IN THE MATTER OF A PLAN OF ARRANGEMENT OF 667402 ALBERTA LTD., 18512398 ALBERTA LTD., 816956 ALBERTA LTD., 1371047 ALBERTA LTD., 1919209 ALBERTA LTD. AND CANADA NORTH GROUP LP HOLDINGS LTD. (Hereinafter collectively referred to as the "CNC Group" or the "Company")

Invitation for Offers to Purchase or Proposals to Liquidate Remaining CNC Group Assets from the HML Camp Site ("HML")

(the "Invitation")

I. Introduction

Generally, the primary business of the CNC Group was the operation of a number of remote camps which provided hospitality and catering to its customers in Alberta, and to a lesser extent in British Columbia. In addition, one of the companies within the CNC Group engaged in the construction of modular structures used for camps and other applications. Over time, the CNC group accumulated a significant asset base consisting of rolling stock, camp assets, and a number of real properties.

On July 5, 2017, Ernst & Young Inc, was appointed as the Court-Appointed Monitor (the "**Monitor**" or "**EY**") under the *Companies' Creditors Arrangement Act, R.S.C 1985, c. C-36, as amended* **("CCAA")** over the CNC Group by virtue of an Order (the "**Initial Order**") of the Court of Queen's Bench of Alberta, except for Canada North Group Holdings Ltd., which was added to the Monitor's purview by way of an Order dated June 21, 2018. Effective May 3, 2018, the Monitor's powers were expanded to provide for the Monitor's control over the CNC Group and to enable the Monitor to effect the realization of the CNC Group's assets for the benefit of stakeholders.

In its capacity as Monitor for the CNC Group, EY is inviting offers ("**Offer(s)**") for the purchase of the CNC Group's remaining camp assets located at HML, or in the alternative, proposals to liquidate ("**Proposal(s)**") these same assets, or any other combination thereof.

A list of the CNC Group's remaining camp assets located at HML is attached hereto as **Schedule "A"**.

If any Offer(s) or Proposal(s) is/are accepted by the Monitor, the Monitor's acceptance may be subject to and conditional on the Court of Queen's Bench of Alberta approving the Monitor's acceptance of the Offer(s) or Proposal(s) and this process ("**Court Approval**"), and, in the sole discretion of the Monitor, conditional upon entering into an Asset Purchase Agreement consistent with the below terms and conditions that is satisfactory to the Monitor.

This package has been prepared solely for the information of parties expressing an interest; or, who may have an interest, in the assets and property noted herein. The information herein is subject to change, and the Monitor expressly disclaims liability for any loss, expenses, costs or damage that may arise from use of this information.

Prospective purchasers / proponents are invited to contact EY to make arrangements to inspect the assets.

II. Terms and Conditions

1. EY is inviting Offers / Proposals for the CNC Group's remaining HML camp assets (hereinafter simply referred to as "**Property**") solely in its capacity as Monitor and shall have no liability in respect of this process or in respect of the sale of any of the Property noted herein.

2. EY is inviting Offers / Proposals for the Property, and is not restricting such offers to be made on an individual or en-bloc basis. For clarity, EY will consider any Offer/Proposal submitted regardless of the value and quantity of assets involved, on any reasonable basis/terms.

3. If any Offer / Proposal is accepted by the Monitor, the Monitor's acceptance may be subject to and conditional upon the Monitor obtaining Court Approval depending on the value of the Offer / Proposal, and/or may in the sole discretion of the Monitor be subject to the parties entering into an Asset Purchase Agreement consistent with these terms and conditions that is satisfactory to the Monitor. If Court Approval is necessary, the Monitor's obligations are limited to putting the applicable Offer before the Court for its consideration, until Court Approval is obtained. Thereafter, the Monitor is subject to the jurisdiction and discretion of the Court respecting any Order or Orders the Court may make regarding the Offer. The party putting forward the Offer / Proposal must make its own arrangements to support its Offer / Proposal in Court. If the Court does not approve the applicable Offer / Proposal, or vacates, stays, sets aside or varies any Order approving the applicable Offer / Proposal for any reason whatsoever, then the Monitor will not be liable to the party putting forward the Offer / Proposal, or any other person in any way whatsoever, in connection therewith

4. Any documentation or other material provided to any party relating to the Property, which is the subject matter of this Invitation, including without limitation all related Schedules and the Invitation, has been prepared solely for the convenience of interested parties and is not represented or warranted to be complete or accurate.

5. Except as expressly provided herein, the Property is being sold on an "**as is, where is**" basis and without any representation or warranty of any kind. Any party making an Offer / Proposal shall be deemed to have inspected the Property and to have relied entirely upon their own inspection and due diligence, including with respect to the Schedules hereof. For greater certainty, any party making an Offer / Proposal acknowledges that, except as expressly provided herein, the Monitor makes no representation, warranty or condition, whether statutory, including under the Sale of Goods Act (Alberta) or not, whether express or implied, oral or written, legal, equitable, conventional, collateral or otherwise herein, or in any instrument furnished in connection with this Invitation as to title, outstanding liens, description, fitness for purpose, merchantability, acreage or workable acreage, condition, quality, value, suitability, durability, compliance or non compliance with environmental rules, regulations or legislative provisions, zoning, or site plan requirements or marketability thereof or in respect of any other matter or thing whatsoever

including, without limitation, the right, title and interest of the Monitor, if any, therein and wherever all or part of the Property are situate.

6. Without limiting the generality of term 5, any party making an Offer / Proposal:

    a. acknowledges that the Monitor makes no representations or warranties, whatsoever, as to the existence or non-existence of urea formaldehyde insulation, asbestos, PCB's, radium, radon or radon progeny, or any other substances, liquids or materials, whether hazardous or toxic or not, which are or which may constitute on their own or together in combination with any other substance, contaminants or pollutants of any environment, including the natural environment. The Monitor specifically makes no representation regarding the compliance of the Property with any environmental legislation, whether federal, provincial or municipal or with respect to any rule, regulation, covenant or agreement whether statutory or non-statutory;

    b. agrees, if its Offer / Proposal is accepted by the Monitor, to indemnify the Monitor and hold the Monitor harmless from and against all losses, costs, damages, expenses and costs (including legal fees calculated as between a solicitor and own client with a right to full indemnity) which the Monitor may sustain, incur be or become liable for by reason of or arising from anything done by it in relation to the Property in contravention of environmental legislation or other law including, without limitation, any clean-up, de-commissioning, restoration or remediation of the Property;

    c. if its Offer / Proposal is accepted by the Monitor, hereby remises, releases and forever discharges the Monitor and each of its respective affiliates, directors, officers, agents, employees and shareholders (in this Section collectively called the "Releasee") of and from any and all liability, claim, demand, obligation, cause of action, remediation, cost recovery action, investigation, proceeding, order, violation, damage, loss, cost, expense, judgment, penalty, or fine asserted by any party (including, without limitation, any private party or governmental authority) arising out of or relating to environmental laws or environmental liabilities, including without limitation, any cost of managing, removing, remediating or disposing of any contaminants, as well as any liability, cost or expense whatsoever relating to any enforcement actions, orders, cost recovery actions or remedial actions related to any environmental liabilities or contaminants, except to the extent arising out of intentional misconduct of any of the Releasees and in such case only with respect to the Releasee in question, and hereby waives any and all such rights that it now has or will have as against the Releasees or any of them, except to the extent arising out of intentional misconduct of any of the Releasees and in such case only with respect to the Releasee in question;

    d. if its Offer / Proposal is accepted by the Monitor, agrees with the Monitor that it accepts responsibility respecting liability for any contamination and required remediation of any of the Property arising following Closing.

7. Term 6 shall not merge on, but shall survive, the Closing.

8. All Offers made should be in the form attached hereto as **Schedule B.** EY reserves the right to reject any Offer not made in accordance with the attached form.

9. Proposals made to liquidate the Property must be in a form that sets out the following at a minimum (as applicable per the individual proposal):

   a.) the estimated gross sale proceeds;
   b.) the commission structure;
   c.) details and estimates of costs associated with the liquidation to be paid from the sale proceeds (or otherwise);
   d.) all applicable timing details; and,
   e.) the net estimated recovery for the Estate, including any net minimum guarantee.

10. Offers / Proposals must be delivered to EY no later than 4:00 PM (Mountain Time) on Thursday, July 4, 2019 ("**Invitation Deadline**"), to their Edmonton office: Ernst & Young Inc., EPCOR Tower, 10423 – 101 Street, Suite 1400, P.O. Box 44, Edmonton, Alberta T5H 0E7, Attention: Matt McCulloch/Mark Shtay.

11. All Offers / Proposals are irrevocable and cannot be withdrawn or amended prior to the earlier of:
    a.) the Monitor notifying the party making the Offer/Proposal that the Offer / Proposal has been accepted or rejected; or,
    b.) 5:00PM (Mountain Time) on July 12, 2019.

12. Offers shall be accompanied by a non-refundable deposit equal to at least 15% of the Offer price (the "**Deposit**"). The Deposit shall be paid by certified cheque or bank draft payable to "Ernst & Young Inc. – in Trust", in its capacity as Monitor of the CNC Group.

13. If an Offer is accepted by the Monitor and Court Approval is granted, the Deposit will be applied to the purchase price of the purchased Property on closing.

14. The Monitor will return any Deposit, within ten (10) business days of the related Offer being rejected by the Monitor or by the Court of Queen's Bench of Alberta. Deposit refunds will be sent by registered mail or courier.

15. Parties who have made Offers ("**Offeror(s)**") shall not be entitled to interest on refunded Deposits.

16. If an Offer is withdrawn prior to the Monitor notifying the Offeror that the Offer has been rejected or accepted or if the Offeror fails to close the purchase on the terms and conditions set out herein after the Monitor accepts the Offer and Court Approval is obtained, the Deposit shall be immediately and irrevocably forfeited to the Monitor.

17. The Monitor may, in its sole discretion:

a. negotiate the terms of any Offer / Proposal;
b. waive or vary any of these Terms and Conditions;
c. accept an Offer / Proposal prior to the Invitation Deadline; and
d. withdraw this Invitation.

18. The highest or any Offer / Proposal may not necessarily be accepted.

19. All conditions in the *Sale of Goods Act* (Alberta), R.S.A. 2000, c. S-2, are expressly waived with respect to the Property by any party making an Offer.

20. The Monitor will notify any successful party making an Offer / Proposal, in writing, by July 12, 2019. The notice may be sent by registered mail, courier, fax or e-mail to the party making an Offer / Proposal using the contact information provided by the party with their Offer / Proposal.

21. Unless any Offer / Proposal requires Court Approval and/or the Monitor, in its sole discretion, requires the parties to enter into an Asset Purchase Agreement consistent with these terms and conditions that is satisfactory to the Monitor, then upon acceptance of an Offer by the Monitor, there shall be a binding agreement for purchase and sale, which shall incorporate these Terms and Conditions as governing the agreement for purchase and sale.

22. Closing ("**Closing**") of any accepted Offer / Proposal shall be ten (10) days after Court Approval is granted in respect of the Offer / Proposal (the "**Closing Date**") or as otherwise mutually agreed to between the Monitor and the Offeror or the parties making the successful Proposal(s).

23. Should the Monitor be unable to complete a sale or liquidation proposal of any of the assets comprising the Property due to a defect in title, the Monitor and the Offeror/affected party may negotiate an adjustment to the purchase price, failing which the Monitor may terminate any agreement for purchase and sale or proposal agreement and return the applicable Deposit. The affected party shall be entitled to no remedy whatsoever against the Monitor in such an instance other than return of its Deposit, if applicable.

24. On Closing of any agreement for purchase and sale resulting from an Offer:

   a. the successful Offeror shall:

      (i) pay the balance of the purchase price, plus any applicable taxes, subject to any adjustments as agreed to by the Monitor in its sole discretion, to the Monitor or its legal counsel, by certified cheque or bank draft;

      (ii) provide proof of insurance in respect of the purchased Property;

      (iii) proof of WCB coverage; and

(iv) such other documents as may be requested by the Monitor or its legal counsel, acting reasonably;

b. on payment of the balance of the purchase price plus any applicable taxes, and the delivery of any other document required by the Court pursuant to any Court Approval, the Monitor's interest in the purchased Property shall transfer to the Offeror (hereinafter referred to as "**Purchaser**" in relation to post-closing terms and conditions on any accepted Offer); and

c. the Purchaser shall assume, and will pay, satisfy, discharge, perform and fulfil all liabilities and obligations arising and becoming due in respect of the Property from and after the Closing.

25. Within five days of the Closing in respect of any accepted Offer, the Purchaser shall either:

a. take physical possession of all purchased Property and remove such Property from the premises (the "**Premises**") on which the Property is located; or

b. make suitable arrangements with the Monitor for the Property to remain at the Premises, at the Purchaser's sole cost, risk and expense with an express acknowledgement that the Monitor is released from all liability and other costs related to the Property and the Premises from and after five days after the Closing Date.

26. The Purchaser shall be responsible for, and indemnify the Monitor for, all costs to disassemble, remove and/or transport the purchased Property from the Premises, including without limitation any and all costs required to repair, rectify or correct any damage caused to the Premises as a result of disassembly, removal or transportation of the purchased Property.

27. In the case of a liquidation Proposal in relation to the remaining camp assets only, the Offeror shall be responsible to ensure that all Property is removed from the Premises within five days following the conclusion of the liquidation (or as otherwise agreed to in writing between the party making the Proposal and the Monitor) and in addition, the party making the Proposal shall be liable for all costs, damages to the Premises or costs arising due to any delay in removal of the Property.

28. Any obligation of the Monitor to sell the Property shall be terminated in the event that, prior to the Closing, the Assets are substantially damaged or destroyed. From and after the Closing Date, all risk of loss and damage to the purchased Property shall be borne by the Purchaser.

29. In the event that the Offeror / Purchaser fails to comply with the terms and conditions of Closing and complete the purchase and sale of the Property, the Offeror / Purchaser shall irrevocably forfeit the Deposit to the Monitor and the Monitor may resell the Property at is sole discretion. The Purchaser shall be liable for, and not be released from, any deficiency resulting from such a resale, and will also be responsible and liable for all costs and expenses in connection with the resale, including the ongoing costs of occupancy of the Premises and solicitor-client costs on a full indemnity basis.

30. The Monitor shall have no obligation to complete the sale or liquidation Proposal of the Property if it is enjoined or stayed from doing so by an Order of a Court of competent jurisdiction or if the CCAA proceedings are terminated and/or the Monitor is discharged prior to Closing.

31. Any liability of the Monitor to any party who submits an Offer or Proposal shall be absolutely limited to the return of the affected party's Deposit, without interest and without costs.

32. The Monitor represents and warrants to the Purchaser / Offeror that it is now and will be, at the Closing date, a resident of Canada within the meaning of the Income Tax Act (Canada) and that this representation shall survive the Closing of any sale or transaction.

33. Every Offeror and/or Purchaser represents and warrants to the Monitor as follows:

    a. it is duly incorporated, validly existing and in good standing under the Laws of the Province of Alberta;

    b. it has the corporate power and authority to execute and deliver its Offer and potential resulting agreement, and the other documents and instruments contemplated herein or therein to which it is or will be a party and to perform its obligations hereunder and thereunder. The execution, delivery and performance of its Offer and potential resulting agreement, and the documents contemplated hereby, and the consummation of the transaction contemplated hereby and thereby have been duly authorized and approved by it;

    c. its Offer and potential resulting agreement, and each of the other agreements, documents and instruments to be executed and delivered by it on or before the Closing, have been or will be duly executed and delivered by, and constitute the valid and binding obligations of it;

    d. Neither the execution and delivery of its Offer and potential resulting agreement, the other documents and instruments contemplated hereby, the consummation of the transaction contemplated hereby or thereby, nor the performance of thereof will (i) conflict with or result in any breach of its articles or by laws or shareholders agreement or resolution of shareholders or directors or any applicable law, (ii) require any consent, approval, authorization or permit of, or filing with or notification to, any governmental authority, (iii) result in a breach of or default (or give rise to any right of termination, cancellation or acceleration) under any law, governmental permit, license or order or any of the terms, conditions or provisions of any mortgage, indenture, note, license, agreement or other instrument, or (iv) violate any order, writ, injunction, decree, statute, rule or regulation applicable to it; and

    e. As at the Closing Date, it is not a non-resident of Canada for purposes of the Income Tax Act (Canada).

34. All representations and warranties herein, or in any instrument or document furnished in connection with this Invitation or the transaction contemplated hereby, shall survive the closing of the transaction contemplated herein and, notwithstanding any investigation at any time made by or on behalf of any party, continue in full force and effect for a period of 6 months from the Closing, provided that a claim for any breach of the representations and warranties contained herein, or in any instrument or document furnished in connection with this Invitation or the transaction contemplated hereby, that involves fraud or fraudulent misrepresentation may be made at any time following the Closing, subject only to applicable limitation periods imposed by law and in respect of any claims against the Monitor, subject to leave of the Court. All covenants and agreements contained herein shall survive until fully performed in accordance with their terms.

35. In addition to any other indemnities contained herein, every Offeror / Purchaser shall indemnify, defend and hold harmless the Monitor and its officers, directors, employees, agents and shareholders, and their respective successors and assigns from and against all taxes payable in connection with the purchase and sale of the Property.

36. The agreement of purchase and sale or proposal agreement, if entered into, shall enure to the benefit of, and be binding upon, the parties thereto and their respective successors, heirs and assigns.

37. Time is and shall be of the essence.

38. At any time, each of the parties to any agreement, at the reasonable request and expense of the other party, will execute and deliver such other instruments of sale, transfer, conveyance, assignment, confirmation and other instruments as may be reasonably requested in order to more effectively transfer, convey and assign to the Offer or Purchaser the Property and to effectuate the transaction contemplated herein.

39. Unless any Offer / Proposal require Court Approval and/or the Monitor, in its sole discretion, requires the parties to enter into an Asset Purchase Agreement consistent with these terms and conditions that is satisfactory to the Monitor, this document, and any Offer received and acceptance of any Offer, shall constitute the entire agreement between the parties and may only be amended in writing. The terms and provisions of this document, and any Offer received, and acceptance of any Offer, may be modified or amended only by written agreement executed by all applicable parties hereto and, where same may be required, by order of the Court.

40. This sales process, the Offer / Proposal and any purchase and sale of the Property shall be irrevocably governed by the laws of the Province of the Alberta and the laws of Canada applicable therein; and the Monitor, and any Offeror, Purchaser or other party to this agreement irrevocably and exclusively attorns to the exclusive jurisdiction of the Courts of Alberta.

41. Offerors / Purchasers shall not, at any time, issue any press release or otherwise make any public statement with respect to the execution of, or the transaction contemplated by, any agreement

for purchase and sale without the prior written consent of the Monitor, such consent not to be unreasonably withheld.

Dated at the City of Edmonton in the Province of Alberta, this 5th day of June, 2019

ERNST & YOUNG INC., in its capacity as Monitor of
667402 Alberta Ltd., 18512398 Alberta Ltd.,
816956 Alberta Ltd., 1371047 Alberta Ltd.,
1919209 Alberta Ltd. and Canada North Group LP Holdings Ltd.,
and not in its personal capacity

Per: ______________________

Schedule "A"

Remaining HML Camp Assets

LOT #	DESPCRIPTION	VIN	YEAR	NAME	OFFER AMOUNT
1	6 Unit Skidded Dorm "B" - Jack & Jill	N/A	2015	Champion	Total For Lot 1 ______
2	6 Unit Skidded Dorm "C" - Jack & Jill	N/A	2015	Champion	Total for Lot 2 ______
3	Double Ended Wellsite	PF011460S3939BC	2001	Alta-Fab	Total for Lot 3 ______
4	C-Can (Electrical Supply)	SHCU 220 3732 25G1			Total for Lot 4 ______
5	C-Can- Water Storage - with tanks	CWWU 4180523 45G1			Total for Lot 5 ______
6	200 BBL Tank	B-99-033-S6			Total for Lot 6 ______
7	200 BBL Tank	B-99-033-S5			Total for Lot 7 ______
8	200 BBL Tank	COR-1917			Total for Lot 8 ______
9	600 BBL Water Tank (Fire Suppression System)	No Serial Number			Total for Lot 9 ______
10	3HP Water Pump House (Fire Suppression System)	ACSU010018015G1			Total for Lot 10 ______
11	Large Quonset Grey (No Roof)				Total for Lot 11 ______
12	Small White Quonset				Total for Lot 12 ______
13	Quonset Grey (Near Wellsite)				Total for Lot 13 ______
14	Gazebo				Total for Lot 14 ______
15	Plastic Shed				Total for Lot 15 ______
16	Frost Fighter Heater				Total for Lot 16 ______
17	Miscellaneous Tidy Tanks Red (Approx. 2)				Total for Lot 17 ______
18	Miscellaneous Outdoor Cigarette Ashtrays (Approx. 11)				Total for Lot 18 ______
19	Miscellaneous Sidewalks / Steps / Hand Rails / Parking Rails				Total for Lot 19 ______
20	Miscellaneous Swamp Mats				Total for Lot 20 ______
21	Miscellaneous Transformers				Total for Lot 21 ______
22	Miscellaneous Distribution Panels				Total for Lot 22 ______
23	Miscellaneous Picnic Tables (Approx. 5)				Total for Lot 23 ______
24	Miscellaneous Lift Stations				Total for Lot 24 ______
25	Miscellaneous Wood Blocking				Total for Lot 25 ______
26	Miscellaneous Steel Culverts				Total for Lot 26 ______
27	Miscellaneous Electrical Cables				Total for Lot 27 ______
28	Miscellaneous Hoses				Total for Lot 28 ______
29	Miscellaneous Propane Pig Tanks (Approx. 2)				Total for Lot 29 ______
30	En Bloc - All Lots Noted Above				Total For Lot 30 ______

Ernst & Young Inc. has prepared this Schedule from information obtained from the records of the company and information provided by former staff of the company, and consequently, Ernst & Young Inc. does not certify the accuracy or completeness of the information included on this Schedule. All interested parties and bidders are responsible for their own due diligence.

Schedule "B"

Offer to Purchase HML Property of the CNC Group

Submit Offers to:	**Ernst & Young Inc., Monitor of the CNC Group** **Attn: Mark Shtay / Matt McCulloch** **EPCOR Tower, 10423 – 101 Street, Suite 1400, PO Box 44** **Edmonton, Alberta T5H 0E7**

Offers must be submitted no later than 4:00 PM (Mountain Time) Thursday, July 4, 2019

Offers must be accompanied by a deposit in certified funds equal to at least 15% of the purchase price

Name of Offeror: ____

Address of Offeror:

____

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____

Fax: ______________________________

Email: ______________________________

Contact: ______________________________

Telephone: ______________________________

The undersigned hereby offers to purchase the HML Property of the CNC Group (as defined in the Invitation) as listed on the attached Schedule A in the total amount of $______________________ (plus GST).

A deposit by way of certified cheque or bank draft in the amount of $__________________ is attached hereto.

The undersigned acknowledges that this Offer is subject to the terms and conditions as set out in the Invitation, which are hereby incorporated into this Offer.

Dated: ________________________

____

[Name of Offeror]

Per:

____

(Signature of authorized person)