Clerk's Stamp

COURT FILE NUMBER	
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 SHAYNE McCRACKEN** **Sworn on July 28, 2017**
COURT FILE NUMBER	24-2266739
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	EDMONTON
	IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-36, AS AMENDED AND IN THE MATTER OF THE PROPOSAL OF CANADA NORTH GROUP INC.
COURT FILE NUMBER	24-2266736
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	EDMONTON
	IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-36, AS AMENDED AND IN THE MATTER OF THE PROPOSAL OF CANADA NORTH CAMPS INC.,
COURT FILE NUMBER	24-2266726
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	EDMONTON

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-36, AS AMENDED

AND IN THE MATTER OF A PROPOSAL OF CAMPCORP STRUCTURES LTD.

COURT FILE NUMBER	24-2266743
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	EDMONTON

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-36, AS AMENDED

AND IN THE MATTER OF A PROPOSAL OF D.J. CATERING LTD.

DOCUMENT	**AFFIDAVIT OF SHAYNE McCRACKEN**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Stephanie A. Wanke Spencer Norris DLA Piper (Canada) LLP 1201 Scotia Tower 2 10060 Jasper Avenue Edmonton AB T5J 4E5 T 780.429.6822 F 780.702.4379

AFFIDAVIT OF SHAYNE McCRACKEN

SWORN ON JUNE 28, 2017

I, Shayne McCracken, Businesswoman, of the City of Edmonton, in the Province of Alberta, MAKE OATH AND SAY THAT:

A. INTRODUCTION

1. I am a Director and the Secretary of each of the applicants, Canada North Group Inc. ("**CNG**"), Canada North Camps Inc. ("**CNC**"), CampCorp Structures Inc. ("**CampCorp**") D.J. Catering Inc. ("**DJ**") (CNG, CNC, CampCorp and DJ, collectively, "**Canada North**"), 816956 Alberta Ltd. ("**816**") and 1371047 Alberta Ltd. ("**137**")(Canada North, 816 and 137, collectively, the "**Companies**"), and as such, the matters deposed to herein are based on my personal knowledge or on my review of the books and records maintained by the Applicants in the ordinary course of their business, entries in which books and records are made reasonably contemporaneously with the Applicants' business transactions as they occur,

except where stated to be based upon other information and belief, and where so stated, I believe the same to be true.

2. I make this Affidavit in support of an application on behalf of the Applicants for relief pursuant to the provisions of the *Companies Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended ("**CCAA**") in order to allow the Applicants to restructure their business and financial affairs.

B. CORPORATE STRUCTURE AND BUSINESS OVERVIEW

3. Canada North is a group of family-owned and operated business focused on providing workforce-housing solutions to Western-Canada's remote field services industries. Canada North primarily services the oil and gas industry as well as the construction, forestry and government sectors.

4. Canada North began in 2000 with one camp and a catering company. The company expanded over time and, in 2009, acquired a manufacturing plant in Slave Lake to provide vertical integration and the ability to manufacture modular camps.

5. Attached hereto and marked as **Exhibit A** is the organization chart for Canada North and as **Exhibit B** the organization chart for 816 and 137.

6. The Companies' operations are headquartered in Edmonton, Alberta.

7. Excluding the third party entities in red, each of the corporate entities on the two aforementioned organization charts are Alberta Corporations incorporated pursuant to the *Business Corporations Act* (Alberta) or registered pursuant to the *Partnership Act* (Alberta), except for the following entities which are incorporated as indicated below: :

   (a) CampCorp USA Inc., which is incorporated in Arizona, U.S; and

   (b) Spallumcheen Estates Ltd. and Morningstar Golf Club Ltd.- which is incorporated pursuant to the *Business Corporations Act* (British Columbia); and

<u>Canada North Group Inc.</u>

8. CNG is the parent corporation of CNC, CampCorp and DJ. CNG does not directly carry on active business.

9. CNG is wholly owned by 1995708 Alberta Ltd, which in turn is wholly owned by my husband, Paul McCracken.

<u>Canada North Camps Inc.</u>

10. CNC is a subsidiary of CNG. CNC operates remote workforce housing camps throughout Western Canada.

11. CNC both operates camps pursuant to fixed contracts with clients as well as maintains a geographically diverse selection of open camps that can accommodate clients on a flexible basis.

12. The Western Canadian camp industry is a highly seasonal industry with bell shaped demand peaking in January / February.

13. Generally, the profit margin on active open camps is significantly higher than on contract camps, but there are higher capitalization costs and more risk.

14. CNC operates the following camps:

    (a) Simonette Lodge - An open camp located west of Fox Creek, Alberta

    (b) Berland Lodge - An open camp located east of Fox Creek, Alberta

    (c) Wabasca Lodge - An open camp located in Wabasca - Desmarais, Alberta

    (d) HML - An open camp located in the Anzac, Alberta area.

    (e) Peace River Lodge, Bonnyville Lodge, Cimarron Lodge, Monias Lodge and Wandering River are all temporarily closed.

15. Presently, in the off season, approximately 200 - 300 beds are occupied in the camps at any given time.

<u>CampCorp Structures Inc.</u>

16. CampCorp operates a modular construction manufacturing plant in Winterburn. CampCorp also handles the installation and tear down of contract camps or open camps on relocation.

17. CampCorp owns the shares of CampCorp USA Inc. ("**CampCorp USA**").

18. CampCorp USA is a manufacturing plant located in Arizona that is capable of constructing two-story custom modular commercial units.

19. CampCorp USA was originally unable to sell its modular products in the USA as it had not obtained the necessary permits.

20. Recently, the necessary permits were granted and CampCorp USA is now one of the few entities permitted to sell two-story modular products of its kind in California and Arizona. CampCorp USA has recently obtained a significant profitable construction contract for Ottawa University in Phoenix Arizona.

<u>D. J. Catering Inc.</u>

21. DJ holds five Miscellaneous Land Leases with the government in respect of campsites, including for Simonette and Berland, as well as three undeveloped sites. DJ is also a preferred vendor for a number of clients.

<u>1371047 Alberta Ltd.</u>

22. 137 is primarily a real estate holding company. It owns the Edmonton Office, the Winterburn Yard and the lands on which the Wandering River and Bonnyville camps are located.

<u>816956 Alberta Ltd.</u>

23. 816 owns a farm near St. Albert, Alberta.

24. 816 also owns (directly or indirectly) the shares of:

   (a) 137;

   (b) Morningstar Golf Club Ltd., an operating golf course on Vancouver Island, B.C;

   (c) Spallumcheen Estates Ltd., an operating golf course in the Okanogan, B.C.; and

   (d) Carma Software Systems Inc., a company providing technologic services, including to CNC

C. FIRST NATIONS

25. The oil and gas industry in Western Canada often has projects that are on or near First Nations lands.

26. Canada North has a sincere commitment to working with various First Nations, both in terms of partnering for economic development and building community capacity through employment and training.

27. Canada North has had 50/50 partnerships with Bigstone Cree Nation and Heart Lake First Nation for contract camps, whereby CNC provides the camp services and the partnership shares the contract profit.

28. Canada North established a camp and catering training program with Blue Quills First Nations College of St. Paul, Alberta, which is governed by seven Nations.

29. As part of that initiative in 2013, Canada North, along with its fifty percent First Nations partner, donated a camp worth $1.2M to the college. The students in the Camp Life program live in the donated camp and participate in the camp operations, adding practical experience to the training as well as needed accommodations.

30. The Camp Life program is now accepting its 15th cohort into the program. All graduates are offered employment by Canada North. The government has advised us that they have tracked the graduates and there is a 60% long term retention rate for graduates of this program in the camp industry, including with Canada North - which is an excellent result.

31. Canada North also make a concerted effort to hire locally, including First Nations candidates and to provide necessary support and training to build First Nations employment capacity.

D. EMPLOYEES

32. Canada North's key employees are as follows:

- Paul McCracken - President
- Shayne McCracken - Controller
- Kim Capjack - Chief Operating Officer
- Tyler McCracken - Catering management
- Travis McCracken - Forecasting, finances and bidding
- Jaimie Phillips - Finance and Employee Benefits
- Brian Stasynec - Head accountant
- Rob Phillips - CampCorp Manager and Maintenance Supervisor
- Susan Ramsay - Efficiency expert and operations

33. Canada North employees approximately 25 employees at the head office, most of which are long term employees with more than five years of service.

34. CampCorp presently employees approximately 14 people.

35. CNC and DJs employment fluctuates seasonally; however, many employees return season after season. Peak employment numbers for 2013 = 349, 2014 = 377, 2015 = 491, 2016 = 269, 2017 = 190.

36. As set out above, Canada North also employs a significant number of First Nations employees.

E. ASSETS

37. The assets of Canada North, 816 and 137 are primarily comprised of:

(a) The machinery and equipment located at the various camps, yards and manufacturing facilities;

(b) The value of the camps and catering as a going concern business;

(c) Real estate; and

(d) The values of the subsidiaries of 816: Morningstar and Spallumcheen golf courses and Carma Software Systems Inc.

38. As set out in my Confidential Supplemental Affidavit, Canada North has obtained appraisals of the machinery and equipment as a whole, the value of certain camps as going concerns and the value of certain parcels of real estate.

39. Compared to the Indebtedness as set out below, the appraisals contained the Confidential Supplemental Affidavit show that there is significant value in Canada North as a going concern if the present cash flow issues can be addressed.

F. INDEBTEDNESS

40. Canada North is indebted to the CRA for approximately $1,140,000, largely for employee source deductions and GST.

41. Canada North owes its secured creditors approximately the following:

(a)	Canadian Western Bank ("CWB"):	$21,033,797.81
(b)	Business Development Bank Canada:	$2,081,000.00
(c)	Camcork Holdings Ltd.	$375,000.00
(d)	ECN Financial	$2,951,652.73
(e)	Klovansky Contracting	$200,000
(f)	National Leasing	$494,502.68
(g)	Northland Mortgage & Investment Corp	$750,000.00
(h)	Sysco	$1,213,331.20
(i)	Wells Fargo Leasing	$173,411.65
(j)	Weslease Income Growth Fund	$6,000,000

42. Collectively, Canada North owes approximately a further $6,000,000 to its unsecured creditors.

43. Attached as **Exhibit "C"** hereto is a copy of a Forbearance Agreement entered into in respect of the CWB Indebtedness. As indicated on the Forbearance Agreement, the CWB indebtedness is guaranteed by Canada North, 137, 816 and a variety of other subsidiaries and affiliated companies.

44. At the time CWB sought the Forbearance Agreement, Canada North did not (and does not) have payment defaults to CWB.

45. CWB has not issued demands on the Companies or served notices pursuant to s. 244 of the *BIA*.

46. In a number of cases, the Companies have provided guarantees and collateral security for the indebtedness of the other Companies.

47. Each of the Companies is presently insolvent as they are unable to pay their obligations generally as they become due and payable.

G. FINANCIAL INFORMATION

48. Attached hereto as **Exhibit "D"** are the consolidated year-end financial statements for Canada North Group Inc., year-ended September 30, 2016, marked "draft".

49. I understand from the accountant that the financial data in the statements is complete; however, because of the subsequent insolvency of Canada North, finalizing the statements would require significant additional work in the auditor report to the financial statements - at significant expense. As a result, Canada North did not have the audit for the 2016 statements finalized.

50. Attached hereto as **Exhibit "E"** are the consolidated year-end audited financial statements for Canada North Group Inc., year-ended September 30, 2015.

51. Attached hereto as **Exhibit "F"** are the consolidated monthly financial statements for Canada North Group Inc., for the eight month period ended May 31, 2017.

H. CAUSES OF INSOLVENCY

52. In the latter half of 2014, the price of oil collapsed. A barrel of West Texas Intermediate that sold for over $100 US a barrel in June of 2014, only fetched $50 US by the end of 2014 and just over $40 US three months later in March of 2015.

53. The camp industry in Alberta was particularly hard hit.

54. Oil companies cancelled projects and curtailed workforces. There were significantly fewer opportunities for contract camp work and less demand for open camp spaces.

55. Oil companies also required lower prices on services, putting extreme downward pressure on profit margins to the point that some contracts simply couldn't be secured at an economically feasible rate.

56. Oil industry growth drives significant camp work as the growth involves projects that need to be supported by remote workforce housing. From the end of 2014 to the end of 2016, there was very little growth in the oil industry, and, as a result, few opportunities for new camp contracts.

57. As a result, the Companies' revenues fell approximately 50% in the 24 months following the 2014 oil crash.

58. CNRL declined to pay a $1.8M Canada North receivable. Significant cost and efforts were put into negotiating payment with CNRL. Arbitration has been set for this matter for July 7, 2017.

59. The Fort McMurray wildfire began on May 1, 2016 and spread over almost 1.5 million acres before being declared under control on July 5, 2016.

60. HML Lodge was required to shut down and be evacuated.

61. The Wandering River Camp was made available to persons displaced by the fire as it was the right thing to do in the circumstances, but the rates that were charged were heavily subsidized by Canada North, even including contributions from the industry and government. Additionally, we needed to add extra services, like bussing children to school. Our recovery fell significantly short of covering the carrying and operating costs of the camp..

62. TransCanada and Brion Energy Corporation had entered into a four year contract for the Wandering River Camp in connection with the Grande Rapids Pipeline. That contract was cancelled after 18 months.

63. Shell cancelled the Carmen Creek Project, which left the Peace River Lodge unused and resulted in its temporary closure.

64. There was also a tragic incident at the Berland camp on June 30, 2015. A cook's helper, Daniel Goodridge, staying at the camp stabbed and killed Hally Dubois and David Derksen. Goodridge also started the camp on fire resulting in $1M - $2M in damage. As a result the camp had to be closed until October of 2015, resulting in significant loss of revenue. Berland has now been repaired and recovered from this tragedy.

65. The lack of oilfield growth in 2014 and on also led to a steep decline in manufacturing demand from CampCorp and led to the closure of the CampCorp Slave Lake manufacturing facility. Workforces were offered redeployment to the Winterburn yard facility.

66. Canada North had grown quickly in the period leading up to the oil crash in 2014. The initial downturn led to cash flow issues which were temporarily resolved with additional financing, however, these interest rates were often in excess of 20%, eventually compounding the financial difficulties of Canada North.

67. After many years of successful growth, with hindsight, Canada North did not initially recognize the depth and breadth of the financial issues precipitated by the drop in revenue.

68. As a result, since 2015, Canada North has had ongoing cash flow issues.

69. Canada North certainly has an appreciation now for the financial difficulties and is working with due diligence and in good faith to restructure its financial and business affairs for the benefit of its creditors, employees and other stakeholders.

I. RESTRUCTURING EFFORTS PRIOR TO THE NOI FILINGS

Sale of Assets

70. Given the financial difficulties of Canada North, appraisals of various assets and equipment were obtained with a view to determining a path forward involving the sale of certain assets.

71. Those appraisals, as well as certain offers on real estate, are set forth in my Confidential Supplemental Affidavit.

72. As set out in my Confidential Supplemental Affidavit, the Winterburn Yard and the Edmonton Office are both in the process of being sold. The anticipated revenue from the sales of those two parcels will provide a total of approximately $6,500,000 to pay down the CWB Indebtedness after the mortgages and sales adjustments on those properties are made.

Operational Efficiencies

73. In 2015 and 2016, faced with downward pressure on contracts and less available work, Canada North focused on increasing profitability.

74. Through internal efficiency operational changes, CNC was able to increase its profit margins on work by 15%. Canada North further decreased its general and administrative expenses by $2,000,000.

75. The sale of the Winterburn yard and office and consolidation of the operations to a smaller, rented site will further reduce Canada North's general and administrative expenses without impact on operations.

Adjusting Manufacturing Operations

76. As the lack of manufacturing work in the oil industry persisted, the Winterburn yard repositioned itself in the market as a modular producer for custom commercial construction projects.

77. The new manufacturing model is proving successful for Campcorp with the following new contracts:

(a) Saskatoon School Board (approximate gross contract value $1.2M, completed, profit margin approximately 25%); and

(b) Fairview Daycare (approximate gross contract value $1.2M, to be completed, projected profit margin 25%).

Refinancing

78. Canada North has sought and continues to work on a number of refinancing possibilities:

(a) CampCorp USA is seeking refinancing. Alliance Bank in Arizona has confirmed they would be able to refinance but for the collateral security granted by CampCorp USA in respect of Canada North obligations to CWB.

(b) As set out in the Confidential Supplemental Affidavit, Canada North is working with a private equity investor in respect of refinancing and/or selling various aspects of the business.

Professional Assistance

79. CNC also retained Ernie Recsetar to provide restructuring guidance and assistance. Mr. Recsetar is an attorney with expertise in financing and workouts and is ordinarily resident in the U.S.. Attached hereto as **Exhibit "G"** is Mr. Recsetar's resumé.

J. NOI FILINGS

80. On June 26, 2017, each of CNG, CNC, CampCorp and DJ filed a Notice of Intention to Make a Proposal pursuant to Part III of the *Bankruptcy and Insolvency Act*, RSC, 1985, c. B-3 ("*BIA")*. Attached hereto as **Exhibit "H"** are the four certificates of filing (the "**Certificates**").

81. The Companies sought protection under the *BIA* given the enforcement steps taken or anticipated to be taken by a number of creditors, including that the Forbearance Agreement with CWB was set to expire on June 30, 2017 and CWB had advised it would not grant further extensions.

82. Additionally, Wells Fargo Equipment Finance Company issued demands and s. 244 Notices of Intention to Enforce Security under the BIA dated June 6, 2017.

83. The Companies have not filed a Proposal under the *BIA*.

84. Following receipt of the Certificates on June 27, 2017, I am advised by my Counsel that she contacted Counsel for CWB and advised Counsel of the NOI filings and the intention to make an application for an Initial Order under the *Companies' Creditors Arrangement Act*, RSC, 1985, c. C-36.

85. Subsequently, also on June 27, 2017, I deposited $134,000 receivable into the CWB account in the name of Bigstone Tansi GP Inc. and sought a bank draft to pay a CNC invoice owed by Bigstone Tansi GP Inc..

86. Bigstone Tansi GP Inc. is owned jointly by the Bigstone First Nation and by Canada North is the general partner of Bigstone Tansi LP, which is a First Nations partnership between Canada North (49%) and the Bigstone First Nations (49%) and the Bigstone Tansi GP Inc. (1%).

87. Bigstone has been dissolved as the camp contract it was incorporated for has ended and Bigstone's only remaining assets are the money as a result of the accounts receivable from the camp clients.

88. When I sought to transfer funds, the CWB Big Stone account had approximately $134,000 from camp revenue. Those funds were due to CNC for the work that CNC had done in operating the camp. I was advised by the CWB account manager that CWB was holding the funds and would not release them to pay the CNC receivable.

89. CWB has effectively enforced against all of the assets of Bigstone without serving a s. 244 Notice under the *BIA*.

90. Attached hereto as **Exhibit "I"** is an email reply from CWB's counsel in respect of a request that CWB release its seizure of the funds.

K. CASH FLOW PROJECTIONS RESTRUCTURING PLAN

91. Attached as **Exhibit "J"** hereto are the weekly cash flow projections for Canada North for the period ending September 30, 2017 (the "**Cash Flow**"). Based on my knowledge of the financial position of Canada North, and based on the assumptions set out in the Cash Flow, I verily believe that the Cash Flows are fair and reasonable.

92. Canada North is negotiating with BDC in respect of debtor-in-possession financing to address the projected shortfall in the Cash Flow, which is projected to be approximately $400,000 by September 30, 2017.

93. Canada North is seeing a return to normalcy in the demand for its services. This summer, present occupancy at the camps is 300 - 400 mandays (stays per day). The summer of 2016 saw approximately 50 mandays.

94. Canada North's projections for occupancy in the upcoming fall/winter season are also extremely promising based on the following:

(a) The Berland and Simonette camps are located in areas high in enriched liquids gas resources. Demand for these resources (through fracking and other means) continues to be high and Berland and Simonette will see high demand in the 2017 / 2018 season as a result.

(b) The Simonette camp is also located near the construction of the Pembina Pipeline, which is creating high remote workforce housing demands in the area.

(c) The Keyera Plant is entering long term bookings for Simonette as they fear Simonette will book out.

(d) The Peace River camp is scheduled to be reopened shortly as there is a new bridge being built in the vicinity. The contract arising from this work is expected to last two years or so.

(e) The Wabasca camp is seeing high demand as the other camps in the area did not survive the downturn and there is less supply as a result.

95. The Companies plan to restructure by:

(a) Selling real estate, including the Edmonton office, the Edmonton yard, the Arizona property and applying the net proceeds to debt;

(b) Potentially selling certain camps as going concerns, including, potentially Simonette and Berland;

(c) Seeking to adjust terms of its equipment financing, including by extending amortization or adjusting interest terms;

(d) Seeking refinancing or an equity partner as discussed in more detail in the Confidential Supplemental Affidavit to address the debt and cash flow issues;

(e) Continue to operate generally as a going concern, particularly with the improvement in economic conditions in Alberta and the improved prospects for CampCorp and CampCorp USA.

96. Based on the Cash Flow and the other information contained herein, I believe that given a reasonable period of time to reorganize the financial affairs of the Companies, there is a strong prospect that the Companies will be able to file a viable Plan of Arrangement.

L. PROPOSED MONITOR AND ADMINISTRATION CHARGE

97. I believe that Ernst & Young Inc. is qualified and able to act as Monitor of Canada North, 816 and 137 in *CCAA* proceedings. Ernst & Young Inc. is not the auditor of Canada North, 816 or 137.

98. The Initial Order contemplates an Administration Charge against the assets of the Companies. I believe that the professionals whose fees are protected by the Administration Charge are required by the Companies in order for there to be a successful restructuring.

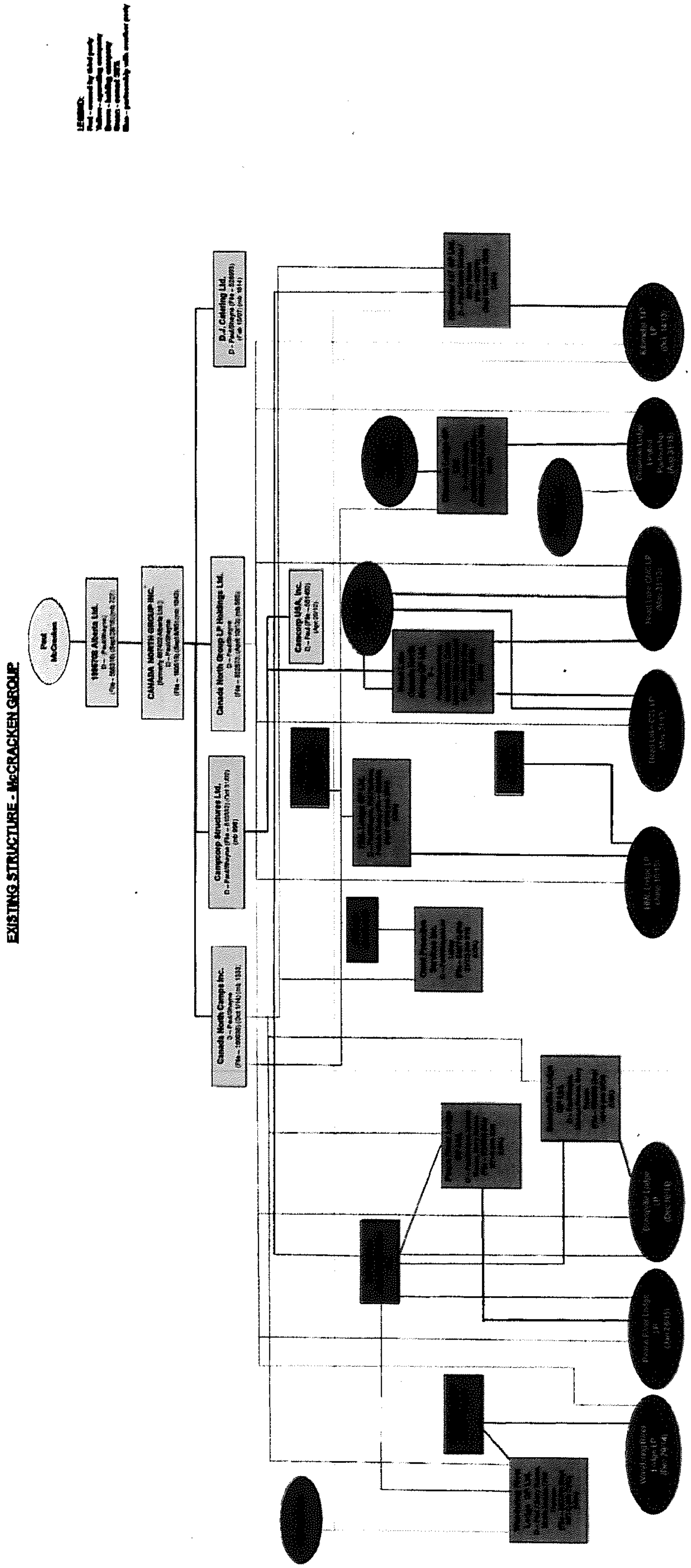
M. Conclusion

99. I swear this Affidavit in support of an application for an Initial Order under the *CCAA* for the Companies.

SWORN BEFORE ME at Edmonton, Alberta, this 28th day of June, 2017	
A Commissioner for Oaths in and for Alberta	SHAYNE McCRACKEN

Stephanie A. Wanke
Barrister & Solicitor

EXHIBIT A



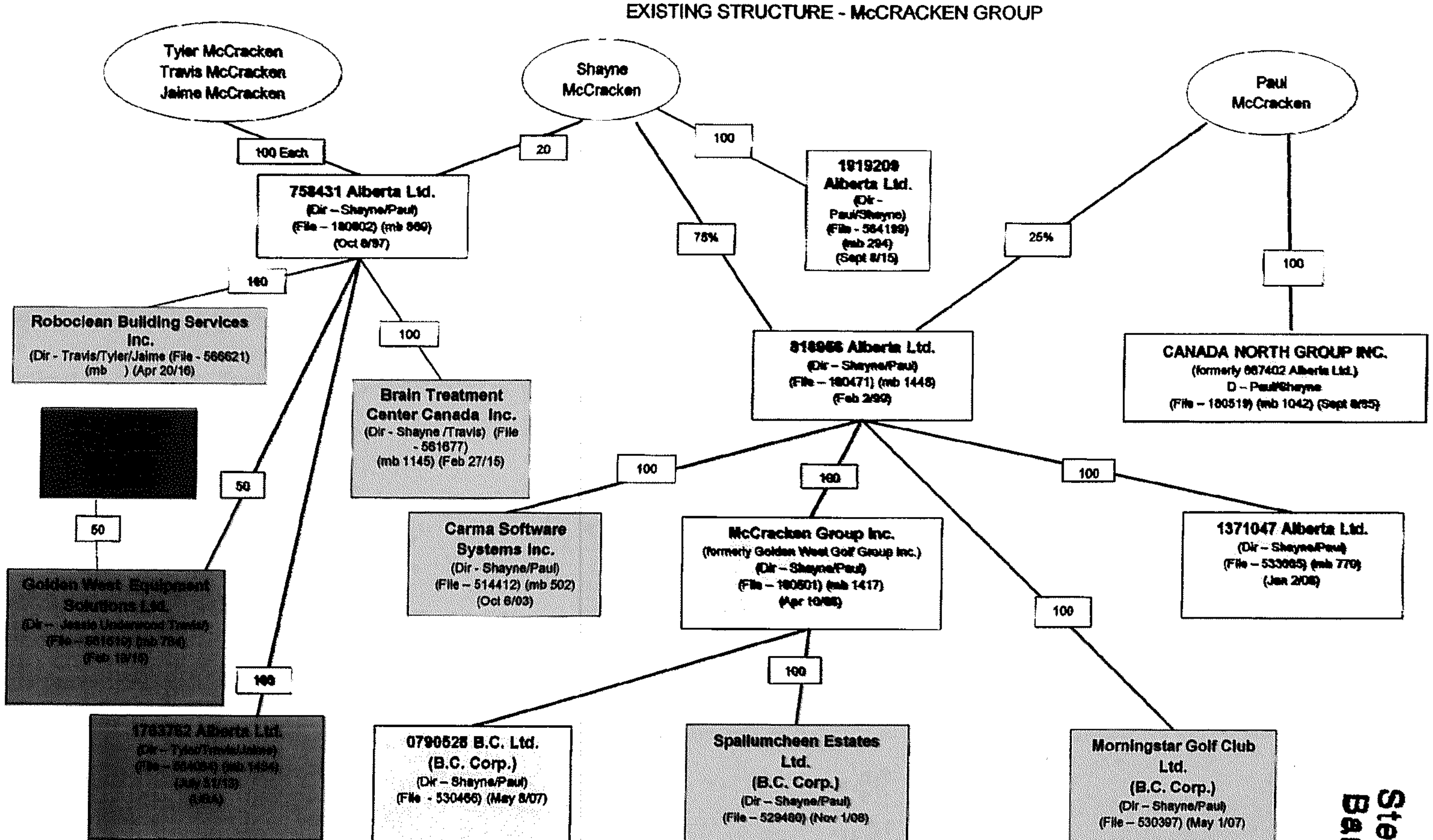
This is Exhibit " A " referred to in the Affidavit of
Shayne McCracken
Sworn before me this 28 day
of June A.D. 20 17

A Notary Public, A Commissioner for Oaths
in and for the Province of Alberta

Stephanie A. Wanke
Barrister & Solicitor

EXHIBIT B

EXISTING STRUCTURE - McCRACKEN GROUP



LEGEND:
Red - owned by third party
Yellow - operating company
Brown - holding company
Green - owned 50%
Blue - partnership with another party

Effective as of August 11, 2016

This is Exhibit " B " referred to in the Affidavit of Shayne McCracken

Sworn before me this 28 day of June A.D., 2017

A Notary Public, A Commissioner for Oaths in and for the Province of Alberta

Stephanie A. Wanke
Barrister & Solicitor

EXHIBIT C

THIS AGREEMENT MADE EFFECTIVE THE 10TH DAY OF MARCH, 2017

BY AND BETWEEN:

CANADIAN WESTERN BANK
("CWB")

OF THE FIRST PART

This is Exhibit " C " referred to in the Affidavit of Shayne McCracken
Sworn before me this 23 day of June A.D., 2017

A Notary Public, A Commissioner for Oaths in and for the Province of Alberta

Stephanie A. Wanke
Barrister & Solicitor

- and -

CANADA NORTH CAMPS INC.
("CNC")

OF THE SECOND PART

- and -

CAMPCORP USA INC.
("Campcorp USA")

OF THE THIRD PART

- and –

CAMPCORP STRUCTURES LTD.
("Campcorp Structures")

OF THE FOURTH PART

- and –

D.J. CATERING LTD.
("DJ Catering")

OF THE FIFTH PART

- and –

PEACE RIVER LODGE LIMITED PARTNERSHIP,
816956 ALBERTA LTD., 1371047 ALBERTA LTD.,
~~BIGSTONE TANSI GP LTD.~~,
~~BIGSTONE TANSI RESOURCES LIMITED PARTNERSHIP,~~
BONNYVILLE LODGE GP LTD.,
BONNYVILLE LODGE LIMITED PARTNERSHIP,
CANADA NORTH GROUP INC., HML LODGE GP LTD.,
HML LODGE LIMITED PARTNERSHIP,
HEART LAKE CNC LIMITED PARTNERSHIP,
HEART LAKE CANADA NORTH GROUP GP LTD.,

KILOMETER 147 GP LTD.,
KILOMETER 147 LIMITED PARTNERSHIP,
PAUL MCCRACKEN, SHAYNE MCCRACKEN,
PEACE RIVER LODGE GP LTD., SPALLUMCHEEN ESTATES LTD.,
CANADA NORTH GROUP LP HOLDINGS LTD.,
MORNINGSTAR GOLF CLUB LTD.

(collectively, the "Guarantors")

OF THE SIXTH PART

FORBEARANCE AGREEMENT

WHEREAS CWB has entered into various agreements pursuant to which CWB agreed, subject to certain terms and conditions, to provide financing (the "Loans") to CNC which have been guaranteed by DJ Catering and Campcorp Structures (collectively, the "Borrowers");

AND WHEREAS the parameters upon which CWB was prepared to advance the Loans are reflected in commitment letters addressed to the Borrowers and the Guarantors (collectively, the "Commitment Letters");

AND WHEREAS CWB holds as security for payment of the Loans, various Guarantees issued by DJ Catering, Campcorp Structures and the Guarantors (each a "Guarantee" and collectively the "Guarantees"), together with various general security agreements, real property mortgages, assignments of life insurance, account netting agreements, master lease agreements, and other security as more fully described in the Commitment Letters (the "Security");

AND WHEREAS there is due and owing to CWB on the Loans the sum of $11,700,464.59 outstanding on the operating loan facility and $9,333,333.22 on the term loan facility as at February 24, 2017, exclusive of CWB's legal costs, and interest continues to accrue thereon from that date (the "Debt");

AND WHEREAS the Borrowers have defaulted in performance of obligations owed to CWB as contained in the Commitment Letters and the Security, and the Borrowers and the Guarantors have requested that CWB forebear in issuing demands for payment of the Loans and the Guarantees and from enforcing the Security (the "Forbearance") and CWB has agreed to the Forbearance on the terms reflected in this Agreement;

NOW THEREFORE witness that in consideration of the mutual covenants herein contained, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

ARTICLE 1 - ACKNOWLEDGEMENTS

1.1 The parties agree that the facts and matters stated in the preamble hereto form part of this Agreement and are not stated merely for the purposes of recital. Without limiting the generality of the foregoing, the terms of the preamble are hereby acknowledged and confirmed by the parties.

1.2 The Borrowers and the Guarantors hereby acknowledge, affirm, and covenant and agree (as applicable) with and to the following:

(a) The Debt is now due and owing to CWB, and the Borrowers and Guarantors (to the extent of their respective Guarantees) are liable to CWB for the payment of the Debt;

(b) The Security is valid, subsisting and enforceable, and shall continue in full force and effect and shall extend to all debts, liabilities and obligations of the Borrowers and Guarantors arising in connection with the Loans, the Commitment Letters and the Security;

(c) The Guarantees are valid, subsisting and enforceable and shall continue in full force and effect until the Loans are repaid in full;

(d) The Borrowers and the Guarantors are in default of the terms and in performance of their obligations contained in the Security, the Guarantees and the Commitment Letters and none of the Borrowers or the Guarantors have a defence to CWB's immediate enforcement thereof.

1.3 The Borrowers and the Guarantors acknowledge and agree that the terms of the Commitment Letters, the Guarantees and the Security remain in full force and effect and unamended, except to the extent specifically provided in this Agreement.

ARTICLE 2 - TERMS OF FORBEARANCE

2.1 Provided that:

(a) By March 17, 2017, 816956 Alberta Ltd. provides to CWB a second mortgage over the farmland legally described as SE 19-54-25-W4 (the "Farmland"), in an amount equal to the difference between the current value of the Farmland and the balance due on the first mortgage on the Farmland, being $2,200,000.00;

(b) By March 17, 2017, 816956 Alberta Ltd. provides to CWB a copy of the listing agreement for the sale of the Farmland, and during the term of the Forbearance provides to CWB promptly upon receipt, copies of any offers for purchase of the Farmland, together with any changes in the listing agreement;

(c) By March 17, 2017, Paul McCracken and Shayne McCracken grant to CWB unlimited guarantees of the Loans, supported by a second mortgage on their principal residence located on lands legally described as Plan 0626864, Block 2, Lot 114, (the "Residence") in an amount equal to the difference between the current value of the Residence and the balance due on the first mortgage thereon, being $800,000.00;

(d) By March 10, 2017, the Borrowers and Guarantors provide to CWB complete copies of the most recent appraisals of the Borrowers' and Guarantors' equipment and real property;

(e) By March 17, 2017, Campcorp USA provides to CWB an unlimited guarantee of payment of the Loans;

(f) By March 17, 2017, Campcorp USA provides to CWB a second mortgage on Campcorp USA's property located in Arizona (the "U.S. Mortgage"), in an amount equal to the difference between the assessed value of such property and the balance owing on the first mortgage in favour of Business Development Bank of Canada, being US $3,500,000.00, provided that CWB will hold the US Mortgage unregistered until April 30, 2017, and will refrain from registering thereafter if the Borrowers have provided to CWB by April 30, 2017, a fully executed copy of a firm commitment for refinancing sufficient to satisfy the Loans. Notwithstanding the foregoing, CWB will be at liberty to register the US Mortgage at any time after April 30, 2017, if the firm commitment for refinancing referenced above is either withdrawn, amended to the point that it is insufficient to satisfy the Loans, or the conditions of financing appear unlikely to be able to be met by June 30, 2017;

(g) By March 17, 2017, Campcorp USA provides to CWB particulars of its existing loans secured by personal or real property, together with evidence of any arrangements entered into by Campcorp USA to factor accounts receivable and/or invoices;

(h) By March 17, 2017, 1371047 Alberta Ltd. provides to CWB a mortgage on its Winterburn manufacturing facilities, in an amount equal to the difference between the current value of such facilities and the balance owing on the first mortgage thereon, being $4,000,000.00, and provides to CWB a copy of the listing agreement for sale of the Winterburn manufacturing facilities, and further provides to CWB during the term of the Forbearance, copies of any offers promptly as received for the purchase of such facilities, together with any changes in the listing agreement;

(i) By March 17, 2017, Campcorp USA provides to CWB a copy of Campcorp USA's most recent fiscal year end financial statements, together with the most recent monthly internal statements;

(j) By March 17, 2017, Spallumcheen Estates Ltd. provides to CWB a third mortgage on the Spall Golf Course in British Columbia, in the amount of $1 million, and a second charge General Security Agreement containing a charge over all of its present and after acquired personal property;

(k) By March 17, 2017, Morningstar Golf Club Ltd. provides to CWB an unlimited guarantee of the Loans, a $3 million second mortgage on the Morningstar golf course in British Columbia, and a first charge General Security Agreement containing a charge over all of its present and after acquired personal property;

(l) By March 31, 2017, the Borrowers in consultation with their auditors, provide to CWB a plan satisfactory to CWB to ensure that CWB is provided with finalized financial statements for fiscal year-end September 30, 2016 by June 30, 2017;

(m) By March 31, 2017, the Borrowers provide to CWB a full year financial projection and consolidated cash flow projections with year to date actuals, for the business interests operated by the Borrowers and Guarantors for the period to September 30, 2017;

(n) By March 31, 2017, the Borrowers have paid to Grant Thornton the amounts due to Grant Thornton for their services provided;

(o) During the term of the Forbearance, the Borrowers deposit all accounts receivable in CWB accounts only, with no accounts receivable of the Borrowers to be deposited directly or indirectly in any other financial institution, on the understanding that CWB will allow the Borrowers to transfer funds from the CWB accounts to their accounts with Royal Bank of Canada ("RBC") but only in an amount sufficient to pay when due the Borrowers' employee salaries and remittances and the RBC credit cards of the Borrowers, and further provided that any such transfer does not result in the Borrowers exceeding the maximum amount which may be drawn on the Borrowers' operating loans with CWB based on margining requirements;

(p) During the term of the Forbearance, the Borrowers comply with the Account Netting Agreements entered into by the Borrowers and CWB;

(q) During the term of the Forbearance, the Borrowers continue to make payments to CWB of principal and interest as required by the Commitment Letters;

(r) During the term of the Forbearance, the Borrowers meet all margining requirements as set out in the Commitment Letters;

(s) Monthly at each month end during the Forbearance, commencing March 31, 2017, the Borrowers provide to CWB an update on prospects for refinancing or injection of equity or sale of assets or shares of the Borrowers or some combination thereof;

(t) By March 17, 2017, the Borrowers and the Guarantors provide to CWB copies of all joint venture or similar agreements, dissolution agreements, and all material contracts entered into by the Borrowers and the Guarantors (the "Contracts") and during the term of the Forbearance provide to CWB promptly any replacement Contracts or new Contracts entered into;

(u) During the term of the Forbearance, the Borrowers and the Guarantors forthwith provide to CWB such assignments of the proceeds of the Contracts as CWB may request;

(v) During the term of the Forbearance, the Borrowers provide reports to CWB as required by the Commitment Letters and the Security, and requested by CWB from time to time in addition thereto;

(w) During the term of the Forbearance, the Borrowers timely pay all statutory claims which, if unpaid, would rank in priority to payment of the Loans and provide evidence to CWB monthly with respect thereto;

(x) There occurs no additional material default under any agreement previously entered into by CWB and the Borrowers in connection with the Loans;

(y) There occurs no further material adverse change in risk for CWB in connection with the Loans or the affairs of the Borrowers or the Guarantors or any of them, as determined in CWB's sole discretion; and

(z) There occurs no breach of any covenant made, or failure to perform any obligation owed, by any of the Borrowers or the Guarantors as contained in this Agreement;

(each a "Termination Event") CWB shall and does hereby extend to June 30, 2017 (the "Due Date") the time for repayment to CWB of the Loans. Notwithstanding such extension, CWB shall be entitled to enforce any and all of the Security and the Guarantees and take such proceedings as CWB may deem fit, should any Termination Event occur prior to the Due Date.

2.2 The Borrowers and the Guarantors acknowledge and agree with CWB that the legal costs incurred by CWB in connection with the Loans, on a solicitor and his own client basis, shall be paid by the Borrowers in full by way of a debit by CWB on the Borrower's bank account.

2.3 As consideration for the Forbearance, the Borrowers shall pay to CWB a fee of $25,000.00 coincidental with execution and delivery of this Forbearance Agreement, and a further fee of $25,000.00 on the Due Date.

2.4 During the term of the Forbearance, and provided that there has not occurred a Termination Event, CWB covenants and agrees with the Borrowers, the Guarantors and Campcorp USA to provide partial discharges of any real property charges or letters of no interest with respect to any personal property charges where the assets the subject thereof are being sold by the Borrowers, the Guarantors or Campcorp USA at reasonable values satisfactory to CWB.

2.5 In the event Campcorp USA provides to CWB the U.S. Mortgage, and Campcorp USA enters into an agreement to sell the U.S. Property during the term of the Forbearance, CWB will provide a discharge of the U.S. Mortgage upon receipt of the net sales proceeds after payment of the Business Development Bank of Canada first mortgage and an allowance of US $1,500,000.00 to be retained by Campcorp USA as working capital.

2.6 If, at any time while the US Mortgage is unregistered, Campcorp USA obtains a commitment of financing of Campcorp USA's US lands, which requires registration of a second mortgage on its US lands, and/or a replacement of the first mortgage on the US lands, CWB will permit such new mortgage to be registered prior to registration of the US Mortgage, provided that CWB receives a direction to pay pursuant to which the net proceeds of financing, less a holdback of US $1,500,000.00 for working capital, are paid to CWB for application to the Loans.

2.7 CWB acknowledges that Campcorp USA has requested of CWB a covenant that CWB will postpone any personal property charge it may have over Campcorp USA, in favour of a financier of inventory and/or accounts receivable (the "Inventory Financier"). CWB covenants and agrees that provided there does not exist a Termination Event and the Due Date has not yet passed, it will provide such postponement, but in no event will CWB permit any such Inventory Financier to place a charge on Campcorp USA's US lands in priority to the U.S. Mortgage.

2.8 In order to give full force and effect to the remedies contained in the paragraphs below, the Borrowers and the Guarantors do hereby consent to each of the actions referenced in such paragraphs, and agree that such actions may be undertaken by or at the instance of CWB forthwith upon the earlier of the date of the occurrence of a Termination Event or the Due Date, and the Borrowers and the Guarantors do hereby agree to forthwith waive the 10 day notice upon CWB issuing a Section 244 *Bankruptcy and Insolvency Act* ("**BIA**") Notice of Intention to Enforce Security, and further waive any further period of notice pursuant to a demand or otherwise, and do hereby consent to the immediate enforcement of the "Consents" as that term is defined below, and to the extent necessary hereby appoint CWB as their attorney in fact to execute and deliver any such waiver of notice as may be required in law or in equity.

2.9 The Borrowers and the Guarantors, as the case may be, shall forthwith execute and deliver or cause to be executed and delivered to CWB contemporaneous with execution of this Agreement, the following documents (collectively called the "Consents") to be held by CWB's solicitors, McLennan Ross LLP unused until the earlier of the date of occurrence of a Termination Event and the Due Date:

(a) Consent Receivership Order in the form attached as Schedule "1";

(b) Directors Resolutions of the Borrowers and Guarantors with respect to this Agreement and the Consents as appropriate, with such solicitors' opinions with respect to corporate capacity and proper execution of such documents as CWB's solicitors may reasonably require.

2.10 The Borrowers and the Guarantors acknowledge and agree that the Consents shall be effective notwithstanding that the demands for payment or the Section 244 BIA Notices of Intention to Enforce Security or the initiating pleadings (such as a Statement of Claim or other process) in which the Consents are to be granted, have not been given or filed as at the date of execution of the Consents.

2.11 The Borrowers and the Guarantors acknowledge and agree that in the event of (1) the occurrence of a Termination Event, or (2) should any of the Borrowers or the Guarantors make an assignment or file a Notice of Intention to Make a Proposal, or file a proposal under the *Bankruptcy and Insolvency Act*, or (3) if a Bankruptcy Order is granted as against any of the Borrowers or the Guarantors, or (4) if any of the Borrowers or the Guarantors avail themselves of the protection of the *Companies' Creditors Arrangement* Act or similar legislation, or (5) on the Due Date if the Loans have not then been paid in full, CWB shall be at liberty to immediately take any and all proceedings to recover any and all amounts owed to CWB by the Borrowers and the Guarantors in respect of the Loans, and CWB may immediately use the Consents and may rely on and use the acknowledgments, representations, covenants and all other documents provided by the Borrowers and the Guarantors pursuant to this Agreement or otherwise, and the Borrowers and the Guarantors hereby irrevocably authorize CWB's solicitors, McLennan Ross LLP , to insert and complete any and all blanks in the Consents, and CWB will be immediately entitled but not obligated to:

(a) Appoint a Receiver or Receiver/Manager of the Borrowers in accordance with the Consents or as otherwise permitted by law;

(b) Make application to the Court for the granting of redemption orders on the real property charges held by CWB; and

(c) Proceed with whatever other remedies may be available to CWB as against the Borrowers and the Guarantors or any of them under the Security, the Guarantees, the Security to be granted as contemplated in paragraph 2.1 hereof (the "**New Security**"), this Agreement, the Consents or otherwise at law or in equity.

2.12 The Borrowers and the Guarantors covenant and agree that they will execute all such further waivers and do all such further acts as may be necessary or advisable in order to lift any stay of proceeding or overcome any other barrier to enforcement by CWB as contemplated in this Agreement, and will take no steps nor make any submission to Court or otherwise which may have the effect of delaying CWB's implementation of the remedies set out herein.

ARTICLE 3 - RELEASE OF CWB

3.1 For and in consideration of the Forbearance and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the Borrowers, the Guarantors and Campcorp USA for themselves, their agents, successors, administrators and assigns, hereby immediately release and forever discharge CWB and its directors, officers, employees, agents, successors and assigns, of and from all actions, causes of action, suits, debts, damages, costs, claims and demands of every nature and kind whatsoever, both at law and in equity, to which they may now or hereafter be entitled, for or by reason of any matter, cause or thing arising out of or in any way connected with the Loans and the dealings between CWB and the Borrowers, the Guarantors and Campcorp USA in connection with the Loans, including without limiting the generality of the foregoing, any claims or defences the Borrowers or the Guarantors may have in connection with the following:

(a) The enforceability of the Security, the Guarantees and the New Security;

(b) Any and all representations, conduct, steps, proceedings taken and other acts done or made, or not done or not made, relating to the Loans and the advances by CWB to the Borrowers thereunder; and

(c) Any realization steps previously by CWB in connection with the Loans, the Security, the Forbearance and the New Security.

ARTICLE 4 - MISCELLANEOUS

4.1 This Agreement shall be construed and enforced in accordance with the laws of Alberta.

4.2 Time shall be of the essence in respect of all matters provided for in this Agreement.

4.3 Any condoning, excusing, overlooking or waiver by CWB of any default, breach or non-observance of any of the terms as set forth herein, or in respect of any of the Security, the New Security or the Commitment Letters, shall not constitute a waiver by CWB of its right under this Agreement, the Security, the New Security or the Commitment Letters, as the case may be, in respect of any continuing or subsequent default, breach or non-performance thereof, so as to defeat in any way the rights of CWB pursuant to this Agreement, the Security, the New Security or the Commitment Letters.

4.4 The rights conferred upon CWB under this Agreement are intended to be exclusive of any other rights available to, and any such rights shall be cumulative and shall be in addition to every other right either given hereunder or available to CWB pursuant to the Security, the New Security or the Commitment Letters, now or hereafter existing by law or in equity or otherwise.

4.5 It is understood and agreed that the provisions hereof shall not merge upon the enforcement of this Agreement or any one or more or the Security, the New Security or the Commitment Letters, including the entry of any judgment or order in favour of CWB.

4.6 The Borrowers, the Guarantors and Campcorp USA covenant and agree from time to time, at the request of CWB, to make, do, execute, and deliver or cause to be made, done, executed and delivered, all such further and other acts, deeds, documents and assurances of any nature or kind whatsoever, for the better performance of the terms and conditions of this Agreement.

4.7 The parties hereto acknowledge and agree with one another that they have read this Agreement, obtained their own independent legal advice concerning the terms thereof, and each has entered into this Agreement freely and voluntarily without compulsion or pressure or undue influence by any of the others.

4.8 This Agreement may not be altered or amended in any fashion without such alternations or amendments being reduced to writing and signed by all of the parties hereto.

4.9 Any notice to be given by any of the parties to the others herein shall be in writing, and shall be sufficiently given if sent by pre-paid registered mail (if there is no interruption in normal mail service), or delivered or faxed or e-mailed to the parties at the addresses as follows:

(a) If to Canadian Western Bank:

(i) 30th Floor, 10303 Jasper Avenue
Edmonton AB T5J 3X6

Attention: Jessie Taha
E-mail: Jessie.taha@cwbank.com

with a copy to:

(ii) McLennan Ross LLP

600, 12220 Stony Plain Road
Edmonton, Alberta, T5N 3Y4
Attention: Charles P. Russell, Q.C.
Fax: (780) 482 - 9102
E-mail: crussell@mross.com

(b) If to the Borrowers or Campcorp USA:

(i) Nicholl & Akers

#200, 10187 - 104 Street NW
Edmonton, AB T5J 0Z9
Attention: George Akers, Q.C.
Fax: 780-425-1665
E-mail : akers@mpba.com

(c) If to the Guarantors:

(i) Nicholl & Akers

#200, 10187 - 104 Street NW
Edmonton, AB T5J 0Z9
Attention: George Akers, Q.C.
Fax: 780-425-1665
E-mail : akers@mpba.com

or to such other address or fax number or e-mail address as a party may from time to time direct in writing. Any such notice shall, if delivered by hand, be deemed to have been given when delivered, or if transmitted by fax or e-mail be deemed to have been given immediately upon receipt thereof, if received on a business day, but if received on other than a business day shall be deemed to have been received on the first (1st) business day after actual receipt, or, if mailed, then on the fifth (5th) business day following the day on which it was mailed.

4.10 This Agreement may executed in counterpart.

4.11 This Agreement shall enure to the benefit of and be binding upon the parties hereto, and their successors and assigns.

EXECUTED at Edmonton, Alberta as of the day and year first above written.

CANADIAN WESTERN BANK

Per: ______________________________

Per: ______________________________

CANADA NORTH CAMPS INC.

Per: ______________________________
Paul McCracken
I have the authority to bind this corporation

CAMPCORP USA INC.

Per: ______________________________
Paul McCracken
I have the authority to bind this corporation

CAMPCORP STRUCTURES LTD.

Per: ______________________________
Paul McCracken
I have the authority to bind this corporation

D.J. CATERING LTD.

Per: ______________________________
Paul McCracken
I have the authority to bind this corporation

PEACE RIVER LODGE LIMITED PARTNERSHIP

Per: ______________________________
Shayne McCracken
I have the authority to bind this limited partnership

816956 ALBERTA LTD.

Per: ______________________________
Shayne McCracken
I have the authority to bind this corporation

1371047 ALBERTA LTD.

Per: ______________________________
Shayne McCracken
I have the authority to bind this corporation

~~BIGSTONE TANSI GP LTD.~~

Per: ______________________________
Shayne McCracken
I have the authority to bind this corporation

~~BIGSTONE TANSI RESOURCES LIMITED PARTNERSHIP~~

Per: ______________________________
Shayne McCracken
I have the authority to bind this limited partnership

BONNYVILLE LODGE GP LTD.

Per: ______________________________
Shayne McCracken
I have the authority to bind this corporation

BONNYVILLE LODGE LIMITED PARTNERSHIP

Per: ______________________
Shayne McCracken
I have the authority to bind this limited partnership

CANADA NORTH GROUP INC.

Per: ______________________
Shayne McCracken
I have the authority to bind this corporation

HML LODGE GP LTD.

Per: ______________________
Shayne McCracken
I have the authority to bind this corporation

HML LODGE LIMITED PARTNERSHIP

Per: ______________________
Shayne McCracken
I have the authority to bind this limited partnership

HEART LAKE CNC LIMITED PARTNERSHIP

Per: ______________________
Shayne McCracken
I have the authority to bind this limited partnership

HEARTLAKE CANADA NORTH GROUP GP LTD.

Per: ______________________
Shayne McCracken
I have the authority to bind this corporation

KILOMETER 147 GP LTD.

Per: ______________________
Shayne McCracken
I have the authority to bind this corporation

KILOMETER 147 LIMITED PARTNERSHIP

Per: ______________________
Shayne McCracken
I have the authority to bind this limited partnership

PEACE RIVER LODGE GP LTD.

Per: ______________________
Shayne McCracken
I have the authority to bind this corporation

SPALLUMCHEEN ESTATES LTD.

Per: ______________________
Shayne McCracken
I have the authority to bind this corporation

CANADA NORTH GROUP LP HOLDINGS LTD.

Per: ______________________
Shayne McCracken
I have the authority to bind this corporation

MORNINGSTAR GOLF CLUB LTD.

Per: ______________________
Shayne McCracken
I have the authority to bind this corporation

SIGNED, SEALED AND DELIVERED)
in the presence of:)

Witness as to the signature of Shayne McCracken

SHAYNE MCCRACKEN

SIGNED, SEALED AND DELIVERED in the presence of:

Witness as to the signature of Paul McCracken

PAUL MCCRACKEN

AFFIDAVIT OF EXECUTION

CANADA	)	I, HEATHER A. [illegible], of the
Province of Alberta	)	City of Edmonton in the
TO WIT:	)	Province of Alberta, ________________
		MAKE OATH AND SAY THAT:

1. I was personally present and did see PAUL MCCRACKEN named in the within instrument who is personally known to me to be the person named therein, duly sign and execute the same for the purpose named therein.

2. The same was executed before me at the City of Edmonton, in the Province of Alberta, and I am the subscribing witness thereto.

3. I know the said PAUL MCCRACKEN, and he is in my belief of the full age of eighteen (18) years.

SWORN BEFORE ME at)
Edmonton, in the Province of Alberta)
the 14. day of March, 2017)

A Commissioner for Oaths in and for the Province of Alberta

PAMELA L. ROBERTSON
My Commission Expires
on October 4, 2017

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GUARANTEES ACKNOWLEDGMENT ACT

(Section 3)

CERTIFICATE

I HEREBY CERTIFY THAT:

1. PAUL MCCRACKEN, of Edmonton, Alberta, the guarantor in the Forbearance Agreement that is attached hereto, appeared in person before me and acknowledged that he had executed same.

2. I satisfied myself by examination of the guarantor that he is aware of the contents of the Forbearance Agreement and understands it.

HEATHER A. BARNHOUSE
BARRISTER & SOLICITOR

CERTIFIED BY ______________________________, Barrister and Solicitor at Edmonton, Alberta, this 14 day of March, 2017,

____
Signature

STATEMENT OF GUARANTOR

I am the person named in this Certificate.

____
Signature of Guarantor

AFFIDAVIT OF EXECUTION

CANADA	)	I, HEATHER A. BARNHOUSE BARRISTER & SOLICITOR, of the
Province of Alberta	)	City of Edmonton in the
TO WIT:	)	Province of Alberta, ________________
		MAKE OATH AND SAY THAT:

1. I was personally present and did see SHAYNE MCCRACKEN named in the within instrument who is personally known to me to be the person named therein, duly sign and execute the same for the purpose named therein.

2. The same was executed before me at the City of Edmonton, in the Province of Alberta, and I am the subscribing witness thereto.

3. I know the said SHAYNE MCCRACKEN, and she is in my belief of the full age of eighteen (18) years.

SWORN BEFORE ME at	)	
Edmonton, in the Province of Alberta	)	
the 14 day of March, 2017	)	
	)	Heather Barnhouse
[signature]	)	
A Commissioner for Oaths in and for the Province of Alberta	)	

PAMELA L. ROBERTSON
My Commission Expires
on October 4, 2017

GUARANTEES ACKNOWLEDGMENT ACT

(Section 3)

CERTIFICATE

I HEREBY CERTIFY THAT:

1. SHAYNE MCCRACKEN, of Edmonton, Alberta, the guarantor in the Forbearance Agreement that is attached hereto, appeared in person before me and acknowledged that she had executed same.

2. I satisfied myself by examination of the guarantor that she is aware of the contents of the Forbearance Agreement and understands it.

CERTIFIED BY HEATHER A. GARNHOUSE BARRISTER & SOLICITOR, Barrister and Solicitor at Edmonton, Alberta, this _____ day of ___________, 2017,

Heather Garnhouse
Signature

STATEMENT OF GUARANTOR

I am the person named in this Certificate.

Signature of Guarantor

\\Mrdata1\Edmdata\Wdocs\165813\01689879.DOC

Clerk's stamp:

COURT FILE NUMBER:

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE OF EDMONTON

IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY OF CANADA NORTH CAMPS INC., CAMPCORP STRUCTURES LTD. and D.J. CATERING LTD.

APPLICANT: CANADIAN WESTERN BANK

RESPONDENT(S): CANADA NORTH CAMPS INC., CAMPCORP STRUCTURES LTD. and D.J. CATERING LTD.

DOCUMENT: **RECEIVERSHIP ORDER**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	McLENNAN ROSS LLP #600 McLennan Ross Building 12220 Stony Plain Road Edmonton, AB T5N 3Y4	Lawyer: Charles P. Russell, Q.C. Telephone: (780) 482-9200 Fax: (780) 733-9757 Email: crussell@mross.com File No.: 165813

DATE ON WHICH ORDER WAS PRONOUNCED:

NAME OF JUSTICE WHO MADE THIS ORDER:

LOCATION OF HEARING: EDMONTON, ALBERTA

UPON the application of **CANADIAN WESTERN BANK** in respect of CANADA NORTH CAMPS INC., CAMPCORP STRUCTURES LTD. and D.J. CATERING LTD. (collectively, the "Debtor"); **AND UPON** having read the Application and the Affidavit of Jessie Taha; filed; **AND UPON** reading the consent of ________ to act as receiver and manager

("Receiver") of the Debtor, filed; **AND UPON** hearing counsel for Canadian Western Bank; **IT IS HEREBY ORDERED AND DECLARED THAT:**

SERVICE

1. The time for service of the notice of application for this order is hereby abridged and service thereof is deemed good and sufficient.

APPOINTMENT

2. Pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 ("BIA"), and sections 13(2) of the *Judicature Act*, R.S.A. 2000, c.J-2, 99(a) of the *Business Corporations Act*, R.S.A. 2000, c.B-9, and 65(7) of the *Personal Property Security Act*, R.S.A. 2000, c.P-7 ______ is hereby appointed Receiver, without security, of all of the Debtors' current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the "Property").

RECEIVER'S POWERS

3. The Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

   (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;

   (b) to receive, preserve and protect the Property, or any part or 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;

   (c) to manage, operate and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part other business, or cease to perform any contracts of the Debtor;

(d) to 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 Receiver's powers and duties, including without limitation those conferred by this Order;

(e) to purchase or lease machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;

(f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;

(g) to settle, extend or compromise any indebtedness owing to or by the Debtor;

(h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;

(i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;

(j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. 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 proceeding, and provided further that nothing in this Order shall authorize the Receiver to defend or settle the action in which this Order is made unless otherwise directed by this Court.

(k) to market any or all 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 Receiver in its discretion may deem appropriate.

(l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,

(i) without the approval of this Court in respect of any transaction not exceeding \$100,000.00, provided that the aggregate consideration for all such transactions does not exceed \$500,000.00; and

(ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause,

and in each such case notice under subsection 60(8) of the *Personal Property Security Act*, R.S.A. 2000, c. P-7 shall not be required.

(m) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

(n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

(o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;

(p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;

(q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;

(r) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and

(s) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations;

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. (i) The Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property (excluding Property subject to liens the validity of which is dependant on maintaining possession) to the Receiver upon the Receiver's request.

5. All Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or documents prepared in contemplation of litigation or due to statutory provisions prohibiting such disclosure.

6. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

7. No proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

8. No Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court, provided, however, that nothing in this Order shall: (i) prevent any Person from commencing a proceeding regarding a claim that might otherwise become barred by statute or an existing agreement if such proceeding is not commenced before the expiration of the stay provided by this paragraph 8; and (ii) affect a Regulatory Body's investigation in respect of the Debtor or an action, suit or proceeding that is taken in respect of the Debtor by or before the Regulatory Body, other than the enforcement of a payment order by the

Regulatory Body or the Court. "Regulatory Body" means a person or body that has powers, duties or functions relating to the enforcement or administration of an Act of Parliament or of the legislature of a province.

NO EXERCISE OF RIGHTS OF REMEDIES

9. All rights and remedies (including, without limitation, set-off rights) against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" (as defined in the BIA), that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

10. No Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court. Nothing in this Order shall prohibit any party to an eligible financial contract from closing out and terminating such contract in accordance with its terms.

CONTINUATION OF SERVICES

11. All Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and this Court directs that the Receiver shall be entitled to the continued use of the Debtors' current telephone numbers, facsimile numbers, internet addresses and

domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

12. All funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further order of this Court.

EMPLOYEES

13. Subject to employees' rights to terminate their employment, all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtors' behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*, S.C. 2005, c.47 ("WEPPA").

14. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete

one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

15. (a) Notwithstanding anything in any federal or provincial law, the Receiver is not personally liable in that position for any environmental condition that arose or environmental damage that occurred:

(i) before the Receiver's appointment; or

(ii) after the Receiver's appointment unless it is established that the condition arose or the damage occurred as a result of the Receiver's gross negligence or wilful misconduct.

(b) Nothing in sub-paragraph (a) exempts a Receiver from any duty to report or make disclosure imposed by a law referred to in that sub-paragraph.

(c) Notwithstanding anything in any federal or provincial law, but subject to sub-paragraph (a) hereof, where an order is made which has the effect of requiring the Receiver to remedy any environmental condition or environmental damage affecting the Property, the Receiver is not personally liable for failure to comply with the order, and is not personally liable for any costs that are or would be incurred by any person in carrying out the terms of the order,

(i) if, within such time as is specified in the order, within 10 days after the order is made if no time is so specified, within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, or during the period of the stay referred to in clause (ii) below, the Receiver:

A. complies with the order, or

B. on notice to the person who issued the order, abandons, disposes of or otherwise releases any interest in any real property affected by the condition or damage;

(ii) during the period of a stay of the order granted, on application made within the time specified in the order referred to in clause (i) above, within 10 days after the order is made or within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, by,

A. the court or body having jurisdiction under the law pursuant to which the order was made to enable the Receiver to contest the order; or

B. the court having jurisdiction in bankruptcy for the purposes of assessing the economic viability of complying with the order; or

(iii) if the Receiver had, before the order was made, abandoned or renounced or been divested of any interest in any real property affected by the condition or damage.

LIMITATION ON THE RECEIVER'S LIABILITY

16. Except for gross negligence or wilful misconduct, as a result of its appointment or carrying out the provisions of this Order the Receiver shall incur no liability or obligation that exceeds an amount for which it may obtain full indemnity from the Property. Nothing in this Order shall derogate from any limitation on liability or other protection afforded to the Receiver under any applicable law, including, without limitation, Section 14.06, 81.4(5) or 81.6(3) of the BIA.

RECEIVER'S ACCOUNTS

17. The Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case, incurred at their standard rates and charges. The Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, incurred both before and after the making of this Order in respect of these proceedings, and the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person but subject to section 14.06(7), 81.4(4) and 81.6(2) of the BIA and sections 23(3) and (4) of the Canada Pension Plan, sections 86(2) and (2.1) of the Employment Insurance Act, sections 227(4) and (4.1) of the Income Tax Act, and Sections 222(1) and (3) of the Excise Tax Act (the "Crown Trust Claims").

18. The Receiver and its legal counsel shall pass their accounts from time to time.

19. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including the legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

20. The Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed $200,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with

interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges set out in sections 14.06(7), 81.4(4) and 81.6(2) of the BIA and the Crown Trust Claims.

21. Neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

22. The Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.

23. The monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

ALLOCATION

24. Any interested party may apply to this Court on notice to any other party likely to be affected, for an order allocating the Receiver's Charge and Receiver's Borrowings Charge amongst the various assets comprising the Property.

GENERAL

25. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

26. Notwithstanding Rule 6.11 of the *Alberta Rules of Court*, unless otherwise ordered by this Court, the Receiver will report to the Court from time to time, which reporting is not required to be in affidavit form and shall be considered by this Court as evidence.

27. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

28. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

29. The Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

30. The Plaintiff shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtors' estate with such priority and at such time as this Court may determine.

31. Any interested party may apply to this Court to vary or amend this Order on not less than 7 days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

FILING

32. The Receiver shall establish and maintain a website in respect of these proceedings at ________ and shall post there as soon as practicable:

(a) all materials prescribed by statue or regulation to be made publically available; and

(b) all applications, reports, affidavits, orders and other materials filed in these proceedings by or on behalf of the Receiver, or served upon it, except such materials as are confidential and the subject of a sealing order or pending application for a sealing order.

Justice of the Court of Queen's Bench of Alberta

CONSENTED TO BY:

CANADA NORTH CAMPS INC.

Paul McCracken
I have the authority to bind this Corporation

AND CONSENTED TO BY:

CAMPCORP STRUCTURES LTD.

Paul McCracken
I have the authority to bind this Corporation

AND CONSENTED TO BY:

D.J. CATERING LTD.

Paul McCracken
I have the authority to bind this Corporation

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. ____________________

AMOUNT $ ____________________

1. THIS IS TO CERTIFY that ________, the interim receiver and receiver and manager (the "Receiver") of all of the assets, undertakings and properties of CANADA NORTH CAMPS INC., CAMPCORP STRUCTURES LTD. and D.J. CATERING LTD. appointed by Order of the Court of Queen's Bench of Alberta and Court of Queen's Bench of Alberta in Bankruptcy and Insolvency (collectively, the "Court") dated the ______ day of February, 2017 (the "Order") made in action number ________, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of $_________, being part of the total principal sum of $______________ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily] [monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _______ per cent above the prime commercial lending rate of Bank of _______ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property) as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _______ day of _______________, 2017.

________, solely in its capacity as Receiver of the Property (as defined in the Order), and not in its personal capacity

Per: ______________________________
Name:
Title:

EXHIBIT D

This is Exhibit " D " referred to in the Affidavit of
Shayne McCracken
Sworn before me this 28 day
of June A.D., 20 17

A Notary Public, A Commissioner for Oaths
in and for the Province of Alberta

Stephanie A. Wanke
Barrister & Solicitor

Consolidated Financial Statements

CANADA NORTH GROUP INC.

September 30, 2016

Independent Auditor's Report

To the Shareholder of **Canada North Group Inc.**

We have audited the accompanying consolidated financial statements of **Canada North Group Inc.**, which comprise the consolidated balance sheet at September 30, 2016 and the consolidated statements of operations and retained earnings and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of **Canada North Group Inc.** as at September 30, 2016 and the consolidated results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 11 in the consolidated financial statements which indicate that the company is not in compliance with certain lender covenants and is facing material uncertainty as a result of the dramatic downturn in the energy industry.

Chartered Accountants

January 25, 2017

CANADA NORTH GROUP INC.
Consolidated Balance Sheet
As at September 30, 2016
(Unaudited)

	2016	2015
ASSETS		
CURRENT		
Accounts receivable	$ 4,275,490	$ 7,959,922
Due from Partners	1,445,172	1,855,681
Income tax receivable	-	1,813,790
Inventories	2,070,900	1,936,375
Work in progress	955,423	1,337,660
Prepaid expenses	1,437,705	1,643,519
	10,184,690	16,546,947
LONG-TERM ACCOUNTS RECEIVABLES	1,345,609	986,154
DUE FROM RELATED PARTY (Note 4)	3,773,309	4,206,319
PROPERTY, PLANT AND EQUIPMENT (Note 3)	71,475,746	71,783,420
GOODWILL	1,132,300	1,132,300
	$ 87,911,654	$ 94,655,140
LIABILITIES		
CURRENT		
Short-term borrowings (Note 5)	$ 12,045,878	$ 10,790,382
Accounts payable and accrued liabilities	10,375,108	15,127,583
Priority payables	659,333	2,680,773
Deferred revenue	1,999,983	760,878
Deferred Partnership costs (Note 9)	638,710	1,592,683
Current portion of long-term debt (Note 6)	8,768,927	7,188,399
	34,487,939	38,140,698
Demand debt due beyond one year (Note 6)	8,000,000	6,563,728
	42,487,939	44,704,426
DEFERRED REVENUE	2,963,872	-
LONG-TERM DEBT (Note 6)	17,694,884	14,855,269
PARTNERSHIP CAPITAL LEASES (Note 7)	13,515,459	12,926,889
FUTURE INCOME TAXES	-	2,813,000
	76,662,154	75,299,584
CONTINGENCIES (Note 6 and 10)		
SHAREHOLDER'S EQUITY		
Share capital (Note 8)	175	175
Non-controlling interest (Note 4)	1,334,652	1,409,377
Retained earnings	9,914,673	17,946,004
	11,249,500	19,355,556
	$ 87,911,654	$ 94,655,140

CANADA NORTH GROUP INC.

Consolidated Statement of Operations and Retained Earnings

Year Ended September 30, 2016

(Unaudited)

	2016	2015
REVENUE		
Camp, catering and rentals	$ **34,647,125**	$ 46,609,887
Manufacturing and construction	**5,460,245**	48,297,190
	40,107,370	94,907,077
COST OF GOODS SOLD		
Camp, catering and rentals	**23,419,656**	40,302,884
Manufacturing and construction	**5,250,657**	37,377,495
	28,670,313	77,680,379
GROSS PROFIT	**11,437,057**	17,226,698
GENERAL AND ADMINISTRATIVE	**7,958,587**	8,842,349
EARNINGS FROM OPERATIONS BEFORE THE UNDERNOTED:	**3,478,200**	8,384,349
OTHER EXPENSES		
Depreciation and amortization	**5,658,010**	5,648,026
Interest and financing fees	**4,408,000**	3,960,808
Fees to related parties	**-**	2,100,000
	10,066,010	11,708,834
NET LOSS, BEFORE THE FOLLOWING	**(6,587,810)**	(3,324,485)
NON-CONTROLLING INTEREST	**1,206,231**	424,866
NET LOSS, BEFORE INCOME TAXES	**(7,794,041)**	(3,749,351)
INCOME TAXES (RECOVERED)		
Current	**(28,371)**	(2,043,345)
Future	**(1,734,339)**	863,000
	(1,762,710)	(1,180,345)
NET LOSS	**(6,031,331)**	(2,569,006)
RETAINED EARNINGS, BEGINNING OF YEAR	**17,946,004**	21,190,010
DIVIDENDS	**(2,000,000)**	(675,000)
RETAINED EARNINGS, END OF YEAR	$ **9,914,673**	$ 17,946,004

CANADA NORTH GROUP INC.
Consolidated Statement of Cash Flows
Year Ended September 30, 2016
(Unaudited)

	2016	2015
OPERATING		
Cash received from customers	$ 47,474,116	$ 115,827,147
Cash paid to suppliers	(43,331,796)	(86,150,940)
Interest paid	(4,408,001)	(3,960,808)
Income taxes recovered (paid)	763,500	(1,149,862)
Cash generated from operations	497,819	24,565,537
INVESTING		
Purchase of property, plant and equipment	(2,686,292)	(10,014,880)
Proceeds on sale of property, plant and equipment	3,901,529	-
Cash used in investing activities	1,215,237	(10,014,880)
FINANCING		
Advances (to) from related party	(1,566,988)	3,014,285
Proceeds from long-term borrowings	6,921,016	4,940,111
Repayment of long-term borrowings	(7,041,623)	(22,593,842)
Short-term borrowings, net	1,255,496	2,266,143
Advances to non-controlling interests	(1,280,957)	(2,177,354)
Cash generated from financing activities	(1,713,056)	(14,550,657)
DECREASE IN CASH FLOW	-	-
CASH, BEGINNING OF YEAR	-	-
CASH, END OF YEAR	$ -	$ -

1. NATURE OF BUSINESS AND BASIS OF PRESENTATION

Nature of Business

Canada North Group Inc. is a leading provider of remote camp accommodations and food services and a manufacturer of modular workforce facilities primarily for the oil and gas industry in Canada.

Basis of Presentation

The consolidated financial statements have been prepared in accordance with Canadian accounting standards for private enterprises. The consolidated financial statements represent the consolidated results of the Company and its wholly-owned subsidiaries Canada North Camps Inc., DJ Catering Ltd., Campcorp Structures Ltd. (including its wholly-owned subsidiary Campcorp USA Inc.) and certain controlled entities as described in Note 4(iii). The consolidated statements also include certain non – controlled entities where only the proportionate ownership has been included: OMNI Proactive Services Inc. 50%, HML Lodge Limited Partnership 50%, Peace River Lodge Limited Partnership 50%, Bonnyville Lodge Limited Partnership 50%, KM 147 Limited Partnership 33%, and Wandering River Lodge Limited Partnership 25%. The consolidated financial statements also include the balance sheet and operating results of variable interest entities 1371047 Alberta Ltd. and 1919209 Alberta Ltd. for which the Company is the primary beneficiary. All intercompany balances and transactions have been eliminated.

The preparation of consolidated financial statements in conformity with Canadian accounting standards for private enterprises requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingencies at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from these estimates.

2. SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

Cash and cash equivalents consist of cash in banks, cash on hand and borrowings of a short-term nature.

Inventories and Work in Progress

Inventories, comprised of food products, supplies and raw materials and manufacturing work in progress are valued at lower of actual cost or net realizable value.

CANADA NORTH GROUP INC.
Notes to the Consolidated Financial Statements
Year Ended September 30, 2016
(Unaudited)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, Plant and Equipment

Property, plant and equipment are recorded at cost less accumulated depreciation. Cost includes expenditures directly attributable to the acquisition of the asset. The cost of manufactured assets includes the cost of materials, direct labour, direct overheads and all costs directly attributable to bringing the asset to the condition necessary for operation. Repairs and maintenance expenditures that do not extend the useful life or improve the efficiency of the asset are expensed. Depreciation is provided by the Company at rates determined to depreciate the cost of the assets over their estimated useful lives as follows:

Camp trailers	10% declining balance method
Equipment	20% declining balance method
Buildings	2.5 % - 10% straight-line method
Automotive	30% declining balance method
Parking lot	8% declining balance method
Computer hardware and software	30% - 50% declining balance method
Linens	50% declining balance method

Equipment was depreciated at one half rates at the Peace River and KM147 camps which were unoccupied during 2016 with security monitors in place.

Goodwill

The excess cost of assets acquired over the fair value of the identifiable assets acquired is recorded as goodwill. The value of goodwill of individual reporting units is assessed when events occur which may indicate that there has been impairment in the value. Goodwill is assessed by comparing the fair value of a reporting unit to the carrying value of its net assets. Where carrying value exceeds fair value, the carrying value is written down to equal fair value. Fair value of a reporting unit is determined by reference to discounted cash flow estimates, or other methods such as reference to recent market transactions involving similar assets.

Long-Lived Assets

When events indicate that a decrease in the net recoverable value of long-lived assets, which include property and equipment and intangible assets, may have occurred, management assesses the carrying value for indications of impairment. Impairment is tested by comparing the carrying value of the asset to its net recoverable amount and where carrying value exceeds the net recoverable value, the carrying value is written down to equal net recoverable value. The net recoverable value is determined by reference to cash flow estimates.

Leases

Leases are classified as either capital or operating leases. A lease which transfers substantially all risk and reward of ownership of the asset is classified as a capital lease. All other leases are classified as operating leases. At the time the company enters into a capital lease, an asset is recorded with its related long-term obligation to reflect the acquisition and financing. Rental payments under operating leases are expensed as incurred.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Future Income Taxes

The Company uses the liability method of accounting for income taxes. Under this method, temporary differences arising between the tax basis of an asset or liability and its carrying amount on the balance sheet are used to calculate the future income tax liabilities or assets. Future income tax liabilities or assets are calculated using tax rates anticipated to apply in the periods that the temporary differences are expected to reverse.

Revenue Recognition

The Company records revenue from camp, catering and rentals when the services are performed. The Company records revenue from manufacturing and construction on a percentage of completion basis based on the ratio of costs incurred to date over estimated total costs. Provisions for all estimated losses are recognized in the period in which the losses are determined. All revenues are recognized only when collection is reasonably assured. Gains realized on asset sale leaseback transactions are deferred and amortized into income over the life of the lease.

Financial Instruments

The Company's financial instruments recognized in the balance sheet consists of accounts receivable, due from partners, due from related party, short-term borrowings, all accounts payable and accrued liabilities, long-term debt and capital leases. Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in earnings. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments that are measured at fair value are expensed when incurred. Transaction costs incurred on the acquisition, sale, or issue of all other financial instruments are added or netted against the carrying value of the instrument and are then recognized over the expected life of the instrument using the straight-line method.

Foreign Currency Translation

The Company translates foreign currency denominated transactions and the financial statements of integrated foreign operations using the temporal method. Monetary assets and liabilities are translated at year-end rates. Non-monetary assets and liabilities are translated at historical rates in effect on the dates of the transactions. Income and expenses (with the exception of depreciation which is translated at historical rates) are translated at the average rate for the year. Exchange gains and losses on translation of monetary assets and liabilities are reflected in income immediately.

3. PROPERTY, PLANT AND EQUIPMENT

	2016			2015
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Land	$ 9,248,700	$ -	$ 9,248,700	$ 9,248,700
Camp trailers and set up costs	66,363,123	17,639,294	48,723,829	47,668,931
Equipment	8,059,024	4,454,091	3,604,933	3,960,475
Buildings	10,249,282	1,961,711	8,287,571	8,622,113
Automotive	4,438,118	3,266,728	1,171,390	1,619,747
Parking lot	316,234	140,085	176,149	191,328
Computer hardware and software	1,109,806	906,990	202,816	375,405
Linens	573,353	512,995	60,358	96,721
	$ 100,357,640	$ 28,881,894	$ 71,475,746	$ 71,783,420

Included in the above are camp trailers, automotive, and equipment assets under capital lease with a net book value of $31,552,618 (2015 - $26,682,929). In the current year there were additions to assets under capital lease of $7,462,219 (2015 - $16,643,733). Included above are camp trailers in the amount of $5,158,272 (2015 – $14,043,426) that were not depreciated in the year.

4. DUE FROM RELATED PARTY AND RELATED PARTY TRANSACTIONS

(i) $3,773,307 (2015 - $4,206,319) due from McCracken Group Inc., a company related through common ownership, is unsecured, non-interest bearing and has no specific repayment terms.

(ii) In addition to fees paid in the amount of $nil (2015 - $2,100,000) to 816956 Alberta Ltd. and the shareholders for management services, the Company has paid amounts to the following entities related through common ownership:

		2016	2015
816956 Alberta Ltd.	- Yard rental	$ 338,000	$ 210,000
758431 Alberta Ltd.	- Equipment rental	27,481	47,110
Carma Golf Systems Inc.	- Software support	-	101,245
Spallumcheen Estate Ltd.	- Management fee	55,000	-
		$ 420,481	$ 358,355

All transactions occurred in the normal course of operations and are measured at the exchange amount, which is the amount of consideration agreed to by the related parties.

4. DUE FROM RELATED PARTY AND RELATED PARTY TRANSACTIONS (Continued)

(iii) Non-controlling interest is comprised of the following:

	2016	2015
Loon River CNC Limited Partnership	$ **882,864**	$ 887,172
Kingdom Lodge Limited Partnership	**(320)**	91,247
Bigstone Tansi Limited Partnership	**(521)**	90,430
Cimarron Lodge Limited Partnership	**14,242**	66,532
Heart Lake CNC Limited Partnership	**438,387**	273,996
	$ **1,334,652**	$ 1,409,377

Consolidated earnings and retained earnings have been reduced by the partners' 50% share.

5. SHORT-TERM BORROWINGS

Canadian Western Bank short-term demand borrowings authorized to $12,000,000 bears interest at bank prime plus 1.5%. This loan in addition to Canadian Western Bank term debt outlined in Note 6, is secured by a general security agreement, director life insurance, $6,500,000 guarantees of shareholders supported by guarantees from shareholder owned companies and shareholder owned property.

6. LONG-TERM DEBT

	2016	2015
Canadian Western Bank demand term loans authorized to approximately $10,000,000, repayable in monthly payments of approximately $166,667 plus interest at prime plus 2.50%, maturing September 2021.	$ 10,000,000	$ 6,669,877
Business Development Bank of Canada mortgages repayable in monthly payments of $51,000 plus interest at BDC floating base rate plus 0% - 7%, with various maturities between January 2019 and February 2030. The loans are secured by a first charge on certain real estate, $500,000 personal guarantees of shareholders and a general security agreement subordinated to the primary lender.	5,916,289	7,171,178
Vendor take back financing		
Loan secured by specific property repayable in monthly payments of $44,285 including interest at 5% maturing December 2026.	4,528,820	4,565,382
Loan secured by specific properties bearing no interest repayable in monthly payments of approximately $23,500 maturing 2019.	370,250	517,250
Mortgage repayable in monthly interest only payments at 10%, secured by certain property and a shareholder guarantee, maturing June 2017.	1,500,000	1,500,000
Equipment financing secured by specific equipment, repayable in monthly instalments of $25,000 bearing no interest, maturing in March 2018.	450,000	750,000
Capital lease agreements for equipment bearing interest averaging 7%, repayable in blended monthly payments of $259,776 secured by specific equipment, as set out in Note 4, maturing between 2016 and 2019.	5,624,905	7,400,822
Capital lease agreements with Weslease Income Growth Fund bearing interest averaging 23%, repayable in blended monthly payments of $187,722 secured by specific equipment and a shareholder guarantee, maturing 2021.	6,036,253	-
Other equipment financing.	37,294	32,887
	34,463,811	28,607,396
Less current portion of long-term debt	(8,768,927)	(7,188,399)
Less demand debt maturing beyond one year	(8,000,000)	(6,563,728)
	$ 17,694,884	$ 14,855,269

6. LONG-TERM DEBT (Continued)

The Company is required to comply with certain lender margin, minimum equity, debt to equity, working capital and debt service requirements at the year-end.

Estimated principal repayments due in the next five years are as follows: 2017 - $8,768,927; 2018 - $6,696,286; 2019 - $4,597,675; 2020 - $4,545,589; 2021 - $9,753,264.

Capital lease principal repayments included in the above and interest not included are as follows:

	Principal	Interest	Total
2017	$ 3,380,033	$ 1,553,690	$ 4,933,723
2018	3,491,212	1,132,439	4,623,651
2019	1,631,060	762,218	2,393,778
2020	1,824,191	387,979	2,212,170
2021	660,995	42,035	703,030

7. PARTNERSHIP CAPITAL LEASES

	2016	2015
Capital lease agreements for camp trailers and camp set-up costs secured by assets with a net book value $18,137,080. Lease payments are contingent on the camps achieving positive operating cash flows. Due to the uncertainty regarding the timeline to reopen the camps, the potential interest accruing on the capital leases is assumed to be equal to the discount attributed to the lack of requirement to make payment on the leases.	**$ 13,515,459**	$ 12,926,889
Less estimated payments due in the current period	**-**	-
	$ 13,515,459	$ 12,926,889

8. SHARE CAPITAL

	2016	2015
Authorized:		
Class A, B, C, D and E common shares		
Issued:		
10,000 Class A common voting	**$ 175**	$ 175

During the year, the Company declared non-cash dividends of $2,000,000 (2015 - $675,000).

9. DEFERRED PARTNERSHIP COSTS

The Company sold certain camp assets for cash consideration to a partner who subsequently contributed the assets to the Bonnyville Lodge Limited Partnership. The assets at the time of the transaction had related debt of $4,480,895 that was retired from sale proceeds. The Company has a remaining $638,710 commitment with the purchasing partner to provide assets or services to this or related partnerships at an undetermined timeline.

10. CONTINGENCIES

(i) *Lenders covenants, industry risk and going concern*

(ii) *Litigation risk*

In the normal course of business, the Company sometimes is named as a defendant in litigation. In management's opinion, the Company has no outstanding claims that would have a material impact on these financial statements.

(iii) *Lease Commitments:*

Through one of its partnerships interests, the Company has operating lease commitments for camp trailers over the next four years as follows: 2016 - $737,100; 2017 - $581,400; 2018: $581,400; 2019 – 581,400. The lease is held with a partner and payments are contingent on available cash flow from the partnership.

(iv) *Risk management*

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with financial liabilities. Cash flow from operations provides a substantial portion of the Company's cash requirements. Additional cash requirements are met with the use of the available short-term borrowings and term loans. The short-term borrowings and certain term loans bear interest which fluctuates with the prime rate, exposing the Company to interest rate fluctuations. The Company monitors interest rates and elects to fix rates as deemed necessary to minimize interest rate fluctuation risks. A substantial portion of the Company's accounts receivable are with customers in the oil and gas industries and are subject to normal industry credit risks. The Company does not have any significant risk with respect to accounts receivable to a single customer due to the excellent quality of its major customers. The Company has exposure to foreign currency fluctuations, and will hedge the currency if management deems it appropriate.

EXHIBIT E

This is Exhibit " E " referred to in the
Affidavit of
Shayne McCracken
Sworn before me this 28 day
of June A.D., 20 17

A Notary Public, A Commissioner for Oaths
in and for the Province of Alberta

Stephanie A. Wanko
Barrister & Solicitor

Consolidated Financial Statements

CANADA NORTH GROUP INC.

September 30, 2015

Pennock Acheson Nielsen Devaney

Pennock Acheson Nielsen Devaney
Chartered Accountants

2201 Toronto Dominion Tower
10088 - 102 Avenue
Edmonton, Alberta T5J 2Z1

Telephone: (780) 496-7774
Facsimile: (780) 423-0582

Independent Auditor's Report

To the Shareholder of **Canada North Group Inc.**

We have audited the accompanying consolidated financial statements of **Canada North Group Inc.**, which comprise the consolidated balance sheet at September 30, 2015 and the consolidated statements of operations and retained earnings and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of **Canada North Group Inc.** as at September 30, 2015 and the consolidated results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 11 in the consolidated financial statements which indicate that the company is not in compliance with certain lender covenants and is facing material uncertainty as a result of the dramatic downturn in the energy industry.

Pennock Acheson Nielsen Devaney

Chartered Accountants

January 25, 2016

CANADA NORTH GROUP INC.
Consolidated Balance Sheet
As at September 30, 2015

	2015	2014
ASSETS		
CURRENT		
Accounts receivable	$ 6,959,922	$ 17,452,373
Current portion of long-term receivables (Note 3)	1,000,000	-
Due from Partners	1,855,681	2,526,534
Income tax receivable	1,813,790	-
Inventories	1,936,375	1,667,485
Work in progress	1,337,660	2,157,744
Prepaid expenses	1,643,519	1,563,618
Assets held for sale (Note 10)	-	9,544,545
	16,546,947	34,912,299
LONG-TERM ACCOUNTS RECEIVABLES (Note 3)	986,154	-
DUE FROM RELATED PARTY (Note 5)	4,206,319	7,895,604
PROPERTY, PLANT AND EQUIPMENT (Note 4)	71,783,420	50,772,813
GOODWILL	1,132,300	1,132,300
	$ 94,655,140	$ 94,713,016
LIABILITIES		
CURRENT		
Short-term borrowings (Note 6)	$ 10,790,382	$ 8,524,239
Accounts payable and accrued liabilities	15,127,583	13,836,455
Priority payables	2,680,773	1,151,324
Income taxes payable	-	1,379,417
Deferred revenue	760,878	975,268
Deferred Partnership costs (Note 10)	1,592,683	-
Current portion of long-term debt (Note 7)	7,188,399	7,659,336
Debt related to assets held for sale (Note 7)	-	4,480,895
	38,140,698	38,006,934
Demand debt due beyond one year (Note 7)	6,563,728	5,582,091
	44,704,426	43,589,025
LONG-TERM DEBT (Note 7)	14,855,269	21,398,521
PARTNERSHIP CAPITAL LEASES (Note 8)	12,926,889	3,423,420
FUTURE INCOME TAXES	2,813,000	1,950,000
	75,299,584	70,360,966
CONTINGENCIES (Note 7 and 11)		
SHAREHOLDER'S EQUITY		
Share capital (Note 9)	175	175
Non-controlling interest (Note 5)	1,409,377	3,161,865
Retained earnings	17,946,004	21,190,010
	19,355,556	24,352,050
	$ 94,655,140	$ 94,713,016

CANADA NORTH GROUP INC.
Consolidated Statement of Operations and Retained Earnings
Year Ended September 30, 2015

	2015	2014
REVENUE		
Camp, catering and rentals	$ 46,609,887	$ 68,311,158
Manufacturing and construction	48,297,190	37,520,425
	94,907,077	105,831,583
COST OF GOODS SOLD		
Camp, catering and rentals	40,302,884	49,062,166
Manufacturing and construction	37,377,495	31,330,005
	77,680,379	80,392,171
GROSS PROFIT	17,226,698	25,439,412
GENERAL AND ADMINISTRATIVE	8,842,349	9,493,655
EARNINGS FROM OPERATIONS BEFORE THE UNDERNOTED:	8,384,349	15,945,757
OTHER EXPENSES		
Depreciation and amortization	5,648,026	2,963,411
Interest and financing fees	3,960,808	2,591,338
Fees to related parties (Note 5)	2,100,000	600,000
	11,708,834	6,154,749
NET (LOSS) EARNINGS BEFORE THE FOLLOWING	(3,324,485)	9,791,008
NON-CONTROLLING INTEREST	424,866	2,304,842
NET (LOSS) EARNINGS BEFORE INCOME TAXES	(3,749,351)	7,486,166
INCOME TAXES		
Current (recovery)	(2,043,345)	1,356,628
Future	863,000	500,000
	(1,180,345)	1,856,628
NET (LOSS) EARNINGS	(2,569,006)	5,629,538
RETAINED EARNINGS, BEGINNING OF YEAR	21,190,010	15,560,472
DIVIDENDS	(675,000)	-
RETAINED EARNINGS, END OF YEAR	$ 17,946,004	$ 21,190,010

CANADA NORTH GROUP INC.
Consolidated Statement of Cash Flows
Year Ended September 30, 2015

	2015	2014
OPERATING		
Cash received from customers	$ 115,827,147	$ 116,758,585
Cash paid to suppliers	(86,150,940)	(99,483,073)
Interest paid	(3,960,808)	(2,416,551)
Income taxes paid	(1,149,862)	(1,328,898)
Cash generated from operations	24,565,537	13,530,063
INVESTING		
Purchase of property, plant and equipment	(10,014,880)	(29,631,915)
Proceeds on sale of property, plant and equipment	-	6,485,601
Cash used in investing activities	(10,014,880)	(23,146,314)
FINANCING		
Advances from (to) related party	3,014,285	(4,013,042)
Proceeds from long-term borrowings	4,940,111	20,844,486
Repayment of long-term borrowings	(22,593,842)	(6,237,844)
Short-term borrowings, net	2,266,143	(3,556,168)
Advances (to) from non-controlling interests	(2,177,354)	56,429
Cash generated from financing activities	(14,550,657)	7,093,861
DECREASE IN CASH FLOW	-	(2,522,390)
CASH, BEGINNING OF YEAR	-	2,522,390
CASH, END OF YEAR	$ -	$ -

1. NATURE OF BUSINESS AND BASIS OF PRESENTATION

Nature of Business

Canada North Group Inc. is a leading provider of remote camp accommodations and food services and a manufacturer of modular workforce facilities primarily for the oil and gas industry in Canada.

Basis of Presentation

The consolidated financial statements have been prepared in accordance with Canadian accounting standards for private enterprises. The consolidated financial statements represent the consolidated results of the Company and its wholly-owned subsidiaries Canada North Camps Inc., DJ Catering Ltd., Campcorp Structures Ltd. (including its wholly-owned subsidiary Campcorp USA Inc.) and certain controlled entities as described in Note 5(iii). The consolidated statements also include certain non – controlled entities where only the proportionate ownership has been included: OMNI Proactive Services Inc. 50%, HML Lodge Limited Partnership 50%, Peace River Lodge Limited Partnership 50%, Bonnyville Lodge Limited Partnership 50%, KM 147 Limited Partnership 33%, and Wandering River Lodge Limited Partnership 25%. The consolidated financial statements also include the balance sheet and operating results of a variable interest entity 1371047 Alberta Ltd for which the Company is the primary beneficiary. All intercompany balances and transactions have been eliminated.

The preparation of consolidated financial statements in conformity with Canadian accounting standards for private enterprises requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingencies at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from these estimates.

2. SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

Cash and cash equivalents consist of cash in banks, cash on hand and borrowings of a short-term nature.

Inventories and Work in Progress

Inventories, comprised of food products, supplies and raw materials and manufacturing work in progress are valued at lower of actual cost or net realizable value.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, Plant and Equipment

Property, plant and equipment are recorded at cost less accumulated depreciation. Cost includes expenditures directly attributable to the acquisition of the asset. The cost of manufactured assets includes the cost of materials, direct labour, direct overheads and all costs directly attributable to bringing the asset to the condition necessary for operation. Repairs and maintenance expenditures that do not extend the useful life or improve the efficiency of the asset are expensed. Depreciation is provided by the Company at rates determined to depreciate the cost of the assets over their estimated useful lives as follows:

Camp trailers	10% declining balance method
Equipment	20% declining balance method
Buildings	2.5 % - 10% straight-line method
Automotive	30% declining balance method
Parking lot	8% declining balance method
Computer hardware and software	30% - 50% declining balance method
Linens	50% declining balance method

Goodwill

The excess cost of assets acquired over the fair value of the identifiable assets acquired is recorded as goodwill. The value of goodwill of individual reporting units is assessed when events occur which may indicate that there has been impairment in the value. Goodwill is assessed by comparing the fair value of a reporting unit to the carrying value of its net assets. Where carrying value exceeds fair value, the carrying value is written down to equal fair value. Fair value of a reporting unit is determined by reference to discounted cash flow estimates, or other methods such as reference to recent market transactions involving similar assets.

Long-Lived Assets

When events indicate that a decrease in the net recoverable value of long-lived assets, which include property and equipment and intangible assets, may have occurred, management assesses the carrying value for indications of impairment. Impairment is tested by comparing the carrying value of the asset to its net recoverable amount and where carrying value exceeds the net recoverable value, the carrying value is written down to equal net recoverable value. The net recoverable value is determined by reference to cash flow estimates.

Leases

Leases are classified as either capital or operating leases. A lease which transfers substantially all risk and reward of ownership of the asset is classified as a capital lease. All other leases are classified as operating leases. At the time the company enters into a capital lease, an asset is recorded with its related long-term obligation to reflect the acquisition and financing. Rental payments under operating leases are expensed as incurred.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Future Income Taxes

The Company uses the liability method of accounting for income taxes. Under this method, temporary differences arising between the tax basis of an asset or liability and its carrying amount on the balance sheet are used to calculate the future income tax liabilities or assets. Future income tax liabilities or assets are calculated using tax rates anticipated to apply in the periods that the temporary differences are expected to reverse.

Revenue Recognition

The Company records revenue from camp, catering and rentals when the services are performed. The Company records revenue from manufacturing and construction on a percentage of completion basis based on the ratio of costs incurred to date over estimated total costs. Provisions for all estimated losses are recognized in the period in which the losses are determined. All revenues are recognized only when collection is reasonably assured.

Financial Instruments

The Company's financial instruments recognized in the balance sheet consists of accounts receivable, due from partners, due from related party, short-term borrowings, all accounts payable and accrued liabilities, long-term debt and capital leases. Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in earnings. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments that are measured at fair value are expensed when incurred. Transaction costs incurred on the acquisition, sale, or issue of all other financial instruments are added or netted against the carrying value of the instrument and are then recognized over the expected life of the instrument using the straight-line method.

Foreign Currency Translation

The Company translates foreign currency denominated transactions and the financial statements of integrated foreign operations using the temporal method. Monetary assets and liabilities are translated at year-end rates. Non-monetary assets and liabilities are translated at historical rates in effect on the dates of the transactions. Income and expenses (with the exception of depreciation which is translated at historical rates) are translated at the average rate for the year. Exchange gains and losses on translation of monetary assets and liabilities are reflected in income immediately.

Comparative Figures

Certain comparative figures have been reclassified to conform with the current year presentation.

3. LONG-TERM RECEIVABLES

Receivables under extended terms		
Atco Structures & Logistics Ltd.	$	840,000
Canadian Natural Resources Ltd.		1,146,154
		1,986,154
Estimated twelve month collections		(1,000,000)
	$	986,154

4. PROPERTY, PLANT AND EQUIPMENT

	2015			2014
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Land	$ 9,248,700	$ -	$ 9,248,700	$ 9,064,662
Camp trailers and set up costs	61,414,389	13,745,458	47,668,931	23,644,249
Equipment	7,679,361	3,718,886	3,960,475	7,438,596
Buildings	10,255,805	1,633,692	8,622,113	8,679,969
Automotive	4,611,315	2,991,568	1,619,747	1,489,658
Parking lot	316,234	124,906	191,328	137,485
Computer hardware and software	1,101,972	726,567	375,405	216,614
Linens	573,355	476,634	96,721	101,580
	$ 95,201,131	$ 23,417,711	$ 71,783,420	$ 50,772,813

Included in the above are camp trailers, automotive, and equipment assets under capital lease with a net book value of $26,682,929 (2014 - $13,657,634). In the current year there were additions to assets under capital lease of $16,643,753. Included above are camp trailers in the amount of $14,043,426 (2014 – $6,769,621) that were not depreciated in the year.

5. DUE FROM RELATED PARTY AND RELATED PARTY TRANSACTIONS

(i) $4,206,319 (2014 - $7,895,604) due from McCracken Group Inc., a company related through common ownership, is unsecured, non-interest bearing and has no specific repayment terms.

(ii) In addition to fees paid in the amount of $2,100,000 (2014 - $600,000) to 816956 Alberta Ltd. and the shareholders for management services, the Company has paid amounts to the following entities related through common ownership:

		2015	2014
816956 Alberta Ltd.	- Yard rental	$ 210,000	$ 120,000
758431 Alberta Ltd.	- Equipment rental	47,110	55,012
Carma Golf Systems Inc.	- Software support	101,245	302,907
		$ 358,355	$ 477,919

All transactions occurred in the normal course of operations and are measured at the exchange amount, which is the amount of consideration agreed to by the related parties.

5. DUE FROM RELATED PARTY AND RELATED PARTY TRANSACTIONS (Continued)

(iii) Non-controlling interest is comprised of the following:

	2015	2014
Loon River CNC Limited Partnership	**887,172**	1,159,229
Kingdom Lodge Limited Partnership	**91,247**	1,210,004
Bigstone Tansi Limited Partnership	**90,430**	170,698
Cimarron Lodge Limited Partnership	**66,532**	-
Heart Lake CNC Limited Partnership	**273,996**	277,271
PDCNC Limited Partnership	**-**	344,663
	$ 1,409,377	$ 3,161,865

Consolidated earnings and retained earnings have been reduced by the partners' 50% share.

6. SHORT-TERM BORROWINGS

Canadian Western Bank short-term demand borrowings authorized to $15,000,000 bears interest at bank prime plus 1.5%. This loan in addition to Canadian Western Bank term debt outlined in Note 7, are secured by a general security agreement, director life insurance, $6,500,000 guarantees of shareholders supported by a guarantee from a company under common control and $2,500,000 in mortgages on shareholder owned property. The Company is not in compliance with certain bank lending covenants (See Note 7 and 11).

7. LONG-TERM DEBT

	2015	2014
Canadian Western Bank demand term loans authorized to approximately $10,000,000, repayable in monthly payments of approximately $294,000 plus interest at prime plus 1.25% with various maturities between May 2016 and November 2019 secured as set out in Note 6.	$ 6,669,877	$ 9,637,748
Business Development Bank of Canada mortgages repayable in monthly payments of $51,000 plus interest at BDC floating base rate plus 0% - 7%, with various maturities between January 2019 and February 2030. The loans are secured by a first charge on certain real estate, $500,000 personal guarantees of shareholders and a general security agreement subordinated to the primary lender.	7,171,178	12,682,334
Vendor take back financing		
Loan secured by specific property repayable in monthly payments of $44,285 including interest at 5% maturing December 2026.	4,565,382	4,860,473
Loan secured by specific properties bearing no interest repayable in monthly payments of approximately $23,500 maturing 2019.	517,250	1,341,950
Financing repaid.	-	2,359,930
Equipment financing secured by specific equipment, repayable in monthly instalments of $25,000 bearing no interest, maturing in 2016.	750,000	1,050,000
Capital lease agreements for equipment bearing interest averaging 7%, repayable in blended monthly payments of $259,776 secured by specific equipment, as set out in Note 4, maturing between 2016 and 2019.	7,400,822	7,097,764
Mortgage repayable in monthly interest only payments at 10%, secured by certain property and a shareholder guarantee, maturing July 2016.	1,500,000	-
Other equipment financing.	32,887	90,644
	28,607,396	39,120,843
Less debt related to assets held for sale	-	(4,480,895)
Less current portion of long-term debt	(7,188,399)	(7,659,336)
Less demand debt maturing beyond one year	(6,563,728)	(5,582,091)
	$ 14,855,269	$ 21,398,521

The Company is required to comply with certain lender margin, minimum equity, debt to equity, working capital and debt service requirements and is not in compliance with these covenants at September 30, 2015. Management is working with the lenders to satisfy lender requirements (See Note 11 (i)).

7. LONG-TERM DEBT (Continued)

Estimated principal repayments due in the next five years are as follows: 2016 - $7,188,399; 2017 - $9,282,057; 2018 – $4,248,050; 2019 - $1,476,061; 2020 – $861,137.

Capital lease principal repayments included in the above and interest not included are as follows:

	Principal	Interest	Total
2016	$ 2,437,173	$ 436,142	$ 2,873,315
2017	2,456,079	267,022	2,723,101
2018	2,331,147	80,311	2,411,458
2019	176,372	4,797	181,169

8. PARTNERSHIP CAPITAL LEASES

	2015	2014
Capital lease agreements for camp trailers and camp set-up costs secured by assets with a net book value $17,686,853. Lease payments are contingent on the camps achieving positive operating cash flows. Due to the uncertainty regarding the timeline to reopen the camps, the potential interest accruing on the capital leases is assumed to be equal to the discount attributed to the lack of requirement to make payment on the leases.	**$12,926,889**	$ 3,423,420
Less estimated payments due in the current period	-	-
	$12,926,889	$ 3,423,420

9. SHARE CAPITAL

	2015	2014
Authorized:		
Class A, B, C, D and E common shares		
Issued:		
10,000 Class A common voting	$ 175	$ 175

During the year the Company declared non-cash dividends of $675,000 (2014 - Nil) to shareholders resulting in an income tax recovery of $225,000.

10. SALE OF ASSETS

During the year the Company sold certain camp assets for cash consideration to a partner who subsequently contributed the assets to the Bonnyville Lodge Limited Partnership. The assets at the time of the transaction had related debt of $4,480,895 that was retired from sale proceeds. The Company has a remaining $1,592,683 commitment with the purchasing partner to provide assets or services to this or related partnerships at an undetermined timeline.

11. CONTINGENCIES

(i) Lender covenants, industry risks and going concern

The Western Canadian energy industry is experiencing significant challenges as a result of a dramatic and extended drop in commodity prices. The Company is required to meet certain lending covenants and is presently not in compliance with certain of its Canadian Western Bank and Business Development Bank of Canada lending requirements. Management will work with its lenders to satisfy lender requirements.

The Company has reacted to the industry challenges by implementing aggressive cost reduction strategies, diversifying its customer base and continues to take other significant steps to manage the business through the downturn. The Company's continuing need for additional capital has been partially met subsequent to the year-end with additional debt financing of approximately $5,800,000 and shareholder contributions of approximately $1,000,000. Despite these measures, the Company's future financial position and results remain contingent on the strengthening of the Western Canadian Energy Industry. These financial statements have been prepared on the basis that the Company can continue as a going concern and realize on its assets and retire its liabilities in the normal course.

Subsequent to the year end, as a result of the suspension of certain energy projects, the Company temporarily closed two recently opened camps, pending securing sufficient contracts to return the camps to profitability. If the camps are required to relocate the Company could sustain material losses. The outcome at this time is not determinable.

(ii) *Litigation risk*

In the normal course of business, the Company sometimes is named as a defendant in litigation. In management's opinion, the Company has no outstanding claims that would have a material impact on these financial statements.

(iii) Lease Commitments:

Through one of its partnerships interests, the Company has operating lease commitments for camp trailers over the next four years as follows: 2016 - $737,100; 2017 - $581,400; 2018: $581,400; 2019 – 581,400. The lease is held with a partner and payments are contingent on available cash flow from the partnership.

11. CONTINGENCIES (Continued)

(iv) Risk management

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with financial liabilities. Cash flow from operations provides a substantial portion of the Company's cash requirements. Additional cash requirements are met with the use of the available short-term borrowings and term loans. The short-term borrowings and certain term loans bear interest which fluctuates with the prime rate, exposing the Company to interest rate fluctuations. The Company monitors interest rates and elects to fix rates as deemed necessary to minimize interest rate fluctuation risks. A substantial portion of the Company's accounts receivable are with customers in the oil and gas industries and are subject to normal industry credit risks. The Company does not have any significant risk with respect to accounts receivable to a single customer due to the excellent quality of its major customers. The Company has exposure to foreign currency fluctuations, and will hedge the currency if management deems it appropriate.

EXHIBIT F

This is Exhibit " F " referred to in the
Affidavit of
Shayne McCracken
Sworn before me this 28 day
of June A.D., 2017

A Notary Public, A Commissioner for Oaths
in and for the Province of Alberta

Stephanie A. Wanke
Barrister & Solicitor

Consolidated Financial Statements

CANADA NORTH GROUP INC.

May 31, 2017

CANADA NORTH GROUP INC.
Consolidated Balance Sheet
Period Ended May 31, 2017
(Unaudited)

	2017	2016
ASSETS		
CURRENT		
Accounts receivable	**$ 18,715,689**	$ 19,047,123
Due from partners	**1,597,634**	1,561,027
Income tax receivable	**147,410**	778,818
Inventories	**2,218,913**	1,871,278
Work in progress	**1,518,994**	741,876
Prepaid expenses	**1,201,052**	1,122,864
	25,399,692	25,122,986
DUE FROM RELATED PARTY	**5,992,059**	5,740,936
PROPERTY, PLANT AND EQUIPMENT	**65,079,192**	69,602,229
GOODWILL	**1,132,300**	1,132,300
	$ 97,603,243	$ 101,598,453
LIABILITIES		
CURRENT		
Short-term borrowings	**$ 12,004,868**	$ 10,246,027
Accounts payable and accrued liabilities	**15,125,382**	9,284,378
Deferred revenue	**11,684,822**	22,360,703
	38,815,072	41,891,108
LONG-TERM DEBT	**31,736,617**	27,163,650
DEFERRED REVENUE	**2,524,780**	-
PARTNERSHIP CAPITAL LEASES	**13,514,850**	13,514,850
FUTURE INCOME TAXES	**2,813,000**	2,813,000
	83,288,919	85,382,609
SHAREHOLDER'S EQUITY		
Share capital		
Non-controlling interest	**3,030,176**	1,344,024
Retained earnings	**5,168,748**	14,871,820
	8,198,924	16,215,844
	$ 97,603,243	$ 101,598,453

CANADA NORTH GROUP INC.
Consolidated Income Statement
Eight Months Ended May 31, 2017
(Unaudited)

	2017	2016
REVENUE		
Camp, catering and rentals	$ **18,332,974**	$ 24,142,677
Manufacturing and construction	**2,775,252**	2,827,626
	21,108,226	26,970,303
COST OF GOODS SOLD		
Camp, catering and rentals	**9,372,030**	15,718,404
Manufacturing and construction	**4,304,336**	3,399,342
	13,676,366	19,117,746
GROSS PROFIT	**7,431,859**	7,852,557
GENERAL AND ADMINISTRATIVE	**3,533,394**	5,533,067
EARNINGS FROM OPERATIONS BEFORE THE UNDERNOTED:	**3,898,465**	2,319,490
OTHER EXPENSES (INCOME)		
Depreciation and amortization	**4,174,421**	2,924,998
Interest and financing fees	**3,216,477**	1,603,198
Amortization on deferred gain	**(427,932)**	
	6,962,966	4,528,196
NET LOSS, BEFORE THE FOLLOWING	**(3,064,501)**	(2,208,706)
NON-CONTROLLING INTEREST	**(1,681,425)**	(865,604)
NET LOSS	**(4,745,926)**	(3,074,309)
RETAINED EARNINGS, BEGINNING OF PERIOD	9,914,673	17,946,129
RETAINED EARNINGS, END OF YEAR	$ **5,168,747**	$ 14,871,820

EXHIBIT G

10130 E. San Salvador Dr.
Scottsdale, Arizona 85258

602 – 410 – 1151 cell
Recsetar@msn.com

Ernie L. Recsetar

Experience

1995 – present **Stirling Capital Corporation** Scottsdale, AZ

CEO and President

- Founded Stirling as a relationship based company specializing in providing capital business solutions and strategies to referred clients.
- Major focus on customized capital and business advice Stirling calls *Capital Architecture*
- Sourced financing from $1 to $100 million
- Strategies with clients were often implemented over a period of years in order to see them through numerous financing rounds and achievement of prescribed goals.
- Serve as Interim CEO and General Counsel to several of Stirling's clients.
- Serve on the Boards of several corporations.

1990 – 1995 **Greyhound Financial / FINOVA** Phoenix, AZ

General Counsel and Vice President

- Served as General Counsel to this $13 billion NYSE publicly traded commercial finance company (spin off from Dial Corporation).
- Was one of a small group of key direct reports who, along with Chairman, Sam Eichenfield, made all operating decisions that resulted in Greyhound Financial / FINOVA's success during the mid 90's.
- Used creative and innovative techniques to resolve loan default disputes and lawsuits resulting in business volume and profits exceeding many of the company's working lines of business.
- Oversaw millions of dollars worth of bankruptcy workouts and restructures.
- Maintained outside counsel relationships with some of the largest law firms in the country. At the time it was claimed that through its innovative use of outside counsel Greyhound Financial / FINOVA had one of the most efficient and successful corporate legal departments in the country.
- Creative strategies from a legal approach contributed to write-offs averaging less than 1% and non-earnings less than 3%.

1986 – 1990 **LINC Scientific Leasing** Chicago, IL

General Counsel and Vice President of Operations

- Managed operations for this medical equipment leasing and healthcare finance company.
- Oversaw structure of major leasing transactions, venture lease transactions, joint ventures and various investment funds.

This is Exhibit " G " referred to in the Affidavit of
Shayne McCracken
Sworn before me this 28 day
of June A.D., 20 17

A Notary Public, A Commissioner for Oaths in and for the Province of Alberta

Stephanie A. Wanke
Barrister & Solicitor

1984 – 1986 **Fuji Bank – Heller Financial** Chicago, IL

Corporate Counsel

- Corporate Counsel to commercial finance subsidiary to this $300 Billion + Bank, which was the second largest bank in the world at that time.
- Developed creative financial strategies while learning the nuances of the commercial financial industry.
- Learned the details of major leasing deal structure.
- Served under Sam Eichenfield, future Greyhound Financial / FINOVA chairman.

1982 – 1984 **Arthur Young & Company** Chicago, IL

Tax Attorney

- Served in the Tax Department of this *Big-Eight* accounting firm structuring tax shelter transactions.

1981 – 1982 **McBride & Baker** Chicago, IL

Associate Attorney

- Served as a "*fresh-out-of-law-school*" associate corporate attorney with this mid-sized law firm.
- Handled general commercial and corporate matters.

Education

1986 – 1989 **Kent College of Law** Chicago, IL

LLM in Taxation

- Did this post-graduate work while serving as General Counsel to LINC Scientific Leasing.

1977 – 1981 **Emory University** Atlanta, GA

Juris Doctor / Master of Business Administration Degrees

- Received JD degree concurrently with an MBA.
- Received *Outstanding Business School Student* Award from the administration at commencement.

1974 – 1976 **University of Illinois** Chicago, IL

Bachelor of Science Degree

- Major in Business Administration and Finance. Graduated to p 10%.
- Minor in Business Management

Personal

Born in Hungary, Europe and escaped during the Hungarian Revolution in 1956. Emigrated to the U.S. in 1958 and is a U.S. Citizen. Fluent in Hungarian and a lesser command of German.

Associations

Admitted to the Illinois and Federal Bars in 1981; Arizona Business Leadership Association; Association for Corporate Growth; Arizona Valley Leadership; Chicago Bar Association; Equipment Leasing Association; Phoenix Zoo Development Committee and World Trade Center, Arizona.

EXHIBIT H

This is Exhibit " H " referred to in the Affidavit of
Shayne McCracken
Sworn before me this 28 day
of June A.D. 17

A Notary Public, A Commissioner for Oaths in and for the Province of Alberta
Stephanie A. Wanke
Barrister & Solicitor

Industry Canada
Office of the Superintendent of Bankruptcy Canada

Industrie Canada
Bureau du surintendant des faillites Canada

District of	Alberta
Division No.	01 - Edmonton
Court No.	24-2266739
Estate No.	24-2266739

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

Canada North Group Inc.
Insolvent Person

ERNST & YOUNG INC.
Licensed Insolvency Trustee

Date of the Notice of Intention: June 26, 2017

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

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

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

Date: June 27, 2017, 13:15

E-File/Dépôt Electronique

Official Receiver

Canada Place Building, 9700 Jasper Avenue NW, Suite 725, Edmonton, Alberta, Canada, T5J4C3, (877)376-9902

Canada

Industry Canada | Industrie Canada

Office of the Superintendent of Bankruptcy Canada | **Bureau du surintendant des faillites Canada**

District of Alberta
Division No. 01 - Edmonton
Court No. 24-2266736
Estate No. 24-2266736

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

Canada North Camps Inc.
Insolvent Person

ERNST & YOUNG INC.
Licensed Insolvency Trustee

Date of the Notice of Intention: June 26, 2017

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

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

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

Date: June 27, 2017, 13:12

E-File/Dépôt Electronique

Official Receiver

Canada Place Building, 9700 Jasper Avenue NW, Suite 725, Edmonton, Alberta, Canada, T5J4C3, (877)376-9902

Canada

Industry Canada

Office of the Superintendent of Bankruptcy Canada

Industrie Canada

Bureau du surintendant des faillites Canada

District of	Alberta
Division No.	01 - Edmonton
Court No.	24-2266726
Estate No.	24-2266726

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

CampCorp Structures Ltd.
Insolvent Person

ERNST & YOUNG INC.
Licensed Insolvency Trustee

Date of the Notice of Intention: June 26, 2017

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

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

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

Date: June 27, 2017, 13:10

E-File/Dépôt Electronique

Official Receiver

Canada Place Building, 9700 Jasper Avenue NW, Suite 725, Edmonton, Alberta, Canada, T5J4C3, (877)376-9902

Canada

Industry Canada | Industrie Canada

Office of the Superintendent of Bankruptcy Canada | **Bureau du surintendant des faillites Canada**

District of Alberta
Division No. 01 - Edmonton
Court No. 24-2266743
Estate No. 24-2266743

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

D.J. Catering Ltd.
Insolvent Person

ERNST & YOUNG INC.
Licensed Insolvency Trustee

Date of the Notice of Intention: June 26, 2017

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

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

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

Date: June 27, 2017, 13:22

E-File/Dépôt Electronique

Official Receiver

Canada Place Building, 9700 Jasper Avenue NW, Suite 725, Edmonton, Alberta, Canada, T5J4C3, (877)376-9902

Canada

EXHIBIT I

Wanke, Stephanie

From: Chuck Russell <crussell@mross.com>
Sent: June-28-17 7:38 AM
To: Wanke, Stephanie
Cc: Jessie Taha (jessie.taha@cwbank.com); Andy McPherson
Subject: Bigstone Tansi GP and LP

Stephanie,

Further to your request for release of funds from this account at CWB, CWB is not prepared to do so. several factors lead to that decision:

1. CWB holds a guarantee from each entity of the CNC debt, and a GABD which allows CWB to capture receivables both before and after default.
2. The GP and LP were dissolved in March 2017.
3. Your client has continued to include the receivables in its margining calculation notwithstanding the dissolution, and has been receiving advances on the operating line of CNC based on that inclusion.
4. CWB has the right of set off against the accounts.

For these reasons, CWB is not prepared to allow the release of the funds on deposit, and reserves all rights with respect to exercise of its contractual and legal entitlements.

chuck

Charles Russell, Q.C. | Partner | direct 780.482.9115 | toll free 1.800.567.9200 | fax 780.733.9757
McLennan Ross LLP | www.mross.com | BIOGRAPHY
600 McLennan Ross Building, 12220 Stony Plain Road, Edmonton, AB T5N 3Y4

This is Exhibit " I " referred to in the Affidavit of
Shayne McCracken
Sworn before me this 28 day
of June A.D. 20 17

A Notary Public, A Commissioner for Oaths in and for the Province of Alberta
Stephanie A. Wanke
Barrister & Solicitor

EXHIBIT J

This is Exhibit " J " referred to in the Affidavit of Jayne McCracken
Sworn before me this 28 day of June A.D. 20 17

A Notary Public, A Commissioner for Oaths in and for the Province of Alberta

Stephanie A. Wanke
Barrister & Solicitor

Statement of Projected Cash-Flow
(Subsection 50(6) of the Act)
For the Period June 24,2017 to September 30, 2017

	Jun 24	Jul 1	Jul 8	Jul 15	Jul 22	Jul 29	Aug 5	[illegible]	Aug 19
OPENING CASH POSITION:	-	(10,342)	(235,376)	(256,865)	(394,100)	(394,941)	(357,521)	(617,883)	(623,800)
CASH INFLOWS									
Collections - catering	187,078	427,267	256,028	225,913	293,836	399,439	272,615	396,000	361,298
Collections - construction							296,000	200,000	
TOTAL CASH INFLOWS	187,078	427,267	256,028	225,913	293,836	399,439	310,298	380,000	361,298
CASH OUTFLOWS:									
GST payment							11,000		
Admin payroll	-	60,000	-	60,000	-	60,000	-	60,000	-
CNC & DJ payroll source deductions	60,000	-	60,000	-	70,000	-	70,000	-	70,000
Campcorp payroll source deductions		9,000		10,000		10,000		10,000	
Insurance - Shareholder life	-	39,718	-	-	-	-	39,718	-	-
Consulting Fees: CNC	-	3,000	10,000	-	-	-	3,000	10,000	-
Public Relations & Client Care: CNC	700	700	700	700	700	700	700	700	700
Rent		119,167			31,340		31,167		31,340
Group Medical Insurance: CNC	-	-	4,659	-	-	-	4,659	-	-
Travel For Work: CNC	804	804	804	804	804	804	804	804	804
Fees & Professional Devel: CNC	-	-	-	1,128	-	-	-	1,128	-
Construction costs			50,000	50,000	50,000	50,000	50,000	50,000	50,000
Office Supplies: CNC	183	183	183	183	183	183	183	183	183
Permits & Inspections: CNC									
Travel Food Expense: CNC	309	309	309	309	309	309	309	309	309
Professional Fees	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Management fee	-	4,792	-	-	-	-	4,792	- -	-
IT Support	-	82	-	-	-	-	82	-	-
Credit Card Charges: CNC	-	-	255	-	-	-	255	-	-
Camp payroll - CNC		62,515		72,682		72,682		72,682	
Payroll - Campcorp		24,000		26,000		26,000		28,000	
Food	75,000	75,000	75,000	75,000	75,000	75,000	85,000	85,000	85,000
Propane	5,169	5,169	5,149	5,149	5,149	5,149	6,047	6,047	6,047
Sewage	4,119	4,119	4,116	4,116	4,116	4,116	4,017	4,017	4,017
Electricity	3,074	7,992	8,079	3,074	3,074	3,074	12,898	2,975	2,975
Fuel	3,529	5,890	3,519	3,519	3,519	3,519	5,930	3,568	3,568
Insurance		68,405					68,405		
Utilities - internet	-	7,745	1,729	-	-	-	9,474	-	-
TV Programming	-	6,129	2,532	-	-	-	8,661	-	-
Garbage disposal	1,120	3,654	1,120	1,120	1,120	1,120	3,618	1,084	1,084
Vending/Resale expense	935	935	939	939	939	939	857	857	857
General maintenance	782	782	774	774	774	774	779	779	779
Taxes - Property & Business: CNC	-	10,048	-	-	-	-	10,048	-	-
Utilities - water	459	1,076	459	459	459	459	1,061	444	444
Propane equipment rental		423					428		
General supplies	332	332	322	322	322	322	470	470	470
Telephone	-	485	-	-	-	-	485	-	-
HML operating expenses	15,906	26,471	21,871	21,871	21,871	21,871	32,436	21,871	21,871
Partnership camp fixed costs	-	78,377	-	-	-	-	78,377	-	-
Contingency (10%)									
Lease Disbursements									
Element									
Wells Fargo									
National Leasing									
CWB term Loan									
Camcork	-								
Weslease	-								
Kubota HML	-								
TOTAL CASH OUTFLOWS	197,420	652,301	277,517	363,148	294,677	362,019	570,659	385,918	305,447
CLOSING CASH POSITION	(10,342)	(235,376)	(256,865)	(394,100)	(394,941)	(357,521)	(617,883)	(623,800)	(567,950)

1 The Notes below from 1 - 49 identify the basis and methodology on which the relevant projection was based.

2

3 The projections have been prepared solely for the purpose described in Notes 1-49, using the probable and hypothetical assumptions set out in Notes 1-49. Consequently, readers are cautioned that it may not be appropriate for other purposes.

1 Collections - catering	Based on invoices and estimated sales that are collectd 75 days after invoicing. Estimated billings are based on reservations and anticipated b
2 Collections - construction	Based on past payments from this customer
3 GST payment	Based on estimated sales
4 Admin payroll	Based on current payroll
5 CNC & DJ payroll source deductions	Based on current payroll
6 Campcorp payroll source deductions	Based on current payroll
7 Insurance - Shareholder life	Based on actual
8 Consulting Fees: CNC	Based on past actuals
9 Public Relations & Client Care: CNC	Based on past actuals
10 Rent	Based on actual
11 Group Medical Insurance: CNC	Based on current payroll
12 Travel For Work: CNC	Based on historical
13 Fees & Professional Devel: CNC	Based on historical
14 Construction costs	Based on estimated costs for the project
15 Office Supplies: CNC	Based on historical
16 Permits & Inspections: CNC	Based on historical
17 Travel Food Expense: CNC	Based on historical
18 Professional Fees	Estimate provided by professional staff
19 Management fee	Actual
20 IT Support	Based on historical
21 Credit Card Charges: CNC	Based on historical
22 Camp payroll - CNC	Based on current payroll plus estimated sales
23 Payroll - Campcorp	Based on current wage costs for the specific project
24 Food	Based on revenue projections
25 Propane	Based on historical
26 Sewage	Based on historical
27 Electricity	Based on historical
28 Fuel	Based on historical
29 Insurance	Actual
30 Utilities - internet	Based on historical
31 TV Programming	Based on historical
32 Garbage disposal	Based on historical
33 Vending/Resale expense	Based on historical
34 General maintenance	Based on historical
35 Taxes - Property & Business: CNC	Based on historical
36 Utilities - water	Based on historical
37 Propane equipment rental	Based on historical
38 General supplies	Based on historical
39 Telephone	Based on historical
40 HML operating expenses	Based on historical
41 Partnership camp fixed costs	Based on historical
42 Contingency (10%)	
Lease Disbursements	
43 Element	Based on actual agreements
44 Wells Fargo	Based on actual agreements
45 National Leasing	Based on actual agreements
46 CWB term Loan	Based on actual agreements
47 Camcork	Based on actual agreements
48 Weslease	Based on actual agreements
49 Kubota HML	Based on actual agreements