April 9, 2021

To: The Affected Creditors of EncoreFX Inc. ("**EncoreFX**" or the "**Company**")

INFORMATION LETTER REGARDING A PLAN OF COMPROMISE AND ARRANGEMENT (the "PLAN") UNDER *THE COMPANIES' CREDITORS ARRANGEMENT ACT ("*CCAA*")*

IN RESPECT OF

ENCOREFX INC.

On March 30, 2020 (the "**Bankruptcy Date**"), EncoreFX filed an assignment into bankruptcy (the "**BIA Proceedings**"). Ernst & Young Inc. ("**EYI**") consented to act as the licensed insolvency trustee (the "**Trustee**") in the estate of EncoreFX (the "**Estate**").

On March 30, 2021, the Trustee sought and obtained an Order of the Supreme Court of British Columbia (the "**Court**") which converted the BIA Proceedings to CCAA Proceedings and appointed EYI as "**Monitor**" to administer the CCAA Proceedings. On April 8, 2021, the Monitor sought and obtained Orders of the Court authorizing and directing, among other things, the Monitor to:

- administer a "**Claims Process**" to determine the claims of creditors ("**Claims**"):
- call, hold and conduct "**Creditor's Meeting**" to consider and vote on the Plan.

This letter has been prepared by the Monitor in respect of the distribution of the Plan and the solicitation of proxies for use at the Creditor's Meeting to consider the Plan.

A fulsome description of the Company, the timeline of events resulting in these proceedings and background regarding the Plan is provided in a Report of the Proposed Monitor (the "**Monitor's Report**") that is available together with copies all materials and documents, including the Court Orders referenced in this letter on the Monitor's website at www.ey.com/ca/EncoreFX.

All capitalized terms used herein and not otherwise defined have the meaning ascribed to them in the Plan.

Introduction

Various Claims including a Secured Claim and a number of Property Claims have been asserted against EncoreFX which are potentially subject to extensive and uncertain litigation in the Bankruptcy Proceedings. A description of these Claims is provided in the Monitor's Report.

The Plan seeks to avoid depletion of the Estate's assets resulting from extensive and uncertain litigation and to achieve a balance of the equities of the stakeholders of EncoreFX. The Plan aims to achieve this by providing a global resolution of the Affected Claims as against the Estate of EncoreFX by way of the distribution of all funds and other assets recovered by the Trustee, and that may be recovered by the Monitor.

The terms of the Plan contemplate that the Affected Creditors of EncoreFX will receive a partial payment of their Proven Claims in full satisfaction of their Proven Claims.

The Plan shall have three (3) classes ("**Classes**" or "**Affected Creditor Classes**") of creditors (collectively, the "**Affected Creditors**") and the initial distribution (the "**Initial Distribution**") shall be as follows:

Class	Initial Proposed Settlement
General Unsecured Creditors	• Each General Unsecured Creditor with a Proven Claim, the amount of which is equal to or less than $5,000, shall receive a cash distribution in an amount equal to 100% of their Proven Claim. • Each General Unsecured Creditor with a Proven Claim, the amount of which is greater than $5,000 but below $31,250, shall receive a cash distribution of: i) an amount equal to $5,000 if it has filed a Convenience Creditor Form with the Monitor before the Claims Bar Date; or ii) a Percentage Distribution in an amount equal to 16% of their Proven Claim. In the event that a General Unsecured Creditor with a Proven Claim greater than $5,000 but less than $31,250 fails to file a Convenience Creditor Form with the Monitor on or before the Election Deadline, the General Unsecured Creditor shall be deemed to have elected to receive a Percentage Distribution. • Each General Unsecured Creditor with a Proven Claim, the amount of which is greater than $31,250, shall receive a cash distribution in an amount equal to 16% of their Proven Claim. • The Class of General Unsecured Creditors includes Affected Creditors with Claims regarding Margin Deposits.
Property Claimants[1]	• Each Property Claimant with an accepted Property Claim, shall receive a cash distribution in an amount equal to 66.67% of their respective Property Claim.
Secured Creditor	• $12,000,000.
(1) "**Property Claimants**" are comprised of Affected Creditors with **outstanding** Property Claims that were properly filed in the BIA and are currently under appeal by the Claimant. A list of the Property Claims is posted to the Website. **The Plan does not allow for new Property Claims to be filed and does not include Affected Creditors with Claims regarding Margin Deposits as Property Claimants.**	

Upon payment of the Initial Distributions, the remaining funds shall be distributed by the Monitor as follows:

- first, to the Secured Creditor in an amount of $4,944,475; and
- second, proportionately to the Secured Creditor and the Property Claimants.

At the Creditor's Meeting, the Affected Creditors will vote on whether to approve the Plan.

Filing of Claims

The amount and classification your Claim (as reflected in the books and records of EncoreFX) is set out in a Claim Amount Notice enclosed with this mailing.

If you agree with the amount and classification of your Claim in the Claim Amount Notice then you are not required to complete a Proof of Claim. Your Claim will be deemed to have been accepted for all purposes at the amount and categorization set out in the Claim Amount Notice.

If you dispute either the amount or classification of your Claim, you must deliver a Proof of Claim to the Monitor by no later than 4:00PM (Pacific Daylight Time) on May 5, 2021 (the "**Claims Bar Date**").

Creditor's Meeting

The Creditor's Meeting will be held at **3:00 p.m. Pacific Daylight Time ("PDT") on May 11, 2021** via teleconference (MS Teams) and in accordance with the Electronic Meeting Protocol, which is appended to the Creditor's Meeting Order as Appendix "C".

Parties intending to attend the Creditor's Meeting in person are required to notify the Monitor by email prior to 8:30 am PDT on May 11, 2021.

Affected Creditors with a Proven Voting Claim shall be entitled to attend and vote at the Creditor's Meeting in person or by proxy.

Creditor Voting

To vote by proxy an Affected Creditor must submit the Proxy and Voting Letter to the Chair on or before 9:00 am PDT on May 11, 2021 or must deposit the Proxy with the Chair before the beginning of the Creditor's Meeting.

Each Affected Creditor with one or more Proven Claims shall be entitled to one (1) vote in the appropriate creditor class and the weight attributed to such vote (for the purposes of determining the Required Majorities) shall be equal to the aggregate Canadian dollar value of such Affected Creditor's Proven Claim.

In order to participate in any voting associated with the Plan, any party having a Claim must have filed a Proof of Claim with the Trustee or Monitor in accordance with the Claims Process Order made April 8, 2021.

Approval by an Affected Creditor Class

EYI will seek approval of this Plan by the affirmative vote of the Required Majority of the Affected Creditors with Proven Claims.

Required Majority means the affirmative vote of:

- a majority of Affected Creditors having Proven Claims and voting on the Resolution (in person or by proxy) at the Creditor's Meeting, and representing; and
- not less than 66⅔% in value of the Proven Claims voting on the Resolution (in person or by proxy) at the Creditor's Meeting;

Monitor's Recommendation

For reasons described in the Monitor's Report, the Monitor is of the view that the Plan amongst other things:

- was carefully considered and approved by the Inspectors who were elected to represent creditor interests in the BIA Proceedings;
- provides General Unsecured Creditors with at least a 16% recovery which is a superior recovery than they would otherwise receive should the litigation of outstanding matters continue; and
- allows for a distribution in the very near future that would otherwise not be feasible given the outstanding litigation between the Trustee on behalf of the Estate and various Claims that have been asserted against the Estate and are currently under dispute.

The alternative to the Plan is the continuation of the liquidation proceedings of the Company and litigation of the Claims asserted against the which could result in unlimited range of possible recoveries to General Unsecured Creditors, none of which are likely to result in a superior recovery than the proposal put forward under the Plan.

A more fulsome analysis and basis for its recommendations are set out in the Monitor's Report.

If you have any questions regarding this letter or any of the documents contained in this mailing, please contact Mr. Jason Eckford by telephone at 604 648 3671 or by email at Jason.Eckford@parthenon.ey.com.

Ernst & Young Inc.
In its capacity as Monitor of EncoreFX Inc.
and not in its personal or corporate capacity

Per:

Mike Bell, CPA, CA, CIRP, LIT
Senior Vice President

Peter Venetsanos, CPA, CA, CIRP, LIT
Vice President