

Clerk's Stamp

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. and 1371047
ALBERTA LTD.

DOCUMENT **AFFIDAVIT OF BRIAN NILSSON**

ADDRESS FOR SERVICE
AND CONTACT
INFORMATION OF PARTY
FILING THIS DOCUMENT

Robert T. Anderson
Miller Thomson
10155 - 102 Street
Edmonton, Alberta
T5J 4G8
Telephone: 780.429.1751
Fax: 780.424.5866

AFFIDAVIT OF BRIAN NILSSON

SWORN ON JULY 4, 2017

I, Brian Nilsson, Businessman, of the City of Edmonton, in the Province of Alberta, MAKE OATH AND SAY THAT:

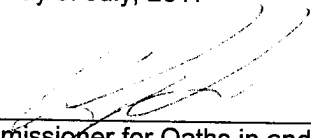
INTRODUCTION

1. I am an Albertan businessman. My brother, Lee Nilsson and I are the principals of Nilsson Bros. Inc.

2. Nilsson Bros Inc. and its related companies, are a group of companies involved in a variety of industries, including real estate, agriculture, food-processing, auction markets, livestock feeder buying services, livestock financing, farm & ranch insurance and cow/calf operations.
3. Nilsson Bros. Inc. has significant experience in investing in distressed businesses, including through equity investments and through purchasing distressed assets.
4. About a month ago, I had a conversation with Paul and Shayne McCracken (the "McCrackens"). I then contacted my long time accounting advisor, Bruce Pennock of Pennock Acheson Nielsen Devaney, Chartered Accountants and we discussed the possibility of Nilsson Bros. Inc (through its private equity subsidiary, XALTA Capital Partners Ltd. ("XALTA") entering into a restructuring transaction with the Canada North Group of Companies ("Canada North").
5. In the past month, I have had a number of meetings with the McCrackens and have commenced due diligence investigations of Canada North.
6. It is my belief that Canada North has significant value and XALTA is very interested in exploring restructuring options with Canada North including:
 - a. Potential purchase of certain open camps as going concerns;
 - b. Assistance in refinancing; and/or
 - c. An equity investment in Canada North.
7. Canada North, however, based upon my review to date appears to clearly have a number of current issues including, a liquidity crisis, significant unsecured debt, expensive financing and pressure from creditors.
8. My understanding is that Canada North is applying for the opportunity to restructure under the *Companies' Creditors Arrangement Act* (the "CCAA") so that there is a formal orderly process in place that will allow it to maximize value for its stakeholders.
9. A receivership may result in the liquidation of Canada North and may eliminate much of the value of Canada North.
10. XALTA is supportive of Canada North's decision to apply for an Order under the CCAA.
11. If such an Order is granted, XALTA intends to work with Canada North and any Chief Restructuring Officer with a view to making a restructuring proposal to Canada North.
12. The details of the proposal have not yet been finalized and are subject to further due diligence review. The financial terms are also commercially sensitive.

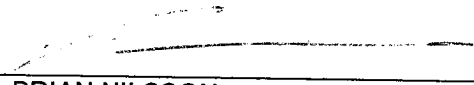
13. I swear this Affidavit in support of an application for an Initial Order under the CCAA for the Applicants.

SWORN BEFORE ME at Edmonton, Alberta,
this 4th day of July, 2017



A Commissioner for Oaths in and for
Alberta

Robert T. Anderson
Barrister & Solicitor
303, 13220 St. Albert Trail
Edmonton, AB T5L 4W1



BRIAN NILSSON