



**First Report to Court of  
KSV Kofman Inc. as Proposal  
Trustee of Viafoura Inc.**

December 2, 2019

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COURT FILE NO.: 31-2590182

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)  
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF  
VIAFOURA INC.  
OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO

DECEMBER 2, 2019

## 1.0 Introduction

1. This report ("Report") is filed by KSV Kofman Inc. ("KSV") in its capacity as proposal trustee ("Proposal Trustee") in connection with a Notice of Intention to Make a Proposal ("NOI") filed on December 1, 2019 ("Filing Date") by Viafoura Inc. (the "Company") pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended ("BIA"). A copy of the certificate of filing issued by the Office of the Superintendent of Bankruptcy is provided in Appendix "A".
2. The principal purpose of these proceedings is to create a stabilized environment to allow the Company the opportunity to complete a restructuring and to provide fresh capital to the business so that it can continue to operate on a going-concern basis.
3. KSV was retained on an urgent basis on November 29, 2019. It has worked diligently since that time with representatives of the Company and InterCap Equity Inc. ("InterCap"), a preferred shareholder of the Company, to familiarize itself with the situation.

## 1.1 Purposes of this Report

1. The purposes of this Report are to:
  - a) provide background information about the Company;
  - b) report on the Company's weekly cash flow projections for the period November 29, 2019 to January 17, 2020 (the "DIP Loan Forecast");

- c) discuss a proposed debtor-in-possession loan of up to \$1 million (the “DIP Facility”) between the Company and InterCap and granting InterCap, as DIP lender, a senior ranking charge (the “DIP Charge”) over all of the Company’s assets, properties and undertakings (collectively, the “Property”) to secure repayment of the amounts borrowed by the Company under the DIP Facility, pursuant to Section 50.6 of the BIA; and
- d) recommend that this Honourable Court make an order:
  - approving the DIP Facility and granting the DIP Charge;
  - granting, pursuant to Section 64.2 of the BIA, a priority charge over the Property in the principal amount of \$200,000 to secure the fees and disbursements of the Proposal Trustee, the Trustee’s counsel, Chaitons LLP, and the Company’s counsel (the “Administration Charge”); and
  - granting the Company’s request for an extension of the time required to file its proposal, from December 31, 2019, the date the current stay expires, to February 13, 2020.

## 1.2 Currency

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

## 1.3 Restrictions

1. In preparing this Report, the Proposal Trustee has relied upon unaudited financial information prepared by the Company’s and InterCap’s representatives, the books and records of the Company and discussions with representatives of the Company and InterCap. The Proposal Trustee has not performed an audit or other verification of such information. An examination of the Company’s financial forecasts as outlined in the Chartered Professional Accountant Canada Handbook has not been performed. Future oriented financial information relied upon in this Report is based on the Company’s representative’s assumptions regarding future events; actual results achieved may vary from this information and these variations may be material.

## 2.0 Background

1. The Company was incorporated under the Canada *Business Corporations Act* on September 2, 2009. The Company was founded by Shahram (Jesse) Moeinifar, the Company’s Chief Executive Officer.
2. The Company is a software developer focussed on helping media, broadcast and entertainment brands better build, manage and monetize their content, audience and data in real time.

3. The Company operates from a single location in downtown Toronto and presently has 57 full-time employees. The Company’s workforce is not unionized, and it does not provide a pension plan.

## 2.1 Financial Position

1. The Company’s internal and unaudited balance sheet as at September 30, 2019 is provided in Appendix “B”. The balance sheet reflects negative retained earnings of \$12.9 million, representing accumulated losses since incorporation (including year-to-date losses).

### 2.1.1 Assets

1. A summary of the Company’s significant assets as at November 29, 2019 is provided below.

Unaudited	\$000s
Cash	55
Accounts receivable	230
Prepaid expenses	235
SR&ED	700
Advance to shareholder	191
FF&E	66
<b>Total</b>	<b>1,477</b>

2. A discussion of each of the assets (other than cash) is provided below:
  - a) Accounts receivable – the receivables balance includes bad debts of \$35,000. The Company invoices its customers for services annually, in advance. Accordingly, receivables are only collectible if the business continues to operate.
  - b) Prepaid expenses – includes insurance and software licenses.
  - c) Scientific Research and Experimental Development (“SR&ED”) tax credits – represents an accrual for a tax credit in respect of work performed since January 1, 2019. The Company has not yet filed a SR&ED claim. KSV has not had the chance to consider the collectability of the tax credit; however, significant assistance from individuals familiar with the subject of the tax credits is typically required for these types of credits to be collected. Should the business be discontinued, the ability to recover the tax credit will be impaired.
  - d) Advance to shareholder – represents an amount due from Mr. Moeinifar.
  - e) Furniture, fixtures and equipment – represents the depreciated book value of the Company’s computers, office equipment and leasehold improvements.

## 2.1.2 Liabilities

1. A summary of the Company's creditors as at the Filing Date is provided in the table below.

Unaudited	\$000s
Trade creditors	720
National Bank of Canada ("National Bank")	2,172
Espresso Capital ("Espresso")	864
Total	3,756

2. The Proposal Trustee understands that National Bank and Espresso are the Company's only secured creditors, other than Toronto-Dominion Bank in respect of corporate VISA cards secured by cash collateral and which are required on a post filing basis. The Proposal Trustee further understands that National has advised that it is not prepared to provide additional funding to the Company and Espresso has not committed to make any further advances to the Company.
3. The Company's unsecured creditors include server hosts and software vendors, including Amazon, Twitter and LoginRadius, as well as an unsecured loan from FedDev Ontario in the amount of \$250,000.
4. A copy of the Company's unaudited creditor list is provided in Appendix "C".

## 3.0 Urgency

1. The Company is without liquidity to continue to operate. It presently has a cash balance of approximately \$55,000. The Company did not fund payroll on November 29, 2019, and without an immediate cash injection, the business of the Company will be permanently discontinued. Significant immediate work is required to restore the loss of employee confidence resulting from missing payroll. The prospects of the business will be irreparably harmed if key employees resign.
2. The Proposal Trustee has been told that National Bank has advised the Company and InterCap that it is not prepared to provide further funding to the business. InterCap is prepared to fund the Company by way of the DIP Facility up to \$1 million under a senior ranking Court-approved debtor-in-possession loan subordinate only to the Administration Charge.
3. The Company has generated losses of approximately \$2.3 million for the year-to-date period ended September 30, 2019. Its monthly cash burn over that period averages approximately \$325,000.

4. The Company, with the assistance of InterCap, has prepared the DIP Loan Forecast for the period ending January 17, 2020 (“Period”) <sup>1</sup>. The DIP Loan Forecast and the related assumptions, together with Management’s Report on the Cash-Flow Statement as required by Section 50.4(2)(c) of the BIA and the Proposal Trustee’s Report on the Cash Flow Statement as required by Section 50.4(2)(b) of the BIA, are provided in Appendix “D”. The cash flow reflects that the business requires \$450,000 through the Period. InterCap has advised the Proposal Trustee that it is prepared to fund the amounts required under the DIP Facility.

## 4.0 DIP Facility

1. The Company and InterCap have negotiated a financing agreement (“DIP Loan Agreement”), subject only to Court approval. A copy of the DIP Loan Agreement is provided in Appendix “E”. The significant terms of the DIP Loan Agreement<sup>2</sup> are summarized below.
  - a) Borrower: Viafoura Inc.
  - b) Lender: InterCap
  - c) Availability: lesser of: (i) \$1 million and; (ii) 110% of the Company’s then cumulative weekly projected borrowings for the applicable period set out in the Cash Flow.
  - d) Maturity Date: on the earliest of: (i) February 28, 2020, (ii) the Implementation Date; and (iii) such earlier date upon which repayment is required due to the occurrence of an Event of Default.
  - e) Interest: calculated at the rate of the Royal Bank of Canada Prime Rate plus 2% per annum.
  - f) DIP Lender’s Charge: all obligations under the DIP Facility are to be secured by the DIP Lender’s Charge ranking in priority to all existing security interests and behind only an Administration Charge.
  - g) Use of Proceeds: for the purposes of the short-term liquidity needs of the Company and as approved by the Proposal Trustee, consistent with the restrictions set out in the DIP Loan Agreement and consistent with the Cash Flow Projections in all material respects. Pre-filing amounts may be paid with the prior consent of the Proposal Trustee and the DIP Lender.
  - h) Reporting: to include a weekly report in advance of all planned expenditures in excess of \$500 for the following week, for approval by InterCap and the Proposal Trustee.

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<sup>1</sup> The cash flow forecast will be extended to February 14, 2020 to coincide with the requested stay extension date. It will be filed with InterCap and the Office of the Superintendent of Bankruptcy prior to the end of the Period.

<sup>2</sup> Capitalized terms are as defined in the DIP Loan Agreement.

- i) Conditions: the only significant condition precedent to the DIP Facility is an order approving the DIP Facility and the granting of the DIP Lender's Charge.
- j) Events of Default: the following is a summary of the material Events of Default:
  - i. the entry of an order terminating the proposal proceedings, lifting the stay in the proposal proceedings to permit the enforcement of any security against the Company, or the appointment of a receiver, interim receiver or similar official or the making of a receiving order against the Company, other than in respect of a non-material asset not required for the operations of any of the Company's business and which is subject to a priority Lien;
  - ii. the entry of an order granting any other claim super-priority status or a Lien equal or superior to that granted to InterCap other than with the consent of InterCap;
  - iii. the issuance of an order staying, reversing, vacating or otherwise modifying the DIP Charge or any Orders in a manner which adversely impacts the rights and interests of InterCap;
  - iv. failure of the Company to pay any principal, interest, fees or any other amounts, in each case when due and owing hereunder; and
  - v. failure of the Company to perform or comply with any term or covenant under the DIP Loan Agreement and such default shall continue unremedied for a period of three Business Days.

#### 4.1 Recommendation

1. The Proposal Trustee has considered the factors set out in Section 50.6(5) of the BIA with respect to the granting of a Court order for interim financing and a charge related thereto. The Proposal Trustee respectfully recommends that the Court make the order sought by the Company for the following reasons:
  - a) the Company's intention is to complete a restructuring and it has been working with InterCap on financial models that underpin the turnaround plan;
  - b) the Company is experiencing a liquidity crisis – it was unable to fund its most recent payroll on November 29, 2019 and is in arrears to certain critical vendors. The Company's operations will be discontinued and the Company will have no prospect of making a viable proposal or restructuring its business if it does not obtain immediate financing;
  - c) the Company does not have the opportunity to source an alternative DIP facility. In respect of the Company's other most likely DIP lenders, being National Bank and Espresso, National Bank has advised the Company and InterCap that it is not prepared to advance further to the Company and Espresso has not committed to make further advances to the Company;



- d) as the Company operates a service business in the information technology sector, its greatest value is as a going concern. In a liquidation, realizations are likely to be insignificant given the nature of the Company's assets, as discussed above;
  - e) it is the Proposal Trustee's view that given the circumstances of this situation, there is no question that the terms of the DIP Facility are within the range of reasonableness, i.e. prime plus 2% with nominal additional fees.
2. Based on the foregoing, the Proposal Trustee recommends that the Court issue an order approving the DIP Facility and granting the DIP Lender a senior ranking charge for amounts advanced under the DIP Facility, subject only to an Administration Charge, as discussed below.

## **5.0 Administration Charge**

1. The Company is seeking an Administration Charge of \$200,000 in respect of the fees and expenses of the professionals incurred in connection with these proceedings. An Administration Charge is a standard feature of restructuring proceedings and is, in the Proposal Trustee's view, appropriate in the present case given the Company's lack of liquidity.
2. The Proposal Trustee understands that Intercap, as DIP Lender, consents to the Administration Charge, as contemplated by the DIP Loan Agreement.

## **6.0 Company's Request for an Extension**

1. The Company is seeking an extension of the time required to file its proposal to February 13, 2020. The principal purpose of doing so at this early stage in the process is to avoid the costs and complications that would arise from a separate motion during the holiday period (December 31st or thereabout) solely to extend the stay. The availability of the Court at that time is also uncertain.
2. The Proposal Trustee supports the Company's request for the following reasons:
  - the Company is acting in good faith and with due diligence, albeit for the few days since the Filing Date;
  - the Company's management has indicated that it may be able to make a viable proposal to its creditors if the extension is granted;
  - Intercap supports the extension – its support is required for the restructuring to have a prospect of success;
  - provided the Court approves the DIP Facility, the extension should not adversely affect or prejudice any group of creditors as the Company is projected to have funding to pay post-filing services and supplies in the amounts contemplated by the Cash Flow; and
  - it would provide the Company the additional time it requires to restructure its affairs.

## 7.0 Conclusion and Recommendation

1. Based on the foregoing, the Proposal Trustee respectfully recommends that this Honourable Court make an order granting the relief detailed in Section 1.1(d) 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 TRUSTEE UNDER THE  
NOTICE OF INTENTION TO MAKE A PROPOSAL OF  
VIAFOURA INC.,  
AND NOT IN ITS PERSONAL CAPACITY**

## **Appendix “A”**



Industry Canada  
Office of the Superintendent  
of Bankruptcy Canada

Industrie Canada  
Bureau du surintendant  
des faillites Canada

District of Ontario  
Division No. 09 - Toronto  
Court No. 31-2590812  
Estate No. 31-2590812

In the Matter of the Notice of Intention to make a  
proposal of:

**Viafoura Inc.**

Insolvent Person

**KSV KOFMAN INC.**

Licensed Insolvency Trustee

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Date of the Notice of Intention: December 01, 2019

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CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL  
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the *Bankruptcy and Insolvency Act*.

Pursuant to subsection 69(1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: December 02, 2019, 09:35

E-File/Dépôt Electronique

Official Receiver

151 Yonge Street, 4th Floor, Toronto, Ontario, Canada, M5C2W7, (877)376-9902

**Canada**

## **Appendix “B”**

Viafoura Inc.  
**Balance Sheet**  
 As of 30 September 2019

30 Sep 19

**ASSETS**

**Current Assets**

**Chequing/Savings**

TD GIC	35,000.00
10100 · TD Business Chequing Acct 4498	81,171.20
10200 · TD USD Chq Acct - 4771	211,360.89
10205 · TD USD Domiciled Acct-3215	1,834.62
10220 · PayPal CAD	8.20
10400 · TD Business Investor 5228655	9.71
10500 · National Bank 00-005-61	10,710.73
10501 · National Bank 00-008-20	8,742.35

**Total Chequing/Savings** 348,837.70

**Accounts Receivable**

11000 · Accounts Receivable	113,353.33
11001 · Accounts Receivable - USD	222,437.09
11002 · Accounts Receivable - EUR	1,070.51
11050 · Bad Debt Allowance	(1,506.29)

**Total Accounts Receivable** 335,354.64

**Other Current Assets**

11500 · Prepaid Expense	
11503 · LTD Prem Receivable employees	254.83
11500 · Prepaid Expense - Other	237,598.08
<b>Total 11500 · Prepaid Expense</b>	<u>237,852.91</u>
11700 · HST receivable	2,521.06
11750 · SR&ED Tax Credit Receivable	526,120.00
12500 · Advance to Jesse	190,775.69
12600 · Withholding Taxes	2,076.53

**Total Other Current Assets** 959,346.19

**Total Current Assets** 1,643,538.53

**Fixed Assets**

**15000 · Furniture and Equipment**

15050 · Acc. Amort- Furniture and Equip	(24,606.01)
15000 · Furniture and Equipment - Other	40,539.83

**Total 15000 · Furniture and Equipment** 15,933.82

**15100 · Computer and Software**

15150 · Acc. Amort.- Computer and Softw	(121,120.34)
15100 · Computer and Software - Other	168,833.64

**Total 15100 · Computer and Software** 47,713.30

**15900 · Leasehold Improvements**

15950 · Acc. Amort. - Leasehold Improve	(3,444.00)
15900 · Leasehold Improvements - Other	5,840.63

**Total 15900 · Leasehold Improvements** 2,396.63

**Total Fixed Assets** 66,043.75

**TOTAL ASSETS** 1,709,582.28

**LIABILITIES & EQUITY**

Viafoura Inc.  
**Balance Sheet**  
As of 30 September 2019

30 Sep 19

**Liabilities**

**Current Liabilities**

**Accounts Payable**

20000 · Accounts Payable	76,091.72
20001 · Accounts Payable - USD	158,721.11

**Total Accounts Payable** 234,812.83

**Credit Cards**

TD Visa - 2301 (R&D)	1,223.21
TD VISA 2277 (Sales)	2,786.80
TD VISA 1995 - Jesse	976.79
TD VISA 7178 - Jesse (IT)	2,285.39
TD VISA 7327 - Jesse (MRKTG)	8,146.83

**Total Credit Cards** 15,419.02

**Other Current Liabilities**

20100 · Accrued Expenses	70,629.09
20200 · Short Term Loan	131,287.02
22500 · GST/HST Payable	(14,053.71)
23000 · Payroll Liabilities	(0.01)
24000 · Deferred Subscription Revenue	
24100 · Deferred Implementation Revenue	77,655.54
24000 · Deferred Subscription Revenue - Other	1,779,700.16

**Total 24000 · Deferred Subscription Revenue** 1,857,355.70

24500 · FedDev Loan - Current portion	170,400.00
24510 · Loan Payable - Espresso - SR&ED	837,054.56
24520 · Loan Payable - NBC - SR&ED	534,020.00
24530 · Loan Payable - NBC - Ops	1,645,000.00

**Total Other Current Liabilities** 5,231,692.65

**Total Current Liabilities** 5,481,924.50

**Long Term Liabilities**

**25000 · FedDev Loan**

25001 · FedDev Loan -Interest Accretion	(24,950.00)
25000 · FedDev Loan - Other	79,250.00

**Total 25000 · FedDev Loan** 54,300.00

**Total Long Term Liabilities** 54,300.00

**Total Liabilities** 5,536,224.50

**Equity**

30000 · Common Stock	351,554.94
30100 · Capital Stock	1,950,650.27
30110 · Seed Preferred Shares	1,617,786.70
30120 · Class A - Preferred Shares	2,220,191.29
30121 · Class B - Preferred Shares	3,000,000.07
30150 · Issue Cost - Share Capital	(37,781.85)
30151 · Issue Cost - Seed Preferred	(31,000.00)
30152 · Issue Cost - Class A shares	(30,000.00)
30153 · Issue Cost - Class B	(126,567.43)

Viafoura Inc.  
**Balance Sheet**  
As of 30 September 2019

	<u>30 Sep 19</u>
30300 · Contributed Surplus	153,563.00
32000 · Retained Earnings	(10,635,637.26)
Net Income	<u>(2,259,401.95)</u>
Total Equity	<u>(3,826,642.22)</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u><u>1,709,582.28</u></u></b>



## **Appendix “C”**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF  
VIAFOURA INC.**

**Preliminary list of creditors as at December 1, 2019  
as submitted by Viafoura Inc., without admission as to any liability or privilege herein shown**

<b>Creditors</b>	<b>Amount due (\$)</b>
<b><u>Secured</u></b>	
National Bank Loan	2,171,831.26
Espresso Capital	864,494.56
<b><u>Unsecured</u></b>	
ActiveMind Legal	2,761.09
Amazon Web Services	181,218.41
AP Bespoke Consultig Canada Ltd	1,546.69
Cerebral Selling Inc.	27,120.00
Credit Cards - various	16,680.77
Datadog	11,323.04
Federal Development Bank, Ontario	249,650.00
HubSpot	10,408.78
Idea Notion	5,680.13
Keepcon	47,111.36
Lisa Walker Creative	1,130.00
LoginRadius	30,035.40
Michael Shewchenko Group	5,000.00
On The Way cafe Inc.	1,144.44
Osler, Hoskin & Harcourt LLP	11,865.00
Employees - various	53,490.18
Receiver General	24,646.38
SalesForce.com	9,054.44
Themis Solutions Inc.	20,845.22
Twitter International Company	9,250.15

\*\*US dollar amounts were converted to C\$ at 1.35

## **Appendix “D”**

Viafoura Inc.  
**Projected Statement of Cash Flow**  
For the period ending January 17, 2020  
(Unaudited; \$C)

	Notes	Week Ending							Total
		06-Dec-19	13-Dec-19	20-Dec-19	27-Dec-19	03-Jan-20	10-Jan-20	17-Jan-20	
<i>Total Receipts</i>	2	-	-	51,265	125,757	146,520	147,312	-	470,854
<i>Disbursements</i>									
Service Costs	5	65,785	-	-	-	59,150	-	-	124,935
Payroll and Benefits	6	217,903	102,832	-	102,832	-	9,300	-	432,868
Rent and Occupancy Costs	7	20,845	-	-	-	20,845	-	-	41,690
Other Operating Costs	3	14,500	9,000	9,000	9,000	14,500	9,000	9,000	74,000
Miscellaneous	4	10,000	10,000	10,000	10,000	10,000	10,000	10,000	70,000
<i>Total Operating Disbursements</i>		329,034	121,832	19,000	121,832	104,495	28,300	19,000	743,494
<i>Net Cash Flow before the Undernoted</i>		(329,034)	(121,832)	32,265	3,925	42,025	119,012	(19,000)	(272,639)
Professional Fees	8	30,000	-	40,000	-	40,000	-	40,000	150,000
		(359,034)	(121,832)	(7,735)	3,925	2,025	119,012	(59,000)	(422,639)
DIP Advances	9	325,000	125,000	-	-	-	-	-	450,000
<i>Net Cash Flow</i>		(34,034)	3,168	(7,735)	3,925	2,025	119,012	(59,000)	27,361
Opening Cash Balance		55,336	21,302	24,470	16,735	20,660	22,684	141,696	55,336
Closing Cash Balance		21,302	24,470	16,735	20,660	22,684	141,696	82,696	82,696

The above financial projections are based on management's assumptions detailed in Appendix "1-1".  
The note references correspond to the assumption numbers shown in Appendix "1-1".

VIAFOURA INC.

Per: \_\_\_\_\_

December 2nd 2019

Date

KSV KOFMAN INC.  
IN ITS CAPACITY AS TRUSTEE UNDER THE  
NOTICE OF INTENTION TO MAKE A PROPOSAL AND NOT  
IN ITS PERSONAL CAPACITY

Per: \_\_\_\_\_

Date

DEC. 2/19

**Notes to Projected Statement of Cash Flow**

For the Period of November 29, 2019 to January 17, 2020

(Unaudited; \$C)

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**Purpose and General Assumptions**

1. The purpose of the projection is to present a forecast of the cash flow of Viafoura Inc. (the "Company") from November 29, 2019 to January 17, 2020 ("Period") in respect of its proposal proceedings under *The Bankruptcy and Insolvency Act* ("BIA").

The projected cash flow statement has been prepared based on hypothetical and most probable assumptions developed and prepared by the Company.

**Hypothetical**

2. The Company invoices annually, in advance. This item includes collections of the Company's accounts receivable and future invoices. Collections are based on historical patterns and reflect the Company's payment terms, which are generally 30 days from invoice date.
3. Reflects payment of operating costs, such as contractors for the finance and accounting functions; travel; phone charges; bank charges; supplies; software licenses; and memberships.
4. Represents a provision for miscellaneous expenses

**Most Probable**

5. Reflects payment of certain services, such as server hosting and third-party software,. These are paid in advance.
6. Reflects payment of gross payroll, which is paid bi-weekly. Commissions and benefits are paid monthly.
7. Reflects payment of rent and utilities at the Company's head office.
8. Reflects the estimated payments to the Proposal Trustee, its counsel and other counsel involved in these proceedings.
9. Represents projected DIP advances during the Period.

**Report on Cash Flow Statement by the Person Making the Proposal  
(Paragraphs 50(6)(c) and 50.4(2)(c) of the BIA**

The management of Viafoura Inc. (the "Company") has developed the assumptions and prepared the attached statement of projected cash flow of the Company for the period ending January 17, 2020.

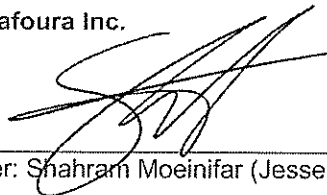
The hypothetical and probable assumptions are suitably supported and consistent with the purpose of the projection and the plans of the Company and provide a reasonable basis for the projection. All such assumptions are disclosed in Notes 2 to 9.

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

The projection has been prepared solely for the purpose described in Note 1, using a set of hypothetical and probable assumptions set out in Notes 2 to 9. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at Toronto, this 1<sup>st</sup> day of December, 2019.

Viafoura Inc.



Per: Shahram Moeinifar (Jesse)

**Trustee's Report on Cash-flow Statement  
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)**

The attached statement of projected cash-flow of Viafoura Inc. (the "Company"), as of the 1<sup>st</sup> day of December, 2019, consisting of a weekly cash flow statement for the period November 29, 2019 to January 17, 2020, has been prepared by the management of the insolvent person for the purpose described in Note 1, using the probable and hypothetical assumptions set out in Notes 2-9.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by the management and employees of the insolvent person. 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 projection. We have also reviewed the support provided by management for the probable assumptions and the preparation and presentation of the projection.

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 projection;
- (b) as at the date of this report, the probable assumptions developed by management are not suitably supported and consistent with the plans of the insolvent person or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or
- (c) the projection does not reflect the probable and hypothetical assumptions.

Since the projection 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 projection will be achieved.

The projection 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 this 2<sup>nd</sup> day of December, 2019.

**KSV KOFMAN INC.  
TRUSTEE**

Per: Robert Kofman

## **Appendix “E”**



***BANKRUPTCY AND INSOLVENCY ACT SECTION 50.6***

**INTERIM FINANCING REVOLVING CREDIT FACILITY TERM SHEET**

**Dated December 2, 2019**

**WHEREAS**, Viafoura Inc. has requested that the Lender (as defined below) provide it with an interim revolving credit facility (the “**Interim Facility**”) in order to assist with the restructuring of the obligations of Viafoura Inc. pursuant to the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”) in accordance with the terms set out herein;

**NOW THEREFORE**, the parties, in consideration of the foregoing and the mutual agreements contained herein (the receipt and sufficiency of which are hereby acknowledged), agree as follows:

**BORROWER:** Viafoura Inc. (the “**Borrower**”)

**LENDER:** InterCap Equity Inc. (“**InterCap**” or the “**Lender**”).

**PURPOSE/USE OF PROCEEDS:** The proceeds of any advance made under the Interim Facility (an “**Advance**”) will be used (i) to pay transaction costs, fees and expenses which are incurred in connection with the Interim Facility; (ii) to pay the costs, fees and expenses which are incurred in connection with the Borrower’s BIA proposal proceedings; (iii) for the Borrower’s working capital; and (iv) for other general corporate purposes.

**MAXIMUM AMOUNT:** The maximum amount (“**Maximum Amount**”) available under the Interim Facility from time to time shall be the lesser of: (i) Cdn.\$1,000,000 and; (ii) 110% of the Borrower’s then cumulative weekly projected Interim Facility borrowings for the applicable period set out in the Cash Flow Projections (as hereinafter defined) as the line referred to as “**Interim Financing Requirement**”.

**MATURITY DATE:** The earliest of: (i) February 28, 2020, (iii) the Implementation Date; and (iii) such earlier date (the “**Termination Date**”) upon which repayment is required due to the occurrence of an Event of Default (as defined below) (the “**Maturity Date**”).

The Maturity Date may be extended at the request of the Borrower and with the consent of the Lender at its sole discretion for additional periods of not more than 30 days and upon payment of any applicable Extension Fee (as defined below), on such additional terms and conditions as the Borrower and Lender may agree.

The commitment in respect of the Interim Facility shall expire on the Maturity Date and all amounts outstanding under the Interim Facility shall be repaid in full no later than the Maturity Date without the Lender being required to make demand upon the Borrower or to give notice that the Interim Facility has expired

and the obligations are due and payable.

**INTERIM FACILITY:**

The Interim Facility shall be a revolving credit facility up to the Maximum Amount, and shall be available subject to and upon the terms and conditions set out in this Term Sheet (the “**Term Sheet**”). Advances shall be requested by the Borrower in increments of not less than \$25,000 pursuant to written drawdown requests made by the Borrower (“**Drawdown Requests**”) to the Lender. Advances shall be deposited by the Lender into the Borrower’s existing accounts with Toronto-Dominion Bank (the “**Borrower’s Accounts**”) and withdrawn by the Borrower strictly in accordance with the terms hereof and the Cash Flow Projections.

**Funding Conditions:**

(i) the Borrower shall have filed a Notice of Intention to make a Proposal (“**NOI**”) under section 50.4(9) of the BIA naming KSV Kofman Inc as trustee (the “**Trustee**”) (the date of such initial filing is referred to as the “**Filing Date**”);

(ii) The Borrower shall have duly executed this Term Sheet, and the General Security Agreement in favour of the Lender;

(ii) the Court enters an order authorizing the Borrower to enter into the Term Sheet, approving the terms of the Interim Facility, and granting the Lender a charge over the assets of the Borrower ranking in priority to all existing security interests and behind only an administration charge under section 64.2 of the BIA in favour of the Borrower’s lawyers, the Trustee and its lawyers (the “**Administration Charge**”), and the security securing and enabling the continued use of the Company’s corporate VISA cards (the “**TD VISA Security**”), in form and substance acceptable to the Lender in its sole and absolute discretion (the “**Interim Facility Approval Order**”), and

(iii) The Borrower shall have provided to the Lender prior to December 7, 2019, in form and substance satisfactory to the Lender, the cash flow projections (the “**Cash Flow Projections**”) required by the BIA and the Trustee, reflecting the projected cash requirements of the Borrower from the Filing Date through the eleven week period following the Filing Date, calculated on a weekly basis. The expenditures set out in the Cash Flow Projections may be amended by the Borrower from time to time only on the written consent of the Lender. To the extent that the Maturity Date is extended pursuant to this Term Sheet, the Cash Flow Projections with respect to such period shall be provided to the Lender in form and substance satisfactory to the Lender.

The Lender shall fund Interim Facility Advances (as defined below) on the terms and conditions set out in this Term Sheet (the “**Interim Facility Funding**”); *provided, however*, that the Lender shall not be obligated to provide any Interim Facility Funding or further Interim Facility Funding if any one or more of the following occurs: (a) the Interim Facility Approval Order has been vacated, stayed or otherwise caused to become ineffective or is amended in a manner not acceptable to the Lender (such consent not to be unreasonably withheld where any such amendment does not pertain to the Interim Facility), (b) a Default or Event of Default has occurred and is continuing under the Interim Facility, or (c) the Court has not entered the Interim Facility Approval Order on or before December 6, 2019.

**CASH MANAGEMENT SYSTEM:**

The parties understand and agree that, subject to the Cash Flow Projections and other limitations set forth herein, the Borrower only may request and apply Interim Funding through a cash management system to be agreed to by the Borrower and the Lender on or before the initial drawdown of any amounts under the Interim Facility.

**AVAILABILITY UNDER INTERIM FACILITY:**

The Interim Facility is to operate as a revolving facility and the amount of any advance under the Interim Facility (an “**Advance**”) that is repaid may be reborrowed thereunder, subject to the other provisions of this Term Sheet. The aggregate amount of all Advances outstanding under the Interim Facility shall not at any time exceed the Maximum Amount.

**INTEREST RATE:**

The Royal Bank of Canada Prime Rate (as defined below) + 2% *per annum*. Interest on Advances, without duplication, shall be payable monthly in arrears on the last Business Day of each month. Such interest payment shall constitute an Advance under the Interim Facility to the extent that there are insufficient funds on deposit to pay such interest.

Interest shall be calculated daily for the actual number of days elapsed in the period during which it accrues based on a year of 365/366 days, as applicable.

If any provision of this Term Sheet would obligate the Borrower to make any payment of interest or other amount payable to the Lender in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by the Lender of interest at a criminal rate (as construed under the *Criminal Code* (Canada)), then notwithstanding that provision, that amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or result in a receipt by the Lender of interest at a criminal rate, the adjustment to be effected,

to the extent necessary, as follows:

- (a) firstly, by reducing the amount or rate of interest required to be paid to the Lender under this provision; and
- (b) thereafter, by reducing any fees, commissions, premiums and other amounts required to be paid to the Lender which would constitute interest for purposes of Section 347 of the *Criminal Code* (Canada).

**LENDER EXPENSES**

Subject to the Cash Flow Projections, the Borrower shall pay when presented, all invoices, accounts and Lender reimbursement requests on account of the Lender's legal fees and disbursements, and other costs and expenses incurred by the Lender in respect of the Interim Facility and the Borrower's BIA Proposal proceedings generally (collectively "**Expenses**").

**EXTENSION FEE:**

1.0% of the Maximum Amount shall be payable to the Lender upon the Lender's consent to each extension of the Maturity Date beyond January 30, 2020.

**LENDER SECURITY:**

(i) All obligations of the Borrower shall be:

- (a) secured by a General Security Agreement to be granted by the Borrower in favour of the Lender in form and substance satisfactory to the Lender (the "**GSA**") and such other security documentation and ancillary documentation as may be required by the Lender to be executed by the Borrower in respect of its obligations under the Term Sheet and the GSA (the "**Credit Documentation**"); and
- (b) secured by a super priority charge over all present and after acquired property, assets and undertakings of the Borrower and ahead of and senior to all other creditors, interest holders, lien holders, and claimants of any kind whatsoever (subject to the Administration Charge and TD Visa Security) pursuant to a court ordered charge under section 50.6 of the BIA (the "**Priority Charge**" and together with the Credit Documentation, the "**Lender Security**").

**MANDATORY REPAYMENTS:**

Advances to the Borrower shall be repaid and the Maximum Amount shall be permanently reduced upon a sale of any of the property, assets or undertakings of the Borrower or any Guarantor out of the ordinary course of business, in an amount equal to the net cash proceeds (for greater certainty, net of a one-time cash reserve on account of reasonable proposal administration expenses to be held by the Proposal Trustee, reasonable costs and closing adjustments), unless agreed otherwise with the prior written consent of the Lender or unless the amount in question in any one transaction or series of transactions is less than Cdn.\$25,000 and

in all such transactions is less than Cdn.\$50,000, in which event only the excess shall be subject to a permanent reduction as aforesaid.

So long as any Advances remain outstanding, the maximum amount of cash and cash equivalents which the Borrower or the Guarantors may hold in the Borrower's Accounts or otherwise in any other bank accounts as at the close of business on Friday of each week shall not exceed Cdn. \$100,000. To the extent that the cash and cash equivalents are in excess of such limit, on the next Business Day, the Borrower shall make a repayment of the Advances in an amount sufficient to eliminate such excess.

**REPRESENTATIONS AND WARRANTIES:**

1. The Borrower represents and warrants to the Lender, upon which the Lender relies in entering into this Term Sheet and the other Credit Documentation, that:
  - (a) the transactions contemplated by this Term Sheet or the Credit Documentation:
    - (i) are within the powers of the Borrower;
    - (ii) have been duly authorized by all necessary corporate approval;
    - (iii) have been duly executed and delivered by or on behalf of the Borrower;
    - (iv) constitute legal, valid and binding obligations of the Borrower, enforceable in accordance with their terms;
    - (v) do not require the consent or approval of, registration or filing with, or any other action by, any governmental authority, other than filings which may be made to register or otherwise record the Lender Security; and
    - (vi) will not violate the charter documents or bylaws of the Borrower who have executed such documents or any applicable law relating to such parties;

**AFFIRMATIVE COVENANTS:** The Borrower covenants and agrees, to do the following (these covenants may be in the Credit Documentation or in the Interim Facility Approval Order, as appropriate):

1. Allow the Lender and Trustee full access to the books and records of the Borrower on reasonable notice and during normal business hours and cause management thereof to fully co-operate with the Lender.
2. Provide to the Lender and Trustee a weekly status update and plan regarding the restructuring process (including reports on the progress including information which may otherwise be confidential subject to same being maintained as confidential, by the Lender, subject to usual exceptions).
3. Use reasonable efforts to keep the Lender and Trustee apprised on a timely basis of all material developments with respect to the business and affairs of the Borrower.
4. Deliver to the Lender and Trustee the reporting and other information from time to time reasonably requested by the Lender at the reasonable times requested and in form and substance satisfactory to the Lender.
5. Use the proceeds of the Interim Facility only for the purposes of the short-term liquidity needs of the Borrower and as approved by the Trustee, consistent with the restrictions set out herein and consistent with the Cash Flow Projections in all material respects.
6. Provide to the Lender with the following:

Weekly (by 12:00 noon on the 3rd business day of each week:

for the preceding week:

(i) a statement of receipts and disbursements for each week, including a variance analysis for all variances (favourable or unfavourable) of greater than 10% for any one line item (on a weekly and cumulative basis), including bank reconciliations for all bank accounts;

(ii) statement of billed accounts receivable, accrued work in process; accounts payable and statutory prior claims;

(iii) revised / updated weekly cash flow forecast (for monitoring purposes only, not for the purpose of re-establishing cash flow covenants under the Interim Facility);

(iv) schedule of weekly revenues;

(vi) report by management of any business issues which may unfavourably impact the business of the Borrower, such as issues with current or future customers, suppliers, contractors, employees, or government bodies or regulatory agencies;

(vii) calculation of the Maximum Amount as at the close of business on the final Business Day of the week; and

for the following week:

(i) a report of all planned expenditures in excess of \$500, for approval by the Interim Lender (the “Weekly Expenditure Report”);

7. Maintain all cash and cash equivalents, and deposit all proceeds of receivables of the Borrower, with their current account(s) at Toronto-Dominion Bank, or with such institutions and accounts as may be approved in advance in writing by the Lender.
8. Operate the Borrower’s businesses in the ordinary course of business, subject always to the BIA, the Proposal, the Cash Flow Projections and Weekly Expenditure Reports delivered to and previously approved by the Lender, and to the credit limits established under the Interim Facility as set out hereunder.
9. Preserve, renew and keep in full force its respective corporate existences, its respective material licenses, etc.
10. Forthwith notify the Lender of the occurrence of any Default or Event of Default, or of any event or circumstance that may constitute a material adverse change from the Cash Flow Projections.
11. Maintain at all times acceptable insurance coverage of such type, in such amounts and against such risks as is prudent for a business of an established reputation with financially sound and reputable insurers in coverage and scope acceptable to the Lender.
12. Duly and punctually pay or cause to be paid to the Lender all principal, interest, fees and other amounts payable by it under this Term Sheet and under any other Credit Documentation on the dates, at the places and in the amounts and manner set forth herein.
13. Comply in all material respects with all applicable laws, rules and regulations applicable to their businesses,

including, without limitation, environmental laws.

14. Negotiate, execute and deliver the GSA, in form and substance satisfactory to the Lender.

**NEGATIVE COVENANTS:**

The Borrower covenants and agrees, and covenants and agrees not to do the following (these covenants may be in the Credit Documentation or in the Interim Facility Approval Order, as appropriate) other than with the prior written consent of the Lender:

1. Transfer, lease or otherwise dispose of all or any part of its property, assets or undertaking over Cdn.\$5,000 at any one time or through a series of related transactions, or more than Cdn.\$10,000 in the aggregate during the period of the Interim Facility (excluding dispositions in the ordinary course of business), without the prior written consent of the Lender. For greater certainty, in the case of any transfer, lease or disposition of any property, assets or undertaking of the Borrower all proceeds of such transfer, lease or disposition shall be subject to the provisions herein under “**Mandatory Repayments**” to the extent applicable.
2. Enter into any transaction with any affiliate or subsidiary or any of its or their directors or senior or executive officers or senior management, or enter into or assume any employment, consulting or analogous agreement or arrangement with any of its or their directors or senior or executive officers or senior management, or make any payment to any of its or their directors or senior or executive officers or senior management, except in respect of a transaction or agreement or arrangement which is in the ordinary course of business of the Borrower and which is upon fair and reasonable terms no less favourable to the Borrower than it would obtain in a comparable arm’s-length transaction.
3. Make any investments or acquisitions of any kind, direct or indirect, in any business or otherwise where to do so would be materially inconsistent with the Cash Flow Projections.
4. Make any payments outside the ordinary course of business, subject always to the Cash Flow Projections, the Weekly Expenditure Reports, and to the maximum availability under the Interim Facility. For greater certainty, payments may only be made to reduce any existing (pre-filing) indebtedness or trade or unsecured liabilities of the Borrower (other than as required by law including, without limitation, the Interim Facility Approval



Order) with the prior approval of the Interim Lender and the Trustee.

5. Make any payments on account of new retainers (other than retainers relating to amounts constituting Administrative Fees and Expenses as defined in the Proposal) or establish or create any trust accounts.
6. Permit any new Liens to exist on any of its properties or assets other than the Priority Charge, Liens in favour of the Lender as contemplated by this Term Sheet and other Credit Documentation and inchoate and statutory Liens.
7. Amalgamate, consolidate with or merge into, or enter into any similar transaction with any other entity.

**EVENTS OF DEFAULT:**

The occurrence of any one or more of the following events shall constitute an event of default (“**Event of Default**”) under this Term Sheet:

- (a) the entry of an order terminating the Borrower’s BIA Proposal proceedings, lifting the stay in the BIA Proposal proceedings to permit the enforcement of any security against the Borrower, or the appointment of a receiver, interim receiver or similar official or the making of a receiving order against the Borrower, other than in respect of a non-material asset not required for the operations of any of the Borrower’s businesses and which is subject to a priority Lien;
- (b) the entry of an order granting any other claim superpriority status or a Lien equal or superior to that granted to the Lender other than with the consent of the Lender;
- (c) the entry of an order staying, reversing, vacating or otherwise modifying the Credit Documentation, the Interim Facility Approval Order or the entry of an order by the Court having the equivalent effect, without the prior written consent of the Lender;
- (d) failure of the Borrower to pay (A) interest or fees when due under the Term Sheet or any other Credit Documentation, (B) principal when due under the Interim Facility, or (C) legal and advisor fees of the Lender within three Business Days of being invoiced therefore;
- (e) failure of the Borrower to comply with any

negative covenants in this Term Sheet or any other Credit Documentation where such failure has continued for more than three Business Days after written notice thereof from the Lender to the Borrower;

- (f) failure of the Borrower to perform or comply with any term or covenant under this Term Sheet or any other Credit Documentation and such default shall continue unremedied for a period of three Business Days;
- (g) the Borrower ceases or threaten to cease to carry on business in the ordinary course, except where such cessation occurs in connection with a sale of all or substantially all of the assets of the Borrower or other restructuring or reorganization of the Borrower which has been consented to by the Lender;
- (h) any representation or warranty by the Borrower shall be incorrect or misleading in any material respect when made where such failure is continuing more than three Business Days after written notice thereof from the Lender to the Borrower;
- (i) borrowings under the Interim Facility exceed the Maximum Amount;
- (j) the expenditure by the Borrower of any amount in excess of \$500 that has not been disclosed in a Weekly Expenditure Report, and received the prior approval of the Interim Lender; and
- (k) the payment by the Borrower of amounts in excess of 15% of any weekly budgeted amounts reflected on the Cash Flow Projections, which have not been consented to by the Lender, or which have not been offset by a corresponding reduction in amounts paid by the Borrower in the immediately subsequent week;

**REMEDIES:**

Upon the occurrence of an Event of Default, the Lender may (i) immediately terminate its total Interim Facility commitment, (ii) declare the obligations in respect of the Credit Documentation to be immediately due and payable, (iii) apply to a court for the appointment of an interim receiver or a receiver and manager of the undertaking, property and assets of the Borrower and/or the Guarantors, or for the appointment of a trustee in bankruptcy of

any of the Borrower, (iv) exercise the powers and rights of a secured party under the *Personal Property Security Act* (Ontario) or any legislation of similar effect applicable to the Lender's Security, and (v) exercise all such other rights and remedies under the Credit Documentation and the Interim Facility Approval Order. The Lender shall have customary remedies under the Credit Documentation including, but not limited to, the right to realize on all or part of the Lender's Security without the necessity of obtaining further relief or order from the Court.

**LENDER APPROVALS:**

Any consent, approval (including, without limitation, any approval of or authorization for any waiver under or any amendment to any of the Credit Documentation), instruction or other expression of the Lender under any of the Credit Documentation may be obtained by an instrument in writing signed by the Lender.

**FURTHER ASSURANCES:**

The Borrower shall at its expense, from time to time do, execute and deliver, or will cause to be done, executed and delivered, all such further acts, documents (including, without limitation, certificates, declarations, affidavits, reports and opinions) and things as the Lender may reasonably request for the purpose of giving effect to this Term Sheet and the Lender Security, perfecting, protecting and maintaining the Liens created by the Lender Security or establishing compliance with the representations, warranties and conditions of this Term Sheet or any other Credit Documentation.

**ENTIRE AGREEMENT;  
CONFLICT:**

This Term Sheet, including the Schedules hereto and the Credit Documentation, constitutes the entire agreement between the parties relating to the subject matter hereof. To the extent that there is any inconsistency between this Term Sheet and any of the other Credit Documentation, this Term Sheet shall govern. In the event of any inconsistency between any Credit Documentation and the Interim Facility Approval Order, the Interim Facility Approval Order shall govern.

**AMENDMENTS, WAIVERS,  
ETC.:**

No waiver or delay on the part of the Lender in exercising any right or privilege hereunder or under any other Credit Documentation will operate as a waiver hereof or thereof unless made in writing and signed by an authorized officer of the Lender.

**SEVERABILITY:**

Any provision in any Credit Documentation which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

**COUNTERPARTS AND  
FACSIMILE SIGNATURES:**

This Term Sheet may be executed in any number of counterparts and by facsimile, each of which when executed and delivered shall be deemed to be an original, and all of which when taken together shall constitute one and the same instrument. Any party may execute this Term Sheet by signing any counterpart of it.

**GOVERNING LAW AND  
JURISDICTION:**

This Term Sheet shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein. The Borrower irrevocably submits to the non-exclusive courts of the Province of Ontario, waives any objections on the ground of venue or forum non conveniens or any similar grounds, and consents to service of process by mail or in any other manner permitted by relevant law.

**ADDITIONAL DEFINITIONS:**

Capitalized terms not otherwise defined herein shall have the following meanings:

“**Business Day**” means each day other than a Saturday or Sunday or a statutory or civic holiday that banks are open for business in Toronto, Ontario, Canada;

“**Default**” means an event which, with the giving of notice and/or lapse of time would constitute an Event of Default (as defined herein);

“**Implementation Date**” means the date upon which all conditions precedent to the implementation of the Proposal have been satisfied;

“**Liens**” means all mortgages, charges, encumbrances, hypothecs, liens and security interests of any kind or nature whatsoever;

“**Prime Rate**” means the rate of interest per annum (calculated on the basis of a year of 365/366 days, as applicable) from time to time declared by Royal Bank of Canada as its prime interest rate for Canadian dollar demand commercial loans made by it in Canada as adjusted from time to time; and

“**Proposal**” means a proposal to creditors filed, or to be filed, by the Borrower in the within proceedings, pursuant to section 62(1) of the BIA.

**IN WITNESS HEREOF**, the parties hereby execute this Term Sheet as at December 2, 2019.

**VIAFOURA INC., as Borrower**

By: \_\_\_\_\_

Name:

Title:

**INTERCAP EQUITY INC., as Lender**

By: \_\_\_\_\_

Name:

Title: