

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

**FCMI PARENT CO.**

Applicant

- and -

**GEDEX SYSTEMS INC., GEDEX AVIATION INC., BLACK BAY  
MINERALS CORPORATION, GEDEX EXPLORATION INC., and  
GEDEX EARTH INC.**

Respondents

**APPLICATION UNDER THE *COMPANIES' CREDITORS  
ARRANGEMENT ACT*, R.S.C 1985, c. C-36**

**SECOND REPORT OF THE MONITOR  
DATED NOVEMBER 18, 2019**

**INTRODUCTION**

1. On August 12, 2019, on application by FCMI Parent Co. ("**FCMI**"), in its capacity as secured creditor of Gedex Systems Inc. ("**Gedex**"), Gedex Aviation Inc. ("**Aviation**"), Black Bay Minerals Corporation ("**Black Bay**"), Gedex Exploration Inc. ("**Exploration**") and Gedex Earth Inc. ("**Earth**", and collectively with Gedex, Aviation, Black Bay and Exploration, the "**Debtors**"), the Ontario Superior Court of Justice (Commercial List) (the "**Court**") made an Order (the "**Initial Order**") under the *Companies' Creditors Arrangement Act* (the "**CCAA**"), among other things:

- (a) granting a stay of proceedings until September 11, 2019 (the "**Stay Period**");
- (b) appointing Zeifman Partners Inc. as monitor of the Debtors (in such capacity, the "**Monitor**"), with enhanced powers as set out in the Initial Order;

- (c) approving debtor-in-possession financing (the “**DIP Financing**”) provided by FCMI and secured by a charge against all of the properties, assets and undertakings of the Debtors, ranking in priority to all other encumbrances (the “**DIP Charge**”).

2. On the same date, the Court also granted an Order (the “**SISP Approval Order**”) approving a sales and investor solicitation process (the “**SISP**”). A copy of the SISP Approval Order is attached as **Appendix “A”** to this Second Report (as defined below).

3. The Stay Period was extended to December 10, 2019 pursuant to an Order of the Court dated September 3, 2019 (the “**Stay Extension Order**”). A copy of the Stay Extension Order can be found on the Monitor’s Website (as defined below).

## **PURPOSE**

4. The Monitor has previously filed with the Court the First Report of the Monitor dated August 28, 2019 (the “**First Report**”). A copy of the First Report (without appendices) is attached to this Second Report as **Appendix “B”**.

5. The purpose of this second report of the Monitor (this “**Second Report**”) is to provide information to the Court in connection with the following:

- (a) the activities of the Monitor since the Stay Extension Order;
- (b) the results of the SISP;
- (c) the Monitor’s recommendation with respect to the Monitor’s motion for:
  - (i) the approval of a transaction (the “**FCMI Transaction**”) between the Debtors and FCMI for the purchase of substantially all of the assets,

properties and undertakings of the Debtors (except for the Aircraft (as defined below)) and the granting of an approval and vesting order substantially in the form attached at Tab 3 of the Monitor's Motion Record (the "**FCMI Approval and Vesting Order**");

(ii) the approval of a transaction (the "**Aircraft Transaction**") between Gedex and Texas Turbine Conversions, Inc. (the "**Aircraft Purchaser**") for the purchase of Gedex's Aircraft (as defined below) and the granting of an approval and vesting order substantially in the form attached at Tab 4 of the Monitor's Motion Record (the "**Aircraft Approval and Vesting Order**"); and

(iii) an order substantially in the form attached at Tab 5 (the "**Ancillary Order**") of the Monitor's Motion Record for, among other things:

- (1) the approval of the First Report and Second Report and the conduct and activities of the Monitor described therein;
- (2) the approval of the fees and disbursements incurred by the Monitor and its counsel;
- (3) the approval of the payment of the Aircraft Broker Commission (as defined below) and of a distribution to MBHD Holdings Inc. ("**MBHD**") on account of the MBHD Priority Amount (as defined below); and
- (4) an extension of the Stay Period until and including January 31, 2020.

## TERMS OF REFERENCE

6. In preparing this Second Report and making the comments herein, the Monitor has been provided with, and has relied upon certain unaudited financial information, books, records and financial information prepared by the Debtors, financial information prepared by the Applicants, discussions with the Debtors and information from other third-party sources (collectively, the “**Information**”). Except as described in this Second Report:

- (a) the Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of such information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards (“**GAAS**”) pursuant to the *CPA Canada Handbook* (the “**CPA Handbook**”) and, accordingly, the Monitor express no opinion or other form of assurance contemplated under GAAS in respect of the Information; and
- (b) Some of the information referred to in this Second Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the CPA Handbook, has not been performed.

7. Future oriented financial information referred to in this Second Report was prepared based on the Debtors’ estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the Projections, even if the assumptions materialize and the variations could be significant.

8. The Monitor's understanding of factual matters expressed in this Second Report concerning the Debtors and their Business is based on the Information provided, and not independent factual determinations made by the Monitor.

9. Unless otherwise stated, monetary amounts contained herein are expressed in Canadian Dollars.

## **BACKGROUND ON DEBTORS**

10. The Debtors are privately owned companies that are primarily engaged in the development of technologies for use in airborne and ground based resource discovery systems. Gedex is the parent company.

11. Gedex was developing a high definition airborne gravity gradiometer (HD-AGG<sup>®</sup>) system. The aim was to discover and develop underground resources and to assist the mineral and oil and gas industries better manage their holdings. The HD-AGG<sup>®</sup> system in part relies on technology that Gedex operates under an exclusive license from the University of Maryland. The Respondent's technologies are the subject of a number of registered patents and are considered clean technology.

12. Gedex was responsible for all corporate support services including finance, human resources, corporate development, research and development, technology development, and data processing. Exploration was responsible for all global surveying operations and is also responsible for contractual relationships of the Debtors' with aircraft operating companies. Earth was responsible for marketing, sales and client management services, including negotiating and signing client contracts. Aviation was intended to be a future aircraft operating company for the Gedex

group. Black Bay was primarily focused on exploring opportunities related to the Ring of Fire in northwestern Ontario.

## **ACTIVITIES OF THE MONITOR**

13. Since the date of the Stay Extension Order, the Monitor has conducted the following activities:

- (a) participated in regular conference calls among the Debtors, FCMI and their respective advisors;
- (b) responded to creditor calls and other stakeholder inquiries;
- (c) assisted with and oversaw the administration of the SISP, including liaising with prospective purchasers and other stakeholders;
- (d) reviewed the offers received under the SISP and assisted in the negotiation of the FCMI Transaction and the Aircraft Transaction; and
- (e) prepared this Second Report.

## **RESULTS OF SISP**

14. The SISP Approval Order authorized the commencement of the SISP.

15. In accordance with the SISP, Bob Benia (the “**SISP Advisor**”), in consultation with the Monitor and FCMI (collectively, the “**SISP Team**”) administered the SISP.

16. In accordance with the SISP, the SISP Advisor in consultation with the Monitor and FCMI, the SISP Team:

- (a) developed a contact list of 42 prospective bidders and sent such prospective bidders a teaser letter and business summary prepared by the Debtors in respect of the SISP;
- (b) through personalized emails, the SISP Advisor contacted over 440 targeted individuals, strategic partners, competitors and influencers familiar with Gedex's technology regarding the SISP;
- (c) posted information about the SISP on the Gedex website <www.gedex.com> and the Monitor's website <<https://www.zeifmans.ca/current-insolvency-files/gedex/>> (the "**Monitor's Website**");
- (d) placed digital advertisements in industry publications published by the Society of Exploration Geophysics and the American Association of Petroleum Geologists. Such digital advertisements collectively received over 300,000 impressions;<sup>1</sup>
- (e) established a data room (the "**Data Room**"); and
- (f) with the consent of the Monitor, retained the services of Airside Aviation Inc. (the "**Aircraft Broker**") to assist the SISP Team with the marketing of the Aircraft.

17. Out of all of the potential bidders contacted, thirteen (13) interested parties requested a copy of the form of non-disclosure agreement (the "**NDA**"). Seven (7) of those interested parties executed the NDA (the "**Prospective Bidders**"). Out of the seven (7) Prospective Bidders, two (2) accessed the Data Room.

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<sup>1</sup> An "impression" in digital advertising means when an advertisement renders (*i.e.*, can be viewed) on a user's screen. Impressions are one of the primary analytics in digital advertising.

18. The bid deadline was initially set for October 28, 2019 and was extended to November 7, 2019 (the “**Bid Deadline**”) in accordance with the SISP. With respect to the extension, the Monitor posted a notice on the Monitor’s Website and in the Data Room as required under the SISP.

19. No offers for an en bloc purchase of the Debtors’ Property were received by the Bid Deadline.

20. With respect to the Aircraft, the SISP Team received two (2) bids. A summary of the economic terms of the Bids for the Aircraft that were received is attached as **Confidential Appendix “1”** to this Second Report.

## **PROPOSED TRANSACTIONS**

### *FCMI Transaction*

21. FCMI is the senior secured lender of the Debtors, and provided the DIP Financing. FCMI also brought the application before the Court to commence these CCAA proceedings.

22. FCMI is owed approximately USD\$10,280,464 plus accrued interest and costs by the Debtor (the “**FCMI Debt**”).

23. The FCMI Debt is secured by a personal property security interest against all of the Debtors’ assets (the “**FCMI Security**”). The Monitor has received confirmation from its counsel that the FCMI Security is valid and enforceable in accordance with its terms, subject to customary assumptions and qualifications.

24. In addition to the FCMI Debt, the Debtors are indebted to FCMI for the DIP Financing during these CCAA proceedings, which is secured by the DIP Charge.



25. Pursuant to the SISP, after the Bid Deadline, in the event the SISP Advisor, in consultation with the Monitor and FCMI, determines that neither a bid nor a combination of bids received would permit the repayment in full of FCMI's secured claim against the Debtors and all applicable prior ranking secured claims, FCMI was entitled to submit a credit bid up to the maximum amount of its secured claim to purchase all or part of the Debtors' property.

26. As described above, no bids were received in respect of an en bloc sale of the Debtors' Property. As a result, FCMI submitted an asset purchase agreement to purchase all of the Debtors' Property, except for the Aircraft. An unredacted copy of such asset purchase agreement is attached to this Second Report as **Confidential Appendix "2"** (the "**FCMI Purchase Agreement**"). A redacted copy of the FCMI Purchase Agreement is attached to this Second Report as **Appendix "C"**.

27. A summary of the key terms of the FCMI Purchase Agreement is as follows.

- (a) Purchaser: FCMI Parent Co. or its assignee;
- (b) Purchased Assets: All of the assets, undertakings and properties of the Debtors except for the Aircraft; and
- (c) Conditions: Customary. The primary condition is the granting of the FCMI Approval and Vesting Order.

28. The Monitor is of the view that the FCMI Transaction is fair and reasonable as no bids were received sufficient to repay in full the FCMI Debt, and FCMI was authorized by the Court-approved SISP to submit a credit bid in that scenario. Accordingly, the Monitor recommends that the Court grant the FCMI Approval and Vesting Order.

29. FCMI has requested that that the purchase price be sealed until such time as the FCMI Approval and Vesting Order is granted. Accordingly, a sealing order in respect of the FCMI Purchase Agreement is being requested. The Monitor is of the view that this request is appropriate.

#### *Aircraft Transaction*

30. Part of Gedex's property includes a 1994 208 Cessna Caravan aircraft (the "**Aircraft**"). With the assistance of the Aircraft Broker, the SISP Team identified a successful bid for the Aircraft and accepted an asset purchase agreement (the "**Aircraft Purchase Agreement**") between Gedex and the Aircraft Purchaser dated November 12, 2019. A copy of the redacted Aircraft Purchase Agreement is attached as **Appendix "D"** to this Second Report. A copy of the unredacted Aircraft Purchase Agreement is attached to this Second Report as **Confidential Appendix "3"**.

31. During the SISP, the Aircraft Purchaser submitted an offer for the purchase of the Aircraft. The Monitor notes that the initial offer submitted by the Aircraft Purchaser was not in the form of the template Asset Purchase Agreement included in the Data Room (the "**Template APA**") although all of the relevant commercial terms were present in the offer received.

32. Given the proposed value of the Aircraft Purchaser's bid based on the offer received and further discussions with the Aircraft Purchaser, in accordance with paragraph 16 of the SISP, the SISP Team waived compliance with such requirements and deemed the Aircraft Purchaser's initial offer a Bid (as defined in the SISP).

33. Following the expiry of the Bid Deadline, the SISP Team continued to work with the Purchaser to clarify its bid with a view to entering into a formal Asset Purchase Agreement in the

form of the Template APA. This process concluded on November 12, 2019 when the Aircraft Purchaser submitted the Aircraft Asset Purchase Agreement.

34. A summary of the key terms of the Aircraft Asset Purchase Agreement are as follows:

- (a) Purchaser: Texas Turbine Conversions, Inc.;
- (b) Purchased Assets: Aircraft together with all seats, parts, removed parts, components and other equipment related to the Aircraft and all manuals, records, log books documentation as described in the Aircraft Purchase Agreement;
- (c) Satisfaction of the Purchase Price: payment of a deposit of \$50,000 (the “**Deposit**”) with the balance of the Purchase Price to be paid on closing; and
- (d) Conditions: Customary. The primary condition is the granting of the Aircraft Approval and Vesting Order.

35. The Monitor has received the Deposit from the Aircraft Purchaser and it is being held in the Monitor’s trust account.

36. The Monitor is of the view that the Aircraft Transaction is fair and reasonable. With respect to the factors under Section 36 of the CCAA, the Monitor provides the following comments:

- (a) whether the process leading to the proposed sale or disposition was reasonable in the circumstances – The Aircraft Transaction arose pursuant to the SISP, which was approved by the Court pursuant to the SISP Approval Order;

- (b) whether the monitor approved the process leading to the proposed sale or disposition – The Monitor was part of the SISP Team and provided input and oversight throughout the SISP;
- (c) whether the monitor filed with the court a report stating that in their opinion the sale or disposition would be more beneficial to the creditors than a sale or disposition under a bankruptcy – The Monitor is of the view that the Aircraft has been adequately exposed to the market and a sale or disposition of the Aircraft in a bankruptcy would not be more beneficial to creditors;
- (d) the extent to which the creditors were consulted – Parties on the Service List were served with the SISP Approval Order prior to the Court granting same. In addition, FCMI was consulted as authorized and required under the SISP. FCMI supports the Aircraft Transaction;
- (e) the effects of the proposed sale or disposition on the creditors and other interested parties – Given the results of the SISP, the Monitor is of the view that no creditor or other interested party is materially prejudiced; and
- (f) whether the consideration to be received for the assets is reasonable and fair, taking into account their market value – Given the results of the SISP, the Aircraft Transaction was the highest and best offer received by the SISP Team for the Aircraft, and the Monitor is of the view that the consideration received for the Aircraft is fair and reasonable.

37. For the foregoing reasons, the Monitor supports and recommends that the Court grant the Aircraft Approval and Vesting Order.

38. Given the Aircraft Transaction has not closed and the purchase price is commercially sensitive information, a sealing order in respect of the Aircraft Purchase Agreement is being requested. The Monitor is of the view that this request is appropriate in the circumstances.

### **APPROVAL OF FEES AND DISBURSEMENTS**

39. Pursuant to the Initial Order, the Monitor and its counsel are required to have their fees and disbursements incurred in this CCAA proceeding approved by the Court from time to time. The Monitor and its counsel have not previously applied to the Court for approval of their fees and disbursements in this CCAA proceeding.

40. The Monitor and its counsel, Miller Thomson LLP (“**Miller Thomson**”), have maintained detailed records of their professional time and costs. The Monitor is seeking approval of its fees for the period August 4, 2019 to November 14, 2019 (the “**Monitor Fee Period**”).

41. The total fees and disbursements of the Monitor during the Monitor Fee Period on a consolidated basis amounts to \$152,987.50 plus disbursements of \$265.64 and HST of \$19,922.91 totaling \$173,176.05. The time spent by the Monitor’s personnel during the Monitor Fee Period is more particularly described in the Affidavit of Allan Rutman affirmed November 14, 2019 is attached to this Second Report as **Appendix “E”** (the “**Rutman Affidavit**”).

42. The total fees and disbursements of Miller Thomson are detailed in the Affidavit of Asim Iqbal sworn November 18, 2019, a copy of which is attached to this Second Report as **Appendix**

**“F”** (the **“Iqbal Affidavit”**). The total fees for services provided by Miller Thomson amount to \$69,627.50 plus disbursements of \$409.76 and HST of \$9,094.55 for a total of \$79,131.80.

43. The Monitor submits that the fees and disbursements incurred by the Monitor and its counsel, as described above and in the Rutman Affidavit and the Iqbal Affidavit, are fair and reasonable in the circumstances and have been properly incurred. Accordingly, the Monitor seeks the approval of the fees and disbursements incurred by the Monitor and Miller Thomson.

## **DISTRIBUTION**

### *Aircraft Broker’s Commission*

44. As described above, in accordance with the SISP, Gedex retained the services of the Aircraft Broker to assist with the marketing of the Aircraft in exchange for a five percent (5%) commission on a sale that resulted from the Aircraft Broker’s efforts (the **“Aircraft Broker Commission”**).

45. Should the Aircraft Transaction be approved by the Court and close, the Aircraft Broker has provided the Monitor with an invoice for the Aircraft Broker Commission. A copy of the Aircraft Broker’s invoice is attached to this Second Report as **Confidential Appendix “4”**. A sealing order is being requested to prevent the indirect disclosure of the purchase price of the Aircraft.

46. In the Monitor’s view, the retention of the Aircraft Broker was authorized under the SISP and resulted in the Aircraft Transaction. Accordingly, the Aircraft Broker is entitled to payment of the Aircraft Broker Commission from the proceeds of the Aircraft Transaction.

47. Assuming the Aircraft Transaction closes, following payment of the Aircraft Broker Commission, the Monitor proposes to distribute from the proceeds of the Aircraft Transaction, net of the Aircraft Broker Commission and administration costs allocated to the sale of the Aircraft that are secured by the Administration Charge (as defined in the Initial Order) (such net amount being the “**Net Proceeds**”) to MBHD until the MBHD Priority Amount (as defined below) is paid or the Net Proceeds have been exhausted, as set out below.

*MBHD*

48. Should the Court approve the Aircraft Transaction and it closes, the Monitor seeks authorization to distribute to MBHD, from the Net Proceeds of the Aircraft Transaction, amounts owing to MBHD an account of the MBHD Priority Amount.

49. MBHD provided a loan to the predecessor of Gedex, Gedex Inc., to, among other things, finance the purchase of the Aircraft, which was secured against the Aircraft (the “**MBHD Security**”). Gedex Inc. amalgamated with Gedex on November 30, 2010.

50. The Monitor has received confirmation from its counsel that the MBHD Security is valid and enforceable in accordance with its terms, subject to customary assumptions and qualifications.

51. The MBHD Security was first registered against Gedex in accordance with the PPSA on June 17, 2011 (the “**MBHD Registration**”). The MBHD Registration has been subsequently renewed and remains current as at the date of this Second Report. There are no PPSA registrations made against Gedex that are prior in time to the MBHD Registration.

52. MBHD and FCMI entered into a Priority Agreement to set out the relative priority of each party’s security interest in the Aircraft. A copy of the Priority Agreement dated November 14,

2013 is attached to this Second Report as **Appendix “G”**. Pursuant to its terms, the MBHD Security has priority over FCMI’s security interest in the Aircraft up to the amount of CDN \$815,000, plus interest at the rate of up to 12% per annum (the “**MBHD Indebtedness**”) together with costs, charges and expenses (the “**MBHD Costs**”, together with the MBHD Indebtedness, the “**MBHD Priority Amount**”).

53. MBHD has provided the Monitor supporting documentation in respect of the MBHD Costs, which the Monitor is currently reviewing. The MBHD Costs determined, either consensually or by further order of the Court, to be valid, due and owing will form part of the MBHD Priority Amount. Accordingly, the Monitor seeks authorization to make continued distributions from the Net Proceeds of the Aircraft Transaction on account of the MBHD Priority Amount until such amounts have been paid in full or the available Net Proceeds have been exhausted.

54. Should this Court provide the Monitor with authorization, the Monitor intends to distribute amounts to MBHD from the Net Proceeds on account of the MBHD Indebtedness as soon as reasonably practicable following the closing of the Aircraft Transaction and distribute further amounts from the Net Proceeds on account of the MBHD Costs after its quantum has been determined consensually or by court order. The Monitor is of the view that such an approach to distribution is appropriate and avoids the costs of an additional distribution motion.

#### **STAY EXTENSION**

55. The Monitor seeks an extension of the Stay Period until January 31, 2019.

56. The extension of the Stay Period is requested for the following reasons:



- (a) to maintain the status quo while the Debtors and the Monitor proceed to close the FCMI Transaction and Aircraft Transaction should the Court approve such transactions;
- (b) to address the premises leased by the Debtors in Mississauga, Ontario;
- (c) to resolve the quantum of the MBHD Costs consensually or by further order of the Court and to distribute from the Net Proceeds on account thereof; and
- (d) such other matters ancillary to completing the activities referenced above or as otherwise may be required to complete the administration and termination of these CCAA proceedings, including a discharge of the Monitor.

57. In the Monitor's view, the Debtors are acting in good faith and with due diligence.

58. Attached as Appendix "**H**" is a Cash Flow Forecast (the "**Cash Flow Forecast**") setting out the forecast receipts and disbursements during the requested extension of the Stay Period. FCMI provided the DIP Financing to the Debtors to fund, among other things, the costs of these CCAA proceedings. The Monitor expects FCMI will continue to support under the DIP Financing during the requested extension of the Stay Period.

59. In addition, since the Aircraft Transaction has not been approved as at the date of this Second Report, receipt of the proceeds of the Aircraft Transaction is not reflected in the Cash Flow Forecast. Should the Court approve the Aircraft Transaction and it closes, the proceeds from the Aircraft Transaction would also be available to fund the balance of the administration of these CCAA proceedings.

60. Accordingly, the Monitor is of the view that the Debtors should have sufficient liquidity during the requested extension of the Stay Period.

61. For the reasons described above, the Monitor respectfully requests the Court grant the requested extension of the Stay Period for the purposes outlined above.

## **CONCLUSION**

62. For the reasons set out in this Second Report, the Monitor respectfully recommends the Court grant:

- (a) the FCMI Approval and Vesting Order, among other things, approving the FCMI Transaction;
- (b) the Aircraft Approval and Vesting Order, among other things, approving the Aircraft Transaction; and
- (c) the Ancillary Order, among other things:
  - (i) approving the First Report and the Second Report and the conduct and activities of the Monitor described therein;
  - (ii) approving the payment of the Aircraft Broker Commission;
  - (iii) authorizing the Monitor to distribute to MBHD from the Net Proceeds the MBHD Priority Amount; and
  - (iv) sealing Confidential Appendices 1 – 4 of this Second Report.

All of which is respectfully submitted this 18<sup>th</sup> day of November, 2019.

**ZEIFMAN PARTNERS INC.**  
**in its capacity as Monitor**  
**of Gedex Systems Inc., Gedex Exploration Inc.,**  
**Gedex Earth Inc., Gedex Aviation Inc., and**  
**Black Bay Minerals Corp.**

Per:

A handwritten signature in blue ink, appearing to be 'AR', with a large loop and a horizontal stroke extending to the right.

Allan Rutman  
President

## APPENDIX A

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

THE HONOURABLE MR.

)

MONDAY, THE 12TH

JUSTICE PENNY

)

DAY OF AUGUST, 2019

)

FCMI PARENT CO.

Applicant

- and -

GEDEX SYSTEMS INC., GEDEX AVIATION INC., BLACK BAY MINERALS  
CORPORATION, GEDEX EXPLORATION INC., and GEDEX EARTH INC.

Respondents

APPLICATION UNDER THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C 1985, c. C-36

**SALES AND INVESTOR SOLICITATION PROCESS ORDER**

**THIS APPLICATION**, made by FCMI Parent Co. ("**FCMI**"), a secured creditor of Gedex Systems Inc., Gedex Aviation Inc., Black Bay Minerals Corporation, Gedex Exploration Inc. and Gedex Earth Inc. (collectively, the "**Debtors**"), for an order approving a sale and investor solicitation process in respect of the property, assets and undertakings of the Debtors (the "**SISP**") was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the affidavit of Yakov Friedman affirmed August 9, 2019 (the "**Friedman Affidavit**") and the exhibits thereto and the pre-filing report of Zeifman Partners Inc. (the "**Monitor**"), in its capacity as proposed monitor of the Debtors dated August 9, 2019, and on hearing the submissions of counsel for FCMI and counsel for Zeifman, no one else appearing

although duly served as appears from the affidavit of service of Sandra Cooper sworn August 9, 2019, filed,

### **SERVICE**

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

### **INTERPRETATION**

2. **THIS COURT ORDERS** that any capitalized terms used but not defined in this Order shall have the meaning ascribed to them in the Initial Order of the Honourable Justice Penny in these proceedings dated August 12, 2019.

### **SALE AND INVESTMENT SOLICITATION PROCESS**

3. **THIS COURT ORDERS** that the Debtors retain Robert (Bob) Benia (the “SISP Advisor”) on the basis of his existing compensation arrangement with FCMI and that the SISP Advisor is hereby authorized, directed and empowered to carry out the terms of the SISP pursuant to this Order.

4. **THIS COURT ORDERS** that the SISP and the proposed SISP timetable attached as Schedule “A” and Schedule “B”, respectively, to this Order are hereby approved, and SISP Advisor, the Debtors and the Monitor are authorized and directed to perform each of their obligations thereunder and to do all things reasonably necessary to perform their obligations thereunder.

5. **THIS COURT ORDERS** that each of SISP Advisor and the Monitor and its respective affiliates, partners, directors, employees, agents and controlling persons shall have no liability with respect to any and all losses, claims, damages or liabilities of any nature or kind to any person in connection with or as a result of the SISP, except to the extent such losses, claims, damages or liabilities result from the gross negligence or wilful misconduct of the SISP Advisor or the Monitor in performing their obligations under the SISP (as determined by this Court).

6. **THIS COURT ORDERS** that in connection with the SISP and pursuant to section 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada), the SISP Advisor, the Debtors and the Monitor are authorized and permitted to disclose personal information of identifiable individuals to prospective purchasers or offerors and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more transactions (each, a "**Transaction**"). Each prospective purchaser or offeror to whom such information is disclosed shall maintain and protect the privacy of such information and shall limit the use of such information to its evaluation of the Transaction, and if it does not complete a Transaction, shall: (i) return all such information to the SISP Advisor, the Debtors or the Monitor, as applicable; (ii) destroy all such information; or (iii) in the case of such information that is electronically stored, destroy all such information to the extent it is reasonably practical to do so. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtors, and shall return all other personal information to the SISP Advisor, the Debtors or the Monitor, as applicable, or ensure that other personal information is destroyed.

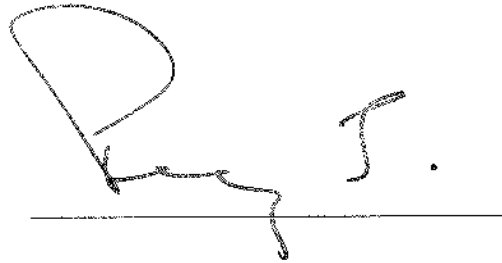
#### **GENERAL**

7. **THIS COURT ORDERS** that the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder, including without limitation in connection with any matters relating to the SISP.

8. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Debtors, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Debtors and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Debtors and the Monitor and their respective agents in carrying out the terms of this Order.

9. **THIS COURT ORDERS** that the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

10. **THIS COURT ORDERS** that any interested party (including the Debtors and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.



ENTERED AT / INSCRIT A TORONTO  
ON / BOOK NO:  
LE / DANS LE REGISTRE NO:

AUG 12 2019

PER / PAR:





## SCHEDULE "A"

### GEDEX SYSTEMS INC., GEDEX AVIATION INC., BLACK BAY MINERALS CORPORATION, GEDEX EXPLORATION INC., and GEDEX EARTH INC.

(collectively, the "Debtors")

#### SALES AND INVESTOR SOLICITATION PROCESS

##### Recitals

- A. On August 1, 2019, and on application by FCMI Parent Co. ("FCMI"), Gedex Systems Inc., Gedex Aviation Inc., Black Bay Minerals Corporation, Gedex Exploration Inc. and Gedex Earth Inc. (collectively, the "Debtors") obtained protection from their creditors under the *Companies' Creditors Arrangement Act*, (Canada) (the "CCAA") pursuant to the provisions of an order (as it may be amended, restated or supplemented from time to time, the "Initial Order") of the Ontario Superior Court of Justice (Commercial List) (the "Court").
- B. Pursuant to the Initial Order, Zeifman Partners Inc. was appointed as monitor (in such capacity and not in its personal capacity, the "Monitor") during the CCAA proceedings.
- C. Pursuant to an order of the Court dated August 1, 2019 (the "SISP Approval Order"), the Court approved a sale and investor solicitation process to be conducted in respect of the Debtors, in accordance with the procedures, terms and conditions set out herein (as such process may be amended, restated or supplemented pursuant to the terms herein, the "SISP") and approved the appointment of Bob Benia to lead the SISP (in such capacity and not in his personal capacity, the "SISP Advisor") with the assistance of the Monitor.
- D. The property that is available for sale pursuant to the SISP (collectively, the "Property") is comprised of all property, assets and undertaking of the Debtors.
- E. Pursuant to the SISP, all Debtors and any part or thereof, are available for purchase or investment (the "Businesses"), as more particularly described in the Teaser Letter and Summary of Businesses (each as defined herein) that will be prepared by the SISP Advisor with the assistance of the Monitor.
- F. The SISP Approval Order, the SISP, and any other orders of the Court made in the CCAA proceedings relating to the SISP shall exclusively govern the process for soliciting and selecting bids for the sale of the Property or Businesses or investment in the Businesses. An investment in the Businesses may involve, among other things, a restructuring, recapitalization, or other form of reorganization of the business and affairs of the Businesses or any part thereof, and such investment may be consummated pursuant to a plan of compromise or arrangement (a "Plan") or otherwise.

- G. Unless otherwise indicated herein, any event that occurs on a day that is not a Business Day shall be deemed to occur on the next Business Day (a “**Business Day**” is any day, other than a Saturday or Sunday, on which banks are ordinarily open for business in Toronto, Ontario).

**Conduct of the SISP**

1. **SISP Team**. The SISP will be carried out by the SISP Advisor, in consultation with the Monitor, FCMI and Rudi Fronk (the “**SISP Team**”). Unless otherwise provided for herein, the SISP Advisor, in consultation with the other members of the SISP Team, is fully and exclusively authorized, empowered and directed to take any and all actions and steps pursuant to the SISP.
2. **Advice and Directions**. The SISP Advisor or the Monitor may, at any time and notice to the Service List, apply to the Court for directions in connection with the implementation of the SISP.
3. **Consultation and Retention of Agents and Consultants**. At any time during the SISP, the SISP Advisor may from time to time (a) consult with the Monitor, FCMI or such other parties as the SISP Advisor considers appropriate in respect of the conduct of the SISP, (b) with the consent of the Monitor, or approval of the Court, retain such agents, consultants or brokers as they consider appropriate to assist them in the conduct of the SISP. Consent shall not be required for expenses the SISP Advisor incurs which are consistent with the cash flow projections submitted in support of the application for the Initial Order.
4. The SISP Advisor shall be primarily responsible to contacting Prospective Bidders, communicating with Prospective Bidders and Bidders and negotiating with Bidders as the case may be. This shall include, without limitation, facilitating the delivery of all communications, contacting Prospective Bidders and providing them with the Teaser Letter and the Summary of Businesses and coordinating the execution of the Confidentiality Agreements by Prospective Bidders, managing the process of answering all reasonable inquiries from Prospective Bidders and Bidders and arranging for visits, when applicable, by Prospective Bidders and Bidders (each term as defined herein).
5. The SISP Team shall review and consider Bids (as defined herein).

**Sale and Investment Opportunities**

6. **Opportunity to Submit a Bid**. Bidders will have the opportunity to submit a bid to purchase, some or all of the Property or Businesses or any part thereof (a “**Sale Proposal**”) or for an investment in the Businesses or any part thereof through a Plan sponsorship (a “**Plan Sponsorship Proposal**”). Sale Proposals and Plan Sponsorship Proposals may be in respect of only some of the Property or a part or parts of the Businesses, including specific divisions thereof, and any such proposal will not be precluded from consideration as an acceptable Bid or a Successful Bid.

**“As is, Where Is”**

7. "As is, Where is" Basis. Any Sale Proposal or Plan Sponsorship Proposal (either being a **"Proposal"**) shall be made on an "as is, where is" basis, without surviving representations or warranties of any kind or nature.
8. No Representations or Warranties. The SISP Team and the Debtors are not responsible for, and will have no liability with respect to, any information obtained by any Prospective Bidder, Bidder, or Successful Bidder in connection with the Businesses. The SISP Team and the Debtors and their advisors, if applicable, do not make any representations or warranties whatsoever as to the information or the materials provided through the due diligence process or otherwise made available to any Prospective Bidder, Bidder, or Successful Bidder, including any information contained in the Teaser Letter, Summary of Businesses or Data Room.

### **Solicitation of Interest**

9. Solicitation Materials. The SISP Advisor, with the assistance of the SISP Team, has or will:
  - (a) compile a listing (the **"Contact List"**) of prospective purchasers and investors (collectively, **"Prospective Bidders"**). The SISP Advisor will use all reasonable commercial efforts to contact all parties identified in the list as well as any additional parties that the SISP Team identifies as prospective purchasers or investors;
  - (b) post of a copy of the Initial Order and SISP Order and this SISP on the Monitor's website;
  - (c) prepare the Summary of Businesses;
  - (d) determine the appropriate advertising to be directed at Prospective Bidders, which may include newspaper, trade publication, internet or other advertising directed at Prospective Bidders;
  - (e) send to each Prospective Bidder a solicitation letter summarizing the acquisition and investment opportunity with respect to the Property and Businesses (the **"Teaser Letter"**);
  - (f) set up, under the supervision of the Monitor, an electronic data room with confidential information in respect of the Property and the Businesses (the **"Data Room"**);
  - (g) send to each Prospective Bidder upon request a form of Confidentiality Agreement and written acknowledgement of receipt of a copy of the SISP Approval Order (including the SISP) wherein such Prospective Bidder agrees to accept and be bound by the provisions of the SISP Approval Order (the **"Written Acknowledgement"**). The Prospective Bidders will be required, among other things, to sign a Confidentiality Agreement in order to gain access to confidential information (including access to the Data Room). For greater certainty, only Prospective Bidders who submit an executed Confidentiality Agreement, which is in form and substance acceptable to the SISP Team, shall have

access to the Summary of Businesses, Data Room and other confidential information and management presentations, if available;

- (h) give access to the Data Room and coordinate the communication of information to each Prospective Bidder who has executed a Confidentiality Agreement; and
  - (i) prepare the form of a template asset purchase agreement (the “**Template APA**”) to be used by Prospective Bidders to submit a Sale Proposal and post same in the Data Room.
10. Restrictions on Access to Confidential Information. The SISP Team reserves the right to limit any Prospective Bidder’s or Bidder’s access to any confidential information (including any information in the Data Room) and to customers and suppliers of the Debtors, where, in the SISP Team’s discretion, such access could negatively impact the SISP, the ability to maintain the confidentiality of the confidential information, the Businesses or the value of the Property. Requests for additional information are to be made to the SISP Advisor.

#### **Submission of Bids**

11. Bid Deadline. Unless otherwise provided for herein, ordered by the Court or agreed to by the SISP Team, in order to participate in the SISP and be considered for qualification as a Bidder, a Bidder must deliver to the SISP Advisor so as to be received not later than 5:00 p.m. (Toronto time) on **October 28, 2019** (the “**Bid Deadline**”), the following:
- (a) an executed Confidentiality Agreement and Written Acknowledgment (to the extent these documents have not already been provided);
  - (b) a bid (a “**Bid**”) which specifies whether the Bidder is submitting a Sale Proposal or Plan Sponsorship Proposal (each, a “**Proposal**”) and which complies with the requirements of paragraph 12 and 13 below, as applicable; and
  - (c) a letter setting forth the identity of the Bidder, the contact information for such Bidder and for any business, financial or legal advisors retained or to be retained by it in connection with the contemplated transaction, and full disclosure of the direct and indirect owners of the Bidder and its principals.

#### **Requirements for Bid**

12. Requirements for Bids. A Bid will be considered only if it (i) is submitted by a Bidder on or before the applicable Bid Deadline, and (ii) complies with the following requirements:
- (a) In the case of Sale Proposals, the Bid must include:
    - (i) a binding asset purchase agreement together with a mark up outlining highlighting all proposed changes from the Template APA pertaining to the Sale Proposal;

- (ii) a detailed listing and description of the Property to be included in the Sale Proposal or a detailed listing of the Property to be excluded from the Sale Proposal;
  - (iii) the proposed purchase price for such Sale Proposal, the proposed allocation of purchase price among the applicable Property and/or Businesses and an explanation of what contingencies and variables may influence the final purchase;
  - (iv) a list of the key material contracts and leases, if any, the Bidder wishes to acquire and the Bidder's proposed treatment of any related "cure costs";
- (b) In the case of a Plan Sponsorship Proposal, the Bid must include:
- (i) a description of the structure of Plan sponsorship transaction, including which Businesses will be the target of such transaction;
  - (ii) a description of the type and amount of consideration, including equity, if any, to be allocated to secured creditors, unsecured creditors and shareholders of each of the applicable Debtors;
  - (iii) the structure and financing of the transaction, including a sources and uses analysis;
- (c) in the case of all Proposals, the Bid must include:
- (i) an acknowledgment that the Bid is made on an "as is, where is" basis;
  - (ii) the proposed treatment of the Debtors' stakeholders, including lenders, employees, trade creditors and clients;
  - (iii) any anticipated regulatory and other approvals required to close the proposed transaction and the anticipated time frame and any anticipated impediments for obtaining any such approvals;
  - (iv) the proposed target closing date and a timeline to closing with critical milestones;
  - (v) any other terms and conditions which the Bidder believes are material to the transaction; and
13. A Bid will not be considered unless:
- (a) it fully discloses the identity of each person or entity that will be sponsoring or participating in the Proposal, including the identification of the Bidder's direct and indirect owners and their principals, and the complete terms of such participation;

- (b) it contains evidence of authorization and approval from the Bidder's board of directors, investment committee, credit committee or comparable governing body, as applicable, with respect to the submission, execution, delivery and closing of the transaction contemplated by the Proposal;
  - (c) it includes a letter confirming that the Proposal is a binding offer capable of acceptance by the SISP Team, irrevocable and open for acceptance until at least 11:59 p.m. (Toronto Time) on the Business Day after the closing of a Successful Bid relating to the same Property and/or Businesses that is/are subject to the Proposal;
  - (d) it includes a cash deposit in an amount equal to ~~10~~ <sup>ten</sup> percent (~~10~~ <sup>ten</sup>%) of the purchase price or investment contemplated therein, as the case may be, payable by wire transfer of immediately available funds (to a bank account specified by the Monitor) payable to the order of the Monitor, in trust, which will be dealt with in accordance with paragraphs 26 to 28, or such other form of deposit or amount as is acceptable to the applicable the SISP Team (each, a "Deposit");
  - (e) it includes either written evidence of a firm, irrevocable commitment for all required funding and/or financing from a credit worthy bank or financial institution, or other evidence of financial ability to close the transaction satisfactory to the SISP Team, that will allow the SISP Team to make a reasonable determination as to the Bidder's (and its direct and indirect owners') financial and other capabilities to consummate the transaction contemplated by the Proposal;
  - (f) it includes the anticipated time frame and any anticipated impediments for obtaining any regulatory or other approvals indicated in the purchase agreement as conditions to closing;
  - (g) it does not request or entitle the Bidder to any break-fee, termination fee, expense reimbursement or other type of compensation or payment; and
  - (h) it contains such other information reasonably requested by the SISP Team.
14. Portion Bids. For greater certainty, Proposals may be in respect of only a part or parts of the Property or Businesses and such proposal shall constitute a Bid if it satisfies the requirements in paragraph 12 and 13 hereof, in respect of any Property or Businesses subject to such Proposal, and in such case, such bidder shall constitute a Bidder.

#### Assessment of Bids

15. Review of Bids. Promptly following the Bid Deadline, the SISP Team will review and assess the Bids and in making such assessment will consider, among other things, the following (the "**Bid Criteria**"):
- (a) In the case of a Sale Proposal,

- (i) the purchase price and net value (including all assumed liabilities and other obligations to be performed by the Bidder) provided by such Bid and the proposed allocation of the purchase price among the applicable Property and Businesses;
    - (ii) the firm, irrevocable commitment for financing the transaction or other evidence of financial ability to consummate the Sale Proposal;
    - (iii) the assets included in or excluded from the Sale Proposal and the transaction costs and risks associated with closing multiple transactions versus a single sale transaction for all or substantially all of the applicable Property or Businesses or any part thereof;
  - (b) In the case of a Plan Sponsorship Proposal
    - (i) the type and amount of consideration, including equity, if any, to be allocated to secured creditors, unsecured creditors and shareholders of each of the applicable Debtors and the planned treatment of such persons under the proposed Plan Sponsorship Proposal;
    - (ii) the cost, risks and timing associated with obtaining the approval of the requisite majority of creditors and approval of the Court in respect of the Plan; and
  - (c) the planned treatment of the Debtors' stakeholders, including lenders, employees, trade creditors and clients; and
  - (d) other factors affecting the speed, certainty and value of the Proposal (including any regulatory approvals and other conditions required to close the Sale Proposal by the applicable closing date), including the likelihood of closing the Sale Proposal on or before the applicable closing date.
16. Clarifications, Extensions and Waivers of Bids. For greater certainty, the SISP Team shall be entitled either prior to or following the applicable Bid Deadline, to seek to clarify the terms of a Bid and may accept a revised, clarified Bid, provided that the initial Bid was received prior to the applicable Bid Deadline. The SISP Team, in its sole discretion acting reasonably may grant extensions to the Bid Deadline with respect to any Property or Businesses and in such a case, the Monitor shall post the extended Bid Deadline on the Monitor's website and in the Data Room. The Debtors shall comply with any other extensions of the Bid Deadline as may be granted by the SISP Team or as may be ordered by the Court. The SISP Team may waive compliance with any one or more of the requirements specified in paragraphs 12 and 13 and deem any non-compliant bid to be a Bid.
17. Identification of Suitable Bids. The SISP Team shall apply the Bid Criteria and consider each Bid upon its submission and determine whether it will be in the best interests of the Debtors and FCMI to pursue a transaction on the terms set out in the applicable Bid. This determination by the

SISP Team will be made as promptly as practicable after the applicable Bid Deadline and any clarifications that may be sought by the SISF Team pursuant to paragraph 16.

18. Floor Price: After the Bid Deadline, in the event that the SISF Advisor, in consultation with the Monitor and FCMI, determines that neither (i) a Bid; or (ii) a combination of non-overlapping Bids is received would permit the repayment in full of (i) FCMI's secured claim against the Debtors; and (ii) all applicable prior ranking secured claims, FCMI shall be entitled but not required to submit a bid, up to the maximum amount of its secured claim, to purchase all or part of the Property and/or the Businesses by way of a credit bid transaction, which addresses all applicable prior ranking secured claims in a manner satisfactory to such prior ranking secured creditors, if any.
19. Advice and Directions if no Suitable Bids. If at any point before or after the applicable Bid Deadline, the SISF Team determines that there are or will be no Bids with respect to a particular Business, or that it is appropriate to reject all Bids received because none are in the best interests of the Debtors' stakeholders or that it will not be in their best interests to continue with the SISF with respect to the Businesses, the Monitor shall as soon as reasonably practicable file a motion with the Court on notice to the Service List to seek advice and directions with respect to the modification, suspension or termination of the SISF.
20. Selection of Bid. Subject to paragraph 18, if any Bid that is in the best interests of the Debtors' stakeholders, the SISF Advisor, with consent of the Monitor and FCMI, may elect to accept any such Bid (in which case, such Bid shall be a "**Successful Bid**" and the Bidder making the Successful Bid shall be a "**Successful Bidder**") and take such steps as are necessary to finalize and complete an agreement for the Successful Bid with the Successful Bidder. For greater certainty, the SISF Team may accept a combination of non-overlapping Bids to create one "**Successful Bid**" and in such case, each of the applicable Bidders will become "**Successful Bidders**".
21. Discretion of the SISF Team. Subject to paragraph 18, the SISF Team may at any time, (a) reject any bid that is (i) inadequate or insufficient, (ii) not in conformity with the requirements of the CCAA, the SISF or any orders of the Court applicable to the Debtors, or (iii) contrary to the best interests of the Debtors stakeholders; (b) in accordance with the terms hereof, accept bids not in conformity with the SISF in the event the SISF Team determines, in their reasonable business judgment, that doing so would benefit the Debtors' stakeholders; (c) in accordance with the terms hereof, extend the Bid Deadline; (d) reject all bids; and/or (e) terminate the SISF, before or after the Bid Deadline. For greater certainty, the SISF Team shall be under no obligation to accept the highest or best offer and the selection of the Successful Bid shall be entirely in the discretion of the SISF Team.

#### Approval Motion

22. Application to Court. After a definitive agreement(s) in respect of a Successful Bid has been finalized in accordance with the SISF, if such Successful Bid relates to the Business of one or more Debtors, the Monitor shall apply to the Court as soon as reasonably practicable for an order



approving such Successful Bid and authorizing the SISP Advisor, on behalf of the applicable Debtors, to enter into any and all necessary agreements with respect to such Successful Bid and to undertake such other actions as may be necessary or appropriate to give effect to such Successful Bid, including for the approval of any Plan(s) pursuant to the CCAA, as applicable (an "Approval Motion").

23. Scheduling of Approval Motion. An Approval Motion will be held on a date to be scheduled by the Court and to be heard as soon as possible. The SISP Team reserves its right, as may be necessary or appropriate, to seek to proceed on an expedited basis and abridge any notice period provided for in the Initial Order and SISP Order. An Approval Motion may be adjourned or rescheduled by the Monitor by an announcement of the adjourned date at an Approval Motion or by notice to the Service List and no further notice shall be required.
24. Deemed Rejection. All Bids (other than the Successful Bid(s)) will be deemed rejected at 11:59 p.m. (Toronto Time) on the Business Day after the closing of a Successful Bid relating to the same Property and/or Businesses.
25. Statutory Approvals. For the avoidance of doubt, the approvals required pursuant to the terms hereof are in addition to, and not in substitution for, any other approvals required by the CCAA or any other statute or as otherwise required at law in order to implement a Successful Bid.

#### **Treatment of Deposit**

26. Application of Deposit. If there is a Successful Bid, the Deposit (plus accrued interest) paid by a Successful Bidder whose bid is approved by the Court will be released by the Monitor and applied to the purchase price to be paid, or investment to be made, by such Successful Bidder upon closing of the approved transaction or as otherwise set out in the definitive agreement.
27. Return of Deposits. The Deposits of Bidders not selected as a Successful Bidder, will be returned to such Bidders within ten (10) Business Days of the date of closing of the Successful Bid. If there is no Successful Bid with respect to a Business, subject to the following paragraph 28, all Deposits with respect to such Business will be returned to all Bidders with respect to that Business, within ten (10) Business Days of the date on which the SISP with respect to that Business is terminated in accordance with the SISP.
28. Forfeit of Deposit. If (i) a Successful Bidder breaches any of its obligations under the terms of the SISP or any definitive transaction documentation; (ii) a Bidder fails to complete the transaction contemplated by its Bid if required by the SISP Team to complete such transaction; or (iii) a Bidder fails to provide proof of its ability to complete the transaction to the SISP Advisor (other than with respect to conditions specifically provided in its Bid), within five (5) Business Days of a request to that effect from the SISP Advisor, then, in each case, such Bidder's Deposit will be forfeited to the Debtors as liquidated damages and not as a penalty. The Debtors shall apply and use their share of any forfeited Deposit in a manner agreed upon by the SISP Team, or subject to further order of the Court.

**Reservation of Rights and Conduct of the SISP**

29. No Binding Agreement. The SISP does not, and will not be interpreted to, create any contractual or other legal relationship between any party to the SISP Team and any Prospective Bidder or Bidder, other than as specifically set forth in a definitive agreement that any such Bidder may enter into with the applicable Debtors.
30. Extension of Time Limits. The Monitor may from time to time extend any of the time limits set out in the SISP, as it determines appropriate, for a period of up to ten (10) days, provided that the Bid Deadline shall not be extended by more than fourteen (14) days without FCMI's consent, or further order of the Court.

**No Amendment**

31. Amendments to SISP. Except as otherwise set out herein, there will be no amendments to the SISP without the approval of the Court on notice to the Service List, subject to such non-material amendments as may be agreed to by the SISP Team.
32. Consent to Jurisdiction of the Court. Each Bidder, upon being declared as such under the SISP, shall be deemed to have irrevocably and unconditionally attorned and submitted to the jurisdiction of the Court in respect of any action, proceeding or dispute in relation to the conduct or any aspect of the SISP.

**SCHEDULE "B"**

**PROPOSED SISP TIMELINE**

	<b>Event</b>	<b>Timing</b>
1.	The SISP Advisor to compile Contact List of Prospective Bidders and sending those parties the Teaser Letter and the Summary of Businesses.	Within 10 Business Days of issuance of the SISP Approval Order.
2.	Information pertaining to the SISP to be posted on the Monitor's website and any advertising determined appropriate by the SISP Advisor in newspaper(s) or other trade publications as it deems appropriate.	Within 10 Business Days of issuance of the SISP Approval Order.
3.	Prospective Bidders expressing an interest in participating in the SISP will be required to execute the Confidentiality Agreement and Written Acknowledgement, upon which Prospective Bidders to be given access to the Data Room. Prospective Bidders that wish to undertake further due diligence will be provided with an opportunity to conduct site visits and review further additional information not available from the virtual data room.	Through to no later than 5:00 p.m. (Toronto Time) on October 10, 2019.
4.	Prospective Bidders will have until the Bid Deadline to submit a Proposal, which Proposal must be made using the Template APA and must include a Deposit.	On or before 5:00 p.m. (Toronto Time) on October 28, 2019.
5.	Following the Bid Deadline, the SISP Team will review and assess all Proposals received, if any, and determine the Successful Bid or Successful Bidders, as applicable.	As soon as reasonably practicable following the Bid Deadline.
7.	Schedule Approval Motion with the Court.	As soon as reasonably practical following execution and delivery of a definitive agreement(s) in respect of a Successful Bid.
8.	Close sale(s) to Successful Bidder(s).	First Business Day after Approval Motion or such other Business Day as may be agreed to by the Monitor and the Successful Bidder(s).
9.	Return of Deposits of Bidders not selected as a Successful Bidder.	Within 10 Business Days following the closing of the Successful Bid.

FCMI PARENT CO.

- and -

GEDEX SYSTEMS INC., GEDEX AVIATION INC., BLACK  
BAY MINERALS CORPORATION, GEDEX EXPLORATION  
INC., and GEDEX EARTH INC.

Applicant

Respondents

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(COMMERCIAL LIST)**

PROCEEDING COMMENCED AT TORONTO

**SALES AND INVESTOR SOLICITATION**  
**PROCESS ORDER**

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## APPENDIX B

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

**FCMI PARENT CO.**

Applicant

- and -

**GEDEX SYSTEMS INC., GEDEX AVIATION INC., BLACK BAY  
MINERALS CORPORATION, GEDEX EXPLORATION INC., and  
GEDEX EARTH INC.**

Respondents

**APPLICATION UNDER THE *COMPANIES' CREDITORS  
ARRANGEMENT ACT*, R.S.C 1985, c. C-36**

**FIRST REPORT OF THE MONITOR  
DATED AUGUST 28, 2019**

**INTRODUCTION**

1. On August 12, 2019, on application by FCMI Parent Co. (“**FCMI**”), in its capacity as secured creditor of Gedex Systems Inc. (“**Gedex**”), Gedex Aviation Inc. (“**Aviation**”), Black Bay Minerals Corporation (“**Black Bay**”), Gedex Exploration Inc. (“**Exploration**”) and Gedex Earth Inc. (“**Earth**”) (collectively, the “**Debtors**”), the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) made an Order (the “**Initial Order**”) under the *Companies’ Creditors Arrangement Act* (the “**CCAA**”), among other things:

- (a) declaring that the Debtors are debtor companies to which the CCAA applies and commencing these CCAA proceedings;
- (b) granting a stay of proceedings until September 11, 2019 (the “**Stay Period**”); and

- (c) appointing Zeifman Partners Inc. as monitor of all of the assets, undertakings and properties (the “**Property**”) of the Debtors (in such capacity, the “**Monitor**”), with enhanced powers as set out in the Initial Order.
2. A copy of the Initial Order is attached as Exhibit “A” to the Affidavit of Yakov Z. Friedman affirmed August 27, 2019 (the “**Yakov Affidavit**”).
3. On the same date, the Court also granted an Order (the “**SISP Approval Order**”) approving a sales and investor solicitation process (the “**SISP**”). A copy of the SISP Approval Order is attached as Exhibit “B” to the Yakov Affidavit.

## **PURPOSE**

4. The purpose of this first report of the Monitor (the “**First Report**”) is to provide information to the Court in connection with the following:
- (a) certain background about the Debtors;
  - (b) the activities of the Monitor since the date of the Initial Order;
  - (c) certain amendments to the Lease (as defined below) in respect of the Premises (as defined below) agreed upon by the Debtors and the Landlord (as defined below);
  - (d) an update on the SISP;
  - (e) the actual receipts and disbursements of the Debtors during the initial Stay Period as well as any material variances between the actual receipts and disbursements and the initial cash flow forecast (the “**Initial Cash Flow Forecast**”) that was appended

as Appendix “A” to the Pre-Filing Report of the Monitor dated August 9, 2019 (the **“Pre-Filing Report”**);

- (f) the Debtors’ cash flow forecast for the proposed extension of the Stay Period (the **“Cash Flow Forecast”**) including a comparative analysis to the Initial Cash Flow Forecast;
- (g) the Monitor’s recommendation with respect to the motion before this Court for an extension of the Stay Period through and until December 10, 2019; and
- (h) Update on DIP loan and the Monitor’s recommendation on the request for an Order increasing the maximum availability to \$1,000,000.

## **TERMS OF REFERENCE**

5. In preparing this First Report and making the comments herein, the Monitor has been provided with, and has relied upon certain unaudited financial information, books, records and financial information prepared by the Debtors, information from Bob Benia, an FCMI contractor who had been working with the Debtors prior to the filing date and information from other third-party sources (collectively, the **“Information”**). Except as described in this First Report in respect of the Revised Cash Flow Forecast (as defined below);

- (a) the Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of such information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards (**“GAAS”**) pursuant to the *Chartered Professional*



*Accountants Handbook* (the “**CPA Handbook**”) and, accordingly, the Monitor express no opinion or other form of assurance contemplated under GAAS in respect of the Information; and

- (b) Some of the information referred to in this First Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the CPA Handbook, has not been performed.

6. Future oriented financial information referred to in this First Report was prepared based on the SISP Advisor’s estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the Projections, even if the assumptions materialize and the variations could be significant.

7. The Monitor’s understanding of factual matters express in this First Report concerning the Debtors and their Business is based on the Information, and not independent factual determinations made by the Monitor.

8. Unless otherwise stated monetary amounts contained herein are expressed in Canadian Dollars.

## **BACKGROUND ON DEBTORS**

9. The Debtors are privately owned companies that are primarily engaged in the development of technologies for use in airborne and ground based resource discovery systems. Gedex is the parent company.

10. Gedex was developing a high definition airborne gravity gradiometer (HD-AGG<sup>®</sup>) system. The aim was to discover and develop underground resources and to assist the mineral and oil and gas industries better manage their holdings. The HD-AGG<sup>®</sup> system in part relies on technology that Gedex operates under an exclusive license from the University of Maryland. The Respondent's technologies are the subject of a number of registered patents and is considered clean technology.

11. Gedex was responsible for all corporate support services including finance, human resources, corporate development, research and development, technology development, and data processing. Exploration was responsible for all global surveying operations and is also responsible for contractual relationships of the Debtors' with aircraft operating companies. Earth was responsible for marketing, sales and client management services, including negotiating and signing client contracts. Aviation was intended to be a future aircraft operating company for the Gedex group. Black Bay was primarily focused on exploring opportunities related to the Ring of Fire in northwestern Ontario.

## **ACTIVITIES OF THE MONITOR**

12. Since the date of the Initial Order, the Monitor has conducted the following activities:

- (a) participated in regular conference calls among the Debtors, FCMI and their respective advisors;
- (b) sent notice of the commencement of the CCAA proceedings and the means by which to obtain a copy of the Initial Order to known creditors in accordance with Section 23 of the CCAA and the Initial Order. The amended notice to creditors was mailed to the known creditors of the Debtors as shown in the Debtors' books

and records. A copy of the amended notice to creditors is attached hereto as Appendix “A”:

- (c) prepared a newspaper advertisement in respect of these CCAA proceedings, which was published in the Financial Post section of the *National Post* on August 20, 2019 and August 27, 2019, in accordance with the Initial Order. A copy of the advertisements are attached hereto as Appendix “B”;
- (d) established the Monitor’s website <<https://www.zeifmans.ca/current-insolvency-files/gedex>> (the “**Monitor’s Website**”) and uploaded materials as required by the CCAA and the Initial Order;
- (e) attended to filing the prescribed forms with respect to the commencement of this CCAA proceeding as required by the Regulations promulgated under the CCAA;
- (f) in addition to notifying creditors, the Monitor has advised and assisted the Debtors on a number of matters since date of the Initial Order, including with:
  - (i) negotiations in respect of the leased Premises located at 403-407 Matheson Road East, as further described below;
  - (ii) responding to creditor calls and other stakeholder inquiries; and
  - (iii) responding to former employee calls and issues in respect of government filings.
- (g) as part of the SISP Team (as defined below), the preparation of the Debtors’ teaser letter, the list of prospective purchasers, the forms of agreements required for the

SISP (confidentiality agreement, written acknowledgment and agreement of purchase and sale), the data room and other matters as necessary or required in the establishment of the SISP;

- (h) reviewed the actual receipts and disbursements for the period August 9, 2019 to August 26, 2019 and considered any material variances against the Initial Cash Flow Forecast (as defined below);
- (i) assisted the Debtors with the preparation of the Revised Cash Flow Forecast; and
- (j) prepared this First Report.

## **LEASED PREMISES**

13. The Debtors operated out of certain leased premises located at 403-407 Matheson Boulevard East, Mississauga ON (the “**Premises**”, and the lease agreement for the Premises being the “**Lease**”).

14. The Landlord for the Premises is Matheson Woods Limited Partnership (“**Landlord**”). The Landlord was owed approximately \$115,000 prior to the commencement of these CCAA proceedings.

15. Following the Initial Order, the Debtors, with the assistance of the Monitor and FCMI, engaged with the Landlord to renegotiate the Lease.

16. Gedex and its advisors have been negotiating with the Landlord in respect of the Lease. Gedex had intended to relocate to a smaller space within the Premises. Originally, the Premises was two (2) units that were consolidated by partially removing the partition wall separating the

units. After consideration of the cost of relocating to a smaller space and the potential damage to the technology, the Debtors determined to focus their negotiating efforts on maintaining the same leased space at a reduced rental cost for the time period required by the Debtors during these CCAA proceedings.

17. The Landlord and the Debtors are finalizing the terms of an amending agreement in respect of the lease for the Premises (the “**Amended Lease**”) entailing the payment of \$25,000 (reduced from \$38,000) for the Premises for the period through December 31, 2019. After that time, Gedex, based on the outcome of the SISP, will either revert to the original \$38,000 per month occupancy cost, negotiate a reduced sum for continued occupancy or vacate the Premises by disclaiming the Amended Lease pursuant to Section 32 of the CCAA.

#### **UPDATE ON SISP**

18. The SISP Approval Order authorized the commencement of the SISP. Copies of the SISP Approval Order and all other documents in respect of the SISP can be found on the Monitor’s Website.

19. Bob Benia (the “**SISP Advisor**”), with the assistance and oversight of the Monitor, FCMI and Rudi Fronk (collectively, the “**SISP Team**”), administers the SISP.

20. In accordance with the proposed timeline attached at Schedule “B” to the SISP procedures approved pursuant to the SISP Approval Order, the SISP Team anticipated taking ten (10) business days to:

- (a) develop a contact list of prospective bidders and send those parties the teaser letter and business summary;

- (b) post information about the SISP on the Monitor's Website; and
- (c) determine any appropriate advertising in newspapers or other trade publications as the SISP Team deems appropriate.

21. Since the date of the SISP Approval Order, the SISP Team has conducted the following activities:

- (a) compiled a contact list of thirty-six (36) prospective purchasers and/or investors ("**Prospective Bidders**"). The SISP Advisor is in the process of contacting those parties by way of emails and telephone calls;
- (b) prepared a short-form and long-form teaser letter for Prospective Bidders (the "**Teaser Letters**"). Copies of the Teaser Letters are attached hereto as Appendix "**C**" and have been posted to the Monitor's Website;
- (c) sent each Prospective Bidder the Teaser Letter;
- (d) placed advertisements on two relevant websites: (i) the Society of Exploration Geophysicists, which the Monitor understands has a membership of 56,000, and (ii) the American Association of Petroleum Geologists, which the Monitor understands has a membership of 60,000. In addition, the Sale Advisor has arranged for Ken Witherly, who is a Geophysicist "influencer",<sup>1</sup> to post the information about the SISP on his blog

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<sup>1</sup> An "influencer" is an individual who, either on social media or a blog, has a following of users that frequently read or otherwise engage with the content located on the influencer's blog.

<<http://www.condorconsult.com/index.html>>, which is a forum for industry Geophysicists;

- (e) established a data room;
- (f) Gedex has revamped its website <[www.gedex.com](http://www.gedex.com)> to provide for opportunities for interested parties to read selective information about the SISP as well as to provide contact information;
- (g) Gedex has retained the services of Gedex's former Vice-President of Sales, who has developed a large contact base of interested parties that may wish to participate in the SISP. Gedex has also determined that additional former employees needed to be retained, either on a per diem or full -time basis, to provide continuity, technical knowledge and know-how for Gedex during the SISP. The employees retained include Gedex's former Vice President of Ventures and Business Development, former Chief Operating Officer and former Chief Geophysicist, as well as a senior control systems engineer who worked directly on Gedex's technology and certain accounting personnel;
- (h) prepared a form of confidentiality agreement and written acknowledgement, which has been approved by the Monitor and the Monitor's counsel, that is required to be executed by Prospective Bidders wishing to participate in the SISP and access the data room; and
- (i) developing a template agreement of purchase and sale;

22. Key milestones with respect to the SISP are as follows:

- (a) Prospective Bidders wishing to participate in the SISP must execute the confidentiality agreement and written acknowledgment by October 10, 2019;
- (b) the bid deadline is October 28, 2019;
- (c) following the bid deadline, the SISP Team will review the bids received and determine the successful bidder as soon as reasonably practical; and
- (d) as soon as reasonably practical following selection of the successful bid, the SISP Team will seek this Court's approval of the transaction with the successful bidder.

23. The Monitor will provide a further update to this Court on the SISP in a subsequent report.

#### **DIP LOAN AND CASH FLOW PROJECTIONS TO DECEMBER 31, 2019**

24. The Initial Order authorized and empowered Gedex to borrow funds from the DIP lender, FCMI (in such capacity, "**DIP Lender**"). The DIP Lender agreed to make \$550,000 available (the "**DIP Loan**"). Attached as Appendix "**D**" to this First Report is an analysis (the "**Material Variance Analysis**"), prepared based on Information received by the Monitor from the SISP Advisor, of monies spent to date, in comparison with the Initial Cash Flow Forecast that was appended as Appendix "A" to the Monitor's Pre-filing Report. The Material Variance Analysis provides an explanation for material and substantive variances from the Initial Cash Flow Forecast.

25. Appendix "**E**" to this First Report is a copy of the revised Cash Flow Forecast (the "**Revised Cash Flow Forecast**") for the period August 26 to December 31, 2019 (the "**Forecast Period**") which has been reviewed by the Monitor.



26. The Revised Cash Flow Forecast is presented on a weekly basis during the Forecast Period and represents the estimates of FCMI of the projected cash flow during the Forecast Period. The Revised Cash Flow Forecast has been prepared using probable and hypothetical assumptions set out in notes 1 to 10 to the Revised Cash Flow Forecast (the “**Probable and Hypothetical Assumptions**” or the “**Assumptions**”).

27. The Monitor has reviewed the Revised Cash Flow Forecast as to its reasonableness as required by Section 23(1) (b) of the CCAA.

28. Pursuant to this standard, the Monitor’s review of the Revised Cash Flow Forecast consisted of inquiries, analytical procedures and discussion related to information supplied to it by the SISP Advisor, including information it received from certain key members of management and former employees of the Debtors. Since the Probable and Hypothetical Assumptions need not be supported, the Monitor’s procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Revised Cash Flow Forecast. The Monitor also reviewed the support provided for the Probable and Hypothetical Assumptions and the preparation and presentation of the Revised Cash Flow Forecast.

29. Based on the Monitor’s review, nothing has come to the Monitor’s attention that causes it to believe, in all material respects, that:

- (a) the probable and hypothetical assumptions are not consistent with the purpose of the Revised Cash Flow Forecast;
- (b) as at the date of this First Report, the Probable and Hypothetical Assumptions are not suitably supported and consistent with the plans of the Applicant or do not

provide a reasonable basis for the Revised Cash Flow Forecast, given the Probable and Hypothetical Assumptions; or

- (c) the Revised Cash Flow Forecast does not reflect the Probable and Hypothetical Assumptions.

30. The Revised Cash Flow Forecast has been prepared solely for the purpose described above, and readers are cautioned that it may not be appropriate for other purposes.

31. As stated in the Pre-filing Report, the Debtors had no cash at the commencement of these CCAA proceedings and all required expenses, including the cost of these CCAA proceedings and the implementation of the SISP, would be funded through the DIP financing provided by the DIP Lender.

32. As summarized in the Revised Cash Flow Forecast, the Debtors project a net cash outflow of \$922,621 during the Forecast Period. The Initial Cash Flow Forecast projected a net cash outflow of \$505,300. This represents an increase in net cash outflow of approximately \$417,321 from the Initial Cash Flow Forecast.

33. As a result, an increase in DIP requirements is required from the maximum availability of DIP financing currently authorized under the Initial Order. Paragraph 34 of the Initial Order provides that the maximum availability under the interim financing provided by the DIP Lender cannot exceed \$550,000 (the “**Maximum Availability**”) without a further Order of this Court. For the reasons described below, an Order is being sought from this Court to increase the Maximum Availability prescribed under the Initial Order to \$1,000,000.

34. The increased expenditures in the Revised Cash Flow Forecast can be primarily attributed to the following reasons:

- (a) the Forecast Period covered by the Revised Cash Flow Forecast is substantially longer than that in the Initial Cash Flow Forecast (3 months versus 5 months);
- (b) the Revised Cash Flow Forecast reflects the payment of an additional \$5,000 per month of rent than forecasted in the Initial Cash Flow Forecast. The amended lease arrangements with the Landlord are described in detail earlier in this First Report. This represents an additional \$60,000 in expenditures during the Forecast Period, taking into account the additional time period covered by the Revised Cash Flow Forecast;
- (c) the Revised Cash Flow Forecast provides for an increase in the budget for engaging salaried personnel to assist in the SISP from the initial sum of \$97,000 to \$298,000. The SISP Team determined that additional personnel were required to be retained for a longer period of time to provide continuity, technical knowledge and know-how for Gedex during the SISP, as described in more detail in paragraph 21(g) of this First Report; and
- (d) forecasted professional fees during the Forecast Period have increased from \$200,000 to \$300,000 primarily because of the additional time covered by the Forecast Period.

35. The Monitor supports the requested increase to the Maximum Availability. In addition, the Monitor is of the view that the factors under Section 11.2(4) support an increase to the Maximum Availability:

- (a) FCMI, Gedex's DIP Lender and senior secured creditor, supports the increase of the Maximum Availability and has agreed to fund the additional amounts required as shown in the Revised Cash Flow Forecast;
- (b) Gedex's business and the SISP will continue to be managed in accordance with the SISP Approval Order, with the assistance and oversight of the Monitor and FCMI;
- (c) the increase in the Maximum Availability will allow Gedex to administer a robust SISP for the benefit of all stakeholders; and
- (d) the increase in the Maximum Availability will not result in material prejudice to Gedex's creditors.

#### **STAY EXTENSION**

36. A motion is before this Court for an Order extending the Stay Period through and until December 10, 2019.

37. In the Monitor's view:

- (a) an extension of the Stay Period is necessary in order to allow the SISP Team to conduct and complete the SISP for the benefit of the Debtors' stakeholders;

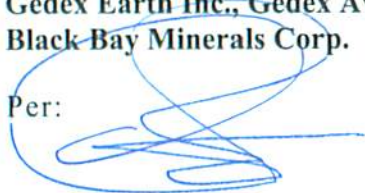
- (b) the Revised Cash Flow Forecast indicates that the Debtors will have sufficient funding, with the interim financing provided by FCMI, through the extension of the Stay Period;
- (c) the Debtors have acted, and continue to act, in good faith and with due diligence; and
- (d) an Order extending the Stay Period is appropriate in the circumstances.

38. For the reasons described in this First Report, the Monitor supports, and respectfully recommends this Court grant, the requested extension of the Stay Period.

All of which is respectfully submitted this 28<sup>th</sup> day of August, 2019.

**ZEFMAN PARTNERS INC.**  
**in its capacity as Monitor**  
**of Gedex Systems Inc., Gedex Exploration Inc.,**  
**Gedex Earth Inc., Gedex Aviation Inc., and**  
**Black Bay Minerals Corp.**

Per:



Allan Rutman  
President

## APPENDIX C

## ASSET PURCHASE AGREEMENT

This Agreement is dated as of the \_\_\_\_ day of November, 2019

BETWEEN:

**GEDEX SYSTEMS INC., GEDEX AVIATION INC., BLACK  
BAY MINERALS CORPORATION, GEDEX  
EXPLORATION INC. and GEDEX EARTH INC.**

(the “**Vendors**”)

- and -

**FCMI PARENT CO.** incorporated under the laws of Nova Scotia

(the “**Purchaser**” or “**FCMI**”)

**WHEREAS:**

- (a) Pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”), dated August 12, 2019 (as amended and as may be further amended, restated, supplemented or modified from time to time, the “**Initial Order**”), the Vendors obtained protection from their creditors pursuant to the *Companies’ Creditors Arrangement Act* (Canada) (“**CCAA**”);
- (b) Pursuant to the Initial Order, Zeifman Partners Inc. was named as Court-appointed Monitor of the Vendors (the “**Monitor**”);
- (c) Pursuant to an order of the Court dated August 12, 2019, the Court approved a sales and investor solicitation process (the “**SISP**”) in respect of the assets, properties and undertakings of the Vendors (as amended and as may be further amended, restated, supplemented or modified from time to time, the “**SISP Approval Order**”);
- (d) Pursuant to the SISP Approval Order, if no bid was received to repay the amount owed to FCMI, then FCMI was entitled to submit a bid, up to the maximum amount of its secured claims to purchase all or part of the assets, property and undertaking of the Vendors;
- (e) FCMI has decided to proceed with a credit bid as contemplated in the SISP Approval Order.

**FOR VALUE RECEIVED**, the parties agree as follows:

## **SECTION 1 – INTERPRETATION**

### **1.1 Definitions**

In this Agreement:

- (1) **Agreement** means this agreement including any recitals and schedules to this agreement, as amended, supplemented or restated from time to time;
- (2) **Approval and Vesting Order** means an order of the Court, substantially in the form attached hereto as Schedule “A”, providing for, among other things, the vesting in and to the Purchaser of all of the right, title and interest, if any, of the Vendors in and to the Purchased Assets, free and clear of all liens, charges and Encumbrances, except Permitted Encumbrances;
- (3) **Assumed Contracts** means those Contacts listed in Schedule “B”;
- (4) **Assumed Liabilities** has the meaning set forth in Section 2.3;
- (5) **Authorizations** means, with respect to any Person, any order, present, approval, consent, waiver, licence or similar authorization, or any Governmental Authority related to the Purchased Assets or the Business;
- (6) **Business** means the business ordinarily carried on by the Vendors or any one of them;
- (7) **Business Day** means any day of the year, other than a Saturday or Sunday, on which banks are ordinarily open for the transaction of business in Toronto, Canada;
- (8) **CCAA** has the meaning set forth in the recitals;
- (9) **Closing** means the completion of the Transaction;
- (10) **Closing Date** means the first Business Day following the date on which the Approval and Vesting Order is granted or such later or earlier date as agreed to by the parties;
- (11) **Contracts** means any written or oral agreements, contracts, personal property leases, real property leases, licenses from any Person, service contracts and any other similar written or oral agreements between the Vendors and any Person relating in any way to the Purchased Assets;
- (12) **Court** has the meaning set forth in the recitals;
- (13) **Cure Costs** means the amount of all monetary defaults, if any, existing in respect of any Assumed Contracts that are required to be paid in order to obtain the consent necessary to have the Court order an assignment pursuant to Section 11.3 of the CCAA;



- (14) **DIP Loan** means the amounts FCMI has advanced on account of the Gedex CCAA, together with accrued interest thereon;
- (15) **Encumbrances** means all mortgages, pledges, charges, liens, debentures, hypothecs, trust deeds, assignments by way of security, security interests, conditional sales contracts or other title retention agreements or similar interests or instruments charging or creating a security interest in the Purchased Assets or any part thereof or interest therein, and any agreements, leases, options, easements, rights-of-way, restrictions, executions or other encumbrances, including notices or other registrations in respect of any of the foregoing, affecting title to the Purchased Assets or any part thereof or interest therein;
- (16) **ETA** means the *Excise Tax Act* (Canada);
- (17) **Excluded Assets** has the meaning specified in Section 2.2;
- (18) **Excluded Liabilities** has the meaning specified in Section 2.4;
- (19) **FCMI Debt** means the principal amount of US\$10,280,464 owed to FCMI directly and as agent, plus amounts outstanding in connection with the DIP Loan, together with accrued interest and costs in connection with the foregoing;
- (20) **Governmental Authority** means any Canadian federal, provincial, municipal or local, or other government, governmental, regulatory or administrative authority, agency or commission or any court, tribunal or judicial or arbitral body having jurisdiction over the Purchased Assets;
- (21) **GST/HST** means taxes, interest, penalties and fines imposed under Part IX of the ETA;
- (22) **Initial Order** has the meaning set forth in the recitals;
- (23) **Monitor** has the meaning set forth in the recitals;
- (24) **Monitor's Certificate** means a certificate duly executed by the Monitor, substantially in the form of the certificate attached as Schedule "A" to the Approval and Vesting Order, confirming that the conditions to Closing, as set forth herein, have been satisfied or waived and the sale of the Purchased Assets has been completed to the satisfaction of the Monitor;
- (25) **Permitted Encumbrances** means those Encumbrances listed in Schedule "C" hereto;
- (26) **Person** means a natural person, partnership, limited liability partnership, corporation, joint stock company, trust, unincorporated association, joint venture or other entity or Governmental Authority, and pronouns have a similarly extended meaning;
- (27) **Priority Payables** means the amounts payable, if any, by the Vendors which are secured by liens in favour of a Governmental Authority (including deemed trusts) that encumber the Purchased Assets, including property taxes and amounts due, deducted or withheld, as applicable, and not yet paid, contributed or remitted, as applicable, by the Vendors pursuant to the *Employment Insurance Act* (Canada), the *Income Tax Act* (Canada), the *Canada Pension*

*Plan* or similar legislation; provided, however that “Priority Payables” does not include any amounts payable by the Vendors pursuant to the ETA or similar legislation;

- (28) ***Property*** means the assets, properties and undertakings of the Vendors;
- (29) ***Purchaser*** has meaning set forth in recitals;
- (30) ***Purchased Assets*** has the meaning set forth in Section 2.1(1);
- (31) ***Purchase Price*** has the meaning set forth in Section 3.1;
- (32) ***SISP*** has the meaning set forth in the recitals;
- (33) ***SISP Approval Order*** has the meaning set forth in the recitals;
- (34) ***SISP Procedures*** means the procedures approved by the Court governing the SISP and attached as Schedule “A” to the SISP Approval Order, which may be amended or modified from time to time in accordance with SISP Approval Order;
- (35) ***Terminated Employees*** means has the meaning set forth in Section 2.6.
- (36) ***Time of Closing*** means 2:00 p.m. Toronto time on the Closing Date or as otherwise determined by mutual agreement of the parties in writing;
- (37) ***Transaction*** means the transaction of purchase and sale contemplated by this Agreement;
- (38) ***Transferred Employee*** has the meaning set forth in Section 2.6;
- (39) ***Transfer Taxes*** has the meaning set forth in Section 3.4(2);
- (40) ***Vendors*** has the meaning set forth in the recitals;

## **1.2 Headings and References**

The division of this Agreement into sections and subsections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms “this Agreement,” “hereof,” “hereunder” and similar expressions refer to this Agreement and not to any particular section, subsection or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, references herein to “Sections” are to sections, subsections and further subdivisions of sections of this Agreement.

## **1.3 Extended Meanings**

Unless otherwise specified, words importing the singular include the plural and vice versa and words importing gender include all genders. The term “including” means “including without limitation.”

## 1.4 Statutory References

Each reference to an enactment is deemed to be a reference to that enactment, and to the regulations made under that enactment, as amended or re-enacted from time to time.

## 1.5 Schedules

The following are the Schedules to this Agreement:

Schedule “A”: Draft Approval and Vesting Order

Schedule “B”: Assumed Contracts

Schedule “C”: Permitted Encumbrances

Schedule “D”: Allocation of Purchase Price

## SECTION 2 – PURCHASE AND SALE

### 2.1 Sale and Purchase of Purchased Assets

(1) Subject to the terms and conditions of this Agreement, on the Closing Date, the Vendors shall sell, assign and transfer to the Purchaser, and the Purchaser shall purchase from the Vendors, all of the right, title and interest of each of the Vendors, if any, in and to all of the assets, undertakings and properties of the Vendors, other than the Excluded Assets (collectively, the “**Purchased Assets**”), free and clear of all Encumbrances other than Permitted Encumbrances. The Purchased Assets include, but are not limited to:

- (a) **Cash, Accounts.** All cash and cash equivalents, bank deposits or similar cash items of the Vendors;
- (b) **Accounts.** All accounts receivable, trade accounts, book debts, insurance claims, refunds, prepared expenses, rebates and other monetary obligations due or accruing due to the Vendors;
- (c) **Authorizations.** All Authorizations of the Vendors to the extent that they are transferable;
- (d) **Industry Affiliations.** All industry affiliations of the Vendors to the extent that they are transferable;
- (e) **Prepaid Expenses.** All prepaid expenses of the Vendors;
- (f) **Tax Refunds and Credits.** Any claim, right or interest of the Vendors in or to any refund, rebate, abatement or other recovery for taxes paid by or on behalf of the Vendors, including in respect of capital losses, together with any interest due thereon or penalty rebate arising therefrom, for any tax period (or portion thereof);

- (g) **Deposits.** All deposits and prepaid charges and expenses of the Vendors;
- (h) **Inventory.** All inventory relating to the Vendors' business including, without limitation, work-in-progress, samples, goods-in-transit, finished goods, and raw materials;
- (i) **Machinery, Equipment.** All machinery and equipment, including all tooling and equipment replacement part;
- (j) **Furniture.** All furniture, trade fixtures and other chattels owned by the Vendors, including those in possession of third parties;
- (k) **Books and Records.** All books and records, in electronic form or otherwise, used in connection with the Vendors' business;
- (l) **Claims.** All claims of the Vendors relating to their business or the Purchased Assets, whether known or unknown, contingent or otherwise;
- (m) **Intangibles.** All intangible personal property of the Vendors, including, without limitation, the following:
  - (i) business and trade names, corporate names, brand names and slogans;
  - (ii) all mobile applications, servers and related software;
  - (iii) all inventions, patents, patent rights, patent applications, utility models and all equivalent or similar rights anywhere in the world;
  - (iv) all registered and unregistered trade-marks (including the goodwill attaching to such trade-marks), service marks, trade names, trade dress, logos, business, corporate and product names and slogans and registrations and applications for trade-marks;
  - (v) all copyrights in copyrightable works, all non-copyrightable works, and all other rights of authorship, worldwide, and all applications, registrations and renewals in connection therewith; and
  - (vi) all licenses (end-user or otherwise) of the intellectual property listed in items (i) to (v) above;
- (n) **IT Systems.** All computer equipment and peripheral systems, supplies and accessories used in the Vendors' business, and all software and software licences;
- (o) **Goodwill.** The goodwill associated with the Vendors' business, including the exclusive right of the Purchaser to represent itself as carrying on the business in continuation of and in succession to the Vendors' and all rights to use any words indicating that the business is so carried on;

- (p) **Contracts.** To the extent they are assignable, all right, title and interest of the Vendor in, to and under, and the full benefit of, the Assumed Contracts; and
- (q) **Misc.** All other rights, properties and assets of the Vendors, of whatever nature or kind and wherever situated.

## **2.2 Excluded Assets**

The Purchased Assets shall not include any of the items listed in Section 2.1 that the Purchaser advises the Monitor in writing, on or before the day, that the Approval and Vesting Order is granted that it will not be acquiring (collectively, the “**Excluded Assets**”).

## **2.3 Assumed Liabilities**

(1) Subject to the Closing of the Transaction on the Closing Date, the Purchaser agrees to discharge, perform and fulfil the following obligations and liabilities of the Vendors with respect to the Purchased Assets (collectively, the “**Assumed Liabilities**”):

- (a) all obligations and liabilities of the Vendors relating to the Purchased Assets that relate to the period from and after the Closing Date;
- (b) all obligations and liabilities under the Assumed Contracts, to the extent assigned to the Purchaser, arising subsequent to the Closing Date and not related to any default existing at, prior to, or as a consequence of, Closing; and
- (c) all other obligations and liabilities expressly assumed under this Agreement.

## **2.4 Excluded Liabilities**

(1) The Purchaser shall not assume and shall have no obligation to discharge, perform or fulfil any Excluded Liabilities. “**Excluded Liabilities**” means any and all liabilities and obligations of the Vendors or with respect to their business or the Purchased Assets, other than the Assumed Liabilities. Excluded Liabilities includes, without limiting the generality of the foregoing, the following:

- (a) all liabilities for salary, wages, bonuses, commissions, vacation pay and other compensation relating to the employment of any or all Persons by the Vendors prior to the Closing Date and all liabilities under or in respect of any employee plans;
- (b) all severance payments, damages for wrongful dismissal and all related costs in respect of the termination by the Vendors of the employment of any employee who does not become a Transferred Employee;
- (c) all liabilities for claims for injury, disability, death or workers’ compensation arising from or related to employment in the Vendors’ business prior to the Closing Date;

- (d) all employment-related claims, penalties and assessments in respect of the Business arising out of matters which occurred prior to the Closing Date;
- (e) liabilities incurred or accruing due prior to the Closing Date under the Assumed Contracts;
- (f) liabilities relating to the Excluded Assets;
- (g) any and all liability for any proceedings, litigation or claims against the Vendors;
- (h) any assessment or reassessment for income, corporate, capital, sales, excise or other taxes, duties or imports of any kind whatsoever of the Vendors, if incurred or accruing due prior to the Closing Date; and
- (i) any product liability or warranty or service liability, arising at any time in respect of products manufactured, constructed, installed, shipped, distributed, sold or provided by the Vendors on or prior to the Closing Date, even though a claim may be made or filed after the Closing Date.

## **2.5 Assumed Contracts**

- (1) The Vendors shall use commercially reasonable efforts to assist the Purchaser in obtaining any necessary consents of third parties to the assignment of the Assumed Contracts. Until necessary consents, or the Approval and Vesting Order, as applicable, is obtained, the Vendors shall hold the applicable Assumed Contracts in trust for the Purchaser.
- (2) Subject to the approval of the Court, the Assumed Contracts where consent to such assignment is necessary but has not been obtained beforehand shall be assigned to the Purchaser pursuant to the terms of the Approval and Vesting Order or subsequent order before Closing.
- (3) The Purchaser shall be responsible for all Cure Costs in respect of any Assumed Contracts.
- (4) The Purchaser shall indemnify and hold harmless the Vendors from and against any claims or liabilities arising under or in connection with any of the Assumed Contracts for matters occurring on or after, and which relate to the period on or after, the Closing Date.
- (5) Nothing in this Agreement will constitute an agreement to assign or an attempted assignment of any non-assignable rights or any Contracts for which any requisite consent or approval has not been obtained or which as a matter of law or by its terms is not assignable

## **2.6 Employees**

At least four (4) Business Days prior to the Closing Date (or such other date as is mutually agreed to by the Vendors and the Purchaser), the Purchaser shall provide to the Vendors and the Monitor a list of all of the employees that it has determined shall be offered employment by the Purchaser upon the Closing (the “**Listed Employees**”). The Purchaser may offer employment to the Listed Employees effective as of the Closing Date on such terms as it

determines in its sole discretion. The term “**Transferred Employees**” means those employees who receive an offer of employment from the Purchaser and accept the Purchaser’s offer of employment. Prior to Closing, the Purchaser shall provide the Vendor and the Monitor a list of all Transferred Employees. Upon Closing, the Vendors shall terminate with effect as of the Closing Date the employment of (i) all employees that are not Listed Employees and (ii) all employees that are Listed Employees, but not also Transferred Employees (collectively, the “**Terminated Employees**”). The Purchaser shall be responsible for all liabilities for salary, wages, bonuses, commissions, vacation pay and other compensation relating to the employment of the Transferred Employees, provided that the Vendors shall be responsible for payment of all salary and wages of the Transferred Employees up to and including the Closing Date. For greater certainty, the Purchaser shall have no liability or responsibility for any obligation of any nature owing to the Terminated Employees.

### **SECTION 3 – PURCHASE PRICE**

#### **3.1 Purchase Price**

The consideration payable by the Purchaser to the Vendors for the Purchased Assets (the “**Purchase Price**”) [REDACTED] (as hereinafter defined) if any.

#### **3.2 Payment of Purchase Price**

The Purchase Price will be satisfied by the Purchaser on Closing as follows by providing a credit [REDACTED] reduction in the FCMI Debt.

#### **3.3 Purchase Price Allocation**

The Purchase Price will be allocated among the Purchased Assets by the parties in accordance in the allocation set out in Schedule “**D**” hereto, and the Vendors’ and Purchaser shall file their respective income tax returns in accordance with that allocation.

#### **3.4 Taxes**

(1) If eligible, the Vendors and the Purchaser shall jointly elect under Subsection 167(1) of the ETA in connection with the purchase and sale of the Purchased Assets. The Purchaser shall file that joint election with the relevant Governmental Authority in accordance with the requirements of the ETA, and the Vendors hereby authorizes the Purchaser and its accountants to file that joint election on behalf of the Vendors.

(2) The Purchaser will be liable for and shall pay directly to the relevant Governmental Authority, as required, all federal and provincial sales taxes, duties or other taxes or charges payable in connection with the conveyance and transfer of the Purchased Assets to the Purchaser, including GST/HST (if applicable), but excluding any income taxes payable by the Vendors or any other person as a result of the completion of the Transaction (collectively, the “**Transfer Taxes**”), and the Vendors hereby direct the Purchaser to make those payments directly to the relevant Governmental Authority. To the extent any Transfer Taxes are required to be paid by

the Vendors, the Purchaser will reimburse to the Vendors such taxes within five (5) Business Days of payment of such taxes by the Vendors. The Purchaser will indemnify and hold the Vendors harmless in respect of any Transfer Taxes, penalties, interest and other amounts that may be assessed against the Vendors as a result of the sale of the Purchased Assets.

(3) The Purchaser's obligations under this Section 3.4 shall survive closing.

## **SECTION 4 – REPRESENTATIONS AND WARRANTIES**

### **4.1 Vendors' Representations**

The Vendors represent and warrant to the Purchaser that:

- (a) subject to obtaining the Approval and Vesting Order, each of the Vendors has the full right, power and authority to enter into this Agreement, perform its obligations hereunder and convey all right, title and interest of the Vendors in and to the Purchased Assets;
- (b) the execution and delivery of this Agreement and all other documents contemplated hereunder to which the Vendors are or will be a party have been, or will be, duly authorized by all necessary action on the part of the Vendors, subject to the Approval and Vesting Order;
- (c) this Agreement and all other documents contemplated hereunder to which the Vendors are or will be a party have been or will be, as at the Time of Closing, duly and validly executed and delivered by the Vendors and constitute or will constitute, as at the Time of Closing, legal, valid and binding obligations of the Vendors enforceable in accordance with the terms hereof or thereof, subject to the Approval and Vesting Order;
- (d) the Vendors are not aware of any action, proceeding or appeal pending or threatened which may affect its ability to convey any of the Purchased Assets or in any way restrain or prohibit the completion of the Transaction;
- (e) the Vendors are not, and at the Time of Closing will not be, a non-resident of Canada within the meaning of that term as used in the *Income Tax Act* (Canada); and
- (f) the Vendors are registered under Part IX of the ETA and their respective HST numbers will be provided to the Purchaser prior to the Closing Date.

### **4.2 Purchaser's Representations**

The Purchaser represents and warrants to the Vendors that:

- (a) the Purchaser is a corporation existing under the laws of the Province of Nova Scotia, and has full corporate power and authority to enter into and carry out this Agreement and the Transaction;



- (b) the entering into of this Agreement and all other documents contemplated hereunder to which the Purchaser is or will be a party have been, or will be, duly authorized by all requisite corporate action;
- (c) this Agreement and all other documents contemplated hereunder to which the Purchaser is or will be a party have been or will be duly and validly executed and delivered by the Purchaser and constitute or will constitute legal, valid and binding obligations of the Purchaser, as the case may be, enforceable in accordance with the terms hereof or thereof;
- (d) other than the Approval and Vesting Order, no approval or consent of and no filing with or application to any Governmental Authority is required for the Purchaser to enter into this Agreement or to complete the Transaction, other than such approvals, consents, filings and applications that have been obtained or made as at the date hereof, copies of which have been provided to the Vendors; and
- (e) the Purchaser is, or any permitted assign will be, registered under Part IX of the ETA .

#### **4.3 “As is, Where is”**

(1) The Purchaser acknowledges that the Vendors are selling the Purchased Assets on an “as is, where is” basis as the Purchased Assets shall exist on the Closing Date and no adjustments shall be made for any changes in the condition of the Purchased Assets. The Purchaser further acknowledges that it has entered into this Agreement on the basis that the Purchaser has conducted such inspections and due diligence of the condition of and title to the Purchased Assets, as it deemed appropriate and has satisfied itself with regard to these matters. Except as set out in Section 4.1, no representation, warranty or condition is expressed or can be implied as to title, encumbrances, description, fitness for any particular use or purpose, merchantability, condition, assignability, value or quality or any other matter concerning the Purchased Assets or the right of the Vendors to sell same, the Business or the Assumed Liabilities and without recourse to the Vendors or the Monitor. Without limiting the generality of the foregoing, any and all conditions, warranties or representations expressed or implied pursuant to the *Sale of Goods Act* (Ontario) or similar legislation in any other jurisdiction do not apply hereto and have been waived by the Purchaser and the Purchaser further acknowledges that all written and oral information (including, without limitation, analyses, financial information and projections, compilations and studies) obtained by the Purchaser from the Vendors or the Monitor with respect to the Purchased Assets or otherwise relating to the Transaction has been obtained for the convenience of the Purchaser only and is not warranted to be accurate or complete. The description of the Purchased Assets contained herein is for the purpose of identification only. No representation, warranty or condition has or will be given by the Vendors or Monitor concerning completeness or the accuracy of such descriptions.

(2) The Purchaser shall have reasonable access to the Purchased Assets on reasonable notice to the Vendors for the purposes of conducting inspections and other due diligence prior to the Closing Date.

(3) The Vendors agree to make commercially reasonable efforts to provide any authorization reasonably required to allow the Purchaser's solicitor to perform searches for the purposes of conducting due diligence prior to the Closing Date.

## **SECTION 5- CONDITIONS TO CLOSING**

### **5.1 Conditions for the benefit of the Purchaser**

(1) The obligation of the Purchaser to complete the Transaction is subject to the following conditions being fulfilled or performed at or prior to the Time of Closing:

- (a) all representations and warranties of the Vendors contained in this Agreement shall be true as of the Time of Closing with the same effect as though made as of that time and the Vendors shall deliver to the Purchaser a certificate signed by a representative of the Vendors to that effect;
- (b) the Vendors shall have performed each of its obligations contained in this Agreement to the extent required to be performed on or before the Closing Date and the Vendors shall deliver to the Purchaser a certificate signed by a representative of the Vendors to that effect;
- (c) there shall be no action, litigation or proceedings pending or threatened or order issued by a Governmental Authority against either of the parties, or involving any of the Purchased Assets, for the purpose of enjoining, preventing or restraining the completion of the Transaction or otherwise claiming that such completion is improper;
- (d) the Court shall have issued the Approval and Vesting Order, and such order shall not have been appealed, stayed, varied or set aside nor has leave to appeal been sought; and
- (e) the Vendors shall have delivered or caused to be delivered to the Purchaser each of the items listed in Section 6.2.

(2) The foregoing conditions are for the exclusive benefit of the Purchaser.

### **5.2 Conditions for the benefit of the Vendors**

(1) The obligation of the Vendors to complete the Transaction is subject to the following conditions being fulfilled or performed at or prior to the Time of Closing:

- (a) all representations and warranties of the Purchaser contained in this Agreement shall be true as of the Time of Closing with the same effect as though made as of that time and the Purchaser shall deliver to the Vendors a certificate signed by a representative of the Purchaser to that effect;
- (b) the Purchaser shall have performed each of its obligations contained in this Agreement to the extent required to be performed on or before the Closing Date

and the Purchaser shall deliver to the Vendors a certificate signed by a representative of the Purchaser to that effect;

- (c) the Court shall have issued the Approval and Vesting Order, and such order shall not have been appealed, stayed, varied or set aside nor has leave to appeal been sought; and
- (d) the Purchaser shall have delivered or caused to be delivered to the Vendors each of the items listed in Section 6.3.

(2) The foregoing conditions are for the exclusive benefit of the Vendors.

### **5.3 Monitor's Certificate**

Upon receipt of written confirmation from a representative of each of the Vendors and Purchaser, the Monitor shall deliver an executed copy of the Monitor's Certificate to each of the Vendors and the Purchaser, or their respective counsel, and file same with the Court as soon as reasonably practical thereafter. The Vendors and Purchaser shall provide the Monitor with any further documents, acknowledgments, certificates or other evidence satisfactory to the Monitor for it to certify that all of the conditions to Closing have been satisfied and that the Monitor's Certificate may be delivered and filed. Closing shall be deemed to have occurred upon the delivery of the Monitor's Certificate to the Vendors and Purchaser, or their respective counsel, in accordance with this section.

### **5.4 Termination Rights**

(1) This Agreement may, by notice in writing given on or before the Closing Date, be terminated:

- (a) by mutual consent of the Vendors, with the consent of the Monitor, and Purchaser;
- (b) by the Purchaser, if:
  - (i) any of the conditions contained in Section 5.1 hereof are not fulfilled on or prior to the Time of Closing, or if it becomes apparent, acting reasonably, that any such condition cannot be satisfied at or prior to the Time of Closing, and such non-fulfillment is not directly or indirectly as a result of any action or omission of the Purchaser, and the Purchaser has not waived such condition in writing at or prior to the Time of Closing;
  - (ii) the Approval and Vesting Order fails to be in full force and effect, or has been amended, modified, reversed or dismissed, appealed or leave to appeal has been sought in respect thereof, without the prior written consent of the Purchaser; or
  - (iii) there has been a material breach of this Agreement by the Vendors and such breach has not been waived by the Purchaser in writing or cured

within five (5) Business Days of written notice of such breach by the Purchaser;

- (c) By the Vendors, with the consent of the Monitor, if:
  - (i) any of the conditions contained in Section 5.2 hereof are not fulfilled on or prior to the Time of Closing, or if it becomes apparent, acting reasonably, that any such condition cannot be satisfied at or prior to the Time of Closing, and such non-fulfillment is not directly or indirectly as a result of any action or omission of the Vendors, and the Vendors has not waived such condition in writing at or prior to the Time of Closing;
  - (ii) the Approval and Vesting Order fails to be in full force and effect, or has been amended, modified, reversed or dismissed, appealed or leave to appeal has been sought in respect thereof without the prior written consent of the Purchaser; or
  - (iii) there has been a material breach of this Agreement by the Purchaser and such breach has not been waived by the Vendors in writing or cured within five (5) Business Days of written notice of such breach by the Vendors.

## **5.5 Effect of Termination**

If this Agreement is terminated pursuant to Section 5.3, this Agreement shall be of no further force or effect and termination of this Agreement shall not relieve any party from any liability for any breach of this Agreement occurring prior to termination. The forfeiture or return of the Deposit on termination of this Agreement shall be governed by the SISP Procedures.

## **SECTION 6- CLOSING**

### **6.1 Closing**

The completion of the Transaction shall take place at the offices of Miller Thomson LLP, solicitors for the Monitor, in Toronto, Ontario at the Time of Closing or at such other location(s) as are agreed upon by the parties.

### **6.2 Vendors' Deliveries on Closing**

(1) At or before the Time of Closing, the Vendors shall deliver to the Purchaser the following, each of which shall be in form and substance satisfactory to the Purchaser, acting reasonably:

- (a) a copy of the issued and entered Approval and Vesting Order;
- (b) any assignments of any of the Vendors' rights under the Assumed Contracts required pursuant to this Agreement;

- (c) such notice or notices as the Purchaser may reasonably require to be given to other parties under the Assumed Contracts of the assignment of such Assumed Contracts to the Purchaser, together with directions relating to the performance of obligations under such Assumed Contracts, all in such form as the Purchaser may reasonably require;
- (d) executed assignments in respect of the intellectual property of the Vendors, and any other documentation necessary to register or record the assignment of the Vendors' intellectual property to the Purchaser;
- (e) the certificates of the Vendors referenced in Sections 5.1(1)(a) and (b);
- (f) the Monitor's Certificate;
- (g) the HST tax election(s), executed by the Vendors; and
- (h) such further and other documentation as is referred to in this Agreement or as the Purchaser may reasonably require to give effect to this Agreement and convey title to the Purchased Assets to the Purchaser.

### **6.3 Purchaser's Deliveries on Closing**

(1) At or before the Time of Closing, the Purchaser shall execute and deliver the following, each of which shall be in form and substance satisfactory to the Vendors, acting reasonably:

- (a) payment of the cash consideration, if any, contemplated by Section 3.1;
- (b) payment or evidence of the payment of the Transfer Taxes, if any, or an undertaking to pay all Transfer Taxes, coupled with an indemnity in favour of the Vendors in respect of same;
- (c) the certificates of the Purchaser referenced in Sections 5.2(1)(a) and (b);
- (d) the HST tax election(s), executed by the Purchaser; and
- (e) such further and other documentation as is referred to in this Agreement or as the Vendors or Monitor may reasonably require to give effect to this Agreement.

### **6.4 Risk**

Until completion of this Agreement on the Closing Date, the Purchased Assets shall be and remain at the risk of the Vendors. In the event of any material damage to the Purchased Assets on or before the Closing Date, the Purchaser may elect (i) to require the Vendors to repair the Purchased Assets to the same state and condition as it was in at the time this Agreement was entered into in which event the Purchaser will complete the Transaction without an abatement in the Purchase Price; or (ii) to reduce the Purchase Price by an amount equal to the cost required to complete the repair as estimated by an independent qualified architect or engineer retained by the Vendors in which event the Purchaser will complete the Transaction and accept the price

reduction equal to such cost; or (iii) to terminate this Agreement and neither party shall have any further rights or obligations under this Agreement.

## **6.5 Possession of Purchased Assets**

On Closing the Purchaser shall acquire ownership of the Purchased Assets where situate at the Time of Closing provided that in no event shall title to the Purchased Assets pass to the Purchaser until the Approval and Vesting Order is effective.

## **6.6 Tender**

Any tender of documents or money hereunder may be made upon the Vendors or the Purchaser or their respective solicitors on the Closing Date.

## **SECTION 7- GENERAL**

### **7.1 Notices**

Any demand, notice or other communication to be given in connection with this Agreement shall be given in writing and shall be given by personal delivery (in which case it shall be left with a responsible officer of the recipient) or by electronic communication addressed to the recipients as follows:

in the case of the Purchaser:

FCMI Parent Co.  
181 Bay Street, Suite 250  
Toronto, ON M5J 2T3

Attention: Yakov Friedman  
Email: [yfriedman@friedberg.ca](mailto:yfriedman@friedberg.ca)

with a copy to:

**Dentons Canada LLP**  
77 King Street West, Suite 400  
Toronto, ON M5K 0A1

Attention: Kenneth Kraft/Mark Freake  
Email: [kenneth.kraft@dentons.com](mailto:kenneth.kraft@dentons.com)/[mark.freake@dentons.com](mailto:mark.freake@dentons.com)

in the case of the Vendor and the Monitor:

**Gedex Systems Inc.**  
407 Matheson Blvd E.  
Mississauga, ON L4Z 2H2

Attention: Bob Benia

Email: bob.benia@gedex.com

**Zeifman Partners Inc.**  
201 Bridgeland Avenue  
Toronto, ON M6A 1Y7

Attention: Allan Rutman  
Email: [aar@zeifmans.ca](mailto:aar@zeifmans.ca)

with a copy to:

**Miller Thomson LLP**  
Scotia Plaza  
40 King Street West, Suite 5800  
Toronto, ON M5H 3S1

Attention: Kyla Mahar/Asim Iqbal  
Email: [kmahar@millerthomson.com](mailto:kmahar@millerthomson.com)/[aiqbal@millerthomson.com](mailto:aiqbal@millerthomson.com)

or to such other address, individual or electronic communication number as may be designated by notice given by either party to the other. Any demand, notice or other communication shall be conclusively deemed to have been given, if given by personal delivery, on the day of actual delivery thereof if delivered during normal business hours of the recipient on a Business Day and, if given by electronic communication, on the day of the transmittal thereof if transmitted during normal business hours of the recipient on a Business Day and on the next Business Day following the delivery or transmittal thereof if not so delivered or transmitted.

## **7.2 Announcements**

Except as required by law or in respect of the motion to obtain the Approval and Vesting Order, all public announcements concerning the transactions provided for in this Agreement or contemplated by this Agreement shall be jointly approved as to form, substance and timing by the parties to this Agreement after consultation.

## **7.3 Time of Essence**

Time shall be of the essence for every provision hereof.

## **7.4 Expenses**

Except as otherwise expressly provided herein, all costs and expenses (including the fees and disbursements of legal counsel, advisers and auditors) incurred in connection with this Agreement and the Transaction shall be paid by the party incurring such expenses, subject to any rights either party may have to have any such fees included in any security held by that party against the assets of the Vendors.

## **7.5 Third Party Beneficiaries**

Each party hereto intends that this Agreement shall not benefit or create any right or cause of action in or on behalf of any person other than the parties hereto and their successors and permitted assigns, and no person, other than the parties hereto and their successors and their permitted assigns shall be entitled to rely on the provisions hereof in any action, suit, proceeding, hearing or other forum.

## **7.6 Further Assurances**

During the thirty (30) day period after the Closing Date, each party shall from time to time execute and deliver, or cause to be executed and delivered, all such documents and instruments and do, or cause to be done, all such acts and things as the other party may, either before or after the Closing, reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.

## **7.7 Time Periods**

Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done, shall be calculated by excluding the day on which the period commences and includes the day on which the period ends and by extending the period to the next Business Day following if the last day of the period is not a Business day.

## **7.8 Entire Agreement**

This Agreement constitutes the only agreement between the parties with respect to the subject matter hereof and supersedes any and all prior negotiations, provisions, covenants, agreements, understandings and representations on that subject, all of which have become merged and finally integrated into this Agreement.

## **7.9 Amendments**

This Agreement may only be amended, modified or supplemented by a written agreement signed by the parties.

## **7.10 Waiver**

No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar), nor shall such waiver constitute a waiver or continuing waiver unless otherwise expressly provided in writing duly executed by the party to be bound thereby.

## **7.11 Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and each of the parties hereby irrevocably attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario.



#### **7.12 Benefit of Agreement**

This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and permitted assigns.

#### **7.13 Severability**

If any provision of this Agreement or any document delivered in connection with this Agreement is partially or completely invalid or unenforceable, the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement, all of which shall be construed and enforced as if that invalid or unenforceable provision were omitted. The invalidity or unenforceability of any provision in one jurisdiction shall not affect such provision's validity or enforceability in any other jurisdiction.

#### **7.14 Counterparts**

This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, and such counterparts together shall constitute one and the same agreement. The delivery of a facsimile or other electronic copy of an executed counterpart of this Agreement shall be deemed to be valid execution and delivery of this Agreement.

#### **7.15 Assignment and Enurement**

No party may assign its rights or obligations under this Agreement without the prior written consent of the other party. Notwithstanding the forgoing, the Purchaser shall have the right to assign, in whole or in part, its rights to acquire the Purchased Assets hereunder to any affiliate of the Purchaser on or before the date of the Approval and Vesting Order.

**Dated** as of the date first set out above.

**FCMI PARENT CO.**

Per: \_\_\_\_\_

Name:

Title:

*I have the authority to bind the corporation*

**GEDEX SYSTEMS INC.**

Per: \_\_\_\_\_

Name:

Title:

*I have the authority to bind the corporation*

**GEDEX AVIATION INC.**

Per: \_\_\_\_\_

Name:

Title:

*I have the authority to bind the corporation*

**BLACK BAY MINERALS CORPORATION**

Per: \_\_\_\_\_

Name:

Title:

*I have the authority to bind the corporation*

**GEDEX EXPLORATION INC.**

Per: \_\_\_\_\_

Name:

Title:

*I have the authority to bind the corporation*

**GEDEX EARTH INC.**

Per: \_\_\_\_\_

Name:

Title:

*I have the authority to bind the corporation*

**Schedule “A”  
Draft Approval and Vesting Order**

Court File No. CV-19-625224-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST )**

THE HONOURABLE	)		DAY, THE
	)		
JUSTICE	)	DAY OF	, 2019

**BETWEEN:**

**FCMI PARENT CO.**

Applicant

- and -

**GEDEX SYSTEMS INC., GEDEX AVIATION INC., BLACK BAY MINERALS  
CORPORATION, GEDEX EXPLORATION INC., and GEDEX EARTH INC.**

Respondents

**APPLICATION UNDER THE *COMPANIES’ CREDITORS ARRANGEMENT ACT*,  
R.S.C 1985, c. C-36**

**APPROVAL AND VESTING ORDER**

**THIS MOTION**, made by Gedex Systems Inc., Gedex Aviation Inc., Black Bay Minerals Corporation, Gedex Exploration Inc. and Gedex Earth Inc. (collectively, the “**Vendors**”), for an order approving the sale transaction (the “**Transaction**”) contemplated by an asset purchase agreement (the “**Asset Purchase Agreement**”), between the Vendors and ● (the “**Purchaser**”) dated ●, 2019, and vesting in the Purchaser the Vendors’ right, title, benefit and interest in and to the assets described in the Asset Purchase Agreement (the “**Purchased Assets**”), was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the ● Report of the Zeifman Partners Inc, in its capacity as Court-appointed monitor of the Vendors (the “**Monitor**”) dated ●, 2019 (the “**● Report**”), and on hearing the submissions of counsel for the Monitor, the Vendors and the Purchaser, and any such other counsel as were present, no one appearing for any other person on the service list, although properly served as appears from the affidavit of ● sworn ●, 2019, filed:

1. **THIS COURT ORDERS** that unless otherwise defined herein or the context otherwise requires, capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Asset Purchase Agreement.

2. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Asset Purchase Agreement by the Vendors is hereby authorized and approved, with such minor amendments as the Vendors may deem necessary. The Vendors are hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

3. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Monitor’s certificate to the Purchaser substantially in the form attached as **Schedule A** hereto (the “**Monitor’s Certificate**”), all of the Vendors’ right, title, benefit and interest in and to the Purchased Assets described in the Asset Purchase Agreement shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the “**Claims**”) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of Mr. Justice Penny dated August 12, 2019; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on **Schedule B** hereto (all of which are collectively referred to as the “**Encumbrances**”, which term shall not include the permitted encumbrances listed on **Schedule C**) and, for greater certainty, this Court orders that all of the Encumbrances affecting

or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

4. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Monitor's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

5. **THIS COURT ORDERS AND DIRECTS** the Monitor to file with the Court a copy of the Monitor's Certificate, forthwith after delivery thereof.

6. **THIS COURT ORDERS** that the Monitor may rely on the written notice from the Vendors regarding fulfillment of conditions to closing under the Asset Purchase Agreement and shall incur no liability with respect to the delivery of the Monitor's Certificate.

7. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Vendors are authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Vendors' records pertaining to the Vendors' past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Vendors.

8. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Vendors and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Vendors;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Vendors and shall not be void or voidable by creditors of the Vendors, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

**[SEALING**

9. **THIS COURT ORDERS** that the Confidential Appendix to the • Report shall be sealed, kept confidential and not form part of the public record, but shall be placed separate and apart from all other contents of the Court file, in a sealed envelope attached to a notice that sets out the title of these proceedings and a statement that the contents are subject to a sealing order and shall only be opened upon further order of the Court.]

10. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Monitor and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Monitor and its agents in carrying out the terms of this Order.

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**Schedule A” to the Approval and Vesting Order  
Form of Monitor’s Certificate**

Court File No. CV-19-625224-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST )**

**BETWEEN:**

**FCMI PARENT CO.**

Applicant

- and -

**GEDEX SYSTEMS INC., GEDEX AVIATION INC., BLACK BAY MINERALS  
CORPORATION, GEDEX EXPLORATION INC., and GEDEX EARTH INC.**

Respondents

**APPLICATION UNDER THE *COMPANIES’ CREDITORS ARRANGEMENT ACT*,  
R.S.C 1985, c. C-36**

**MONITOR’S CERTIFICATE**

**RECITALS**

A. Pursuant to an Order of the Honourable Mr. Justice Penny of the Ontario Superior Court of Justice (the “**Court**”) dated August 12, 2019, Zeifman Partners Inc. was appointed as Monitor (the “**Monitor**”) of the assets, undertakings and properties of Gedex Systems Inc., Gedex Aviation Inc., Black Bay Minerals Corporation, Gedex Exploration Inc. and Gedex Earth Inc. (collectively, the “**Vendors**”).

B. Pursuant to an Order of the Court dated ●, 2019, the Court approved the agreement of purchase and sale made as of ●, 2019 (the “**Asset Purchase Agreement**”), between the Vendors and ● (the “**Purchaser**”) and provided for the vesting in the Purchaser of the Vendors’ right, title



and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to the Purchaser of a certificate confirming: (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets, (ii) that the conditions to closing as set out in the Asset Purchase Agreement have been satisfied or waived by the Vendors and the Purchaser, and (iii) the Transaction has been completed to the satisfaction of the Monitor.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Asset Purchase Agreement.

**THE MONITOR CERTIFIES** the following:

1. The Purchaser has paid and the Vendors have received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Asset Purchase Agreement;
2. The conditions to closing as set out in the Asset Purchase Agreement have been satisfied or waived by the Vendors and the Purchaser, respectively; and
3. The Transaction has been completed to the satisfaction of the Monitor.
4. This Certificate was delivered by the Monitor at \_\_\_\_\_ [TIME] on \_\_\_\_\_ [DATE].

**Zeifman Partners Inc., in its capacity as  
Court appointed Monitor, and not in its  
personal capacity**

Per: \_\_\_\_\_

Name:

Title:

**Schedule B” to the Approval and Vesting Order  
Encumbrances to be Removed**

None.

**Schedule C” to the Approval and Vesting Order  
Permitted Encumbrances**

None.

**Schedule “B”  
Assumed Contracts**

None.

**Schedule "C"**  
**Permitted Encumbrances**

None

**Schedule “D”**  
**Allocation of Purchase Price**

<b>Property</b>	<b>Allocation</b>
<b>Total</b>	

**[To be completed no later than the Time of Closing]**

## APPENDIX D

## ASSET PURCHASE AGREEMENT

This Agreement is dated as of the 12<sup>th</sup> day of November, 2019

BETWEEN:

**GEDEX SYSTEMS INC.**

(the "Vendor")

- and -

**TEXAS TURBINE CONVERSIONS, INC.**

(the "Purchaser")

**WHEREAS:**

- (a) Pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "Court"), dated August 12, 2019 (as amended and as may be further amended, restated, supplemented or modified from time to time, the "Initial Order"), the Vendor and certain of its affiliates (collectively, the "CCAA Entities") obtained protection from their creditors pursuant to the *Companies' Creditors Arrangement Act* (Canada) ("CCAA");
- (b) Pursuant to the Initial Order, Zeifman Partners Inc. was named as Court-appointed Monitor of the CCAA Entities (the "Monitor");
- (c) Pursuant to an order of the Court dated August 12, 2019, the Court approved a sales and investor solicitation process (the "SISP") in respect of the assets, properties and undertakings of the CCAA Entities (as amended and as may be further amended, restated, supplemented or modified from time to time, the "SISP Approval Order");
- (d) In accordance with the Initial Order, the SISP and the SISP Approval Order, and subject to the approval of the Court, the Vendor wishes to sell and the Purchaser wishes to purchase all of the right, title and interest of the Vendor in and to the Purchased Assets, pursuant to the terms and conditions of this Agreement.

**FOR VALUE RECEIVED**, the parties agree as follows:

### SECTION 1 – INTERPRETATION

#### 1.1 Definitions

In this Agreement:

- (1) **Agreement** means this agreement including any recitals and schedules to this agreement, as amended, supplemented or restated from time to time;



- (2) **Aircraft** means the 1994 Cessna 208 Caravan bearing manufacturer's serial number 20800237, comprised of the Airframe and Engine, together with all seats, parts, removed parts, spare parts, components, systems and other equipment installed on or related to such airframe and engines, and all manuals, technical records, log books, documentation and data, in each case as more particularly described in Schedule "A" attached hereto;
- (3) **Approval and Vesting Order** means an order of the Court, substantially in the form attached hereto as Schedule "B", providing for, among other things, the vesting in and to the Purchaser of all of the right, title and interest, if any, of the Vendor in and to the Purchased Assets, free and clear of all liens, charges and Encumbrances, except Permitted Encumbrances;
- (4) **Assumed Liabilities** has the meaning set forth in Section [2.2];
- (5) **Authorizations** means, with respect to any Person, any order, present, approval, consent, waiver, licence or similar authorization, or any Governmental Authority related to the Purchased Assets or the Business;
- (6) **Business Day** means any day of the year, other than a Saturday or Sunday, on which banks are ordinarily open for the transaction of business in Toronto, Canada;
- (7) **CCAA** has the meaning set forth in the recitals;
- (8) **CCAA Entities** has the meaning set forth in the recitals;
- (9) **Closing** means the completion of the Transaction;
- (10) **Closing Date** means the [second] Business Day following the date on which the Approval and Vesting Order is granted or such later or earlier date as agreed to by the parties;
- (11) **Court** has the meaning set forth in the recitals;
- (12) **Encumbrances** means all mortgages, pledges, charges, liens, debentures, hypothecs, trust deeds, assignments by way of security, security interests, conditional sales contracts or other title retention agreements or similar interests or instruments charging or creating a security interest in the Purchased Assets or any part thereof or interest therein, and any agreements, leases, options, easements, rights-of-way, restrictions, executions or other encumbrances, including notices or other registrations in respect of any of the foregoing, affecting title to the Purchased Assets or any part thereof or interest therein;
- (13) **ETA** means the *Excise Tax Act* (Canada);
- (14) **Excluded Assets** means any and all assets of the Vendor or any CCAA Entity that is not expressly a Purchased Asset;
- (15) **Governmental Authority** means any Canadian federal, provincial, municipal or local, or other government, governmental, regulatory or administrative authority, agency or commission or any court, tribunal or judicial or arbitral body having jurisdiction over the Purchased Assets;
- (16) **GST/HST** means taxes, interest, penalties and fines imposed under Part IX of the ETA;

- (17) **Initial Order** has the meaning set forth in the recitals;
- (18) **Monitor** has the meaning set forth in the recitals;
- (19) **Monitor's Certificate** means a certificate duly executed by the Monitor, substantially in the form of the certificate attached as Schedule "A" to the Approval and Vesting Order, confirming that the conditions to Closing, as set forth herein, have been satisfied or waived and the sale of the Purchased Assets has been completed to the satisfaction of the Monitor;
- (20) **Person** means a natural person, partnership, limited liability partnership, corporation, joint stock company, trust, unincorporated association, joint venture or other entity or Governmental Authority, and pronouns have a similarly extended meaning;
- (21) **Property** means the assets, properties and undertakings of the Vendor;
- (22) **Purchaser** has meaning set forth in recitals;
- (23) **Purchased Assets** means all of the Vendor's right, title, interest and benefit to the assets described in Schedule "A";
- (24) **Purchase Price** has the meaning set forth in Section [3.1(1)];
- (25) **SISP** has the meaning set forth in the recitals;
- (26) **SISP Approval Order** has the meaning set forth in the recitals;
- (27) **SISP Procedures** means the procedures approved by the Court governing the SISP and attached as Schedule "A" to the SISP Approval Order, which may be amended or modified from time to time in accordance with SISP Approval Order;
- (28) **Time of Closing** means [2:00 p.m.] Toronto time on the Closing Date or as otherwise determined by mutual agreement of the parties in writing;
- (29) **Transaction** means the transaction of purchase and sale contemplated by this Agreement;
- (30) **Transfer Taxes** has the meaning set forth in Section [3.4(1)];
- (31) **Vendor** has the meaning set forth in the recitals;

## **1.2 Headings and References**

The division of this Agreement into sections and subsections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this Agreement," "hereof," "hereunder" and similar expressions refer to this Agreement and not to any particular section, subsection or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, references herein to "Sections" are to sections, subsections and further subdivisions of sections of this Agreement.



### **1.3 Extended Meanings**

Unless otherwise specified, words importing the singular include the plural and vice versa and words importing gender include all genders. The term "including" means "including without limitation."

### **1.4 Statutory References**

Each reference to an enactment is deemed to be a reference to that enactment, and to the regulations made under that enactment, as amended or re-enacted from time to time.

### **1.5 Schedules**

The following are the Schedules to this Agreement:

**Schedule "A": Purchased Assets**

**Schedule "B": Draft Approval and Vesting Order**

**Schedule "C": Draft Bill of Sale**

## **SECTION 2- PURCHASE AND SALE**

### **2.1 Sale and Purchase of Purchased Assets**

(1) Subject to the terms and conditions of this Agreement, on the Closing Date, the Vendor shall sell, assign and transfer to the Purchaser, and the Purchaser shall purchase from the Vendor, all of the right, title and interest of each of the Vendor, if any, in and to the Purchased Assets, other than the Excluded Assets, free and clear of all Encumbrances other than Permitted Encumbrances.

### **2.2 Assumed Liabilities**

(1) Subject to the Closing of the Transaction on the Closing Date, the Purchaser agrees to discharge, perform and fulfil the following obligations and liabilities of the Vendor with respect to the Purchased Assets (collectively, the "Assumed Liabilities"):

- (a) all obligations and liabilities of the Vendor relating to the Purchased Assets that relate to the period from and after the Closing Date; and
- (b) all other obligations and liabilities expressly assumed under this Agreement.

## **SECTION 3 – PURCHASE PRICE**

### **3.1 Purchase Price**

(1) The consideration payable by the Purchaser to the Vendor for the Purchased Assets (the "Purchase Price") shall be:

- (a) [REDACTED]



(b) the assumption of the Assumed Liabilities.

© [REDACTED] will constitute all payments due from Purchaser to Vendor and any Canadian taxing entity as identified in paragraph 3.4 and no additional taxes, duties, or charges shall be required from Purchaser in connection with this conveyance.

### **3.2 Payment of Purchase Price**

(1) The Purchase Price will be satisfied by the Purchaser on Closing as follows:

- (a) upon execution of this Agreement, by paying to the Monitor, in trust, a deposit in the amount of \$[REDACTED] (the "Deposit") by wire transfer of immediately available funds; and
- (b) by paying the balance of the Purchase Price on Closing to the Monitor, in trust, by wire transfer of immediately available funds pursuant to wire transfer instructions provided by the Monitor prior to Closing;

### **3.3 Purchase Price Allocation**

The entirety of the Purchase Price shall be allocated to the Purchased Assets.

### **3.4 Taxes**

(1) The Purchaser will be liable for and shall pay directly to the relevant Governmental Authority, as required, all federal and provincial sales taxes, duties or other taxes or charges payable in connection with the conveyance and transfer of the Purchased Assets to the Purchaser, including GST/HST (if applicable), but excluding any income taxes payable by the Vendor or any other person as a result of the completion of the Transaction (collectively, the "Transfer Taxes"). The Purchaser shall pay to the Vendor all GST/HST payable in connection with the purchase and sale of the Purchased Assets pursuant to this Agreement, and the Vendor shall remit such GST/HST when due in accordance with applicable law. To the extent any Transfer Taxes are required to be paid by or are imposed upon the Vendor, the Purchaser will reimburse to the Vendor such taxes within five (5) Business Days of payment of such taxes by the Vendor. The Purchaser will indemnify and hold the Vendor harmless in respect of any Transfer Taxes, penalties, interest and other amounts that may be assessed against the Vendor as a result of the sale of the Purchased Assets.

(2) The Purchaser's obligations under this Section 3.4 shall survive Closing.

## **SECTION 4 – REPRESENTATIONS AND WARRANTIES**

### **4.1 Vendor's Representations**

(1) The Vendor represent and warrant to the Purchaser that:

- (a) subject to obtaining the Approval and Vesting Order, each of the Vendor has the full right, power and authority to enter into this Agreement, perform its



obligations hereunder and convey all right, title and interest of the Vendor in and to the Purchased Assets;

- (b) the execution and delivery of this Agreement and all other documents contemplated hereunder to which the Vendor are or will be a party have been, or will be, duly authorized by all necessary action on the part of the Vendor, subject to the Approval and Vesting Order;
- (c) this Agreement and all other documents contemplated hereunder to which the Vendor are or will be a party have been or will be, as at the Time of Closing, duly and validly executed and delivered by the Vendor and constitute or will constitute, as at the Time of Closing, legal, valid and binding obligations of the Vendor enforceable in accordance with the terms hereof or thereof, subject to the Approval and Vesting Order;
- (d) the Vendor are not aware of any action, proceeding or appeal pending or threatened which may affect its ability to convey any of the Purchased Assets or in any way restrain or prohibit the completion of the Transaction;
- (e) the Vendor are not, and at the Time of Closing will not be, a non-resident of Canada within the meaning of that term as used in the *Income Tax Act* (Canada); and
- (f) the Vendor is registered under Part IX of the ETA and the Vendor's HST numbers will be provided to the Purchaser prior to the Closing Date.

#### **4.2 Purchaser's Representations**

- (1) The Purchaser represents and warrants to the Vendor that:
  - (a) the Purchaser is a corporation existing under the laws of the United States of America, and has full corporate power and authority to enter into and carry out this Agreement and the Transaction;
  - (b) the entering into of this Agreement and all other documents contemplated hereunder to which the Purchaser is or will be a party have been, or will be, duly authorized by all requisite corporate action;
  - (c) this Agreement and all other documents contemplated hereunder to which the Purchaser is or will be a party have been or will be duly and validly executed and delivered by the Purchaser and constitute or will constitute legal, valid and binding obligations of the Purchaser, as the case may be, enforceable in accordance with the terms hereof or thereof;
  - (d) to the best of Purchaser's knowledge, other than the Approval and Vesting Order, no approval or consent of and no filing with or application to any Governmental Authority is required for the Purchaser to enter into this Agreement or to complete the Transaction, other than such approvals, consents, filings and applications that



have been obtained or made as at the date hereof, copies of which have been provided to the Vendor; and

#### **4.3 "As is, Where is"**

(1) The Purchaser acknowledges that the Vendor is selling the Purchased Assets on an "as is, where is" basis as the Purchased Assets shall exist on the Closing Date and no adjustments shall be made for any changes in the condition of the Purchased Assets. The Purchaser further acknowledges that it has entered into this Agreement on the basis that the Purchaser has conducted such inspections and due diligence of the condition of and title to the Purchased Assets, as it deemed appropriate and has satisfied itself with regard to these matters. Except as set out in Section 4.1, no representation, warranty or condition is expressed or can be implied as to title, encumbrances, description, fitness for any particular use or purpose, merchantability, condition, assignability, value or quality or any other matter concerning the Purchased Assets or the right of the Vendor to sell same and without recourse to the Vendor or the Monitor. Without limiting the generality of the foregoing, any and all conditions, warranties or representations expressed or implied pursuant to the *Sale of Goods Act* (Ontario) or similar legislation in any other jurisdiction do not apply hereto and have been waived by the Purchaser and the Purchaser further acknowledges that all written and oral information (including, without limitation, analyses, financial information and projections, compilations and studies) obtained by the Purchaser from the Vendor or the Monitor with respect to the Purchased Assets or otherwise relating to the Transaction has been obtained for the convenience of the Purchaser only and is not warranted to be accurate or complete. The description of the Purchased Assets contained herein is for the purpose of identification only. No representation, warranty or condition has or will be given by the Vendor or Monitor concerning completeness or the accuracy of such descriptions.

(2) The Purchaser shall have reasonable access to the Purchased Assets on reasonable notice to the Vendor for the purposes of conducting inspections and other due diligence prior to the Closing Date.

### **SECTION 5- CONDITIONS TO CLOSING**

#### **5.1 Conditions for the benefit of the Purchaser**

(1) The obligation of the Purchaser to complete the Transaction is subject to the following conditions being fulfilled or performed at or prior to the Time of Closing:

- (a) all representations and warranties of the Vendor contained in this Agreement shall be true as of the Time of Closing with the same effect as though made as of that time and the Vendor shall deliver to the Purchaser a certificate signed by a representative of the Vendor to that effect;
- (b) the Vendor shall have performed each of its obligations contained in this Agreement to the extent required to be performed on or before the Closing Date and the Vendor shall deliver to the Purchaser a certificate signed by a representative of the Vendor to that effect;
- (c) there shall be no action, litigation or proceedings pending or threatened or order issued by a Governmental Authority against either of the parties, or involving any



of the Purchased Assets, for the purpose of enjoining, preventing or restraining the completion of the Transaction or otherwise claiming that such completion is improper;

- (d) the Court shall have issued the Approval and Vesting Order, and such order shall not have been appealed, stayed, varied or set aside nor has leave to appeal been sought; and
- (e) the Vendor shall have delivered or caused to be delivered to the Purchaser each of the items listed in Section 6.2.

(2) The foregoing conditions are for the exclusive benefit of the Purchaser.

### **5.2 Conditions for the benefit of the Vendor**

(1) The obligation of the Vendor to complete the Transaction is subject to the following conditions being fulfilled or performed at or prior to the Time of Closing:

- (a) all representations and warranties of the Purchaser contained in this Agreement shall be true as of the Time of Closing with the same effect as though made as of that time and the Purchaser shall deliver to the Vendor a certificate signed by a representative of the Purchaser to that effect;
- (b) the Purchaser shall have performed each of its obligations contained in this Agreement to the extent required to be performed on or before the Closing Date and the Purchaser shall deliver to the Vendor a certificate signed by a representative of the Purchaser to that effect;
- (c) the Court shall have issued the Approval and Vesting Order, and such order shall not have been appealed, stayed, varied or set aside nor has leave to appeal been sought; and
- (d) the Purchaser shall have delivered or caused to be delivered to the Vendor each of the items listed in Section 6.3.

(2) The foregoing conditions are for the exclusive benefit of the Vendor.

### **5.3 Monitor's Certificate**

Upon receipt of written confirmation from a representative of each of the Vendor and Purchaser, the Monitor shall deliver an executed copy of the Monitor's Certificate to each of the Vendor and the Purchaser, or their respective counsel, and file same with the Court as soon as reasonably practical thereafter. The Vendor and Purchaser shall provide the Monitor with any further documents, acknowledgments, certificates or other evidence satisfactory to the Monitor for it to certify that all of the conditions to Closing have been satisfied and that the Monitor's Certificate may be delivered and filed. Closing shall be deemed to have occurred upon the delivery of the Monitor's Certificate to the Vendor and Purchaser, or their respective counsel, in accordance with this section.



#### **5.4 Termination Rights**

(1) This Agreement may, by notice in writing given on or before the Closing Date, be terminated:

- (a) by mutual consent of the Vendor, with the consent of the Monitor, and Purchaser;
- (b) by the Purchaser, if:
  - (i) any of the conditions contained in Section 5.1 hereof are not fulfilled on or prior to the Time of Closing, or if it becomes apparent, acting reasonably, that any such condition cannot be satisfied at or prior to the Time of Closing, and such non-fulfillment is not directly or indirectly as a result of any action or omission of the Purchaser, and the Purchaser has not waived such condition in writing at or prior to the Time of Closing;
  - (ii) the Approval and Vesting Order fails to be in full force and effect, or has been amended, modified, reversed or dismissed, appealed or leave to appeal has been sought in respect thereof, without the prior written consent of the Purchaser; or
  - (iii) there has been a material breach of this Agreement by the Vendor and such breach has not been waived by the Purchaser in writing or cured within five (5) Business Days of written notice of such breach by the Purchaser;
- (c) By the Vendor, with the consent of the Monitor, if:
  - (i) any of the conditions contained in Section 5.2 hereof are not fulfilled on or prior to the Time of Closing, or if it becomes apparent, acting reasonably, that any such condition cannot be satisfied at or prior to the Time of Closing, and such non-fulfillment is not directly or indirectly as a result of any action or omission of the Vendor, and the Vendor has not waived such condition in writing at or prior to the Time of Closing;
  - (ii) the Approval and Vesting Order fails to be in full force and effect, or has been amended, modified, reversed or dismissed, appealed or leave to appeal has been sought in respect thereof without the prior written consent of the Purchaser; or
  - (iii) there has been a material breach of this Agreement by the Purchaser and such breach has not been waived by the Vendor in writing or cured within five (5) Business Days of written notice of such breach by the Vendor.





## **5.5 Effect of Termination**

If this Agreement is terminated pursuant to Section 5.3, this Agreement shall be of no further force or effect and termination of this Agreement shall not relieve any party from any liability for any breach of this Agreement occurring prior to termination. The forfeiture or return of the Deposit on termination of this Agreement shall be governed by the SISP Procedures.

## **SECTION 6- CLOSING**

### **6.1 Closing**

The completion of the Transaction shall take place at the offices of Miller Thomson LLP, solicitors for the Monitor, in Toronto, Ontario at the Time of Closing or at such other location(s) as are agreed upon by the parties.

### **6.2 Vendor's Deliveries on Closing**

(1) At or before the Time of Closing, the Vendor shall deliver to the Purchaser the following, each of which shall be in form and substance satisfactory to the Purchaser, acting reasonably:

- (a) a copy of the issued and entered Approval and Vesting Order;
- (b) a bill of sale substantially in the form of the bill of sale attached hereto as Schedule "C", executed by the Vendor, conveying to the Purchaser all of the right, title and interest of the Vendor, if any, in and to the Purchased Assets;
- (c) the certificates of the Vendor referenced in Sections 5.1(1)(a) and (b);
- (d) the Monitor's Certificate; and
- (e) such further and other documentation as is referred to in this Agreement or as the Purchaser may reasonably require to give effect to this Agreement and convey title to the Purchased Assets to the Purchaser.

### **6.3 Purchaser's Deliveries on Closing**

(1) At or before the Time of Closing, the Purchaser shall execute and deliver the following, each of which shall be in form and substance satisfactory to the Vendor, acting reasonably:

- (a) payment of the balance of the Purchase Price;
- (b) payment or evidence of the payment of the Transfer Taxes, if any, or an undertaking to pay all Transfer Taxes, coupled with an indemnity in favour of the Vendor in respect of same;
- (c) the certificates of the Purchaser referenced in Sections 5.2(1)(a) and (b);
- (d) such further and other documentation as is referred to in this Agreement or as the Vendor or Monitor may reasonably require to give effect to this Agreement.



#### **6.4 Risk**

Until completion of this Agreement on the Closing Date, the Purchased Assets shall be and remain at the risk of the Vendor. In the event of any material damage to the Purchased Assets on or before the Closing Date, the Purchaser may elect (i) to require the Vendor to repair the Purchased Assets to the same state and condition as it was in at the time this Agreement was entered into in which event the Purchaser will complete the Transaction without an abatement in the Purchase Price; or (ii) to reduce the Purchase Price by an amount equal to the cost required to complete the repair as estimated by an independent qualified architect or engineer retained by the Vendor in which event the Purchaser will complete the Transaction and accept the price reduction equal to such cost; or (iii) to terminate this Agreement and neither party shall have any further rights or obligations under this Agreement.

#### **6.5 Possession of Purchased Assets**

On Closing the Purchaser shall acquire ownership of the Purchased Assets where situate at the Time of Closing provided that in no event shall title to the Purchased Assets pass to the Purchaser until the Approval and Vesting Order is effective.

#### **6.6 Tender**

Any tender of documents or money hereunder may be made upon the Vendor or the Purchaser or their respective solicitors on the Closing Date.

### **SECTION 7- GENERAL**

#### **7.1 Notices**

Any demand, notice or other communication to be given in connection with this Agreement shall be given in writing and shall be given by personal delivery (in which case it shall be left with a responsible officer of the recipient) or by electronic communication addressed to the recipients as follows:

in the case of the Purchaser:

Texas Turbine Conversions, Inc.  
10699 Private Road 5117  
Celina, TX 75009

Attention: Bobby Bishop, President  
Email: bobby@texasturbines.com

with a copy to:

Airside Aviation Inc  
516 Hurricane Drive, Springbank Airport



Calgary, AB T3Z 3S8

Attention: John Fitzsimmons  
Email: jfitz@airsideaviation.ca

in the case of the Vendor:

**Gedex Systems Inc.**  
407 Matheson Blvd E.  
Mississauga, ON L4Z 2H2

Attention: Bob Benia  
Email: bob.benia@gedex.com

with a copy to:

**Dentons Canada LLP**  
77 King Street West, Suite 400  
Toronto, ON M5K 0A1

Attention: Kenneth Kraft/Mark Freake  
Email: kenneth.kraft@dentons.com/mark.freake@dentons.com

in the case of the Monitor:

**Zeifman Partners Inc.**  
201 Bridgeland Avenue  
Toronto, ON M6A 1Y7

Attention: Allan Rutman  
Email: [aar@zeifmans.ca](mailto:aar@zeifmans.ca)

with a copy to:

**Miller Thomson LLP**  
Scotia Plaza  
40 King Street West, Suite 5800  
Toronto, ON M5H 3S1

Attention: Kyla Mahar/Asim Iqbal  
Email: kmahar@millerthomson.com/aiqbal@millerthomson.com

or to such other address, individual or electronic communication number as may be designated by notice given by either party to the other. Any demand, notice or other communication shall be conclusively deemed to have been given, if given by personal delivery, on the day of actual delivery thereof if delivered during normal business hours of the recipient on a Business Day and, if given by electronic communication, on the day of the transmittal thereof if transmitted



during normal business hours of the recipient on a Business Day and on the next Business Day following the delivery or transmittal thereof if not so delivered or transmitted.

## **7.2 Time of Essence**

Time shall be of the essence for every provision hereof.

## **7.3 Expenses**

Except as otherwise expressly provided herein, all costs and expenses (including the fees and disbursements of legal counsel, advisers and auditors) incurred in connection with this Agreement and the Transaction shall be paid by the party incurring such expenses, subject to any rights either party may have to have any such fees included in any security held by that party against the assets of the Vendor.

## **7.4 Further Assurances**

During the thirty (30) day period after the Closing Date, each party shall from time to time execute and deliver, or cause to be executed and delivered, all such documents and instruments and do, or cause to be done, all such acts and things as the other party may, either before or after the Closing, reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.

## **7.5 Time Periods**

Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done, shall be calculated by excluding the day on which the period commences and includes the day on which the period ends and by extending the period to the next Business Day following if the last day of the period is not a Business day.

## **7.6 Entire Agreement**

This Agreement constitutes the only agreement between the parties with respect to the subject matter hereof and supersedes any and all prior negotiations, provisions, covenants, agreements, understandings and representations on that subject, all of which have become merged and finally integrated into this Agreement.

## **7.7 Amendments**

This Agreement may only be amended, modified or supplemented by a written agreement signed by the parties.

## **7.8 Waiver**

No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar), nor shall such waiver constitute a waiver or continuing waiver unless otherwise expressly provided in writing duly executed by the party to be bound thereby.



## **7.9 Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and each of the parties hereby irrevocably attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario.

## **7.10 Benefit of Agreement**

This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and permitted assigns.

## **7.11 Severability**

If any provision of this Agreement or any document delivered in connection with this Agreement is partially or completely invalid or unenforceable, the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement, all of which shall be construed and enforced as if that invalid or unenforceable provision were omitted. The invalidity or unenforceability of any provision in one jurisdiction shall not affect such provision's validity or enforceability in any other jurisdiction.

## **7.12 Counterparts**

This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, and such counterparts together shall constitute one and the same agreement. The delivery of a facsimile or other electronic copy of an executed counterpart of this Agreement shall be deemed to be valid execution and delivery of this Agreement.

## **7.13 Assignment and Enurement**

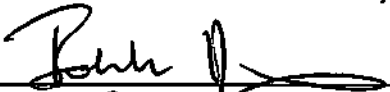
No party may assign its rights or obligations under this Agreement without the prior written consent of the other party. Notwithstanding the forgoing, the Purchaser shall have the right to assign, in whole or in part, its rights to acquire the Purchased Assets hereunder to any affiliate of the Purchaser.

*[signature page follows]*



**Dated** as of the date first set out above.

**TEXAS TURBINE CONVERSIONS, INC.**

Per:   
Name: Bobby Bishop  
Title: President  
I have the authority to bind the corporation

**GEDEX SYSTEMS INC.**

Per: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
I have the authority to bind the corporation

**GEDEX AVIATION INC.**

Per: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
I have the authority to bind the corporation

**BLACK BAY MINERALS CORPORATION**

Per: \_\_\_\_\_

Name:

Title:

I have the authority to bind the corporation

**GEDEX EXPLORATION INC.**

Per: \_\_\_\_\_

Name:

Title:

I have the authority to bind the corporation

**GEDEX EARTH INC.**

Per: \_\_\_\_\_

Name:

Title:

I have the authority to bind the corporation



**Schedule "A" – Purchased Assets**

(a) one airframe (the "Airframe") identified as follows

Manufacturer and Model	U.S./Canadian Registration Mark	Manufacturer's Serial Number
Cessna 208 Caravan	N9840F/C-GDEC	20800237

(b) one engine identified as follows:

Manufacturer and Model	Manufacturer's Serial Number
Pratt & Whitney PT6A-114A	17484

(c) all log books, Aircraft records, manuals and any other documents which relate exclusively to the Aircraft and are required to be maintained by the aviation authority of the state or the country of registration of the Aircraft and the applicable maintenance program as approved by such aviation authority or agreed to by the Vendor;



**Schedule "B" – Copy of Draft Approval and Vesting Order**

A handwritten signature or set of initials, possibly "RB", enclosed in a circular scribble.

Court File No. CV-19-625224-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

THE HONOURABLE ) DAY, THE  
JUSTICE )  
DAY OF , 2019

**BETWEEN:**

**FCMI PARENT CO.**

Applicant

- and -

**GEDEX SYSTEMS INC., GEDEX AVIATION INC., BLACK BAY MINERALS  
CORPORATION, GEDEX EXPLORATION INC., and GEDEX EARTH INC.**

Respondents

**APPLICATION UNDER THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C 1985, c. C-36**

**APPROVAL AND VESTING ORDER**

**THIS MOTION**, made by Gedex Systems Inc., Gedex Aviation Inc., Black Bay Minerals Corporation, Gedex Exploration Inc. and Gedex Earth Inc. (collectively, the "**Vendor**"), for an order approving the sale transaction (the "**Transaction**") contemplated by an asset purchase agreement (the "**Asset Purchase Agreement**") between the Vendor and • (the "**Purchaser**") dated •, 2019, and vesting in the Purchaser the Vendor' right, title, benefit and interest in and to the assets described in the Asset Purchase Agreement (the "**Purchased Assets**"), was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the • Report of the Zeifman Partners Inc, in its capacity as Court-appointed monitor of the Vendor (the "**Monitor**") dated •, 2019 (the "**• Report**"), and on



hearing the submissions of counsel for the Monitor, the Vendor and the Purchaser, and any such other counsel as were present, no one appearing for any other person on the service list, although properly served as appears from the affidavit of • sworn •, 2019, filed:

1. **THIS COURT ORDERS** that unless otherwise defined herein or the context otherwise requires, capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Asset Purchase Agreement.

2. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Asset Purchase Agreement by the Vendor is hereby authorized and approved, with such minor amendments as the Vendor may deem necessary. The Vendor are hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

3. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Monitor's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "Monitor's Certificate"), all of the Vendor' right, title, benefit and interest in and to the Purchased Assets described in the Asset Purchase Agreement shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of Mr. Justice Penny dated August 12, 2019; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule B hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the permitted encumbrances listed on Schedule C) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

JP

4. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Monitor's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

5. **THIS COURT ORDERS AND DIRECTS** the Monitor to file with the Court a copy of the Monitor's Certificate, forthwith after delivery thereof.

6. **THIS COURT ORDERS** that the Monitor may rely on the written notice from the Vendor regarding fulfillment of conditions to closing under the Asset Purchase Agreement and shall incur no liability with respect to the delivery of the Monitor's Certificate.

7. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Vendor are authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Vendor's records pertaining to the Vendor's past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Vendor.

8. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Vendor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Vendor;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Vendor and shall not be void or



voidable by creditors of the Vendor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

**[SEALING**

**9. THIS COURT ORDERS that the Confidential Appendix to the • Report shall be sealed, kept confidential and not form part of the public record, but shall be placed separate and apart from all other contents of the Court file, in a sealed envelope attached to a notice that sets out the title of these proceedings and a statement that the contents are subject to a sealing order and shall only be opened upon further order of the Court.]**

**10. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Monitor and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Monitor and its agents in carrying out the terms of this Order.**

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**Schedule A – Form of Monitor’s Certificate**

Court File No. CV-19-625224-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

**BETWEEN:**

**FCMI PARENT CO.**

**Applicant**

**- and -**

**GEDEX SYSTEMS INC., GEDEX AVIATION INC., BLACK BAY MINERALS  
CORPORATION, GEDEX EXPLORATION INC., and GEDEX EARTH INC.**

**Respondents**

**APPLICATION UNDER THE *COMPANIES’ CREDITORS ARRANGEMENT ACT*,  
R.S.C 1985, c. C-36**

**MONITOR’S CERTIFICATE**

**RECITALS**

A. Pursuant to an Order of the Honourable Mr. Justice Penny of the Ontario Superior Court of Justice (the “**Court**”) dated August 12, 2019, Zeifman Partners Inc. was appointed as Monitor (the “**Monitor**”) of the assets, undertakings and properties of Gedex Systems Inc., Gedex Aviation Inc., Black Bay Minerals Corporation, Gedex Exploration Inc. and Gedex Earth Inc. (collectively, the “**Vendor**”).

B. Pursuant to an Order of the Court dated ●, 2018, the Court approved the agreement of purchase and sale made as of ●, 2019 (the “**Asset Purchase Agreement**”) between the Vendor and ● (the “**Purchaser**”) and provided for the vesting in the Purchaser of the Vendor’ right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to the Purchaser of a certificate confirming: (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets, (ii) that the



conditions to closing as set out in the Asset Purchase Agreement have been satisfied or waived by the Vendor and the Purchaser, and (iii) the Transaction has been completed to the satisfaction of the Monitor.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Asset Purchase Agreement.

**THE MONITOR CERTIFIES** the following:

1. The Purchaser has paid and the Vendor have received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Asset Purchase Agreement;
2. The conditions to closing as set out in the Asset Purchase Agreement have been satisfied or waived by the Vendor and the Purchaser, respectively; and
3. The Transaction has been completed to the satisfaction of the Monitor.
4. This Certificate was delivered by the Monitor at \_\_\_\_\_ [TIME] on \_\_\_\_\_ [DATE].

**Zeifman Partners Inc., in its capacity as  
Court appointed Monitor, and not in its  
personal capacity**

Per: \_\_\_\_\_

Name:

Title:



## APPENDIX E



**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**FCMJ PARENT CO.**

**Applicant**

**- and -**

**GEDEX SYSTEMS INC., GEDEX AVIATION INC., BLACK BAY MINERALS  
CORPORATION, GEDEX EXPLORATION INC., and GEDEX EARTH INC.**

**Respondent**

**APPLICATION UNDER THE *COMPANIES' CREDITORS*  
*ARRANGEMENT ACT*, R.S.C 1985, c. C-36**

**AFFIDAVIT OF ALLAN A. RUTMAN**

**(Affirmed November 14, 2019)**

I, **Allan A. Rutman**, of the City of Vaughan, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am President of Zeifman Partners Inc. ("**Zeifman**") and, as such, have knowledge of the matters to which I hereinafter depose. Unless I indicate to the contrary, the facts herein are within my personal knowledge and are true. Where I have indicated that I have obtained facts from other sources, I believe those facts to be true.

2. Pursuant to the Order of the Honourable Justice Penny dated August 12, 2019 (the "**Initial Order**"), Zeifman was appointed as the Monitor, an officer of the Court, (the "**Monitor**") to monitor the business and financial affairs of Gedex Systems Inc., Gedex Aviation Inc., Black Bay Minerals Corporation, Gedex Exploration Inc. and Gedex Earth Inc. (collectively, the "**Debtors**").

3. The total amount of professional fees being claimed for work performed by the Monitor for the period August 4, 2019 to November 14, 2019 inclusive (the "**Fee Period**") is CAD \$152,987.50 plus disbursements of CAD \$265.64 plus Harmonized Sales Tax of CAD

\$19,922.91 totalling CAD \$173,176.05. Attached hereto as **Exhibit "A"** to this Affidavit are true copies of all bills of costs rendered by the Monitor on a periodic basis during the Fee Period, inclusive of details of the individuals involved in the administration of the Debtors and the hours and applicable rates claimed. Attached hereto as **Exhibit "B"** to this Affidavit is a summary of the bills of costs.

4. Details of the activities undertaken and services provided by the Monitor in connection with the administration of the Debtors is described in the reports filed by the Monitor with this Court in this CCAA proceeding.

5. In the course of performing its duties pursuant to the Initial Order, the Monitor and its staff have expended a total of 297.25 hours during the Fee Period. Attached hereto as **Exhibit "C"** to this Affidavit is a schedule setting out the personnel involved in the administration of the Debtors and the hours and applicable rates claimed for the Fee Period.

6. The Monitor has not received any remuneration or consideration other than the amount claimed herein.


7. The hourly billing rates outlined in **Exhibit "C"** to this Affidavit are comparable to the hourly rates charged by Zeifman Partners Inc. for services rendered in relation to similar proceedings.

8. To the best of my knowledge, the rates charged by the Monitor throughout the course of these proceedings are comparable to the rates charged by other accounting firms in the Toronto market for the provision of similar services.

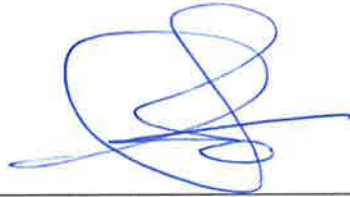
9. I verily believe that the fees and disbursements incurred by the Monitor were fair and reasonable in the circumstances.

10. This Affidavit is sworn in support of the Monitor's request for approval of the Monitor's bills of costs rendered during the Fee Period, and for no other or improper purpose.

**AFFIRMED BEFORE ME** at the City  
of Toronto, ON , on November 14 , 2019.

  
A Commissioner, etc.

Rosa DaSilva, a Commissioner, etc.,  
Province of Ontario, for Zelfman Partners Inc.  
Expires October 25, 2022.



Allan A. Rutman

This is Exhibit "A" to the Affidavit of  
Allan A. Rutman sworn on November 14, 2019

A handwritten signature in blue ink, appearing to read "Rosa DeSilva", is written over a horizontal line.

A Commissioner for the taking of affidavits, etc.

**Rosa DeSilva, a Commissioner, etc.,  
Province of Ontario, for Zelfman Partners Inc.  
Expires October 25, 2022.**



Court File No.: CV-19-625224-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)  
FCMI PARENT CO.**

**Applicant**

- and -

**GEDEX SYSTEMS INC., GEDEX AVIATION INC., BLACK BAY  
MINERALS CORPORATION, GEDEX EXPLORATION INC., and  
GEDEX EARTH INC.**

**Respondents**

**APPLICATION UNDER THE COMPANIES' CREDITORS  
ARRANGEMENT ACT, R.S.C 1985, c. C-36**

**INTERIM BILLING**

**CLIENT #221542.001  
INVOICE #42138**

To: All services rendered in connection with our appointment as Court Appointed Monitor of Gedex Systems Inc., Gedex Aviation Inc., Black Ray Minerals Corporation, Gedex Exploration Inc. and Gedex Earth Inc. for the period August 4, 2019 to August 31, 2019.

**Time Charges and Expenses:**

A. Rutman, Partner	A.R.	86.00 hours @	\$650.00 per hour	\$ 55,900.00
R. Konovalov	R.K.	31.25 hours @	\$265.00 per hour	\$ 8,281.25
A. Palmer	A.P.	13.50 hours @	\$205.00 per hour	\$ 2,767.50
Total fees				\$ 66,948.75
Miscellaneous disbursements (mail, courier, photocopy, legal searches, etc.)				\$ 244.92
				\$ 67,193.67
H.S.T.				\$ 8,735.18
<b>Total Amount Due</b>				<b>\$ 75,928.85</b>

<u>Date</u>	<u>Staff</u>	<u>Time</u>	<u>Detail</u>
8/4/2019	A.R.	3.00	Review file documentation. Email correspondence re: required information for filing. Call with K. Kraft. Review email correspondence re: Landlord Notice of Default. Email exchange with B. Benia re: investor documents and liabilities and financing potentials. Review schedule re: ownership calculation post anti-dilution and July 2019 equity raise. Review Cash Model schedule. Various email correspondence with K. Kraft and Y. Friedman re: demand letters. Email correspondence with K. Mahar. Call with B. Benia.
8/5/2019	R.K.	1.50	Reviewed preliminary information provided by Gedex.
8/6/2019	A.P.	1.00	Work on adding debtor information and creditors to database.
8/6/2019	A.R.	6.75	Conference call with counsel. Review various email correspondence re: engagement and proposed fees. Review various documentation. Review CCAA Cash Flow Forecast; email correspondence with R. Konovalov re: same and update on creditors list. Review draft SISP Order. Prepare draft Pre-Filing Report of Proposed Monitor; email correspondence to K. Mahar re: same. Review correspondence re: demand letter. Conference call with K. Kraft and K. Mahar. Call with B. Benia. Email correspondence to Y. Friedman re: information required for preparation of cash flow forecast.
8/6/2019	R.K.	3.00	Reviewed CCAA Cash Flow forecast, reviewed PPSA searches, discussed with A. Rutman, other communications in regards to Gedex, spoke to MNP in regards to additional documentation
8/7/2019	A.P.	0.50	Work on adding creditors to database.

<u>Date</u>	<u>Staff</u>	<u>Time</u>	<u>Detail</u>
8/7/2019	A.R.	5.75	Review draft Initial Order and various email correspondence from counsel re: same; provide Zeifmans url to counsel. Review draft SISP Approval Order. Review initial draft Affidavit of Y. Friedman and various email correspondence from counsel. Review cash flow; forward draft to K. Mahar; various email exchange re: same. Review correspondence prepared by D. Diwik re: current finances and capital lease and what Gedex is doing to preserve senior secured collateral; email correspondence to K. Kraft re: same. Email correspondence with K. Kraft re: shareholdings. Review B. Benia bio. Calls and various email correspondence with B. Benia. Email correspondence with R. Konovalov re: update on information required for filing. Call with Y. Friedman. Call with K. Mahar.
8/7/2019	R.K.	1.25	Amended Gedex Cash Flow Forecast, sent necessary documentation to file CCAA to A. Rutman, organized creditors listing.
8/8/2019	A.R.	5.50	Engaged in numerous email correspondence with K. Mahar, M. Freake, B. Benia, Y. Friedman re: initial filing documents; review of same. Numerous email correspondence re: sales period timeline. Email correspondence with various parties re: Gedex projections. Email correspondence with B. Benia and Y. Friedman re: patent expenses and recommendations for budget. Numerous email correspondence re: transfer of title for CESSNA back to Gedex and insurance coverage, amount owed to landlord and University of Maryland license.
8/8/2019	R.K.	0.75	Additional minor changes to a Cash Flow Forecast, other admin work related to Gedex filing.
8/9/2019	A.R.	0.50	Review Pre-Filing report and Application Record material; email correspondence re: same. Review email correspondence re: SISP team, Directors indemnification cap. Review email correspondence from E. Lamek re: retention of B. Benia in sale process; email correspondence with K. Mahar re: same. Review and

<u>Date</u>	<u>Staff</u>	<u>Time</u>	<u>Detail</u>
			amend draft teasers; discussion with staff re: same. Numerous calls with K. Mahar, FCMI, K. Kraft and B. Benia.
8/9/2019	R.K.	1.00	Developed Gedex Draft Teaser Letter.
8/12/2019	A.R.	4.25	Court attendance. Email correspondence to B. Benia re: go forward plan and draft teaser. Review creditor list. Email correspondence with B. Benia re: transfer of file for recovery actions. Email correspondence with B. Benia and counsel re: landlord issues, notice of default and payment for rent. Email correspondence to D. Diwik re: CCAA Court Order, SISP process and contact with creditors re: same. Email correspondence with B. Benia re: employee per diem rates. Review email correspondence re: revision to SISP order and indemnity issue. Email correspondence with staff re: notice to creditors. Various calls and email correspondence.
8/12/2019	R.K.	4.00	Issued draft letters i.e. Letter to the landlord of Gedex, Notice to Creditors, asked to post public documents on Zeifmans website, went to Gedex to inspect the office location, met with B. Benia, spoke to several employees who are willing to assist in CCAA process, discussed preliminary plan with B. Benia, spoke to A. Rutman about the findings, imported creditors list to Ascend.
8/13/2019	A.P.	1.50	Review initial order and CCAA provisions. Contact broker re: coverage renewal.
8/13/2019	A.R.	5.50	Email correspondence re: landlord issues and unlocking of premises; email correspondence with Hylton Levy of Farber Group. Email correspondence to N. Kerr, Bailiff requesting keys to premises. Call with Y. Friedman and A. Rutman. Review email correspondence from B. Benia re: area calculations and estimated rent, Intellection Property, patent expenses and recommendations for budget. Email correspondence with staff re: insurance policies. Email correspondence with K. Kraft re: D&O renewal. Email correspondence to Y. Friedman re: outstanding obligations for vacation pay to employees and renewal premiums under D&O



<u>Date</u>	<u>Staff</u>	<u>Time</u>	<u>Detail</u>
			Policies. Email correspondence re: critical suppliers and alarm service. Email correspondence to creditor FedDev advising of appointment. Email correspondence with B. Benia re: Beth Miele per diem work and various accounting issues. Various calls with B. Benia and counsel re: various matters.
8/13/2019	R.K.	1.50	Various communications with B. Benia and others in regards to Gedex and processes.
8/14/2019	A.P.	3.00	Coordinate mailing of letter to creditors; prepare supplementary mailing list. Apply for access to the CCAA online filing with the OSB.
8/14/2019	A.R.	5.50	Conference call with B. Benia and Hylton Levy. Matters re: landlord issues. Review email correspondence from B. Benia re: insurance on plane, vacation pay. Review various email correspondence from D. Beamish re: plane and hangar insurance. Review email correspondence re: patents and deadline issues. Various calls with B. Benia and counsel. Email correspondence with K. Kraft re: stay extension, shareholder update document and contact with potential purchasers/investors and creditors. Email correspondence with B. Benia re: move and office space. Review Notice of Appearance of MBHD Holdings Ltd. and HBD Holdings Limited from Bennett Jones. Email correspondence re: scheduling of conference call re: Intellectual property. Call with B. Benia. Review non-disclosure agreement; email correspondence re: same. Review email correspondence re: account overdraft. Email correspondence with A. Palmer and A. Iqbal re: CCAA online filing system agreement. Review correspondence from RJ Farnworth re: insurance policies and upcoming renewal.
8/15/2019	A.P.	2.25	Email exchange with estate solicitor. Arrange for placement of ads in the Financial post. Online filing of Form 1 with the OSB. Prepare affidavit of service and affidavit of ads in the paper.

<u>Date</u>	<u>Staff</u>	<u>Time</u>	<u>Detail</u>
8/15/2019	A.R.	5.25	Conference calls with counsel, Cameron Gale, S. Krawitz, Hylton Levy, B. Benia, Rudy Fronk and D. Diwik. Email correspondence re: proposed update calls. Email correspondence with B. Benia and R. Konovalov re: signing authorities on bank accounts. Email correspondence with R. Konovalov and B. Benia re: emergency locksmith costs re: landlord replaced keys and dismantled fob entry. Review various email correspondence re: plane insurance. Review updated outstanding invoices, active patents and upcoming due dates. Email correspondence with R. Konovalov re: D&O and E&O insurance policies. Email correspondence with A. Palmer re: service list, notice to creditors and ad quote re: Notice of CCAA in Financial Post. Review Investment Summary and list of potential investors. Email correspondence to K. Kraft re: draft NDA. Email correspondence with B. Benia re: employee issues and ROE's. Review email correspondence from B. Main re: immediate patent issues and Gedex workers per diem calculations. Email correspondence to B. Benia re: status report on checklist. Various calls and email correspondence.
8/15/2019	R.K.	1.50	Followed up with the former Controller of Gedex in regards to various documentation and the best process to work on it, worked on the Insurance renewals and aviation insurance, spoke to a Broker, finalized renewal request and went through the estimated premium.
8/16/2019	A.P.	1.00	Email creditor letter to FedDev. Approve Ad proof and quote. Work on obtaining the information re: form 2, call contact at OSB re: CCAA e-filings.

<u>Date</u>	<u>Staff</u>	<u>Time</u>	<u>Detail</u>
8/16/2019	A.R.	7.00	Attend premises. Various meetings. Email correspondence to B. Benia re: outstanding invoices and patent status chart received from Cameron Gale of Bereskin & Parr. Email correspondence with K. Mahar re: creditors notice and various amendments to same. Email correspondence with staff re: service list and creditors notice. Engaged in numerous email correspondence with B. Benia and K. Kraft re: plane insurance and payment of arrears. Email correspondence with R. Konovalov re: change in signing authorities on BMO account and adding B. Benia. Various email correspondence re: renewal of D&O policy and payment of same. Review binders for insurance coverage from M. Rinaldi and RJ Farnworth of Magnes Group. Review employee per diem calculation schedule. Review email correspondence from A. Palmer re: Form 2-Debtor Information Summary Sheet. Calls with B. Benia. Review quote from Meo Installations to move furniture. Review correspondence from Aries Aviation.
8/16/2019	R.K.	2.00	Finalized insurance renewal of all policies including D&O, spoke to a broker and obtain aviation insurance, made inquiry to a bank in regards to signatories on accounts, followed up with alarm company about changing call in list, made changes to creditor notice, followed up with B. Benia in regards to the process of organizing the process.
8/18/2019	R.K.	0.50	Email communications with A. Rutman, updated Creditor's Notice.
8/19/2019	A.P.	2.50	Coordinate mailing of revised notice to creditors; revision to creditor list and upload documents to web page.

<u>Date</u>	<u>Staff</u>	<u>Time</u>	<u>Detail</u>
8/19/2019	A.R.	3.75	Calls with B. Benia. Call with R. Rutman, Y. Friedman and A. Friedberg re: update. Conference call with K. Kraft, K. Mahar, B. Benia, F. Freake, A. Iqbal and A. Friedberg re: update. Meeting with R. Rutman and R. Kononov. Review email correspondence from B. Benia re: daily update on various matters and scheduling of meeting with group re: technology and various issues re: workers. Email correspondence re: scheduling of meeting at Gedex re: system status update. Review correspondence from Magnes Group re: insurance policies and invoices re: same. Email correspondence re: BMO account signing authorities. Email correspondence re: amended Notice to Creditors. Review email correspondence re: access to hangar and lock changes. Review Notice of Outstanding Debt from University of Toronto Institute for Aerospace Studies; forward to B. Benia. Email correspondence and call with K. Mahar re: Aires/Beamish and priority agreement.
8/19/2019	R.K.	2.50	Spoke to Employment Insurance. Call with B. Benia about current processes at Gedex, discussed employment insurance with A. Rutman, communicated with Bank and Insurance Company, other various email communications in regards to Gedex and its operation.
8/20/2019	A.P.	0.50	Revisions for Form 2 and leave for signature of monitor. Matter related to website.
8/20/2019	A.R.	4.75	Meeting at Gedex. Email correspondence and call with Y. Friedman, A. Friedberg, R. Rutman and B. Benia re: scheduling of meeting re: system status update; review minutes of same. Various calls. Email correspondence with counsel re: draft NDA and draft teasers. Email correspondence with K. Mahar re: posting of SISP documents to website; email correspondence with staff re: same. Review various email correspondence re: BMO signing authority status. Review email correspondence re: UTIAS outstanding debt. Various calls and email correspondence.

<u>Date</u>	<u>Staff</u>	<u>Time</u>	<u>Detail</u>
8/20/2019	R.K.	1.00	Reviewed various communications in regards to CCAA Procedure, spoke to Liquidators to look at the furniture if can be sold.
8/21/2019	A.R.	3.25	Reviewed and engaged in various email correspondence with K. Kraft and B. Benia re: landlord issues, priority agreement with Beamish and Agreement of Purchase and Sale. Numerous email exchange with B. Benia employee benefits. Email correspondence with B. Benia and Y. Friedman re: BMO signing authority issues on account and expenses paid; email correspondence with staff re: drafting letter to BMO. Email correspondence with A. Iqbal re: posting of ad. Email correspondence with B. Benia re: Cessna lease agreement with Aries, priority agreement between FCMI and Beamish, advertising sites and prospective purchaser list. Email correspondence with various parties re: finalization of teaser documents. Various calls and email correspondence.
8/22/2019	A.P.	0.50	Affidavits of Service revised mailing. Internal emails.
8/22/2019	A.R.	3.25	Engaged in numerous calls and email correspondence re: adding B. Benia as a signing authority on bank accounts; review various email correspondence from BMO re: same. Calls with B. Benia. Conference call re: update. Various email correspondence re: agreement reached with landlord and terms. Email correspondence with B. Benia re: documents to post in data room. Review email correspondence from A. Iqbal re: comments on material variances on Court Report. Email correspondence re: updated cash flow. Email correspondence with Y. Friedman re: contact with Lewitt's accountant. Review various emails relating to insurance policies. Email correspondence re: posting of final teasers to website. Review correspondence re: notice to employee re: temporary layoff. Calls and email correspondence with various parties.

<u>Date</u>	<u>Staff</u>	<u>Time</u>	<u>Detail</u>
8/22/2019	R.K.	1.25	Reviewed various email communications responded to the relevant ones, spoke to insurance company in regards to employee benefits.
8/23/2019	A.P.	0.50	Internal emails. Arrange to have Executive Sales Summary documents posted to website.
8/23/2019	A.R.	3.00	Draft Court Report. Email correspondence with R. Konovalov re: cash flow projection and variance analysis. Review cash flow projection. Review modified Gedex site and email correspondence from B. Benia re: same. Email correspondence with staff re: posting of teasers on website. Email correspondence with group re: landlord settlement and terms. Follow up email to BMO re: signing authorities. Review email correspondence from BMO re: closed Gedex accounts. Email correspondence with B. Benia re: data room documents. Review correspondence from Bennett Jones, counsel to HBD Holdings Limited. Various calls and email correspondence.
8/23/2019	R.K.	3.00	Built Revised Cash Flow schedule through the discussion with B. Benia. Spoke to A. Rutman about changes; spoke to Y. Friedman about Insurance and other payments, produce variance schedule related to two weeks of the CCAA.
8/25/2019	R.K.	0.25	Various email communications with A. Rutman in regards to Gedex.

<u>Date</u>	<u>Staff</u>	<u>Time</u>	<u>Detail</u>
8/26/2019	A.R.	4.00	Review and amend draft report to Court; engaged in numerous email correspondence with counsel re: same. Email correspondence with Hilco re: bid on assets; forward email to B. Benia. Email correspondence with B. Benia re: potential purchasers. Review cash flow; meeting with R. Konovalov to discuss same. Email correspondence to B. Benia re: status of data room. Review stay extension - draft affidavit; email correspondence with various parties re: same. Review email correspondence re: request to add Fasken Martineau to service list. Review email correspondence from B. Benia re: critical patent decisions. Various email correspondence and calls with B. Benia re: updates. Review email correspondence re: Acknowledgement of Sale and Investment Solicitation Process. Conference call with K. Kraft, K. Mahar, B. Benia, F. Freake, A. Iqbal, Y. Friedman and A. Friedberg re: update. Email correspondence and calls with various parties.
8/26/2019	R.K.	3.25	Made changes to Revised Cash Flow Projection as per A. Rutman suggestions. Meeting with A. Rutman, R. Rutman, B. Benia and B. Main to discuss various Gedex affairs. Completed banking documentation required to change signatories, spoke to R. Rutman about Cash Flow Projection. Spoke to Allstream about their billing and waste management.
8/27/2019	A.R.	7.00	Engaged in numerous email correspondence with Miller Thomson re: updated cash flow forecast, additional DIP borrowing and amendments to First Report. Conference call with Cameron Gale of Bereskin & Parr and B. Benia re: outstanding invoices and patent status chart. Call and email correspondence with B. Benia re: advertisements and websites. Review websites for advertising. Email correspondence re: draft Court Report. Review Hangar lease; forward to K. Kraft and Miller Thomson. Review email correspondence from B. Benia re: prior negotiations with Aries; forward to K. Kraft and Friedberg. Email potential investor contacts to B. Benia. Review Gedex email contact list provided by B. Main.

<u>Date</u>	<u>Staff</u>	<u>Time</u>	<u>Detail</u>
			Review patent costs spreadsheet. Review draft APA. Review correspondence re: plane hangar costs. Review correspondence from B. Main re: NewCo concept. Review Investor Presentation. Review update status of AIAC et al. Review various email correspondence re: BMO account and signatories. Various calls.
8/27/2019	R.K.	0.50	Reviewed various communications related to Gedex CCAA procedure.
8/28/2019	A.R.	4.50	Reviewed and engaged in numerous email correspondence with various parties re: finalization of BMO documents to add B. Benia as signing authority. Email correspondence with B. Benia re: health insurance, critical payables and patent lawyer fees. Review Stay Extension Motion. Email correspondence and call with B. Benia re: health benefits, payables list and patent review. Review various email correspondence re: Aires outstanding balance. Email correspondence to Cameron Gale re: patent issue and retainer payment. Review correspondence from M. Rinaldi of Magnes Group re: Cyber policy. Review email correspondence from Bennett Jones re: back up for amounts claimed from HBD Holdings; email correspondence with B. Benia and counsel re: same. Execute Monitor report; forward same to A. Iqbal. Review various email correspondence re: aircraft insurance policy. Various calls and email correspondence.
8/28/2019	R.K.	1.00	Sent additional documents to Bank, signed in regards to Gedex accounts, reviewed various emails related to Gedex.
8/29/2019	A.P.	0.25	Arrange to have posted to web page, Monitor's First Report and Application re: stay extension.



<u>Date</u>	<u>Staff</u>	<u>Time</u>	<u>Detail</u>
8/29/2019	A.R.	2.75	Update conference call; review agenda for call. Email correspondence with A. Iqbal re: comments to Agreement of Purchase and Sale. Review critical payments schedule; email exchange with R. Konovalov, B. Benia and Y. Friedman re: same. Review email correspondence re: critical patents. Review correspondence re: Cyber Insurance Applications. Email correspondence with B. Benia re: update on Manulife coverage. Review email correspondence from B. Benia re: update on various matters. Various email correspondence re: patent maintenance fees due. Email correspondence with R. Konovalov, K. Kraft and E. Lamek re: D&O insurance extension. Email correspondence with E. Lamek re: hired employees. Email correspondence with B. Benia re: terminated employees and health benefits. Various email correspondence with D. Beamish and B. Benia.
8/29/2019	R.K.	1.50	Met with B. Benia to go over critical suppliers schedule, summarized into excel file.
8/30/2019	A.R.	0.75	Review correspondence from B. Benia re: Aires credit invoice. Review email correspondence from B. Benia re: update on advertisement and potential purchasers. Review email correspondence from B. Benia re: employee and benefit issues. Email correspondence with staff re: creditor calls.

And to generally all other communications, correspondence, attendances, and preparation not particularly described above.



Court File No.: CV-19-625224-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)  
FCMI PARENT CO.**

**Applicant**

- and -

**GEDEX SYSTEMS INC., GEDEX AVIATION INC., BLACK BAY  
MINERALS CORPORATION, GEDEX EXPLORATION INC., and  
GEDEX EARTH INC.**

**Respondents**

**APPLICATION UNDER THE COMPANIES' CREDITORS  
ARRANGEMENT ACT, R.S.C 1985, c. C-36**

**INTERIM BILLING**

**CLIENT #221542.001  
INVOICE #42148**

**To:** All services rendered in connection with our appointment as Court Appointed Monitor of Gedex Systems Inc., Gedex Aviation Inc., Black Ray Minerals Corporation, Gedex Exploration Inc. and Gedex Earth Inc. for the period September 1, 2019 to September 30, 2019.

**Time Charges and Expenses:**

A. Rutman, Partner	A.R.	49.25 hours @	\$650.00 per hour	\$ 32,012.50
R. Kononov	R.K.	20.25 hours @	\$265.00 per hour	\$ 5,366.25
A. Palmer	A.P.	1.75 hours @	\$205.00 per hour	\$ 358.75
R. DaSilva	R.D.	0.50 hours @	\$195.00 per hour	\$ 97.50
Total fees				\$ 37,835.00
Miscellaneous disbursements (mail, courier, photocopy, legal searches, etc.)				\$ 20.72
				\$ 37,855.72
H.S.T.				\$ 4,921.24
<b>Total Amount Due</b>				<b>\$ 42,776.96</b>

Zeifman Partners Inc.,  
201 Bridgeland Avenue  
Toronto, Ontario  
M6A 1Y7, Canada

accounts@zeifmans.ca  
T. 416.255.4000 ext. 231

Payment due on receipt. Interest at the rate of 1.5% per month (18% per annum) charged on balances over 30 days past due.  
H.S.T. Registration # E8573 8204 RT0001  
Your account may be settled by Cheque payable to Zeifman Partners Inc.

<u>Date</u>	<u>Staff</u>	<u>Time</u>	<u>Detail</u>
9/3/2019	A.R.	3.00	Email correspondence to B. Benia re: request for 2017 and 2018 tax return and financial statements as well as information re: R&D tax credits. Email correspondence with interested party Finalta Capital re: suggested amendments to non-disclosure agreement; email correspondence with B. Benia and A. Iqbal re: same. Review email correspondence re: Directors personal liabilities, obligations, and request for increase for legal fees for directors during CCAA process. Review various correspondence re: temporary layoffs. Review various email correspondence from B. Benia re: online advertisements of sale; review sites. Email correspondence with B. Benia and K. Kraft re: landlord lease amendment and payment arrangement. Review Order and Endorsement of Justice Penny. Email correspondence to B. Benia re: access to data room.
9/3/2019	R.K.	0.25	Reviewed emails related to Gedex.
9/4/2019	A.R.	4.00	Email correspondence with K. Kraft, Y. Friedman, A. Friedberg and B. Benia re: Directors and request for funds for legal fees. Email correspondence with Miller Thomson re: MBHD Holdings Ltd.'s secured loan to Gedex and sale of plane. Email correspondence with K. Kraft and B. Benia re: Aries lease cancellation and transfer of registration of Cessna. Email correspondence with A. Iqbal and K. Mahar re: medical benefits, landlord and rent payments. Email correspondence with B. Benia re: outstanding rent re: hangar located in Brampton. Email correspondence with interested party Finalta Capital. Review email correspondence re: Gedex Controlled Goods. Review 2017 tax returns; email correspondence with B. Benia re: posting of same to data room. Review email correspondence re: renewal of Gedex domains.
9/4/2019	R.K.	1.25	Various email communications related to Gedex operation.

<u>Date</u>	<u>Staff</u>	<u>Time</u>	<u>Detail</u>
9/5/2019	A.P.	0.25	Voice message from CRA and email response for written request.
9/5/2019	A.R.	1.75	Call with B. Benia and R. Konovalov. Update Conference Call. Various email correspondence with K. Kraft and B. Benia re: update on hangar rent and discussions with D. Beamish. Review email correspondence re: update on insurance policies with Magnes Group. Review updated potential purchaser contact list. Review response from A. Iqbal re: questions relating medical benefits; forward same to B. Benia. Email correspondence to R. Konovalov re: Ironwood Bay request for insurance certificate.
9/5/2019	R.K.	0.75	Reviewed Service Canada information in regards to WEPP, communication with B. Benia in regards to inventory held by former employees, provided budget variance schedule to B. Benia.
9/6/2019	A.P.	0.75	Email to B. Benia and brief email exchange with Carole Gray re: CRA's request for all accounts payable lists. Respond to CRA's email with lists of the accounts payables. Respond to creditor telephone query for information.
9/6/2019	A.R.	3.50	Email correspondence re: employee termination letters. Review email correspondence re: insurance tour. Email correspondence with B. Benia re: Ken Witherly blog; review same. Various email correspondence with counsel re: amendments to employee termination letter; amend same and forward to B. Benia. Review email correspondence re: CRA audit and request for accounts payable listing. Email correspondence with B. Benia re: employee issues.
9/6/2019	R.K.	1.25	Spoke to Allstream about costs, spoke to insurance company to produce insurance certificate to the Landlord, spoke to Finance Company about confirmations the Finance Company requested to be attested. Spoke to B. Benia in regards to the Budget.

<u>Date</u>	<u>Staff</u>	<u>Time</u>	<u>Detail</u>
9/9/2019	A.P.	0.50	Respond to fax received from creditor - called and spoke with representative and referred them to the website to access documents related to the CCAA proceedings. Deal with National Post invoices received. Email from C. Gray confirming address of employees, where mail returned and update database of liabilities and resend notices.
9/9/2019	A.R.	2.75	Update conference call. Review data room material. Email correspondence with K. Kraft, C. Coulter re: employee termination letter and amendment to same. Email correspondence with B. Benia re: employee lay off dates. Email correspondence with C. Gray and B. Benia re: employee termination letters; call with B. Benia. Email correspondence re: excess D&O policy. Email correspondence with K. Kraft and B. Benia re: draft response to Bennett Jones. Email correspondence and meeting with R. Konovalov re: update on various matters. Email correspondence with staff re: payment of National Post ads. Email correspondence with K. Kraft and B. Benia re: Cessna lease agreement with Aries.
9/9/2019	R.K.	1.00	Spoke to R. Cook about laptops given to the former staff of Gedex Systems. Spoke to A. Rutman about necessary activities to be taken by the Monitor in regards to its role in Gedex Systems. Discussions with B. Benia about DO extension.
9/10/2019	A.P.	0.25	Read letters sent out today to the employees. Internal emails.
9/10/2019	A.R.	3.50	Update conference call. Engaged in numerous email correspondence and calls re: Aircraft lease cancellation. Correspondence to Transport Canada re: change of ownership; email correspondence and call with B. Benia re: same. Review draft correspondence to Bennett Jones re: sale of aircraft; email correspondence with B. Benia, K. Kraft and M. Freake re: same. Review Oak Tree confidentiality agreement and amendments; email correspondence re: same. Review ads re: sale of plane. Review email correspondence re: patent matters to be

<u>Date</u>	<u>Staff</u>	<u>Time</u>	<u>Detail</u>
			transferred from Seaby and Associates to Bereskin & Parr.
9/11/2019	A.R.	1.50	Email correspondence with B. Benia, A. Iqbal and K. Kraft re: Matheson Woods lease amending agreement. Email correspondence re: Oaktree non-disclosure agreement. Email correspondence with B. Benia re: call received re: Cessna inquiry. Review email correspondence re: extension on excess D&O insurance.
9/11/2019	R.K.	1.00	Spoke to Carole Gray about cheques to be written and disbursed, reviewed excel files, spoke to Insurance company, reviewed other related email communications.
9/12/2019	A.R.	1.50	Update conference call; review agenda. Review email correspondence from B. Benia re: George Dietrich loan to Gedex. Review update re: Oaktree visit. Review revised Matheson Woods lease; email comments to A. Iqbal re: same. Review various email correspondence re: excess D&O policy payment. Review email correspondence from R. Konovalov re: amended First Insurance finance contract due to CCAA.
9/12/2019	R.K.	0.75	Call with Finance Insurance Company, email communication with C. Gray of Gedex. Communicated with Y. Friedman in regards to D&O Insurance policy payments, reviewed several communication from B. Benia.
9/12/2019	R.D.	0.50	Draft Statement of Receipts and Disbursements template; forward to R. Konovalov.
9/13/2019	A.R.	3.00	Review correspondence from Bennett Jones re: sale of aircraft and payment of rent under the sublease and proposal; various email correspondence with R. Konovalov, B. Benia, K. Mahar and A. Iqbal re: same. Email correspondence with A. Iqbal re: revised lease. Email correspondence with R. Konovalov re: information request from finance company. Review update from R. Konovalov re: employees.

<u>Date</u>	<u>Staff</u>	<u>Time</u>	<u>Detail</u>
9/13/2019	R.K.	3.00	Balanced Monitor's R&D schedule, produced budget accounting to date including direct payments from FCM1 and known accruals, spoke to A. Rutman about insurance. Spoke to B. Benia in regards to the operation at Gedex.
9/16/2019	A.R.	1.00	Numerous email correspondence with B. Benia and K. Kraft re: Beamish hangar rent and George Dietrich agreement. Review various email correspondence re: update on potential purchasers. Review correspondence from C. Gale re: upcoming patent prosecution deadlines.
9/16/2019	R.K.	0.25	Spoke to M. Rinaldi about Insurance premiums for the entire year.
9/17/2019	A.R.	1.75	Email correspondence with A. Iqbal re: sale of aircraft and payment of rent under sublease; review email correspondence and draft response to Bennett Jones re: same. Review various email correspondence re: hangar rent payment. Email correspondence with B. Benia re: payment of DLA Piper invoice and handling of controlled goods. Review and execute Bell Geospace NDA; forward executed copy. Review email correspondence re: funding for payment of insurance policies.
9/17/2019	R.K.	1.00	Spoke to B. Benia about budget, cancelling Great West Life plan and disbursements. Prepared letter to cancel Great West Life plan, other emails related to Lease of a hanger.
9/18/2019	A.R.	2.25	Email correspondence to B. Benia re: bid deadline posting on website and stalking horse bid issue. Review various correspondence re: lease amendment terms. Review monthly hangar expenses. Review correspondence from B. Pike of Bereskin Parr re: US trademark application; email correspondence with B. Benia re: same. Review correspondence re: potential purchasers. Email correspondence re: amended broker agreement. Review email correspondence re: restored hangar access, locks, and FOB to be restored. Email

<u>Date</u>	<u>Staff</u>	<u>Time</u>	<u>Detail</u>
			correspondence re: sale of aircraft and payment of rent under sublease.
9/18/2019	R.K.	0.50	Reviewed cheques to be paid by Gedex.
9/19/2019	A.R.	1.50	Call with B. Benia. Engaged in numerous email correspondence with K. Kraft, A. Iqbal and B. Benia re: revised lease amendment agreement. Email correspondence with R. Konovalov re: outstanding insurance premium. Review email correspondence from various parties re: update on obtaining keys to hangar. Review Bereskin & Parr account. Review Agenda for upcoming update call. Review email correspondence from B. Benia re: Paradigm fees. Email correspondence to B. Benia re: bid deadline posting on website.
9/19/2019	R.K.	0.75	Spoke to C. Gray from Gedex in regards to cheques, email exchange with B. Benia, email communication with A. Rutman in regards to insurance.
9/20/2019	A.R.	3.25	Review various email correspondence re: payment of utilities, taxes, pick up of hangar keys, sale of aircraft, rent payment and credit bid on aircraft; email correspondence with counsel re: same. Email correspondence with B. Benia re: potential purchaser, relocating equipment and landlord issues. Review correspondence re: additional funding required to pay insurance policies and refund of unused premiums. Email correspondence with B. Benia and R. Konovalov re: bid deadlines.
9/20/2019	R.K.	2.50	Followed up with B. Benia on various matters. Updated R&D. Reviewed SISP order for dates, other email communications in regards to Gedex.



<u>Date</u>	<u>Staff</u>	<u>Time</u>	<u>Detail</u>
9/23/2019	A.R.	4.75	Call to Maria Rinaldi. Email correspondence re: insurance policies. Update conference call. Email exchange with A. Iqbal re: correspondence received re: landlord recoverable costs and payment of rent under the sublease. Review draft response to Bennet Jones re: MBHD Holdings offer to act as a stalking horse bidder; email correspondence with Miller Thomson re: same. Email correspondence with B. Benia, re: update on patents, update on potential purchaser and cash needs. Email correspondence with potential purchaser Clariti Strategic Advisors. Review email correspondence re: lease amendment and insurance policies. Email correspondence with Miller Thomson re: potential purchasers. Email correspondence re: Agreement of Purchase and Sale template.
9/23/2019	R.K.	1.25	Various email communications with B. Benia, C. Gray and insurance company.
9/24/2019	A.R.	3.50	Calls with A. Iqbal re: draft response to Bennet Jones re: MBHD Holdings offer to act as a stalking horse bidder. Email correspondence and conference call with Rahul Suri and B. Shewfelt of Clariti Strategic Advisors re: non-disclosure agreement. Meeting with B. Benia re: various matters. Review email correspondence re: potential purchasers. Review various email correspondence re: lease amendment. Email correspondence and meeting with Kieran Carroll re: Gedex trademark. Review cash requirement schedule. Review amended Agreement of Purchase and Sale. Review estimated payables schedule.
9/24/2019	R.K.	1.50	Spoke to B. Benia in regards to the operation, reviewed payables schedule until the end of November presented by C. Gray, discussed with A. Rutman, amended and finalized.

<u>Date</u>	<u>Staff</u>	<u>Time</u>	<u>Detail</u>
9/25/2019	A.R.	2.50	Call with R. Rutman. Email correspondence with A. Iqbal re: payment of rent under sublease. Email correspondence with B. Benia, A. Iqbal and K. Mahar re: revised NDA for Clariti. Review various email correspondence re: potential purchasers and execution of NDA. Various email correspondence re: rent and payment of pre-filing amounts. Review various email correspondence re: trademark filing in other countries and letter of intent on aircraft and obtaining US logs. Review various email correspondence re: lease amendment and insurance payments.
9/25/2019	R.K.	0.50	Various email communication is regards to Gedex.
9/26/2019	A.R.	2.25	Update conference call. Email correspondence re: finalization of lease amendment. Review various email correspondence re: information required for preparation of LOI by Airside Aviation. Review email correspondence from B. Wong of Oaktree Capital re: verification of various information and update. Email correspondence re: FCMI funding and cash requirements. Review Brykin Leasing Corp. LOI presented by Airside Aviation; email correspondence with Miller Thomson re: same.
9/26/2019	R.K.	1.00	Spoke to B. Benia in regards to funding the operation of Gedex, finalized the request to DIP, submitted the request, other communications related to the operation.
9/27/2019	A.R.	2.00	Review correspondence re: payment of outstanding insurance balance. Review correspondence from D. Beamish and K. Kraft re: distribution of proceeds from sale of aircraft. Review R&D and cash requirements; email correspondence with R. Konovalov re: same. Review amended Clariti Non-Disclosure Agreement; email correspondence to A. Iqbal re: same. Review email correspondence re: Oaktree due diligence questions.

<u>Date</u>	<u>Staff</u>	<u>Time</u>	<u>Detail</u>
9/27/2019	R.K.	1.50	Reviewed R&D, cheques written, bank statements, updated cash flow actual vs forecast, email communications with B. Benia and C. Gray.
9/30/2019	R.K.	0.25	Spoke to C. Gray via email about patents payments; reviewed other several emails.

And to generally all other communications, correspondence, attendances, and preparation not particularly described above.



Court File No.: CV-19-625224-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)  
FCMI PARENT CO.**

Applicant

- and -

**GEDEX SYSTEMS INC., GEDEX AVIATION INC., BLACK BAY  
MINERALS CORPORATION, GEDEX EXPLORATION INC., and  
GEDEX EARTH INC.**

Respondents

**APPLICATION UNDER THE *COMPANIES' CREDITORS*  
*ARRANGEMENT ACT*, R.S.C 1985, c. C-36**

**INTERIM BILLING**

**CLIENT #221542.001  
INVOICE #42156**

To: All services rendered in connection with our appointment as Court Appointed Monitor of Gedex Systems Inc., Gedex Aviation Inc., Black Ray Minerals Corporation, Gedex Exploration Inc. and Gedex Earth Inc. for the period October 1, 2019 to October 31, 2019.

**Time Charges and Expenses:**

A. Rutman, Partner	A.R.	24.75 hours @	\$650.00 per hour	\$ 16,087.50
A. Aslam, Partner	A.A.	1.00 hours @	\$575.00 per hour	\$ 575.00
R. Kononov	R.K.	13.00 hours @	\$295.00 per hour	\$ 3,835.00
A. Palmer	A.P.	1.00 hours @	\$210.00 per hour	\$ 210.00
Total fees				\$ 20,707.50
H.S.T.				\$ 2,691.98
<b>Total Amount Due</b>				<b>\$ 23,399.48</b>

<u>Date</u>	<u>Staff</u>	<u>Time</u>	<u>Detail</u>
10/1/2019	A.A	1.00	Matters re: tax queries re: SRED credit.
10/1/2019	R.K.	0.75	Followed up with Wasteco in terms of billing, reviewed Allstream agreement presented by Rob Cook, reviewed several email communications from C. Gray, reviewed communication related to utility bills at the Hanger.
10/2/2019	A.R.	1.75	Review various email correspondence re: landlord post filing amounts due. Review various email correspondence re: retainer required for payment of Gedex patent maintenance fees. Email correspondence re: Collyer Benson non-disclosure agreement. Email correspondence with D. Beamish re: request for payment; email correspondence with A. Iqbal re: same.
10/3/2019	A.R.	1.50	Update conference call. Call with B. Benia. Review agenda for call. Email correspondence re: Getech non-disclosure agreement. Email correspondence to B. Benia re: Collyer Benson non-disclosure agreement.
10/3/2019	R.K.	0.50	Reviewed updated Agenda from B. Benia in regards to Gedex affairs, reviewed banking information sent by C. Gray.
10/7/2019	A.R.	1.00	Call with B. Benia. Email correspondence with A. Iqbal re: extending deadline. Review correspondence re: Aurora Geosciences Consulting Agreement. Review aircraft equity worksheet.
10/7/2019	R.K.	0.75	Spoke to B. Benia about presented aircraft equity calculation, spoke to C. Gray about Wasteco bill, discussed the same with WasteCo Collection Agent, reviewed emails related to Allstream billing.
10/8/2019	A.R.	0.25	Review various email re: dissolving of Gedex Aviation Inc. Review email correspondence from B. Benia re: errors and omissions liability insurance.
10/8/2019	R.K.	0.75	Reviewed emails related to Gedex.

<u>Date</u>	<u>Staff</u>	<u>Time</u>	<u>Detail</u>
10/10/2019	A.R.	1.75	Email correspondence to D. Beamish re: outstanding reimbursements. Email correspondence to B. Benia re: status of interested parties and update on various matters. Execute Brian Main non-disclosure agreement; forward same. Update conference call. Calls with B. Benia. Review updated R&D.
10/10/2019	R.K.	1.75	Updated statement of receipts and disbursements based on recent banking and cheques issued. Communicated with C. Gray in regards to HST Audit and inquired about banking details, visited Gedex office, met B. Benia, discussed matters related to Gedex.
10/11/2019	A.R.	0.50	Review email correspondence from Bereskin & Parr re: acceptance and renewal of US Registration. Email correspondence to G. Dietrich re: request for details of nature of security interest in Vega device.
10/15/2019	R.K.	0.50	Reviewed CRA response in regards to payroll Audit, reviewed C. Gray communication in regards to HST Audit.
10/16/2019	A.P.	1.00	Review correspondence regarding the WEPP claims of the former employees of Gedex. Called Service Canada for information.
10/16/2019	A.R.	2.75	Email correspondence to K. Carroll re: WEPPA. Email correspondence to A. Palmer re: claim filed by K. Carroll. Email correspondence with A. Iqbal re: changes to WEPPA covering CCAA. Review employee proof of claim; forward to A. Palmer. Review email correspondence from K. Carroll re: party interested in Gedex space assets. Email correspondence and discussion with B. Benia re: Texas Turbine offer re: Cessna Caravan. Email correspondence with B. Benia re: Pine Point data project. Review email correspondence from interested parties. Review correspondence re: Matheson Tenant Estoppel Certificate; email correspondence with A. Iqbal re: same.

<u>Date</u>	<u>Staff</u>	<u>Time</u>	<u>Detail</u>
10/17/2019	A.R.	1.75	Update conference call; email correspondence with B. Benia re: Agenda. Review update from B. Benia re: potential purchaser Bell Geospace, Caravan modifications for higher resale price and payment to landlord. Review and execute Matheson Tenant Estoppel Certificate; email correspondence with A. Iqbal re: same. Email correspondence with A. Iqbal re: rent arrears. Review email correspondence re: FCMI DIP funding. Email correspondence with R. Konovalov re: CRA refunds. Review correspondence re: VEGA George Dietrich Agreement. Review and execute non-disclosure agreement; forward to Atomionics. Review employee proof of claim. Email correspondence to R. Fronk re: response to questions of Gedex shareholders.
10/18/2019	A.R.	1.75	Email correspondence with A. Iqbal re: WEPPA. Email exchange with counsel re: sale of assets, asset listing and interested parties. Email correspondence with A. Palmer re: WEPPA changes. Review Dentons invoice.
10/18/2019	R.K.	1.00	Reviewed Insurance binders sent from the Insurance broker to Gedex, reviewed cheques issued and estimated November payables.
10/20/2019	A.R.	0.25	Email correspondence to K. Carroll re: WEPPA query.
10/21/2019	R.K.	0.25	Discussed with C. Gray November funding.
10/23/2019	A.R.	1.75	Email correspondence with B. Benia re: maintenance fee deadlines, prosecution deadlines and Vega patent. Email correspondence to K. Mahar re: request for updated bill. Email exchange with R. Konovalov re: HST account. Email exchange with B. Benia re: D. Beamish interest in plan and assets. Email exchange with B. Benia re: equipment inventory, record retention and bid deadline.
10/23/2019	R.K.	1.00	Email communications with B. Benia and C. Gray in regards to Gedex operation and HST Audit. Communicated with A. Rutman about HST Audit.

<u>Date</u>	<u>Staff</u>	<u>Time</u>	<u>Detail</u>
10/24/2019	A.R.	1.25	Call with B. Benia. Update conference call. Review correspondence re: VEGA related patent work. Review email correspondence re: controlled goods program security. Review estimated November payable schedule. Review email correspondence from K. Carroll re: space assets; forward same to B. Benia. Review email correspondence from A. Iqbal re: status of D. Beamish credit bid. Review update from B. Benia re: interested party Oaktree Capital. Review correspondence re: 2019 annuities due for patent/applications.
10/25/2019	A.R.	0.50	Review email correspondence re: Vega patent. Email correspondence with B. Benia re: interested party Oaktree Capital and inventory.
10/28/2019	A.R.	1.50	Update conference call. Calls with B. Benia. Review email correspondence re: Directors & Officers insurance policy. Review receipts and disbursements schedule. Review correspondence re: MBHD Holdings Ltd. Sale Proposal. Review correspondence re: payments made by FCMI as part of DIP funding; discussion with R. Konovalov re: same. Review correspondence re: November payables. Email correspondence with R. Konovalov re: HST audit. Email correspondence re: offer on aircraft from Airsideaviation. Review correspondence from Dr. K. Carroll re: Vega patent.
10/28/2019	R.K.	2.75	Balanced statement of receipts and disbursements schedule in accordance with cheques issued, various email communications between Gedex staff and Monitor (re: Budget, November payables, HST, sale of the assets).
10/29/2019	A.R.	2.75	Email correspondence with B. Benia re: Clariti restructuring proposal. Review interest expression from Brian Main. Review Cyber policy. Meeting with B. Benia. Email correspondence and call with counsel and B. Benia re: Beamish offer.
10/29/2019	R.K.	1.00	Updated statement of receipts and disbursements based on additional information provided by C. Gray,



<u>Date</u>	<u>Staff</u>	<u>Time</u>	<u>Detail</u>
			communicated with C. Gray about other matters related to Gedex.
10/30/2019	A.R.	1.50	Update conference call. Email correspondence with B. Benia re: bid deadline, equipment inventory, cost to run Caravan engine and authorized handlers of controlled goods. Email correspondence with counsel re: notice to extend bid deadline. Review correspondence re: Hilco valuation of assets. Email correspondence with Brian Main. Discussion and email correspondence with B. Benia re: preparation of financial information for bidders. Review correspondence re: letter to be sent to employees to return equipment. Review correspondence re: Rudi Fronk proposal. Review updated schedule re: interested parties. Review update from A. Iqbal re: Beamish offer, inspection issue and matters re: LOI on aircraft.
10/30/2019	R.K.	2.00	Sent SISP Extension Letter to prospects who completed NDA, sent draft letter to B. Benia to request company equipment to be returned by former employees, reviewed CRRA correspondence emailed by C. Gray, reviewed schedule of inventory held by former employees.
10/31/2019	A.R.	2.25	Meeting with Brian Main and B. Benia. Review various correspondence re: sale proposal by MBHD Holdings and inspection of aircraft and log books; email correspondence and call with A. Iqbal re: same. Review various email correspondence from A. Friedberg to R. Fronk re: Columbus Capital offer; email correspondence to Miller Thomson re: same. Review correspondence from B. Benia re: hangar assets, amended lease to be posted to data room and November rent payment.

And to generally all other communications, correspondence, attendances, and preparation not particularly described above.



Court File No.: CV-19-625224-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)  
FCMI PARENT CO.**

Applicant

- and -

**GEDEX SYSTEMS INC., GEDEX AVIATION INC., BLACK BAY  
MINERALS CORPORATION, GEDEX EXPLORATION INC., and  
GEDEX EARTH INC.**

Respondents

**APPLICATION UNDER THE COMPANIES' CREDITORS  
ARRANGEMENT ACT, R.S.C 1985, c. C-36**

**FINAL BILLING**

**CLIENT #221542.001  
INVOICE #42163**

To: All services rendered in connection with our appointment as Court Appointed Monitor of Gedex Systems Inc., Gedex Aviation Inc., Black Ray Minerals Corporation, Gedex Exploration Inc. and Gedex Earth Inc. for the period November 1, 2019 to November 14, 2019 including estimated time for finalization.

**Time Charges and Expenses:**

A. Rutman, Partner	A.R.	31.75 hours @	\$650.00 per hour	\$	20,637.50
R. Konovalov	R.K.	23.25 hours @	\$295.00 per hour	\$	6,858.75
Total fees				\$	27,496.25
H.S.T.				\$	3,574.51
Total Amount Due				\$	31,070.76


<u>Date</u>	<u>Staff</u>	<u>Time</u>	<u>Detail</u>
11/1/2019	A.R.	0.75	Email correspondence re: pick up of caravan logs. Review various email correspondence re: potential purchasers.
11/1/2019	R.K.	1.25	Prepared and sent demand letters to former employees to return the Gedex inventory.
11/4/2019	A.R.	2.25	Review email correspondence from B. Main re: comfort letter. Email correspondence with B. Benia re: corporate records retention. Review email correspondence re: European patent application deadline, compliance of licensing agreement with University of Maryland, scheduling of inspection with D. Beamish and D&O and Excess D&O policies. Review correspondence re: maintenance fees deadline. Email exchange with B. Benia and K. Mahar re: Rio Tinto agreements and implications of SISP process.
11/4/2019	R.K.	0.25	Reviewed email communications related to Gedex operations.
11/5/2019	A.R.	1.00	Email correspondence and call with B. Benia re: potential purchaser and University of Maryland license. Calls and email correspondence with B. Benia re: interested parties.
11/5/2019	R.K.	0.25	Reviewed emails from B. Benia in regards to Gedex operations.
11/6/2019	A.R.	0.75	Calls with B. Benia. Review correspondence from B. Benia re: Geosoft license, Rio Tinto Technology Rights and scheduling of meeting with A. D. Hennick to discuss auction process.
11/7/2019	A.R.	1.50	Update conference call. Review email correspondence re: examination of Canadian patent application and correspondence from D. Beamish re: caravan logs. Review term sheet from Clariti; forward to counsel.

<u>Date</u>	<u>Staff</u>	<u>Time</u>	<u>Detail</u>
11/7/2019	R.K.	3.00	Site attendance, met with Liquidators and discussed plan to sell company assets. Met with C. Gray to discuss upcoming HST Audit; discussed accounts payable listing and HST adjustment made by CRA. spoke to R. Benia about assets and information back up.
11/8/2019	A.R.	0.75	Calls with B. Benia. Email correspondence with A. Iqbal re: following up with D. Beamish lawyer re: amount owed.
11/8/2019	R.K.	0.25	Briefly reviewed statements sent by C. Gray.
11/10/2019	A.R.	1.75	Engaged in numerous email correspondence and c calls with B. Benia and A. Iqbal re: sale of plane.
11/11/2019	A.R.	2.00	Email correspondence and meeting with B. Benia re: sale of plane. Review correspondence from B. Lyle of Infinity Assets re: liquidation of assets. Call with A. Iqbal re: draft Agreement of Purchase and Sale. Email correspondence to C. Bowron of Airside Aviation re: Agreement of Purchase and Sale and wire coordinates. Review B. Benia correspondence re: draft report to Court; email same to A. Iqbal. Email correspondence re: correspondence received from G. Dietrich on Vega patent. Review correspondence from B. Benia re: registration transfer of C-GDEC to Gedex.
11/11/2019	R.K.	1.25	Updated statement of receipts and disbursements in accordance with last week payment and financial information available; spoke to B. Benia about data back up.
11/12/2019	A.R.	1.75	Various calls with B. Benia and A. Iqbal. Review correspondence re: breakdown of costs re: MBHD Holdings Ltd. bid. Email exchange with A. Iqbal re: update on sale of plane and interested party. Email correspondence with R. Konovalov and B. Benia re: matters relating to liquidation of assets.

<u>Date</u>	<u>Staff</u>	<u>Time</u>	<u>Detail</u>
11/12/2019	R.K.	1.00	Reviewed and compared proposals from liquidators to sell assets, made changes to statement of receipts and disbursements schedule in accordance with additional information.
11/13/2019	A.R.	2.25	Numerous calls with A. Iqbal and B. Benia. Reviewed and engaged in various email correspondence re: loan and security documents between MBHD and Gedex and breakdown of costs re: bid. Email correspondence to G. Dietrich re: Vega patent. Matters relating to Danbury liquidation of assets. Review correspondence from C. Bowron of Airside Aviation re: update on buyer for plane.
11/13/2019	R.K.	2.50	Met with CRA representative at Gedex to go over the requested audit of HST. Spoke to Rob Cook in regards to saving all data to servers, discussed server infrastructure, spoke to B. Benia about data back up and sale of assets.
11/14/2019	A.R.	17.00	Allotted time to complete administration including finalization of all matters.
11/14/2019	R.K.	13.00	Allotted time to complete administration including finalization of all matters.

And to generally all other communications, correspondence, attendances, and preparation not particularly described above.

This is Exhibit "B" to the Affidavit of  
Allan A. Rutman sworn on November 14, 2019



A Commissioner for the taking of affidavits, etc.

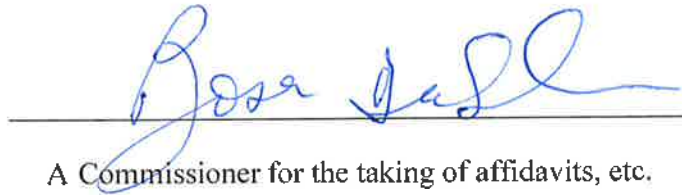
**Rosa DaSilva, a Commissioner, etc.,  
Province of Ontario, for Zeifman Partners Inc.  
Expires October 25, 2022.**

Gedex Systems Inc., Gedex Aviation Inc., Blay Bay Minerals Corporation,  
Gedex Exploration Inc., and Gedex Earth Inc.  
Summary of Monitor Fees  
August 4, 2019 to November 14, 2019

Exhibit B

<u>Period</u>	<u>Fees</u>	<u>Disbursements</u>	<u>HST</u>	<u>Total</u>
August 4 - 31, 2019	\$ 66,948.75	\$ 244.92	\$ 8,735.18	\$ 75,928.85
September 1 - 30, 2019	\$ 37,835.00	\$ 20.72	4,921.24	42,776.96
October 1 - 31, 2019	\$ 20,707.50		2,691.98	23,399.48
November 1 - 14, 2019	\$ 27,496.25		3,574.51	31,070.76
	<u>\$ 152,987.50</u>	<u>\$ 265.64</u>	<u>\$ 19,922.91</u>	<u>\$ 173,176.05</u>

This is Exhibit "C" to the Affidavit of  
Allan A. Rutman sworn on November 14, 2019



A Commissioner for the taking of affidavits, etc.

Rosa DaSilva, a Commissioner, etc.,  
Province of Ontario, for Zelfman Partners Inc.  
Expires October 25, 2022.



Gedex Systems Inc., Gedex Aviation Inc., Blay Bay Minerals Corporation,  
Gedex Exploration Inc., and Gedex Earth Inc.

Exhibit C

**Personnel Summary**

**August 4, 2019 to November 14, 2019**

<u>Name</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
A. Rutman	191.75	\$ 650.00	\$ 124,637.50
A. Aslam	1.00	\$ 575.00	\$ 575.00
R. Kononov	36.25	\$ 295.00	\$ 10,693.75
R. Kononov	51.50	\$ 265.00	\$ 13,647.50
A. Palmer	1.00	\$ 210.00	\$ 210.00
A. Palmer	15.25	\$ 205.00	\$ 3,126.25
R. DaSilva	0.50	\$ 195.00	\$ 97.50
<b>TOTAL</b>	<b>297.25</b>		<b>\$ 152,987.50</b>
<b>AVERAGE HOURLY RATE</b>		<b>\$ 514.68</b>	

## APPENDIX F

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

**FCMI PARENT CO.**

Applicant

- and -

**GEDEX SYSTEMS INC., GEDEX AVIATION INC., BLACK BAY  
MINERALS CORPORATION, GEDEX EXPLORATION INC., and  
GEDEX EARTH INC.**

Respondents

**APPLICATION UNDER THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C  
1985, c. C-36**

**AFFIDAVIT OF ASIM IQBAL  
(Sworn November 18<sup>TH</sup>, 2019)**

I, ASIM IQBAL, of the Town of Oakville, in the Regional Municipality of Halton, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am a lawyer with the law firm Miller Thomson LLP ("**MT**"), lawyers for Zeifman Partners Inc. ("**Zeifman**") in its capacity as Court-appointed Monitor of the Respondents, and not in its personal capacity, and as such, have knowledge of the matters to which I hereinafter depose. Unless I indicate to the contrary, the facts herein are within my personal knowledge and are true. Where I have indicated that I have obtained facts from other sources, I believe those facts to be true.

2. Attached hereto as **Exhibit “A”** is a true copy of the detailed invoices (the “**Invoices**”) issued to Zeifman by MT for fees and disbursements incurred by MT in the course of the proceedings between August 5, 2019 to November 14, 2019 (the “**Fee Period**”). The total fees charged by MT during the Fee Period were \$69,627.50, plus disbursements in the amount of \$409.76, plus Harmonized Sales Tax (HST) in the amount of \$9,094.55 for a total of \$79,131.80.
3. The Invoices are a fair and accurate description of the services provides and the amounts charged by MT.
4. Attached hereto as **Exhibit “B”** is a schedule summarizing the Invoices in Exhibit “A”, the total billable hours charged, the total fees charged and the average hourly rate. The average hourly rate during the Fee Period was \$509.72.
5. Attached hereto and marked as **Exhibit “C”** is a schedule summarizing the billing rates, year of call, total hours and total fees charges for each lawyer and paraprofessional that has completed work on this file during the Fee Period.
6. Barring unforeseen circumstances, I estimate that the costs to complete all the work relating to these proceedings will not exceed \$17,000.00 (including HST).
7. To the best of my knowledge, the rates charged by MT throughout the course of the Fee Period is comparable to those charged by other law firms in Toronto for the provision of similar services.
8. The hourly billing rates outlined in Exhibit “C” to this affidavit are comparable to the hourly rates charged by MT for services rendered in similar proceedings.

SWORN BEFORE ME at the City of Toronto this  
18<sup>th</sup> day of November, 2019.

  
A Commissioner for taking Affidavits (or as may be)

Tamira Dolny

  
ASIM IQBAL

This is **Exhibit "A"** referred to in the Affidavit of ASIM IQBAL sworn November 18<sup>th</sup>, 2019.

A handwritten signature in blue ink, appearing to read "K. Holmes", is written over a horizontal line.

*Commissioner for Taking Affidavits (or as may be)*



**MILLER THOMSON**  
AVOCATS | LAWYERS

**MILLER THOMSON LLP**  
SCOTIA PLAZA  
40 KING STREET WEST, SUITE 5800  
P.O. BOX 1011  
TORONTO, ON M5H 3S1  
CANADA

**T** 416.595.8500  
**F** 416.595.8695

**MILLERTHOMSON.COM**

**October 24, 2019**

Invoice Number 3396694

Zeifman Partners Inc.  
201 Bridgeland Avenue  
Toronto, ON M6A 1Y7

Attention: Allan Rutman

To Professional Services Rendered in connection with the following matter(s) including:

**Re: Restructuring of Gedex Systems Inc.**  
**Our File No. 0221019.0007**

Date	Initials	Description	Hours
08/05/2019	KEMM	Emails with A. Rutman and K. Kraft regarding potential CCAA proceeding; email from K. Kraft enclosing notice of default from landlord; review same;	0.20
08/06/2019	KEMM	Emails with A. Rutman; telephone call with A. Rutman; conference call with K. Kraft, M. Freake and A. Rutman; review prior Sale Process Orders and circulate draft to K. Kraft and M. Freake regarding potential for credit bid if floor price not achieved; email from A. Rutman enclosing draft cash flow forecast; email from A. Rutman enclosing first draft of Pre-Filing Report; email from A. Rutman enclosing financial statements; review same; email from K. Kraft regarding 50 King agreement; review mutual agreement;	2.70
08/07/2019	KEMM	Emails with A. Rutman on various issues relating to preparation of filing; telephone call with A. Rutman; email from K. Kraft enclosing draft Affidavit; review and provide comments on draft Affidavit; review comments from Y. Friedman; circulate comments on Affidavit to K. Kraft; email from Y. Friedman; telephone call with A. Rutman; email from A. Rutman enclosing draft cash flow forecast; review same and provide	5.00

Please return the Account Summary and Remittance Form with your payment.

Terms: Accounts due when rendered. Interest at the rate of 12.0% per annum will be charged on accounts overdue 30 days or more. Any disbursements not posted to your account on the date of this account will be billed later.  
<http://eastfinweb.millerthomson.com/adevant/Tools/PrintPreview/FileStream.aspx?documentType=BILL&documentKey=7695852&...>



Date	Initials	Description	Hours
		comments; email from M. Freake enclosing draft Order and review same; email from A. Rutman regarding debtors efforts to refinance; receive revised draft Affidavit; review same; email to K. Kraft; email from A. Rutman regarding same; emails with G. Azeff regarding attending at initial Application; revise Initial Order; circulate revised form to K. Kraft to coordinate a call; email from M. Freake enclosing draft SISP Order; emails with M. Freake regarding same; review SISP procedures and commence drafting Monitor's Report;	
08/08/2019	GRA	Review and respond to correspondence regarding court application;	0.10
08/08/2019	KEMM	Telephone call with A. Rutman regarding DIP; conference call with K. Kraft and A. Rutman regarding Initial Order and DIP; review updated cash flow forecasts; review and provide comments on SISP; receive and review revised SISP Order; receive and review revised Affidavit and further revisions; email from M. Freake enclosing revised SISP Order; review same and provide sign off; emails regarding finalization of applicant's materials; drafting Monitor's Report; prepare Monitor's consent; discussions with A. Rutman regarding Monitor's Report;	6.80
08/09/2019	AI	Review and consider Pre-Filing Report; review email from K. Mahar to G. Azeff re objections to SISP;	0.90
08/09/2019	KEMM	Drafting Monitor's Pre-Filing Report; circulate draft to A. Rutman; drafting SISP section of Monitor's Pre-filing Report; circulate draft to Applicant's counsel; receive and incorporate comments from Applicant's counsel; telephone call with A. Rutman re: finalization of Report; provide further changes to SISP timetable; finalize and circulate final Pre-Filing Report; provide information to Applicant's counsel; Finalize and coordinate service of Pre-Filing Report; emails regarding position of directors of Debtor company; email to G. Azeff regarding application; receive service of Application Record;	5.30
08/10/2019	GRA	Review Application materials and Pre-Filing Report;	0.90

Please return the Account Summary and Remittance Form with your payment.

Terms: Accounts due when rendered. Interest at the rate of 12.0% per annum will be charged on accounts overdue 30 days or more. Any disbursements not posted to your account on the date of this account will be billed later.  
<http://eastfinweb.millerthomson.com/adevantools/PrintPreview/FileStream.aspx?documentType=BILL&documentKey=7695852&OYBehavior=Control&CashID=ed360427-8350-4fe3-b572-6d4c5e0c3e8>





Date	Initials	Description	Hours
08/11/2019	GRA	Review and respond to correspondence; Review draft Order and consider Report issues;	0.30
08/12/2019	GRA	Review amendments to draft Order; Prepare for, travel to and attend Application; Discussion with A. Rutman regarding file; Forward precedent Notice to A. Rutman; Review Notice to Creditors; Review unofficial Endorsement; Review and respond to correspondence;	1.40
08/12/2019	KEMM	Emails regarding revised Order; review endorsement;	0.20
08/13/2019	GRA	Review, consider and respond to correspondence; Telephone call with Raj Sahni; Telephone call with A. Rutman; Review and consider notice from landlord; Review and consider landlord priority issues; Lengthy discussion with A. Iqbal regarding various issues including security opinion and complexities in security package; Review language in Order regarding indemnity and consider pre-filing obligations;	1.20
08/13/2019	AI	Review and respond to correspondence; review CCAA and regulations re Monitor's requirements to provide OSB with information, email to A. Rutman re same; review Initial Application Materials; discussion with G. Azeff and email to K. Mahar re vetting of security;	1.30
08/13/2019	KEMM	Emails with A. Rutman regarding default notice and stay; email exchange with G. Azeff and A. Iqbal regarding reviewing security and preparing Opinion;	0.20
08/14/2019	GRA	Review, consider and respond to correspondence;	0.20
08/14/2019	AI	email exchange with A. Palmer re CCAA newspaper advertisement; instructions to law clerk to obtain precedent; review precedent and associated regulations, email same to A. Palmer;	0.30
08/15/2019	AI	Emails with client and K. Mahar re service list and updating of same; review current service list and instructions to law clerk re amendments to be made; review and revise newspaper advertisement;	0.90
08/15/2019	AI	Discussion with and instructions to E. Popov re security review;	0.20
08/15/2019	EP	Review and Compile Security Documents;	1.70

Please return the Account Summary and Remittance Form with your payment.

Terms: Accounts due when rendered. Interest at the rate of 12.0% per annum will be charged on accounts overdue 30 days or more. Any disbursements not posted to your account on the date of this account will be billed later.  
<http://eastfinweb.millerthomson.com/adeant/Tools/PrintPreview/FileStream.aspx?documentType=BILL&documentKey=7695852&OYBehavior=Central&CashID=3396694&7.8350.4623.b572.6d4c5e90c3a8>



Date	Initials	Description	Hours
08/15/2019	KEMM	Review and respond to emails regarding Service List, stay extension motion timing, and coordinating update calls regarding SISP process; email exchange with A. Iqbal regarding various issues;	0.30
08/16/2019	EP	Review and Compile Security Documents;	0.70
08/16/2019	KEMM	Email exchange with E. Lamek; emails re: Aires and its security and priority agreement; email to A. Rutman and A. Iqbal regarding notice issued and revisions needed to same; emails with K. Kraft and A. Rutman;	0.40
08/19/2019	EP	Reviewed Documents to Determine Creditor Priorities;	1.50
08/19/2019	AI	Email exchange with A. Palmer re creditor list, review relevant provisions of CCAA and regulations re creditor list; review and revise Service List, emails with A. Palmer and S. Garrafa re same;	2.20
08/19/2019	LK	Obtain Corporation Profile Reports for each of Gedex Aviation Inc., Black Bay Minerals Corporation, Gedex Systems Inc. (BC and ON), Gedex Earth Inc., Gedex Exploration Inc.; provide search results to S. Garrafa;	0.50
08/19/2019	LK	Obtain Verbal Personal Property Securities Act Printout for Black Bay Minerals Corporation and provide same to S. Garrafa;	0.20
08/19/2019	LK	Obtain Verbal Personal Property Securities Act Printout for Gedex Aviation Inc. and provide same to S. Garrafa;	0.20
08/19/2019	LK	Obtain Verbal Personal Property Securities Act Printout for Gedex Earth Inc. and provide same to S. Garrafa;	0.20
08/19/2019	LK	Obtain Verbal Personal Property Securities Act Printout for Gedex Exploration Inc. and provide same to S. Garrafa;	0.20
08/19/2019	LK	Obtain Verbal Personal Property Securities Act Printout for Gedex Systems Inc. and provide same to S. Garrafa;	0.20
08/19/2019	GRA	Discussion with A. Iqbal regarding security opinion;	0.20
08/19/2019	KEMM	Review and revise Notice; email to A. Rutman; emails regarding secured and unsecured creditors; emails	1.20

Please return the Account Summary and Remittance Form with your payment.

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<http://eastfinweb.millerthomson.com/adevant/Tools/PrintPreview/FileStream.aspx?documentType=BILL&documentKey=7695852&OYBehavior=Control&CacheID=ad3304a7-8350-4fa3-b572-6c4c5ea0c3a8>





Date	Initials	Description	Hours
		with A. Rutman; telephone call with A. Rutma; participate on update call with Applicant and Monitor regarding sale process and next steps; receive and review revised Notice; review service list;	
08/20/2019	AI	Review and substantially revise teaser letter, emails and discussion with K. Mahar re same; further call and emails with A. Rutman re teaser letter and revise and email same; review and revise draft NDA, email comments to A. Rutman; further revisions to NDA; emails re SISP document and other matters;	2.50
08/20/2019	EP	Reviewed Documents to Determine Creditor Priorities;	2.00
08/20/2019	KEMM	Email from B. Benia enclosing Teasser; review same; receive and review comments from A. Rutman; emails and discussion with A. Iqbal regarding teaser revisions and SISP; provide comments on same; review further emails on Monitor's website and SISP; review two forms of Teaser and comments; email to A. Rutman regarding same; provide final comments; email from K. Kraft enclosing NDA; ; review A. Iqbal's comments on NDA and provide further comments; email to A. Rutman regarding Monitor's website and content; provide information for website; telephone call with A. Rutman;	1.80
08/21/2019	AI	Call with H. Levy;	0.30
08/21/2019	AI	Call with H. Levy; review and respond to correspondence;	0.50
08/21/2019	AI	Emails with A. Rutman re posting advertisement on monitors website;	0.10
08/21/2019	EP	Reviewed Documents to Determine Creditor Priorities;	2.00
08/21/2019	GRA	Telephone discussion with K. Mahar regarding security opinion letter;	0.20
08/21/2019	KEMM	Review and respond to emails regarding SISP;	0.20
08/21/2019	KEMM	Telephone call with G. Azeff regarding security opinion	0.20
08/22/2019	AI	Scheduled update call with Company; email exchanges with A. Rutman re employee benefits; review Notice of Temporary lay off;	0.80

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<http://eastfinweb.millerthomson.com/pagerant/Tools/PrintPreview/FileStream.aspx?documentType=Bill&documentKey=7695852&OYBehavior=Control&CacheID=ad3f04a7-8350-4fa3-b572-6c1e5ee0c3a8>



Date	Initials	Description	Hours
08/22/2019	AI	Email from A. Rutman re material variances, review CCAA and prepare responding email;	0.40
08/22/2019	AI	Review emails re landlord agreement;	0.20
08/22/2019	KEMM	Review of emails regarding update call, landlord issues, SISP and first report o Monitor to be prepared;	0.30
08/23/2019	AI	Emails re landlord; prepare first draft of First Report;	2.50
08/24/2019	AI	Further revisions to Monitor's Report and email same to client; review letter from Bennett Jones, email to client re same;	0.60
08/26/2019	AI	Participate in regular update call; review letter from Bennet Jones re transfer of aircraft; review comments on Monitor's Report from A. Rutman, further revisions to Monitor's Report and email same to A. Rutman for further review;	3.10
08/26/2019	AI	email from A. Rutman with further comments on Monitor's Report, further revisions to Monitor's Report re increase of DIP facility, email same to A. Rutman;	0.80
08/26/2019	KEMM	Review draft Monitor's Report and provide comments; review of emails regarding various issues; provide form of written acknowledgement for SISP;	1.10
08/27/2019	AI	Review and comment on draft email re cash flow forecast and email to A. Rutman re same;	0.10
08/27/2019	ME	Conduct Personal Property Securities Act search against Gedex Aviation Inc. and arrange for PPSA certificate to be delivered to S. Garrafa	0.20
08/27/2019	ME	Conduct Personal Property Securities Act search against Black Bay Minerals Corp. and arrange for PPSA certificate to be delivered to S. Garrafa	0.20
08/27/2019	ME	Conduct Personal Property Securities Act search against Gedex Systems Inc. and arrange for PPSA certificate to be delivered to S. Garrafa	0.20
08/27/2019	ME	Conduct Personal Property Securities Act search against Gedex Earth Inc. and arrange for PPSA certificate to be delivered to S. Garrafa	0.20

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<http://eastfinweb.millerthomson.com/adevant/Tools/PrintPreview/FileStream.aspx?documentType=BILL&documentKey=7695852&QXBehavior=Control&CacheID=ad3f04e7-8350-4fa3-b572-6e4c5ee0c3a8>





Date	Initials	Description	Hours
08/27/2019	ME	Conduct Personal Property Securities Act search against Gedex Exploration Inc. and arrange for PPSA certificate to be delivered to S. Garrafa	0.20
08/27/2019	AI	Further revisions and finalization of Monitor's Report, email same to K. Kraft; review and comment on court materials, emails re same; review comments and emails from K. Kraft and other members of SISP team on Monitor's Report, revise same; call with A. Rutman re changes to Variance Analysis and Revised Cash Flow Forecast;	2.40
08/27/2019	KEMM	Review cash flow forecast and provide comments to A. Rutman; review and respond to emails; receive and review draft stay extension materials; emails regarding motion materials;	0.50
08/28/2019	AI	final revisions and compilation of final first report of the Monitor, email same to A. Rutman for execution;	0.30
08/28/2019	AI	Review and comment on Template APS;	1.80
08/29/2019	AI	Review and respond to correspondence; prepare for and participate in update call; lengthy email exchange with A. Rutman re sale of plane and SISP; review written acknowledgement, email same to K. Kraft and A. Rutman;	1.30
08/29/2019	KEMM	Review of emails;	0.10
08/30/2019	AI	Email to G. Azeff with brief on stay extension motion; email to A. Rutman re same;	0.40
08/31/2019	GRA	Review and consider correspondence from A. Iqbal regarding motion; Review Report and Motion materials;	0.90
09/01/2019	KEMM	Review issued order and endorsement of Justice Penny; review of emails;	0.10
09/03/2019	GRA	Prepare for, travel to and attend motion at 330 University Avenue;	1.40
09/03/2019	AI	Receive, review, consider and comment on revised NDA from prospective bidder, email to A. Rutman re same;	0.40
09/04/2019	AI	Review emails re landlord rent payment, call with K.	1.40

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<http://eastfinweb.millerthomson.com/Inquiry/Tools/PrintPreview/FileStream.aspx?documentType=BILL&documentKey=7695852&OYBehavior=Control&CacheID=ad3f04a7-8350-4fe3-b572-6c4c5ee0c3a8>



Date	Initials	Description	Hours
		Kraft and email to A. Rutman re same;	
09/04/2019	LG	Emails from and to A. Iqbal re employment issues;	0.40
09/05/2019	AI	Review and consider email from L. Goodfellow re employment advice, respond to same with follow up questions; prepare for and participate in regular update call;	1.30
09/05/2019	LG	Emails to and from A. Iqbal;	0.80
09/06/2019	AI	Prepare for and participate in update call;	0.50
09/10/2019	AI	Review and consider changes to NDA, revise NDA based on comments received from bidder, email exchange with A. Rutman re same;	0.70
09/10/2019	KEMM	Emails regarding NDA and revisions to same;	0.10
09/12/2019	AI	Review and comment on lease amendment; prepare for and participate in update call;	1.10
09/13/2019	KEMM	Emails with A. Rutman regarding aircraft and sale process; review Priority Agreement; email to A. Rutman regarding same;	0.30
09/17/2019	AI	Review Broker Agreement, consider issues, review relevant terms of Initial Order, SISP Order and SISP; draft lengthy email to A. Rutman; review draft email re stalking horse, emails to A. Rutman re same; call with K. Mahar re stalking horse and broker agreement;	2.30
09/18/2019	AI	Review changes to lease, emails re same;	0.20
09/18/2019	AI	calls with B. Benia; calls with A. Rutman and B. Benia re plane; review and respond to correspondence;	1.00
09/18/2019	KEMM	Review of emails and broker agreement and SISP; telephone call with A. Iqbal regarding stalking horse and broker agreement regarding aircraft and current SISP;	1.10
09/19/2019	AI	Review and respond to correspondence; follow up email re amended lease agreement; email to B. Benia and A. Rutman and others re additional data points required about SISP;	0.40
09/20/2019	AI	Review email from D. Afroz, email to A. Rutman re same;	0.30

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<http://eastfinweb.millerthomson.com/adevant/Tools/PrintPreview/FileStream.aspx?documentType=BILL&documentKey=7695852&QYBehavior=Control&CacheID=ad3604e7-8350-46e3-b572-6e4e5ee0e3e8>





Date	Initials	Description	Hours
09/20/2019	AI	Email exchange with A. Rutman;	0.20
09/21/2019	AI	Call with A. Rutman; emails re MBHD; email exchange with D. Beamish;	0.80
09/22/2019	AI	Emails with A. Rutman and D. Beamish re sales process;	0.30
09/22/2019	AI	Review hangar lease and priority agreement;	0.50
09/23/2019	AI	Email from A. Rutman re NDA, review and consider proposed changes to NDA; review other NDAs and respond to A. Rutman with thoughts;	0.30
09/23/2019	AI	Email from A. Rutman re reconciliation of MBHD indebtedness;	0.10
09/23/2019	AI	Email exchange with A. Rutman re party seeking to obtain access to data room on behalf of potential investor group; review correspondence re proposed stalking horse bid in preparation; email exchange re Template APA in Data Room; call with A. Rutman re Clariti Strategic Advisors;	1.90
09/23/2019	AI	Draft email responding to stalking horse process; email to A. Rutman re same;	1.00
09/23/2019	AI	Review emails from D. Beamish re reconciliation of indebtedness, email to A Rutman re same;	0.30
09/23/2019	KEMM	Emails with A. Iqbal and A. Rutman regarding NDA and proposed changes;	0.20
09/24/2019	AI	Call with A. Rutman re response to MBHD, revise response based on call; review and respond to correspondence; revise Clariti NDA and email same to A. Rutman;	1.50
09/24/2019	AI	Review and respond to correspondence;	0.30
09/24/2019	KEMM	Numerous emails with A. Iqbal regarding broker, structure, SISP and Monitor's views; further emails; receive Notice of Appearance from CRA;	0.40
09/25/2019	AI	Review and respond to emails re lease amendment;	0.30
09/25/2019	AI	Emails re various issues; calls with A. Rutman re NDA; emails with K. Mahar re same; call with S. Graff re NDA for prospective bidder, review and revise NDA;	3.30

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<http://eastfinweb.millerthomson.com/Adm/Tools/PrintPreview/FileStream.aspx?documentType=BILL&documentKey=7695852&OYBehavior=Control&CacheID=ad3f04e7-8350-4fa3-b572-6c4c5ee0c3a8>



Date	Initials	Description	Hours
		review email from D. Beamish, emails with K. Mahar re same; review relevant documents and consider whether amounts are pre- or post-filing, email to A. Rutman re same, review email from D. Beamish re same;	
09/25/2019	KEMM	Emails with A. Rutman and A. Iqbal regarding NDA; and review comments and proposed changes; issues with requested changes and potential solution;	0.50
09/26/2019	AI	Call with S. Graff; voicemail to A. Rutman re same; call with A. Rutman re Clariti NDA;	0.50
09/26/2019	AI	Review non-binding LOI and email to A. Rutman re same; prepare for and participate in update call; review and revise NDA, email same to A. Rutman;	1.20
09/27/2019	AI	Emails re Clariti NDA;	0.90
09/30/2019	AI	Review and respond to correspondence; review loan and security documents in preparation for security opinion re FCMI security;	2.00
<b>Total Hours</b>			<b>96.50</b>

**Our Fee: 51,660.50**

TK ID	Initials	Name	Title	Rate	Hours	Amount
01177	AI	A. Iqbal	Associate	\$450.00	48.90	\$22,005.00
01179	EP	E. Popov	Associate	\$305.00	7.90	\$2,409.50
00991	GRA	G. Azeff	Partner	\$700.00	6.80	\$4,760.00
00990	KEMM	K. Mahar	Partner	\$730.00	29.20	\$21,316.00
00884	LG	L. Goodfellow	Partner	\$675.00	1.20	\$810.00
05790	LK	L. Klassen	Paraprofession nal	\$146.67	1.50	\$220.00
10040	ME	M. Emmanuel	Paraprofession nal	\$140.00	1.00	\$140.00

**Taxable Disbursements**  
Agent's Fees

203.00

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<http://eastfinweb.millerthomson.com/agent/Tools/PrintPreview/FileStream.aspx?documentType=BILL&documentKey=7695852&OYBehavior=Central&CashID=234147-8350-1fe2-b572-6e4e5e0e3a8>





Bank Services Charge	47.50	
PPSA Registration	80.00	
	<hr/>	
Total Taxable Disbursements	330.50	\$330.50
 <b>Total Fees and Disbursements</b>		 <b>\$51,991.00</b>
 <b>Ontario HST 13% (R119440766)</b>		
On Fees		\$6,715.87
On Disbursements		\$42.97
 <b>Total Amount Due</b>		 <b><u>\$58,749.84</u></b>
 E.&O.E.		



**MILLER THOMSON**  
AVOCATS | LAWYERS

MILLER THOMSON LLP  
SCOTIA PLAZA  
40 KING STREET WEST, SUITE 5800  
P.O. BOX 1011  
TORONTO, ON M5H 3S1  
CANADA

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F 416.595.8695

[MILLERTHOMSON.COM](http://MILLERTHOMSON.COM)

## Account Summary and Remittance Form

**November 18, 2019**

Invoice Number 3406984

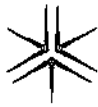
Zeifman Partners Inc.  
201 Bridgeland Avenue  
Toronto, ON M6A 1Y7

Attention: Allan Rutman

**Re: Restructuring of Gedex Systems Inc.**  
**Our File No. 0221019.0007**

<b>Fees:</b>	<b>\$17,967.00</b>
<b>Disbursements:</b>	<b>\$79.25</b>
<b>Ontario HST 13% (R119440766)</b>	<b>\$2,335.71</b>
<b>Total Amount Due</b>	<b><u>\$20,381.96</u></b>

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**MILLER THOMSON**  
AVOCATS | LAWYERS

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F 416.595.8695

MILLERTHOMSON.COM

**November 18, 2019**

Invoice Number 3406984

Zeifman Partners Inc.  
201 Bridgeland Avenue  
Toronto, ON M6A 1Y7

Attention: Allan Rutman

To Professional Services Rendered in connection with the following matter(s) including:

**Re: Restructuring of Gedex Systems Inc.**  
**Our File No. 0221019.0007**

Date	Initials	Description	Hours
10/03/2019	AI	Prepare for and participate in update call;	0.30
10/05/2019	AI	Email exchange with A. Rutman review hangar lease in respect of realty taxes;	0.40
10/09/2019	AI	Begin first draft of security opinion; review applicable law re security interest in aircraft, consider application to Gedex aircraft and security opinion;	0.90
10/10/2019	AI	Email exchange with Bennett Jones re Template APA;	0.20
10/10/2019	AI	Weekly update call;	0.60
10/16/2019	AI	Review and respond to correspondence; review and consider amendments to WEPPA, email to A. Rutman re same;	0.80
10/16/2019	AI	Call with A. Rutman re WEPPA;	0.30
10/16/2019	KEMM	Review of emails regarding WEPPA and CCAA;	0.10
10/17/2019	AI	Prepare for and participate in update call; review SISP Process and email to SISP team re same; email exchange with K. Mahar and discussion with K. Mahar re WEPPA; review and comment on Tenant Estoppel, call with A. Rutman re same;	1.60
10/17/2019	KEMM	Email exchange with A. Iqbal regarding timing of credit	0.50

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Date	Initials	Description	Hours
		bid under SISP and timing of security review for review; discussion with A. Iqbal on WEPPA;	
10/18/2019	AI	Call with D. Afroz re asset list, email to A. Rutman re same;	0.20
10/18/2019	AI	Further email exchanges with A. Rutman re listing of assets in Data Room;	0.30
10/18/2019	AI	Review and consider research re: amendments to WEPPA; email to A. Rutman re same;	0.20
10/18/2019	KEMM	Review of emails regarding potential bid from secured creditor and request for equipment listing; review further analysis on WEPPA;	0.30
10/21/2019	AI	Review and revise security opinion;	2.40
10/21/2019	ME	Obtain Corporation Profile Report for Gedex Technologies Inc. and provide same to S. Garrafa;	0.10
10/21/2019	ME	Obtain Verbal Personal Property Securities Act Printout for Gedex Technologies Inc. and provide same to S. Garrafa;	0.20
10/21/2019	ME	Conduct Personal Property Securities Act search against Gedex Technologies Inc. and arrange for PPSA certificate to be delivered to S. Garrafa;	0.20
10/24/2019	AI	Review and revise Security Opinion; prepare for and participate in weekly Update Call;	1.30
10/24/2019	KEMM	Email exchange with A. Iqbal regarding security opinion; receive and review same; emails regarding MBHD security review and whether credit bid received;	0.70
10/29/2019	AI	Review and consider Aircraft Offer from MBHD; review MBHD disclosure statement;	1.30
10/29/2019	AI	Call with D. Afroz re MBHD offer clarification;	0.70
10/29/2019	AI	Multiple calls with D. Afroz re aircraft inspection; calls with A Rutman; review emails and attachments re bids and SISP related matters;	0.60
10/29/2019	KEMM	Emails regarding evaluating MBHD bid and clarification; email coordinating update call;	0.10
10/30/2019	AI	Review LOI and email re same to A. Rutman and B. Benia; reporting email to A. Rutman re call with Bennet	0.40



Date	Initials	Description	Hours
		Jones to clarify bid; email exchange with D. Afroz re same;	
10/30/2019	AI	Prepare for and participate in update call; call with D. Afroz and email exchange with D. Afroz; prepare Notice re Extension of Bid Deadline and email to A. Rutman re same; call with B. Benia re various issues; calls with R	2.50
10/30/2019	KEMM	Email regarding MBHD discussions; review agenda and prepare for and participate in update call; discussions with A. Iqbal regarding form of extension for bid deadline extension and issuance of same; review form of extension and email to A. Rutman regarding same;	1.20
10/31/2019	KEMM	Review summary of proposal from Columbus and models;	0.20
11/01/2019	AI	Call with A Rutman re various issues; review and respond to correspondence;	0.40
11/03/2019	AI	Review and comment on MBHD security opinion; emails re same;	0.50
11/04/2019	AI	Review and respond to correspondence; review and consider MBHD loan and security documents, emails re same;	1.10
11/04/2019	AI	Call with D. Afroz re inspection and security documents; email to B. Benia re inspection;	0.40
11/04/2019	KEMM	Emails regarding Tinto Technology;	0.20
11/05/2019	KEMM	Review of emails;	0.10
11/06/2019	AI	Cal with B. Benia re various issues;	0.50
11/07/2019	AI	Prepare for and participate in regular update call;	1.10
11/07/2019	TD	Brief summary review of loan and security documents between MBHD and Gedex, along with drafting and editing the first version of the security opinion letter relating to the Aircraft Loan, Mortgage and Security Agreement (along with amending agreements, e-mail amendments and priority and standstill agreements);	5.30
11/07/2019	KEMM	Emails regarding inspection of plane; review clarity term sheet; brief update from A. Iqbal regarding	0.50



Date	Initials	Description	Hours
		proposed next steps;	
11/08/2019	AI	Call with Bennei Jones re supporting documentation, emails re same;	0.30
11/10/2019	AI	Review and respond to correspondence;	0.20
11/10/2019	AI	Call with A. Rutman; emails the Texas offer;	0.70
11/11/2019	AI	Meeting with T. Dolny re MBHD Security Opinion; call with A. Rutman;	0.70
11/11/2019	TD	Meeting with A. Iqbal to discuss revisions to security opinion letter;	0.50
11/11/2019	AI	Revise APS re Texas Plane Offer;	0.60
11/11/2019	AI	Continue revising Texan Offer;	0.30
11/11/2019	AI	Prepare sections of second report;	0.80
11/12/2019	AI	Review and respond to correspondence; call with A. Rutman;	0.60
11/12/2019	AI	Review and respond to correspondence; email exchange with D. Afroz and A. Rutman re MBHD costs;	0.40
11/12/2019	TD	Edits to the security opinion letter (qualifications and assumptions - Schedule B) pursuant to the amalgamation question;	0.90
11/12/2019	KEMM	Emails regarding potential auction of equipment by credit bidder; discussion with A. Iqbal regarding same; emails regarding need to review MBHD costs;	0.30
11/13/2019	TD	Edits to the security opinion letter (qualifications and assumptions - Schedule B) pursuant to the amalgamation question;	2.10
11/13/2019	AI	Call with Allan Rutman re approval of transaction, MBHD costs amount and other issues; call with Bennei Jones re cost amount and next steps, email to A. Rutman re same;	1.00
11/13/2019	AI	Email exchange with K. Kraft re MBHD priority amount;	0.10
11/13/2019	KEMM	Email from A. Iqbal providing update on discussions with counsel for MBHD; discussion with A. Iqbal regarding status of analysis in respect of bids and preparation of court materials for November 26th	0.40



Date	Initials	Description	Hours
		motion date and relief to be sought;	
11/14/2019	AI	Review and respond to correspondence; review and revise Texan aircraft offer; calls with A. Rutman and B. Benia re auction;	1.40
11/14/2019	KEMM	Emails regarding auction agreement subject to court approval of credit bid;	0.10
Total Hours			40.10

**Our Fee:** **17,967.00**

TK ID	Initials	Name	Title	Rate	Hours	Amount
00990	KEMM	K. Mahar	Partner	\$730.00	4.70	\$3,431.00
01177	AI	A. Iqbal	Associate	\$450.00	26.10	\$11,745.00
02682	TD	T. Dolny	Associate	\$310.00	8.80	\$2,728.00
10040	ME	M. Emmanuel	Paraprofessional	\$126.00	0.50	\$63.00

**Non-Taxable Disbursements**

Filing Fee	79.25	
Total Non-Taxable Disbursements	79.25	\$79.25

**Total Fees and Disbursements** **\$18,046.25**

**Ontario HST 13% (R119440766)**

On Fees	\$2,335.71
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**Total Amount Due** **\$20,381.96**

E.&O.E.

This is **Exhibit "B"** referred to in the Affidavit of ASIM IQBAL sworn November 18<sup>th</sup>, 2019.

A handwritten signature in blue ink, appearing to read "P. Guliy", written over a horizontal line.

*Commissioner for Taking Affidavits (or as may be)*



## EXHIBIT "B"

### SUMMARY OF FEES

#### Calculation of Average Hourly Billing Rates of Miller Thomson LLP for the Fee Period

Invoice No.	Fees	Disburs.	HST	Hours	Average Hourly Rate	Total
3396694	\$51,660.50	\$330.50	\$6,758.84	96.5	\$535.34	\$58,749.84
3406984	\$17,967.00	\$79.25	\$2,335.71	40.1	\$448.05	\$20,381.96
<b>Total Fees</b>	<b>\$69,627.50</b>	<b>\$409.75</b>	<b>\$9,094.55</b>	<b>136.6</b>	<b>\$509.72</b>	<b>\$79,131.80</b>

This is **Exhibit "C"** referred to in the Affidavit of ASIM IQBAL sworn November 18<sup>th</sup>, 2019.

A handwritten signature in blue ink, appearing to read "K. Helmy", is written over a horizontal line.

*Commissioner for Taking Affidavits (or as may be)*

## EXHIBIT "C"

### Billing Rates of Miller Thomson LLP for the Fee Period

TIMEKEEPER	HOURLY RATE	YEAR OF CALL	HOURS WORKED	TOTAL
K. Mahar	\$730.00	2001	33.9	\$24,747.00
G. Azeff	\$700.00	2002	6.8	\$4,760.00
L. Goodfellow	\$675.00	1993	1.2	\$810.00
A. Iqbal	\$450.00	2012	75	\$33,750.00
E. Popov	\$305.00	2018	7.9	\$2,409.50
T. Dolny	\$310.00	2019	8.8	\$2,728.00
L. Klassen	\$146.67	n/a	1.5	\$220.00
M. Emmanuel	\$126.00	n/a	0.5	\$63.00
M. Emmanuel	\$140.00	n/a	1	\$140.00
		<b>Total</b>	<b>136.6</b>	<b>\$69,627.50</b>

**FCMI PARENT CO.**

- and -

**GEDEX SYSTEMS INC., ET AL.**

Applicant

Respondents

Court File No.: CV-18-604759-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE -  
COMMERCIAL LIST**

Proceeding commenced at Toronto

**AFFIDAVIT OF ASIM IQBAL  
(Sworn November 18<sup>th</sup>, 2019)**

**MILLER THOMSON LLP**  
Scotia Plaza, 40 King Street West, Suite 5800  
Toronto, ON Canada M5H 3S1

**Kyla Mahar (LSUC#: 44182G)**  
kmahar@millerthomson.com  
Tel: 416.597.4303/Fax: 416.595.8695

**Asim Iqbal (LSUC# 61884B)**  
aiqbal@millerthomson.com  
Tel: 416.597.6008/Fax: 416.595.8695

Lawyers for Zeifman Partners Inc., Court-  
appointed Monitor of the Respondents

## APPENDIX G

## **PRIORITY AGREEMENT**

This Agreement dated as of November 14, 2013

**BETWEEN:**

**FCMI PARENT CO.,**  
acting in its capacity as administrative agent for the Lenders  
under the Loan Agreement

(hereinafter referred to as the "Agent")

**AND:**

**MBHD HOLDINGS LTD.,**  
4240 Sherwoodtowne Boulevard  
Mississauga, Ontario  
L4Z 2G6

(hereinafter referred to as "MBHD")

**AND:**

**GEDEX INC.,**  
407 Matheson Boulevard East  
Mississauga, Ontario  
L4Z 2H2

(hereinafter referred to as the "Borrower")

**AND:**

**EACH OF THE LENDERS FROM TIME TO  
TIME PARTY TO THE AGENT  
AGREEMENT,**

(hereinafter referred to as the "Lenders")

**WHEREAS:**

- A. MBHD and the Borrower entered into the MBHD Agreement (as defined below) pursuant to which the Borrower was required to grant MBHD a security interest (the "MBHD Security") in the Aircraft Collateral (as defined below) in order to secure payment and performance of all MBHD Obligations (as defined below);

- B. The Agent and the Borrower, among others, entered into, or will enter into, the Agent Agreement (as defined below) pursuant to which the Borrower is required to grant to the Agent (for itself and for and on behalf of the Lenders) a security interest (the "**Agent Security**") in all of the Borrower's present and after-acquired property, assets and undertakings (which, for greater certainty, includes the Aircraft Collateral) in order to secure payment and performance of the Agent Obligations (as defined below).
- C. The Agent and MBHD have agreed to enter into this Agreement to set out the agreement of the Agent and MBHD with respect to their respective priority and subordination positions in respect of the Borrower and the Aircraft Collateral.

NOW THEREFORE WITNESSES for valuable consideration, the receipt, adequacy and sufficiency of which is hereby acknowledged, each of Agent, MBHD and the Borrower hereby covenant and agree with each other as follows:

## 1. DEFINITIONS

In this Agreement, including the recitals, the following words and phrases shall have the following meanings:

- (a) "**Agent Agreement**" means the loan and security agreement dated as of November 14, 2013 among the Borrower, Gedex Technologies Inc., Gedex Aviation Inc., Black Bay Minerals Corporation, the Agent and the Lenders, as amended from time to time.
- (b) "**Agent Obligations**" means, from time to time, all present and future indebtedness and liabilities of the Borrower to the Agent and the Lenders arising in connection with the Agent Agreement or any other agreement entered into in connection therewith whether direct or indirect, absolute or contingent, matured or not, extended or renewed.
- (c) "**Agent Security**" has the meaning given in Recital B.
- (d) "**Aircraft Collateral**" means the personal property described in Schedule A attached hereto, and referred to therein as "Mortgaged Property".
- (e) "**Business Day**" means any day other than a Saturday, Sunday or other day on which banks are not open for business in Toronto, Ontario.
- (f) "**Creditors**" means each of MBHD and Agent (including as applicable the Lenders) and "**Creditor**" means any of them, as the case may be.
- (g) "**Distribution**" means any payment, prepayment, compensation, dividend, distribution, security or Proceeds upon or with respect to any Obligations arising in each case from the Aircraft Collateral including, without limitation, under or in respect of an Insolvency or Disposition Proceeding.

- (h) **"Enforcement Action"** means, in respect of the Borrower, any proceeding or action relating to or effecting enforcement of any Security or any other Lien of a Creditor charging the Aircraft Collateral.
- (i) **"Insolvency or Disposition Proceedings"** means with respect to the Borrower, any dissolution, liquidation, winding-up, insolvency, bankruptcy, receivership (judicial or otherwise), reorganization, readjustment, composition, moratorium arrangement with creditors or other similar proceeding affecting the Borrower (whether voluntary or compulsory, and whether under statute, at law, in equity, under contract, by court order or supervision or otherwise) or any sale, disposition or other transfer of any nature or kind whatsoever by the Borrower of the Aircraft Collateral.
- (j) **"Lien"** means (a) with respect to any asset, any mortgage, deed of trust, lien, pledge, hypothec (whether movable or immovable), hypothecation, encumbrance, charge, security interest, royalty interest, adverse claim, defect to title or right of set off in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease, title retention agreement or consignment agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to any asset, (c) any purchase option, call or similar right of a third party with respect to such asset, (d) any netting arrangement, defeasance arrangement or reciprocal fee arrangement, and (e) any other arrangement having the effect of providing security.
- (k) **"MBHD Agreement"** means the Aircraft Loan, Mortgage and Security Agreement dated as of May 21, 2004 between Gedcx Inc. and MBHD, as amended and extended by extension agreements dated March 24, 2009, April 26, 2010, May 31, 2011 and May 31, 2012, and as amended by amending agreements dated April 4, 2013, September 11, 2013, November \_\_, 2013 and otherwise from time to time.
- (l) **"MBHD Obligations"** means, from time to time, present and future indebtedness, liabilities and obligations of the Borrower to MBHD arising in connection with the MBHD Agreement, whether direct or indirect, absolute or contingent, matured or not, extended or renewed.
- (m) **"MBHD Threshold Amount"** means the principal amount of Cdn.\$815,000, plus interest at the rate of up to 12% per annum in accordance with the MBHD Agreement and costs, charges and expenses payable in accordance with the MBHD Agreement and the MBHD Security.
- (n) **"MBHD Security"** has the meaning given in Recital A.
- (o) **"Obligations"** means the Agent Obligations and the MBHD Obligations, or either of them, as the case may be.
- (p) **"PPSA"** means the *Personal Property Security Act* (Ontario) as amended or modified from time to time.



- (q) "Proceeds" has the meaning given to such term in the PPSA.
- (r) "Receiver" means a receiver, receiver and manager or other person having similar powers or authority appointed by a Creditor or any other person in respect of any portion of the Aircraft Collateral.
- (s) "Security" means MBHD Security and Agent Security, or either of them, as the case may be.

## 2. CONSENTS

- (a) MBHD consents to the grant by the Borrower of the Agent Security and the incurrence by the Borrower of the Agent Obligations and confirms and acknowledges that the creation, issue, existence and incurring of such Agent Obligations and the related Agent Security does not constitute a default or event of default under the MBHD Agreement or any other agreement entered into in connection therewith.
- (b) The parties agree that, without the prior written consent of any of the other parties hereto, each of the Creditors may amend, alter, vary, supplement or revise any of the terms or provisions of, or add any new or additional terms or provisions to, any agreement it may have with the Borrower, including its respective credit agreements and any document under which Security is created; provided that at all times the Borrower complies with the terms of the MBHD Agreement and/or Agent Agreement, as applicable.

## 3. PRIORITIES

- (a) The Security with respect to the Aircraft Collateral and all Proceeds derived therefrom shall rank in the descending order of priority as follows:
  - (i) first, to the MBHD Obligations, up to the MBHD Threshold Amount; and
  - (ii) second, to the Agent Obligations.
- (b) The priorities, postponements and subordinations established by this Agreement apply only to the Aircraft Collateral and the respective Proceeds derived therefrom.
- (c) Subject to Section 6(c), the Agent's Security solely with respect to the Aircraft Collateral shall be postponed and subordinated to and in favour of MBHD's Security to the extent necessary to give effect to the priority rankings referred to above, up to the MBHD Threshold Amount.
- (d) Nothing contained in this Agreement is intended to or shall impair the obligations of the Borrower to pay to the holders of the Security, the Obligations secured thereby, including the principal thereof and the interest thereon, as and when the same shall become due and payable in accordance with their respective terms nor,

except as provided in Section 4, shall anything in this Agreement prevent the holder of any of the Security from exercising all remedies otherwise permitted pursuant to the terms of the MBHD Agreement, the Agent Agreement or applicable law upon default, subject to the priorities and other terms contained in this Agreement.

#### 4. ENFORCEMENT ACTIONS

- (a) **Enforcement Actions.** Subject to Section 4(b), the Agent and MBHD shall have such enforcement rights as provided for in the Agent Agreement (and any agreement entered into in connection therewith) and the MBHD Agreement (and any agreement entered into in connection therewith), respectively; provided, however, that any such rights shall only be exercised by MBHD or the Agent with respect to the Aircraft Collateral subject to the priorities set forth in Section 3(a). If an Enforcement Action is commenced, such enforcing party shall promptly and in any event within two Business Days provide notice to all parties to this Agreement.
- (b) **Standstill.** The Agent shall not be entitled to enforce any of its rights and remedies under the Agent Security in respect of the Aircraft Collateral, in any manner or for any reason until the occurrence of any of the following events: (i) the payment of the MBHD Obligations up to the MBHD Threshold Amount; (ii) the enforcement by MBHD of the MBHD Security and the abandonment thereof prior to the full realization of all of the personal property that constitutes the Aircraft Collateral, (iii) the failure by MBHD to take any Enforcement Action with respect to the Aircraft Collateral within six months of written notice from the Agent of the Agent's right to take Enforcement Action under the Agent Agreement and Agent Security, or (iv) MBHD provides its prior written consent to the Agent enforcing the Agent Security in respect of the Aircraft Collateral.
- (c) **Exercise of Rights of MBHD.** In the event that MBHD exercises any of its rights or remedies under the MBHD Security, subject to the rights of any person who by operation of law has a claim ranking in priority to the Agent Security, MBHD shall promptly (but in no event later than five Business Days after receipt) remit to the Agent any Proceeds received in connection therewith in excess of the lesser of (i) the MBHD Threshold Amount and (ii) the outstanding amount of principal, interest and other amounts owing to MBHD under the MBHD Agreement (including, for greater certainty, a reasonable estimate of the unbilled or future costs, charges and expenses incurred or to be incurred by MBHD in connection with such enforcement action).
- (d) **Scope of Restrictions.** For greater certainty, the restrictions on the Agent contained herein apply only in respect of the Agent Security in the Aircraft Collateral and not any other Agent Security.

- (e) **Bankruptcy and Insolvency Act.** For greater certainty, nothing shall prevent the Agent from making demand on the Borrower and issuing a notice pursuant to Section 244(1) of the *Bankruptcy and Insolvency Act* (Canada) at any time.
- (f) **Automatic Release of Liens by the Agent.** In the event of (i) any private sale or public sale of all or any portion of the Aircraft Collateral in connection with the exercise by MBHD of its enforcement rights as provided in the MBHD Agreement (and any agreement entered into in connection therewith) or with the consent of the Agent, or (ii) any sale, transfer or other disposition of all or any portion of the Aircraft Collateral, so long as such sale, transfer or other disposition is then permitted by the MBHD Agreement (or any agreement entered into in connection therewith) or consented to by the Agent, the Agent agrees that such sale, transfer or other disposition will be free and clear of the Liens on the Aircraft Collateral, and the Agent's Liens with respect to the Aircraft Collateral so sold, transferred or disposed shall terminate and be automatically released without further action concurrently with, and to the same extent as, the release of MBHD's Liens on the Aircraft Collateral. In furtherance of, and subject to, the foregoing, the Agent agrees that it will promptly execute any and all Lien releases or other documents reasonably requested therewith.
- (g) **Automatic Release of Liens by MBHD.** In the event of (i) any private sale or public sale of all or any portion of the Aircraft Collateral in connection with the exercise by the Agent of its enforcement rights as provided in the Agent Agreement (and any agreement entered into in connection therewith) or with the consent of MBHD, or (ii) any sale, transfer or other disposition of all or any portion of the Aircraft Collateral, so long as such sale, transfer or other disposition is then permitted hereunder and by the Agent Agreement (or any agreement entered into in connection therewith), MBHD agrees that such sale, transfer or other disposition will be free and clear of MBHD's Liens on the Aircraft Collateral, and MBHD's and the Agent's Liens with respect to the Aircraft Collateral so sold, transferred or disposed shall terminate and be automatically released without further action concurrently with, and to the same extent as, the release of the Agent's Liens on the Aircraft Collateral. In furtherance of, and subject to, the foregoing, MBHD agrees that it will promptly execute any and all Lien releases or other documents reasonably requested therewith.

## 5. INSOLVENCY OR DISPOSITION PROCEEDINGS

- (a) **Distribution.** Notwithstanding anything to the contrary contained in this Agreement, in the event of an Insolvency or Disposition Proceeding, the parties to this Agreement agree that any Distribution of any kind or character arising solely from a disposition of Aircraft Collateral in respect thereof shall be made as follows:
  - (i) first, in payment of all costs, charges and expenses of an incidental nature to, and that may be properly deducted pursuant to the terms of the Agent

Agreement or MBHD Agreement in connection with, the realization and/or sale procedure; and

- (ii) second to each Creditor on account of their respective Obligations in the order of priority set out in Section 3 of this Agreement.
- (b) **Direction.** Without limiting the generality of any other provision of this Agreement, upon any Insolvency or Disposition Proceeding, any Distribution of any kind or character, arising from a disposition of Aircraft Collateral, but for the provisions of this Agreement, would be payable or deliverable to the Agent upon or in respect of the Agent Obligations shall be paid or delivered by the Agent (but only to the extent the payable or deliverable relates to the Aircraft Collateral and if so, only up to the MBHD Threshold Amount) and the Agent shall direct any person making such Distribution (whether a trustee in bankruptcy, debtor in possession, a Receiver, custodian, liquidating trustee or otherwise) to make such Distribution directly to MBHD according to the provisions of this Agreement for application by MBHD as a payment or a prepayment on account of the MBHD's Obligations up to the MBHD Threshold Amount and the Agent shall not receive any Distribution arising solely from a disposition of Aircraft Collateral unless and until the MBHD's Obligations up to the MBHD Threshold Amount have been fully paid and satisfied.

## 6. GENERAL TERMS

- (a) **International Registry.** Agent covenants and agrees not to make any registration in the International Registry in respect of any "aircraft object" constituted by the Aircraft Collateral unless MBHD has made a prior registration in respect of such aircraft object.
- (b) **Present and Substituted Security.** The terms of this Agreement shall apply to all replacements, renewals and substitutions for the Security. Each of the Creditors may amend or release any of the Security held by it, compromise or alter any of the Security held by it, grant time or other indulgences to the Borrower and otherwise deal with the Borrower and the Security held by it as such party may think fit, subject always to the provisions of this Agreement.
- (c) **Invalid Security.** The provisions of this Agreement shall not apply to any security document or interest included in any particular Security declared by a court of competent jurisdiction to be invalid or unenforceable, (provided that such declaration has not been appealed) or if a particular Security has been declared by a court of competent jurisdiction to be subordinate to the interest of a person who represents the creditors of the Borrower as assignee for the benefit of the creditors, trustee in bankruptcy, or court appointed Receiver (provided that such declaration has not been appealed).

- (d) **No Challenge.** Each of the Creditors agrees not to challenge the validity, priority or enforceability of the Security of the other Creditor or any Lien created thereunder.
- (e) **Application.** The subordinations and postponements contained in this Agreement shall apply in all events and circumstances regardless of:
  - (i) the date of execution, attachment, delivery, registration or perfection of any Security;
  - (ii) the date or dates of advances or re-advance of monies made by any Creditor;
  - (iii) the time at which notice is given to any of the debtors of the Borrower of the Security or any enforcement thereof by any Creditor;
  - (iv) the date of default by the Borrower under any of the Security;
  - (v) whether at the time of realization of any Security, the Borrower is in default under any other Security;
  - (vi) the time of crystallization of any charges held by any Creditor or of any other acts or proceedings taken to enforce any of the Security; or
  - (vii) any priority granted by any principle of law or any statute, regulation or by-law.
- (f) **Information Exchange.** The Borrower consents to each of the Creditors providing the other with such information, financial or otherwise, as to the business and affairs of the Borrower and their respective Security as may be deemed advisable by each of the Creditors.
- (g) **No Rights Created in Favour of the Borrower.** None of the provisions of this Agreement create any rights in favour of the Borrower as the same may be exercised by the Creditors or by a Receiver of the Borrower pursuant to the Security.
- (h) **Assignment.** No Creditor shall assign or transfer any of its rights, entitlement or interests in the Security or Obligations without obtaining the prior written acknowledgement and agreement by the transferee to be bound by the terms of this Agreement.
- (i) **Further Assurances.** The parties hereto agree that they will at all times do, execute, acknowledge and deliver such acts, deeds and agreements as may be reasonably necessary or desirable to give effect to the terms of this Agreement, including any and all acts, deeds and agreements as may be necessary for the purpose of registering or filing notice of the terms of this Agreement.

- (j) **Notice and Addresses.** Any demand, notice or communication to be made or given hereunder shall be in writing and may be made or given by personal delivery or by transmittal by telecopy or other electronic means of communication addressed to the respective parties as follows:

- (i) To Agent:

FCMI Parent Co.  
181 Bay Street, Suite 250  
Toronto, ON M5J 2T3

Attention: Yakov Z. Friedman  
Facsimile: (416) 364-0572  
E-mail: yfriedman@friedberg.ca

- (ii) To MBHD:

c/o The Woodbridge Group  
4240 Sherwoodtowne Boulevard  
Mississauga, ON L4Z 2G6

Attention: David Beamish  
Facsimile: (905) 896-3558  
E-mail: davebeamish@essexcapitalllc.com

- (iii) if to the Borrower:

Gedex Inc.  
407 Matheson Boulevard East  
Mississauga, ON L4Z 2H2

Attention: Timothy Moran, Senior Vice-President, Corporate  
Development and Chief Legal Officer  
Facsimile: (289) 374-3350  
E-mail: corporate.notices@gedex.com

or to such other address or telecopy number as any party may from time to time notify the others in accordance with this Section. Any demand, notice or communication made or given by personal delivery or by telecopier or other electronic means of communication during normal business hours at the place of receipt on a Business Day shall be conclusively deemed to have been made or given at the time of actual delivery or transmittal, as the case may be, on such Business Day. Any demand, notice or communication made or given by personal delivery or by telecopier or other electronic means of communication after normal business hours at the place of receipt or otherwise than on a Business Day shall be conclusively deemed to have been made or given at 9:00 a.m. (Toronto time) on the first Business Day following actual delivery or transmittal, as the case may be.

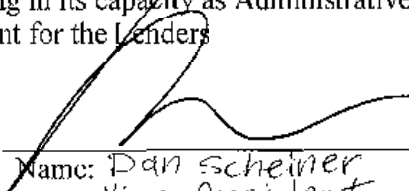
- (k) **Counterparts and Facsimile.** This Agreement may be executed in any number of counterparts, all of which shall be deemed to be an original and such counterparts taken together shall constitute one Agreement, and any of the parties to this Agreement may execute this Agreement by signing any such counterpart. This Agreement shall be effective when each party to this Agreement has executed a counterpart and has delivered the same to each of the Creditors. For purposes of this section, a facsimile or scanned copy of an executed counterpart of this Agreement shall be deemed to be an original.
- (l) **Amendments.** This Agreement may be amended with the consent of each of MBHD and the Agent but without the consent of the Borrower provided that, unless consented to by the Borrower, no such amendment shall create any additional obligations or liabilities on the Borrower.
- (m) **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws applicable therein.
- (n) **Severability.** Any provision of this Agreement which is or becomes prohibited or unenforceable in any relevant jurisdiction shall not invalidate or impair the remaining provisions of this Agreement which shall be deemed severable from such prohibited or unenforceable provision and any such prohibition or unenforceability in any such jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.
- (o) **Number, Gender.** Words importing the singular include the plural and vice versa; and words importing gender shall include all genders.
- (p) **Successors and Assigns.** This Agreement shall be binding upon and enure to the benefit of all the parties and their respective successors and assigns. No change in the name, objects, capital stock or constitution of the Borrower shall in any way affect its obligations to the Creditors, with respect to the transactions occurring before or after any such change, and this Agreement shall extend to all Obligations of any person or corporation who or which assumes the obligations of the Borrower in whole or in part in whatsoever manner including, without limitation, by amalgamation with the Borrower.
- (q) **Time of the Essence.** Time shall be of the essence of this Agreement.
- (r) This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supercedes all prior negotiations, undertakings, representations and understandings.

[INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first above written.

**FCMI PARENT CO.,**  
acting in its capacity as Administrative  
Agent for the Lenders


by

  
Name: Dan Scheiner  
Title: Vice President

**MBHD HOLDINGS LTD.**

By: \_\_\_\_\_  
Name:  
Title:

**GEDEX INC.**

By:   
Name: Timothy Horan  
Title: Senior Vice-President, Corporate Development  
and Chief Legal Officer

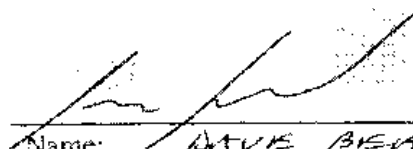


IN WITNESS WHEREOF the parties have executed this Agreement as of the date first above written.

**FCMI PARENT CO.,**  
acting in its capacity as Administrative  
Agent for the Lenders

by \_\_\_\_\_  
Name:  
Title:

**MBHD HOLDINGS LTD.**

By:  \_\_\_\_\_  
Name: DAVE BEAMISH  
Title: EXECUTIVE VICE PRESIDENT

**GEDEX INC.**

By: \_\_\_\_\_  
Name:  
Title:

**Lenders:**

**FCMI PARENT CO.,**

by



---

Name: Dan Scheiner  
Title: Vice President



SIGNED & DELIVERED  
in the presence of:

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Anne M. Lewitt

CLIFFS NATURAL RESOURCES  
EXPLORATION INC.

by

\_\_\_\_\_  
Name:

\_\_\_\_\_  
Title:

*Sean Whiteford*  
*President*

\_\_\_\_\_  
Name:

\_\_\_\_\_  
Title:

BUSINESS ARTS INC.

by

\_\_\_\_\_  
Name:

\_\_\_\_\_  
Title:

\_\_\_\_\_  
Name:

\_\_\_\_\_  
Title:

SIGNED & DELIVERED  
in the presence of:

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Glen Sincarsin

SIGNED & DELIVERED  
in the presence of:

Witness

Anne M. Lewitt

**CLIFFS NATURAL RESOURCES  
EXPLORATION INC.**

by

Name:

Title:

Name:

Title:

**BUSINESS ARTS INC.**

by

Name:

Title: V. P. Investments

Name:

Title:

SIGNED & DELIVERED  
in the presence of:

Witness

Glen Sincarsin

SIGNED & DELIVERED  
in the presence of:

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Anne M. Lewitt

**CLIFFS NATURAL RESOURCES  
EXPLORATION INC.**

by

\_\_\_\_\_  
Name:  
Title:

\_\_\_\_\_  
Name:  
Title:

**BUSINESS ARTS INC.**

by

\_\_\_\_\_  
Name:  
Title:

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Name:  
Title:

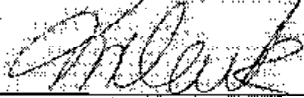
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in the presence of:

  
\_\_\_\_\_  
Witness

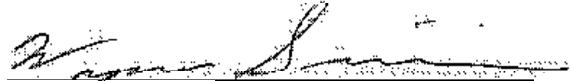
  
\_\_\_\_\_  
Glen Sincarsin

SIGNED & DELIVERED

in the presence of:



Witness



Wayne Sincarsin

SIGNED & DELIVERED

in the presence of:

Witness

Roger Bernard Jones

SIGNED & DELIVERED

in the presence of:

Witness

Benoit de Vitry

SIGNED & DELIVERED

in the presence of:

Witness

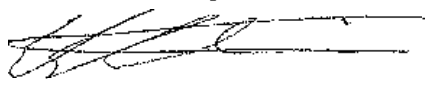
Brian Olson

SIGNED & DELIVERED  
in the presence of:

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Wayne Sincarsin

SIGNED & DELIVERED  
in the presence of:

  
\_\_\_\_\_  
Witness

  
\_\_\_\_\_  
Roger Bernard Jones

SIGNED & DELIVERED  
in the presence of:

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Benoit deVitry

SIGNED & DELIVERED  
in the presence of:

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Brian Olson



SIGNED & DELIVERED  
in the presence of:

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Wayne Sincarsin

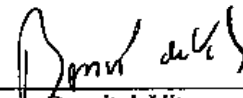
SIGNED & DELIVERED  
in the presence of:

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Roger Bernard Jones

SIGNED & DELIVERED  
in the presence of:

  
\_\_\_\_\_  
Witness

  
\_\_\_\_\_  
Benoit de Vitry

SIGNED & DELIVERED  
in the presence of:

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Brian Olson

SIGNED & DELIVERED  
in the presence of:

Witness

Wayne Sincarsin

SIGNED & DELIVERED  
in the presence of:

Witness

Roger Bernard Jones

SIGNED & DELIVERED  
in the presence of:

Witness

Benoit de Vitry

SIGNED & DELIVERED  
in the presence of:

Witness

Brian Olson

## SCHEDULE A

### Aircraft

The following described property (hereinafter called the "**Mortgaged Property**"):

- (a) one airframe (the "**Airframe**") identified as follows:

Manufacturer and Model	Year of Manufacture	Canadian Registration Mark	Manufacturer's Serial Number
Cessna 208 Caravan	1994	C-GDEC	20800237

together with any and all Parts (as defined below) so long as the same shall be incorporated or installed in or attached to the Airframe, and any and all Parts removed therefrom so long as title thereto shall remain vested in the Borrower after removal from the Airframe; ("**Parts**" means all appliances, parts, accessories, furnishings, instruments, appurtenances and other equipment (including all buyer-furnished and buyer-designed equipment) of whatever nature which may from time to time be incorporated or installed in or attached to the Airframe or any Engine (as defined below);

- (b) one engine identified as follows:

Manufacturer and Model	Manufacturer's Serial Number
Pratt & Whitney PT6A-114A	PCE17484

whether or not such engine is from time to time installed on the Airframe or is installed on any other airframe or on any other aircraft, if title thereto shall remain vested in the Borrower or any replacement engine substituted for any such engine, in each case whether or not such engine (or any replacement engine) is from time to time installed on the Airframe or is installed on any other airframe or on any other aircraft, and together in each case with any and all Parts installed or incorporated in or attached thereto and any and all Parts removed therefrom (such engine and any replacement engine is hereinafter referred to as the "**Engine**"; and the Airframe and the Engine are hereinafter referred to collectively as the "**Aircraft**";

- (c) all log books, Aircraft records, manuals and any other documents which relate exclusively to the Aircraft and are required to be maintained by the aviation authority of the state or the country of registration of the Aircraft and the applicable maintenance program as approved by such aviation authority or agreed to by the Borrower;
- (d) all warranties, service contracts and product agreements of any manufacturer or of any maintenance and overhaul agency of the Aircraft, or any subcontractor or

supplier or vendor thereof, to the extent assignable or enforceable, and any and all rights of the Borrower to compel performance of the terms of such warranties; service contracts and product agreements in respect of any part of the Aircraft;

(e) all the rents, issues, profits, revenues and other income generated by the sale, lease, charter or any other use of the Aircraft;

(f) any and all insurance and requisition Proceeds with respect to the Mortgaged Property; and

(g) all Proceeds of any of the foregoing.

SAVE AND EXCEPT AND SPECIFICALLY EXCLUDING FROM THE DEFINITION OF MORTGAGED PROPERTY, the Borrower's proprietary motion isolation and gravity measurement systems and all related or associated equipment and cargo wheresoever and howsoever the same may be attached to or placed on the Airframe.

## APPENDIX H

		Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Week 13	Week 14	Week 15	Week 16	Week 17	Week 18	Week 19	Week 20	Week 21	Week 22	Week 23	Week 24	Week 25	TOTAL UNTIL	TOTAL UNTIL	INCREASE JAN 31	
		12-Aug	19-Aug	26-Aug	2-Sep	9-Sep	16-Sep	23-Sep	30-Sep	7-Oct	14-Oct	21-Oct	28-Oct	4-Nov	11-Nov	18-Nov	25-Nov	2-Dec	9-Dec	16-Dec	23-Dec	30-Dec	6-Jan	13-Jan	20-Jan	27-Jan	JAN 31	DEC 31	vs DEC 31	
OPENING BALANCE	Note 1	-																												
RECEIPTS																														
General Insurance Refund	Note 11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,824	16,824	21,142	4,318	
HST Refunds (Previous Months)	Note 12	-	-			-		-	-	-	-							-	-	-	-	-			-	121,211	121,211	145,970	24,759	
Total Receipts, Weekly:		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	138,035	138,035	167,112	29,077	
DISBURSEMENTS																														
Consultants, Former Employees	Note 2	5,000	5,000	15,250	15,250	15,000	13,400	12,400	12,400	12,400	12,400	12,400	12,400	9,550	9,550	8,300	8,300	6,500	6,500	5,500	4,700	4,700	1,800	1,800	-	-	210,500	206,900	(3,600)	Timing Difference
Benefits	Note 3	-	-	27,475	-	-	-	-	3,175	-	-	-	3,175	-	-	-	2,690	-	-	-	1,000	-	-	-	-	-	37,515	38,765	1,250	
Consultants Sale Process	Note 4	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	-	-	-	-	52,500	52,500	-		
WSIB							50				50					50								50		250	200	(50)		
Marketing and Sales	Note 5	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	-	-	-	-	-	-	-	-	-	-	-	-	26,000	26,000	-	
SISP Cost		-	-	25,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25,000	25,000	-	
Maintenance of Intellectual Property		-	-	25,000	-	-	-	-	25,000	-	-	-	10,000	-	-	-	-	-	-	-	-	-	-	-	-	-	60,000	60,000	-	
Gedex Office, Rent		-	20,000	-	25,000	-	-	-	-	25,000	-	-	-	25,000	-	-	-	25000	-	-	-	-	-	-	-	-	120,000	120,000	-	Timing Difference
Telecommunication Services and Security	Note 6	-	-	6,249	-	-	-	2,090	-	-	-	2,090	-	-	-	2,090	-	-	-	-	2,090	-	-	-	2,090	-	16,699	14,609	(2,090)	
Utilities and Waste		-	-	3,000	-	-	-	4,800	-	-	-	3,000	-	-	-	3,000	-	-	-	3000	-	-	-	3,000	-	-	19,800	16,800	(3,000)	
Hangar, Rent		-	3,100	-	3,100	-	-	-	-	3,100	-	-	-	3,100	-	-	-	-	-	-	-	-	-	-	-	-	12,400	12,400	-	
Hangar Utilities and Property Tax	Note 7	2,000	-	2,000	-	-	-	2,000	-	-	-	2,000	-	-	-	2,000	-	-	-	-	2000	-	-	-	2,000	-	14,000	12,000	(2,000)	
General Insurance		4,000	-	28,230	-	-	4,318	-	-	-	4,318	-	-	-	-	4,318	-	-	-	4,318	-	-	-	-	-	-	49,502	49,502	-	
Aircraft Insurance	Note 8	2,500	-	763	-	-	773	-	-	-	-	773	-	-	-	773	-	-	-	773	-	-	-	-	-	-	6,354	6,354	-	
Professional Fees		90,000	-	-	-	-	75,000	-	-	-	50,000	-	-	-	-	50,000	-	-	-	40,000	-	-	-	-	15,000	-	320,000	300,000	(20,000)	Timing Difference
Misc. Payments		1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	-	34,500	31,500	(3,000)	Timing Difference	
HST Payments	Note 9	13,390	4,433	6,423	6,416	9,230	12,272	3,548	5,896	6,045	8,892	3,314	3,946	5,675	1,762	9,021	1,814	4,615	1,365	6,825	1,663	1,211	429	819	2,210	-	121,211	117,203	(4,008)	Timing Difference
Total Disbursements, Weekly:		122,890	38,533	145,390	55,766	30,230	111,813	30,838	52,471	52,545	81,660	29,576	35,521	49,325	15,312	83,551	16,804	40,115	11,865	64,466	14,453	10,911	3,729	7,169	21,300	-	1,126,231	1,089,733	(36,498)	
Total		(122,890)	(38,533)	(145,390)	(55,766)	(30,230)	(111,813)	(30,838)	(52,471)	(52,545)	(81,660)	(29,576)	(35,521)	(49,325)	(15,312)	(83,551)	(16,804)	(40,115)	(11,865)	(64,466)	(14,453)	(10,911)	(3,729)	(7,169)	(21,300)	138,035	(988,196)	(922,621)	65,575	

Note 10

**Disclaimer:**  
In preparing this cash flow projection (the "Cash Flow Forecast"), the Applicants have relied upon unaudited financial information, and the Applicants have not attempted to further verify the accuracy or completeness of such information.  
Since the Cash Flow Forecast is based on assumptions about future events and conditions that are not ascertainable, the actual results achieved during the forecast period will vary from the Cash Flow Forecast even if the assumptions materialize, and such variation may be material. There is no representation, warranty or other assurance that any of the estimates, forecasts or projections will be realized.

**Overview:**  
All operations have been discontinued at this time.  
The Applicant, with the assistance of the Monitor, have prepared the Cash Flow Forecast based primarily on Gedex’s proposed sale and marketing plan.  
Receipts and disbursements are denominated in Canadian dollars.

- Note 1This projection assumes that there is no cash available in any of the Company's accounts.
- Note 2Estimated fees to be paid to a former engineers and former other employees to support sale process.
- Note 3Estimated Monthly benefits costs and sum owed to Great West Life
- Note 4Represents fee estimate for managing the sale process.
- Note 5This represents expenses related to the sale and marketing of the Compnay's assets.
- Note 6Estimated costs related to Rent, Utilities and Telecom services.
- Note 7Represents occupancy costs of the hanger where aircraft is located.
- Note 8This is the estimate of costs related to the insurance coverage to protect assets of the Company including aircraft
- Note 9Estimated HST payments which will need to be made in each specific week.
- Note 10The projection assumes that the Deficit will be funded from the DIP Loan provided by the Applicant
- Note 11The refund represents unearned portion of the payments plus 10% of penalty for early cancellation
- Note 12Estimates there is no refund for the period prior to August 12, 2019

**FCMI PARENT CO.**

Applicant

- and -

**GEDEX SYSTEMS INC., GEDEX AVIATION INC., BLACK BAY MINERALS  
CORPORATION, GEDEX EXPLORATION INC., and GEDEX EARTH INC.**

Respondents

Court File No. CV-19-625224-00CL

***ONTARIO***  
**SUPERIOR COURT OF JUSTICE**  
**(Commercial List)**

Proceeding commenced at [Toronto](#)

**SECOND REPORT OF THE MONITOR**

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