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 DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC., DATA & AUDIO-VISUAL ENTERPRISES HOLDINGS INC. AND 8440522 CANADA INC.

(collectively, the "Applicants")

THIRD REPORT OF THE MONITOR

DECEMBER 13, 2013

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. Pursuant to an order issued on October 24, 2013, the stay of proceedings was extended to December 20, 2013.

PURPOSE

3. The purpose of this third report (the "**Report**") is to provide information to the Court on:

   (a) The timing of the Applicants' process for the sale of the business, assets and/or shares of the Applicants (the "**Sale Process**");

   (b) The Applicants' actual receipts and disbursements;

   (c) The Applicants' updated cash flow statement;

   (d) The Applicants' request for an extension of the Stay Period (as defined below) until February 18, 2014; and

   (e) 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.

5. Future oriented financial information referred to in this Report was prepared based on Management's estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that, may not be ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.

CONTEXT

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

7. For convenience, capitalized terms not defined in this Report are as defined in the affidavit of Mr. William E. Aziz, President of BlueTree Advisors II Inc., which has been retained by Holdings to provide Mr. Aziz's services as Chief Restructuring Officer of Mobilicity (the "**CRO**"), sworn on December 12, 2013 (the "**Aziz Affidavit**"), attached (without exhibits) as Appendix "**A**" to this Report.

8. 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**").

UPDATE ON THE ACTIVITIES OF THE MONITOR SINCE ITS APPOINTMENT

9. As described in greater detail in the Second Report of the Monitor dated November 11, 2013, the Applicants, in consultation with the Ad Hoc Committee of Noteholders and the Monitor as well as Mobilicity's financial and legal advisors, determined that the best course of action was to commence the Sale Process. On November 13, 2013, this Court issued an order approving procedures (the "**Sale Procedures**") for the conduct of the Sale Process.

10. Pursuant to the Sale Procedures, a Qualified Bidder that desires to make a bid was required to deliver its bid to the Notice Parties (defined in the Sale Procedures to be the Monitor, the Applicants, counsel to the Applicants, the Financial Advisors to the Applicants, and counsel

to the DIP Lenders) no later than December 9, 2013 at 5:00 p.m. (ET) (the "**Bid Deadline**"). The Monitor, after consultation with the Applicants and the DIP Lenders, has the option to extend the Bid Deadline once or successively, but is not obligated to do so.

11. After receiving requests for an extension from Qualified Bidders, considering those requests and consulting with the Applicants and counsel to the DIP Lenders, on Friday December 6, 2013, the Monitor extended the Bid Deadline until December 16, 2013 at 12:00 noon (ET) (the "**Revised Bid Deadline**").

12. As contemplated in the Sale Procedures, the Monitor promptly notified all Qualified Bidders and Notice Parties of the Revised Bid Deadline. In addition, the Monitor's Website was updated to include the notice of the Revised Bid Deadline and Thornton Grout Finnigan LLP, counsel to the Monitor, sent an email to the Service List attaching the notice of the Revised Bid Deadline.

13. At a later date, the Monitor will provide this Court with a detailed description of the conduct and results of the Sale Procedures. At present, however, the Monitor does not intend to report on any aspect of the Sale Process, except as noted above, in order to minimize any risk of prejudicing the Sale Process.

ACTUAL RECEIPTS AND DISBURSEMENTS

14. The Applicants, with the assistance of the Monitor, have prepared a consolidated summary of their actual receipts and disbursements as compared to the cash flow projection included as Appendix G to the First Report of the Monitor dated October 23, 2013 (the "**October Cash Flow Statement**"). A summary of the actual receipts and disbursements for the eight-week period ended December 6, 2013, as compared to the projections in the October Cash Flow Statement, is attached as Appendix "**B**" to this Report. As indicated in further detail in Appendix "**B**", actual net cash flow for the eight-week period ended December 6, 2013 was approximately $3.7 million higher than projected in the October Cash Flow Statement due to a $0.3 million positive variance in receipts and a $3.4 million positive variance in disbursements. As a result, as shown in Appendix "B", the Applicants have not yet needed to draw upon the DIP loan approved by this Court in the Initial Order.

APPLICANTS' UPDATED CASH FLOW STATEMENT

15. The Applicants, with the assistance of the Monitor, have prepared an updated 13 week cash flow projection (the "**Cash Flow Statement**") for the period from December 7, 2013 to March 7, 2014 (the "**Cash Flow Period**") for the purposes 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 "**C**" hereto.

16. The Cash Flow Statement is presented on a weekly basis during the Cash Flow Period and represents the estimates of Management of the projected cash flow during the Cash Flow Period. The Cash Flow Statement has been prepared by Management of the Applicants, 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**").

17. At this time, the Applicants' Cash Flow Statement estimates that during the Cash Flow Period, the Applicants will have total receipts of approximately $21.5 million and total disbursements of approximately $25.3 million. The Applicants' cash position at the commencement of the Cash Flow Period is estimated to be approximately $5.7 million. The negative cash flow of the Applicants is expected to reduce this balance below $2.0 million during the week ended February 7, 2014, with the result that by the end of the Cash Flow Period, the Applicants are projected to receive total proceeds of approximately $3.6 million from the issuance of DIP Notes (the "**DIP Advances**").

18. With the addition of the DIP Advances, the Cash Flow Statement projects that the Applicants will have sufficient liquidity to continue operations and to pay professional fees as set out in the Cash Flow Statement during the Cash Flow Period.

19. 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 "**D**".

20. 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.

21. The Monitor has discussed with Management and Mobilicity’s counsel the projected payments for outsourced operations that represent key business process functions including network building and maintenance, call centre operations, handset logistics and distribution, and billing systems, and has reviewed certain of the underlying agreements and other relevant documentation. As required by the Initial Order the four key service providers have continued to provide services to the Applicants under their respective service agreements, as modified (as to credit and other business terms) through negotiation between the key service providers and the Applicants. One of the fundamental assumptions in the Cash Flow Statement is that each of the four key service providers will continue to provide services to the Applicants pursuant to its respective service agreement, as modified. The Cash Flow Statement reflects disbursements pursuant to those modified terms.

22. In addition, the Cash Flow Statement assumes that Mobilicity does not complete one or more transactions pursuant to the Sale Process during the Cash Flow Period. At present neither the Applicants nor the Monitor can accurately predict the timing or quantum of any transactions pursuant to the Sale Process, and consequently there is currently no certainty that actual events will follow this assumption.

23. The projected fees and expenses of the restructuring professionals including counsel to Mobilicity, counsel to the Ad Hoc Committee of Noteholders and to the DIP Lenders, the Monitor, and the Monitor’s counsel have been estimated based on actual activity levels since the date of the Initial Order and the expected activity levels of those professionals in connection with the Sale Process. Projected fees and expenses assume that there is no

significant litigation in these Proceedings, in respect of the Sale Process or any other matter, during the Cash Flow Period.

24. 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.

25. 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.

26. 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.

EXTENSION OF THE STAY PERIOD

27. The current stay of proceedings under the Initial Order expires on December 20, 2013. The Applicants are seeking an extension of the stay period to February 18, 2014 in order to provide the Applicants with time to complete the Sale Process and bring forward a transaction or transactions for this Court’s approval.

28. The Cash Flow Statement projects that, subject to the availability of DIP financing, the Applicants will have sufficient liquidity to operate during the proposed extended Stay Period.

MONITOR'S CONCLUSIONS AND RECOMMENDATION

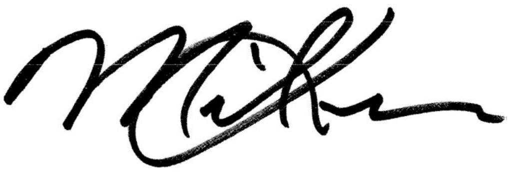
29. The Monitor is of the view that the Applicants have acted in accordance with the Initial Order, in good faith, and with due diligence.

30. The Monitor recommends that the Court approve the Applicants' request for an order extending the Stay Period to February 18, 2014 and requests that the Court approve the actions of the Monitor as described in this Report.

ALL OF WHICH IS RESPECTFULLY SUBMITTED THIS 13TH DAY OF DECEMBER 2013

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:

Mike Dean
Senior Vice President

Alex Morrison
Senior Vice President

Christopher Mediratta
Vice President

APPENDIX A

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.

Applicants

AFFIDAVIT OF WILLIAM E. AZIZ
(sworn December 12, 2013)

I, **WILLIAM E. AZIZ**, of the Town of Oakville, in the Province of Ontario, MAKE OATH AND SAY:

1. I am the President of BlueTree Advisors II Inc. ("**BlueTree**"), which has been retained by Data & Audio-Visual Enterprises Holdings Inc. ("**Holdings**") to provide my services to Holdings and its affiliates[1] (collectively, with Holdings, the "**Mobilicity Group**") as Chief Restructuring Officer of the Mobilicity Group. I am a director of each of the Mobilicity Group entities. BlueTree was retained pursuant to an Engagement Letter dated April 24, 2013.

2. My engagement was ratified and confirmed by Order of this Court on September 30, 2013 (the "**Initial Order**").

3. I have been overseeing the restructuring efforts of the Mobilicity Group since April 24, 2013 and, as such, I have knowledge of the matters to which I hereinafter depose, except where otherwise stated. I have spoken with certain of the directors, officers, advisors and/or employees of the Mobilicity Group, as necessary, and, where I have relied upon information from such discussions, I believe such information to be true.

4. I have previously sworn three Affidavits in connection with these proceedings, dated September 29, 2013 (the "**September Affidavit**"), October 16, 2013 and November 7, 2013.

[1]The affiliates of Holdings are 8440522 Canada Inc. and Data & Audio-Visual Enterprises Wireless Inc. ("**Wireless**").

5. This Affidavit is sworn in support of a motion by the Mobilicity Group to extend the Stay Period, as such term is defined in the Initial Order as amended by order of this Court dated October 24, 2013, from December 20, 2013 until February 18, 2014 (the "**Second Stay Extension**").

Procedural Background

6. On October 24, 2013, the Applicants sought and obtained an Order extending the "Stay Period" under the Initial Order until December 20, 2013 (the "**Stay Extension Order**"). A copy of the Stay Extension Order is attached as **Exhibit "A"** to this Affidavit.

7. The Applicants now seek the Second Stay Extension.

8. The main purpose of Second Stay Extension is to allow the Applicants to continue the sale process that was approved by this Court on November 13, 2013 (the "**Sale Process**") and negotiate transaction documents with the successful bidder or bidders under the Sale Process, as appropriate.

Operations since the previous extension of the Stay Period

9. Since the issuance of the Stay Extension Order, the Applicants have continued to focus their efforts on maintaining the stability of their business, including implementing certain cost reduction measures.

10. Since the commencement of these CCAA proceedings, the Applicants have experienced a customer churn rate of approximately 5.1% per month. The Applicants expect to end December with over 175,000 active customers.[2]

11. The Applicants relocated their head office from their previous premises in Vaughan to smaller premises in Woodbridge that correspond better to the Applicants' needs.

12. The Applicants terminated the employment of certain employees whose services were no longer required by the Applicants and provided such employees with working notice.

13. As contemplated pursuant to the key employee retention plan approved by this Court pursuant to the Initial Order, the employment of Mr. Stewart Lyons, the former Chief Executive

[2] This figure would exceed 210,000 if inactive subscribers were included.

Officer of the Applicants ended on October 31, 2013. Mr. Anthony Booth, former Chief Customer Officer now acts as the Interim Chief Executive Officer.

14. The Applicants continue to have active dialogue with their major suppliers to keep them apprised of their situation. The Applicants negotiated agreements, or reached agreements in principle, with all of their major suppliers such that post-filing supplies are continuing uninterrupted and at the levels that are reflective of the Applicants' current needs.

15. The Applicants, with the Monitor, continue to review certain contractual arrangements, including certain store leases for which the Applicants are the head tenants, to determine whether termination of such contracts is appropriate in the circumstances. So far, the Applicants have disclaimed only one retail store lease.

16. The Applicants have also continued discussions with Industry Canada in respect of a value-maximizing going-concern transaction for the Applicants' business.

17. Since the Stay Extension Order, the Applicants have operated within their cash flow forecast (as last filed with the Court under cover of the Monitor's first report dated October 23, 2013) and honoured their post-filing commitments as they came due.

Sale Process

18. On November 13, 2013, this Court issued an Order approving the Sale Process (the "**Sale Process Order**"). A copy of the Sale Process Order is attached as **Exhibit "B"** to this Affidavit.

19. Since the issuance of the Sale Process Order, the Applicants have worked with the Monitor and their financial advisor, Canaccord Genuity, to implement the Sale Process. The Applicants continue to abide by their obligations under the Sale Process.

20. On Friday December 6, 2013, the Monitor announced that, after receiving requests from Qualified Bidders, the Bid Deadline under the Sale Process would be extended until 12 noon (EST) on Monday December 16, 2013. A copy of the notice provided by the Monitor to the service list is attached as **Exhibit "C"** to this Affidavit.

21. The Sale Process is a competitive process that is conducted pursuant to the Sale Process Order under the supervision of the Court-appointed Monitor. In order to preserve the

integrity of the Sale Process, I am not in a position at this time to disclose further details of the Applicants' activities pursuant to the Sale Process. I understand that the Monitor will report details of the Sale Process at a later date.

Request for a Stay Extension

22. The Applicants require more time to complete the Sale Process, and following the expiry of the Bid Deadline, negotiate transaction documents with the successful bidder or bidders under the Sale Process, as appropriate. The implementation of any transaction following the Sale Process is subject to the approval of the Court.

23. As such, the Applicants are requesting an extension of the Stay Period to and including February 18, 2014.

24. The Applicants, with the assistance of the Monitor, have prepared updated cash flow projections for the period between the week ending December 13, 2013 and the week ending March 7, 2014 (the "**Updated Cash Flow Statement**"), which cover the period of the Second Stay Extension. I understand that the Updated Cash Flow Statement will be attached as an appendix to the Monitor's third report to be served in connection with this motion.

25. The Updated Cash Flow Statement shows that the Applicants have sufficient resources, including pursuant to their DIP loan facility (subject to the satisfaction of various conditions and terms as provided under the DIP loan), during the Second Stay Extension period, to meet their post-filing obligations during that same period.

26. Since the issuance of the Stay Extension Order, the Applicants continue to work in good faith and with due diligence in the pursuit of their restructuring activities, including the pursuit of one or more value-maximizing transactions for the business of the Applicants that would benefit the Applicants' stakeholders.

27. I am advised that the Monitor, the Ad Hoc Committee of Noteholders, the DIP Lenders, the Bridge Lenders and Quadrangle (as those terms are defined in my September Affidavit) all support the Second Stay Extension.

SWORN BEFORE ME at the City of Toronto, Province of Ontario, on December 12, 2013.

Commissioner for Taking Affidavits

WILLIAM E. AZIZ

APPENDIX B

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 October 12, 2013 to December 6, 2013
CDN ('000)

	Actual								
	1	2	3	4	5	6	7	8	
	Oct-18	Oct-25	Nov-01	Nov-08	Nov-15	Nov-22	Nov-29	Dec-06	Total
Beginning Cash Balance	**7,355**	**7,653**	**8,536**	**5,347**	**5,956**	**5,284**	**6,486**	**7,325**	**7,355**
Cash Receipts									
Customer Revenue	1,224	1,343	1,272	1,209	1,332	1,565	1,696	1,395	11,038
DIP Draw	-	-	-	-	-	-	-	-	-
Other Accounts Receivable	4	-	36	9	-	1	0	4	55
Tax Refund (Payment)	-	385	(77)	-	-	16	(74)	-	251
Total Cash Receipts	**1,229**	**1,729**	**1,231**	**1,219**	**1,332**	**1,583**	**1,623**	**1,400**	**11,344**
Cash Disbursements									
Payroll and Benefits	(35)	(89)	(580)	-	(427)	-	(466)	-	(1,597)
Sales & Marketing	(0)	(1)	(76)	(41)	(51)	(48)	(32)	(35)	(284)
Commissions	(31)	-	-	-	(748)	-	-	-	(779)
Service Delivery & IT	(328)	(130)	(232)	(247)	(231)	(112)	(52)	(500)	(1,832)
Payments for Outsourced Operations	-	(288)	(2,712)	(166)	(26)	(27)	(140)	(1,881)	(5,240)
Rent & Site Operations	(1)	(100)	(534)	(38)	(3)	(20)	(0)	(520)	(1,215)
General Operating Expenditures	(6)	(15)	(2)	(42)	(14)	(20)	(29)	(14)	(142)
BOD Expenses	-	-	-	-	-	-	-	-	-
CCAA Monitor and Monitor's Counsel Fees	(107)	(80)	(148)	(59)	(80)	(82)	(39)	(52)	(647)
CCAA Legal Fees	(424)	(142)	(122)	(0)	(424)	(62)	(23)	-	(1,198)
Other Legal and Advisor Expenses	(0)	(0)	(14)	(16)	-	(9)	(3)	(3)	(46)
Interest Payments	-	-	-	-	-	-	-	-	-
Total Cash Disbursements	**(931)**	**(846)**	**(4,420)**	**(609)**	**(2,004)**	**(380)**	**(784)**	**(3,005)**	**(12,980)**
Net Cash Flow Balance	**298**	**883**	**(3,189)**	**609**	**(672)**	**1,203**	**839**	**(1,605)**	**(1,636)**
Ending Cash Balance	**7,653**	**8,536**	**5,347**	**5,956**	**5,284**	**6,486**	**7,325**	**5,720**	**5,720**

	Forecast								
	1	2	3	4	5	6	7	8	
	Oct-18	Oct-25	Nov-01	Nov-08	Nov-15	Nov-22	Nov-29	Dec-06	Total
Beginning Cash Balance	**7,355**	**7,431**	**7,772**	**4,289**	**4,700**	**3,557**	**3,872**	**3,740**	**7,355**
Cash Receipts									
Customer Revenue	1,142	1,142	1,229	1,259	1,259	1,259	1,259	967	9,519
DIP Draw	-	-	-	-	-	-	-	1,247	1,247
Other Accounts Receivable	-	-	-	-	-	-	-	-	-
Tax Refund (Payment)	-	385	(77)	-	-	-	-	-	308
Total Cash Receipts	**1,142**	**1,528**	**1,152**	**1,259**	**1,259**	**1,259**	**1,259**	**2,215**	**11,074**
Cash Disbursements									
Payroll and Benefits	(40)	(85)	(588)	-	(427)	-	(507)	(40)	(1,687)
Sales & Marketing	(16)	(16)	(60)	(60)	(60)	(49)	(53)	(51)	(365)
Commissions	(31)	-	-	-	(690)	-	-	-	(721)
Service Delivery & IT	(325)	(213)	(380)	(240)	(235)	(235)	(235)	(338)	(2,199)
Payments for Outsourced Operations	-	(309)	(2,095)	(136)	(200)	(251)	(90)	(2,095)	(5,177)
Rent & Site Operations	(28)	(185)	(1,012)	-	(36)	-	(43)	(982)	(2,286)
General Operating Expenditures	(42)	(46)	(126)	(124)	(128)	(121)	(130)	(160)	(878)
BOD Expenses	-	-	-	-	-	-	-	-	-
CCAA Monitor and Monitor's Counsel Fees	(107)	(170)	(141)	(141)	(141)	(141)	(141)	(141)	(1,124)
CCAA Legal Fees	(478)	(164)	(188)	(147)	(486)	(147)	(147)	(147)	(1,904)
Other Legal and Advisor Expenses	-	-	(45)	-	-	-	(45)	-	(90)
Interest Payments	-	-	-	-	-	-	-	-	-
Total Cash Disbursements	**(1,067)**	**(1,187)**	**(4,636)**	**(848)**	**(2,402)**	**(944)**	**(1,392)**	**(3,955)**	**(16,430)**
Net Cash Flow Balance	**76**	**341**	**(3,483)**	**412**	**(1,143)**	**315**	**(132)**	**(1,740)**	**(5,355)**
Ending Cash Balance	**7,431**	**7,772**	**4,289**	**4,700**	**3,557**	**3,872**	**3,740**	**2,000**	**2,000**

	Variance - Better / (Worse)									
	1	2	3	4	5	6	7	8		
	Oct-18	Oct-25	Nov-01	Nov-08	Nov-15	Nov-22	Nov-29	Dec-06	Total	
Beginning Cash Balance	**-**	**222**	**764**	**1,058**	**1,256**	**1,726**	**2,614**	**3,585**	**-**	
Cash Receipts										
Customer Revenue	82	201	43	(50)	72	306	437	428	1,519	
DIP Draw	-	-	-	-	-	-	-	(1,247)	(1,247)	
Other Accounts Receivable	4	-	36	9	-	1	0	4	55	
Tax Refund (Payment)	-	-	-	-	-	16	(74)	-	(57)	
Total Cash Receipts	**86**	**201**	**79**	**(41)**	**72**	**324**	**363**	**(815)**	**270**	2
Cash Disbursements										
Payroll and Benefits	5	(5)	7	-	0	-	41	40	90	
Sales & Marketing	16	15	(16)	19	9	1	21	16	80	
Commissions	-	-	-	-	(58)	-	-	-	(58)	
Service Delivery & IT	(3)	82	148	(7)	4	122	183	(161)	368	
Payments for Outsourced Operations	-	22	(617)	(30)	174	224	(50)	215	(63)	
Rent & Site Operations	27	85	478	(38)	33	(20)	43	462	1,070	
General Operating Expenditures	36	31	124	82	114	101	101	146	736	
BOD Expenses	-	-	-	-	-	-	-	-	-	
CCAA Monitor and Monitor's Counsel Fees	-	89	(7)	82	61	60	102	89	477	
CCAA Legal Fees	54	21	66	146	62	85	124	147	706	
Other Legal and Advisor Expenses	(0)	(0)	31	(16)	-	(9)	42	(3)	45	
Interest Payments	-	-	-	-	-	-	-	-	-	
Total Cash Disbursements	**135**	**341**	**216**	**238**	**398**	**564**	**608**	**950**	**3,450**	3
Net Cash Flow Balance	**222**	**542**	**294**	**198**	**471**	**887**	**971**	**135**	**3,720**	
Ending Cash Balance	**222**	**764**	**1,058**	**1,256**	**1,726**	**2,614**	**3,585**	**3,720**	**3,720**	4

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 October 12, 2013 to December 6, 2013
CDN ('000)
NOTES:

1. Overview
- Cash analysis of actual cash flow ("Actual") compared to the cash flow statement as set out in the First Report of the Monitor, dated October 23, 2013 (the "Forecast") for the period from October 12, 2013 through to December 6, 2013 (the "Period"). Key reasons for the variance 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 $11,344 compared to $11,074 in the Forecast, resulting in a favourable variance of $270. The variance is primarily due to:
    - $1,519 favourable variance in Customer Revenue, mainly due to higher revenue as a result of fewer subscriber deactivations than projected; and
    - $1,247 unfavourable variance in the DIP Draw, as the Applicants have not yet been required to draw on the DIP financing.

3. Cash Disbursements
- During the Period, total cash disbursements were $12,980 compared to $16,430 in the Forecast, resulting in a favourable variance of $3,450. The variance is mainly due to:
    - $90 favourable variance in Payroll and Benefits, primarily due to lower than projected staffing levels;
    - $80 favourable variance in Sales and Marketing, primarily due to timing and some savings;
    - $368 favourable variance in Service Delivery & IT, primarily due to timing of payments, as well as some savings;
    - $63 unfavourable variance in Payments for Outsourced Operations, based on the following:
        (a) $758 unfavourable variance, primarily from revising payment terms with the Applicant's billing system provider from monthly in arrears to monthly in advance, resulting in one additional payment during the Period;
        (b) $346 favourable variance, mainly due to higher net monies received for the sell-through of inventory and lower than projected purchases;
        (c) $268 favourable variance for payment incurred on third-party network services, as a result of a reduction in scope;
        (d) $81 favourable variance in call centre service payment, due to incurring lower than projected weekly prepayments during the Period;
    - $1,070 favourable variance in Rent & Site Operations, mainly from paying annual leases on a greater number of sites prior to the commencement of the CCAA proceedings than forecasted, resulting in lower monthly payments;
    - $736 favourable variance in General Operating Expenditures, primarily due to timing of payments, as well as some savings;
    - $477 favourable variance in CCAA Monitor and Monitor's Counsel Fees, mainly due to less time incurred than projected; and
    - $706 favourable variance in CCAA Legal Fees, primarily due to timing that may reverse in future weeks.

4. Ending Cash Balance
- Ending Cash Balance for the Period was $5,720 compared to $2,000 in the Forecast, resulting in a favourable variance of $3,720.

APPENDIX C

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 December 7, 2013 through to March 7, 2014
CDN ('000)

		1 Dec-13	2 Dec-20	3 Dec-27	4 Jan-03	5 Jan-10	6 Jan-17	7 Jan-24	8 Jan-31	9 Feb-07	10 Feb-14	11 Feb-21	12 Feb-28	13 Mar-07	Total
Beginning Cash Balance	2	**5,720**	**5,080**	**5,574**	**5,162**	**3,366**	**3,726**	**2,648**	**3,031**	**3,140**	**2,000**	**2,000**	**2,566**	**2,367**	**5,720**
Cash Receipts															
Customer Revenue	3	1,404	1,404	1,404	1,380	1,348	1,348	1,348	1,348	1,420	1,420	1,420	1,420	1,224	**17,889**
DIP Draw	4	-	-	-	-	-	-	-	-	675	1,204	-	-	1,736	**3,615**
Other Accounts Receivable		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tax Refund (Payment)	5	109	-	(74)	-	-	-	-	-	-	-	-	-	-	**35**
Total Cash Receipts		**1,513**	**1,404**	**1,330**	**1,380**	**1,348**	**1,348**	**1,348**	**1,348**	**2,094**	**2,624**	**1,420**	**1,420**	**2,960**	**21,538**
Cash Disbursements															
Payroll and Benefits	6	(433)	-	(435)	(43)	-	(395)	(85)	(353)	(40)	(395)	-	(678)	(43)	**(2,901)**
Sales & Marketing	7	(67)	(67)	(54)	(54)	(57)	(57)	(54)	(53)	(53)	(53)	(53)	(53)	(53)	**(727)**
Commissions	8	(554)	-	-	-	-	(754)	-	-	-	(976)	-	-	-	**(2,285)**
Service Delivery & IT	9	(269)	(269)	(269)	(415)	(299)	(299)	(274)	(264)	(422)	(298)	(298)	(298)	(403)	**(4,078)**
Payments for Outsourced Operations	10	(129)	12	(159)	(1,578)	(185)	(93)	(93)	(93)	(1,633)	(93)	(93)	(93)	(1,633)	**(5,864)**
Rent & Site Operations	11	(78)	(100)	(43)	(645)	(35)	-	(43)	-	(670)	(35)	-	(43)	(722)	**(2,414)**
General Operating Expenditures	12	(145)	(206)	(163)	(162)	(196)	(234)	(161)	(176)	(161)	(180)	(155)	(155)	(203)	**(2,296)**
BOD Expenses	13	-	-	-	(18)	-	-	-	-	-	-	-	-	-	**(18)**
CCAA Monitor and Monitor's Counsel Fees	14	(91)	(130)	(130)	(91)	(91)	(130)	(130)	(130)	(130)	(130)	(130)	(130)	(130)	**(1,573)**
CCAA Legal Fees	15	(298)	(150)	(489)	(125)	(125)	(464)	(125)	(125)	(125)	(464)	(125)	(125)	(125)	**(2,865)**
Other Legal and Advisor Expenses	16	(88)	-	-	(45)	-	-	-	(45)	-	-	-	(45)	-	**(224)**
Interest Payments	17	-	-	-	-	-	-	-	-	-	-	-	-	(14)	**(14)**
Total Cash Disbursements		**(2,153)**	**(911)**	**(1,743)**	**(3,175)**	**(988)**	**(2,427)**	**(965)**	**(1,240)**	**(3,234)**	**(2,624)**	**(853)**	**(1,619)**	**(3,327)**	**(25,258)**
Net Cash Flow Balance		**(640)**	**494**	**(412)**	**(1,795)**	**360**	**(1,078)**	**383**	**109**	**(1,140)**	**-**	**566**	**(200)**	**(367)**	**(3,720)**
Ending Cash Balance		**5,080**	**5,574**	**5,162**	**3,366**	**3,726**	**2,648**	**3,031**	**3,140**	**2,000**	**2,000**	**2,566**	**2,367**	**2,000**	**2,000**

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**”).

   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 December 7, 2013 to March 7, 2014 (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 December 6, 2013.

   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 the end of the Period.

2. The Opening Cash Balance includes Mobilicity's cash on hand, net of outstanding cheques, as at December 7, 2013.

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 November 2013.

4. The DIP Draw represents the projected draws on Mobilicity’s DIP credit facility pursuant to the Agreement between the DIP Lenders and Mobilicity, assuming that the conditions precedent in the Agreement have been satisfied. Interest on the DIP

accrues at a rate of 15.5 percent per annum on the outstanding amounts, payable in cash monthly in arrears. Pursuant to the Agreement, the DIP is projected to be drawn in weekly tranches in order to provide the Applicants with a minimum ending cash balance of $2 million. The first such weekly amount is assumed to be drawn in the week ending February 7, 2014.

5. Tax Refunds (Payments) represent the projected sales taxes collected from Mobilicity's customer revenues net of its sales taxes paid for products and services received. Other than the harmonized sales refund projected to be received in the week ending on December 13, 2013 and the provincial sales tax payments projected to be made in the week ending December 27, 2013, it is assumed that all tax refunds and payments net to zero during the Period.

6. Payroll and Benefits represent projected gross payroll, including court-approved key employee retention plan payments, 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 at Mobilicity's three corporate stores and general marketing activities for services rendered on or after September 30, 2013. One of Mobilicity's corporate stores located in Vancouver, British Columbia will be closed in January 2014.

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 new corporate head office in Vaughan, a sales office in Vancouver, two co-location data centers and three corporate retail stores. In addition, the Applicants lease approximately 500 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 D

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.