



**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 SISP, 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 “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.

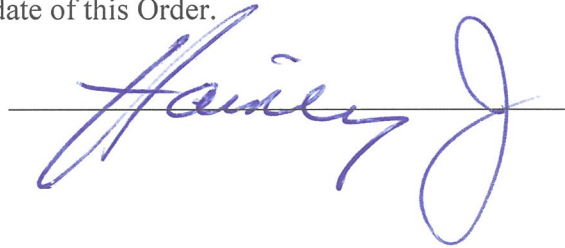
49. **THIS COURT ORDERS** that each of the Applicant and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order,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

Court File No.:

CV-18-604434-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF GREAT
SLAVE HELICOPTERS LTD. (the "APPLICANT")

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”



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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.) FRIDAY, THE 14th
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

SISP APPROVAL ORDER

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

ON READING the Notice of Motion of the Applicant, the affidavit of Alasdair Martin sworn September 7, 2018, and the Exhibits thereto, the First Report of KSV Kofman Inc., in its capacity as Monitor (the "**Monitor**") dated September 11, 2018 (the "**First Report**"), filed, and on hearing the submissions of counsel for the Applicant, the Monitor and Clairvest Group Inc., and those other parties present, no one else appearing although duly served as appears from the Affidavit of Service of Katie Parent sworn September 7, 2018, filed:

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion, the Motion Record and the First 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 in this Order and not otherwise defined herein shall have the meanings ascribed to them under the Sale and Investment Solicitation Process attached hereto as Schedule "A" (the "SISP").

APPROVAL OF SISP

3. **THIS COURT ORDERS** that the SISP (subject to any amendments thereto that may be made in accordance therewith) be and is hereby approved and the Monitor, the Applicant and their respective Representatives are hereby authorized and directed to take such steps as they deem necessary or advisable (subject to the terms of the SISP) to carry out the SISP, subject to prior approval of this Court being obtained before completion of any transaction(s) under the SISP.

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

5. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Monitor, the Applicant and their respective Representatives are hereby authorized and permitted to disclose and transfer to each potential bidder (the "Bidders") and to their Representatives, if requested by such Bidders, personal information of identifiable individuals, including, without limitation, all human resources and payroll information in the Applicant's records pertaining to the Applicant's past and current employees, but only to the extent desirable or required to negotiate or attempt to complete a sale pursuant to the SISP (a "Sale"). Each Bidder or Representative to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation for the purpose of effecting a Sale, and if it does not complete a Sale, shall return all such information to the Monitor, or in the alternative destroy all such information and provide confirmation of its destruction if requested by the Monitor. The Successful Bidder(s) shall maintain and protect the privacy of such information and, upon closing of the transaction(s) contemplated in the Accepted Bid(s), shall be entitled to use the personal information provided to it that is related to the Business and/or Assets acquired pursuant to the SISP in a manner that is in

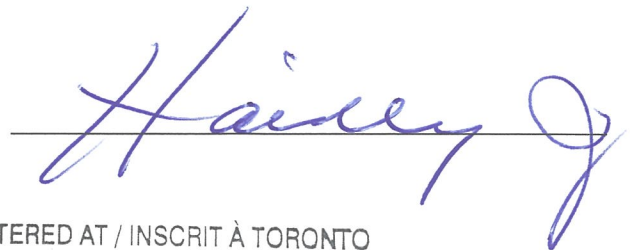
all material respects identical to the prior use of such information by the Applicant, and shall return all other personal information to the Monitor, or ensure that all other personal information is destroyed and provide confirmation of its destruction if requested by the Monitor.

GENERAL

6. **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.

7. **THIS COURT ORDERS** that each of the Applicant and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

8. **THIS COURT ORDERS** that at any time during the SISP, the Monitor or the Applicant may apply to the Court for directions with respect to the SISP.



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

SEP 14 2018

NB

PER / PAR:

Schedule "A"

SISP

(See attached)

SALE AND INVESTMENT SOLICITATION PROCESS

Introduction

On September 4, 2018, Great Slave Helicopters Ltd. (the “**Debtor**”) commenced a proceeding (the “**CCAA Proceedings**”) under the *Companies’ Creditors Arrangement Act* (Canada) (the “**CCAA**”) before the Ontario Superior Court of Justice (Commercial List) (the “**Court**”). Pursuant to the initial order issued by the Court in the CCAA Proceeding (the “**Initial Order**”), KSV Kofman Inc. was appointed as monitor (the “**Monitor**”) in the CCAA Proceedings.

The following Schedules are incorporated into this Sale and Investment Solicitation Process (“**SISP**”): (a) Schedule “A” – Form of Acknowledgment of Sale and Investment Solicitation Process; and (b) Schedule “B” – Addresses for Notice.

The Debtor intends to bring a motion (the “**SISP Motion**”) before the Court on or about September 14, 2018 for an order (the “**SISP Order**”) approving this SISP. The Monitor will conduct the SISP in accordance with the SISP Order. Under the SISP, all qualified interested parties will be provided with an opportunity to participate in the SISP or a portion thereof on the terms set out herein.

In this document, unless the context otherwise requires, words importing the singular include the plural and vice versa. Capitalized terms used herein and not otherwise defined shall have the meaning given to them in the Initial Order. Except where otherwise expressly provided, all dollar references are to Canadian dollars. A “**Business Day**” means any day, other than Saturday or Sunday, on which the principal commercial banks in Toronto are open for commercial banking business during normal banking hours.

Commencement of the SISP and Identifying Bidders

1. The purpose of the SISP is to conduct a process to provide interested parties with opportunities to submit competing offers on an “as is, where is” basis to: (a) acquire the Debtor’s business (the “**Business**”) or all, substantially all or any part of the assets owned by the Debtor (the “**Assets**”, and such proposal, a “**Sale Proposal**”), (b) make an investment in the Debtor by way of private issuances, sale or placement of newly issued or treasury equity, equity-linked or debt securities, instruments or obligations of the Debtor with one or more lenders and/or investors or security holders (an “**Investment Proposal**”), or (c) to liquidate all, substantially all or any part of the Assets (a “**Liquidation Proposal**”, and all such opportunities, collectively, the “**Opportunities**”). The SISP shall apply to each of the Opportunities and the related processes and transactions.
2. Any sales pursuant to this SISP will be on an “as is, where is” basis and without surviving representations or warranties of any kind, nature or description by the

Monitor, the Debtor or any of their respective directors, officers, agents, advisors or other representatives unless otherwise agreed in a definitive agreement.

3. All of the Debtor's right, title and interest in and to any of the Assets to be sold pursuant to any transaction(s) contemplated herein will be sold free and clear of the pledges, liens, security interests, encumbrances, claims, charges, options and interests therein and thereon as may be set out in the Court order approving such sale.

Timeline

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

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

Any such extensions or amendments (other than the Closing Date Deadline) shall be communicated to all Bidders in writing and posted on the Monitor's Website at <http://www.ksvadvisory.com/insolvency-cases/great-slave-helicopters>.

Solicitation of Interest: Notice of the SISP

5. The Debtor will issue a press release providing notice of the SISP and any such other relevant information as the Debtor and Monitor consider appropriate (a "Notice") with Canada Newswire for designated dissemination in Canada and such other jurisdictions as the Monitor, in consultation with the Debtor, considers appropriate.
6. The Monitor shall be entitled, but not obligated, to arrange for a Notice to be published in The Globe and Mail (National Edition), and any other newspaper or industry journal as the Monitor considers appropriate, if any, if it believes that such advertisement would be useful in the circumstances.

7. The Monitor, with the assistance of the Debtor and its counsel, advisors and other representatives (all such persons, collectively, "**Representatives**"), shall prepare:
 - (a) a list of potential financial bidders, strategic bidders and liquidation bidders who may be interested in a GSH Transaction (collectively, "**Potential Bidders**");
 - (b) letters in connection with the SISP describing the Opportunities, outlining the processes under the SISP and inviting recipients of such letters to participate in the SISP ("**Teaser Letters**");
 - (c) a form of non-disclosure agreement to be used in connection with the solicitation of bids in this SISP (an "**NDA**");
 - (d) a confidential information memorandum describing the Opportunities (a "**CIM**"), which will be made available by the Monitor to Bidders (as defined below) that execute an acceptable NDA; and
 - (e) to the extent considered necessary by the Monitor, in consultation with the Debtor, prepare forms of transaction documents to be used by Interested Parties (as defined below) in submitting bids and proposals to the Monitor, the form and substance of such transaction documents to be acceptable to the Monitor (the "**Transaction Documents**");
8. The Monitor, with the assistance of the Debtor and its Representatives, shall establish an electronic data room in connection with the SISP (the "**Data Room**") that may be updated from time to time during the SISP.
9. The Monitor and its Representatives may consult with, or seek the assistance or cooperation of, the Debtor and CEP IV Co-Investment Limited Partnership, Clairvest Equity Partners IV Limited Partnership, Clairvest Equity Partnership IV-A Limited Partnership, DA Holdings Limited Partnership, G. John Krediet, Canadian Imperial Bank of Commerce, Element Financial Corporation and Roynat Inc. (collectively, the "**Lenders**") with respect to any matter relating to this SISP and the conduct thereof. In this document, where the Monitor and the Debtor and their respective Representatives are required to consult with Lenders, such consultation shall only be required with those Lenders that have first priority to the sale proceeds from the Assets that are the subject of such consultation; provided, however, that the Monitor in its sole discretion may consult with any and all Lenders that it considers appropriate with respect to any matter relating to this SISP and the conduct thereof .
10. The Debtor and its Representatives shall cooperate fully with the Monitor and its Representatives and provide such assistance as is reasonably requested by the Monitor in connection with the SISP.

11. The Monitor will send the applicable Teaser Letter(s) and applicable form or forms of NDA to all applicable Potential Bidders as soon as reasonably practicable after the granting of the SISP Order and to any other party who requests a copy of a Teaser Letter and NDA or who is identified by the Debtor or the Monitor as a potential bidder as soon as reasonably practicable after such request or identification, as applicable.

Delivery of CIM

12. Any party who wishes to participate in the SISP (an “**Interested Party**”), including any Potential Bidder, must provide to the Monitor:
 - (a) an NDA executed by it, and a letter setting forth the identity of the Interested Party, the contact information for such Interested Party and full disclosure of the direct and indirect principals of the Interested Party;
 - (b) an acknowledgment of the applicable Opportunity in which the Interested Party is interested, in the form attached hereto as Schedule “A”; and
 - (c) if the Monitor considers it necessary, such form of financial disclosure and credit quality support or enhancement that allows the Monitor to make a reasonable determination as to the Interested Party’s financial and other capabilities to consummate a Sale Proposal, Investment Proposal or Liquidation Proposal.
13. If it is determined by the Monitor, in its reasonable business judgment, that an Interested Party: (i) has delivered the documents contemplated in paragraph 12 above; and (ii) has the financial capability based on the availability of financing, experience and other considerations, to be able to consummate a sale or other transaction pursuant to the SISP, then such Interested Party will be deemed to be a “**Bidder**”. For greater certainty, the Monitor may, in its reasonable business judgment, determine that an Interested Party may be deemed a Bidder in one Opportunity, but not another.
14. The Monitor will provide each Bidder with a copy of the CIM and access to the Data Room. Bidders and Qualified Bidders (as defined below) must rely solely on their own independent review, investigation and/or inspection of all information and of the Business and Assets in connection with their participation in the SISP and any transaction they enter into with the Debtor. The Debtor, the Monitor and their respective directors, officers, agents and advisors make no representation or warranty whatsoever as to the information (including, without limitation, with respect to its accuracy or completeness): (i) contained in the CIM or the Data Room; (ii) provided through the due diligence process or otherwise made available pursuant to the SISP; or (iii) otherwise made available to a Potential Bidder, Interested Party, Bidder or Qualified Bidder, except to the extent expressly

contemplated in any definitive documentation duly executed and delivered by the Successful Bidder (as defined below) duly executed by the Debtor and approved by the Court.

15. At any time during the SISP, the Monitor may, in its reasonable business judgment, eliminate a Bidder from the SISP, in which case such party will no longer be a Bidder for the purposes of the SISP. For greater certainty, the Monitor may, in its reasonable business judgment, eliminate a Bidder participating in multiple Opportunities from one Opportunity but not other Opportunities.
16. None of the Debtor, the Lenders nor any of their Representatives or affiliates shall meet or communicate with a Potential Bidder, Interested Party, Bidder or Qualified Bidder regarding any Opportunity or related transaction without (a) first informing and obtaining the consent of the Monitor, and (b) allowing the Monitor the right and opportunity to participate in such meeting, management presentation or communication. In the event a disagreement arises between the Monitor and either the Debtor or a Lender with respect to any matters related directly or indirectly to this SISP, the Monitor, unless otherwise ordered by the Court, shall have the sole authority to make a final decision with respect to such matters.
17. The Monitor, with the Debtor's assistance, shall afford each Bidder such access to applicable due diligence materials and information pertaining to the SISP as the Monitor deems appropriate in its reasonable business judgment. Due diligence access may include management presentations, access to the Data Room, on-site inspections and other matters which a Bidder may reasonably request and which the Monitor deems appropriate. The Monitor will designate one or more representatives to coordinate all reasonable requests for additional information and due diligence access from each Bidder and the manner in which such requests must be communicated. Neither the Debtor nor the Monitor will be obligated to furnish any information relating to the Business or the Assets to any person other than to Bidders. For the avoidance of doubt, selected due diligence materials may be withheld from certain Bidders if the Monitor determines such information to represent proprietary or sensitive competitive information.

Formal Offers and Determination of Qualified Bids

18. Bidders that wish to make a formal offer pursuant to the SISP (a "**Sale Proposal**", an "**Investment Proposal**" or a "**Liquidation Proposal**", as the case may be) must submit by email such Sale Proposal, Investment Proposal and/or Liquidation Proposal to the Monitor so as to be received by the Monitor not later than 5:00 PM (Toronto Time) on October 17, 2018 (the "**Bid Deadline**"), in each case with a copy to each of the persons specified in Schedule "B" hereto. Bidders must submit a separate Sale Proposal, Investment Proposal or Liquidation Proposal for each Opportunity in which the Bidder is interested.

19. In order to be considered a “**Final Bid**”, a Sale Proposal, an Investment Proposal or a Liquidation Proposal shall include the following terms (collectively, the “**Final Bid Criteria**”):
- (a) in the case of:
 - (i) a Sale Proposal, a sealed duly authorized and executed definitive purchase agreement in a form of Asset Purchase Agreement consistent with transactions of this nature together with all completed schedules thereto, containing the detailed terms and conditions of the proposed transaction, including identification of the Business or the Assets proposed to be acquired, the obligations to be assumed, the purchase price for the Business or Assets proposed to be acquired, the detailed structure and financing of the proposed transaction (and, where applicable, together with a blackline comparing the purchase agreement submitted to any Transaction Documents);
 - (ii) an Investment Proposal, 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 Debtor following completion of the proposed transaction, the direct or indirect investment target and the aggregate amount of equity and debt investment (including the sources of such capital, the underlying assumptions regarding the pro forma capital structure, as well as anticipated tranches of debt, debt service fees, interest and amortization) to be made in the Debtor, and the debt, equity or other securities, if any, proposed to be allocated to creditors of the Debtor; and
 - (iii) a Liquidation Proposal, containing the detailed terms and conditions of the proposed transaction, including identification of the Assets proposed to be acquired, an allocation of the proposed consideration amongst such Assets, 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 (and, where applicable, together with a blackline comparing the agency agreement submitted to any Transaction Documents);
 - (b) Subject to subsection (c) below, that the bid is binding and irrevocable until the earlier of: (i) 30 days after the Bid Deadline and (ii) approval by the Court of the relevant Accepted Bid (the “**Bid Termination Date**”). **Bidders are strongly discouraged from submitting Letters of Intent or Expressions of Interest;**

- (c) include a refundable cash deposit in the form of a wire transfer (to a bank account specified by the Monitor) or such other form of deposit as is acceptable to the Monitor, payable to the Monitor, in trust, in an amount equal to 15% 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, as determined by the Monitor (in each case, the "Deposit");
- (d) provide contact information (including an email address) for the Bidder and disclose the identity of each entity (including its ultimate shareholders and/or sponsors) that is bidding for the Business and/or Assets or otherwise participating in a Final Bid and the complete terms of any such participation;
- (e) include written evidence of a firm, irrevocable commitment for financing or other evidence of an ability to consummate the proposed transaction or transactions comprising the Final Bid, that will allow the Monitor to make a determination as to the Bidder's financial and other capabilities to consummate the proposed transaction;
- (f) include acknowledgments and representations of the Bidder that: (i) it has had an opportunity to conduct any and all due diligence regarding the Business and/or Assets, the Debtor or otherwise prior to making its bid; (ii) it has relied solely upon its own independent review, investigation and/or inspection of the Business and/or Assets (including, without limitation, any documents in connection therewith) in making its bid; and (iii) it did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory or otherwise, regarding the Business and/or Assets or the Debtor or the completeness of any information provided in connection therewith, except as expressly contemplated in any definitive documentation duly executed by the Successful Bidder and the Debtor and approved by the Court;
- (g) include written evidence, in form and substance reasonably satisfactory to the Monitor, of authorization and approval from the Bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the transaction contemplated by the Final Bid;
- (h) provides value to the creditors and other stakeholders of the Debtor (having regard to the relative priority of creditor claims);
- (i) describes the specific Business and/or Assets to be acquired by the Bidder;
- (j) includes details of any liabilities to be assumed by the Bidder;

- (k) not be subject to further due diligence;
 - (l) not be subject to financing;
 - (m) include a description of any regulatory or other third-party approvals required for the Bidder to consummate the proposed transaction, and the time period within which the Bidder expects to receive such regulatory and/or third-party approvals, and those actions the Bidder will take to ensure receipt of such approvals as promptly as possible;
 - (n) include a description of any desired arrangements with respect to transition services that may be required from the Debtor in connection with the transaction, including funding for same;
 - (o) not be subject to any conditions precedent except those that are customary in a transaction of this nature;
 - (p) not be conditional upon approval by the Court of any bid protection, such as a break-up fee, termination fee, expense reimbursement or similar type of payment;
 - (q) be received by the Bid Deadline; and
 - (r) contemplate closing the transaction set out therein on or before November 23, 2018 (the “**Closing Date Deadline**”).
20. The Monitor may, if it deems appropriate or desirable in the circumstances, modify or amend the Final Bid Criteria.
21. Following the Bid Deadline, the Monitor will determine if each Sale Proposal, Investment Proposal or Liquidation Proposal delivered to the Monitor meets the Final Bid Criteria, provided that each such Sale Proposal, Investment Proposal or Liquidation Proposal may be negotiated among the Monitor, the Debtor and the applicable Bidder and may be amended, modified or varied to improve such Sale Proposal, Investment Proposal or Liquidation Proposal as a result of such negotiations. Neither the Monitor nor the Debtor shall be under any obligation to negotiate identical terms with, or extend identical terms to, each Bidder.
22. The Monitor may make any modification to the SISP it considers appropriate in the circumstance and, where it considers such modification to be material, it may seek Court approval of such modification on notice to parties in the CCAA Proceeding. The extension of any date in the SISP by up to two weeks shall not be considered material.

23. If a Sale Proposal, an Investment Proposal or a Liquidation Proposal meets the Final Bid Criteria, as determined by the Monitor in its sole discretion, such Final Bid will be deemed to be a **“Qualified Bid”** and the Bidder in respect of each such Qualified Bid shall be a **“Qualified Bidder”** in respect of the SISP. The Monitor may waive strict compliance with any one or more of the Final Bid Criteria and deem such non-compliant Sale Proposal, Investment Proposal or Liquidation Proposal to be a Qualified Bid, provided that doing so shall not constitute a waiver by the Monitor of the Final Bid Criteria or an obligation on the part of the Monitor to designate any other Sale Proposal, Investment Proposal or Liquidation Proposal as a Qualified Bid.

Selection of Successful Bidders

24. Within five (5) Business Days of the Bid Deadline, or at such later time as the Monitor may deem appropriate, the Monitor will advise each Bidder if its Sale Proposal, Investment Proposal or Liquidation Proposal is a Qualified Bid (the **“Notification Date”**) pursuant to the SISP.
25. The Monitor, in consultation with the Debtor and the Lenders and each of their respective Representatives (subject to paragraph 9 hereof), shall: (a) evaluate Qualified Bids on various grounds including, but not limited to, the purchase price or imputed or projected value, the treatment of creditors and related implied recovery for creditors (in each case, as applicable), the assumed liabilities, the certainty of closing the transactions contemplated by the Qualified Bid on or before the Closing Date Deadline and any delay or other risks (including closing risks) in connection with the Qualified Bids; and (b) where considered appropriate, continue negotiations with a selected number of Qualified Bidders, with a view to selecting one or more non-overlapping Qualified Bids as successful bids. The Monitor, in consultation with the Debtor and the Lenders and each of their respective Representatives (subject to paragraph 9 hereof), shall have the option, in its discretion, to split, combine and/or aggregate Qualified Bids and portions thereof.
26. The Monitor, in consultation with the Debtor and the Lenders and each of their respective Representatives (subject to paragraph 9 hereof), shall, in the case of:
- (a) a Sale Proposal or an Investment Proposal that is a Qualified Bid, accept, subject to Court approval, one (or more than one, if for distinct and compatible transactions) such Qualified Bid (each, an **“Accepted Sale Bid”**, and the offeror(s) making such Accepted Sale Bid being a **“Successful Sale Bidder”**) and take such steps as may be necessary to finalize definitive transaction documents for the Accepted Sale Bid(s) with such Successful Sale Bidder(s); and
 - (b) a Liquidation Proposal that is a Qualified Bid, accept, subject to Court approval, one (or more than one, if for distinct and compatible transactions)

such Qualified Bid (each an “**Accepted Liquidation Bid**”, and together with any Accepted Sale Bids, “**Accepted Bids**”, and the offeror(s) making such Accepted Liquidation Bid being a “**Successful Liquidation Bidder**”, and together with any such Successful Sale Bidder(s), “**Successful Bidders**”) and take such steps as may be necessary to finalize definitive transaction documents for the Accepted Liquidation Bid(s) with Successful Liquidation Bidder(s).

27. The Monitor and the Debtor shall have no obligation to conclude a sale arising out of this SISP and reserve the right and unfettered discretion to reject any and all bids or proposals, but shall only do so in consultation with the Lenders and their Representatives (subject to paragraph 9 hereof). If the Monitor does select any Accepted Bid(s), it shall be under no obligation to accept the highest or any particular bid.
28. Within five (5) Business Days of the Notification Date, the Monitor shall advise the Qualified Bidders if Accepted Bids have been accepted (in each case, subject to Court approval) (the “**Bid Acceptance Date**”).
29. Within seven (7) Business Days of the Bid Acceptance Date (or as soon as reasonably possible thereafter), the Debtor shall file a motion or motions with the Court seeking one or more orders to approve the Accepted Bids. The Debtor will be deemed to have finally accepted the Accepted Bid(s) only when it has been approved by the Court. All of the Qualified Bids other than the Accepted Bids shall be deemed rejected by the Monitor on and as of the date of approval of the applicable Accepted Bid by the Court.
30. All Deposits received by the Monitor in connection with the SISP will be retained by the Monitor in a trust account. Any Deposit held by the Monitor with respect to the Accepted Bid (plus accrued interest, if any) will be non-refundable (other than as may be provided for in the definitive documents that constitutes the Accepted Bid) and will be applied to the purchase price to be paid by the Successful Bidder upon closing of the transaction under the Accepted Bid. The Deposits (plus applicable interest, if any) of Bidders not selected as Qualified Bidders will be returned to such Bidders within three (3) Business Days of the Notification Date. The Deposits (plus applicable interest, if any) of Qualified Bidders not selected as the Successful Bidder will be returned to such parties within three (3) Business Days of the Bid Acceptance Date.
31. If the Successful Bidder for any transaction fails to close the transaction contemplated by the Accepted Bid by the Closing Date Deadline or such other date as may otherwise be mutually agreed upon among the Debtor, the Monitor and the Successful Bidder, the Monitor shall be authorized but not required to: (a) direct the Debtor to exercise such rights and remedies as are available to the Debtor under the Accepted Bid including, if applicable, deeming that the Successful Bidder has

breached its obligations pursuant to the Accepted Bid and that the Successful Bidder has forfeited its Deposit to the Debtor; or (b) take such other steps as it deems advisable, including seeking further advice and directions from the Court. The Debtor reserves its right to seek all available remedies, including damages or specific performance, in respect of any defaulting Successful Bidder.

Assets Not Sold

32. Any Asset that is not sold or liquidated or otherwise dealt with pursuant to an Accepted Bid that is consummated in a closed transaction may be sold by the Debtor, with the assistance of the Monitor and in consultation with the Lenders and their Representatives (subject to paragraph 9 hereof), in any manner that the Debtor sees fit; provided, however, that if the consideration that the Debtor receives for such Asset(s) in any one transaction exceeds \$250,000 or \$1,000,000 in the aggregate, then the Debtor will seek Court approval of such sale. Where the Debtor 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 Debtor shall seek the consent of that Lender.

Confidentiality and Access to Information

33. Each Potential Bidder, Interested Party, Bidder or Qualified Bidder shall not be permitted to receive any confidential or competitive information that is not made generally available to all participants in the SISP, including the number or identity of Potential Bidders, Bidders, Qualified Bidders, and Qualified Bids; the details of any bids, Sale Proposals, Investment Proposals or Liquidation Proposals or Final Bids submitted; or the details or existence of any confidential discussions or correspondence among the Debtor, the Monitor and any Bidder in connection with the SISP.
34. The Monitor, the Debtor and their respective Representatives shall provide regular updates to the Lenders and their Representatives with respect to matters related to the SISP, including, without limitation, convening bi-weekly conference calls with the Lenders. Any information that is provided by the Monitor, the Debtor or their respective Representatives to any of the Lenders or their Representatives, in respect of the SISP, including regarding any participants therein, any bids received or terms thereof or otherwise ("**Confidential Information**"), will be provided on a strictly confidential basis only and such parties shall not be permitted to share such Confidential Information with anyone other than any other Lenders or their Representatives, without the consent of the Monitor.
35. Notwithstanding paragraph 34, if any Lender intends to: (a) participate as a bidder in this SISP; and/or (b) provide financing to a bidder in the SISP, then such party shall provide written notice of such intention (the "**Participation Notice**") to the Monitor on or before October 1, 2018 (the "**Participation Notice Deadline**"). Any

Lender who delivers a Participation Notice shall not be entitled to any Confidential Information, shall not be entitled to exercise any consultation and other similar rights hereunder and shall not be entitled to review any Transaction Documents or be involved in any way in the review, consideration, negotiation or selection of any bids. The failure of such parties to deliver a Participation Notice by the Participation Deadline shall render such parties unable to participate as a bidder in this SISP and may, in the Monitor's sole discretion, disqualify from consideration any bidder to whom they are proposing to provide financing.

36. In addition, the Monitor may consult with any other parties with a material interest (as determined in the Monitor's sole discretion) in the CCAA Proceeding regarding the status and material information and developments relating to the SISP to the extent considered appropriate by the Monitor and taking into account, among other things, whether such party is a Bidder, Qualified Bidder, or other participant or prospective participant in the SISP; provided that such parties may be required to enter into confidentiality arrangements satisfactory to the Monitor.

Supervision of the SISP

37. Subject to any consultation rights and other similar rights provided for herein, the Monitor will conduct the SISP in the manner set out herein and in the SISP Order. All discussions or inquiries to the Debtor regarding the SISP shall be directed to the Monitor. Under no circumstances should Representatives of the Debtor be contacted directly or indirectly in respect of the SISP, including diligence requests, without the prior written consent of the Monitor. Any such unauthorized contact or communication could result in exclusion from the SISP, in the Monitor's sole discretion.
38. Other than as specifically set forth in a definitive agreement between the Debtor and a Successful Bidder, the SISP does not, and will not be interpreted to, create any contractual or other legal relationship among the Debtor, the Monitor, any Potential Bidder, Interested Party, Bidder, Qualified Bidder, the Successful Bidder, or any other party.
39. Subject to the terms of the Initial Order or other Court order, participants in the SISP are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any Final Bid, participation in the SISP and due diligence.

SCHEDULE "A"

Acknowledgement of the Sale and Investment Solicitation Process

TO: Great Slave Helicopters Ltd.

AND TO: KSV Kofman Inc. in its capacity as monitor in the CCAA proceedings of Great Slave Helicopters Ltd.

RE: Sale and Investment Solicitation Process in respect of the following Opportunity(ies) [check all that apply]:

- Sale Proposal
- Investment Proposal
- Liquidation Proposal

The undersigned hereby acknowledges receipt of the sale and investment solicitation process approved by the Order of the Honourable Justice Hailey of the Ontario Superior Court of Justice (Commercial List) dated September 14, 2018 (the "SISP") and that compliance with the terms and provisions of the SISP is required in order to participate in the SISP and for any Final Bid (as defined in the SISP) to be considered by the Monitor.

This ____ day of _____, 2018.

[Insert Interested Party name]

Per:
Email Address:

SCHEDULE "B" - ADDRESSES FOR NOTICES

KSV Kofman Inc.
Court-Appointed Monitor in the Debtor's CCAA Proceedings
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 copies to-

Goldman Sloan Nash & Haber LLP
Lawyers for the Debtor
1600-480 University Avenue
Toronto, ON M5G 1V2

Attention: Mario Forte and Jennifer Stam

Email: forte@gsnh.com / stam@gsnh.com

Goodmans LLP
Lawyers for the Monitor
Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto ON M5H 2S7

Attention: Joe Latham

Email: jlatham@goodmans.ca

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. (the "APPLICANT")

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

Proceeding commenced at Toronto

SISP APPROVAL 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

Jennifer Stam (LSUC#: #46735J)
Tel: 416.597.5017
Email: stam@gsnh.com

Lawyers for the Applicant

Appendix “D”



Great Slave Helicopters Ltd. announces approval of sale and investment solicitation process

NEWS PROVIDED BY

Great Slave Helicopters Ltd.

Sep 14, 2018, 14:15 ET

YELLOWKNIFE, Sept. 14, 2018 /CNW/ - On September 4, 2018, Great Slave Helicopters Ltd. ("GSH") was granted protection under the *Companies' Creditors Arrangement Act* ("CCAA") pursuant to an order (the "Initial Order") of the Ontario Superior Court of Justice ("Court"). Pursuant to the Initial Order, KSV Kofman Inc. was appointed as the CCAA monitor ("Monitor").

On September 14, 2018, the Court granted an order (the "SISP Order") approving a sale and investment solicitation process ("SISP") for the solicitation of offers to purchase of some or all of GSH's business or assets or to invest in GSH. Pursuant to the SISP Order, the Monitor will conduct and oversee the SISP.

Under the SISP, interested parties must submit qualified bids by no later than 5:00 p.m. (Toronto Time) on October 17, 2018. It is expected that Court approval of the final transactions will be sought shortly after the acceptance of the successful bid or bids and that closing will occur no later than November 23, 2018.

A copy of the SISP Order and other Court materials and information related to GSH's CCAA proceedings is available on the Monitor's website at www.ksvadvisory.com/insolvency-cases/great-slave-helicopters.

About Great Slave Helicopters Ltd.

GSH is one of the largest onshore helicopter operators in Canada and conducts operations through most parts of western and northern Canada as well as internationally. GSH's main base of operations is in Yellowknife, Northwest Territories.

SOURCE Great Slave Helicopters Ltd.

For further information: Janet Kim, (416) 597-7889, kim@gsnh.com

Organization Profile



Great Slave Helicopters Ltd.

Appendix “E”



David Sieradzki
ksv advisory inc.

150 King Street West, Suite 2308
Toronto, Ontario, M5H 1J9
T +1 416 932 6030
F +1 416 932 6266
dsieradzki@ksvadvisory.com

ksvadvisory.com

October 15, 2018

DELIVERED BY EMAIL

To: Participants in the Sale and Investment Solicitation Process of Great Slave Helicopters Ltd.

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

We are writing in our capacity as monitor (the "Monitor") in the Company's proceedings under the *Companies' Creditors Arrangement Act*.

In accordance with the sale and investment solicitation process ("SISP") approved by the Ontario Superior Court of Justice – Commercial List ("Court") on September 14, 2018, the Monitor has the authority to extend any deadline in the SISP by up to two weeks without Court approval. **Accordingly, this letter is to serve as notification that the bid deadline has been changed from October 17, 2018 at 5 p.m. to October 31, 2018 at 5 p.m.**

Please continue to contact the Monitor should you have any questions regarding the SISP and/or to further your diligence.

Yours very truly,

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

Per: David Sieradzki

DS:rk



ksv advisory inc.
150 King Street West, Suite 2308
Toronto, Ontario, M5H 1J9
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October 15, 2018

Notice re: Sale and Investment Solicitation Process of Great Slave Helicopters Ltd. (the “Company”)

This notice is provided by KSV Kofman Inc., in its capacity as monitor (the “Monitor”) in the Company’s proceedings under the *Companies’ Creditors Arrangement Act*.

In accordance with the sale and investment solicitation process (“SISP”) approved by the Ontario Superior Court of Justice – Commercial List (“Court”) on September 14, 2018, the Monitor has the authority to extend any deadline in the SISP by up to two weeks without Court approval. **Please be advised that the bid deadline has been changed from October 17, 2018 at 5:00 p.m. to October 31, 2018 at 5:00 p.m.** If further changes to the timelines in the SISP are required, you will be advised in due course.

Yours very truly,

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

Appendix “F”



David Sieradzki
ksv advisory inc.

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October 15, 2018

DELIVERED BY EMAIL

To: Parties pursuing a Sale Proposal in the Sale and Investment Solicitation Process ("SISP") of Great Slave Helicopters Ltd. (the "Company")

We are writing in our capacity as monitor (the "Monitor") in the Company's proceedings under the *Companies' Creditors Arrangement Act*.

As you have now been made aware, the bid deadline under the court approved SISP has been extended from October 17, 2018 at 5:00 p.m. to October 31, 2018 at 5:00 p.m. Notwithstanding this extension, the Monitor requires all prospective purchasers who are pursuing a Sale Proposal (as defined in the SISP) to submit to the Monitor by October 17, 2018 at 5:00 p.m. a letter which outlines the terms of your prospective transaction, including the following:

- a) a value range for the transaction;
- b) assets to be purchased and whether any of the Company's assets will be excluded from your offer;
- c) a list of the joint ventures in which you have and don't have an interest;
- d) timeline to closing;
- e) confirmation that you have the financial ability to close a transaction and evidence of same;
- f) confirmation that your offer will be submitted in the form of a definitive Asset Purchase Agreement ("APA"), without material conditions, and confirmation that the terms of the APA will be consistent with insolvency sale transactions, i.e. completed on an "as is, where is" basis, without material representations and warranties; and
- g) confirmation that the offer will be accompanied by a deposit in an amount equal to 15% of the purchase price, as set out in section 19(c) of the SISP.

A template agreement of purchase and sale will be made available in the data room by no later than October 17, 2018. We strongly recommend that you use the template to submit your offer, with all changes to the template redlined or otherwise noted.

We look forward to receiving your letter outlining the above items by no later than 5:00 p.m. on October 17, 2018, as well as your definitive offer by no later than October 31, 2018 at 5:00 p.m.

Yours very truly,

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

Per: David Sieradzki

Appendix “G”

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\$ [REDACTED], 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\$ [REDACTED] [REDACTED] 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 \$ [REDACTED], 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

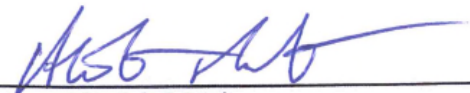
- 19 -

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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
3	GSHL - AB Agriculture & Forestry - Rotor Wing Aircraft Contract - Apr. 4-16
4	GSHL - Airbus - H-Care Easy Services Agreement - Feb. 1-17
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
11	GSHL - Bella Coola - Aircraft Time Charter Agreement - Oct. 5-16
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
25	GSHL - Geokinetics USA Inc. - Supplement #15 - Dec. 28-16
26	GSHL - Geokinetics USA Inc. - Supplement #16 - Jan. 12-17
27	GSHL - GNWT - Offer Rotary Wing Aircraft - Feb. 21-17
28	GSHL - Gwich'in - Restated Management Agreement - Jan. 1-06
29	GSHL - Gwich'in.GDC - Shareholder Agreement - Set. 21-04
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
35	GSHL - InterMountain - Long Term Agreement - Extension - Dec. 5-16
36	GSHL - InterMountain - Long Term Agreement - Preferential Pricing & Services - Apr. 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)

	Document Name
43	GSHL - Kivallingmiut - Management Agreement - Oct. 28 08
44	GSHL - List - Parts and MRO Suppliers
45	GSHL - LTS Infrastructure LP - Amending Agreement #1 (Work Order #5080235-001) - May 31-17
46	GSHL - MB - Sustainable Development Helicopter Flying Offer 2017
47	GSHL - Nexen - Aircraft Charter Agreement - Contract #108724 - Jan. 1-17
48	GSHL - Nexen - Change Order - Contract #NXC-108724 - Sept. 28-17
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
52	GSHL - OMNR - 2017-2018 Pricing Submission Package
53	GSHL - OptimaAero - Contract Proposal - May 21-15
54	GSHL - PHP - Inventory Management & Supply Chain Support Agreement - July 11-16
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
69	GSHL - Sahtu.994461 NWT - USA - July 12-99
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 - Tlicho Investment Corp - Helicopter Services Agreement - Dec. 1-10
73	GSHL - Tlicho 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
77	GSHL - OMNR Contracts (80.1 to 80.6)
80	Tlicho 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
PATENT - Helicopter-Borne Power Line Deicer	Great Slave Helicopters Ltd.	11-445.383		US - Pub. #US 2007/0278349 A1 Pub. Date - Dec. 6-07	Patent

SCHEDULE 5
JOINT VENTURE INTERESTS [SECTION 1.1.25]

JV Name	DA OU	Shareholder Structure
Sahtu Helicopters	GSH	Majority Fort Norman Metis, Minority GSH
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
K'Ahsho 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
Auyuittuq 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
Hangar	317 Noorduyn Park	Calgary, AB	Leased
Crew House	#7, 135 Bow Ridge Drive	Cochrane, AB	Leased
Crew House	53 Royal Birch Mount	Calgary, AB	Leased
Crew House	1154 Country Hills Circle NW	Calgary, AB	Leased
Crew House	683 Arbour Lake Drive NW	Calgary, AB	Leased
Hangar	Dryden Regional Airport	Dryden, ON	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
Hangar	123 Bellis Road	Prince Rupert	Leased

SCHEDULE 7
REAL PROPERTY INTERESTS [SECTION 1.1.34]

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]

[List to be provided by Buyer prior to Closing]

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, Court File No. CV-18-604434-00CL
c. C-36, AS AMENDED

**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

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Tel: 416.597.5017
Email: stam@gsnh.com

Lawyers for the Applicant

Appendix “H”

Asset Purchase Agreement

October 31 2018

1. Proposal

Whereas Delta Helicopters Ltd. of 13-26004 TWP RD 544, Sturgeon County, Alberta, Canada, T8T 0B6 wishes to purchase a 1988 Eurocopter 350B2, Canadian Registration C-GJGK, serial number 2127, engine serial number 7138, and all components as per GSH's Forecast report and all associated equipment as per attached equipment list and as previously viewed per inspection on October 29 2018 by Delta Helicopters Ltd. for the sum of \$ [REDACTED] plus GST.

2. Method of Payment

Delta Helicopters Ltd. will provide a refundable deposit of 15% equal to \$ [REDACTED] CAD. [REDACTED] Refundable if the following conditions (3) are not met. Balance of payment to be paid by bank wire only upon agreed acceptance of this Asset Purchase Agreement. This offer is not subject to financing. Bank Letter of Reference attached for your review.

3. Conditions of Acceptance

- a) A bill of sale to Delta Helicopters Ltd. insuring the aircraft and all related equipment will be free and clear of any and all liens, options, leases, security interests or encumbrances of any kind or nature whatsoever domestic or foreign.
- b) Aircraft meets specifications of above 1.0 Proposal
- c) Upon completion of this sale Delta Helicopters Ltd. will have free and immediate access to remove the aircraft from the premises.

4. Other

- a) Delta Helicopters Ltd. has performed an independent inspection of the aircraft and makes this offer upon its own inspection and did not rely upon any other 3rd party information.
- b) Delta Helicopters Ltd.'s shareholders are in agreement on this Asset Purchase Agreement as per Donald Stubbs (dstubbs@deltahelicopters.com), Kathryn Stubbs (kdstubbs@deltahelicopters.com) and Jennifer Van Patten (jvanpatten@deltahelicopters.com)
- c) Delta Helicopters Ltd. contemplates the closing of this transaction on or before November 28 2018.

Should you have any questions please contact myself at (780) 717-8777 or Donald Stubbs at (780) 940-4397.

Sincerely,



Jennifer Van Patten
Accountable Executive



Weighted		Registration		Serial number		Date of Report		Report No.			
22-Jul-09		C-GJGK		2127		27-Jul-18		Amendment # 8			
TC APPROVAL#	FAA APPROVAL#	Item Installed?	Mission Equipment or Permanent Install?	Description	Part Number	Weight	Long	Lat	Change Reference		
		YES	Permanent	Coax Heating System	350A07 1258	844	100 20	5 00	Original		
		YES	Permanent	High Seat Gear	350A07 1258	122 20	132 47	0 00	Original		
		YES	Permanent	High Back Pilot Seat	350A77 1258 05	23 32	63 80	0 00	Original		
		YES	Permanent	High Back Co. Pilot Seat	350A77 1258 05	23 32	63 80	0 00	Original		
		YES	Permanent	Cabin Fire Extinguisher	HICIC 123	8 00	48 34	0 00	Original		
		YES	Permanent	Four Pin Box	M1 35 1	1 30	11 20	0 00	Original		
		YES	Permanent	Four Pin Motor		1 30	61 30	0 00	Original		
		YES	Permanent	Engine Motor		1 30	11 30	0 00	Original		
SH95-61		YES	Permanent	Four Pin Motor	350 78304	74 20	76 80	0 00	Original		
SH94-31		YES	Permanent	Auxiliary Fuel Filter		1 16	136 63	0 00	Original		
SH93-04		YES	Permanent	Door Seat Pad		13 00	157 20	0 00	Original		
SH92-6		YES	Permanent	Door Inlet Screen		12 80	88 00	0 00	Original		
SH90-43		YES	Permanent	Control Van. Box Window		5 00	61 00	0 00	Original		
SH92-16		YES	Permanent	Door Van. Box Window	1356 567 027	4 00	60 00	0 00	Original		
		YES	Permanent	Van. Box Window		17 00	102 00	0 00	Original		
SH97-33		YES	Permanent	Door Hinge Set		4 41	180 60	0 00	Original		
		YES	Permanent	Four Pin Utility Seat		6 30	121 15	0 00	Original		
SH95-31		YES	Permanent	Battery Reconnection Kit		37 16	240 00	0 00	Original		
		YES	Permanent	Battery Reconnection Kit		1 81	136 66	0 00	Original		
SR01645E		YES	Permanent	Control Van. Box Window		5 00	62 00	0 00	Original		
SR01645E		YES	Permanent	Control Van. Box Window		30 00	132 20	0 00	Original		
SH97-29	SH1929W	YES	Permanent	On Board Load Cell		1 50	124 40	0 00	Original		
SH97-28	SH1929W	YES	Permanent	On Board Load Indicator		0 70	61 01	0 00	Original		
		YES	Permanent	LHRH An. Plug	150A41 0175 0302	2 00	83 60	0 00	Original		
SH96-126		YES	Permanent	Base Tie Down Kit Front	350 78024 14	0 25	65 50	0 00	Original		
SH95-126		YES	Permanent	Base Tie Down Kit Aft	350 78024 13	0 26	189 70	0 00	Original		
SH95-21	SH5797SW	YES	Permanent	Two Pin Window		1 00	136 66	0 00	Original		
SH97-35		YES	Permanent	LH Side Door Latch Kit		0 62	136 13	0 00	Original		
SH99-25		YES	Permanent	Door Drain Hinge		0 07	170 00	0 00	Original		
SH97-15		YES	Permanent	Support Console RH	35R 20201424	35 27	130 30	0 00	Original		
SH92-36	SH9236D	YES	Permanent	Fuel Scavenger Oil Filter		3 00	161 30	0 00	Original		
	SR01660E	YES	Permanent	Overseat Fuel Drain Gauge		0 40	135 60	0 00	Original		
		YES	Permanent	LH Storage Door	AMS 350A17 1667	10 74	37 72	0 00	Original		
		YES	Permanent	RF Fuel Filter	35R 807001	2 74	135 60	0 00	Original		
		YES	Permanent	Seat Filter	350A62 5033 00	0 95	87 48	0 00	Original		
		YES	Permanent	Seat Filter Drain Plug	350A62 5033 00	13 09	168 36	0 00	Original		
SH95-10		YES	Permanent	Lower Kit Provisions	350A 616 616	2 45	137 60	0 00	Original		
SH95-10		NO	Mission	Low Back Lower Kit	D350 616 011	12 30	62 00	18 27	8		
SH91-4		YES	Permanent	Support Console	350A 616 616	4 45	64 00	0 00	Original		
SH97-4		YES	Permanent	Support Console	350A 616 616	3 08	136 00	0 00	Original		
SH97-4		YES	Permanent	GPS/Station Antenna	350 78024 14	2 49	62 00	0 00	Original		
		YES	Permanent	Antenna Filter	AM544	7 00	36 50	0 00	Original		
		YES	Permanent	Transmission	350 78024 14	3 09	41 50	0 00	Original		
		YES	Permanent	Transmission	CI 105	0 60	87 30	0 00	Original		
		YES	Permanent	Transmission	5 022502 02	1 90	107 30	0 00	Original		
		YES	Permanent	ELT Antenna	AV 420	0 38	194 60	0 00	Original		
P15-02		YES	Permanent	Hot. Mgmt. & Storage GPS		2 00	89 00	0 00	Original		
		YES	Permanent	Hot. Mgmt. ISO Comm. 1	064 1054 30	3 09	18 71	0 00	Original		
		YES	Permanent	KY196A ISO Comm. 2	064 1054 30	3 09	11 00	0 00	Original		
		YES	Permanent	Comm. 1 Antenna	CI 131	0 40	205 00	0 00	Original		
		YES	Permanent	Comm. 2 Antenna	CI 131	0 30	205 00	0 00	Original		
		YES	Permanent	VHF FM1 Transceiver	CI 131	0 50	205 00	0 00	Original		
		YES	Permanent	VHF FM1 Antenna(High)	CI 131	0 60	220 00	0 00	Original		
		YES	Permanent	VHF FM1 Antenna(Low)	CI 131	0 60	220 00	0 00	Original		
		YES	Permanent	VHF FM2 Transceiver	CI 131	0 50	205 00	0 00	Original		
		YES	Permanent	VHF FM2 Antenna(High)	CI 131	0 60	220 00	0 00	Original		
		YES	Permanent	Encoder	350 78024 14	0 30	74 60	0 00	Original		
		YES	Permanent	Inverter		1 30	149 15	1 58	Original		
SH91-57		YES	Permanent	Aerospace 2000 -Audio warnings and Display Unit		1 00	38 00	1 10	Original		
		YES	Permanent	Turn and Slip Indicator	350 78024 14	1 00	38 00	1 10	Original		
SH98-10		YES	Permanent	Dart Cable Cutter Kit	848-4001	15 50	98 00	0 00	Original		
SH99-205		NO	Mission	PA Siren System - Loud Speaker		6 60	114 00	0 00	6		
SH99-205		NO	Permanent	PA Siren System - Amplifier		6 60	84 00	0 00	6		
SH99-205		NO	Permanent	PA Siren System - Control Box		1 00	36 80	0 00	8		
PDA35-18		YES	Permanent	DART Wearplates	D 350-727-011	5 20	126 00	0 00	Original		
SH95-30	SH9530DPC	YES	Permanent	Tech Tool Window Seal Kit	3501CC-2025-6	1 60	81 30	35 30	7		
	SR944CH	YES	Permanent	Parker Boost pump	PC30-4	2 33	135 00	0 00	Original		
SH90-56		YES	Permanent	Aerospace Corp Airframe Hour Meter		0 50	33 00	0 00	Original		
		YES	Permanent	Minor mod. 30 amp panel plug	350-800514-01	1 20	128 00	0 00	Original		
SH91-69		YES	Permanent	High Visibility RHL/H lower door windows		18 20	61 20	0 00	Original		
SH97-36		YES	Permanent	ECL Maintenance step on Transmission deck cowling		0 10	135 80	0 00	Original		
SH95-19		YES	Permanent	Tech Tool Alt Cabin Window		1 00	87 30	11 50	Original		
SH94-57		NO	Mission	Survey System Installation (Structural & Electrical Power Provisions)		90 00	87 30	11 50	8		
		YES	Permanent	Eurocopter RH Fwd Comfort Window w/slide	P/N-3501CC-2025-6	4 60	87 30	30 30	7		
SH95-33	SH9533DPC	NO	Permanent	Tech-Tools Plastic RH Fwd door window with slide	P/N 3501-2026-2	4 60	87 30	30 30	7		

Appendix “I”

Great Slave Helicopters Ltd.

Projected Cash Flow and Margin Calculation

For the Period Ending December 30, 2018

(Unaudited; C\$)

	Notes	02-Dec-18	09-Dec-18	16-Dec-18	23-Dec-18	30-Dec-18	Total
<i>Receipts</i>							
Accounts receivable collections	2	887,391	800,000	720,000	609,900	300,000	3,317,291
<i>Total Receipts</i>		887,391	800,000	720,000	609,900	300,000	3,317,291
<i>Disbursements</i>							
Payroll costs	3	521,577	255,000	516,783	345,000	108,336	1,746,695
Repairs and maintenance	4	60,000	60,000	70,000	70,000	70,000	330,000
Lease payments	5	4,659	82,785	170,000	-	4,659	262,104
Insurance	6	-	59,583	-	-	-	59,583
Facilities costs	7	10,000	100,000	10,000	10,000	10,000	140,000
Professional fees	8	-	275,000	-	100,000	-	375,000
Credit card payments	9	-	-	-	175,000	-	175,000
Other operating expenses	10	226,865	246,865	257,441	257,441	257,441	1,246,053
<i>Total Disbursements</i>		823,101	1,079,234	1,024,223	957,441	450,436	4,334,435
<i>Net Cash Flow</i>		64,289	(279,234)	(304,223)	(347,541)	(150,436)	(1,017,144)
<u><i>CIBC Borrowing Base (consolidated)</i></u>	11	02-Dec-18	09-Dec-18	16-Dec-18	23-Dec-18	30-Dec-18	
Total consolidated borrowings		9,313,027	10,524,386	9,519,428	9,873,231	10,074,032	
Net assets available for borrowing		13,207,180	13,207,180	13,207,180	13,207,180	13,207,180	
Surplus/(shortfall)		3,894,153	2,682,794	3,687,752	3,333,949	3,133,148	

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 November 26, 2018 to December 30, 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 projected maintenance, parts and equipment required to operate the aircraft in the normal course during the projection period.
5. Represents payments to the Company's aircraft lessors in respect of the Company's leased aircraft.
6. Represents the Company's insurance premiums.
7. Represents occupancy costs at the Company's owned and leased premises, including utilities, maintenance and rent.
8. Represents payment of the estimated professional fees of the Monitor, its legal counsel and the Company's legal counsel.
9. 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.
10. Represents the present run-rate of weekly freight, training and other general operating expenses incurred by the Company.
11. 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 14th day of November, 2018 for the period November 26, 2018 to December 30, 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 14th day of November, 2018.

Great Slave Helicopters Ltd.



Hazel Zembal, Chief Financial Officer

Appendix “J”

**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 14th day of November, 2018, consisting of a weekly projected cash flow statement for the period November 26, 2018 to December 30, 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 14th day of November, 2018.



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

Appendix “K”

REIMBURSEMENT AGREEMENT

THIS REIMBURSEMENT AGREEMENT made the 9th day of October, 2018.

BETWEEN:

GREAT SLAVE HELICOPTERS LTD. (“**GSH**”), as owner and insured party in respect of the Aircraft (as defined below)

-and-

CLAIRVEST GP MANAGECO INC. (“**Clairvest**”), as recipient of the Insurance Payments (as defined below)

-and-

KSV KOFMAN INC., in its capacity as the Court-appointed Monitor of GSH

RECITALS:

- A. On September 4, 2018, GSH made an application under the *Companies’ Creditors Arrangement Act* (the “**CCAA**”) and the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) granted an Initial Order in connection therewith, which, among other things, appointed KSV Kofman Inc. as the Monitor of GSH (the “**Monitor**”).
- B. GSH is the owner of an aircraft described as Bell 407, C-FNAK, S/N: 3112 (the “**Aircraft**”) and is the insured party under an insurance policy with certificate number AVNGN1700726 with Marsh Canada Ltd. (the “**Insurance Policy**”). The Aircraft was involved in an accident in July of 2018 and was assessed as a total loss.
- C. Pursuant to a Final Aircraft Hull Statement in Proof of Loss signed on August 13, 2018 by GSH, and the corresponding Final Computation of Loss Settlement signed by GSH and Clairvest, the underwriters on the Insurance Policy were authorized and empowered to pay US\$1,750,794 (the “**Insurance Payments**”) to Clairvest as secured party in respect of the Aircraft in settlement of all further claims or liabilities under or by reason of the Insurance Policy. The Insurance Payments to Clairvest have now begun.
- D. The Monitor has instructed its counsel to review and provide an opinion on the security held by Clairvest in the assets of GSH, including the Aircraft. In light of the CCAA proceedings, unless and until an opinion has been rendered to the Monitor confirming that Clairvest has priority to the Aircraft and the Insurance Payments, and absent a Distribution Order from the Court, the Monitor is unable at this time to agree that the Insurance Payments may be kept by Clairvest.
- E. Accordingly, in connection with receipt by Clairvest of the Insurance Payments described in Recital C, the Monitor and GSH require that this reimbursement agreement (the “**Reimbursement Agreement**”) be entered into by GSH, the Monitor and Clairvest on the terms set forth below.

IN CONSIDERATION of the mutual covenants herein contained and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by the parties hereto), the parties hereby agree as follows:

1. Subject to the terms hereof, Clairvest hereby irrevocably and unconditionally agrees and undertakes to repay GSH or the Monitor, or such other person as GSH, the Monitor or a court may direct, as applicable (the “**Repayment Party**”) all or any portion of the Insurance Payments within ten (10) days of (a) written notice by GSH or the Monitor requesting repayment of all or any portion of the Insurance Payments, and/or (b) the issuance of an order of a court of competent jurisdiction ordering repayment of all or any portion of the Insurance Payments, including any interest thereon required or ordered to be paid (a “**Repayment Order**”), if in either case it is determined that Clairvest was not entitled to or otherwise should not have received all or any portion of the Insurance Payments by reason of any deficiency in Clairvest’s security in respect of the Aircraft or otherwise. For the purposes of this Reimbursement Agreement and any repayment required hereunder, a Repayment Order shall be considered a final order of the court such that Clairvest shall repay the Repayment Party pursuant to the terms of the Repayment Order notwithstanding any right of appeal or right to seek leave to appeal in respect thereof.
2. Clairvest shall indemnify and hold harmless GSH and the Monitor and their directors, officers and employees from and against any and all losses, liabilities, costs, claims, actions, damages, expenses, demands or causes of action, whether direct or indirect, incurred or suffered by or arising out of or in connection with this Reimbursement Agreement and/or the Insurance Payments, including the reasonable costs and expenses of legal counsel in connection therewith.
3. Clairvest hereby acknowledges and agrees that the Monitor acts solely in its capacity as Monitor of GSH and its officers, directors, employees and agents shall have no personal or corporate liability whatsoever as a result of this Reimbursement Agreement or otherwise in connection therewith.
4. All notices and other communications pursuant to this Reimbursement Agreement shall be in writing and either delivered by courier or transmitted by email as follows:

(a) in the case of GSH:

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

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

with a copy to:

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

Attention: Jennifer Stam
Email: stam@gsnh.com

(b) in the case of the Monitor:

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

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

with a copy to:

Goodmans LLP
333 Bay Street, Suite 3400
Toronto, ON M5H 2S7

Attention: L. Joseph Latham
Email: jlatham@goodmans.ca

(c) in the case of Clairvest:

Clairvest Group Inc.
22 St. Clair Avenue East, Suite 1700
Toronto, ON, M4T 2S3

Attention: Jim Miller
Email: jmiller@clairvest.com

with a copy to:

Torys LLP
79 Wellington Street West, Box 270
Toronto, ON, M5K 1N2

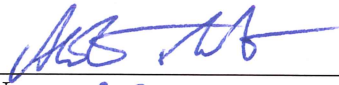
Attention: David Bish
Email: dbish@torys.com

Any notice or other communication shall be deemed conclusively to have been given and received, if delivered or transmitted by email, on the day in which it was delivered or transmitted.

5. This Reimbursement Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the Province of Ontario and the applicable laws of Canada.
6. This Reimbursement Agreement may be signed in counterparts and by email and each such counterpart taken together shall constitute a binding agreement among all the parties hereto.
7. This Reimbursement Agreement shall enure to the benefit of and be binding upon the parties hereto, their respective successors and assigns.
8. Each of the provisions contained in this Reimbursement Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof. To the extent permitted by applicable law, the parties waive any provision of law which renders any provision of this Reimbursement Agreement invalid or unenforceable in any respect.

DATED the 9th day of October, 2018.

GREAT SLAVE HELICOPTERS LTD.

Per: 
Name: ALASDAIR MARTIN
Title: PRESIDENT

I have authority to bind Great Slave Helicopters Ltd.

KSV KOFMAN INC., in its capacity as court-appointed monitor of Great Slave Helicopters Ltd., and not in its personal capacity

Per: _____
Name:
Title:

I have authority to bind KSV Kofman Inc. in its capacity as Court-appointed Monitor of Great Slave Helicopters Ltd.

CLAIRVEST GP MANAGECO INC.

Per: _____
Name:
Title:

I have authority to bind Clairvest GP Manageco Inc.

GOODMANS\6866989

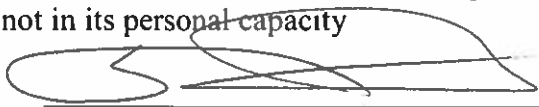
DATED the 9th day of October, 2018.

GREAT SLAVE HELICOPTERS LTD.

Per: _____
Name:
Title:

I have authority to bind Great Slave Helicopters Ltd.

KSV KOFMAN INC., in its capacity as court-appointed monitor of Great Slave Helicopters Ltd., and not in its personal capacity

Per: 
Name: DAVID SIERADSKI
Title: MANAGING DIRECTOR

I have authority to bind KSV Kofman Inc. in its capacity as Court-appointed Monitor of Great Slave Helicopters Ltd.

CLAIRVEST GP MANAGECO INC.

Per: _____
Name:
Title:

I have authority to bind Clairvest GP Manageco Inc.

GOODMANS 6866989

DATED the 9th day of October, 2018.

GREAT SLAVE HELICOPTERS LTD.

Per: _____
Name:
Title:

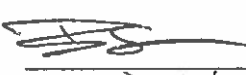
I have authority to bind Great Slave Helicopters Ltd.

KSV KOFMAN INC., in its capacity as court-appointed monitor of Great Slave Helicopters Ltd., and not in its personal capacity

Per: _____
Name:
Title:

I have authority to bind KSV Kofman Inc. in its capacity as Court-appointed Monitor of Great Slave Helicopters Ltd.

CLAIRVEST GP MANAGECO INC.

Per:  _____
Name: Daniel Chey & Jeff Parr
Title: CFO & vice chairman & managing director

I have authority to bind Clairvest GP Manageco Inc.

GOODMANS\6866989