement have been satisfied or waived by the Applicant and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Monitor.
4. This Certificate was delivered by the Monitor at [TIME] on [DATE].

**KSV KOFMAN INC., in its capacity as Monitor
of Great Slave Helicopters Ltd., and not in its
personal capacity**

Per: _____

Name:

Title:

Schedule "B"

NORTHWEST TERRITORIES REAL PROPERTY

Location/Address	Legal Description	Claims to be Expunged/Deleted
Fort Simpson Airport Hangar, Fort Simpson, NT	Lot 411, Plan 1859, Fort Simpson	Mortgage 185,163 registered April 8, 2014 in favour of Clairvest GP Manageco Inc.
15 Bromley Drive, Yellowknife, NT	Lot 8, Block 508, Plan 1080, Yellowknife	Mortgage 185,168 registered April 8, 2014 in favour of Clairvest GP Manageco Inc.
6009 Finlayson Drive N, Yellowknife, NT	Lot 21, Block 526, Plan 1977, Yellowknife	Mortgage 185,168 registered April 8, 2014 in favour of Clairvest GP Manageco Inc.

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

Court File No. CV-18-604434-00CL

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF GREAT
SLAVE HELICOPTERS LTD.**

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

Proceeding commenced at Toronto

APPROVAL AND VESTING ORDER

GOLDMAN SLOAN NASH & HABER LLP

480 University Avenue, Suite 1600

Toronto, Ontario M5G 1V2

Fax: 416-597-6477

Mario Forte (LSUC#: 27293F)

Tel: 416.597.6477

Email: forte@gsnh.com

Michael Rotsztain (LSUC#: 17086M)

Tel: 416.597.7870

Email: rotsztain@gsnh.com

Jennifer Stam (LSUC#: #46735J)

Tel: 416.597.5017

Email: stam@gsnh.com

Lawyers for the Applicant

Appendix “F”

Great Slave Helicopters Ltd.

Projected Cash Flow and Margin Calculation

For the Period Ending February 28, 2019

(Unaudited; C\$)

	Notes	Week Ending											4 Days Ending	Total
		16-Dec-18	23-Dec-18	30-Dec-18	06-Jan-19	13-Jan-19	20-Jan-19	27-Jan-19	03-Feb-19	10-Feb-19	17-Feb-19	24-Feb-19	28-Feb-19	
<i>Receipts</i>														
Accounts receivable collections	2	520,000	732,990	350,000	350,000	400,000	432,990	100,000	100,000	100,000	100,000	100,000	80,000	3,365,980
<i>Total Receipts</i>		520,000	732,990	350,000	350,000	400,000	432,990	100,000	100,000	100,000	100,000	100,000	80,000	3,365,980
<i>Disbursements</i>														
Payroll costs	3	101,846	20,660	55,299	16,000	-	2,660	-	-	-	-	-	-	196,464
Lease payments	4	105,578	-	-	-	-	-	-	-	-	-	-	-	105,578
Professional fees	5	-	-	-	-	125,000	-	-	-	75,000	-	-	-	200,000
Credit card payments	6	-	-	-	-	12,000	-	-	-	-	-	-	-	12,000
Other operating expenses	7	123,650	256,650	20,000	20,000	150,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	640,299
<i>Total Disbursements</i>		331,073	277,309	75,299	36,000	287,000	12,660	10,000	10,000	85,000	10,000	10,000	10,000	1,154,341
<i>Net Cash Flow</i>		188,927	455,681	274,701	314,000	113,000	420,330	90,000	90,000	15,000	90,000	90,000	70,000	2,211,639

Purpose and General Assumptions

1. The purpose of this analysis is to present a cash flow forecast for Great Slave Helicopters Ltd. (the "Company") for the period December 10, 2018 to February 28, 2019 in respect of its proceedings under the *Companies' Creditors Arrangement Act*.

The cash flow forecast has been prepared based on hypothetical assumptions developed and prepared by the Company's management.

Hypothetical Assumptions

2. Represents projected collections of accounts receivable generated from normal course business operations in accordance with historical customer payment practices.
3. Represents payroll costs for the Company's employees and contractors, including source deductions and reimbursable employee expenses.
4. Represents payments to the Company's aircraft lessors in respect of the Company's leased aircraft.
5. Represents payment of the estimated professional fees of the Monitor, its legal counsel and the Company's legal counsel.
6. Until closing of the Transaction, the Company's pilots incurred travel and other expenses on the corporate credit card, which is part of the Company's CIBC cash management system and is secured by a letter of credit in favour of US Bank National Association. The projected credit card payments represent the Company's estimate of remaining accrued expenses that are paid by credit card during the projection period.
7. Represents the accrued freight, training and other general operating expenses incurred by the Company.

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**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
GREAT SLAVE HELICOPTERS LTD.**

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

The management of Great Slave Helicopters Ltd. (the "Applicant") have developed the assumptions and prepared the attached statement of projected cash flow as of the 10th day of December, 2018 for the period December 10, 2018 to February 28, 2019 ("Cash Flow"). All such assumptions are disclosed in the notes to the Cash Flow.

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

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

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

Dated at Toronto this 10th day of December, 2018.

Great Slave Helicopters Ltd.



Haze Zempal, Chief Financial Officer

Appendix “G”

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**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
GREAT SLAVE HELICOPTERS LTD.**

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

The attached statement of projected cash-flow of Great Slave Helicopters Ltd. (the "Applicant"), as of the 10th day of December, 2018, consisting of a weekly projected cash flow statement for the period December 10, 2018 to February 28, 2019 ("Cash Flow"), has been prepared by management of the Applicant for the purpose described in Note 1, using the assumptions set out in the notes to the Cash Flow.

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

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

- a) the hypothetical assumptions are not consistent with the purpose of the Cash Flow;
- b) as at the date of this report, the assumptions developed by management are not suitably supported and consistent with the plans of the Applicant or do not provide a reasonable basis for the Cash Flow; or
- c) the Cash Flow does not reflect the assumptions.

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

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

Dated at Toronto this 11th day of December, 2018.



**KSV KOFMAN INC.
IN ITS CAPACITY AS CCAA MONITOR OF
GREAT SLAVE HELICOPTERS LTD.
AND NOT IN ITS PERSONAL CAPACITY**

3

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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 GREAT SLAVE HELICOPTERS LTD.

AFFIDAVIT OF DAVID SIERADZKI
(Sworn December 12, 2018)

I, David Sieradzki, of the City of Toronto, in the Province of Ontario, MAKE OATH AND
SAY:

1. I am a Managing Director of KSV Kofman Inc. ("**KSV**").
2. Pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) ("Court") made on September 4, 2018 ("Initial Order"), Great Slave Helicopters Ltd. (the "Company") was granted protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36, as amended and KSV was appointed monitor ("Monitor").
3. I have been involved in this mandate since the date of the Initial Order. As such, I have knowledge of the matters to which I hereinafter depose.
4. On December 12, 2018, the Monitor finalized its Third Report to Court in which it outlined its activities with respect to the Company as well as provided information with respect to the Monitor's fees and disbursements and those of its legal counsel.

5. I hereby confirm that attached as Exhibit "A" hereto are true copies of the accounts of KSV for the periods indicated and confirm that these accounts accurately reflect the services provided by KSV in this matter and the fees and disbursements claimed by them.

6. Additionally, attached hereto as Exhibit "B" is a summary of additional information with respect to all members of KSV who have worked on this matter, including their roles, hours and rates, and I hereby confirm that the list represents an accurate account of such information.

7. I consider the accounts to be fair and reasonable considering the circumstances connected with this administration.

8. I also confirm that the Monitor has not received, nor expects to receive, nor has the Monitor been promised any remuneration or consideration other than the amounts claimed in the accounts.

SWORN BEFORE ME at the City of)
Toronto, in the Province of Ontario, this)
12th day of December, 2018.)
)
_____)
Commissioner for taking affidavits, etc.)


_____)
DAVID SIERADZKI

Rajinder Kashyap, a Commissioner, etc.,
Province of Ontario, for KSV Kofman Inc.
Expires January 22, 2021.

THIS IS EXHIBIT "A" REFERRED TO IN THE
AFFIDAVIT OF DAVID SIERADZKI
SWORN BEFORE ME THIS 12th DAY OF DECEMBER, 2018

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

A Commissioner for taking Affidavits, etc.

Rajinder Kashyap, a Commissioner, c/o,
Province of Ontario, for KSV Kofman Inc.
Expires January 22, 2021.



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

INVOICE

Great Slave Helicopters Ltd.
106 Dickins Street
Yellowknife, NT X1A 3T2

December 4, 2018

Invoice No: 1097
HST #: 818808768 RT0001

Re: Great Slave Helicopters Ltd. (the "Company")

For professional services rendered in November 2018 in connection with all matters involving the Company's proceedings under the *Companies' Creditors Arrangement Act* ("CCAA"), including:

General CCAA Matters

- Corresponding extensively throughout November with representatives of the Company's management team, Torys LLP ("Torys"), counsel to Clairvest Group Inc. and its affiliates ("Clairvest"), Goldman Sloan Nash & Haber LLP ("GSNH"), counsel to the Company, and/or Goodmans LLP ("Goodmans"), the Monitor's counsel, in connection with the Company's CCAA proceedings and, particularly, the transaction for the Company's business and assets which was completed on November 23, 2018 (the "Transaction");
- Corresponding with legal counsel regarding the return of eight helicopters financed by ECN Aviation Inc. ("ECN");
- Reviewing and commenting on a letter dated November 28, 2018 from Goodmans to Gowlings LLP ("Gowlings"), legal counsel to ECN;
- Reviewing a letter dated November 29, 2018 from Gowlings re ECN and corresponding with Goodmans regarding same;
- Corresponding with legal counsel to Roynat Inc. ("Roynat") in respect of an allocation of Transaction proceeds to the four helicopters financed by Roynat;
- Attending weekly calls with the Company's management team and representatives of Clairvest;
- Reviewing the Company's cash activity report provided by John Asma on a daily basis and corresponding with management regarding same;

- Reviewing the Company's weekly cash flow projections and other financial information provided by the Company on a weekly basis;
- Reviewing the Company's weekly disbursements and corresponding with the Company regarding same;
- Monitoring the location of the Company's helicopter fleet, including reviewing weekly fleet reports provided by management;
- Preparing weekly and cumulative variance analyses reflecting the Company's actual results to the results projected in the cash flow that was filed with the CCAA materials;
- Corresponding on a weekly basis with the Company's finance team regarding material variances;
- Corresponding with legal counsel for the Province of Ontario regarding their requests for information on the Company's contracts with Ontario Ministry of Natural Resources (the "OMNR Contracts") and the sale and investment solicitation process ("SISP");
- Working with the Company, GSNH and Goodmans regarding the issuance of Disclaimer Notices following the closing of the Transaction, including in respect of the OMNR Contracts;
- Preparing various iterations of a "flow of funds" schedule in connection with the Transaction proceeds;
- Corresponding with the Company and arranging for the payout of substantially all of the key employee retention plan on or around November 30, 2018;
- Corresponding with the Company and Clairvest regarding the status of the Company's Chilean subsidiary and monitoring the transport of three helicopters from Chile to the Company's hangar in Springbank, Alberta, which aircraft were included in the Transaction; and
- Assisting the Company to deal with various vendors regarding the supply of goods and services during these proceedings.

Sale and Investment Solicitation Process

- Carrying out the SISP in accordance with a Court Order made on September 14, 2018 (the "SISP Approval Order"), including corresponding on a near daily basis throughout November regarding the Transaction;
- Corresponding with Clairvest and CIBC in connection with the Transaction, including preparing multiple versions of offer analyses submitted in the SISP;
- Corresponding routinely throughout November with representatives of Capital Canada Limited regarding its dealings with Pat Campling, the principal of Great Slave Helicopters 2018 Ltd. (the "Purchaser");
- Negotiating the Asset Purchase Agreement dated November 8, 2018 (the "APA"), including attending near daily calls with Goodmans regarding same;
- Reviewing multiple versions of the APA prior to its execution on November 8, 2018;

- Corresponding extensively with legal counsel to the Company and the Purchaser in connection with the Company's interest in certain of its joint ventures, particularly Sathu Helicopters and Gwichin Development Corporation, and the treatment thereof in the Transaction;
- Reviewing and commenting on all Court materials filed in connection with the Company's sale approval motion heard on November 23, 2018;
- Drafting the Monitor's second report to Court dated November 16, 2018;
- Reviewing and commenting on the Affidavit of Alasdair Martin sworn November 15, 2018 in support of the Transaction;
- Preparing the affidavit of David Sieradzki sworn November 16, 2018 in support of the Monitor's fees from the commencement of these proceedings to October 31, 2018;
- Reviewing the affidavit of Joseph Latham sworn November 16, 2018 in support of Goodmans' fees from the commencement of these proceedings to October 31, 2018;
- Attending at Court on November 23, 2018 for the sale approval motion;
- Reviewing the "ROFR Notices" issued on November 23, 2018 to Sathu Helicopters and Gwichin Development Corporation;
- Reviewing and commenting on all closing documents in connection with the closing of the Transaction on November 23, 2018; and
- To all other meetings, correspondence and other activities related to this matter not specifically detailed above.

Total fees and disbursements per attached time summary	\$ 142,079.24
HST	18,470.30
Total Due	<u>\$ 160,549.54</u>

Wire Instructions

Pay to: KSV Kofman Inc.
150 King Street W, Suite 2308
Toronto, ON M5H 1J9

Bank: BMO Bank of Montreal
First Canadian Place, 42nd Floor
Toronto, ON M5X 1A3

Bank No.: 001
Transit (ABA): 32132
Account No.: 1995665

KSV Kofman Inc.
Great Slave Helicopters Ltd.

Time Summary

For the Period November 1 to 30, 2018

Personnel	Role	Rate (\$)	Hours	Amount (\$)
Robert Kofman	Overall responsibility	700	42.75	29,925.00
David Sieradzki	All aspects of mandate	600	89.75	53,850.00
Jonathan Joffe	Vendor issues, daily cash management	450	29.80	13,410.00
Eli Brenner	Sale process	425	88.00	37,400.00
Other Staff and Administrative				3,862.50
Subtotal				<u>138,447.50</u>
Out of pocket disbursements				3,631.74
Total Fees and Disbursements				<u><u>142,079.24</u></u>

THIS IS EXHIBIT "B" REFERRED TO IN THE
AFFIDAVIT OF DAVID SIERADZKI
SWORN BEFORE ME THIS 12th DAY OF DECEMBER, 2018

A handwritten signature in black ink, appearing to read "Raj Kashyap", is written over a horizontal line.

A Commissioner for taking Affidavits, etc.

Rajinder Kashyap, a Commissioner, etc.,
Province of Ontario, for KSV Kofman Inc.
Expires January 22, 2021.

Great Slave Helicopters Ltd.
Schedule of Professionals' Time and Rates
 Exhibit to the Affidavit of David Sieradzki

Exhibit "B"

Personnel	Title	Duties	Hours	Billing Rate (per hour)	Amount \$
Bobby Kofman	President	Overall responsibility	42.75	700.00	29,925.00
David Sieradzki	Vice-President	All aspects of mandate	89.75	600.00	53,850.00
Jonathan Joffe	Senior Manager	Vendor issues, daily cash management	29.80	450.00	13,410.00
Eli Brenner	Senior Manager	Sale process	88.00	425.00	37,400.00
Other staff and administrative			21.75	125 - 150	3,862.50
Total fees					<u>138,447.50</u>
Total hours					272.05
Average hourly rate					<u>\$ 508.90</u>

4

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**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 GREAT SLAVE HELICOPTERS LTD.**

**AFFIDAVIT OF L. JOSEPH LATHAM
(sworn December 11, 2018)**

I, L. Joseph Latham, of the City of Toronto, in the Province of Ontario, MAKE OATH
AND SAY:

1. I am a partner at Goodmans LLP ("**Goodmans**"), legal counsel to KSV Kofman Inc. ("**KSV**") in its capacity as the Court-appointed Monitor (the "**Monitor**") in the *Companies' Creditors Arrangement Act* proceedings of Great Slave Helicopters Ltd. ("**GSH**"). As such, I have knowledge of the matters hereinafter deposed to, except where stated to be on information and belief, and whereso stated I verily believe it to be true. Goodmans does not, and does not intend to, waive privilege by any statement herein.
2. KSV was appointed as Monitor pursuant to the Amended and Restated Initial Order of the Honourable Mr. Justice Hainey dated September 4, 2018 (as amended, the "**Initial Order**"). KSV retained Goodmans as its counsel prior to the commencement of these proceedings, and as Monitor has continued to retain Goodmans as its counsel in these proceedings.
3. Pursuant to paragraph 32 of the Initial Order, the Monitor's legal counsel is required to pass its accounts from time to time.
4. Attached hereto as Exhibit "A" is a copy of the invoice rendered by Goodmans in respect of the period from November 1, 2018 to November 30, 2018 (the "**Period**"). The invoice contains the fees (including details of the billing rates and total hours of each member of

Goodmans who acted on behalf of the Monitor in connection with these proceedings), disbursements and HST charged by Goodmans in these proceedings.

5. As outlined in Exhibit "A", Goodmans professionals expended a total of 161.3 hours in connection with this matter during the Period, giving rise to fees and disbursements totalling CA\$128,548.19, inclusive of HST.

6. To the best of my knowledge, Goodmans' rates, as well as its disbursements, are consistent with those in the market for the provision of similar services in these types of matters. Goodmans has had its rates and disbursements, including the rates of certain lawyers who have provided services in these proceedings, approved by this Honourable Court in respect of similar services provided in other insolvency and restructuring proceedings.

7. I verily believe that the fees and disbursements charged by Goodmans are fair and reasonable in the circumstances of these proceedings.

SWORN BEFORE ME at the City of
Toronto, in the Province of Ontario, on
December 11, 2018.



Commissioner for taking affidavits



L. Joseph Latham

This is Exhibit "A" referred to in the Affidavit of
L. Joseph Latham, affirmed before me this 11th day of
December, 2018.

A handwritten signature in blue ink, reading "Brad Wilgen".

A Commissioner for Taking Affidavits, etc.

December 3, 2018

Our File No.: 18.2236

Delivered Via Email

KSV Advisory Inc.
2308 – 150 King St. W.
P.O. Box 42
Toronto, ON M5H 2R2

Attention: Bobby Kofman

Dear Bobby:

Re: Great Slave Helicopters Ltd.

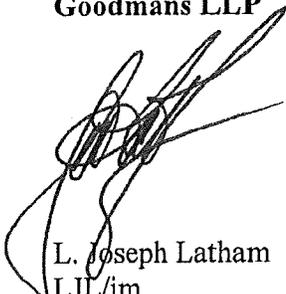
Enclosed please find our account for services rendered to November 30, 2018 in connection with the above matter.

If you have any questions regarding the enclosed, please do not hesitate to contact me.

Thank you for your assistance.

Yours very truly,

Goodmans LLP



L. Joseph Latham
LJL/jm
Encl.



Barristers & Solicitors
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Telephone: 416.979.2211
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goodmans.ca

December 3, 2018

KSV Advisory Inc.
2308 - 150 King St. W
PO Box 42
Toronto, ON
Canada M5H 2R2

ATTENTION: Bobby Kofman

OUR FILE NO. KSWA 182236
OUR INVOICE NO. 713066
GST/HST REGISTRATION NO. R119422962

Re: Great Slave Helicopters Ltd.

TO OUR PROFESSIONAL SERVICES RENDERED IN CONNECTION WITH THE ABOVE NOTED
MATTER INCLUDING THE FOLLOWING:

Date	TKID	Hours	Description
11/01/18	LJL	.20	Emails with JV partner re: status.
11/05/18	LAC	4.00	Reviewing CIBC loan and security documents; drafting CIBC security opinion.
11/05/18	LJL	.80	Communications with parties enquiring re: sales process; receiving and reviewing bid summaries.
11/06/18	LAC	.50	Drafting CIBC security opinion.
11/06/18	LJL	.50	Emails re: status of sales process; reviewing summaries of offers.
11/07/18	LAC	3.50	Revising Clairvest opinion; preparing schedules for APA and correspondence re: same; reviewing PPSA registrations re: Clairvest entitlement to insurance proceeds and correspondence re: same; reviewing bid correspondence.
11/07/18	LJL	5.80	Receipt of offer from buyer; reviewing and commenting on terms of offer and mark up of APA; discussions with KSV re: approach and need for schedules; issues re: CV opinion and reimbursement agreement; initial emails to counsel for buyer; detailed review of APA and dealing extensively with schedules; emailing first draft of revised APA to KSV for comment.
11/08/18	LAC	3.20	Revising CIBC opinion; correspondence re: exhibits to APA and drafting form of vesting order; correspondence re: real property searches; correspondence and discussions with Torys re: Clairvest opinion and

Date	TKID	Hours	Description
			Northwest Territories searches.
11/08/18	LJL	5.70	Emails re: moving forward with APA; reviewing and revising draft APA from prospective buyer; emails re: information to populate schedules; populating schedules; emails re: status of helicopter movement; issues re: CV and CIBC opinions; revising APA further; email and telephone call with counsel to buyer re: questions on mark up and logistics; communications with KSV re: status; telephone call with J. Stam.
11/08/18	WBP	2.00	Reviewing CIBC security documents and security review and providing comments on same.
11/09/18	TRB	.80	Reviewing Shareholder Agreements for rights of first refusal; drafting of summary chart.
11/09/18	LAC	4.30	Revising CIBC and Clairvest security opinions and correspondence re: same; reviewing joint venture agreements and summarizing ROFR provisions in same.
11/09/18	LJL	5.00	Communications with buyers counsel to advance APA and diligence issues re: indigenous groups; issues re: deposit; reviewing agreements with indigenous groups; reviewing APA and draft vesting order; issues re: CV and CIBC opinions.
11/09/18	WBP	2.40	Reviewing security review and related security and loan documents and providing comments on same.
11/09/18	HEW	1.40	Emails/calls with L. Cohen; update search summary and chart of Clairvest registrations.
11/11/18	LAC	.10	Correspondence re: joint venture agreements.
11/12/18	LAC	3.10	Discussions with Torys re: Clairvest registrations; revising Clairvest security opinion; drafting no interest letter and correspondence re: the same; correspondence re: real property.
11/12/18	TDA	.30	Correspondence with J. Latham and Thomson Reuters re: file.
11/12/18	LJL	3.80	Issues re: CV opinion; issues re: CIBC opinion; reviewing drafts of each; multiple emails re: real estate issues; communications with Monitor and with GSNH; issues re: release of interest for 9333 and RBC in helicopter; reviewing and revising draft APA.
11/13/18	LAC	.60	Reviewing vesting order and correspondence re: same; revising CIBC opinion; revising no interest letter per correspondence with 9333 Helicopter

Date	TKID	Hours	Description
			counsel.
11/13/18	LJL	6.20	Multiple communications with counsel to buyer; multiple communications with Monitor and with GSNH; issues re: APA; multiple sets of revisions to APA; dealing with real estate issues; issues re: CIBC security; issues re: 9333 release of interest in helicopter; issue re: status of debt documents in support of APA.
11/14/18	MUB	.10	Run corporate search and respond to J. Latham.
11/14/18	LAC	1.10	Reviewing correspondence re: APA; preparing approval and vesting order; finalizing CIBC opinion.
11/14/18	TDA	.90	Preparing chart of land ownership; correspondence w. Thomson Reuters and J. Latham re: same.
11/14/18	LJL	7.00	Multiple emails re: status of schedules and moving forward with APA issues; reviewing various sources of materials for real estate information; emails and telephone calls with D. Sieradzki, J. Stam and T. Syer re: same; multiple revisions to APA schedules to confirm; multiple emails and telephone call with buyer's counsel re: HST issues, real estate schedules, lists of equipment, JV approach and other issues; reviewing and revising draft vesting order; emails re: GJGK sale and reviewing materials; drafting and revising form of vesting order for GJGK; finalizing CIBC opinion; reviewing and commenting on draft sale approval and stay extension affidavit and on draft order for stay extension, etc.; telephone calls to counsel for certain JV partners and to counsel for Ontario (re fire contracts); emails with counsel to JV re: sale and questions.
11/15/18	LJL	5.80	Multiple issues re: forms of vesting order; issues re: schedules to APA and in particular real estate; emails and telephone calls with KSV, GSNH, Lawson and others re: same; emails and telephone call with L. Zatlun re: APA and next steps; communications with counsel for Ontario (fire contracts); reviewing and commenting on draft Monitor's Report and discussion with KSV re: same; multiple discussion with GSNH re: logistics for service.
11/16/18	LAC	1.00	Preparing materials for service, serving materials and preparing materials for confidential court filing.
11/16/18	LJL	6.50	Multiple emails re: finalizing court materials; finalizing and swearing fee affidavit; finalizing and circulating draft vesting orders; emails with NWT counsel re: same; multiple emails and telephone calls with buyer's counsel; discussion with KSV and GSNH re: mechanics of service; reviewing final

Date	TKID	Hours	Description
			drafts of report; reviewing Monitor's record for service; receipt of served motion record; serving Monitor's record; emails and telephone calls with buyer's counsel, with KSV and with contract counterparties re: assignments.
11/17/18	LAC	.60	Reviewing joint venture agreements and preparing summary.
11/17/18	LJL	2.20	Multiple emails and telephone calls with buyer's counsel and with KSV re: JV agreements; issues re: ROFR's and internal discussion re: research on same; reviewing summary of ROFR's; multiple emails with buyer's counsel re: aircraft.
11/18/18	TRB	3.30	[REDACTED]
11/18/18	LAC	3.80	Correspondence re: materials served on service list; researching and reviewing question of law; discussions and drafting summary re: same.
11/18/18	LJL	1.80	Multiple emails with buyer's counsel, KSV and internally re: HST issues and ROFR issues.
11/19/18	TRB	4.80	[REDACTED] filing Monitor's report at Commercial List
11/19/18	LAC	3.70	Research re: ROFR provisions; correspondence re: same; drafting bill of sale and other documents.
11/19/18	LJL	2.40	Issues re: ROFR's; emails re: RoyNat; emails re: HST issue and forms; emails re: aircraft transfers and operating certificates; emails from JV partners; telephone call with new counsel for Sahtu; issues re: real estate in Norman Wells; issues re: Delta bill of sale; email from K. Lenz with Gwich'in position.
11/20/18	LAC	1.10	[REDACTED]
11/20/18	GSE	.20	Reviewing HST election; email to J. Latham.
11/20/18	LJL	3.20	Issues re: Gwich'in email; emails re: Sahtu; issues re: ROFR's and discussion with KSV re: same; emails and telephone calls with buyer's counsel re: allocations and various other issues, including GST elections, employees, contracts and leases; letter from MNRF; providing information to buyer as requested; emails and discussion with T. Syer re: real estate and lease issues in NWT.

Date	TKID	Hours	Description
11/21/18	LAC	6.10	Reviewing purchaser's deliverables; revising Order; preparing monitor's certificates and other documents; various correspondence re: motion.
11/21/18	LJL	6.40	Emails and telephone calls with KSV re: approach to ROFR's; issues re: Roynat; emails and telephone calls with counsel for ROFR holders re: approach to ROFR's; multiple emails and telephone calls with counsel to buyer re: allocation of price, list of employees, lists of contracts and other closing related information; emails and telephone calls with MNRF counsel re: status of contracts; reviewing and commenting on draft documents; reviewing multiple iterations of contract and employees lists and communications re: same; dealing with closing materials for Delta sale; issues and questions re: leases.
11/22/18	ATR	.30	Reviewing assignment of trademarks, conducting trademark search, correspondence to L. Cohen advising.
11/22/18	LAC	6.70	Correspondence re: revised Order, revising Order, discussions and phone calls re: same; reviewing and revising Purchaser's deliveries; preparing closing checklist; preparing signature page package; correspondence with Purchaser's counsel re: various matters; preparing materials for Court.
11/22/18	LJL	9.30	Multiple emails and telephone calls with counsel for buyer, KSV, counsel for company and others; reviewing and commenting on numerous iterations of draft closing documents; reviewing and commenting on numerous versions of draft vesting order; multiple issues regarding the right of first refusal for Sahtu and Gwich'in; discussions with counsel for same and reviewing and commenting on proposed riders to deal with same; preparation for hearing; dealing with counsel to attempt to reach consensus on form of order; continuing issues re: closing documents and closing mechanics.
11/23/18	LAC	8.00	Correspondence re: motion and Order; advancing closing documents; correspondence and discussions with purchaser's counsel and others re: same.
11/23/18	LJL	.50	Emails re: final closing documents, exchange of signature pages and releases from escrow.
11/23/18	LJL	6.30	Preparing for and attending motion to approve sale transactions; dealing with ROFR issues; multiple discussions with counsel re: same; telephone calls with counsel to buyer re: same; obtaining order and certified copies; multiple emails and telephone calls with buyer's counsel re: closing documents and signatures; multiple emails and telephone calls with KSV re: same; issues re: allocation to JV's and reviewing draft ROFR notice; attending to closing

Date	TKID	Hours	Description
			logistics.
11/23/18	WBP	3.40	Preparing for and attending at court re: motion for approval and vesting orders; arranging for entering and certification of orders; attending to transaction closing matters.
11/24/18	LJL	.40	Emails re: allocations to ROFR interests.
11/25/18	LAC	.20	Serving Monitor's certificate.
11/25/18	LJL	1.20	Emails with Sahtu and Gwich'in re: ROFR issues; receipt of signed ROFR notices for same; emailing each of Sahtu and Gwich'in with information required by endorsement of Justice Hainey.
11/26/18	TRB	1.30	Delivering Motions to Court for filing; picking up original Motions at KSV for filing at Court.
11/26/18	LAC	.70	Attending to various post-closing matters including monitor's certificates.
11/26/18	LJL	.80	Emails re: ROFR's; emails re: closing of Delta sale; emails re: post-closing issues.
11/27/18	LAC	.60	Attending to various post-closing matters.
11/27/18	LJL	.60	Emails re: ROFR issues; emails re: closing documents; emails re: registrations in NWT; issues re: ECN; issues re: Ontario contracts.
11/28/18	LAC	.20	Correspondence re: post-closing matters.
11/28/18	LJL	1.40	Letter to ECN re: disposition of 8 aircraft; communications with KSV re: same; communications from Buyer re: post closing questions; issues re: distribution motion; issues re: disclaimers.
11/29/18	LJL	1.50	Issues re: disclaimers of lease and Ontario contracts; emails and telephone calls with J. Stam; issues re: ECN response to letter seeking information; discussion with KSV re: same.
11/30/18	LAC	.40	Correspondence re: post-closing items.
11/30/18	LJL	1.30	Emails re: issues with Top Aces and IT access for buyer; issues re: disclaimers and discussions with J. Stam and D. Sieradzki re: same.

OUR FEE

\$113,109.00

Invoice #713066 -- page 7

TKID	NAME	HOURS	RATE	TOTAL
LJL	Latham, L. Joseph	86.60 hrs	\$935.00	\$80,971.00
WBP	Wiffen, Bradley	7.80 hrs	\$600.00	\$4,680.00
LAC	Cohen, Loren	53.50 hrs	\$420.00	\$22,470.00
ATR	Berg, Amalia	0.30 hrs	\$875.00	\$262.50
GSE	Ernst, Glenn S.	0.20 hrs	\$1,030.00	\$206.00
TDA	D'Angelo, Tyler	1.20 hrs	\$550.00	\$660.00
HEW	Wilson, Heather	1.40 hrs	\$465.00	\$651.00
MUB	Buckley, Maureen	0.10 hrs	\$465.00	\$46.50
TRB	Barrett, Trish	10.20 hrs	\$310.00	\$3,162.00
				\$113,109.00

DISBURSEMENTS

Telephone - Long Distance	41.68
Parking/ Cab / Mileage	10.94
Copies	556.00
Meals	41.84

TOTAL DISBURSEMENTS **\$650.46**

TOTAL FEES ON THIS INVOICE	\$113,109.00
HST ON FEES	14,704.17
NON TAXABLE DISBURSEMENTS	0.00
TAXABLE DISBURSEMENTS	650.46
TOTAL DISBURSEMENTS ON THIS INVOICE	\$650.46
HST ON TAXABLE DISBURSEMENT	84.56
TOTAL THIS INVOICE (CANADIAN DOLLARS)	\$128,548.19

Goodmans^{LLP}

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Invoice #713066 -- page 8

THIS IS OUR ACCOUNT HEREIN
GOODMANS LLP



E. & O.E.
LJL /

This invoice may not reflect all time and disbursements incurred on this matter to date. It is payable upon receipt and in accordance with Section 33 of the *Solicitors Act* (Ontario), interest will be charged at the rate of 1.50% per annum on unpaid fees, charges or disbursements calculated one month from the date this invoice is delivered.



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Invoice #713066 -- page 9

PAYMENT OPTIONS

**Cheque payable to GOODMANS LLP - mailed to our office; OR
by Wire Transfer - to Goodmans account:**

Canadian \$ General Account

<u>Beneficiary Bank:</u>	TD Canada Trust 394 Bay Street Toronto, ON M5H 2Y3
<u>Swift Code:</u>	TDOMCATTOR
<u>Beneficiary:</u>	Goodmans LLP 333 Bay Street, Suite 3400 Toronto, ON M5H 2S7
<u>Beneficiary Bank:</u>	0004
<u>Beneficiary Transit:</u>	12162
<u>Beneficiary Account:</u>	0552488
<u>Payment Details:</u>	Re: Matter # 182236, Invoice # 713066 (Please include all invoice numbers)

*****Please also email Wire Payment Details to: collections@goodmans.ca***

**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
GREAT SLAVE HELICOPTERS LTD.**

Court File No. CV-18-604434-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

**Affidavit of L. Joseph Latham sworn
December 11, 2018**

GOODMANS LLP

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Lawyers for the Monitor

5

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MR.
JUSTICE HAINEY

)
)
)

TUESDAY, THE 18TH
DAY OF DECEMBER, 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 GREAT SLAVE HELICOPTERS LTD.

Applicant

STAY EXTENSION AND DISTRIBUTION ORDER

THIS MOTION, made by KSV Kofman Inc. (the “**Monitor**”), in its capacity as monitor of Great Slave Helicopters Ltd. (the “**Applicant**”), for an order, *inter alia*, extending the stay of proceedings granted pursuant to the Amended and Restated Initial Order of this Court dated September 4, 2018 (as amended, the “**Initial Order**”); authoring the Monitor to make distributions to certain secured creditors of the Applicant; authorizing the Monitor to establish and make distributions from a Holdback (as defined below) from the proceeds of the Applicant’s business and assets to fund the wind-down of the Applicant’s estate and the completion of these proceedings; modifying certain Court-ordered charges granted pursuant to the Initial Order and the Order approving a Key Employee Retention Plan dated September 14, 2018 (the “**KERP Order**”) and terminating and releasing the Intercompany Charge; and approving the activities and fees of the Monitor, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion of the Monitor, the Third Report of the Monitor dated December 12, 2018 (the “**Third Report**”), the affidavit of David Sieradzki sworn December 12, 2018 (the “**Sieradzki Affidavit**”) and the affidavit of Joseph Latham sworn December 11, 2018 (the “**Latham Affidavit**”), and on hearing the submissions of counsel for the

Applicant, the Monitor, Clairvest Group Inc., and such other persons who were present and wished to be heard, no one appearing for any other person on the service list, although properly served as appears from the affidavit of service of Loren Cohen sworn December 1, 2018, filed:

SERVICE AND DEFINED TERMS

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion, the Motion Record and Third Report 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 and not defined herein shall have the meanings given to them in the Initial Order.

EXTENSION OF STAY OF PROCEEDINGS

3. **THIS COURT ORDERS** that the Stay Period (as defined in and used throughout the Initial Order) be and is hereby extended to and including February 28, 2019.

ESTABLISHMENT OF HOLDBACK AND MODIFICATION OF CHARGES

4. **THIS COURT ORDERS** that the Monitor is authorized and directed to establish from the proceeds of the Applicant's business and assets held in the Monitor's trust account a holdback in the initial aggregate amount of \$1,210,000 (the "**Holdback**") and is authorized to disburse amounts from the Holdback from time to time for the payment of any expense or obligation (collectively, the "**Holdback Expenses**"):

- (a) secured by the Remaining Charges (as defined below);
- (b) incurred by the Applicant that relates to the period from and after the date of the Initial Order or that is otherwise payable pursuant to the Initial Order; or
- (c) incurred by the Applicant in connection with the wind-down of the Applicant, the completion of these proceedings and all ancillary activities in connection therewith, including any assignment in bankruptcy in respect of the Applicant pursuant to the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**").

5. **THIS COURT ORDERS** that, effective as of the date of this Order, notwithstanding anything to the contrary in the Initial Order or the KERP Order:

- (a) the respective amounts of the Administration Charge, the KERP Charge (as defined in the KERP Order) and the Directors' Charge (collectively, the "**Remaining Charges**") shall be as follows:
 - (i) the Administration Charge shall be in the aggregate amount of \$750,000;
 - (ii) the KERP Charge shall be in the aggregate amount of \$60,000; and
 - (iii) the Directors' Charge shall be in the aggregate amount of \$400,000;
- (b) the defined term "Charges", as defined in and used throughout the Initial Order, shall mean, collectively, the Administration Charge, the KERP Charge and the Directors' Charge;
- (c) the Intercompany Charge shall be and hereby is terminated, released and discharged; and
- (d) the Remaining Charges shall charge solely the Holdback and shall not, for greater certainty, charge any Property of the Applicant other than the Holdback.

DISTRIBUTIONS

6. **THIS COURT ORDERS** that the Monitor is hereby authorized and directed, on behalf of the Applicant, to distribute to each of Clairvest Group Inc. and its affiliates and managed funds ("**Clairvest**"), Roynat Inc., and Canadian Imperial Bank of Commerce, in respect of their respective secured claims against the Applicant, the amounts set forth in section 4.0(6) of the Third Report (collectively, the "**Initial Distributions**").

7. **THIS COURT ORDERS** that Clairvest is entitled to any remaining balance of the Holdback following the satisfaction of the Holdback Expenses and to any further proceeds or realizations generated by the Applicant or from its assets or business, and hereby authorizes the Monitor, on behalf of the Applicant, to make interim or final distributions to Clairvest (together with the Initial Distributions, the "**Distributions**"), without further order of this Court, at such times and in such amounts as the Monitor considers appropriate, provided that the aggregate

amount of the Distributions made to Clairvest does not exceed the aggregate obligations owing by the Applicant to Clairvest.

8. **THIS COURT ORDERS** that, notwithstanding
- (a) the pendency of these proceedings;
 - (b) the assignment in bankruptcy or any application for a bankruptcy order now or hereafter issued pursuant to the BIA in respect of the Applicant and any order issued pursuant to any such application; or
 - (c) any provisions of any federal or provincial legislation,

the Distributions shall be binding on any trustee in bankruptcy that may be appointed in respect of the Applicant and shall not be void or voidable nor deemed to be a preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall they constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

APPROVAL OF MONITOR'S REPORTS, ACTIVITIES AND FEES

9. **THIS COURT ORDERS** that the Third Report and the activities and conduct of the Monitor described therein be and are hereby approved; provided, however, that only the Monitor, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approvals.

10. **THIS COURT ORDERS** that the professional fees and disbursements of the Monitor as set out in the Sieradzki Affidavit are hereby approved.

11. **THIS COURT ORDERS** that the professional fees and disbursements of Goodmans LLP, legal counsel to the Monitor, as set out in the Latham Affidavit are hereby approved.

12. **THIS COURT ORDERS** that the Monitor shall not incur any liability in connection with any acts or omissions or the performance of its duties pursuant to this Order, save and except for acts or omissions constituting gross negligence or wilful misconduct. Nothing herein shall affect, vary, limit or derogate from, and the Monitor shall continue to have the benefit of,

all rights, approvals and protections in favour of the Monitor at law or pursuant to the CCAA, the Initial Order, and any other Order of this Court in these proceedings or otherwise, all of which are expressly continued and confirmed.

13. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or outside Canada to give effect to this Order and to assist the Applicant and 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 the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

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

Court File No. CV-18-604434-00CL

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF GREAT
SLAVE HELICOPTERS LTD.**

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

Proceeding commenced at Toronto

**STAY EXTENSION AND
DISTRIBUTION ORDER**

GOODMANS LLP

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Lawyers for the Monitor

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

Court File No. CV-18-604434-00CL

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
GREAT SLAVE HELICOPTERS LTD.**

Applicant

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

**MOTION RECORD
Motion for Stay Extension and Distribution Order
Returnable December 18, 2018**

GOODMANS LLP

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Lawyers for the Monitor