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

August 31, 2018

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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.

REPORT OF KSV KOFMAN INC. AS PROPOSED MONITOR

August 31, 2018

1.0 Introduction

1. KSV Kofman Inc. ("KSV") understands that Great Slave Helicopters Ltd. (the "Company") intends to make an application to the Ontario Superior Court of Justice (Commercial List) (the "Court") under the C*ompanies' Creditors Arrangement Act*, *R.S.C. 1985, c. C-36*, as amended (the "CCAA"), for an initial order (the "Initial Order") granting the Company protection under the CCAA and appointing KSV as the CCAA monitor in these proceedings ("Monitor"). KSV has consented to act as Monitor.

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. Approval of the SISP is anticipated to be sought within two weeks of the issuance of the Initial Order.

3. The Affidavit of Alasdair Martin, the Company's President, sworn August 31, 2018 and filed in support of the Company's application for CCAA protection (the "Affidavit"), provides, *inter alia*, the Company's background, including the reasons for the commencement of these proceedings.

4. KSV is filing this report ("Report") as the proposed Monitor.

1.1 Purposes of this Report

1. The purposes of this Report are to:

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

   b) provide background information about the Company;

c) report on the Company's cash flow projection for the period September 4, 2018 to October 7, 2018 ("Cash Flow Forecast");

d) discuss the rationale for:

- extending a limited stay of proceedings over the Company's sole shareholder, 10671541 Canada Inc. ("106"), and two affiliated entities, Air Tindi Ltd. ("ATL") and Discovery Mining Services Ltd. ("DMS") (together with 106, the "Non-Applicants", and with the Company, the "Group"), and each of the Group's officers and directors, for the limited 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;

- a $750,000 charge on all of the Company's property to secure the fees and disbursements of the Company's counsel, the Monitor and its counsel in these proceedings (the "Administration Charge");

- a $850,000 charge in favour of the director and officers of the Company (the "D&O Charge");

- a charge in favour of 106 over the property, assets and undertaking of the Company for any intercompany advances which may be made during these proceedings by 106 to the Company in accordance with the Group's existing cash management system ("Intercompany Advances") (each an "Intercompany Charge", and all of them collectively, the "Intercompany Charges"); and

- the priorities afforded in the proposed Initial Order to the Administration Charge, the D&O Charge and the Intercompany Charge; and

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

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 Cash Flow Forecast will be achieved.

1.3 Currency

1. Unless otherwise noted, all currency references in this Report are in Canadian dollars.

1.4 KSV's Qualifications to Act as Monitor

1. KSV is qualified to act as Monitor in these proceedings:

   a) KSV is a trustee within the meaning of subsection 2(1) of the *Bankruptcy and Insolvency Act* (Canada). KSV is not subject to any of the restrictions to act as monitor set out in Section 11.7(2) of the CCAA;

   b) KSV is familiar with the Company, its management team and its stakeholders, having been appointed on March 21, 2018 as monitor (the "DAI Monitor") in the CCAA proceedings of Discovery Air Inc. ("DAI"), the Company's former shareholder. As DAI Monitor, KSV worked with the management team of the Company and DAI to carry out a Court-approved sale process that resulted in the sale of DAI's 100% equity interest in the Company to 106. Pursuant to a Court Order made on July 24, 2018, DAI's CCAA proceedings were terminated, with such termination to become effective upon the filing of a certificate by KSV, as DAI Monitor. The certificate will be filed on September 4, 2018; and

   c) KSV's team has extensive experience acting as a monitor under the CCAA in a wide variety of industries, including experience in the aviation and specialized aviation services industries.

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

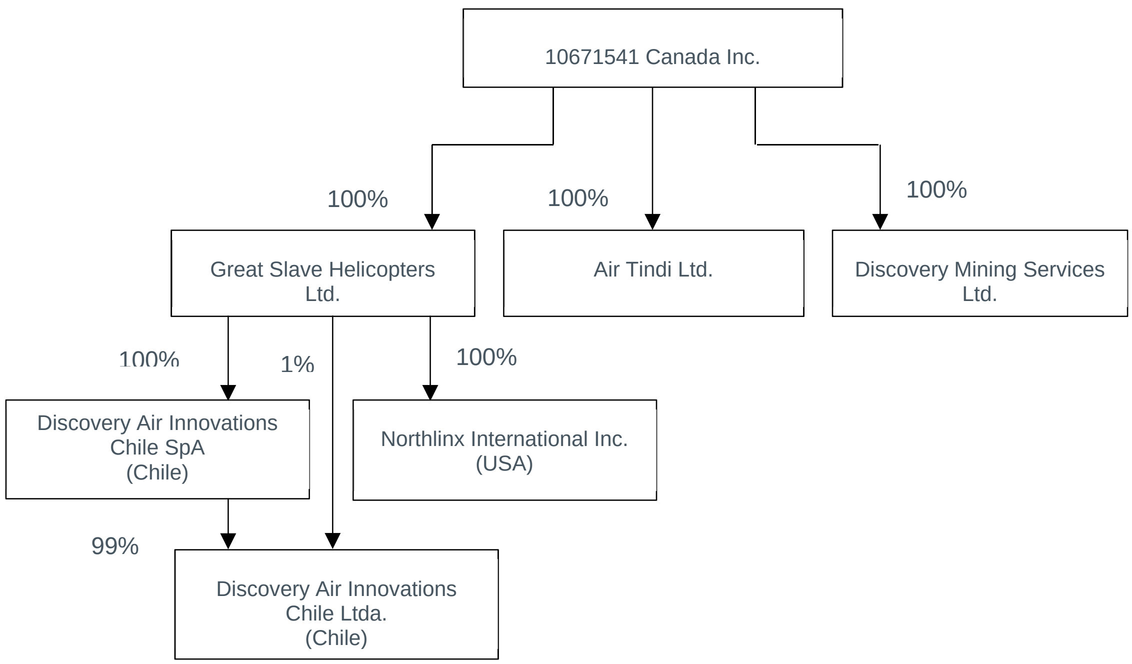
2.0 Company Background

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. GSH 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.

2. The Company was incorporated in 1984 and its registered head office is in Yellowknife, Northwest Territories.

3. Consideration has been given to the appropriate venue for filing purposes. Ontario has been selected and KSV, as proposed Monitor, is satisfied that it is appropriate in the circumstances given, *inter alia*, the Court's oversight of the DAI CCAA proceedings and the Company's connections to Ontario, which are addressed in the Affidavit. These connections include that its four most significant creditors (CIBC, ECN Aviation Inc. ("ECN"), Roynat Inc. ("Roynat") and Clairvest) and their respective counsel are each based in Ontario, its sole director is located in Ontario and it is presently providing services in Ontario, such as fire suppression services pursuant to a contract with Ontario Ministry of Natural Resources. Additionally, this Court's familiarity with DAI's CCAA proceedings is likely to be beneficial to these proceedings. KSV does not believe that there is material prejudice to creditors by having the Court oversee these proceedings.

4. A condensed corporate chart for the Group is provided below.



5. A summary of the other entities reflected in the corporate chart, including the Non-Applicants, is provided below:

   a) 106 is a holding company that submitted "stalking horse" bids in a sale process carried out in DAI's CCAA proceedings. 106 acquired DAI's 100% equity interest in each of the Company, ATL and DMS in three separate transactions, each of which was approved by the Court on June 22, 2018; the transactions closed on August 14, 2018.

   b) ATL is a commercial fixed wing charter company with its main base in Yellowknife, Northwest Territories. ATL operates a diversified fleet of fixed wing aircraft and provides scheduled and charter passenger and cargo services, as well as medevac equipped aircraft services, primarily in northern Canada. Its customers include government agencies, mining companies, various mining exploration companies and the general public on scheduled and chartered flights.

c) DMS provides fully scalable remote exploration camps and expediting, logistics and staking services to gold, base metal, uranium and diamond exploration companies operating in the Northwest Territories, Nunavut, Yukon, northern Saskatchewan and northern Ontario. DMS provides and manages custom-designed, all-weather exploration camps and assists with its customers' logistical needs.

d) Discovery Air Innovations Chile SpA ("DA SpA") is a subsidiary of the Company which owns 99% of Discovery Air Innovations Chile Ltda. ("DA Chile"). The Company owns the other 1% of DA Chile. The Company also owns an inactive US subsidiary, Northlinx International Inc. ("Northlinx"). There is presently no intention for DA SpA, DA Chile or Northlinx to commence insolvency proceedings.

e) The Company maintains strategic partnerships through joint venture agreements with numerous aboriginal groups in northern and western Canada. These strategic alliances allow the Company to provide helicopter services in remote aboriginal communities with limited or no overland access. The Company's interest in each of these entities is not reflected in the corporate chart above. In each instance, the majority shareholder of the incorporated joint venture entities is the aboriginal group. The Company intends to work closely with each of its joint venture partners during these proceedings. It is also the Company's intention for its interest in these joint venture entities to be marketed on a going-concern basis as part of the SISP.

6. The Company presently has approximately 200 employees, excluding DA Chile, which employs approximately 55 individuals. The Company's employees are not unionized and the Company does not maintain a pension plan.

7. Clairvest is the Company's largest secured creditor. As at August 30, 2018, the amount owing to Clairvest by 106 under secured debentures totalled approximately $71.3 million. This obligation is guaranteed by the Company on a secured basis. As detailed in the Affidavit:

a) the Company is presently in default of its obligations under its secured guarantee in favour of Clairvest;

b) the Company, together with Clairvest, has been engaged for some time in efforts to restructure its business and operations so as to be viable on a long-term basis; and

c) based on the Company's current and projected financial position and its projected liquidity needs, the Company is insolvent. Clairvest has advised that it is unwilling to continue to support the Company absent the commencement of these proceedings to carry out a Court approved SISP.

8. Further information concerning the Company, its background and its current situation is provided in the Affidavit. In order to avoid duplication, that discussion has not been repeated in this Report.

2.1 Financial Overview

1. The Company has incurred significant losses over its last three fiscal years resulting from, among other things, a slowdown in the resource sector, significant repairs and maintenance expenditures required for ongoing maintenance of its helicopter fleet and a global depression in the helicopter charter services markets.

2. A summary of the Company's unaudited[1] financial results for its fiscal years ended January 31, 2017 and 2018 is provided in the table below.

(C$000s; consolidated)	January 31, 2018 (unaudited)	January 31, 2017 (unaudited)
Net revenue	48,108	52,074
Income from equity investments	596	548
Expenses	(48,676)	(52,792)
EBITDA	28	(170)
Depreciation and amortization	6,118	5,932
Allocation of corporate IT and HR	785	1,030
Finance costs	257	1,364
Other (gains) and losses	166	1,455
Management and interest fees	(812)	(1,440)
Income tax expense (recovery)	653	(1,976)
Total comprehensive loss	(7,139)	(6,535)
Retained Earnings/(Deficit)	(55,811)	(49,076)

3. The above table reflects that, *inter alia*:

   a) the Company has incurred losses over the last two fiscal years totalling approximately $13.7 million, with those losses increasing on a year-over-year basis; and

   b) revenue has declined over the two-year period.

4. The Company's losses have continued through the first six months of the current fiscal year. The Company is not generating sufficient EBITDA to cover the Company's debt service costs and to fund its capital expenditures. This is partly due to the seasonality of the Company's business – its busy season is June through September.

[1] The Company's standalone financial statements were never audited as they were consolidated with DAI's audited financial statements.

3.0 Creditors

3.1 Secured Creditors

1. The following table summarizes the Company's secured obligations, including amounts owing to each creditor as at August 30, 2018 based on the Company's books and records.

Secured Creditor	Company Involvement	Security	Obligation
Clairvest	Guarantor	General security on all property, assets and undertaking (ranking subordinate to ECN and Roynat on their respective helicopters and to CIBC on the Company's working capital assets)	$71.3 million
CIBC	Guarantor	General security on the Company's working capital assets (accounts receivable and inventory), with subordinate security in all other assets	$15.2 million[2]
ECN	Guarantor	Secured interest in eight Company helicopters, with subordinate security in all other assets	$7.8 million
Roynat	Borrower	Secured interest in four Company helicopters, with subordinate security in all other assets	$4.3 million

2. The details of each of these facilities are provided in the Affidavit. The rights and interests of each of these secured creditors are governed by an Intercreditor Agreement dated March 26, 2012, as amended.

3. KSV is cognizant of the potential for there to be a need to allocate the costs of these proceedings among the Company's secured creditors. Should this become an issue over the course of these proceedings, KSV, if appointed, intends to work with the lenders to propose a cost allocation methodology appropriate in the circumstances. Any proposed cost allocation methodology would be subject to Court approval.

4. As set out in the Affidavit, the commencement of these proceedings will constitute a default under each of the Company's secured credit facilities. Accordingly, as described in Section 5 of this Report, the temporary stay of proceedings over the Non-Applicants is required so that creditors do not commence enforcement proceedings against the Non-Applicants, particularly ATL and DMS, which will allow each entity to continue to operate in the normal course while the restructuring of the Company is implemented in an orderly manner. Neither ATL's nor DMS' operations are to be affected by these proceedings, and they will continue to operate in the ordinary course. The extension of the stay to the Non-Applicants will assist ATL and DMS to continue to operate without disruption.

3.2 Unsecured Creditors

1. Based on the Company's books and records as at June 30, 2018, accounts payable and accrued liabilities totalled approximately $8.5 million, excluding intercompany, employee and contingent obligations.

[2] Includes outstanding letters of credit of approximately $935,000.

2. Other than intercompany and contingent creditors (discussed below), the Company's significant unsecured creditors are trade vendors, including fuel suppliers, spare parts vendors and repairs and maintenance service providers.

3. As described in the Affidavit, the Company's deteriorating financial performance necessitated increased borrowings from its former parent, DAI, which was the borrower on all significant credit facilities used to fund the operations of its subsidiaries, including the Company. As a result, the Company's intercompany obligation as at June 30, 2018 totaled approximately $154 million, which was an asset acquired by 106 from DAI in the transactions completed in DAI's CCAA proceedings.

4. The Company's contingent creditors include claimants in ongoing litigation and an arbitration commenced in Peru by a former partner of the Company's Peruvian operation. KSV understands that the Peruvian business was wound up several years ago.

4.0 Cash Flow Forecast

1. The Company prepared the Cash Flow Forecast, which covers the period September 4, 2018 to October 7, 2018 (the "Period"). 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 "B".

2. The Cash Flow Forecast reflects that the Company is projected to generate sufficient cash flow to operate in the normal course during the Period, including to fund payroll and other operating expenses, without the need of a debtor-in-possession ("DIP") facility at this time.

3. The Cash Flow Forecast has been prepared on the basis that the Group remains in margin under the CIBC facility during these proceedings and that the Company is authorized to continue to use its existing cash management system (as detailed in the Affidavit) during these proceedings. CIBC lends against the marginable accounts receivable and inventory of ATL, DMS and the Company. It is contemplated that there will be no change during these proceedings to the Group's existing cash management system - 106 will continue to receive advances under the CIBC credit agreement to the extent of the Group's eligible borrowing base and 106 will then provide Intercompany Advances to the Company as required. Such Intercompany Advances are to be secured by the Intercompany Charge, in these proceedings, which is to be subject to the security held by CIBC in the assets of 106.

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 "C".

5. KSV understands that the Company has had preliminary discussions with Clairvest regarding a DIP facility in the event that additional funding is required during these proceedings. If required, any DIP facility will be subject to Court approval.

5.0 Stay of Proceedings

1. Given the cross-guarantees and defaults under the outstanding secured facilities with CIBC, ECN and Roynat, the Company is seeking to extend the benefit of a limited stay of proceedings in these proceedings to the Non-Applicants and their officers and directors in order to provide stability through the restructuring process and to avoid a situation where defaults arising due to the commencement of these proceedings are relied upon as the basis for commencing adversarial proceedings, contract terminations or other adverse steps against the Non-Applicants, including the commencement of claims and actions against their officers and directors. Extending the stay of proceedings to the Non-Applicants and their officers and directors reduces the risk that their businesses will be disrupted and will facilitate the involvement of the officers and directors, which is in the interest of these proceedings. Without extending the stay, the business of the Group could be adversely impacted resulting, potentially, in a disorderly wind-down of the Company and the Non-Applicants.

2. The extension of a limited stay of proceedings over non-applicants was approved in DAI's recent CCAA proceedings, including over the Company, ATL and DMS. This structure preserved the normal course operations of the non-applicants in those proceedings, which resulted in Court approved share sale transactions with 106. Accordingly, the Company's stakeholders, including its secured creditors, are familiar with this structure and it worked effectively in DAI's CCAA proceedings.

3. As a result of the risks identified above, KSV believes that extending the stay of proceedings to the Non-Applicants and their officers and directors is in the best interests of the Company, its stakeholders and these proceedings.

6.0 Court Ordered Charges

6.1 Administration Charge

1. The Company is seeking an Administration Charge in an amount not to exceed $750,000 to secure the fees and expenses of the Monitor, its counsel and the Company's counsel.

2. The Administration Charge is a customary provision in an Initial Order in a CCAA proceeding - it is required by certain of the professionals engaged to assist a debtor company and to protect those professionals in the event the Company is unable to pay their fees and costs during the CCAA process.

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

4. KSV believes that the Administration Charge is reasonable and appropriate in the circumstances given the complexities of the Company's CCAA proceedings and the services to be provided by professionals involved in these proceedings.

6.2 D&O Charge

1. KSV understands that the Company is current on all pre-filing obligations for which its sole director may be personally liable, including payroll obligations and sales taxes. The Cash Flow Forecast contemplates that all such amounts will continue to be paid in the ordinary course and the Company is projected to have sufficient liquidity to do so. The proposed D&O Charge provides protection for the director and officers in the event the Company fails to pay certain obligations which may give rise to liability for the Company's director and officers.

2. In these proceedings, the main risk of director's and officers' exposure is unpaid payroll and vacation pay. Payroll presently totals approximately $750,000 per pay period (every two weeks), including source deductions and vacation pay. The D&O Charge of $850,000 is intended to cover one payroll cycle plus an estimate of $100,000 for the Company's monthly sales tax obligation.

3. KSV is of the view that the D&O Charge is reasonable in the circumstances and that the continued involvement of the director and officers is beneficial to the Company and these proceedings and to the conduct of an orderly SISP.

6.3 Intercompany Charge

1. The Group's cash management system is described in the Affidavit. Given the centralization of the cash management system, including its revolving line of credit with CIBC, to the extent that the Company required funding before this filing, it was advanced by 106. The Initial Order contemplates that 106 will continue to make Intercompany Advances during these proceedings to the Company, ATL and DMS to fund their businesses; however, the Intercompany Charge is only to secure advances from 106 to the Company.

2. KSV is of the view that the Intercompany Charge is reasonable as its proposed treatment respects the priorities of the existing secured creditors in the Group, other than Clairvest, which has consented to the proposed Intercompany Charge, as detailed in 6.4 (2) below.

6.4 Priority of Charges

1. The Initial Order provides that the Court-ordered charges shall have the following priority:

    a) Administration Charge;

    b) D&O Charge; and

    c) Intercompany Charge.

2. The Intercompany Charge shall rank in priority to Clairvest's security and any other creditors that rank behind such Clairvest security; however, the Intercompany Charge shall rank subordinate to any existing secured creditor that ranks in priority to Clairvest's security.

3. The Initial Order contemplates a comeback motion, which will provide stakeholders with an opportunity to address any concerns, including in respect of the proposed Court-ordered charges.

7.0 Creditor Notification

1. The proposed Initial Order requires the Monitor to:

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

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

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

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

      iii. prepare a list, showing the names and addresses of those creditors (other than employees), and the estimated amounts of those claims, and make it publicly available in the prescribed manner.

2. KSV intends to post the Initial Order and all motion materials on its website in accordance with the *E-Service Protocol*.

8.0 Relief to be Sought at the Comeback Motion

1. The Company, in consultation with KSV, has developed a SISP, for which Court approval is expected to be sought at the next motion in these proceedings on notice to the Service List. It is contemplated that the SISP approval motion will be heard within two weeks of the date of the Initial Order, if issued.

2. The Company is presently finalizing the terms of a key employee retention plan ("KERP"). Approval of a KERP is likely to be sought at the next motion in these proceedings.

3. Details of the SISP and the KERP will be discussed further in the materials to be filed in relation to the SISP approval motion.

9.0 Conclusion and Recommendation

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

* * *

All of which is respectfully submitted,

KSV Kofman Inc

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

Appendix “A”

Court File No.: ___________

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 HELICOTPERS LTD.

APPLICANT

CONSENT

KSV KOFMAN INC. hereby consents to act as the court-appointed monitor of the Applicant in connection with its proceedings pursuant to the *Companies' Creditors Arrangement Act* and pursuant to the terms of an order substantially in the form filed.

DATED this 31st day of August, 2018

KSV KOFMAN INC.

Per: ______________________

Name: ROBERT KOFMAN
Title: PRESIDENT

Appendix “B”

Great Slave Helicopters Ltd.
Projected Cash Flow and Margin Calculation
For the Period Ending October 7, 2018
(Unaudited; C$)

	Notes	09-Sep-18	16-Sep-18	23-Sep-18	30-Sep-18	07-Oct-18	Total
Receipts							
Accounts receivable collections	2	1,869,192	1,799,500	1,411,500	1,744,821	1,645,000	8,470,013
Total Receipts		1,869,192	1,799,500	1,411,500	1,744,821	1,645,000	8,470,013
Disbursements							
Payroll costs	3	451,518	757,590	471,018	612,571	411,518	2,704,215
Fuel	4	20,808	-	20,000	-	20,808	61,616
Repairs and maintenance	5	255,540	550,529	430,591	320,720	255,540	1,812,921
Lease payments	6	267,160	236,504	250,000	4,659	217,160	975,484
Insurance	7	173,329	-	71,698	-	173,329	418,356
Facilities costs	8	127,000	50,000	50,000	50,000	130,000	407,000
Customs and duties	9	-	-	-	250,000	-	250,000
Professional fees	10	120,000	-	-	-	250,000	370,000
Credit card payments	11	-	-	355,507	-	-	355,507
Other operating expenses	12	372,171	318,955	283,955	297,684	250,540	1,523,305
Debt service		-	-	-	-	44,000	44,000
Total Disbursements		1,787,526	1,913,578	1,932,769	1,535,634	1,752,895	8,922,403
Net Cash Flow		81,665	(114,078)	(521,269)	209,187	(107,895)	(452,391)

CIBC Borrowing Base (consolidated)	13	09-Sep-18	16-Sep-18	23-Sep-18	30-Sep-18	07-Oct-18
Total consolidated borrowings		15,932,895	16,135,498	15,604,117	15,161,803	15,930,570
Net assets available for borrowing		16,874,644	16,874,644	19,413,180	19,413,180	19,413,180
Surplus/(shortfall)		941,749	739,146	3,809,063	4,251,377	3,482,610

Great Slave Helicopters Ltd.
Notes to Projected Cash Flow Forecast
For the Period Ending October 7, 2018
(Unaudited; $C)

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 September 4, 2018 to October 7, 2018 in respect of its proceedings under the *Companies' Creditors Arrangement Act* . In accordance with the Initial Order, the cash flow reflects the continued use of the Company's existing cash management system with CIBC.

   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 aircraft fuel costs incurred in the normal course of operations.

5. Represents projected maintenance, parts and equipment required to operate the aircraft in the normal course during the projection period.

6. Represents payments to the Company's aircraft lessors in respect of the Company's 17 leased aircraft.

7. Represents the Company's insurance premiums.

8. Represents occupancy costs at the Company's owned and leased premises, including utilities, maintenance and rent.

9. Represents customs, brokerage and duties payable.

10. Represents payment of the estimated professional fees of the Monitor, its legal counsel and the Company's legal counsel.

11. The Company's pilots incur 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 expenses that are paid by credit card during the projection period.

12. Represents the present run-rate of weekly freight, training and other general operating expenses incurred by the Company in its flying season.

13. The borrowing base is calculated on a consolidated basis in accordance with CIBC's existing lending formula. The calculation is based on the consolidated eligible borrowing base of the Company, Air Tindi Ltd. and Discovery Mining Services Ltd.

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 3rd day of September, 2018 for the period September 3, 2018 to October 7, 2018 ("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 _29th_ day of August, 2018.

Great Slave Helicopters Ltd.

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Hazel Zembal, Chief Financial Officer

Appendix “C”

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 3rd day of September, 2018, consisting of a weekly projected cash flow statement for the period September 3, 2018 to October 7, 2018 ("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 31st day of August, 2018.

KSV Kofman Inc

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