



COURT FILE NUMBER 1703 12327
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE EDMONTON

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF ARRANGEMENT OF CANADA NORTH GROUP INC., CANADA NORTH CAMPS INC., CAMPCORP STRUCTURES LTD., D.J. CATERING LTD., 816956 ALBERTA LTD. and 1371047 ALBERTA LTD.

DOCUMENT **APPLICATION TO INCREASE DEBTOR-IN-POSSESSION FINANCING AND COLLATERAL RELIEF**

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
File No. 37060-00001

NOTICE TO RESPONDENTS

This application is made against you. You are a respondent. You have the right to state your side of this matter before the judge.

To do so, you must be in Court when the application is heard as shown below:

Date: July 27, 2017
Time: 2:00 p.m.
Where: Edmonton Law Courts
1A Sir Winston Churchill Square
Edmonton, AB T5J 0R2
Before Whom: The Honourable Justice S.D. Hillier

Go to the end of this document to see what else you can do and when you must do it.

Remedy claimed or sought:

1. An Order granting the Applicants an increase of the Interim Debtor In Possession Financing to a maximum of \$2,500,000 and Interim Lender's Charge (as defined in the Initial Order granted July 5, 2017 in these proceedings) up to the same amount.
2. A sealing order of the Confidential Supplement to the Third Affidavit of Shayne McCracken sworn July 24, 2017.

3. Such other relief as this Honourable Court deems just.

Grounds for making this application:

4. An Initial Order was granted pursuant to CCAA on July 5, 2017 (the "**Initial Order**") whereby the Honourable Mr. Justice K.G. Nielsen granted interim financing to the Applicants from Business Development Bank of Canada (the "**Interim Lender**") in the amount of \$1,000,000 (the "**Interim Financing**") and the Interim Lender's Charge in the same amount.
5. As a result of severe wildfires in British Columbia that occurred immediately after the Initial Order, Canada North Camps Inc. ("**CNC**") has received a significant increase in work under a fire camps contract with the British Colombia provincial government.
6. This increased fire camp work has led to a short-term increase in costs for CNC.
7. The requested increase to the Interim Financing is needed to address the liquidity shortfall caused by the increased work.
8. The revenue from the fire camp work, once received, exceeds the additional costs.
9. No creditor is materially prejudiced by the increase in the Interim Financing or Interim Lender's Charge.
10. Granting the increase in the Interim Financing will allow the Applicants to continue operating and increasing value for stakeholders.
11. The Monitor believes the increase in the Interim Financing is necessary and reasonable.
12. The information in the Confidential Supplement to the Third Affidavit of Shayne McCracken is commercially sensitive and ought to be sealed.

Material or evidence to be relied on:

1. Affidavit of Shayne McCracken sworn June 28, 2017 filed;
2. Confidential Supplemental Affidavit of Shayne McCracken sworn June 28, 2017, unfiled;
3. Affidavit of Russell French sworn June 29, 2017, filed;
4. Second Supplemental Affidavit of Shayne McCracken sworn July 4, 2017, filed;
5. Pre-filing Report of the proposed Monitor, filed July 4, 2017;
6. Affidavit of Brian Nilsson sworn July 4, 2017, filed;
7. Second Affidavit of Shayne McCracken sworn July 20, 2017, filed and served herewith;
8. Confidential Supplement to the Second Affidavit of Shayne McCracken sworn July 20, 2017, unfiled;
9. The First Report of the Monitor, to be filed;
10. The Third Affidavit of Shayne McCracken sworn July 24, 2017, filed;

11. The Confidential Supplement to the Third Affidavit of Shayne McCracken sworn July 24, 2017, filed;
12. The Second Affidavit of Service of Lynnette Goodwin, to be prepared and filed;
13. Such further and other materials as counsel may advise and this Honourable Court permits.

Applicable rules:

14. *Alberta Rules of Court* AR 124/2010, including Rules 1.2, 1.4, 6.1, 6.2 and 11.27.

Applicable Acts and regulations:

15. *Judicature Act*, RSA 2000 c. J-2 , as amended;
16. *Companies' Creditors Arrangement Act*, RSC 1985, c C-36 including ss. 9, 11, and 11.2.
17. Such further other provisions and statutes as counsel may advise.

Any irregularity complained of or objection relied on:

18. Abridgement of time for service to the time actually given.

How the application is proposed to be heard or considered:

19. Before a Justice on the Commercial List

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to give evidence in response to the application, you must reply by filing an affidavit or other evidence with the Court and serving a copy of that affidavit or other evidence on the applicant(s) a reasonable time before the application is to be heard or considered.