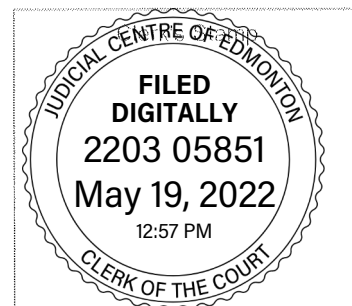


COURT FILE NO. 2203 05851

COURT Court of Queen's Bench of Alberta

JUDICIAL CENTRE Edmonton



PLAINTIFF BANK OF MONTREAL

DEFENDANTS TERRA NOVA VENTURES LTD., TERRA NOVA MECHANICAL LTD.,
JOHN MUNRO and RACHAEL MUNRO

DOCUMENT **AFFIDAVIT**

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT

Darren R. Bieganeck, QC
Barrister & Solicitor
Phone: 780.441.4386
Fax: 780.428.9683
Email: dbieganeck@dcllp.com
File # 204- -211836

DUNCAN CRAIG LLP
LAWYERS MEDIATORS
2800 Scotia Place
10060 Jasper Avenue
Edmonton, Alberta Canada T5J 3V9

AFFIDAVIT OF JOHN MUNRO

Sworn on May 13, 2022

I, JOHN MUNRO, of Strathcona County, in the Province of Alberta, Businessman, SWEAR AND SAY THAT:


1. I am a director of Terra Nova Ventures Ltd. ("Ventures") and Terra Nova Mechanical Ltd. ("Mechanical") (collectively "Terra Nova"), and a named Defendant in these proceedings and as such the matters herein deposed to are based on my personal knowledge except where stated to be based on information and belief, and where so stated I do verily believe the same to be true.
2. I attach and mark collectively as **Exhibit "A"** to this my Affidavit copies of Term Sheets received from Current Financial and Stride Capital.
3. I am awaiting a further commitment from Travellers Capital. That is expected today.
4. In each case, the funding proposals are in aid of the proposed type of transaction set forth in paragraph 13 of my Affidavit sworn May 13, 2022.

5. I make this Affidavit in opposition to the application of the Bank of Montreal to appoint a Receiver.

SWORN BEFORE ME at Edmonton, Alberta,)
this 19th day of May, 2022.)

(Commissioner for Oaths in and for the
Province of Alberta)

) JOHN MUNRO
)
)
)



**DARREN R. BIEGANEK, QC
BARRISTER & SOLICITOR**



CURRENT FINANCIAL

Tower 1 2020, 10060 Jasper Ave NW, Edmonton AB, T5J 3R8
info@currentfinancial.com
1-844-346-2600

Date: May 12, 2022

CONDITIONAL APPROVAL

It is our great pleasure to inform you that 1904466 Alberta Ltd. has been conditionally approved for the lease of the asset(s) below as per the Credit Application submitted.

SUMMARY OF TERMS

Broker:	Northgate Capital Corporation	
Instrument:	Sale Lease Back	
Lessee:	1904466 Alberta Ltd.	
Co-Lessee(s):	John & Rachel Munro, 1744434 Alberta Ltd; Terra Nova Mechanical Ltd & Terra Nova Ventures	
Asset(s):	Package of Heavy Hauling Trucks and Tanker Trailers	
Max Funding Value:	The lesser of \$1,200,000 or 75% of appraised Forced Liquidation Value + Applicable Taxes	
Term:	42 months	This is Exhibit " A " referred to in the Affidavit of John Munro
Documentation Fee:	1% of Max Funding Value + Applicable Taxes	Sworn before me this 19 day of May A.D. 20 22
Purchase option:	\$2,000 + Applicable Taxes	A Notary Public, A Commissioner for Oaths in and for the Province of Alberta

DARREN R. BIEGANEK, QC
BARRISTER & SOLICITOR

CONDITIONS

- Current Financial Corp. must be listed as First Loss Payee on the Insurance and the Lessor on the Registration.
- Evidence of \$5.0MM in 3rd party liability insurance coverage is to be provided.
- We require two pieces of valid Government issued ID required prior to funding (front and back).
- All Shareholder(s) of the Lessee and corporate Co-Lessee to sign as Co-Lessee(s).
- We require a mailing address as well as a physical address for the location of the Corporation or Business (legal land description may be required). We also require a location where the equipment is to be working.
- Customer must not be involved or implicated in any lawsuits or legal proceedings which may impair their ability to service the Lease Agreement.

Current Financial Corp.

Tower 1 2020, 10060 Jasper Ave NW, Edmonton AB, T5J 3R8



CURRENT FINANCIAL

Tower 1 2020, 10060 Jasper Ave NW, Edmonton AB, T5J 3R8
info@currentfinancial.com
1-844-346-2600

CONDITIONS (CONTINUED)

- Current CRA statements (Corp., GST, and Source Ded.) must be provided by the Lessee. All amounts owing must be paid out of the proceeds.
- We require signed and dated Personal Net Worth Statements for both John & Rachel Munro
- We require satisfactory equity in the personal residence of John & Rachel Munro
- Equipment Appraisal to updated to Forced Liquidation Values with a minimum of 70% of the equipment being viewed by the Appraiser. CFC must receive a Letter of Transmittal.
- Postponement of all Shareholder Loans to be provided as applicable.
- We require a GSA over 1904466 Alberta Ltd. and 1744434 Alberta Ltd.
- Confirmation that the Lessee has secured sufficient funding to pay out BMO and CRA.
- Equipment/Vehicle(s) in the Lease Agreement must be free and clear of all Encumbrances. We require a copy of the CVIP for each Equipment/Vehicle where applicable.
- CFC to receive satisfactory title evidence for all Asset(s) and Collateral.
- This Commitment Letter is subject to further due diligence by Current Financial Corporation and may be revoked any time prior to the execution of the Lease Agreement by an Authorized Member of Current Financial Corporation.
- This Commitment Letter is to be deemed null and void if no acknowledgement is made Thirty (30) days after the date of issuance.

NOTES

Approved By: Darcy Koska



2022/05/17

Northgate Capital Corporation
639 5 Avenue SW, 25th Floor
Calgary, AB T2P 0M9

Attention: Mr. Zane Carlson

Re: 1904466 Alberta Ltd.

Stride Capital Corp.. ("Stride") has reviewed the information and material provided to date and is pleased to confirm interest in providing a lease facility for your review. The following terms and conditions are provided for a **pre approval** subject to the following conditions being met.

Structure: Private sale from Terra Nova Ventures Ltd to 1904466 Alberta Ltd.

Lessee: 1904466 Alberta Ltd

Co Lessee's: 1744434 Alberta Ltd and John Munro and Rachel Munro

Lender: Stride Capital Corp. ("Stride"); and / or Assignees

Equipment: To be determined from asset list provided By Sterling Appraisal with 70% of the value in trailers and 30% in trucks.
Advance rate of 70% of FLV as supplied by Sterling Appraisals

Facility Amount: \$500,000

Term: 36 Months

Prepayments: As required.

Arrangement Fee: \$1,500

Monitoring Fee: \$0

Transaction Costs: Lessee will be responsible for any and all of the costs and expenses related to the preparation and execution of all documentation deemed necessary by Stride



including but not limited to a physical site visit, legal fees and any appraisal expenses as applicable. These will be covered by the Arrangement Fee listed above.

Conditions

Precedent:

Stride will require customary conditions precedent for this type of transaction including, but not limited to:

- a. Satisfactory completion of all business, personal, financial, and legal due diligence;
- b. Priority ranking perfected security interest in Equipment, and all proceeds thereof (including insurance proceeds) and any discharges or subordinations as required.
- c. Satisfactory physical equipment inspection by an approved equipment auditing firm. Suggest either Sterling Appraisals or Verus Appraisals.
- d. Release of interest in the equipment from Business Development Bank of Canada, BMO and Capital Now. (all parties currently have GSA's against the company)
- e. All equipment chosen to have current safety inspections, active MVID registrations, and insurance.

Documentation

and Security:

Documentation and security required for the Facility would include, but not be limited to:

- a. Comprehensive insurance in amounts and upon terms satisfactory to Stride, with Stride shown as Additional Insured and Loss Payee.
- b. Postponement of all shareholder's and other related party loans to the Lessee;
- c. Voluntary surrender of collateral by the Lessee regarding the Equipment in compliance with Section 62 of the PPSA;

Expiry Date:

This expression of interest shall expire on June 15th 2022.



Yours truly,

Randy Mannix, President, Stride Capital Corp.

Acknowledged and Accepted on this _____ day of _____, YYYY

1904466 Alberta Ltd.