

RE: **Proceedings under the *Companies' Creditors Arrangement Act* – Frequently Asked Questions**

On February 5, 2019 (the “**Filing Date**”), the Supreme Court of Nova Scotia (the “**Court**”) granted an Initial Order (the “**Initial Order**”) pursuant to the *Companies' Creditors Arrangement Act* (the “**CCAA**”) in respect of Quadriga Fintech Solutions Corp., Whiteside Capital Corporation, and 0984750 B.C. Ltd. (d/b/a Quadriga CX and Quadriga Coin Exchange) (collectively, “**Quadriga**” or the “**Companies**”). Pursuant to the Initial Order, Ernst & Young Inc. was appointed Monitor (the “**Monitor**”) of the Companies by the Court. A copy of the Initial Order, along with other documents pertaining to the CCAA proceedings, are available on the Monitor's Website (the “**Monitor's Website**”) located at: www.ey.com/ca/quadriga.

Please find below the Monitor's responses to frequently asked questions related to the CCAA proceedings.

FREQUENTLY ASKED QUESTIONS:

Question: I held fiat currency (Canadian dollars or US dollars) in my account. Am I able to withdraw my fiat currency?

Response: Pursuant to paragraph 9(a) of the Initial Order, the Companies are prohibited from making any payment in respect of claims existing as of the Filing Date. Accordingly, the Companies cannot distribute any funds to you at this time, irrespective of whether these funds were held by the Companies in fiat currency or cryptocurrency. The Monitor expects that there will be a claims process in the CCAA proceedings where you will be able to prove any claim you may have against the Companies. Information about the claims process, if any, will be communicated to you in due course.

Question: I made a request to withdraw funds prior to the Filing Date. The status of my withdrawal was showing as either pending or completed and I have not received my requested funds. Can I expect to receive my requested funds?

Response: As noted above, pursuant to paragraph 9(a) of the Initial Order, the Companies are prohibited from making any payment in respect of claims existing as of the Filing Date. Accordingly, the Companies cannot distribute any funds to you at this time, irrespective of the status of the withdraw request as marked on the dashboard display on the Quadriga cryptocurrency exchange platform (the “**QCX Platform**”).

Question: Can I access my account and trading history?

Response: Customer account and trading history information are not accessible at this time. The Companies have advised the Monitor that the QCX Platform database containing customer account information and trading history is secure and will be preserved. The Monitor is also taking steps to secure a backup of the QCX Platform database to ensure user data is secure. The Monitor will report on these efforts in future reports to the Court, copies of which will be made available on the Monitor's Website.

The Monitor will also consider making user data accessible at the appropriate time in order to ensure affected users (the “**Affected Users**”) are able to prove their claim in any claims process ordered by the Court in the CCAA proceedings.

Question: What is the CCAA?

Response: The CCAA is legislation enacted by the Federal Government of Canada that provides financially troubled corporations with a stay of proceedings. The stay of proceedings prevents creditors from taking action against the corporation providing the corporation with stability and the opportunity to restructure their affairs or pursue other alternatives to maximize value for stakeholders through a court-supervised process. The stay of proceedings ensures that all claims and issues may be addressed through a collective process with consideration of all stakeholders' interests.

Question: What is the role of the Monitor?

Response: Ernst & Young Inc. was appointed as Monitor of Quadriga by Justice Wood of the Supreme Court of Nova Scotia pursuant to the Initial Order. The Monitor is an independent officer of the Court and reports directly to the Court throughout the CCAA proceedings. The Monitor's role is prescribed by the CCAA and court orders issued by the Court in the CCAA proceedings. Generally, the Monitor's role is to monitor the operations of the Companies to ensure they are operating in compliance with the Initial Order and any further court orders, liaising with stakeholders of the Companies and reporting to the Court from time to time on the progress of the CCAA proceedings.

In this case, pursuant to the Initial Order, among other things, the Monitor was authorized and directed to maintain a trust account for the purpose of assisting with the post filing cash management services of the Companies. Furthermore, the Monitor was authorized and directed to maintain a cryptocurrency wallet for purposes of maintaining any cryptocurrency of the Companies as of the Filing Date or discovered thereafter.

Question: How can I file a claim against the Companies?

Response: No claims process has been established at this stage in the CCAA proceedings. The Monitor expects that there will be a claims process in the CCAA proceedings where you will be able to prove any claim you may have against the Companies. If established, information about the claims process will be communicated to you in due course and posted on the Monitor's Website.

Question: I am a creditor of Quadriga. Will my personal information (name, addresses, phone numbers, emails, etc.) be kept confidential?

Response: The Companies have advised that the QCX Platform database containing customer account information and trading history is secure and will be preserved. This information will not be shared publicly unless ordered by the Court.

Question: How long will the CCAA process take?

Response: Pursuant to the Initial Order, the Court granted a stay of proceedings in respect of the Companies for an initial 30 days. On 5 March 2019, the Court ordered that the stay of proceedings be extended for an additional 45 days. Quadriga may seek additional extensions of the stay of proceedings from the Court and the stay of proceedings may be extended for any period that the Court deems appropriate. There is no standard timeframe for the completion of proceedings under the CCAA.

What is Representative Counsel?

Response: On 28 February 2019, the Court appointed Miller Thompson LLP and Cox & Palmer as representative counsel (collectively, "**Representative Counsel**") to represent the interests of Affected

users of the Quadriga platform. Representative Counsel has an obligation to represent all Affected Users that have outstanding obligations against the Companies, whether those obligations exist in the form of fiat currency or cryptocurrency. The order appointing representative counsel (the “**Representative Counsel Order**”) can be found on the Monitor’s Website. Representative Counsel may be contacted at: quadrigaCX@millerthomson.com.

What is the “Official Committee of Affected Users”?

Response: The Official Committee of Affected Users (the “**Committee**”) is a committee established by the Representative Counsel Order. The Committee is obligated to: (a) act as the representative of all Affected Users in the CCAA proceedings, (b) act in the overall best interests of the Affected Users, and (c) advise and where appropriate instruct Representative Counsel. Individuals holding claims against the Companies are entitled to apply to serve on the Committee by notifying Representative Counsel at CommitteeApplications@millerthomson.com by no later than 8 March 2019.

Do I have to be represented by Representative Counsel and the Committee?

Response: No. If you do not wish to be represented by Representative Counsel and the Committee, you must provide a completed Opt-Out Notice (a copy of which can be obtained from the Monitor’s Website) to the Monitor and Representative Counsel before 29 April 2019. Should you Opt-out, you will only be able to participate in the CCAA proceedings as an independent party.

Will I still be able to receive the money / cryptocurrency owed to me if I don’t sit on the Committee?

Response: You are not required to sit on the Committee to participate in any claims process established by the Court. As noted above, however, no claims process has yet been established. Information relating to a future claims process will be posted on the Monitor’s Website once available.

I require my transaction history for the purpose of filing my taxes. How do I obtain this information?

Response: The Monitor is actively investigating how to obtain Affected User’s transaction history and will provide an update once available. However, as noted above, customer account and trading history information are not accessible at this time.

Question: What are the next steps in the CCAA proceedings?

Response: The Court has scheduled a comeback motion where Quadriga will seek to extend the stay of proceedings granted in the Initial Order and any interested party may seek to amend or vary the terms of the Initial Order. The comeback motion is scheduled to be heard by the Court on April 18, 2019 at 9:30 a.m. AST.

The Monitor will report on other steps taken in the CCAA proceedings in its future reports to the Court, copies of which will be made available on the Monitor’s Website.

Question: How can I best remain current on developments in the CCAA proceedings?

Response: Information pertaining to the CCAA proceedings is available on the Monitor’s Website at www.ey.com/ca/quadriga and additional information will be posted on the Monitor’s Website as it

becomes available. We recommend you periodically review the Monitor's Website for updates on the status of the CCAA proceedings. If you are unable to access the Monitor's Website or have further inquiries, you may contact the Monitor at:

Ernst & Young Inc.

acting in its capacity as Court-appointed Monitor of
Quadrige Fintech Solutions Corp., Whiteside Capital Corporation and 0984750 B.C. Ltd.
RBC Waterside Centre
1871 Hollis Street Suite 500
Halifax, Nova Scotia B3J 0C3

Tel: 855-870-2285

Fax: 902-420-0503

Email: quadrige.monitor@ca.ey.com

Yours very truly,

Ernst & Young Inc.

acting solely in its capacity as Court-appointed Monitor of
Quadrige Fintech Solutions Corp., Whiteside Capital Corporation and 0984750 B.C. Ltd.
and not in its personal capacity.