Court File No.: CV-13-10274-00CL

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 8440522 CANADA INC., DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC., AND DATA & AUDIO-VISUAL ENTERPRISES HOLDINGS INC.
(collectively, the "Applicants")

NINTH REPORT OF THE MONITOR

November 25, 2014

INTRODUCTION

1. On September 29, 2013, Data & Audio-Visual Enterprises Holdings Inc. ("**Holdings**") and its wholly owned subsidiaries, Data & Audio-Visual Enterprises Wireless Inc. ("**Wireless**") and 8440522 Canada Inc. (collectively with Wireless and Holdings, the "**Applicants**" or "**Mobilicity**") filed an application before the Court for an Initial Order under the *Companies' Creditors Arrangement Act* (Canada) ("**CCAA**") in order to restructure their business and affairs or complete a sale of their business and assets.

2. On September 30, 2013, this Court made an order (the "**Initial Order**") granting the application and providing for, among other things, the appointment of Ernst & Young Inc. as monitor in the CCAA proceedings of the Applicants (the "**Monitor**") and a stay of proceedings against the creditors of the Applicants until October 30, 2013 or such later date as this Court may order. The stay of proceedings was most recently extended to December 1, 2014 pursuant to an order of this Court dated September 24, 2014.

PURPOSE

3. The purpose of this Ninth Report (the "**Report**") is to provide information to the Court with respect to:

   a) An update on operational matters;

   b) The Applicants' actual receipts and disbursements;

   c) The Applicants' updated cash flow statement;

   d) Recent developments in respect of strategic matters;

   e) The Applicants' request for an extension of the Stay Period (as defined in the Initial Order) until January 30, 2015; and

   f) The Monitor's conclusions and recommendations.

DISCLAIMER

4. In preparing this Report and making the comments herein, the Monitor has been provided with, and has relied upon, unaudited financial information, books and records prepared by Mobilicity, and discussions with management of the Applicants ("**Management**") (collectively, the "**Information**"). Except as described in this Report in respect of the Applicants' cash flow statement:

   a) the Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards ("**GAAS**") pursuant to the Canadian Institute of Chartered Accountants Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information; and

b) some of the information referred to in this Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the Canadian Institute of Chartered Accountants Handbook, has not been performed.

CONTEXT

5. Unless otherwise stated all monetary amounts contained herein are expressed in Canadian dollars.

6. Copies of this Report and other court material filed in connection with these CCAA proceedings may be obtained from the Monitor's website established in connection with these proceedings (www.ey.com/ca/mobilicity) (the "**Monitor's Website**").

OPERATIONAL MATTERS

General

7. Since the Monitor's previous report, Mobilicity's operations have continued in the ordinary course and without interruption. The Applicants continue to receive the services they require from all of their major suppliers and the payment arrangements that were previously negotiated continue uninterrupted.

8. As described in the Aziz Affidavit, the Applicants continue to focus on maintaining the stability of their business with new customer acquisitions and current customer retention remaining ahead of previous projections. In addition, customer churn was approximately ten percent lower (4%) in October 2014 than the average churn during July through September 2014.

9. Management has reported to the Monitor that Mobilicity had approximately 154,900 active subscribers at October 31, 2014. As discussed in the previous report of the Monitor, in September 2014 the Applicants decided to only offer month-to-month plans to their existing and new customers, to allow existing multi-month plans to expire in the ordinary

course, and to offer customers with expiring multi-month plans the opportunity to continue to pay the same discounted rate on a monthly basis. This change has had the effect of further reducing the customer deferred revenue liability recorded by Mobilicity in its unaudited financial statements. The customer deferred revenue liability, which represents the Applicants' calculation of the aggregate unused customer prepayments at a particular date, is reduced through the continued provision of services to Mobilicity's customers. The recorded liability has decreased from approximately $5.5 million on the unaudited balance sheet of Mobilicity at August 31, 2014 to approximately $5.1 million (which includes approximately $2.8 million of customer deferred revenue for periods greater than 31 days) on the unaudited balance sheet of Mobilicity at October 31, 2014. This amount will vary depending on the time of the month and the subscriber renewal patterns.

ACTUAL RECEIPTS AND DISBURSEMENTS

10. The Applicants, with the assistance of the Monitor, have prepared a consolidated summary of actual receipts and disbursements as compared to the cash flow projection included as Appendix C to the Eighth Report of the Monitor dated September 19, 2014 (the "September Cash Flow Statement"). A summary of the actual receipts and disbursements for the nine-week period ended November 14, 2014, as compared to the projections in the September Cash Flow Statement, is attached as Appendix "**A**" to this Report. As indicated in further detail in Appendix **A**, actual net cash flow for the nine-week period ended November 14, 2014 was approximately equal to the net cash flow projected in the September Cash Flow Statement due to a $0.45 million negative variance in receipts and a $0.46 million positive variance in disbursements.

UPDATED CASH FLOW STATEMENT

Summary of Cash Flow Statement

11. The Applicants, with the assistance of the Monitor, have prepared an updated thirteen-week cash flow projection (the "**Cash Flow Statement**") for the period from November 15, 2014

to February 13, 2014 (the "**Cash Flow Period**") for the purpose of projecting the estimated results of the Applicants' planned operating and other activities during the Cash Flow Period. A copy of the Cash Flow Statement is attached as Appendix "**B**" hereto.

12. The Cash Flow Statement is presented on a weekly basis during the Cash Flow Period and represents the estimates of Management of the Applicants' projected cash flow during the Cash Flow Period. The Cash Flow Statement has been prepared by Management using the probable and hypothetical assumptions set out in notes 1 to 17 to the Cash Flow Statement (the "**Probable and Hypothetical Assumptions**" or the "**Assumptions**").

13. At this time, assuming Mobilicity continues operations in substantially the same manner as it has done during the CCAA proceeding to date, the Cash Flow Statement estimates that during the Cash Flow Period the Applicants will have total receipts from operations of approximately $15.43 million and total disbursements of approximately $17.26 million, resulting in a projected net cash outflow from operations of $1.83 million.

Liquidity

14. The Applicants seek an extension of the Stay Period to January 30, 2015 (the "**Proposed Stay Extension Date**").

15. Assuming Mobilicity continues operations in substantially the same manner as it has done during the CCAA proceedings to date, the Applicants are projected to have sufficient funding for their operational costs to achieve a projected cash balance at or above $2.0 million to the Proposed Stay Extension Date, without requiring financing.

Monitor's Review of Cash Flow Statement

16. Section 23(1)(b) of the CCAA requires a Monitor to review the debtor's cash flow statement as to its reasonableness and to file a report with the Court on the Monitor's findings. The Canadian Association of Insolvency and Restructuring Professionals standards of professional practice include a standard for monitors fulfilling their statutory responsibilities under the CCAA in respect of a monitor's report on a Cash-Flow Statement. A copy of Standard 09-1 Cash Flow Statement is attached hereto as Appendix "**C**".

17. Pursuant to this standard, the Monitor's review of the Cash Flow Statement consisted of inquiries, analytical procedures and discussions related to information supplied to it by certain key members of Management and employees of the Applicants. Since the Probable and Hypothetical Assumptions need not be supported, the Monitor's procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Cash Flow Statement. The Monitor also reviewed the support provided by Management for the Probable and Hypothetical Assumptions and the preparation and presentation of the Cash Flow Statement.

18. Based on the Monitor's review, nothing has come to its attention that causes it to believe, in all material respects, that:

    a) the Probable and Hypothetical Assumptions are not consistent with the purpose of the Cash Flow Statement;

    b) as at the date of this Report, the Probable and Hypothetical Assumptions are not suitably supported and consistent with the plans of the Applicants or do not provide a reasonable basis for the Cash Flow Statement, given the Probable and Hypothetical Assumptions; or

    c) the Cash Flow Statement does not reflect the Probable and Hypothetical Assumptions.

19. Since the Cash Flow Statement is based on Assumptions regarding future events, actual results will vary from the information presented even if the Probable and Hypothetical Assumptions occur, and the variations may be material. Accordingly, the Monitor expresses no assurance as to whether the Cash Flow Statement will be achieved. In addition, the Monitor expresses no opinion or other form of assurance with respect to the accuracy of the financial information presented in the Cash Flow Statement, or relied upon by the Monitor in preparing this Report.

20. The Cash Flow Statement has been prepared solely for the purpose described above, and readers are cautioned that it may not be appropriate for other purposes.

LITIGATION AND STRATEGIC DEVELOPMENTS

Litigation Developments

21. On October 6, 2014, the Court dismissed the motion brought by Amdocs Canadian Managed Services Inc. ("**Amdocs**") requiring the Applicants to make certain payments to Amdocs totalling approximately $1.7 million. The appeal period in respect of this decision has expired.

Strategic Developments

22. As described in the Aziz Affidavit, there have been some recent and notable developments in the Canadian wireless telecommunications industry, including the announcement by the Minister of Industry on July 7, 2014 of the AWS-3 Auction (as defined in the Aziz Affidavit) to be held in March 2015.

23. As described in the Aziz Affidavit, the Applicants, together with their advisors, have been engaged in discussions with several parties who have expressed interest in advancing a transaction involving the Applicants. The Applicants and in some cases, the Monitor, have entered into non-disclosure agreements with such parties. The Applicants have granted access to their data room for certain of these parties at their request. We have been advised by Management that discussions with these parties are continuing with a view to advancing a value-maximization transaction that is capable of being implemented and would be supported by the creditors of the Applicants.

24. Since the filing of the Eighth Report, the Monitor has met on several occasions with representatives of The Catalyst Capital Group Inc. ("**Catalyst**"), a significant holder of First Lien Notes, at their request. The purpose of these meetings has been to discuss Catalyst's views with respect to the Applicants' restructuring process and timetable. The Monitor notes that Catalyst has expressed concern relating to the timing of the AWS-3 Auction in the context of: (i) the length of the proposed stay extension and (ii) Catalyst's

perception of the Applicants' progress in canvassing strategic options to maximize stakeholder value.

25. The Monitor has been advised by Catalyst that there has been limited communication between Catalyst and the Applicants and between Catalyst and the other major stakeholders of the Applicants. The Monitor is of the view that it would be constructive for the representatives of the Applicants and each of their major stakeholders to continue to engage in further good faith discussions concerning the status and future direction of these proceedings. To this end, the Monitor is in the process of attempting to facilitate such further discussions.

EXTENSION OF STAY OF PROCEEDINGS

26. The current stay of proceedings pursuant to the order of this Court dated September 24, 2014 expires on December 1, 2014.

27. The Applicants are engaged in discussions with several parties and will also need additional time to review and consider any alternatives that may be available to them, to consult with their stakeholders on such alternatives and to report back to this Court. Accordingly, the Applicants are seeking an extension of the stay period for approximately two months, to January 30, 2015.

28. Although it is possible the Applicants may complete their discussions described in the preceding paragraph and their analysis of alternatives in less than the time requested, Management is of the view that the proposed extension of the Stay Period is necessary in order to maintain current customer levels and stability in the operations of the business generally. The Cash Flow Statement projects that the Applicants will have sufficient liquidity to operate, and to fund the costs of this Proceeding, to January 30, 2015.

29. The Monitor supports the Applicants' request for an extension of the stay period to January 30, 2015 on the understanding that the representatives of the Applicants and major stakeholders will continue to communicate and are in the process of developing a strategy for maximizing value.

MONITOR’S CONCLUSIONS AND RECOMMENDATION

30. The Monitor is of the view that the Applicants have acted in accordance with the Initial Order, in good faith, and with due diligence. The Monitor understands that the representatives of the Applicants and major stakeholders will continue to engage in discussions concerning the way forward.

31. The Monitor recommends that the Court approve the Applicants’ request for an order extending the Stay Period to January 30, 2015 and requests that the Court approve the actions of the Monitor as described in this Report.

ALL OF WHICH IS RESPECTFULLY SUBMITTED THIS 25th DAY OF NOVEMBER 2014

ERNST & YOUNG INC.

in its capacity as the court-appointed Monitor of
Data & Audio-Visual Enterprises Holdings Inc.,
Data & Audio-Visual Enterprises Wireless Inc., and
8440522 Canada Inc.

Per:

Brian M. Denega
Senior Vice President

APPENDIX A

Data & Audio-Visual Enterprises Holdings Inc., Data & Audio-Visual Enterprises Wireless Inc. and 8440522 Canada Inc.
Consolidated Weekly Cash Flow Statement: Variance Analysis
For the Period from September 13, 2014 to November 14, 2014
CDN ('000)

	Actual									
	1	2	3	4	5	6	7	8	9	
	Sep-19	Sep-26	Oct-03	Oct-10	Oct-17	Oct-24	Oct-31	Nov-07	Nov-14	Total
Beginning Cash Balance	**6,762**	**7,771**	**8,177**	**6,914**	**6,341**	**7,249**	**7,940**	**8,470**	**6,869**	**6,762**
Cash Receipts										
Customer Revenue	1,266	1,315	1,384	1,152	1,150	1,279	1,290	1,144	1,106	11,086
Incremental Funding	-	-	-	-	-	-	-	-	-	-
Other Accounts Receivable	0	-	6	-	0	0	7	-	-	13
Tax Refund (Payment)	-	(106)	-	-	-	-	(154)	-	-	(260)
Total Cash Receipts	**1,266**	**1,209**	**1,390**	**1,152**	**1,150**	**1,279**	**1,143**	**1,144**	**1,106**	**10,839**
Cash Disbursements										
Payroll and Benefits	(14)	(262)	-	(161)	-	(98)	(151)	-	(160)	(847)
Sales & Marketing	(7)	(110)	(19)	(17)	(30)	(73)	(46)	(21)	(63)	(386)
Commissions	0	-	-	(1,200)	1	(0)	(2)	-	(1,036)	(2,237)
Service Delivery & IT	(110)	(251)	(167)	(221)	(130)	(198)	(182)	(273)	(89)	(1,622)
Payments for Outsourced Operations	(55)	(55)	(1,574)	(37)	(74)	(55)	(107)	(1,589)	(55)	(3,601)
Rent & Site Operations	(0)	(78)	(813)	(6)	14	(44)	(44)	(814)	(1)	(1,786)
General Operating Expenditures	(48)	(23)	(19)	(26)	(14)	(37)	(51)	(31)	(14)	(263)
BOD Expenses	-	-	-	(18)	-	-	-	-	-	(18)
CCAA Monitor and Monitor's Counsel Fees	(3)	(24)	(10)	(22)	(5)	-	(11)	-	(4)	(78)
CCAA Legal Fees	(1)	-	(51)	-	(4)	(64)	(18)	(12)	(504)	(653)
Other Legal and Advisor Expenses	(19)	(0)	-	(16)	-	(20)	(1)	(5)	(6)	(68)
Interest Payments	-	-	-	-	-	-	-	-	-	-
Total Cash Disbursements	**(257)**	**(803)**	**(2,653)**	**(1,725)**	**(243)**	**(588)**	**(613)**	**(2,745)**	**(1,932)**	**(11,559)**
Net Cash Flow	**1,009**	**406**	**(1,263)**	**(573)**	**908**	**691**	**530**	**(1,601)**	**(827)**	**(719)**
Ending Cash Balance	**7,771**	**8,177**	**6,914**	**6,341**	**7,249**	**7,940**	**8,470**	**6,869**	**6,043**	**6,043**

Data & Audio-Visual Enterprises Holdings Inc., Data & Audio-Visual Enterprises Wireless Inc. and 8440522 Canada Inc.
Consolidated Weekly Cash Flow Statement: Variance Analysis
For the Period from September 13, 2014 to November 14, 2014
CDN ('000)

	Forecast									
	1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	
	Sep-19	**Sep-26**	**Oct-03**	**Oct-10**	**Oct-17**	**Oct-24**	**Oct-31**	**Nov-07**	**Nov-14**	**Total**
Beginning Cash Balance	**6,762**	**7,633**	**8,123**	**6,452**	**7,286**	**6,684**	**7,398**	**7,843**	**6,245**	**6,762**
Cash Receipts										
Customer Revenue	1,323	1,323	1,295	1,259	1,259	1,259	1,259	1,278	1,278	11,532
Incremental Funding	-	-	-	-	-	-	-	-	-	-
Other Accounts Receivable	-	-	-	-	-	-	-	-	-	-
Tax Refund (Payment)	-	(106)	-	-	-	-	(140)	-	-	(246)
Total Cash Receipts	**1,323**	**1,217**	**1,295**	**1,259**	**1,259**	**1,259**	**1,119**	**1,278**	**1,278**	**11,286**
Cash Disbursements										
Payroll and Benefits	(17)	(265)	(3)	-	(207)	(85)	(183)	-	(207)	(967)
Sales & Marketing	(35)	(35)	(35)	(60)	(35)	(35)	(35)	(35)	(35)	(338)
Commissions	-	-	-	-	(1,222)	-	-	-	(880)	(2,101)
Service Delivery & IT	(244)	(194)	(335)	(189)	(189)	(189)	(244)	(280)	(193)	(2,057)
Payments for Outsourced Operations	(20)	(56)	(1,592)	(63)	(63)	(63)	(63)	(1,592)	(63)	(3,576)
Rent & Site Operations	-	(43)	(869)	-	-	(43)	(35)	(834)	-	(1,824)
General Operating Expenditures	(59)	(54)	(54)	(54)	(61)	(54)	(54)	(54)	(54)	(496)
BOD Expenses	-	-	(18)	-	-	-	-	-	-	(18)
CCAA Monitor and Monitor's Counsel Fees	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(271)
CCAA Legal Fees	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(270)
Other Legal and Advisor Expenses	(17)	(20)	0	-	(24)	(17)	0	(20)	-	(98)
Interest Payments	-	-	-	-	-	-	-	-	-	-
Total Cash Disbursements	**(452)**	**(727)**	**(2,966)**	**(425)**	**(1,860)**	**(545)**	**(674)**	**(2,876)**	**(1,491)**	**(12,015)**
Net Cash Flow	**871**	**490**	**(1,671)**	**833**	**(601)**	**714**	**445**	**(1,598)**	**(213)**	**(730)**
Ending Cash Balance	**7,633**	**8,123**	**6,452**	**7,286**	**6,684**	**7,398**	**7,843**	**6,245**	**6,033**	**6,033**

Data & Audio-Visual Enterprises Holdings Inc., Data & Audio-Visual Enterprises Wireless Inc. and 8440522 Canada Inc.
Consolidated Weekly Cash Flow Statement: Variance Analysis
For the Period from September 13, 2014 to November 14, 2014
CDN ('000)

	Variance - Better / (Worse)										
	1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**		
	Sep-19	**Sep-26**	**Oct-03**	**Oct-10**	**Oct-17**	**Oct-24**	**Oct-31**	**Nov-07**	**Nov-14**	**Total**	
Beginning Cash Balance	**-**	**137**	**54**	**462**	**(945)**	**565**	**542**	**627**	**624**	**-**	
Cash Receipts											
Customer Revenue	(57)	(8)	89	(107)	(109)	20	31	(134)	(173)	(446)	
Incremental Funding	-	-	-	-	-	-	-	-	-	-	
Other Accounts Receivable	0	-	6	-	0	0	7	-	-	13	
Tax Refund (Payment)	-	0	-	-	-	-	(14)	-	-	(14)	
Total Cash Receipts	**(57)**	**(7)**	**95**	**(107)**	**(108)**	**20**	**24**	**(134)**	**(173)**	**(446)**	2
Cash Disbursements											
Payroll and Benefits	3	3	3	(161)	207	(13)	32	-	47	121	
Sales & Marketing	28	(75)	16	42	5	(38)	(11)	13	(28)	(48)	
Commissions	0	-	-	(1,200)	1,222	(0)	(2)	-	(156)	(136)	
Service Delivery & IT	134	(57)	168	(33)	58	(9)	61	7	104	435	
Payments for Outsourced Operations	(35)	1	19	26	(11)	8	(44)	3	8	(25)	
Rent & Site Operations	(0)	(35)	56	(6)	14	(1)	(8)	20	(1)	39	
General Operating Expenditures	11	31	35	28	47	17	2	23	39	232	
BOD Expenses	-	-	18	(18)	-	-	-	-	-	-	
CCAA Monitor and Monitor's Counsel Fees	27	6	20	8	25	30	19	30	26	192	
CCAA Legal Fees	29	30	(21)	30	26	(34)	12	18	(474)	(383)	
Other Legal and Advisor Expenses	(2)	20	(0)	(16)	24	(3)	(1)	15	(6)	31	
Interest Payments	-	-	-	-	-	-	-	-	-	-	
Total Cash Disbursements	**194**	**(76)**	**313**	**(1,299)**	**1,617**	**(43)**	**61**	**131**	**(441)**	**457**	3
Net Cash Flow	**137**	**(83)**	**408**	**(1,407)**	**1,509**	**(23)**	**85**	**(3)**	**(614)**	**10**	
Ending Cash Balance	**137**	**54**	**462**	**(945)**	**565**	**542**	**627**	**624**	**10**	**10**	4

NOTES:

1. Overview
- Cash analysis of actual cash flow ("Actual") compared to the cash flow statement as set out in the Eighth Report of the Monitor, dated September 19, 2014 (the "Forecast") for the period from September 13, 2014 to November 14, 2014 (the "Period"). Key reasons for the variances during the Period are noted below.
- All amounts in the notes below are in thousands of Canadian Dollars.

2. Cash Receipts
- During the Period, total cash receipts were $10,839 compared to $11,286 in the Forecast, resulting in a worse variance of $446. The variance is primarily related to:
  - $446 worse variance in Customer Revenue, primarily related to lower customer receipts than projected.

3. Cash Disbursements
- During the Period, total cash disbursements were $11,559 compared to $12,015 in the Forecast, resulting in a favourable variance of $457. The variance is mainly due to:
  - $121 favourable variance in Payroll and Benefits due to lower headcount than forecasted;
  - $136 worse variance in Commissions due to higher September gross additions than forecasted;
  - $435 favourable variance in Service Delivery & IT primarily due to timing of payments and savings;
  - $232 favourable variance in General Operating Expenditures primarily due to timing of payments and savings;
  - $192 favourable variance in CCAA Monitor and Monitor's Counsel Fees primarily due to savings;
  - $383 worse variance in CCAA Legal Fees due to $464 non-forecasted payment to Goodmans offset by savings.

4. Ending Cash Balance
- Ending Cash Balance for the Period was $6,043 compared to $6,033 in the Forecast, resulting in a favourable variance of $10.

APPENDIX B

Data & Audio-Visual Enterprises Holdings Inc., Data & Audio-Visual Enterprises Wireless Inc. and 8440522 Canada Inc.
Consolidated Weekly Cash Flow Statement
For the period from November 15, 2014 through to February 13, 2015
CDN ('000)

		Week Ending													
		1	2	3	4	5	6	7	8	9	10	11	12	13	
		Nov-21	**Nov-28**	**Dec-05**	**Dec-12**	**Dec-19**	**Dec-26**	**Jan-02**	**Jan-09**	**Jan-16**	**Jan-23**	**Jan-30**	**Feb-06**	**Feb-13**	**Total**
Beginning Cash Balance	2	**6,043**	**6,684**	**7,052**	**5,513**	**5,556**	**6,255**	**6,722**	**4,837**	**5,597**	**5,470**	**6,233**	**6,394**	**4,941**	**6,043**
Cash Receipts															
Customer Revenue	3	1,217	1,217	1,208	1,204	1,204	1,204	1,198	1,184	1,184	1,184	1,184	1,269	1,283	**15,737**
Incremental Funding	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Accounts Receivable		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tax Refund (Payment)	5	-	(30)	-	-	-	(140)	-	-	-	-	(140)	-	-	**(310)**
Total Cash Receipts		**1,217**	**1,187**	**1,208**	**1,204**	**1,204**	**1,064**	**1,198**	**1,184**	**1,184**	**1,184**	**1,044**	**1,269**	**1,283**	**15,427**
Cash Disbursements															
Payroll and Benefits	6	(99)	(180)	(3)	(204)	-	(85)	(183)	-	(204)	-	(265)	(3)	(204)	**(1,430)**
Sales & Marketing	7	(35)	(35)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(35)	(35)	**(588)**
Commissions	8	-	-	-	(545)	-	-	-	-	(628)	-	-	-	(1,403)	**(2,575)**
Service Delivery & IT	9	(195)	(250)	(275)	(186)	(186)	(241)	(274)	(187)	(187)	(187)	(187)	(292)	(208)	**(2,854)**
Payments for Outsourced Operations	10	(63)	(63)	(1,592)	(63)	(63)	(63)	(1,592)	(63)	(63)	(63)	(63)	(1,592)	(63)	**(5,407)**
Rent & Site Operations	11	(43)	(158)	(711)	-	(43)	-	(869)	-	(43)	-	(193)	(676)	-	**(2,736)**
General Operating Expenditures	12	(61)	(54)	(54)	(54)	(62)	(99)	(54)	(43)	(76)	(43)	(43)	(43)	(43)	**(730)**
BOD Expenses	13	-	-	-	-	-	-	-	-	-	-	(18)	-	-	**(18)**
CCAA Monitor and Monitor's Counsel Fees	14	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	**(391)**
CCAA Legal Fees	15	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	**(389)**
Other Legal and Advisor Expenses	16	(20)	(20)	-	-	(41)	-	-	(20)	-	(17)	(3)	(20)	-	**(143)**
Interest Payments	17	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Disbursements		**(576)**	**(819)**	**(2,746)**	**(1,161)**	**(505)**	**(597)**	**(3,082)**	**(424)**	**(1,310)**	**(420)**	**(882)**	**(2,723)**	**(2,015)**	**(17,261)**
Net Cash Flow		**642**	**367**	**(1,538)**	**43**	**699**	**466**	**(1,884)**	**760**	**(127)**	**763**	**161**	**(1,454)**	**(732)**	**(1,834)**
Ending Cash Balance		**6,684**	**7,052**	**5,513**	**5,556**	**6,255**	**6,722**	**4,837**	**5,597**	**5,470**	**6,233**	**6,394**	**4,941**	**4,208**	**4,208**

NOTES TO THE CONSOLIDATED WEEKLY CASH FLOW STATEMENT

1. The consolidated weekly cash flow statement (the “**Cash Flow Statement**”) has been prepared solely for the purpose of projecting the combined cash receipts and disbursements of Data & Audio-Visual Enterprises Holdings Inc. (“**Holdings**”), Data & Audio-Visual Enterprises Wireless Inc. (“**Wireless**”), and 8440522 Canada Inc. (collectively, the “**Applicants**” or “**Mobilicity**”).

   Although the Company is undertaking an analysis of strategic options and discussions with stakeholders with a view to implementing a Plan of Arrangement, the details and timing of such a Plan have not yet been fully developed. Consequently, the Cash Flow Forecast does not assume the implementation of a Plan, or the professional fees and any Incremental Funding associated with finalizing a Plan and obtaining the requisite approval from the Company's stakeholders or the Court, within the Cash Flow Period.

   The Cash Flow Statement represents management’s reasonable estimates at present. The actual timing and amount of the receipts and disbursements may fluctuate from the estimates shown herein and these fluctuations may be material. Receipts and disbursements are inclusive of any applicable federal and provincial sales taxes.

   Readers are cautioned that the Cash Flow Statement may not be appropriate for their purposes.

   The Cash Flow Statement is presented on a weekly basis from November 15, 2014 to February 13, 2015 (the “**Period**”) and represents management’s reasonable estimates of the results of operations and CCAA costs of administration during the Period.

   The Cash Flow Statement is presented in thousands of Canadian dollars and assumes that any foreign currency transactions are made based on foreign exchange rates in effect as of November 14, 2014.

   Pursuant to an order of the Ontario Superior Court of Justice (Commercial List) made on September 30, 2013 (the “ **Initial Order”),** the Applicants were afforded a stay of proceedings that is effective against their pre-filing creditors, including amounts owed to their secured creditors that has been extended from time to time. The Cash Flow Statement assumes that the court extends the stay of proceedings until January 30, 2015.

2. The Opening Cash Balance includes Mobilicity's cash on hand, net of outstanding cheques, as at November 15, 2014.

3. Customer Revenues represent projected weekly cash inflows resulting from prepayments for service by Mobilicity's existing and projected customers. Mobilicity has projected that its active subscribers will continue to moderately decrease during the Period from the actual number of existing subscribers as of October 2014.

4. Incremental Funding represent projected third-party funding of Mobilicity's incremental net cash requirements after February 13, 2014.

5. Tax Refund (Payment) represent the projected sales taxes collected from Mobilicity's customer revenues net of its sales taxes paid for products and services received. Mobilicity has projected to make provincial sales tax payments of $0.03 million in the last week of November and $0.14 million in the last week of each subsequent month during the Period.

6. Payroll and Benefits represent projected gross payroll, including payments to executives and the monthly fees payable to the Chief Restructuring Officer along with the costs associated with standard employee benefit plan covering health, dental, accidental death and death, life insurance, short-term disability and long-term disability. The majority of the salaried and hourly employees are paid semi-monthly through direct deposit.

7. Sales & Marketing represent projected general costs associated with sales and marketing activities for services rendered on or after September 30, 2013.

8. Commissions represent projected fees paid to the Applicants' dealers. Commissions are usually paid 45 days after the end of each month for newly acquired subscribers subject to the new subscribers remaining active for 35 days. Pursuant to the Initial Order, payments to Mobilicity's dealers are unaffected by the stay of proceedings.

9. Service Delivery & Information Technology relates primarily to roaming, long distance and data services provided to Mobilicity's customers, as well as the projected fees for Mobilicity's suppliers of credit card processing services.

10. Payments for Outsourced Operations represent projected payments to third party service providers for critical business process functions including network building and maintenance, call centre operations, handset logistics and distribution, and billing systems. Following the issuance of the Initial Order, Mobilicity has been involved in active negotiations with the service

providers and the Cash Flow Statement assumes that the projected payments during the Period are made in accordance with the modified contractual terms that are agreed upon or are in the process of being negotiated.

11. Rent & Site Operations represent projected lease payments for Mobilicity's leased facilities, including its corporate head office in Woodbridgeand two co-location data centers. In addition, the Applicants lease approximately 450 locations for their cellular broadcasting equipment. Pursuant to the Initial Order, all lease payments are made monthly in advance for the period commencing from and including the date of the Initial Order.

12. General Operating Expenditures include projected administration expenses, human resources expenses, travel and entertainment, and certain capital expenditures related to general business operations and consultants.

13. BOD Expenses represent projected fees payable to members of the Applicants' board of directors.

14. CCAA Monitor & Counsel Fees include the estimated fees and disbursements of the CCAA Monitor and its legal counsel.

15. CCAA Legal Fees represent the estimated fees and disbursements for Mobilicity's legal counsel, counsel to the Ad Hoc Committee of Senior Unsecured Debenture Holders, and counsel to the DIP Lenders.

16. Other Legal and Advisory Expenses include projected legal expenses paid in relation to Equity Financial and general legal and consulting expenses for Mobilicity's day-to-day operations.

17. Consistent with the Initial Order, the Applicants are not projected to make any post-filing interest payments in respect of the $195 million First Lien Notes or the $43.25 million Second Lien Notes. Pursuant to the Agreement, interest is projected to be paid monthly in arrears on the outstanding amount of the DIP Draw at a rate of 15.5 percent per annum.

APPENDIX C

No. 09-1
CASH-FLOW STATEMENT

In this Standard, words importing the singular number or the masculine gender only include more persons, parties or things of the same kind than one, and females as well as males and the converse.

1.00 SCOPE AND PURPOSE

1.01 The purpose of this Standard is to provide guidance to a Monitor fulfilling its statutory responsibilities under the **Companies' Creditors Arrangement Act (CCAA), R.S.C. 1985, c. C-36, as amended**, in respect of a Monitor's Report on a Cash-Flow Statement. This Standard only addresses the Monitor's obligations with respect to the cash-flow forecast filed in support of the initial application. If appropriate, the Monitor **should** file similar reports in respect of subsequent or revised cash-flow forecasts, notwithstanding that there is no statutory obligation to file such reports.

1.02 The Monitor's duties and obligations in respect of a particular **CCAA** proceeding **shall** be governed by the **Act**, the applicable orders issued by the court, and this Standard where applicable. To the extent that this Standard conflicts with any order issued by the court, the Monitor **shall** be governed by the order.

2.00 DEFINITIONS

2.01 In this Standard:

"**May**" means the Standard is simply intended to be helpful and the Monitor has full discretion to follow it or not.

"**Should**" means it is appropriate to do so in most circumstances. Where a Monitor judges it appropriate to do otherwise, the Monitor should consider the advisability of documenting the reasons for its decision.

"**Shall**" means the Standard is mandatory and the Monitor must follow it.

2.02 In this standard:

"Act" means the Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended;

"Association" means Canadian Association of Insolvency and Restructuring Professionals / Association canadienne des professionnels de l'insolvabilité et de la réorganisation;

"**Assumptions**" means the Hypothetical Assumptions and Probable Assumptions developed by the Company;

"Cash-Flow Statement" in respect of a Company, means a statement indicating, on a weekly basis (or such other basis as is appropriate in the circumstances), the projected cash-flow of the Company as defined in section 2(1) of the **Act** based on Probable and Hypothetical Assumptions that reflect the Company's planned course of action for the period covered;

"Company" means a debtor company, as defined in Section 2 of the **Act**, that intends to commence or has commenced, as the case may be, a proceeding under the **Act** or in respect of whom a proceeding under the **Act** has been commenced;

"Hypothetical Assumptions" means assumptions with respect to a set of economic conditions or courses of action that are not necessarily the most probable in the Company's judgment, but are consistent with the purpose of the Cash-Flow Statement;

"Material" means that it is probable that a change in an item or an aggregate of items would influence or change a decision;

"Material Adverse Change" means a change that, in the Monitor's opinion, materially and negatively impairs, or is reasonably expected to materially and negatively impair, the Company's cash-flow, financial circumstances or likelihood of success of a plan of arrangement. Examples would include, but not be limited to a change that:

- has a significant adverse effect on the expected cash-flows compared to the Cash-Flow Statement; or
- impairs the ability of the Company to carry on operations; or
- significantly prejudices the rights or interests of one or more classes of creditors.

"Monitor" in respect of a Company, means the person appointed by the court pursuant to Section 11.7 of the **Act** to monitor the business and financial affairs of the Company;

"Monitor's Report" means a report on the Cash-Flow Statement issued by the Monitor in accordance with Section 23(1)(b) of the **Act**;

"Probable Assumptions" means assumptions that: (i) the Company believes reflect the most probable set of economic conditions and planned courses of action, suitably supported that are consistent with the plans of the Company; and (ii) provide a reasonable basis for the Cash-Flow Statement;

"Review for Reasonableness" means the review conducted by the Monitor pursuant to Section 23(1)(b) of the **Act**; and

"Suitably Supported" means that the Assumptions are based on either one or more of the following factors: the past performance of the Company, the performance of other industry / market participants engaged in similar activities as the Company, feasibility studies, marketing studies or any other reliable source of information that provides objective corroboration of the reasonableness of the Assumptions. The extent of detailed information supporting each Assumption, and an assessment as to the reasonableness of each Assumption, will vary according to circumstances and will be influenced by factors such as the significance of the Assumption and the availability and quality of the supporting information.

3.00 ASSISTING THE COMPANY

3.01 The Monitor **may** assist the Company in the preparation of the Cash-Flow Statement.

3.02 The Monitor **shall** remind the Company that the Cash-Flow Statement and the Assumptions on which it is based, are the responsibility of the Company.

3.03 The Monitor **shall** remind the Company that the Monitor has the statutory duty to file a report with respect to the Cash-Flow Statement.

3.04 The Monitor **should** advise the Company that any information given by the Company to the Monitor may be disclosed to the court and the creditors.

3.05 The Monitor **should** document the foregoing in a letter to the debtor, a sample of which is attached as Appendix A to this standard.

4.00 DOCUMENTATION

4.01 The review performed by the Monitor in accordance with this Standard **shall** be documented.

4.02 The Monitor **should** obtain written confirmation (a sample letter is attached as Appendix B to this standard) from an authorized officer or director of the Company that:

a) the Cash-Flow Statement and the Assumptions on which it is based, are the responsibility of the Company; and

b) the Company's responsibility extends beyond ensuring that individual Assumptions used in the preparation of the Cash-Flow Statement are appropriate in the circumstances, and includes the responsibility to ensure that such Assumptions as a whole are appropriate in the circumstances.

5.00 MONITOR'S REVIEW

5.01 The Monitor **shall** perform a Review for Reasonableness.

5.02 The review **shall** be performed by an individual or individuals having, when considered as a whole, adequate technical training and proficiency, with due care and with an objective state of mind.

5.03 The review **shall** be adequately planned and properly executed and if assistants are employed, they **shall** be properly supervised.

5.04 The Monitor **should**, as soon as practicable, acquire knowledge of the Company and an understanding of the practices and particulars of the industry within which the Company operates, sufficient to enable it to perform the Review for Reasonableness.

5.05 The Review for Reasonableness **shall** consist of enquiry, analytical procedures and discussions with the Company to determine whether there is anything that causes the Monitor to believe that, in all material respects:

a) the Hypothetical Assumptions are not consistent with the purpose of the Cash-Flow Statement;

b) as at the date of the Monitor's Report, the Probable Assumptions developed by the Company are not Suitably Supported and consistent with the plans of the Company or do not provide a reasonable basis for the Cash-Flow Statement, given the Hypothetical Assumptions; or

c) the Cash-Flow Statement does not reflect the Probable and Hypothetical Assumptions.

5.06 The Monitor **should** satisfy itself that the computations contained in or made in preparing the Cash-Flow Statement are consistent with the Assumptions and materially accurate.

5.07 Where practicable, the Monitor **should** reconcile the Cash-Flow Statement to the appropriate actual cash and loan balances in the financial records of the Company, as at the start date of the Cash-Flow Statement, and a description of such reconciliation process may be included in the Monitor's Report.

5.08 The Monitor **shall** periodically compare actual cash-flow results to those reflected in the Cash-Flow Statement and obtain reasonable explanations for significant variances. The Monitor **should** report the results of such comparisons and reviews to the court. Where the results of such comparisons and reviews indicate a Material Adverse Change in the Company's projected cash-flow or financial circumstances, the Monitor **shall** report the results of such comparisons and reviews to the court without delay.

6.00 MONITOR'S REPORT

6.01 After completing its Review for Reasonableness, the Monitor **shall** consider whether anything material has come to its attention that causes it to believe that:

a) The Hypothetical Assumptions are not consistent with the purpose of the Cash-Flow Statement; or

b) As at the date of the report, the Probable Assumptions developed by the Company are not Suitably Supported and consistent with the plans of the Company or do not provide a reasonable basis for the Cash-Flow Statement, given the Hypothetical Assumptions; or

c) The Cash-Flow Statement does not reflect the Probable and Hypothetical Assumptions.

6.02 The Monitor **should** file the Monitor's Report with the court within 10 days of the granting of the Initial Order or at such other time as may be ordered by the court.

6.03 The Monitor's Report **shall** include an overview and review of the Cash-Flow Statement and a summary of its determinations as required by Section 5.05 of this Standard.

6.04 The Monitor **should** ensure that all material Assumptions are disclosed in the notes and **shall** include in the Monitor's Report a statement to this effect.

6.05 The Monitor **shall** prepare, sign and file the Monitor's Report with the court.

6.06 The Monitor **should** date the Monitor's Report as of the date of the completion of his Review for Reasonableness.

6.07 The form of the Monitor's Report **shall** be substantially as follows:

The <attached> statement of projected cash-flow <attached as appendix ___ of this report/the debtors application material> (the "Cash-Flow Statement") of ________________ (name of Company),(the "Company") as of the ______ day of ____________ ____, consisting of ____________________ (describe, including relevant dates), has been prepared by the management of the Company for the purpose described in Note ______, using the Probable and Hypothetical Assumptions set out in Notes ______.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by certain of the management and employees of the Company. 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 Statement. We have also reviewed the support provided by management of the Company for the Probable Assumptions, and the preparation and presentation of the Cash-Flow Statement.

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 Statement;

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 Company or do not provide a reasonable basis for the Cash-Flow Statement, given the Hypothetical Assumptions; or*

c) *the Cash-Flow Statement does not reflect the Probable and Hypothetical Assumptions.*

Since the Cash-Flow Statement 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 Statement 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 by us in preparing this report.

The Cash-Flow Statement has been prepared solely for the purpose described in Note ____/on the face of the Cash-Flow Statement, and readers are cautioned that it may not be appropriate for other purposes.

Optional paragraph if the Monitor's report is to be included as part of another report:

Note: Date and signature of Monitor should be excluded if this report is included within another report prepared by the Monitor.

<Dated at ___________________, this ______ day of __________ ______.

____

Monitor>.

6.08 The Monitor's Report **should** be augmented with such additional comments as deemed appropriate by the Monitor in the circumstances.

6.09 Where the Monitor concludes it is unable to issue the Monitor's Report in the form set out above, in accordance with the timeline detailed in paragraph 6.02, the Monitor:

a) **Shall** advise the Company of the Assumptions and/or other matters that prevent the Monitor from issuing the Monitor's Report and **should** consider advising the Company of same in writing; and

b) **Shall** file a report with the court in accordance with the timeline detailed in paragraph 6.02 setting out the reasons therefore.