

CONFIDENTIAL INFORMATION MEMORANDUM

PTL Holdings Limited, PTL Services (Equipment) Limited, CSL Services (Industrial) Limited, & 9263357 Canada Inc.

MAY 2018



NOTICE

This Confidential Information Memorandum has been prepared by BDO Canada Limited, solely in its capacity as Receiver of the PTL Group (as defined herein), from information obtained from the PTL Group, its officers and directors and other sources, all of which have not been independently verified by the Receiver.

May 2018

To: ALL PROSPECTIVE PURCHASERS

Re: PTL Holdings Limited, PTL Services (Equipment) Limited, CSL Services (Industrial) Limited, & 9263357 Canada Inc.

BDO Canada Limited (hereinafter referred to as the “**Receiver**”), in its capacity as Court-appointed Receiver of PTL Holdings Limited, PTL Services (Equipment) Limited, CSL Services (Industrial) Limited, & 9263357 Canada Inc., (together the “**Companies**” or “**PTL Group**”) encloses herewith a Confidential Information Memorandum with respect to the properties, assets and undertakings of the Companies.

The Receiver was appointed pursuant to an Order of the Supreme Court of Newfoundland and Labrador in Bankruptcy and Insolvency (the “**Court**”) dated May 11, 2018 (the “**Receivership Order**”). The Receivership Order authorizes the Receiver to, among other things, market any or all of the assets and operations (collectively, the “**Assets**”) of PTL Group, including advertising and soliciting offers and negotiating such terms and conditions of sale as the Receiver, in its discretion, may deem appropriate, which sale process the Receiver outlines herein (the “**Sale Process**”). The Sale Process developed by the Receiver is outlined herein and attached hereto as **Appendix “A”**.

Prospective purchasers (“**Bidders**”) are invited to submit offers for the purchase of the Assets of the Companies. The PTL Group provides Site and equipment services, garage and repair services, yard storage space (20 secure acres of level laydown area including 3,200 sq. foot indoor storage), rock and aggregate supply (with permits for 6 Quarries) in addition to civil construction and engineering services.

This Confidential Information Memorandum is provided to Bidders subject to the terms and conditions of a Confidentiality and Non-Disclosure Agreement (“**NDA**”) and is not to be used by any other person without the express written consent of the Receiver.

The deadline for the submission of binding offers is **2:00 p.m. (NDT) on Thursday, June 14, 2018**, in accordance with the Sale Process. The Sale Process should not be construed as a sale by tender. For greater certainty, offers will be considered on an individual basis by the Receiver, as and when received and nothing contained herein prevents the Receiver from accepting an offer prior to June 14, 2018. The highest or any offer may not necessarily be accepted. The Receiver’s acceptance of an offer made pursuant to the Sale Process will be conditional upon the Receiver obtaining the approval of the Court.

Those Bidders that have executed a **NDA** pursuant to the Sale Process may be provided access to the Receiver’s data room, view the operations and inspect the Assets by appointment only, by contacting **Darrell Morgan** by telephone at 902-536-0636 or by e-mail at dmorgan@bdo.ca or **Angelo Consoli** by telephone at 905-524-1008 or by e-mail at aconsoli@bdo.ca.

Yours very truly,
BDO CANADA LIMITED



Disclaimer and Notice of Confidentiality

This Confidential Information Memorandum (the “CIM” or “Memorandum”) has been prepared by BDO Canada Limited, solely in its capacity as Receiver of the PTL Group, from information obtained from the Companies and other sources, all of which has not been independently verified by the Receiver (the “Information”).

This Memorandum is being provided to Bidders, pursuant to the Sale Process for reference purposes only and to assist them in conducting their evaluation of the Assets and the PTL Group. By receiving this Memorandum or other information concerning the Sale Process and the PTL Group, each Bidder accepts and acknowledges that:

- The Receiver makes no representations or warranties as to the accuracy or completeness of the Memorandum and/or the Information and this Memorandum does not purport to be all-inclusive or to necessarily contain all the information that a Bidder may require in connection with its investigation of the PTL Group;
- The Companies, the Receiver and their respective officers, directors and employees, make no representations or warranties and each expressly disclaims any and all liability for any errors and/or omissions that may be contained in the Memorandum and/or the Information, or in any other written or oral communications transmitted to or received by the recipient and/or any Bidder in the course of its inspection and evaluation of the PTL Group, pursuing or proceeding in any way with respect to same, or in connection with the preparation of any offer in connection therewith;
- In accordance with the terms of the NDA executed by a Bidder, the Information being made available in this Memorandum or any other Information to be made available to the Bidder by the Receiver is to be kept confidential and upon the express understanding that it will be used only for the purposes set forth above and in the NDA;
- In all cases, the recipient hereof and any Bidder shall conduct its own due diligence at its own expense and risk; the Receiver is under no obligation to provide the Bidder with access to any Information about the Companies or their operations;
- The Receiver has not completed any review or verification of the Companies financial projections. The PTL Group projections referred to herein and in the Data Room (as defined below) are those of the Companies and are based on the assumptions that accompany them, which are not always capable of objective verification or validation. To the extent that actual conditions vary from those projected by the Companies, the results predicted can be expected to change. Such changes may be material; and,
- Under no circumstances shall any of the PTL Group’s customers, employees or former employees be contacted directly or indirectly: (i) to answer any questions regarding the Sale Process; (ii) to answer any questions regarding the possible acquisition of the Assets; or (iii) to request additional information regarding the contents of any of the Information previously obtained, without the prior written permission of the Receiver.

The Memorandum and the Information contained therein, as well as any future information obtained in the course of any investigation and/or inspection of the PTL Group and Assets, is confidential and may not be copied, reproduced or distributed to any other persons external to the Bidder’s organization at any time, except for the purposes of obtaining professional advice, and subject to the terms of the NDA.

This Memorandum shall not be deemed to be an indication of the current or future state of affairs of the Companies, nor shall it constitute a representation that there has been no change in the business or affairs of the Companies since the date of the Memorandum or since the date with respect to which the Information is relevant.

The Receiver reserves the right to negotiate with one or more Bidders at any time and to enter into an exclusive transaction for the sale of the Assets without prior notice to you or any other interested party. Also, the Receiver reserves the right not to sell the Assets and to terminate, at any time, further participation in the investigation and due diligence process by you or any other party and to modify any data, documentation and other procedures relating to the proposed sale, without assigning any reason thereto.

All currencies in the Memorandum are Canadian dollars, unless otherwise stated.

All communications, inquiries and requests for information relating to these materials or a possible transaction involving the Assets should be directed to the individuals at the Receiver listed below:

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dmorgan@bdo.ca

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230 Brownlow Avenue

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Canada

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EXECUTIVE SUMMARY

Sale Process

BDO Canada Limited was appointed Receiver over the Companies on May 11, 2018 pursuant to the Receivership Order issued by the Supreme Court of Newfoundland and Labrador. The business operations and/or Assets of the PTL Group are being offered for sale pursuant to the Receivership Order. As outlined in the Sale Process attached hereto as **Appendix A**, the Receiver is accepting offers using a template asset purchase agreement (the “APA”), which is included in the Receiver’s Data Room. All binding offers must be submitted using the APA accompanied by a blackline to the template APA (a “Binding APA”). A Binding APA together with the Deposit (as defined in the Sale Process) must be received by the Receiver by no later than 2:00 p.m. (NDT) on June 14, 2018.

Investment Highlights

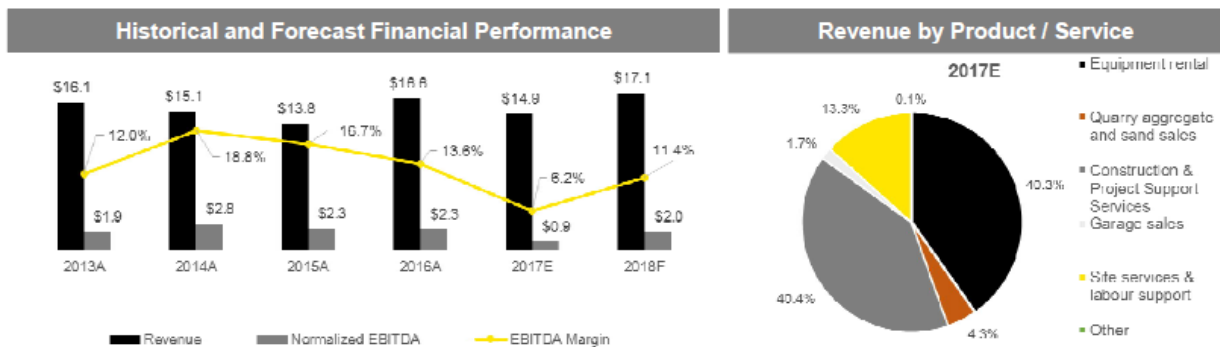
- 1 Strategically located
- 2 Diversified rental fleet
- 3 Experienced management team and talented labour force
- 4 Sustained profitability
- 5 Future growth opportunities

The PTL Group was founded over 40 years ago and has a well-established track record generating positive financial returns from its facility maintenance, equipment supply and rental business. PTL Group primarily services the construction, resource and industrial sectors in NL.

The Company provides site and equipment services, garage and repair services, yard storage space (20 secure acres of level laydown area including 3,200 sq. foot indoor storage), rock and aggregate supply (with

permits for 6 Quarries) in addition to civil construction and engineering services.

Located in Southern Harbour NL, the PTL Group is strategically situated near major customer sites including the Bull Arm Construction Site, Come by Chance Oil Refinery, Long Harbour Processing Facility, the Newfoundland Transshipment Facility and Husky Energy’s gravity based construction project. The Companies compliment of ~70 full time unionized employees whose extensive experience in a variety of fields deliver services in a reliable and cost-efficient manner.



Figures sourced from the Companies’ records.



INVESTMENT OPPORTUNITY

Strategically Located Infrastructure

The PTL Group operates in the Province of Newfoundland and Labrador (“NL”), with the majority of work conducted on the island of NL located in Southern Harbour, the Companies have a geographic advantage to service key industrial, construction, and oil & gas customers at:

- Argentia: 86km away - Location of Husky Energy’s graving dock construction site for a planned Concrete Gravity Structure;
- Bull Arm: 10 km away - Atlantic Canada’s largest industrial fabrication site supporting the offshore oil and gas industry;
- Come By Chance: 7 km away - Location of oil refinery owned by NARL Refining LP;
- Long Harbour: 34 km away - Location of the Vale processing plant for the Voisey’s Bay nickel mine; and
- Whiffen Head: 15 km away - Location of the transshipment facility for NL’s offshore oil production

The PTL Group holds the rights to six quarries located adjacent to Southern Harbour, which can supply up to eight types of aggregate including glacial till not otherwise readily accessible in the region.



Atlantic Canada



Southern Harbour, Newfoundland

- ★ 20 & 21-23 Marine Drive
- ★ 48 Alexander Gilbert Road
- ★ Argentia
- ★ Bull Arm
- ★ Come By Chance
- ★ Long Harbour
- ★ Whiffen Head
- ★ Quarry (7118104)
- ★ Quarries (7116305, 7118181, 7116407, 7119376, 7119076)



Repair Facility

- 14,000 sq. ft. with 9 bays
- 8 licensed mechanics serving general public and fleet
- Provides fabrication, hydraulic shop and welding services



A - 20 Marine Drive

- 3.3-acre level lay down area
- Secure storage in locked containers

B - 21-23 Marine Drive

- 10.83 acres total
- Fenced and secured yard
- Repair facility
- Level laydown area

C - Quarry 7188104

- Permit re-issued 21 July 2017



D- 48 Alexander Gilbert Road

- 31.82 acre level lay down area
- Strategically located in Come by Chance adjacent to the NARL Refinery (a key customer) and five additional PTL quarries



20 Marine Drive















21-23 Marine Drive



48 Alexander Gilbert

Diversified Rental Fleet

PTL Group’s equipment is serviced and maintained using the Companies resources and infrastructure in Southern Harbour. An itemized listing of the PTL Group owned and leased equipment is included in the Data Room.

 10 Boom trucks	 10 Dump trucks	 2 Excavators
 3 Loaders	 11 Tractor Trailers	 2 Backhoes
 5 Cranes	 100 Highbed / lowbed trailers	 10 Service trucks
 5 Drop deck trailer	 4 Flatbed trucks	 2 Rollers

Experienced Management Team and Talented Labour Force

Management has a deep technical expertise and broad experience with industrial construction and fabrication, large project commissioning, civil construction, engineering, and fleet services.

PTL also employs 70+ full-time unionized employees from a variety of trades (carpenters, scaffolders and labourers). Operators are Red Seal certified. The workforce includes qualified personnel capable of bidding on and completing diverse projects within the construction, industrial and resource sectors.

Sustained profitability

The Companies historical operating results from Fiscal 2013 to 2017 are illustrated below. Top line revenue averaged \$15.3M over the period with robust gross margins approaching 27% on average. The Companies benefits from recurring revenue streams through equipment rentals, garage sales and site services & labour support. Operating results in 2017 were negatively affected by losses sustained on stranded receivables owed from Talon Energy Services Inc. (an entity controlled by the former shareholder group). Management have implemented practice changes to avoid similar issues arising in the future. The Companies began 2018 with \$8.9 million (52%) of its fiscal revenue budget secured by firm contracts. Fiscal 2018 secured contracts are forecast to produce gross margins of 22.2% or \$2.0 million.

Income Statement					
CAD (in thousands)	2013R¹	2014R¹	2015A²	2016A²	2017E³
Revenue	16,145	15,140	13,751	16,572	14,867
COGS	11,201	10,052	9,568	12,401	12,401
Gross Margin	4,944	5,088	4,183	4,171	2,466
Gross Margin %	30.6%	33.6%	30.4%	25.2%	16.6%
Operating costs	3,002	2,239	1,881	1,919	1,550
Normalized EBITDA	1,941	2,849	2,303	2,253	916
EBITDA Margin	12.0%	18.8%	16.7%	13.6%	6.2%
Related Party AR write-off	-	-	-	-	(2,698)
EBITDA	1,941	2,849	2,303	2,253	(1,782)

⁽¹⁾ Reviewed financial statements

⁽²⁾ Audited financial statements

⁽³⁾ Actual internal financial results prior to audit.

Future Growth Opportunities

Management has experience bidding, securing and profitably executing ancillary scoped services not traditionally performed by the PTL Group including:

- Piping, mechanical and structural construction;
- Electrical and instrumentation construction;
- Custom fabrication - structural, piping, including exotic materials;
- Module fabrication and assembly including subsea structures;
- Commissioning services;
- Painting and specialty coatings; and
- Fireproofing and insulation

PTL Group is exploring revenue generating opportunities leveraging the PTL Group's existing infrastructure and Management believes incremental revenue opportunities can be generated as a result of PTL Group's strong reputation in the NL marketplace combined with the technical skills of PTL Group's labour force.

Note to Reader: Revenue from Future Growth Opportunities has not been included within management's financial forecasts. Future Growth Opportunities represent upside potential.

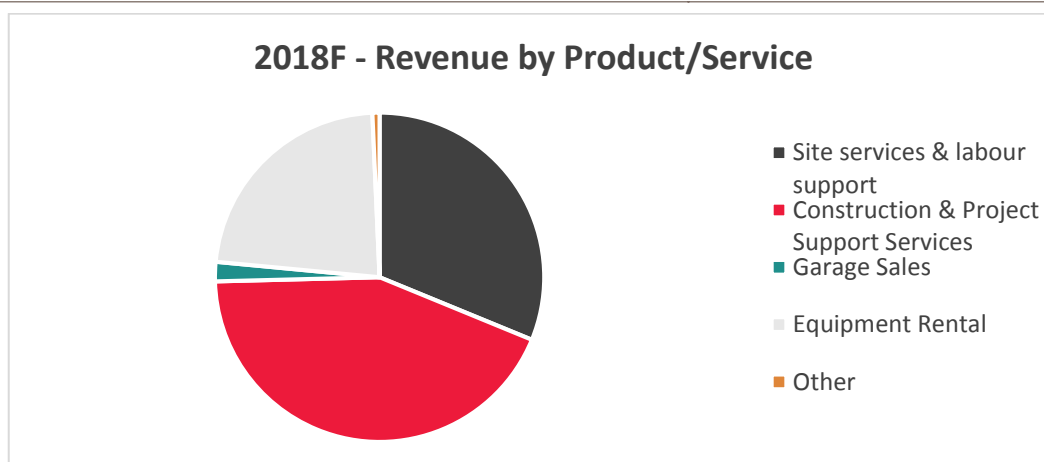
FINANCIAL OVERVIEW

Projected Financial Results - Income Statement

The PTL Group prepared forecast income statements for Fiscal 2018 through 2020 compared to the trailing five-year historical average (including Fiscal 2017) which are illustrated below. The Companies detailed financial model is available for review as part of the Confidential Information in the Data Room.

Income Statement CAD (in Thousands)	Trailing 5 Year Average	2018F ¹	2019F ¹	2020F ¹
Revenue	\$15,295	\$17,146	\$18,003	\$18,903
COGS	11,124	13,515	14,186	14,896
Gross Margin	4,171	3,631	3,817	4,007
Gross Margin %	27.3%	21.2%	21.2%	21.2%
Operating costs	2,118	1,672	1,723	1,774
Normalized EBITDA	\$2,052	\$1,959	\$2,094	\$2,233
EBITDA Margin	13.4%	11.4%	11.6%	11.8%

⁽¹⁾ Forecast financial results



The Companies primary income statement assumptions are as follows:

- Forecast revenue in 2018 is based on committed revenue and probability based revenue associated with specifically identified market opportunities. Revenue in 2019 and 2020 assumes 5% growth over prior year levels;
- Gross margin is forecast to be consistent at 21.2% throughout the period;
- Operating costs in 2018 are generally consistent with historical results less certain minor cost-cutting initiatives, which have been undertaken by management. Operating costs in 2019 and 2020 reflect 3% increases over prior year levels.

Projected financial results - Balance Sheet

The Companies quarterly forecast balance sheets for Fiscal 2018 and 2019 are shown below.

Balance Sheet CAD (in thousands)	2018F ¹ Q1	2018F ¹ Q2	2018F ¹ Q3	2018F ¹ Q4	2019F ¹ Q1	2019F ¹ Q2	2019F ¹ Q3	2019F ¹ Q4
Cash	-	-	-	-	-	-	-	-
Inventory	450	450	450	450	450	450	450	450
Accounts Receivable	2,333	1,600	2,682	2,706	2,331	1,663	2,800	2,825
Prepaid expenses	19	19	19	19	19	19	19	19
WIP - Third party	(98)	(98)	(98)	(98)	(98)	(98)	(98)	(98)
Total Current Assets	2,704	1,970	3,053	3,077	2,702	2,034	3,170	3,196
Capital Assets	6,465	6,345	6,225	6,105	5,985	5,865	5,745	5,625
Goodwill	9,489	9,489	9,489	9,489	9,489	9,489	9,489	9,489
Intercompany	12	12	12	12	12	12	12	12
Advances To Shareholders	250	250	250	250	250	250	250	250
Total Assets	18,919	18,066	19,028	18,932	18,437	17,649	18,666	18,571
Bank Indebtedness	1,181	106	178	232	(141)	(617)	(540)	612
Accounts Payable and Accrued Liabilities	1,852	1,216	1,720	1,735	1,575	1,253	1,822	1,837
HST Payable (Receivable)	107	62	158	155	124	70	165	162
Corp Income Tax Payable	(522)	82	228	-	82	162	304	-
Total Current Liabilities	2,618	1,465	2,284	2,122	1,639	868	1,751	2,610
CIBC - Term Loan	4,107	-	-	-	-	-	-	-
New Lender - Term Loan	-	4,375	4,188	4,000	3,813	3,625	3,438	3,250
Capital Leases	322	296	270	244	218	193	167	141
Vendor Take-Bank	11,500	11,500	11,500	11,500	11,500	11,500	11,500	10,500
Total Liabilities	18,546	17,636	18,242	17,867	17,170	16,186	16,855	16,501
Share Capital	0	0	0	0	0	0	0	0
Retained Earnings	229	229	229	229	1,066	1,066	1,066	1,066
Dividends	-	-	-	-	-	-	-	-
Current Earnings	144	200	557	837	201	397	745	1,004
Total Equity	373	429	787	1,066	1,266	1,463	1,810	2,070
Total Liabilities and Equity	18,919	18,066	19,028	18,932	18,437	17,649	18,666	18,571

⁽¹⁾ Forecast financial results

The Companies primary balance sheet assumptions include:

- Working capital changes are consistent with historic experience;
- Non-capital losses generated in Fiscal 2017 are carried back resulting in a \$0.7 million tax cash recovery at the end of Q2 2018;

Assumptions included in the Companies' balance sheet projections which are not relevant to the current operations include:

- The sale of redundant equipment in Q1 2018 generates \$0.8 million;
- New financing is completed in Q2 2018 (subject to new investor financing arrangement);
- The Vendor Take-back principal payments included in the financial forecasts are not consistent with the terms of the Vendor Take-back agreement.

SALE PROCESS SUMMARY

In accordance with the Sale Process, interested parties that have executed an NDA will be provided with access to a data room, which contains additional Information. The Data Room also includes the form of APA. **All binding offers must be submitted using the template APA accompanied by a blackline to the template APA.**

Bidders are required to submit their binding offers and Deposit (as defined below) to the Receiver to 300 Kenmount Road, Suite 200, St. John's NL A1B 3R2, **by 2:00 p.m. NDT on June 14, 2018.** A copy of the binding offer and blackline to the template APA should be submitted to the Receiver by e-mail to aconsoli@bdo.ca and dmorgan@bdo.ca. For greater certainty, nothing contained herein prevents the Receiver from accepting an offer prior to June 14, 2018.

The Receiver will respond to any reasonable requests for additional information from a Qualified Bidder (as defined in the Sale Process) provided such information is available and reasonably accessible. All additional information requests must be made to the Receiver in writing either by letter or email after such Bidder is a Qualified Bidder. Any additional information that is provided to a Qualified Bidder will be made available in the Data Room.

If requested by a Bidder, the Receiver will make arrangements for site visits. Site tours can be arranged by contacting Darrell Morgan at dmorgan@bdo.ca or by telephone at 902-536-0636. All site tours will be conducted subject to the prior approval of the Receiver and in the presence of the Receiver or the Receiver's agent.

The Receiver reserves the right to extend the bid deadline in its sole discretion.

The Assets are being sold on an "as is, where is" basis and the Receiver makes no representations or warranties regarding title, description, condition, size, fitness for purpose, quantity or quality of the Assets.

All offers will be considered on an individual basis, as and when received; the highest or any offer may not necessarily be accepted. **Offer acceptance and consummation of a sale transaction is subject to Court approval.**

APPENDIX A

Sale Process

Set forth below is the sale process (the “**Sale Process**”) to be employed with respect to the proposed sale of all or substantially all of the business, undertakings, and assets (the “**Assets**”) of PTL Holdings Limited, PTL Services (Equipment) Limited, CSL Services (Industrial) Limited, & 9263357 Canada Inc., (together the “**Companies**” or “**PTL Group**”).

On May 11, 2018, the Supreme Court of Newfoundland and Labrador in Bankruptcy and Insolvency (the “**Court**”) issued an order (the “**Receivership Order**”) appointing BDO Canada Limited as the receiver (in such capacity the “**Receiver**”) of all of the Assets of the Companies.

Pursuant to the Receivership Order, the Receiver is authorized to market, advertise and solicit offers in respect of the sale, in whole or in part, of the Assets.

Notwithstanding anything contained herein, the Receiver shall have the right to enter into an exclusive transaction for the sale of the Assets, or any portion thereof, outside of the Sale Process prior to the selection of a Successful Bidder (as defined herein).

Timeline

The following table sets out the key milestones under the Sale Process:

Milestone	Deadline
Binding APA Deadline	2:00 p.m. NDT June 14, 2018
Sale Approval Application	To be determined by the Receiver
Closing Date	Within 7 Business Days of the Sale Approval

Subject to the terms contained herein and any order of the Court, the dates set out in the Sale Process may be extended by the Receiver, in its sole discretion, acting reasonably, all with a view of maximizing the value of the Assets.

Sale Process

The Sale Process set forth herein describes, among other things: (i) the Assets available for sale, (ii) the manner in which prospective bidders may gain access to or continue to have access to due diligence materials concerning the Assets, (iii) the manner in which bidders can be characterized to be a Qualified Bidder (as defined herein), (iv) the timing of delivering a Binding APA (as defined herein), (v) the manner in which bids are to be received and negotiated, (vi) the ultimate selection of any Successful Bidder (as defined herein) and the process leading up to that selection, and (vii) the approval thereof by the Court.

Assets To Be Sold

The Receiver, in accordance with this Sale Process, is offering for sale, in one or more transactions, the Assets of the PTL Group, including, but not limited to real property, machinery & equipment, accounts receivable and intellectual property. The Assets will be outlined in the template APA and Data Room. The Receiver reserves the right to remove certain assets available for sale pursuant to the Sale Process prior to the Binding APA Deadline (as defined below).

“As Is, Where Is”

The sale of the Assets will be on an “as is, where is” basis, without representations or warranties of any kind, nature or description by the Receiver, or any of their respective directors, officers, partners, employees, agents, advisors or estates, except to the extent as may be set forth in a Binding APA (as defined herein), and approved by the Court. By submitting a bid, each Potential Bidder (as defined herein) shall be deemed to acknowledge and represent that it has had an opportunity to conduct any and all due diligence regarding the Assets prior to making its bid, that it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Assets in making its bid, and that it did not rely upon any written or oral statements, representations, warranties, or guarantees, express, implied, statutory or otherwise, regarding the Assets or the completeness of any information provided in connection therewith, except as expressly stated in this Sale Process or as set forth in a Binding APA and approved by the Court.

Free Of Any And All Claims And Interests

Except as may otherwise be provided in the Successful Bidder’s Binding APA, all of the rights, title and interests of the PTL Group in and to the Assets, or any portion thereof, will be sold free and clear of all liens and claims (which may be defined in an Approval and Vesting Order (as defined herein)), subject to any permitted encumbrances (which may be defined in an Approval and Vesting Order), pursuant to an order by the Court approving the sale of the Assets, or a portion thereof, and vesting in the Successful Bidder all of PTL Group’s rights, title and interests in and to such Assets, or a portion thereof, by way of an approval and vesting order (the “**Approval and Vesting Order**”). For greater certainty, such liens and claims are to attach to the net proceeds of the sale of such Assets following the granting of the Approval and Vesting Order.

Publication Notice

The Receiver shall publish notice of this Sale Process: (i) on the websites www.allnewfoundlandlabrador.com and www.allnovascotia.com (ii) in other publications considered appropriate by the Receiver.

Solicitation of Interest

The Receiver will prepare an initial offering summary (the “**Teaser Letter**”) notifying any known or potential prospective purchasers of the existence of the Sale Process and inviting prospective purchasers to express their interest in making an offer for the Assets pursuant to the terms of the Sale Process.

Participation Requirements

Unless otherwise ordered by the Court or as otherwise determined by the Receiver, each person who wishes to participate in the Sale Process (a “**Potential Bidder**”) must deliver to the Receiver, an executed confidential and non-disclosure agreement (“**NDA**”), prior to the distribution of any confidential information by the Receiver.

If it is determined by the Receiver, in its reasonable business judgment, that a Potential Bidder: (i) has a bona fide interest in an acquisition of the Assets; and (ii) has delivered the NDA, then such Potential Bidder will be deemed by the Receiver to be a “**Qualified Bidder**”.

Due Diligence

The Receiver, in its reasonable business judgment, and subject to competitive and other business considerations, may give each “Qualified Bidder”, such access to due diligence materials and information relating to the Assets as the Receiver deems appropriate. Due diligence access may include access to an electronic data room (a “Data Room”), on-site inspections, and other matters which a “Qualified Bidder” may reasonably request and as to which the Receiver, in its reasonable business judgment, may agree. The Receiver may designate a representative to coordinate all reasonable requests for additional information and due diligence access from “Qualified Bidders” and the manner in which such requests must be communicated. Neither the Receiver nor any of its affiliates (or any of its respective representatives) will be obligated to furnish any information relating to the Assets to any person, in its discretion. The Receiver makes no representation or warranty as to the information to be provided through this due diligence process or otherwise, except as may be set forth in a Binding APA with the Successful Bidder.

Binding APA Deadline

A Qualified Bidder that desires to make a bid shall deliver written copies of its bid, in the form of the template APA located in the Data Room together with a blackline outlining all changes made to the APA (a “Binding APA”), to the Receiver so as to be received by the Receiver no later than June 14, 2018 at 2:00 p.m. NDT (as may be extended as set out below, the “Binding APA Deadline”). The Deposit (outlined below) is to be delivered to the Receiver by no later than the Binding APA Deadline.

The Receiver, may extend the Binding APA Deadline, once or successively, but is not obligated to do so. If the Binding APA Deadline is extended, the Receiver will promptly notify all Qualified Bidders.

Qualified APA

A Binding APA will be considered a qualified APA only if the Binding APA is submitted by a Qualified Bidder and complies with all of the following (a “Qualified APA”):

- (a) the bid (either individually or in combination with other bids that make up one Qualified APA) is an offer to purchase some or all of the Assets on terms and conditions reasonably acceptable to the Receiver and delivered to the Receiver prior to the Binding APA Deadline;
- (b) it is duly authorized and executed, and includes a purchase price, and purchase price allocation, for the Assets expressed in Canadian dollars (the “Purchase Price”), together with all exhibits, schedules and all applicable ancillary agreements thereto;
- (c) includes a letter stating that the Qualified Bidder’s offer is irrevocable and open for acceptance until the Successful APA (as defined herein) is selected by the Receiver;
- (d) it includes written evidence of a firm, irrevocable commitment for financing or other evidence of ability to consummate the proposed transaction, that will allow the Receiver to make a reasonable determination as to the Qualified Bidder’s financial and other capabilities to consummate the proposed sale transaction and pay the Purchase Price;
- (e) not be conditional on: (i) the outcome of unperformed due diligence by the Qualified Bidder, and/or (ii) obtaining financing;
- (f) it fully discloses the identity of each entity that will be bidding for the Assets or otherwise sponsoring, financing, participating or benefiting from such bid;

- (g) it includes evidence, in form and substance reasonably satisfactory to the Receiver, of authorization and approval from the Qualified Bidder's board of directors (or comparable governing body) with respect to the submission, execution and delivery of the Qualified APA submitted by the Qualified Bidder;
- (h) provides a deposit by wire transfer or by certified cheque or bank draft drawn on a Canadian Schedule 1 financial institution payable to the Receiver in the amount of not less than 15% of the Purchase Price offered by the Qualified Bidder (the "Deposit");
- (i) it is received by the Receiver by the Binding APA Deadline;
- (j) includes acknowledgments and representations of the Qualified Bidder that: (i) it has had an opportunity to conduct any and all due diligence regarding the Assets and the PTL Group prior to making its bid, (ii) it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Assets in making its bid, and (iii) it did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory or otherwise, regarding the Assets or the completeness of any information provided in connection therewith; and,
- (k) the bid contemplates closing the transaction set out therein within 7 business days of the Approval and Vesting Order (the "Closing Date").

The Receiver may determine whether to entertain bids for the Assets that do not conform to one or more of the requirements specified herein and deem such bids to be a Qualified APA.

The Receiver shall notify each Qualified Bidder in writing as to whether such Qualified Bidder's APA constituted a Qualified APA within five (5) business days following the expiration of the Binding APA Deadline, or at such later time as the Receiver deems appropriate.

If the Receiver is not satisfied with the number or terms of bids submitted by the Binding APA Deadline, the Receiver may extend the Binding APA Deadline or cancel the Sale Process.

Evaluation of Binding APA

A Binding APA will be valued based upon several factors including, without limitation, items such as the Purchase Price and the net value provided by such bid, the claims likely to be created by such bid in relation to other bids, the counterparties to such transactions, the proposed transaction documents, other factors affecting the speed and certainty of the closing of the transaction, the value of the transaction, the assets included or excluded from the bid, the transition services required from the Receiver (if any), any related transaction costs, and the likelihood and timing of consummating such transactions, each as determined by the Receiver.

Each Qualified Bidder shall comply with all reasonable requests for additional information by the Receiver regarding the Qualified Bidder or the Binding APA. Failure of a Qualified Bidder to comply with requests for additional information will be a basis for the Receiver to reject a Binding APA.

Selection of Successful APA

The Receiver will review and evaluate each Binding APA. Each Binding APA may be negotiated by the Receiver and the applicable Qualified Bidder submitting the Binding APA (the "Unconditional Bidder"), and may be amended, modified or varied to improve such Binding APA, and as a result of such negotiations, the Receiver may: (i) identify the highest or otherwise best offer for the Assets (the "Successful APA", and the Unconditional Bidder making such Successful APA, the "Successful Bidder"), or (ii) in the event no Successful Bidder is declared, reject each Binding APA and may ask any Unconditional Bidder to resubmit a revised Binding APA. The determination of a Successful APA by the Receiver, shall be subject to approval by the Court.

Notwithstanding the foregoing, a Binding APA may not be withdrawn, modified or amended without the written consent of the Receiver prior to the Successful APA being determined. Any such withdrawal, modification or amendment made without the written consent of the Receiver prior to the Successful APA being determined shall result in the forfeiture of such Unconditional Bidder's deposit as liquidated damages and not as a penalty.

In the event an Unconditional Bidder is not selected as a Successful Bidder, the Deposit shall be returned to the Unconditional Bidder as soon as reasonably practicable without interest.

The Receiver shall have no obligation to select a Successful APA, and it reserves the right to reject any or all Binding APAs.

Sale Approval Application Hearing

The application for an order of the Court approving any Successful APA (the “**Sale Approval Application**”) shall be sought and include, among other things, the request for the approval from the Court to consummate the Successful APA subject to the terms herein. The Sale Approval Application shall be heard on a date determined by the Receiver.

All of the Binding APAs other than the Successful APA, if any, shall be deemed rejected by the Receiver on and as of the date of closing of the transaction contemplated by the Successful APA.

Reservation of Rights

The Receiver may: (a) determine which Binding APA, if any, is the highest or otherwise best offer; (b) reject at any time before the issuance and entry of an order approving a Binding APA, any bid that is (i) inadequate or insufficient, (ii) not in conformity with the requirements of the Sale Process or any order of the Court, or (iii) contrary to the best interests of the receivership estate, and (c) may modify the Sale Process or impose additional terms and conditions on the sale of the Assets.

Miscellaneous

This Sale Process is solely for the benefit of the Receiver and nothing contained in the Receivership Order or this Sale Process shall create any rights in any other person or bidder (including, without limitation, rights as third party beneficiaries or otherwise).

Except as provided in the Receivership Order and Sale Process, the Court shall retain jurisdiction to hear and determine all matters arising from or relating to the implementation of the Sale Process.

Limitation of Liability

The Receiver shall not have any liability whatsoever to any person or party, including, without limitation, any Potential Bidder, the PTL Group, or any creditor or other stakeholder, for any act or omission related to the Sale Process. By submitting a bid, each Potential Bidder shall be deemed to have agreed that it has no claim against the Receiver for any reason whatsoever.