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COURT FILE NUMBER	1703-12327
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	EDMONTON
	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 ARRANGEMENT OF CANADA NORTH GROUP INC., CANADA NORTH CAMPS INC., CAMPCORP STRUCTURES LTD., D.J. CATERING LTD., 816956 ALBERTA LTD., 1371047 ALBERTA LTD., AND 1919209 ALBERTA LTD.
DOCUMENT	**MONITOR'S THIRTEENTH REPORT**
	April 11, 2018
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INTRODUCTION AND PURPOSE OF THE REPORT

1. On July 5, 2017, Canada North Group Inc. ("**CNG**"), Canada North Camps Inc. ("**CNC**"), Campcorp Structures Ltd. ("**Campcorp**"), D.J. Catering Ltd. ("**DJ**"), 816956 Alberta Ltd. ("**816**"), and 1371047 Alberta Ltd. ("**137**") (hereinafter collectively referred as the "**Applicants**" or the "**Companies**" or the "**Group**") made an application before this Honourable Court requesting certain relief under the *Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended* (the "**CCAA**") and obtained, inter alia, an initial order (the "**Initial Order**"), a stay of proceedings ("**Stay**") against the Applicants for a period of 30 days up to and including August 3, 2017, and the appointment of Ernst & Young Inc. ("**EYI**" or the "**Monitor**") as monitor of the Applicants. In addition to the appointment of the Monitor, the Initial Order also included the appointment of R.e.l. group inc. as Chief Restructuring Officer ("**CRO**").

2. Prior to the application noted above, on June 26th, 2017, each of CNG, CNC, Campcorp, and DJ filed a Notice of Intention to Make a Proposal ("**NOI**") pursuant to Section 50.4(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3 ("**BIA**") and EYI consented to act as Trustee in each instance. These NOI proceedings commenced by CNG, CNC, Campcorp and DJ under the BIA were taken up and continued under the CCAA.

3. On July 27, 2017, the Applicants made an application to the Court for an extension of the Stay and to add 1919209 Alberta Ltd. ("**1919**") as an applicant to the CCAA Proceedings. The relief sought by the Applicants at this application was granted by the Court, and for the purposes of this report, 1919 will be included in the defined term Applicant, unless otherwise noted.

4. Over the Course of these CCAA proceedings, the Applicants have made a number of applications to this Court requesting various relief and corresponding extensions of the Stay. To date, the Monitor has filed twelve reports with the Court and issued two unfiled Confidential Supplements in relation to its Eleventh and Twelfth Reports. Copies of all filed Monitor's reports, materials filed by the Applicants, application materials and previous Orders of the Court can be accessed on the Monitor's website as noted in the disclaimer section of this report below.

5. The purpose of this report (the "**Thirteenth Report**") is to advise the Court and the Applicants' stakeholders on the following in advance of the Court application set for April 20, 2018:

    a) Information obtained since the Eleventh Report and the Monitor's revised recommendation in relation to continued operations at a number of the camps that do not form part of the transaction with the Restructuring Investor for a limited time frame while a plan to realize on the residual assets is finalized;

b) The Monitor's request for an expansion of its powers in addition to its powers and duties as set out in the Initial Order;

c) The Monitor's comments in relation to the Applicants' request for a further extension of the Stay up to and including July 31, 2018.

DISCLAIMER

6. In preparing the Thirteenth Report, the Monitor has relied upon unaudited financial information of the Applicants, the Applicants' books and records, certain financial information prepared by the Applicants and discussions with the Applicants' management ("**Management**"). The Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information provided. Accordingly, the Monitor expresses no opinion or other form of assurance on the information contained in this report or relied upon in its preparation. Future oriented financial information reported or relied on in order to prepare this report is based on Management's assumptions regarding future events; actual results will vary from forecast, and such variations may be material.

7. This report should be read in conjunction with all previously filed affidavits and reports, as well as Court Orders previously issued in these proceedings all of which, save for items directed to be sealed for confidentiality purposes, are available on the Monitor's website established for these proceedings that is located at *http://documentcentre.eycan.com/Pages/Main.aspx?SID=1410*. In addition, this report should be read in conjunction with any new materials filed with the Court by the Applicants (if any) prior to the date set for the application as set out in this report.

8. Unless otherwise stated, all references to monetary amounts contained herein are expressed in Canadian currency. Capitalized terms used herein not otherwise defined are as defined in the previous reports of the Monitor and other materials filed in connection with these CCAA proceedings to date.

CONTINUED OPERATIONS AT SELECT NUMBER OF REMAINING CAMPS

9. As noted in the Eleventh Report and the Confidential Supplement to the Eleventh Report ("**11th Supplement**"), based on information available at that time and from discussions with Management, it was the recommendation of the Monitor that operations at certain residual camps that did not form part of the transaction with the Restructuring Investor be maintained for a number of reasons. The details of these specific camps and the rationale for continued operations were outlined in the

11th Supplement.

10. Consistent with the Eleventh Report and the 11th Supplement, the Monitor has prepared an update in relation to the continued operations of the specific camps in question which has been included in the Confidential Supplement to the Monitor's Thirteenth Report (**"13th Supplement"**). The Monitor continues to be of the view that the specific details in relation to the proposed operation of these residual camps are sensitive in nature, and should not be disclosed to the public at this time. The Monitor has prepared the 13th Supplement to provide the Monitor's specific comments in relation to these residual camps.

EXPANSION OF THE POWERS OF THE MONITOR

11. Upon closing of the transaction with the Restructuring Investor, it is understood by the Monitor that:

a) Two of the Applicants, namely Campcorp Structures Ltd. and DJ Catering Ltd., will be removed from the proceedings as the shares in those entities will be sold as part of the transaction with the Restructuring Investor. As a result, only Canada North Group Inc., Canada North Camps Inc, 816956 Alberta Ltd., 1371047 Alberta Ltd. and 1919209 Alberta Ltd. (now herein collectively referred to as the "**Remaining Applicants**") will be parties to these proceedings;

b) The names of Canada North Group Inc. and Canada North Camps Inc. will be changed as the names for those entities are to be acquired as part of the transaction with the Restructuring Investor;

c) The names of both Canada North Group Inc. and Canada North Camps Inc. will be changed to a number as a result of the acquisition of those names through the Restructuring Investor's transaction; and

d) The directors of the Remaining Applicants, Shayne McCracken and Paul McCracken, will be resigning as directors of the Remaining Applicants upon the closing of the transaction with the Restructuring Investor.

12. As a result of the above, steps need to be taken in respect of the Remaining Applicants to address the gap in governance, potential ongoing operations of residual camps, liquidation of the remaining assets and otherwise bringing these proceedings to a conclusion.

13. The Monitor recommends that its power be expanded to address these issues in an effort to bring these proceedings to a conclusion.

Proposed Expanded Powers of the Monitor

14. In addition to the powers and duties of the Monitor set out in the Initial Order, without altering in any way the limitations and obligations of the Remaining Applicants a result of these proceedings, the Monitor is seeking the Court's authorization to be authorized and empowered to do the following where the Monitor considers it necessary or desirable:

a.) preserve, protect and maintain control of the Remaining Applicants' remaining real and personal property ("**Property**"), or any parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable. All proceeds, receipts and disbursements as well as any and all necessary books, records, and documents (paper and electronic) of the Remaining Applicants;

b.) manage, operate and carry on the business of the Remaining Applicants including, without limitation, completing any transaction for the sale of Property, including the Winterburn Yard;

c.) take all steps and actions the Monitor considers necessary or desirable in these proceedings including, without limitation, and on behalf of the Remaining Applicants:

i) entering into any agreements;

ii) incurring obligations in the ordinary course of business;

iii) retaining or terminating employees; and,

iv) ceasing to carry on all or any part of the business;

v) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Monitor, in its discretion, may deem appropriate;

vi) subject to the terms of the Initial Order, to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business of the Remaining Applicants;

vii) to apply for any Vesting Order or other Orders necessary to convey the Property or any part of parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property.

d.) engage consultants, appraisers, agents, experts, auditors, accountants, managers , counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Monitor's expanded powers and duties;

e.) oversee and direct the preparation of cash flow statements and to assist in the dissemination of financial and other information in these proceedings as required;

f.) receive, collect and take possession of all monies and accounts now owed or hereafter owing to any one of the Remaining Applicants, including proceeds payable pursuant to a sale of Property;

g.) execute, assign, issue and endorse documents of whatever nature in respect of any of the Property or the business of the Remaining Applicants, whether in the Monitor's name or in the name and on behalf any one of the Remaining Applicants;

h.) initiate, prosecute and continue the prosecution of any and all proceedings on behalf of the Remaining Applicants respecting trade creditors or commercial receivables, and to settle or compromise any such proceedings or claims. For greater certainty, such authority shall include the ability to represent the Remaining Applicants in any negotiations with such trade creditors. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceedings; and,

i.) exercise any other rights or powers which the Remaining Applicants may have, including rights or powers available to the Remaining Applicants under the terms of the Initial Order and the CCAA as applicable, as deemed reasonable and appropriate by the Monitor.

EXTENSION OF THE STAY TO JULY 31, 2018

15. The Monitor understands that the Remaining Applicants will be requesting an extension of the Stay up to and including July 31, 2018.

16. As at the date of this report, the transaction with the Restructuring Investor has not yet been completed and the Remaining Applicants, under the supervision of the Monitor, continue to seek out liquidation proposals in relation to certain of the Remaining Applicants' residual assets at the Winterburn Yard and the Farm, as previously directed by the Court. In addition, there is a significant amount of other residual Property which needs to be realized on for the benefit of the Remaining Applicants' stakeholders in these CCAA proceedings and other matters to be resolved.

17. It is the preliminary view of the Monitor that it will take at least an additional 90 days from April 30, 2018 to resolve the remaining matters and to realize on the remaining Property of the Remaining Applicants in an orderly fashion.

18. In light of the above, the Monitor considers it reasonable and appropriate to extend the Stay to July 31, 2018.

CONCLUDING REMARKS

19. Based on the matters outlined in this report, the Monitor respectfully recommends that the Court:

    a) Authorize the expansion of the Monitor's powers as outlined in this report; and,

    b) Extend the Stay to July 31, 2018 as requested by the Applicants.

Dated at Edmonton, this 11th day of April, 2018.

Ernst & Young Inc.
In its capacity as Monitor of
Canada North Group Inc.; Canada North Camps Inc.;
CampCorp Structures Ltd.; D.J. Catering Ltd.;
816956 Alberta Ltd.; 1371047 Alberta Ltd.; and
1919209 Alberta Ltd.
and not in its personal or corporate capacity

Per:

Matt McCulloch, CPA, CA, CIRP, Licensed Insolvency Trustee
Senior Vice-President