

Form 13-31
(Rule 13-31)

COURT NUMBER
BANKRUPTCY

ESTATE NUMBER

COURT OF QUEEN'S BENCH FOR SASKATCHEWAN
IN BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE

SASKATOON

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE
A PROPOSAL UNDER SECTION 50.4(1) OF THE
BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3,
AS AMENDED, OF JUST SOLUTIONS INC.**

DOCUMENT

AFFIDAVIT

AFFIDAVIT OF JUSTIN SIMPKINS

I, Justin Simpkins, of Moose Jaw, Saskatchewan, MAKE OATH AND SAY:

1. I am the Chief Operating Officer of Just Solutions Inc. (the "**Company**"). In this capacity, I am responsible for overseeing the operations of the Company, its liquidity management and, ultimately, for assisting it in the Restructuring Process (as defined herein). As such, I have knowledge of the matters to which I hereinafter depose, except where otherwise stated. The facts stated in this Affidavit are based on my personal knowledge of the Company and its business and affairs, my review of its books and records, as well as information received from other individuals, such as directors, officers and/or employees of the Company, as necessary. Where I have relied upon information from others, I have stated the source of such information and I believe the information to be true.
2. All references to currency in this Affidavit are references to Canadian dollars, unless otherwise indicated.
3. On April 18, 2022, the Company will be lodging a notice of intention to make a proposal (the "**NOI**") under section 50.4(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**"). As further testified to herein, the NOI will be filed as part of a planned restructuring process that the Company determined had to be undertaken, in consultation with its professional advisors and after identifying no viable alternative processes due to the Company's insolvency (the "**Restructuring Process**"). The Restructuring Process is

confirmed in a term sheet between the Company's senior secured creditor, Forage Subordinated Debt Limited Partnership II ("**Forage**") and the Company, dated April 14, 2022 (the "**Term Sheet**"). Attached hereto and marked as **Exhibit "A"** to this, my Affidavit, is a true copy of the Term Sheet. Alvarez & Marsal Canada Inc. is the proposal trustee under the NOI (in such capacity, the "**Proposal Trustee**"). This Affidavit is sworn in support of an application returnable before the Court of Queen's Bench of Saskatchewan (the "**Court**") for the following relief:

- (a) extending the time period within which the Company may file a proposal to its creditors under Division I of Part III of the BIA for a 45 day period from the date following the current deadline to file a Proposal such that the Company may file a proposal up to and including 11:59 pm (local Saskatchewan time) on Monday, June 6, 2022;
- (b) approving the draft DIP Term Sheet (as defined below) and authorizing the Company to obtain an a debtor-in-possession non-revolving loan facility thereunder (the "**DIP Facility**"), permitting the Company to obtain advances in the maximum aggregate amount of \$225,000, to allow the Company to satisfy its future expenses in connection with its ongoing operations during the Filing Period and the within proceedings;
- (c) granting a "**DIP Charge**" against the property of the Company (the "**Property**") to secure obligations incurred on the DIP Facility;
- (d) granting an "**Administration Charge**" against the Property in in a maximum amount of \$150,000 as security for the payment of the professional fees and disbursements incurred and to be incurred by counsel to the Company, counsel to Forage, the Proposal Trustee and the Proposal Trustee's counsel
- (e) granting a "**Directors Charge**" against the Property in a maximum amount of \$65,000 in favour of the directors and officers of the Company, as security for the Company's obligation to indemnify such directors and officers for obligations and liabilities which they may potentially incur in such capacities after the commencement of these proceedings, except to the extent that such obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

- (f) granting an order (the "**SISP Order**"), among other things:
 - (i) approving the Company's proposed sales and investment solicitation process (the "**SISP**") and authorizing and directing the Company to implement and perform the SISP; and
 - (ii) approving the Company's stalking horse proposal to creditors within the SISP (the "**Stalking Horse Proposal**");
 - (g) such further and other relief as the Company may request and the Court may allow.
- (collectively, the "**Relief Sought**")

Background

4. The Company is incorporated pursuant to the laws of Saskatchewan and is an insurance broker. More specifically, it is engaged in the business of selling crop and hail insurance to farmers throughout western Canada. The Company employs approximately 9 people, largely in Moose Jaw, and various individuals who are employed or otherwise retained by the Company are licensed by the General Insurance Council of Saskatchewan and authorized to sell Property & Casualty and Crop / Hail insurance policies on behalf of third-party insurance companies. The Company sells both hail insurance policies and Ag Right Risk Management policies (the "**ARRM Policies**"), which are multi peril cash flow policies that cover losses to yield, grade and price of crops insured thereunder.
5. 2021 was a very challenging year for agricultural production in the prairies. While there was precipitation early in the growing season, hot and dry conditions persisted throughout July and into mid-August of 2021 and there was no meaningful moisture or temperature relief during this period. As a result, crop conditions and yield potential deteriorated as the year progressed, harvest was earlier than normal and wheat and durum yields were significantly below expectation. These circumstances led to a dramatic increase in claims made by insureds in the agricultural sector. By the end of calendar 2021, claims made on ARRM Policies sold by the Company totalled \$111,604,115.80 and payouts totalled \$53,040,423.77, both of which were record highs. As of April 14, 2022 there has been 87 claims paid and \$92,806,305.90 in payouts.

6. The Company is solely a broker of the crop insurance policies and does not have any liability to insureds in the event of a claim. Rather, upon a claim being made on a policy sold by the Company, the Company provides assistance and support in resolving the claim. The actual insurers on the policies are third party insurance companies which are responsible for adjudication and payment of claims. In early 2022, due to the losses on ARRM Policies occurring in the previous growing season, it became apparent that it was going to be very difficult for the Company to obtain from insurance companies rights to bind insurance policies for the 2022 growing season on terms similar to previous years. The Company cannot bind insurance to third-party insurers without such rights. As a result, the Company faced the risk of ceasing to be able to function as a going concern.
7. Throughout early 2022 the Company was in negotiations with Trisura Guarantee Insurance Company ("**Trisura**") in an effort to obtain a commitment to allow the Company to bind ARRM Policies. Trisura required a letter of credit to be posted by a third party in order to permit the Company to bind policies. The Company was not able to obtain such letter of credit and as such will not bind ARRM Policies for this crop season. The Company expects that it will continue to sell hail insurance during the 2022 growing season and such sales will likely occur in May and June.
8. Forage is the only secured creditor of the Company. Forage is a Calgary based capital provider (through both debt and equity investments) to businesses operating in the Canadian agricultural sector. As of April 14, 2022, the Company was indebted to Forage in the amount of \$2,920,136, plus interest, fees, expense and other charges (collectively, the "**Forage Claims**") and Forage has a first-lien position against all of the assets of the Company for all obligations owing by the Company to Forage. Forage also holds approximately 19,216 of the issued and outstanding Class A Shares of the Company, which represents approximately 32.34% of the issued and outstanding shares of the Company.
9. Forage has been aware of the ARRM Policy issues through various discussions between the Company and Forage that occurred in late 2021 and early 2022. On March 23, 2022, Forage delivered a notice of default letter to the Company due to the failure of the Company to obtain the right to bind policies from insurance companies. After the Company failed to obtain the requisite commitment to allow it to bind insurance from Trisura, on April 14, 2022, Forage issued a demand letter and notice of intention to enforce security

under the BIA to the Company (the "**Demand**"). Attached hereto and marked as **Exhibit "B"** to this, my Affidavit, is a true copy of the Demand. The Demand is payable immediately. The Company is unable to pay such obligation and is therefore insolvent.

10. Following the issuance of the Demand the Company entered into the Term Sheet. The central component of the Restructuring Process and the Term Sheet is the Stalking Horse Proposal. If the Stalking Horse Proposal is selected as the Successful Bid (as such term is defined in the SISP), a portion of the Forage Claims will be converted into new shares in the Company and all equity interests (including those held by Forage) will be cancelled and extinguished for no consideration such that Forage will become the sole shareholder in the Company. It is currently anticipated that a small number of unsecured creditors will have their claims compromised pursuant to the Stalking Horse Proposal but that all creditors necessary for the continued operation of the business, including employees, will be paid in the ordinary course and be unaffected by the Stalking Horse Proposal.
11. Attached hereto and marked as **Exhibit "C"** to this, my Affidavit, is a true copy of the Company's cash flow projection to the week ending July 15, 2022 (the "**CFF**"). The CFF projects that the Company will require approximately \$225,000 in interim financing to meet its post-filing obligations up until July 15, 2022 (such period being, the "**Projection Period**"). The Company has drafted the SISP so as to conclude before this date.
12. If the DIP Facility is approved, the Company projects having sufficient cash flow to meet its obligations during the entirety of the Projection Period. For clarity, the Company does not anticipate that it will have sufficient liquidity unless the DIP Facility is approved. As set out in the CFF, the Company will otherwise face an operating shortfall.
13. The Company made the decision to pursue the Restructuring Process, after evaluation of various options available to it and in consultation with its professional advisors, because it believes that the Restructuring Process is the best option to maximize value for its stakeholders and preserve the Company as a going concern for the following reasons:
 - (a) the Stalking Horse Proposal provides certainty for the Company and its stakeholders that a transaction will result within these NOI proceedings;
 - (b) the SISP will allow for a fair, transparent and rules based process in order to determine if there is a higher and better bid than the Stalking Horse Proposal

available in the market. While the SISP is further described below, in order to qualify as a Superior Offer (as such term is defined in the SISP) a competing bid will have to (i) indefeasibly pay the Forage Claims in full and in cash; (ii) indefeasibly pay, in full and in cash, any amounts owing on the Priority Charges;

- (c) the Stalking Horse Proposal and the implementation of the SISP is supported by both Forage and the Proposal Trustee. The Stalking Horse Proposal or any other higher or better transaction will facilitate a restructuring of the Company's capital structure, preserve employment, preserve the economic contribution made by the company to the economy of Moose Jaw, Saskatchewan by the goods and services which it purchases from local vendors and the taxes which it pays to local governments, allow the Company to continue business as a going concern and is in the best interests of the Company and its stakeholders.

Extension of Time to File A Proposal

- 14. The Restructuring Process, including milestones for key dates in the SISP and completion of the Stalking Horse Proposal, has been planned by the Company in advance of the filing of the NOI. An extension of the time for the Company to file a proposal is a material component of the SISP. In the period since March 2022 and in preparation for the filing of the NOI the Company has been diligently pursuing activities aimed at the presentation of the Stalking Horse Proposal, the implementation of the SISP and complying with various requirements under the BIA so as to successfully conclude the Restructuring Process. Such activities include:

- (a) preparing and analyzing the list of creditors;
- (b) providing the Proposal Trustee with access to the Company's key employees, books and records;
- (c) working with the Proposal Trustee and counsel to prepare a cash flow projection, and to identify issues with respect to the financial condition of the Company and the status of its creditors;
- (d) engaging with Forage on matters relating to the collateral security request from Trisura and, subsequent thereto and after it became apparent that the Company would not be able to bind ARRM Policy insurance this season, finalizing the

Restructuring Process with respect to the development of the SISP and the Stalking Horse Proposal, further particulars of which are set out below.

15. The Company is committed to ensuring that a transaction occurs in order to maintain its business (albeit in a restructured form) through the Stalking Horse Proposal, and to maximizing value for its creditors and other stakeholders through the proposed SISP. In order to continue to work towards the formulation and filing of a proposal, as further discussed below, the Company requires an extension of the time period within which it may file a proposal to its creditors pursuant to section 50.4(9) of the BIA. In this regard:
 - (a) the Company has acted and is acting in good faith and with due diligence both in the period prior to the filing of the NOI in developing the Restructuring Process, and in the brief period following the filing of the NOI in seeking the Relief Sought in a timely manner and in accordance with the Term Sheet;
 - (b) the Company will likely be able to make a viable proposal through either the Stalking Horse Proposal or, if a superior offer is advanced in the SISP, by way of implementation of such superior offer; and
 - (c) the expectation in the Stalking Horse Proposal is that a majority of the creditors will be paid in full. The Creditors that are not paid in full are not critical to the continued operation of the business and will received a nominal distribution under the Stalking Horse Proposal. The Stalking Horse Proposal provides that a portion of the Forage Claims will be compromised and Forage is supportive of the Relief Sought. As a result, no creditor will be materially prejudiced by granting of the Relief Sought.

Implementation of the SISP and Approval of the Stalking Horse Proposal

16. In consultation with the Proposal Trustee, the Company has developed the SISP. Attached hereto and marked as **Exhibit "D"** to this, my Affidavit, is a true copy of the SISP. For ease of reference, capitalized terms used in this section are as defined in the SISP.
17. The SISP contemplates that an opportunity to acquire the Company and / or its assets will be marketed in an open and transparent manner by the Company and the Proposal Trustee. The purpose of the SISP is to canvass the market for a Superior Offer which as

described above, may take the form of a restructuring or refinancing offer, an acquisition or purchase of the shares of the Company, an asset sale, or some combination thereof.

18. The SISP contemplates the following milestone deadlines and steps:

- (a) the SISP was commenced on the date of the filing of the NOI by the Proposal Trustee preparing, in consultation with the Company, a list of known potential strategic and financial bidders;
- (b) the deadline for delivery of a non-binding indication of interest (a **"Non-Binding Indication of Interest"**) to the Proposal Trustee is May 13, 2022 (the **"Solicitation of Interest Deadline"**);
- (c) the Proposal Trustee will review and assess all Non-Binding Indication of Interest to determine whether any) there is a reasonable prospect that one or more of the Non-Binding Indications of Interest will, individually or in the aggregate, result in one or more Superior Offer(s) that is/are likely to be consummated;
- (d) the deadline for delivery of a bid to the Proposal Trustee is May 23, 2022 (the **"Bid Deadline"**), more than thirty (30) days after the filing of the NOI;
- (e) the Company, in consultation with the Proposal Trustee, will review and assess each Bid to determine whether such Bid is a Qualified Bid;
- (f) the Proposal Trustee will review and assess all Qualified Bids to determine whether any Qualified Bids constitute a Superior Offer. In order to constitute a Superior Offer, such Bid must comprise a credible, reasonably certain and financially viable offer made by a Qualified Bidder that (i) provides for consideration in excess of the aggregate value of the Stalking Horse Proposal, and (ii) the Company and the Proposal Trustee, each with the assistance of their legal advisors, consider to be better than the Stalking Horse Proposal. A Bid made by a Qualified Bidder will not constitute a "Superior Offer" unless it provides for: (iii) the indefeasible payment, in full and in cash, of the Forage Claims; and (iv) the payment, in full and in cash, of any amounts owing on the Priority Charges;
- (g) where the Proposal Trustee determines that there is more than one Superior Bid, the Proposal Trustee shall select the highest or best Qualified Bid as the

Successful Bid and shall identify and record the next highest Superior Offer as the Back-Up Bid. The Proposal Trustee shall notify any Successful Bidder or Back-Up Bidder of such determination following the Bid Deadline;

- (h) where no Qualified Bids other than the Stalking Horse Proposal are received by the Bid Deadline, the Stalking Horse Proposal will be deemed the Successful Bid;
- (i) as soon as possible, after the selection of the Successful Bidder, the Company or the Proposal Trustee shall apply to the Court (the "**Approval Application**") for an order approving the Successful Bid and authorizing the Company to enter into any and all necessary agreements with respect to the Successful Bid and to undertake such other actions as may be necessary or appropriate to give effect to the Successful Bid.

19. The SISP contemplates that the Proposal Trustee will engage in the marketing of the Company. Among other things: (i) the Company and the Proposal Trustee shall work to compile a list of known potential strategic and financial bidders (the "**Known Potential Bidders**"); (ii) the Proposal Trustee will give notice of the SISP to the Known Potential Bidders; and, (iii) the Proposal Trustee will give notice regarding the SISP in *The Globe & Mail (National Edition)*, *The Saskatoon Star Phoenix*, *The Regina Leader Post* and *Insolvency Insider*; and (iv) the Company will issue a press release providing the above notice and such other relevant information, with Canada Newswire for dissemination in Canada regarding the SISP
20. The Proposal Trustee, with the assistance of the Company, shall also compile a virtual data room (the "**VDR**") and make the VDR available to interested parties, including the Stalking Horse Purchaser. The Company believes that the market for an alternative transaction to the Stalking Horse Proposal will have been properly and appropriately canvassed through the SISP.
21. Now shown to me and attached as **Exhibit "E"** to this, my Affidavit, is a true copy of the Stalking Horse Proposal. The Stalking Horse Proposal, if ultimately determined to be the Successful Bid in accordance with the SISP, will constitute an arm's length transaction. The Stalking Horse Proposal contemplates the following:

- (a) Forage will submit an unsecured claim and secured claim in the amounts to be determined;
 - (b) all affected secured creditors will receive newly issued common shares in the Company such that they will become the owners of one hundred (100%) percent of the issued and outstanding common shares of the Company. While all persons will be able to make claims in accordance with the BIA, the Company's expectation is that Forage will be the only person that submits a secured claim and, by extension, will receive all of the new equity in the Company;
 - (c) any affected unsecured creditor will have its claims compromised in accordance with the Proposal. The Company expects that claims relating to the operation of the business, and by extension the vast majority of claims, will be unaffected claims;
 - (d) all common and preferred shares, and all other equity interests in the Company as of the date of the filing of the NOI shall be cancelled and extinguished for no consideration; and
 - (e) all other claims, liabilities and obligations of the Company (collectively, the "Claims"), other than those expressly designated as unaffected claims in the Stalking Horse Proposal, shall be vested out so as allow the Company to exit these BIA proceedings and continue operating as a going concern business.
22. Upon completing the SISP, the Company intends to seek: (i) approval of the Stalking Horse Proposal or, should a Superior Offer arise, (ii) approval of the Superior Offer and any corresponding agreement and the vesting of the property, as contemplated therein. The Stalking Horse Proposal, in conjunction with the commencement of the SISP, provides the Company with a binding and definitive agreement, in the event that no Superior Offer arises, which will provide a means by which the Company will be able to successfully restructure its business and continue such business as a going concern, albeit under the control of new shareholders.

Administrative Charge

23. The Company requests that this Honourable Court grant a charge in favour of the Company's counsel, Forage's counsel, the Proposal Trustee and the Proposal Trustee's

counsel, in order to secure the payment of professional fees and expenses incurred in connection with the NOI Proceedings, in priority to existing creditors of the Company (including secured creditors). Given the insolvency of the Company, providing such professionals with security for payment for their services will be necessary in order to effect the completion of the SISP and the restructuring of the Company as a going concern. Accordingly, the Company seeks an Administration Charge in the amount of \$150,000. The Company has sought and obtained guidance from the Proposal Trustee in proposing this amount.

24. I believe that the quantum of the proposed Administration Charge is fair and reasonable in light of the number of beneficiaries, the size and complexity of the business, and the complexity of the proposed restructuring.

DIP Charge

25. As described above, the Company does not project to have sufficient cash flow to meet its obligations during the Filing Period, absent the approval of the DIP Facility. The Company accordingly seeks approval of the draft Debtor-in-Possession Financing Term Sheet (the "**DIP Term Sheet**") between the Company, as borrower, and Forage (in this capacity and if so approved, the "**Interim Lender**"), as lender, and authorization to obtain the DIP Facility thereunder. Attached hereto and marked as **Exhibit "F"** to this my Affidavit, is a true copy of the DIP Term Sheet.
26. The Interim Lender has indicated that, absent the approval an interim financing charge and the priority accorded thereunder, it is not willing to finance the Company's operations.
27. The Company seeks approval of advances up to the amount of \$225,000 under the DIP Facility, and a corresponding DIP Charge over the Property, to fund the Company's expenses during the Projection Period.
28. I believe that the DIP Term Sheet is fair and reasonable in the circumstances, having regard to, among other things: (a) the anticipated length of the proceedings; (b) the timelines provided for in the SISP; (c) how the Company's business and financial affairs are to be managed during these NOI Proceedings and the SISP process; (d) the likelihood that the DIP Facility will enhance the prospects of a viable proposal to the Company's creditors; and, (e) the Company's cash flow projections as set out in the CFF.

D&O Charge

29. The Company has two directors: Mr. Greg Stewart and Mr. Bryce Tingle. Mr. Stewart is past President and Chief Executive Officer at Farm Credit Canada. Mr. Tingle is a lawyer and law professor who currently holds the N. Murray Edwards chair in Business Law at the University of Calgary. Mr. Jim Taylor, a representative of Forage, resigned from the Board on March 22, 2022. Mr. Rodney Schoettler, a representative of Saskatchewan Municipal Hail Corporation (who currently owns approximately 18% of the issued and outstanding shares in the Company), resigned on March 31, 2022.
30. The Company currently holds a D&O Insurance policy with CNA Canada for a maximum liability coverage of \$2,500,000.
31. The Company requests that this Honourable Court grant a charge in favour of the Company in order to secure the indemnification of the directors and officers of the Company from and against liabilities and obligations of the directors and officers of the Company that are incurred after the commencement of the NOI Proceedings, in priority to existing creditors of the Company (including secured creditors). The continued commitments of such persons will be necessary in order to effect the completion of the SISP and the restructuring of the Company as a going concern. Accordingly, the Company seeks a D&O Charge in the amount of \$65,000. The Company has sought and obtained guidance from the Proposal Trustee in proposing this amount.
32. I believe that the quantum of the proposed D&O Charge is fair and reasonable in light of the number of beneficiaries, the size and complexity of the business, and the complexity of the proposed restructuring.

Priority of Charges

33. The Company proposes the following in respect of the charges:
 - (a) **First** – Administrative Charge (to the maximum amount of \$150,000)
 - (b) **Second** – DIP Charge
 - (c) **Third** – D&O Charge (to the maximum amount of \$65,000)

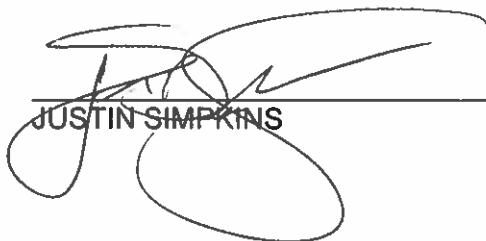
Conclusion

34. I swear this Affidavit in support of the Application for the Relief Sought by the Company in its Notice of Application.

SWORN BEFORE ME at the City of)
Moose Jaw, in the Province of)
Saskatchewan, this)
18th day of April, 2022.)

A NOTARY PUBLIC)
in and for the Province of Saskatchewan)

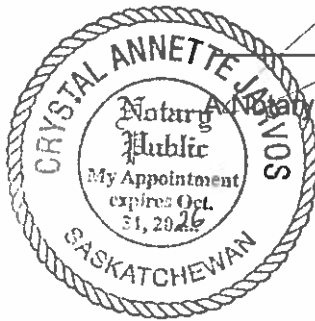



JUSTIN SIMPKINS

This Affidavit was delivered by:

Name of firm:	McCarthy Tétrault LLP
Name of lawyer in charge of file:	Walker W. MacLeod
Address of legal firms:	c/o Suite 300B-B, 99 Diefenbaker Drive Moose Jaw, Saskatchewan S6J 0C2
Telephone number:	403-260-3701
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This is Exhibit "A" referred to in the Affidavit of Justin Simpkins
sworn before me this 18th day of April, 2022.





Notary Public in and for the Province of Saskatchewan

PROPOSED TRANSACTION TERM SHEET

April 14, 2022

The following terms and conditions are submitted by Forage Subordinated Debt Limited Partnership II or an affiliate or subsidiary thereof ("**Forage**" or the "**Proposal Sponsor**") in connection with a proposed recapitalization and reorganization transaction (the "**Proposed Transaction**") of Just Solutions Inc. (the "**Company**"). The Proposal Sponsor is the only secured creditor of the Company and the Company has failed to pay or perform various liabilities, indebtedness and obligations owing to Forage (the "**Forage Claims**") and is insolvent. In particular, the Company has been unable to obtain reinsurance necessary to conduct business operations and, on March 23, 2022, was advised by Forage that such failure constituted a default under its loan and security arrangements with Forage. The Company subsequently failed to obtain reinsurance and confirmed to Forage that it will not bind insurance for this crop season. Forage has exercised demand rights under its loan and security agreements with the Company, the Company has requested that Forage support the Company initiating insolvency proceedings in order to maximize value for all stakeholders and Forage has agreed to do on the condition, *inter alia*, that the Company enter into this Term Sheet and pursue the Proposed Transaction. Pursuant to the Proposed Transaction the Proposal Sponsor will convert some or all of the Forage Claims into newly issued common shares in the Company such that it will hold one hundred (100%) percent of the issued and outstanding common shares of the Company and all common and preferred shares, and all other equity interests in the Company as of the commencement of the BIA Proceedings (as defined herein) shall be cancelled and extinguished for no consideration. All other claims, liabilities and obligations of the Company (collectively, the "**Claims**"), other than those expressly designated as Unaffected Claims (as defined herein), shall be vested so as allow the Company to exit the BIA Proceedings with a view to re-commencing operations as a going-concern business at a later date.

The Proposed Transaction will be approved by the Court of Queen's Bench of Saskatchewan (the "**Court**") in *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**") that will be commenced by the Company before the Court (the "**BIA Proceedings**"). The Proposed Transaction will be proceed by way of a proposal in the BIA Proceedings (the "**Proposal**") and incorporate a stalking horse bid for the Company (the "**Stalking Horse Bid**") and, as part of the BIA Proceedings, the Company and its assets, properties and undertakings will be exposed to the market in a fair and transparent sale and investment solicitation process (the "**SISP**") in order to determine if there is a Superior Bid (as defined herein) available to the Company. If any Superior Bid(s) are submitted pursuant to the SISP then the highest and best Superior Bid shall be declared the winning bid pursuant to the SISP and the Company shall complete a transaction with that party. If no Superior Bid is made the Stalking Horse Bid will be declared the winning bid pursuant to the terms of the SISP and shall be completed by the Company and the Proposal Sponsor in accordance with the terms thereof.

The Proposal, the SISP and all other documents required to give effect to the Proposed Transaction shall be confirmed by way of further documents (the "**Definitive Documents**") that will be negotiated between and agreeable to each of the Proposal Sponsor and the Company (the "**Parties**", individually the "**Party**"), acting reasonably, prior to the Company commencing the

BIA Proceedings. This Term Sheet represents a legally binding commitment on all of the Parties. All monetary figures stated herein are in Canadian Dollars unless otherwise noted.

TRANSACTION TERMS

Proposal Trustee	Alvarez and Marsal Canada Inc. shall be the proposal trustee of the Company in the BIA Proceedings (in such capacity, the "Proposal Trustee").
Commencement of BIA Proceedings	The Company shall commence the BIA Proceedings by filing a Notice of Intention (the "NOI") immediately following the execution and delivery of this Term Sheet. The SISP shall commence immediately thereafter and, as soon as possible after the filing of the NOI the Company shall make an application before the Court to (a) approve the SISP; (b) obtain the Priority Charges (as defined herein); (c) extend the stay of proceedings created by the NOI; and (d) for such other relief as the Company, in consultation with the Proposal Sponsor, determines necessary or appropriate. The Proposal shall be filed, or the Superior Bid shall be approved, upon the completion of the SISP and prior to the Company seeking any further extension of the stay period unless such extension is determined necessary by the Company and the Proposal Sponsor, each acting reasonably.
Purchase Price	<p>The purchase price payable by the Proposal Sponsor pursuant to the Stalking Horse Bid shall be equal to:</p> <ul style="list-style-type: none"> (a) the Forage Claims; plus (b) any amounts owing on the Priority Charges at the time of the completion of the Stalking Horse Bid; plus, (c) the Unaffected Claims. <p>(collectively, the "Purchase Price").</p>
Payment of Purchase Price	<p>The Proposal Sponsor shall satisfy and pay the Purchase Price as follows:</p> <ul style="list-style-type: none"> (a) by a combination of (i) voting to compromise a portion of the Forage Claims in the Proposal; and (ii) causing the Company to remain liable for, pay and satisfy the remaining portion of the Forage Claims; (b) by payment of any amounts owing on the Priority Charges in full and in cash; and

- (c) by causing the Company to remain liable for, pay and satisfy the Unaffected Claims.

SISP

The Proposed Transaction will be subject to the Company undertaking a competitive process on the terms to be set forward in the SISP which will be form part of the Definitive Documents and be designed to maximize value for the Company. Any competing bid that is made pursuant to the SISP will only constitute a bid that is higher and better to the Stalking Horse Bid (such bid, a **"Superior Bid"**) if it satisfies and provides for: (a) the indefeasible payment, in full and in cash, of the Forage Claims; (b) the indefeasible payment, in full and in cash, of any amounts owing on the Priority Charges at the time of the completion of such bid; and (c) such others terms and conditions as may be required by the Company and the Proposal Sponsor, each acting reasonably.

Priority Charges

There shall be three priority charges granted pursuant to the BIA as part of the BIA Proceedings (the **"Priority Charges"**):

- (a) a charge to secure indebtedness, liabilities and obligations of the Proposal Trustee, the Proposal Trustee's legal counsel. The Proposal Sponsor's legal counsel and the Company's legal counsel, in an amount determined by agreement of the Proposal Trustee, the Company and the Proposal Sponsor, each acting reasonably (the **"Administration Charge"**);
- (b) a charge to secure debtor in possession financing to provide for the working capital needs of the Company in the BIA Proceedings in an amount determined by agreement of the Proposal Trustee, the Company and the Proposal Sponsor, each acting reasonably (the **"DIP Charge"**);
- (c) a charge to secure indebtedness, liabilities and obligations of directors and officers of the Company that are incurred after the commencement of the BIA Proceedings, in an amount determined by agreement of the Proposal Trustee, the Company and the Proposal Sponsor, each acting reasonably (the **"D&O Charge"**);

The Priority Charges shall rank senior and in priority to the Forage Claims.

Court Orders

Any order further applied for in the BIA Proceedings by either the Proposal Sponsor or the Company will be in form and substance acceptable to both Parties, acting reasonably.

Treatment of Claims

The following Claims shall be unaffected under the Proposal:

- 4 -

- (a) the Forage Claims that are not compromised pursuant to the Proposal;
- (b) Claims of the Proposal Trustee, the Proposal Trustee's legal counsel, the Proposal Sponsor's legal counsel and the Company's legal counsel;
- (c) Claims of employees of the Company that arise through the employee / employer relationship between such employee and the Company and that do not constitute equity claims (as such term is defined in the BIA);
- (d) Claims identified in section 60(1.1) of the BIA;
- (e) any other Claim that is designated as an unaffected claim by the Proposal Sponsor and with the written consent of the Proposal Trustee;

(collectively, the **"Unaffected Claims"**).

All Claims other than Unaffected Claims shall be compromised, extinguished and vested as part of the Proposal. In the event that there is no Superior Bid made in the SISP and there are Claims submitted that rank subordinate to the Forage Claims the Proposal Sponsor may direct the Company to proceed with an alternative transaction so as to allow the Proposal Sponsor to acquire either all of the shares or substantially all of the assets of the Company, as determined by the Proposal Sponsor, acting reasonably, and in consultation with both the Company and the Proposal Trustee.

Proposal Conditions

The completion of the Stalking Horse Bid shall be subject to the following conditions:

- (a) the BIA Proceedings shall have been commenced;
- (b) the Stalking Horse Bid shall have been declared the winning bid pursuant to the terms of the SISP and approved by the Court by issuance of an order (the **"Proposal Approval Order"**);
- (c) the Proposal Approval Order shall be operative, in full force and effect and not subject to a stay of proceedings or similar type of restriction or limitation; and
- (d) all regulatory, approvals, consents, waivers and filings are required in respect of the Staking Horse Bid shall have obtained, approved or granted.

Proposal Approval Order The Proposal Approval Order shall contain standard and customary terms for a proposal approval order under the BIA and shall contain or provide for, *inter alia*, the following terms:

- (a) the approval of the Proposal and a direction that the Company take all reasonable and necessary steps to implement and complete the Proposal;
- (b) the release of any and all Claims against the directors and officers of the Company, the Proposal Trustee and the Proposal Sponsor, save and except for claims that relate to fraud or willful misconduct or claims that cannot be released pursuant to the BIA.

IN WITNESS WHEREOF this Term Sheet has been duly executed by the undersigned as of the date first above written.

JUST SOLUTIONS INC.

Per: 

Name: Justin Simpkins

Title: Chief Operating Officer

**FORAGE SUBORDINATED DEBT
LIMITED PARTNERSHIP II, by its General
Partner FORAGE SUBORDINATED DEBT
GENERAL PARTNER II LTD.**

Per: 

Name: Jim Taylor

Title: Director

This is Exhibit "B" referred to in the Affidavit of Justin Simpkins
sworn before me this 18th day of April, 2022.





Notary Public in and for the Province of Saskatchewan



April 14, 2022

Via Email: wmacleod@mccarthy.ca

CONFIDENTIAL

Just Solutions Inc.
c/o McCarthy Tetrault LLP
Suite 4000, 421 - 7th Avenue SW
Calgary AB T2P 4K9
Attention: Mr. Walker MacLeod

Amended and Restated Loan Agreement dated December 12, 2019, as amended by Amending Agreements dated December 13, 2019 and March 1, 2022 (the "Loan Agreement") between Just Solutions Inc. (the "Borrower") and Forage Subordinated Debt Limited Partnership II (the "Lender")
File No.: 7149.004

All capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Loan Agreement.

As you are aware, the Lender delivered a notice of default to you on March 23, 2022 and the Borrower had ten (10) days, until April 2, 2022, within which to cure its default and to obtain the reinsurance necessary to carry on its business. The Borrower has failed to cure such default resulting in Events of Default under each of Sections 9.1 (c) and 9.1(l) of the Loan Agreement.

As at April 14, 2022 the amount of the outstanding Obligations due and owing by the Borrower to the Lender is \$2,920,136.00, including interest up to and including April 14, 2022 (the "**Indebtedness**"), plus accrued and accruing costs and further accruing interest as set out in the Loan Agreement. The Lender declares that the Indebtedness is immediately due and payable and hereby makes demand for payment of the Indebtedness, together with any accrued interest, legal fees, charges and disbursements that may arise. Please contact the undersigned for the amount of the additional accruing costs and interest to the date of payment.

If full payment, as set forth above, is not made within ten (10) days from the date hereof, the Lender will take whatever steps it deems necessary or appropriate to secure payment of all amounts outstanding. To this end, we enclose for service upon the Borrower, a Notice of Intention to Enforce Security in accordance with Section 244(1) of the *Bankruptcy and Insolvency Act* (Canada).

Forage Subordinated Debt

502, 400 Crowfoot Crescent N.W. Calgary, AB T3G 5H6
Phone: 403.215.5492 | Fax: 403.215.5495

- 2 -

The Lender expressly reserves any and all of its rights and remedies as against the Borrower, confirms that this notice is without prejudice to any and all rights, powers, privileges, and remedies of the Lender under the Loan Agreement, the Security and Applicable Laws and that no act or omission by the Lender shall operate, or be deemed to operate, as a waiver or estoppel thereof.

Yours truly,



James Taylor

Forage Subordinated Debt

502, 400 Crowfoot Crescent N.W. Calgary, AB T3G 5H6
Phone: 403.215.5492 | Fax: 403.215.5495

**NOTICE OF INTENTION TO ENFORCE SECURITY
(SEC. 244(1) *BANKRUPTCY AND INSOLVENCY ACT*)**

TO: JUST SOLUTIONS INC., an insolvent person

TAKE NOTICE THAT:

1. Forage Subordinated Debt Limited Partnership II, a secured creditor, intends to enforce its security on the property of the insolvent person described below:

All of the present and after acquired property of Just Solutions Inc.

2. The security that is to be enforced is in the form of a general security agreement granted in favor of the undersigned by Just Solutions Inc. dated July 25, 2016.
3. The total amount of indebtedness secured by the security is CDN\$2,920,136.00.
4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at Calgary, Alberta this 14th day of April, 2022.

**Forage Subordinated Debt Limited
Partnership II, by its general partner,
Forage Subordinated Debt General
Partner II Ltd.**



**James Taylor
President**

This is Exhibit "C" referred to in the Affidavit of Justin Simpkins
sworn before me this 18th day of April, 2022.





A Notary Public in and for the Province of Saskatchewan

Just Solutions Inc.
13-Week Cash Flow Forecast ending week of July 15, 2022
SCAD

	Week 1 22-Apr-22	Week 2 29-Apr-22	Week 3 6-May-22	Week 4 13-May-22	Week 5 20-May-22	Week 6 27-May-22	Week 7 3-Jun-22	Week 8 10-Jun-22	Week 9 17-Jun-22	Week 10 24-Jun-22	Week 11 1-Jul-22	Week 12 8-Jul-22	Week 13 15-Jul-22	13-Week Total	Notes
Cash Receipts															
Claims Adjustment Revenue	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 42,000	1
Interest Income	\$ -	\$ 140	\$ -	\$ -	\$ -	\$ -	\$ 70	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 210	2
	\$ 6,000	\$ 6,140	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,070	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42,210	
Operating Cash Disbursements															
Selling Costs - Truck Allowance	-	2,325	-	-	-	-	2,325	-	-	-	2,325	-	-	\$ 6,975	3
Selling Costs - Travel and Entertainment	-	-	300	-	-	-	-	300	-	-	-	300	-	\$ 900	
Selling Costs - Cell reimbursement	-	245	-	-	-	-	245	-	-	-	-	-	-	\$ 735	
Selling Costs - Meals	-	783	-	-	-	-	783	-	-	-	-	783	-	\$ 2,350	4
Selling Costs - Mileage	-	1,467	-	-	-	-	1,467	-	-	-	-	1,467	-	\$ 4,400	
Wages and Salaries	48,002	-	37,966	-	-	-	40,324	-	32,386	-	32,386	-	50,392	\$ 238,454	5
Employee Costs	-	2,292	-	1,750	-	-	2,292	-	1,750	-	2,292	-	1,750	\$ 12,125	6
Professional Fees	-	-	-	-	-	-	-	-	-	-	5,500	1,200	-	\$ 6,700	7
Business Licenses, Memberships and Dues	-	-	285	625	-	-	625	-	100	-	-	150	-	\$ 1,785	
Professional Development	-	750	-	-	-	-	750	-	-	-	750	-	-	\$ 2,250	8
Insurance	-	-	52,725	-	-	-	-	-	-	-	-	-	-	\$ 52,725	
Interest and Bank Charges	298	-	-	78	298	-	-	-	-	298	-	-	-	\$ 1,125	
Office Expenses	232	782	417	417	417	947	334	334	334	334	864	641	641	\$ 6,713	
Rent	-	6,324	-	-	-	-	6,324	-	-	-	6,324	-	-	\$ 18,971	9
IT Expense	324	324	324	324	324	324	324	324	324	324	324	9,856	324	\$ 13,744	
Consulting Fees	-	1,000	-	-	1,000	-	-	-	-	-	1,000	-	-	\$ 3,000	10
Claim Process Fee	900	900	900	900	900	900	900	-	-	-	-	-	-	\$ 6,300	11
Travel and Entertainment (non-selling)	-	-	67	-	-	-	-	67	-	-	-	-	-	\$ 200	
Utilities	-	-	-	2,374	-	-	-	2,374	-	-	-	-	2,374	\$ 7,122	12
Contingency	-	-	2,500	-	2,500	-	-	-	2,500	-	-	2,500	-	\$ 10,000	13
	1,774	59,943	59,168	44,433	1,939	5,671	54,442	3,274	39,845	955	52,009	16,963	55,598	\$ 396,574.29	
Operating Net Cash Flow	\$ 4,227	\$ (53,803)	\$ (53,766)	\$ (38,433)	\$ 4,061	\$ 329	\$ (48,372)	\$ (3,274)	\$ (39,845)	\$ (955)	\$ (52,009)	\$ (16,963)	\$ (55,598)	\$ (354,364)	
Non-Operating Cash Disbursements															
Alvarez & Marsal Canada Inc.	-	-	50,000	-	-	-	40,000	-	-	-	35,000	-	-	\$ 125,000	14
MLT Alkana LLP	-	-	5,000	-	-	-	20,000	-	-	-	-	-	-	\$ 25,000	14
McCarthy Techtall LLP	-	-	15,000	-	-	-	25,000	-	-	-	25,000	-	-	\$ 90,000	14
Tangle Merril LLP	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	
	-	-	70,000	-	-	-	85,000	-	-	-	60,000	-	-	\$ 240,000	
Net Cash Flow	\$ 4,227	\$ (53,803)	\$ (123,766)	\$ (38,433)	\$ 4,061	\$ 329	\$ (133,372)	\$ (3,274)	\$ (39,845)	\$ (955)	\$ (112,009)	\$ (16,963)	\$ (80,598)	\$ (594,364)	
Operating Cash	\$ 374,384	\$ 378,611	\$ 324,808	\$ 201,040	\$ 162,606	\$ 166,668	\$ 166,996	\$ 33,625	\$ 30,350	\$ 215,505	\$ 214,550	\$ 102,541	\$ 83,578	\$ 374,384	
Net cash flow	4,227	(53,803)	(123,766)	(38,433)	4,061	329	(133,372)	(3,274)	(39,845)	(955)	(112,009)	(16,963)	(80,598)	(594,364)	
Credit facility advances (payments)	-	-	-	-	-	-	-	-	225,000	-	-	-	-	225,000	
Ending Cash	\$ 378,611	\$ 324,808	\$ 201,040	\$ 162,606	\$ 166,668	\$ 166,996	\$ 33,625	\$ 30,350	\$ 215,505	\$ 214,550	\$ 102,541	\$ 83,578	\$ 5,020	\$ -	
Proposed Interim Financing															
Interim Financing Limit	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	
Operating borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	
Interim Financing Available Before Advances/Payments	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	
Advances	-	-	-	-	-	-	-	-	225,000	-	-	-	-	\$ -	
Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	
Ending Availability Surplus	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ -	

UNAUDITED CASH FLOW FORECAST PREPARED BY MANAGEMENT, MUST BE READ IN CONJUNCTION WITH THE NOTES AND ASSUMPTIONS & TRUSTEE'S REPORT ON THE CASH FLOW STATEMENT

Just Solutions Inc.

April 18, 2022

18-Apr-22

Trustee - Alvarez & Marsal Canada Inc.

Orest Konowalchuk, UT

Senior Vice-President

Justin Simpkins

Chief Operating Officer

In the Matter of the Notice of Intention to make a Proposal of

Just Solutions Inc.

**Notes to the Consolidated Statement of Cash Flow for the 13-week
period ending July 15, 2022**

Purpose and General Assumptions of the Cash Flow Statement

Just Solutions Inc. ("JSI" or the "**Company**") has prepared this Cash Flow Statement and the accompanying Notes to the Cash Flow Statement (collectively the "**Cash Flow Statement**") in support of the proposal proceedings that has been filed under the Bankruptcy and Insolvency Act ("**BIA**") on April 18, 2022.

Alvarez & Marsal Canada Inc. is the Proposal Trustee in this matter (the "**Proposal Trustee**"). The Cash Flow Statement should be read in conjunction with the Report on Cash Flow Statement by the Company (Form 30 under the BIA) and also with the Proposal Trustee's Report on Cash Flow Statement (Form 29 under the BIA).

The Company has prepared the Cash Flow Statement based on probable and hypothetical assumptions that reflect the Company's planned course of action for the period from April 18, 2022 to July 15, 2022 (the "**Cash Flow Period**"). Management is of the opinion that, as at the date of filing the Cash Flow Statement, the assumptions used to develop the projection represent the most probable set of economic conditions facing the Company and that the assumptions used proved a reasonable basis for and are consistent with the purpose of the Cash Flow Statement.

The Cash Flow Statement has been developed pursuant to subsection 50 (6) of the BIA and is in support of these BIA proceedings. The information contained in the Cash Flow Statement is subject to changing assumptions and/or receipt of new or additional information; actual results may vary.

This Cash Flow Statement should not be used for any other purpose, and creditors are cautioned that the information provided in the Cash Flow Statement could vary based on changing future circumstances.

The projected cash flow statement is prepared in Canadian dollars.

Hypothetical and Probable Assumptions of the Cash Flow Statement

1. Revenue is derived from a remaining 21 clients, and the Company is expecting to finalize 3 clients per week for the first 7 weeks at an average of \$2,000 per client. Total expected revenue during the 13 week period is \$42,000.
2. Interest income is the estimated interest to be earned from the Company's savings account.
3. Truck Allowance is the monthly expense the Company incurs as per the contracts in place with those employees who are entitled to a personal vehicle allowance.
4. Meals expense is based off the budgeted amount per month.
5. Wages and Salaries is for the bi-weekly payroll provided to 13 employees, this amount includes payment to the directors

6. Employee Costs are for expenses incurred by employees and are paid throughout the month. Typically expense reports are submitted by the 5th of the following month and paid shortly thereafter.
7. Professional Fees includes costs associated with the AGM, shareholder register as well as the Manitoba corporate registry.
8. Professional Development includes costs incurred by employees for additional training/education. Expenses are paid throughout the month, but typically expense reports are submitted by the 5th of the following month and paid shortly thereafter.
9. Rent expense is for the lease of the Company's head office and is a monthly payment per the terms of the rental agreement.
10. Consulting Fees are for amounts paid to contractors who assist the Company with insurance related matters, the amounts are set out as per each contract with the respective contractor. The Company utilizes one contractor.
11. Claim Process Fees are the costs incurred by the Company for processing claims, the Company pays \$300 per claim and there are 21 claims remaining.
12. Utilities expense is for the costs associated with operating the office space, which is not included in the monthly rent expense. These amounts are forecasted based on historical usage.
13. A contingency of \$10,000 for the 13-week period has been incorporated into the cashflow to cover unexpected amounts the Company may incur during the NOI.
14. Non-Operating costs include amounts paid to professionals to conduct the NOI and assist the Company with the sales and solicitation process. Each of the professional services firm is holding a retainer from the Company and will apply their respective retainer to the costs incurred, amounts reflected within the Cash Flow Statement are for amounts incurred by each respective firm beyond amounts being held as a retainer.

**UNAUDITED CASH FLOW FORECAST PREPARED BY MANAGEMENT, MUST BE READ
IN CONJUNCTION WITH THE NOTES AND ASSUMPTIONS & TRUSTEE'S REPORT ON THE
CASH FLOW STATEMENT**


Just Solutions Inc.



Justin Simpkins
Chief Operating Officer

Date: April 18, 2022

Trustee – Alvarez & Marsal Canada Inc.



Orest Konowalchuk, LIT
Senior Vice-President

Date: April 18, 2022

District of: Saskatchewan
Division No. 02 - Saskatoon
Court No.
Estate No.

- FORM 30 -

Report on Cash-Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)


The Management of Just Solutions Inc., has/have developed the assumptions and prepared the attached statement of projected cash flow of the insolvent person, as of the 18th day of April 2022, consisting of a 13-week cash flow statement and accompanying notes and assumptions..

The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in the notes attached, and the probable assumptions are suitably supported and consistent with the plans of the insolvent person and provide a reasonable basis for the projection. All such assumptions are disclosed in the notes attached.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projection has been prepared solely for the purpose described in the notes attached, using a set of hypothetical and probable assumptions set out in the notes attached. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at the city of Calgary in the Province of Alberta, this 18th day of April 2022.



Just Solutions Inc.
Debtor

Justin Simpkins, Chief Operating Officer

Name and title of signing officer

Name and title of signing officer

District of: Saskatchewan
Division No. 02 - Saskatoon
Court No.
Estate No.

FORM 30 - Attachment
Report on Cash-Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

Purpose:

Please refer to additional items attached.


Projection Notes:

Please refer to additional items attached.

Assumptions:

Please refer to additional items attached.

Dated at the city of Calgary in the Province of Alberta, this 18th day of April 2022.



Just Solutions Inc.

District of: Saskatchewan
 Division No. 02 - Saskatoon
 Court No.
 Estate No.

-- FORM 29 --
 Trustee's Report on Cash-Flow Statement
 (Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

The attached statement of projected cash flow of Just Solutions Inc., as of the 18th day of April 2022, consisting of a 13-week cash flow statement and accompanying notes and assumptions, has been prepared by the management of the insolvent person (or the insolvent debtor) for the purpose described in the notes attached, using the probable and hypothetical assumptions set out in the notes attached.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by: ☒ the management and employees of the insolvent person or ☐ the insolvent person. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by: ☒ management or ☐ the insolvent person for the probable assumptions and preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects,

(a) the hypothetical assumptions are not consistent with the purpose of the projection;

(b) as at the date of this report, the probable assumptions developed are not suitably supported and consistent with the plans of the insolvent person or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or

(c) the projection does not reflect the probable and hypothetical assumptions.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in the notes attached, and readers are cautioned that it may not be appropriate for other purposes.

Dated at the city of Calgary in the Province of Alberta, this 18th day of April 2022.

Alvarez & Marsal Canada Inc. - Licensed Insolvency Trustee
 Per:



Orest Konowalchuk - Licensed Insolvency Trustee
 Bow Valley Square 4
 Suite 1110, 250 6th Ave SW
 Calgary AB T2P 3H7
 Phone: (403) 538-7555 Fax: (403) 538-7551

District of: Saskatchewan
Division No. 02 - Saskatoon
Court No.
Estate No.

FORM 29 - Attachment
Trustee's Report on Cash-flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

Purpose:

Please refer to additional items attached.

Projection Notes:

Please refer to additional items attached.

Assumptions:

Please refer to additional items attached.

Dated at the city of Calgary in the Province of Alberta, this 18th day of April 2022.

Alvarez & Marsal Canada Inc. - Licensed Insolvency Trustee

Per:



Orest Konowalchuk - Licensed Insolvency Trustee
Bow Valley Square 4
Suite 1110, 250 6th Ave SW
Calgary AB T2P 3H7
Phone: (403) 538-7555 Fax: (403) 538-7551

[Signature]

A Notary Public in and for the Province of Saskatchewan

SALE AND INVESTMENT SOLICITATION PROCESS

Preamble

1. This Sales and Investment Solicitation Process (the "**SISP**") will be implemented under Division I of Part III of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**") in the Division I proposal proceedings initiated by Just Solutions Inc. (the "**Company**") on April 18, 2022 (the "**NOI Proceedings**") under which Alvarez & Marsal Canada Inc. has been appointed as proposal trustee (the "**Proposal Trustee**") and is not acting in its personal or corporate capacity. This SISP was approved by an order (the "**Approval Order**") on application by the Company to the Court of Queen's Bench of Saskatchewan (the "**Court**") on April 22, 2022.
2. The Approval Order, *inter alia*, approved this SISP together with a proposal made by the Company under the BIA (the "**Stalking Horse Proposal**") pursuant to which Forage Subordinated Debt Limited Partnership II (the "**Stalking Horse Bidder**") agreed, among other things, to: (i) act as a "stalking horse bidder" in the context of this SISP and (ii) if the Stalking Horse Bidder is determined to be the Successful Bidder (as defined herein), to complete the transaction contemplated by the Stalking Horse Proposal on the terms and conditions set out therein, with the existing equity interests being cancelled on closing such that Stalking Horse Bidder would become the sole shareholder of the Company (the "**Stalking Horse Transaction**").
3. The Approval Order, the procedures in respect of the SISP as contained herein (the "**SISP Procedures**") and any subsequent order issued by the Court pertaining to the SISP Procedures shall exclusively govern the process for soliciting and selecting bids for the sale of or investment in the shares or assets of the Company, a refinancing, reorganization, recapitalization, restructuring, joint-venture, merger or other business transaction involving the Company, or some combination thereof.
4. All dollar amounts expressed herein, unless otherwise noted, are in Canadian currency. 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.

Defined Terms

5. All capitalized terms used herein and not otherwise defined herein shall have the meanings given to them in **Schedule "A"** hereto.

Sale and Investment Solicitation Process

6. These SISP Procedures describe, among other things:
 - (a) The manner in which prospective bidders may gain access to or continue to have access to due diligence materials concerning the Company and its business and the Company's equity, assets, rights, undertakings and properties;
 - (b) The manner in which bidders and bids become Qualified Bidders and Qualified Bids, as applicable;
 - (c) The evaluation of bids received;

- 2 -

- (d) The guidelines for the ultimate selection of the Successful Bid and/or Back-up Bid; and,
- (e) the process for obtaining such approvals (including the approval of the Court) as may be necessary or appropriate in respect of a Successful Bid.

Conduct of SISP Procedures

- 7. The Proposal Trustee shall conduct the SISP Procedures as outlined herein. In the event that there is a disagreement regarding, or clarification required as to, the interpretation or application of these SISP Procedures or the responsibilities of any Person hereunder, the Court will have the jurisdiction to hear such matter and provide advice and directions upon application of the Company, the Proposal Trustee, the Stalking Horse Bidder or any other interested Person.

"As Is, Where Is"

- 8. Any transaction involving the Company, the shares of the Company or the assets of the Company, will be on an "as is, where is" basis and without surviving representations, warranties, covenants or indemnities of any kind, nature, or description by the Company, the Proposal Trustee, or any of their respective agents, estates, advisors, professionals or otherwise, except to the extent set forth in a written agreement with the Person who is a counterparty to such a transaction.

Free of Any and All Claims and Interests

- 9. All of the right, title and interest of the Company in and to any assets sold or transferred within the NOI Proceedings will, at the time of such sale or transfer, be sold or transferred free and clear of any security, charge or other restriction (collectively, the "**Claims and Interests**") pursuant to approval and vesting orders made by the Court under section 65.13(7) of the BIA except for any security, charge or other restriction expressly contemplated in the Stalking Horse Transaction or in a Superior Offer, as the case may be.

Solicitation of Interest

- 10. The Proposal Trustee commenced the SISP Procedures by preparing, in consultation with the Company, a list of potential bidders (the "**Known Potential Bidders**"). Such list will include both strategic and financial parties who, in the reasonable business judgment of the Proposal Trustee and the Company, may potentially be interested in and have the financial capacity to make a Superior Offer.
- 11. For all purposes of this SISP, the following Persons shall be considered as potential bidders (each, a "**Potential Bidder**"): (i) the Known Potential Bidders, and (ii) any other party that executes the documents listed in paragraph 13 and is permitted by the Company, with the consent of the Proposal Trustee, to participate in the SISP.
- 12. The Proposal Trustee shall provide notice of these SISP Procedures to the Potential Bidders (including the Participation Requirements as specified below) after commencement of the NOI Proceedings. In addition, the Proposal Trustee intends to publish notice regarding these SISP Procedures in *The Globe & Mail (National Edition)*,

The Saskatoon Star Phoenix and The Regina Leader Post. At the same time, the Company shall issue a press release regarding the SISP Procedures providing the above notice and such other relevant information, with Canada Newswire and Insolvency Insider for dissemination in Canada.

Participation Requirements

13. Unless otherwise ordered by the Court, any Person who wishes to participate in this SISP must deliver the following to the Proposal Trustee, with a copy to the Company, at the email addresses specified in **Schedule "B"** hereto:
 - (a) a letter (a "**Participation Letter**") setting forth (i) the identity, the type and the jurisdiction of organization of the Potential Bidder, (ii) the contact information for such Potential Bidder, (iii) full disclosure of the direct and indirect owners and principals of the Potential Bidder, and (iv) such financial disclosure and credit quality support or enhancement that allows the Company, in consultation with the Proposal Trustee, to make a reasonable determination as to the Potential Bidder's financial and other capabilities to consummate a transaction pursuant to a Superior Offer;
 - (b) an executed NDA; and,
 - (c) an executed letter acknowledging receipt of a copy of the Approval Order (including these SISP Procedures) and agreeing to accept and be bound by the provisions contained therein.
14. If, in the opinion of the Proposal Trustee, in consultation with the Company, a Person has complied with each of the requirements described in section 13 of these SISP Procedures, such Person shall be deemed a "**Qualified Bidder**" hereunder.
15. Notwithstanding paragraphs 13 to 14, the Stalking Horse Bidder shall be deemed to be a Qualified Bidder for all purposes under, and at all times in connection with, this SISP.
16. The Company will provide each Qualified Bidder with access to an electronic data room containing due diligence materials and financial, tax and other information relating to the shares, the assets, the property and the business of the Company as soon as practicable after the determination that such Person is a Qualified Bidder (the "**Data Room**").
17. The Proposal Trustee is not responsible for, and will have no liability with respect to, any information obtained by any Potential Bidder. The Proposal Trustee and its advisors do not make any representations or warranties whatsoever as to the information or the materials provided to or obtained by any Potential Bidder and/or any of its agents, consultants, advisors or other third-parties that may be in receipt of this information and are relying upon it for their purposes.

Seeking Non-Binding Indications of Interest by Qualified Bidder

18. From the date of the Approval Order until the Solicitation of Interest Bid Deadline, the Proposal Trustee, in accordance with the terms of the Approval Order, will solicit non-binding indications of interest from Qualified Bidders to make a bid in the form of

transaction as the Qualified Bidder may choose (each a **"Non-Binding Indication of Interest"**).

19. In order to continue to participate in the SISP, a Qualified Bidder must deliver a Non-Binding Indication of Interest to the Proposal Trustee so as to be received by the Proposal Trustee not later than 5:00 p.m. (Mountain Time) on May 13, 2022 (the **"Solicitation of Interest Deadline"**).

Non-Binding Indications of Interest by Qualified Bidders

20. A Non-Binding Indication of Interest will be considered a **"Qualified Non-Binding Indication of Interest"** only if it is submitted by a Qualified Bidder, received on or before the Solicitation of Interest Bid Deadline, and contains the following information:
 - (a) an indication of the proposed form of transaction as chosen by the Qualified Bidder;
 - (a) it shall identify: (i) the purchase price in Canadian dollars, stated on a total enterprise value basis (including the cash and non-cash components thereof, the sources of such capital, evidence of the availability of such capital and the steps necessary and associated timing to obtain the capital and consummate the proposed transaction and any related contingencies, as applicable) (ii) additional due diligence required or desired to be conducted prior to the Bid Deadline, if any; (iv) any conditions to closing that the Qualified Bidder may wish to impose; and (vi) any other terms or conditions of the proposed transaction which the Qualified Bidder believes are material to the transaction;
 - (b) such other information reasonably requested by the Proposal Trustee.
21. Notwithstanding section 20 hereof, the Proposal Trustee, acting reasonably, may waive compliance with any one or more of the requirements specified herein and deem any non-compliant Non-Binding Indication of Interest to be a **"Qualified Non-Binding Indication of Interest"**.

Assessment of Qualified Non-Binding Indications of Interest

22. The Proposal Trustee, in consultation with the Company, will assess any Qualified Non-Binding Indications of Interest received, and will determine whether there is a reasonable prospect that the Proposal Trustee will receive one or more Superior Offer(s) that is/are likely to be consummated. Such assessment will be made as promptly as practicable but no later than five (5) Business Days after the Solicitation of Interest Bid Deadline.
23. If the Proposal Trustee, in accordance with section 22 above, determines that (a) no Qualified Non-Binding Indication of Interest was received, or (b) at least one Qualified Non-Binding Indication of Interest was received but there is no reasonable prospect that any such Qualified Non-Binding Indication of Interest will, individually or in the aggregate, result in one or more Superior Offer(s) that is/are likely to be consummated, the Proposal Trustee shall (i) forthwith terminate these SISP Procedures, (ii) notify each Qualified Bidder (if any) that these SISP Procedures have been terminated, and (iii) within five (5)

Business Days, file an application with the Court seeking approval, after notice and hearings, to implement the Stalking Horse Proposal.

24. If the Proposal Trustee, in accordance with section 23 above, determines that (a) one or more Qualified Non-Binding Indications of Interest were received, or (b) there is a reasonable prospect that one or more of such Qualified Non-Binding Indications of Interest will, individually or in the aggregate, result in one or more Superior Offer(s) that is/are likely to be consummated, these SISP Procedures will continue and each Qualified Bidder who has submitted a Qualified Non-Binding Indication of Interest that has determined to likely be consummated, shall continue to be deemed a Qualified Bidder and may continue to participate in the SISP by submitting a Bid no later than the Bid Deadline.

Qualified Bids

25. A Qualified Bidder that wishes to make a bid must deliver their bid to the Proposal Trustee, on behalf of the Company, at the email addresses specified in **Schedule "B"** hereto so as to be actually received by the Proposal Trustee by a time not later than the Bid Deadline.
26. All offers submitted to the Proposal Trustee ("**Bids**") for consideration in accordance with paragraph 25 must comply with all of the following requirements (any such complying Bid, a "**Qualified Bid**"):
 - (b) **Purchase Price**: Each Bid must clearly set forth the purchase price in Canadian dollars, stated on a total enterprise value basis (including the cash and non-cash components thereof, the sources of such capital, evidence of the availability of such capital and the steps necessary and associated timing to obtain the capital and consummate the proposed transaction and any related contingencies, as applicable);
 - (c) **Executed Transaction Agreement**: Each Bid must be made by way of submission in a form of transaction document as the Qualified Bidder may choose, in each case executed by the Qualified Bidder;
 - (d) **Mark-up**: Each Bid must include a full mark-up comparison of their executed form of transaction document against the Stalking Horse Proposal (including all schedules and exhibits thereto) included in the Data Room, as well as any proposed forms of Orders to be sought from the Court.
 - (e) **Bid Deadline**: Each Bid must be received on or before 5:00 pm (Saskatoon Time time) on May 23, 2022 (the "**Bid Deadline**");
 - (f) **Superior Offer**: Each Bid must constitute a Superior Offer;
 - (g) **Capital Structure**: Each Bid must include information to enable the Company and the Proposal Trustee to review and assess the financing/cash available post-closing to fund the business, and implement post-closing measures and transactions.
 - (h) **Irrevocable Offer**: Each Bid must be irrevocable for a minimum of 45 days following the Bid Deadline provided that if such Bid is selected as the Back-up Bid its offer

will remain irrevocable until the date that is five (5) Business Days after the Outside Date;

- (i) Executed Documents: Each Bid must be accompanied by a duly authorized and executed form of transaction document and an electronic copy of such agreement, as well as duly authorized and executed transaction documents necessary to effectuate the transactions contemplated thereby;
- (i) Financial Wherewithal: Each Bid must include (A) written evidence of a firm, irrevocable commitment for financing, or other evidence of ability to consummate the proposed transaction, that will allow the Company, in consultation with the Proposal Trustee, to make a reasonable determination as to the Qualified Bidder's financial and other capabilities to consummate the transaction, and (B) the identification of any Person or entity who may provide debt or equity financing for the Bid and any material conditions to be satisfied in connection with such financing;
- (ii) Authorization: Each Bid must include evidence, in form and substance reasonably satisfactory to the Company, in consultation with the Proposal Trustee, of authorization and approval from the Qualified Bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the transaction contemplated by the Bid;
- (iii) No Other Authorization, Diligence, Financing Conditions: Each Bid must not be conditional upon the following:
 - A. any internal approval(s);
 - B. the outcome of unperformed due diligence by the Qualified Bidder; or
 - C. obtaining financing;
- (iv) Identity: Each Bid must fully disclose the identity of each entity that will be sponsoring or participating in the Bid, and the complete terms of such participation;
- (v) Contact Information: Each Bid must contain contact information for any business, financial or legal advisors retained or to be retained in connection with the proposed transaction;
- (vi) Regulatory Approvals: Each Bid must outline any anticipated regulatory and other approvals required to close the transaction, including any approvals under the CA and ICA, and the anticipated time frame and any anticipated impediments for obtaining such approvals and confirms that the Qualified Bidder will make and submit all necessary and applicable regulatory filings and pay all fees associated therewith;
- (vii) Disclaimer of Fees: Each Bid must disclaim any right to receive a fee analogous to a break-up fee, expense reimbursement, termination fee, or any other similar form of compensation;

- (viii) Treatment of Employees: Each Bid must include full details of the Qualified Bidder's intention towards offering continued employment to the Company's employees and by providing details on the terms and conditions of employment that will be offered to any continuing employees. For greater certainty, each Bid must include the proposed number of employees of the Company who will become employees of the Qualified Bidder or remain employees of the business, and disclose any expected material change in compensation arrangements including salary or benefits;
 - (ix) Timeline: Each Bid must provide a timeline to closing with critical milestones;
 - (x) Deposit: Each Bid must be accompanied by a refundable deposit (the "**Deposit**") in the form of a wire transfer to a non-interest bearing account specified by the Proposal Trustee, payable to the order of the Proposal Trustee, on behalf of the Company, in trust, in an amount equal to ten (10%) percent of the cash consideration contemplated by the Bid or as otherwise contemplated in any fully executed transaction document, to be held and dealt with in accordance with the terms of this SISP. For greater certainty, the Stalking Horse Bidder is not required to deliver a Deposit pursuant to these SISP Procedures;
 - (i) Terms of Court Order(s): Each Bid must describe the key terms and provisions to be included in any order of the Court approving the contemplated transaction;
 - (ii) Confirmation of no Collusion: Each Bid should include confirmation by the Qualified Bidder that it has not engaged in any discussions or any other collusive behaviour with any other Qualified Bidder regarding the SISP or any Bids submitted or contemplated to be submitted in the SISP; and
 - (iii) Other Information: Each Bid must contain such other information as may be reasonably requested by the Company or the Proposal Trustee from time to time.
27. Notwithstanding anything herein to the contrary, the Company, in consultation with the Proposal Trustee, will review and assess each Bid to determine whether such Bid is a Qualified Bid. In performing such review and assessment, the Company, in consultation with the Proposal Trustee, may evaluate the following non-exhaustive list of considerations: (a) the purchase price and net value (including assumed liabilities and other obligations to be performed by the Qualified Bidder); (b) the firm, irrevocable commitment for financing of the transaction; (c) the claims likely to be created by such Bid in relation to other Bids; (d) the counterparties to the transaction; (e) the terms of transaction documents, including, if applicable, the proposed revisions to the Stalking Horse Proposal; (f) the closing conditions and other factors affecting the speed, certainty and value of the transaction (including any regulatory approvals required to close the transaction); (g) planned treatment of stakeholders; (h) the assets included or excluded from the Bid; (i) any restructuring costs that would arise from the Bid; (j) the likelihood and timing of consummating the transaction, (k) the financing or cash pro forma available post-closing to fund the Company's business; (l) the capital sufficient to implement post-closing

measures and transactions; and (m) proposed treatment of the employees of the Company.

28. The Company, in consultation with the Proposal Trustee, may reject any Bid (other than, for clarity, the Stalking Horse Proposal) that is (i) inadequate or insufficient; (ii) not in conformity with the requirements pursuant to these SISP Procedures; (iii) contrary to the best interest of the Company; or (iv) not a Qualified Bid; provided that the Company may, in consultation and agreement with the Proposal Trustee, waive strict compliance with any one or more of the requirements specified in paragraph 26 above and deem a non-compliant Bid to be a Qualified Bid.

Selection of Successful Bid

29. In the event that no Qualified Bid other than the Stalking Horse Proposal is received, by the Bid Deadline, then (a) the Stalking Horse Proposal will be deemed to be the Successful Bid; (b) the Stalking Horse Bidder shall be deemed to be the Successful Bidder, and (c) the Company and the Proposal Trustee shall take all necessary steps to complete the Stalking Horse Proposal and the transactions provided for therein .
30. In the event that the Proposal Trustee determines that one or more Qualified Bids constitutes a Superior Offer, the Proposal Trustee shall (to the extent that there is more than one Superior Offer) select the highest or best Qualified Bid (the "**Successful Bid**" and the party submitting such Successful Bid, the "**Successful Bidder**") and shall identify and record the next highest and/or best Superior Offer (the "**Back-Up Bid**" and the party submitting such Back-Up Bid, the "**Back-Up Bidder**"). The Proposal Trustee shall advise the Successful Bidder and the Back-Up Bidder of such determinations and all other Qualified Bidders that they are not a Successful Bidder or a Back-Up Bidder.

Approval Motion

31. The Company and the Proposal Trustee shall take all necessary steps to implement the transaction contemplated by the Successful Bid and either the Company or the Proposal Trustee, as applicable, shall apply to the Court (the "**Approval Motion**") for an order approving the Successful Bid and authorizing the Company to enter into any and all necessary agreements with respect to the Successful Bid and to undertake such other actions as may be necessary or appropriate to implement and give effect to the Successful Bid. Such order shall also approve the Back-Up Bid, *mutatis mutandis*, and authorize the completion of the Back-Up Bid in the event that the Successful Bid does not close for any reason.
32. The hearing of the Approval Motion will be held as soon as possible after the selection of the Successful Bid. The Approval Motion may be adjourned or rescheduled by the Company or the Proposal Trustee, as applicable, without further notice by an announcement of the adjourned date at the Approval Motion, or by notice to the service list in the NOI Proceedings.
33. All Qualified Bids (other than the Successful Bid and the Back-Up Bid) will be deemed rejected on the date of approval of the Successful Bid by the Court.

Closing the Successful Bid

34. The Company and the Successful Bidder shall take all reasonable steps to complete the transaction contemplated by the Successful Bid as soon as possible after the Successful Bid is approved by the Court. If the transaction contemplated by the Successful Bid does not close for any reason the Company may elect, with the consent of the Proposal Trustee, to seek to complete the transaction contemplated by the Back-Up Bid, and will promptly seek to close the transaction contemplated by the Back-Up Bid. The Back-Up Bid will be deemed to be the Successful Bid and the Company will be deemed to have accepted the Back-Up Bid only when the Company has made such election and provided written notice of such determination to the Successful Bidder and the Back-Up Bidder.

Deposits

35. All Deposits shall be retained by the Proposal Trustee in a trust account with a chartered bank in Canada. The Deposit (without interest thereon) paid by the Successful Bidder and Back-Up Bidder whose Bid(s) is/are approved at the Approval Motion will be applied to the purchase price to be paid or investment amount to be made by the Successful Bidder and/or Back-Up Bidder, as applicable upon closing of the approved transaction and will be non-refundable, other than in the circumstances set out in the Successful Bid or the Back-Up Bid, as applicable.
36. The Deposits (without interest) of Qualified Bidders not selected as the Successful Bidder and Back-Up Bidder will be returned to such Qualified Bidders within five (5) Business Days of the date upon which the Successful Bid is approved by the Court or any earlier date as may be determined by the Company, in consultation with the Proposal Trustee. The Deposit of the Back-Up Bidder, if any, shall be returned to such Back-Up Bidder no later than five (5) Business Days after Closing.
37. If a Successful Bidder breaches its obligations under the terms of the SISP, its Deposit shall be forfeited as liquidated damages and not as a penalty.
38. If the Company is unable to complete the Successful Bid as a result of its own actions and not as a result of steps or conditions contained in the Successful Bid (or the actions of the Successful Bidder) then the Deposit shall be returned to the Successful Bidder.

Notice

39. The addresses used for delivering documents as prescribed by the terms and conditions of these SISP Procedures are set out in **Schedule "B"** hereto. A Bid and all associated documentation shall be delivered to the Proposal Trustee by electronic mail, personal delivery and/or courier. Persons requesting information about these SISP Procedures should contact the Proposal Trustee at the contact information contained in **Schedule "B"**.

No Amendment

40. There shall be no amendments to these SISP Procedures, including, for greater certainty the SISP Procedures set out herein, unless otherwise ordered by the Court upon application and appropriate notice.

Further Orders

41. At any time during these SISP Procedures, the Proposal Trustee, or the Company may apply to the Court for advice and directions with respect to the discharge of their powers and duties hereunder, including to terminate this SISP if deemed to be necessary by the Proposal Trustee or the Company, acting reasonably.

Schedule "A"

Defined Terms

"Administration Charge" means a charge to secure indebtedness, liabilities and obligations of the Proposal Trustee, the Proposal Trustee's legal counsel, the Stalking Horse Bidder's legal counsel, and the Company's legal counsel, up to the maximum amount of \$150,000.

"Approval Motion" is defined in paragraph 31.

"Approval Order" is defined in the Preamble to these Sale and Investment Solicitation Procedures.

"Back-Up Bid" is defined in paragraph 30.

"Back-Up Bidder" is defined in paragraph 30.

"BIA" is defined in the Preamble to these Sale and Investment Solicitation Procedures.

"Bids" is defined in paragraph 26.

"Bid Deadline" is defined in paragraph 26(e).

"Business Day" means a day (other than Saturday or Sunday) on which banks are generally open for business in Saskatoon, Saskatchewan.

"CA" means the *Competition Act*, R.S.C., 1985, c. C-34, as amended.

"Company" is defined in the Preamble to these Sale and Investment Solicitation Procedures.

"Court" is defined in the Preamble to these Sale and Investment Solicitation Procedures.

"Claims and Interests" is defined in paragraph 9.

"Closing" means the completion of the transaction contemplated by the Successful Bid.

"D&O Charge" means a charge to secure indebtedness, liabilities and obligations of directors and officers of the Company that are incurred after the commencement of the NOI Proceedings, up to the maximum amount of \$65,000.

"Data Room" is defined in paragraph 16.

"Deposit" is defined in paragraph 26(i)(x).

"DIP Charge" means charge to secure payment of the debtor-in-possession non-revolving loan facility (the **"DIP Facility"**)

"ICA" means the *Investment Canada Act*, R.S.C., 1985, c. 28 (1st Supp.), as amended.

"Known Potential Bidder" means any party identified as a potential bidder by the Company, in consultation with the Proposal Trustee.

"NDA" means a non-disclosure agreement in form and substance satisfactory to the Company, in consultation with the Proposal Trustee.

"NOI Proceedings" is defined in the Preamble to these Sale and Investment Solicitation Procedures.

"Non-Binding Indication of Interest" is defined in paragraph 18.

"Outside Date" means August 1, 2022.

"Participation Letter" is defined in paragraph 13(a).

"Person" shall be broadly interpreted and includes, without limitation: (i) a natural person, whether acting in his or her own capacity, or in his or her capacity as executor, administrator, estate trustee, trustee or personal or legal representative, and the heirs, executors, administrators, estate trustees, trustees or other personal or legal representatives of a natural person; and, (ii) a corporation or a company of any kind, a partnership of any kind, a sole proprietorship, a trust, a joint venture, an association, an unincorporated association, an unincorporated syndicate, an unincorporated organization or any other association, organization or entity of any kind.

"Priority Charges" means the Administration Charge, the DIP Charge and the D&O Charge any other charge that is granted in the NOI Proceedings that ranks in priority to the Stalking Horse Bidder Claims.

"Potential Bidder" is defined in paragraph 11.

"Proposal Trustee" has the meaning given to it in the Preamble to these Sale and Investment Solicitation Procedures.

"Qualified Bid" is defined in paragraph 26.

"Qualified Bidder" is defined in paragraph 14.

"Qualified Non-Binding Indication of Interest" is defined in paragraph 2018.

"SISP" is defined in the Preamble to these Sale and Investment Solicitation Procedures.

"SISP Order" is defined in the Preamble to these Sale and Investment Solicitation Procedures.

"SISP Procedures" is defined in the Preamble to these Sale and Investment Solicitation Procedures.

"Solicitation of Interest Deadline" is defined in paragraph 19.

"Stalking Horse Bidder" is defined in the Preamble to these Sale and Investment Solicitation Procedures.

"Stalking Horse Bidder Claims" means all indebtedness, liabilities and obligations owing by the Company to the Stalking Horse Bidder.

"Stalking Horse Proposal" is defined in the Preamble to these Sale and Investment Solicitation Procedures.

Stalking Horse Transaction is defined in the Preamble to these Sale and Investment Solicitation Procedures.

Successful Bid is defined in paragraph 30.

Successful Bidder is defined in paragraph 30.

Superior Offer means a credible, reasonably certain and financially viable offer made by a Qualified Bidder that (i) provides for consideration in excess of the aggregate value of the Stalking Horse Transaction, and (ii) the Company and the Proposal Trustee, each with the assistance of their legal advisors, consider to be better than the Stalking Horse Transaction. A Bid made by a Qualified Bidder will not constitute a **Superior Offer** unless it provides for: (a) the indefeasible payment, in full and in cash, of the Stalking Horse Bidder Claims; (b) the indefeasible payment, in full and in cash, of any amounts owing on the Priority Charges (c) such others terms and conditions as may be required by the Company and the Proposal Trustee each acting reasonably.

Schedule "B"

Address for Notices and Deliveries

To the Company:

Just Solutions Inc.
323 – 310 Main St. N.,
Moose Jaw, SK S6H 3K1

Attention: Justin Simpkins
Email: justin.simpkins@justsolutionsag.ca

With a copy to:

McCarthy Tétrault LLP
4000, 421 – 7th Avenue SW
Calgary, AB T2P 4K9

Attention: Walker MacLeod / Nathan Stewart / Erinn Wilson
Email: wmacleod@mccarthy.ca / nstewart@mccarthy.ca /
erinnwilson@mccarthy.ca

To the Proposal Trustee:

Alvarez & Marsal Canada Inc.
#1110, 250 6th Ave SW
Calgary, AB T2P 3H7

Attention: Orest Konowalchuk / Cassie Riglin / Bryan Krol
Email: okonowalchuk@alvarezandmarsal.com / criglin@alvarezandmarsal.com
/ bkrol@alvarezandmarsal.com

With a copy to:

MLT Aikins LLP
Suite 1201 – 409 3rd Avenue S
Saskatoon, SK S7K 5R5

Attention: Jeff Lee, Q.C.
Email: jmlee@mltaikins.com

This is Exhibit "E" referred to in the Affidavit of Justin Simpkins
sworn before me this 18th day of April, 2022.





Notary Public in and for the Province of Saskatchewan

COURT FILE NUMBER

ESTATE NUMBER

COURT OF QUEEN'S BENCH FOR SASKATCHEWAN
IN BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE

SASKATOON

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE
A PROPOSAL UNDER SECTION 50.4(1) OF THE
BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3,
AS AMENDED, OF JUST SOLUTIONS INC.**

DOCUMENT

PROPOSAL

ADDRESS FOR SERVICE
AND CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT

McCARTHY TÉTRAULT LLP
4000, 421 – 7th Avenue SW
Calgary, AB T2P 4K9

Attention: Walker MacLeod / Nathan Stewart / Erinn Wilson
(Student-at-Law)

Tel: 403-260-3710 / 3534 / 3682

Fax: 403-260-3501

Email: wmacleod@mccarthy.ca / nstewart@mccarthy.ca /
erinnwilson@mccarthy.ca

**PROPOSAL MADE UNDER DIVISION I OF PART III
OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3**

RECITALS

A. The Company is a corporation governed by the laws of the Province of Saskatchewan and is insolvent.

B. The Company commenced the NOI Proceedings under the BIA and obtained the Initial Order from the Honourable Justice ● on April 22, 2022 which, among other things, approved the SISP, approved this Stalking Horse Proposal as the stalking horse bid under the SISP, and extended the period within which the Company is required to file a proposal to its creditors with the Official Receiver under subsections 50.4(8) and 62(1) of the BIA by 45 days to and including June 6, 2022.

C. Pursuant to the SISP and this Stalking Horse Proposal, the Company agreed to, among other things: (i) conduct the SISP in accordance with its terms; and, (ii) in the event that the Proposal Sponsor is selected as the Successful Bidder (as such term is defined in the SISP), present this Stalking Horse Proposal to its creditors.

D. The SISP has concluded with the selection of the Proposal Sponsor as the Successful Bidder (as such term is defined in the SISP).

NOW THEREFORE the Company hereby proposes and presents this Stalking Horse Proposal under and pursuant to the BIA:

ARTICLE 1 - DEFINITIONS AND INTERPRETATION

1.1 Definitions

The following capitalized terms will have the meanings set out below:

- (a) **"Administration Charge"** means the charge created under the Initial Order securing the Administration Obligations, subject to the limits set out in the Initial Order or in any other Order.
- (b) **"Administration Obligations"** means the indebtedness, liabilities, and obligations of the Company regarding the unpaid professional fees and disbursements of the Proposal Trustee, the Proposal Trustee's legal counsel, the Proposal Sponsor's legal counsel, and the Company's legal counsel, in connection with the NOI Proceedings, that were and are incurred both before and after the granting of the Initial Order.
- (c) **"Affected Claims"** means the Affected Proposal Sponsor Claims and all other Proven Claims.
- (d) **"Affected Proposal Sponsor Claims"** means, collectively, the Proposal Sponsor Secured Claim and the Proposal Sponsor Unsecured Claim.
- (e) **"Affected Creditors"** means any Creditor holding an Affected Claim.

- 2 -

- (f) **"Affected Pro Rata Share"** means each Affected Secured Creditors' proportionate share of its Affected Secured Claim held by it on the Proposal Implementation Date of all Affected Secured Claims;
- (g) **"Affected Secured Claims"** means the Proposal Sponsor Secured Claim and any other Proven Claim that ranks *pari passu* with the Proposal Sponsor Secured Claim.
- (h) **"Affected Secured Creditor"** means any Creditor holding an Affected Secured Claim.
- (i) **"Affected Unsecured Claims"** means the Proposal Sponsor Unsecured Claim and any other Proven Claim that ranks subordinate to the Proposal Sponsor Secured Claim.
- (j) **"Affected Unsecured Creditor"** means any Creditor holding an Affected Unsecured Claim.
- (k) **"Approval Order"** is defined in Section 8.2.
- (l) **"Articles"** means the articles of amalgamation of the Company filed on June 22, 2016, pursuant to which, among other things, the Company was formed by an amalgamation of Just Solutions Inc., Onesimus International Corp., and Seven Edge Success Leadership Training Inc.
- (m) **"Articles of Reorganization"** is defined in Section 4.4.
- (n) **"BCA"** means *The Business Corporations Act* (Saskatchewan), R.S.S. 1978, c. B-10.
- (o) **"BIA"** means the *Bankruptcy and Insolvency Act* (Canada), R.S.C. 1985, c. B-3.
- (p) **"BIA Charges"** means, collectively, the Administration Charge, the DIP Charge, and the D&O Charge.
- (q) **"Business"** means the business and operations carried on by the Company as at the Filing Date, including, without limitation, with respect to selling or binding hail insurance policies and multi peril cash flow Ag Right Risk Management policies.
- (r) **"Business Day"** means any day except Saturday, Sunday, or any day on which banks are generally not open for business in the City of Saskatoon.
- (s) **"Claim"** includes any right or claim (including, without limitation, an Equity Claim) of any Person that may be asserted or made in whole or in part against the Company, whether or not asserted or made, in connection with any indebtedness, liability, obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, including without limitation, by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including, without limitation, any legal, statutory, equitable or fiduciary duty) or by reason of any right of ownership of or title to property or assets or right to a trust

or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present or future, known or unknown, by guarantee, surety or otherwise, and whether or not any right or claim is executory or anticipatory in nature including, without limitation, any right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action whether existing at present or commenced in the future, which indebtedness, liability or obligation, and any interest accrued thereon or costs payable in respect thereof (i) is based in whole or in part on facts prior to the Filing Date, (ii) relates to a time period prior to the Filing Date, or (iii) is a right or claim of any kind that would be a claim provable in bankruptcy (within the meaning of section 2 of the BIA) had the Company become bankrupt on the Filing Date.

- (t) **"Classes"** means, collectively, the Secured Creditor Class and the Unsecured Creditor Class, and **"Class"** means either one of them, as context may require.
- (u) **"Company"** means Just Solutions Inc.
- (v) **"Court"** means the Court of Queen's Bench for Saskatchewan in Bankruptcy and Insolvency, presiding over the NOI Proceedings, or any court sitting in appeal therefrom.
- (w) **"Creditor"** means any Person holding a Claim against the Company.
- (x) **"Creditors' Meeting"** means the meeting of the Affected Creditors to be called and held pursuant to section 51(1) of the BIA for the purpose of considering and voting upon this Stalking Horse Proposal, and includes any adjournment of such meeting.
- (y) **"D&O Charge"** means the charge created under the Initial Order securing the D&O Obligations, subject to the limits set out in the Initial Order or in any other Order.
- (z) **"D&O Obligations"** means the indebtedness, liabilities, and obligations of the Directors and Officers of the Company, in their respective capacities as Directors or Officers, as applicable, that are incurred after the commencement of the BIA Proceedings, but excluding any such obligation or liabilities incurred as a result of the applicable Director's or Officer's gross negligence or wilful misconduct.
- (aa) **"DIP Charge"** means the charge created under the Initial Order securing the DIP Facility Obligations, subject to the limits set out in the Initial Order or in any other Order.
- (bb) **"DIP Facility Obligations"** means the indebtedness, liabilities, and obligations of the Company with respect to the debtor-in-possession interim financing facility approved by the Court pursuant to the Initial Order.
- (cc) **"Directors"** means any past or present directors of the Company.

- (dd) **"Effective Time"** means 12:01 a.m. (Saskatoon time) on the Proposal Implementation Date or such other time on such date as the Company, the Proposal Sponsor and the Proposal Trustee agree in writing.
- (ee) **"Encumbrance"** means any mortgage, charge, security interest, pledge, assignment, hypothecation, title retention, finance lease or trust (whether contractual, statutory or otherwise) securing payment or performance of any Claim, or any lien, restriction, option, adverse claim, right of others or other encumbrance of any kind.
- (ff) **"Equity Claim"** has the meaning ascribed to it in the BIA.
- (gg) **"Equity Interest"** has the meaning ascribed to it in the BIA.
- (hh) **"Existing Shareholder"** means any holder of Existing Shares.
- (ii) **"Existing Shares"** includes all Equity Interests in the Company and all common shares, preferred shares and other securities (including stock options, warrants or other rights to acquire securities of any nature of the Company) in the capital of or issued by the Company and, for greater certainty, without restricting the generality of the foregoing, includes all issued and outstanding Class "A", Class "B", and Class "C" shares in the Company, whether held by the Proposal Sponsor or any other Person.
- (jj) **"Filing Date"** means April 18, 2022.
- (kk) **"Governmental Authority"** means any federal, provincial, state, local, municipal, regional, territorial, aboriginal, or other government, governmental or public department, branch, ministry, or court, domestic or foreign, including any district, agency, commission, board, arbitration panel or authority and any subdivision of any of them exercising or entitled to exercise any administrative, executive, judicial, ministerial, prerogative, legislative, regulatory, or taxing authority or power of any nature; and any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of them, and any subdivision of any of them.
- (ll) **"Initial Order"** means the Order of the Honourable Justice • in the NOI Proceedings pronounced on April 22, 2022.
- (mm) **"ITA"** means the *Income Tax Act* (Canada), R.S.C. 1985, c. 1 (5th Supp.).
- (nn) **"Letter of Instruction"** means a letter issued by an Affected Secured Creditor to the Company instructing the Company to issue to such Affected Secured Creditor Class "A" Common Shares .
- (oo) **"New Directors"** means the Person or Persons selects to serve as directors of the Company by the Proposal Trustee, in consultation with the Proposal Sponsor, the Company and the Affected Secured Creditors;

- (pp) **"New Shares"** means the shares in the capital of the Company to be issued to the Affected Secured Creditors on a *pro rata* basis and in satisfaction of their Affected Secured Claims pursuant to and in accordance with Section 5.1 and Section 6.1.
- (qq) **"NOI Proceedings"** means these proceedings initiated by the Company on the Filing Date by filing a Notice of Intention to Make a Proposal pursuant to section 50.4 the BIA.
- (rr) **"Obligations"** means any indebtedness, liabilities and obligations, whether present, future, direct, indirect, liquidated or contingent, whether due or accruing due or to become due, owed by the Company to any Person.
- (ss) **"Officers"** means any past and present senior officers of the Company.
- (tt) **"Order"** means an order of a Court in the NOI Proceedings.
- (uu) **"Person"** will be broadly interpreted and includes, without limitation: (i) a natural person, whether acting in his or her own capacity, or in his or her capacity as executor, administrator, estate trustee, trustee or personal or legal representative, and the heirs, executors, administrators, estate trustees, trustees or other personal or legal representatives of a natural person; (ii) a corporation or a company of any kind, a partnership of any kind, a sole proprietorship, a trust, a joint venture, an association, an unincorporated association, an unincorporated syndicate, an unincorporated organization or any other association, organization or entity of any kind; and (iii) a Governmental Authority.
- (vv) **"Proposal Sponsor"** means Forage Subordinated Debt Limited Partnership II.
- (ww) **"Proposal Sponsor Secured Claim"** means the Proven Claim of the Proposal Sponsor, in the amount submitted by the Proposal Sponsor and admitted by the Proposal Trustee, which is a Secured Claim.
- (xx) **"Proposal Sponsor Unsecured Claim"** means the Proven Claim of the Proposal Sponsor, in the amount submitted by the Proposal Sponsor and admitted by the Proposal Trustee, which is an Unsecured Claim.
- (yy) **"Proposal Trustee"** means Alvarez & Marsal Canada Inc., in its capacity as proposal trustee of the Company in the NOI Proceedings.
- (zz) **"Proposal Trustee's Certificate"** is defined in Section 9.3.
- (aaa) **"Proposal Implementation"** means the fulfillment, satisfaction or waiver of the conditions set out in Section 9.1 and the occurrence or effecting of the steps set out in Section 6.3.
- (bbb) **"Proposal Implementation Date"** means the date on which Proposal Implementation occurs.
- (ccc) **"Proven Claim"** means a Claim to the extent that such Claim is finally determined and valued in accordance with the provisions of the BIA or an Order pronounced in the NOI Proceedings.

- (ddd) **"Released Parties"** is defined in Article 7.
- (eee) **"Required Majority"** means, in respect of each Class of Affected Creditors, a majority in number of the Affected Creditors who represent at least two-thirds in value of such Affected Creditors who actually vote on the resolution approving this Stalking Horse Proposal (in person or by proxy) at the Creditors' Meeting.
- (fff) **"Secured Claim"** means a Claim which is secured by an Encumbrance.
- (ggg) **"Secured Creditor"** means a Creditor holding a Secured Claim, to the extent of its Secured Claim.
- (hhh) **"Secured Creditor Class"** means the class comprised of Secured Creditors.
- (iii) **"Share Register"** means the share register created by the Company upon Proposal Implementation to record the Shares issued from time to time by the Company.
- (jjj) **"SISP"** means the sale and investor solicitation process approved by the Court pursuant to the Initial Order.
- (kkk) **"Stalking Horse Proposal"** means this proposal filed by the Company pursuant to the BIA, as it may be further amended, supplemented or restated from time to time in accordance with the terms hereof or any Order or the Court.
- (lll) **"Trade Amounts"** means all Obligations of the Company related to trade payables owed to third parties in connection with the Business, whether incurred before, on, or after the Filing Date.
- (mmm) **"Unaffected Claims"** means:
- (i) any Claims contemplated by section 178(1) of the BIA;
 - (ii) any Claims contemplated by section 60(1.1) of the BIA;
 - (iii) the Administration Obligations, but only to the extent that such Obligations are secured pursuant to the Administration Charge;
 - (iv) the Unaffected Proposal Sponsor Claims;
 - (v) all Claims which relate to Trade Amounts;
 - (vi) all Claims of employees of the Company that arise through the employer-employee relationship between such employees and the Company and that do not constitute Equity Claims; and,
 - (vii) all other Claims that the Proposal Sponsor agrees in writing, with the prior written consent of the Proposal Trustee, to treat as an Unaffected Claim at or prior to the Creditors' Meeting.
- (nnn) **"Unaffected Creditor"** means a Creditor that holds an Unaffected Claim.

- (ooo) **"Unaffected Proposal Sponsor Claims"** means all Claims and Encumbrances held by the Proposal Sponsor other than the Affected Proposal Sponsor Claims.
- (ppp) **"Unsecured Claim"** means a Claim which is not secured by an Encumbrance.
- (qqq) **"Unsecured Creditor"** means a Creditor holding an Unsecured Claim, to the extent of its Unsecured Claim.
- (rrr) **"Unsecured Creditor Class"** means the class comprised of Unsecured Creditors.
- (sss) **"Unsecured Creditors' Distribution"** means, with respect to each Affected Unsecured Claim, an amount equal to one one hundredth of a cent (\$0.0001) per dollar of the value of such Affected Unsecured Claim as admitted by the Proposal Trustee.

1.2 Certain Rules of Interpretation

For the purposes of this Stalking Horse Proposal:

- (a) any reference in this Stalking Horse Proposal to a contract, instrument, release, indenture or other agreement or document being in a particular form or on particular terms and conditions means that such document will be substantially in such form or substantially on such terms and conditions;
- (b) any reference in this Stalking Horse Proposal to an Order or an existing document or exhibit filed or to be filed means such document or exhibit as it may have been or may be amended, modified, or supplemented;
- (c) the division of this Stalking Horse Proposal into articles and sections are for convenience of reference only and do not affect the construction or interpretation of this Stalking Horse Proposal, nor are the descriptive headings of articles and sections intended as complete or accurate descriptions of the content thereof;
- (d) the use of words in the singular or plural, or with a particular gender, including a definition, will not limit the scope or exclude the application of any provision of this Stalking Horse Proposal to such Person (or Persons) or circumstances as the context otherwise permits;
- (e) the words **"includes"** and **"including"** and similar terms of inclusion will not, unless expressly modified by the words **"only"** or **"solely"**, be construed as terms of limitation, but rather will mean **"includes but is not limited to"** and **"including but not limited to"**, so that references to included matters will be regarded as illustrative without being either characterizing or exhaustive;
- (f) unless otherwise specified, all references to time herein and in any document issued pursuant hereto mean local time in Saskatoon, Saskatchewan and any reference to an event occurring on a Business Day will mean prior to 5:00 p.m. (Saskatchewan time) on such Business Day;
- (g) unless otherwise specified, time periods within or following which any payment is to be made or act is to be done will be calculated by excluding the day on which

the period commences and including the day on which the period ends and by extending the period to the next succeeding Business Day if the last day of the period is not a Business Day;

- (h) unless otherwise provided, any reference to a statute or other enactment of parliament, a legislature or other Government Authority includes all regulations made thereunder, all amendments to or re-enactments of such statute or regulations in force from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation;
- (i) references to a specific Recital, Article or Section of this Stalking Horse Proposal will, unless something in the subject matter or context is inconsistent therewith, be construed as references to that specific Recital, Article or Section of this Stalking Horse Proposal, whereas the terms "**this Stalking Horse Proposal**", "**hereof**", "**herein**", "**hereto**", "**hereunder**" and similar expressions will be deemed to refer generally to this Stalking Horse Proposal and not to any particular Recital, Article, Section or other portion of this Stalking Horse Proposal and include any documents supplemental hereto; and,
- (j) the word "**or**" is not exclusive.

1.3 Successors and Assigns

This Stalking Horse Proposal will be binding upon and will enure to the benefit of the respective heirs, administrators, executors, legal personal representatives, successors and assigns of any Person named or referred to in this Stalking Horse Proposal.

1.4 Currency

For the purposes of this Stalking Horse Proposal, all amounts will be denominated in Canadian dollars and all payments and distributions to be made in cash will be made in Canadian dollars. Any Claims or other amounts denominated in a foreign currency will be converted to Canadian dollars at the Reuters closing rate on the Filing Date.

1.5 Governing Law

This Stalking Horse Proposal will be governed by and construed in accordance with the laws of Saskatchewan and the federal laws of Canada applicable therein. All questions as to the interpretation of or application of this Stalking Horse Proposal and all proceedings taken in connection with this Stalking Horse Proposal and its provisions will be subject to the jurisdiction of the Court.

1.6 Schedules

The following schedules are attached to, incorporated by reference into and form part of this Stalking Horse Proposal:

- Schedule "A" - Articles of Reorganization
- Schedule "B" - Share Provisions Schedule

ARTICLE 2 - PURPOSE AND EFFECT OF THE STALKING HORSE PROPOSAL**2.1 Purpose**

The purpose of this Stalking Horse Proposal is:

- (a) to enable the Company to continue its business as a going concern from and after the Proposal Implementation Date;
- (b) to retract and terminate all Existing Shares for no consideration;
- (c) to amend and restate the Articles to cancel and terminate all classes of Existing Shares, and to create the New Shares and set out the rights of such class of such New Shares;
- (d) to issue the New Shares to the Affected Secured Creditors on a *pro rata* basis and in satisfaction of their Affected Secured Claims;
- (e) to issue the Unsecured Creditors' Distribution to the Affected Unsecured Creditors in satisfaction of their Affected Unsecured Claims; and
- (f) to effect a full, final and irrevocable compromise, release, discharge, cancellation and bar of all Claims other than Unaffected Claims.

This Stalking Horse Proposal is put forward in the expectation that the Persons with an economic interest in the Company, when considered as a whole, will derive a greater benefit from the implementation of this Stalking Horse Proposal and the continuation of the business carried on by the Company as a going concern than would result from a bankruptcy, receivership or liquidation of the Company.

2.2 Persons Affected by this Stalking Horse Proposal

This Stalking Horse Proposal affects:

- (a) the Affected Creditors;
- (b) any Creditor having a Claim that is barred, released and extinguished under Section 4.1; and
- (c) the Existing Shareholders through the retraction, termination and cancellation of the Existing Shares.

2.3 Unaffected Claims

Any Unaffected Claims will be satisfied by the Company in the manner and to the extent contemplated in Section 5.2 and are therefore uncompromised by this Stalking Horse Proposal. Consistent with the foregoing, all liabilities of the Released Parties in respect of Unaffected Claims, other than the liability of the Company to satisfy the Unaffected Claims in the manner and to the extent contemplated in Section 5.2, will be fully, finally, irrevocably and forever

compromised, released, discharged, cancelled and barred pursuant to Section 7.1. Nothing in this Stalking Horse Proposal will affect the Company's rights and defences, both legal and equitable, with respect to any Unaffected Claims, including but not limited to, all rights with respect to legal and equitable defences or entitlements to set-offs or recoupments against such Unaffected Claims.

ARTICLE 3 - CLASSIFICATION, VOTING AND RELATED MATTERS

3.1 Claims Procedure

- (a) The procedure for determining the validity, priority and quantum of all Claims will be governed by this Stalking Horse Proposal, the BIA and any further Order in the NOI Proceedings. A Creditor will, in respect of its own Claim, have the right to seek the assistance of the Court in valuing any Claim in accordance with the BIA; and,
- (b) Nothing in this Stalking Horse Proposal will give or be interpreted to give any rights to any Person in respect of Claims that have been barred or extinguished pursuant to the BIA.

3.2 Class of Creditors entitled to Vote upon this Stalking Horse Proposal

The Affected Creditors will constitute two Classes for the purposes of considering and voting upon this Stalking Horse Proposal, being the Unsecured Creditor Class and the Secured Creditor Class. The Affected Creditors will be entitled to vote their Affected Claims at the Creditors' Meeting in respect of this Stalking Horse Proposal and in accordance with the provisions of the BIA.

3.3 Creditors' Meeting

The Creditors' Meeting will be held in accordance with Division I of Part III of the BIA. The only Persons entitled to attend the Creditors' Meeting are:

- (a) the Proposal Trustee and its legal counsel;
- (b) the Affected Creditors (including the holders of proxies) with Affected Claims and their legal counsel;
- (c) the Proposal Sponsor and its legal counsel;
- (d) the Company and its legal counsel; and,
- (e) any other Person admitted on invitation of the chair of the Creditors' Meeting.

3.4 Approval of this Stalking Horse Proposal by the Affected Creditors

This Proposal is to be voted on by the Classes at the Creditors' Meeting.

For the purpose of voting as a member of the Secured Creditor Class, each Affected Secured Creditor entitled to vote at the Creditors' Meeting will be entitled to one vote for each dollar in value of its Affected Secured Claim (for example, a \$100 Affected Secured Claim will entitle the

holder to 100 votes) for the purposes of determining a majority in value, and each Affected Secured Creditor shall count as one vote for determining a majority in number.

For the purpose of voting as a member of the Unsecured Creditor Class, each Affected Unsecured Creditor entitled to vote at the Creditors' Meeting will be entitled to one vote for each dollar in value of its Affected Unsecured Claim (for example, a \$100 Affected Unsecured Claim will entitle the holder to 100 votes) for the purposes of determining a majority in value, and each Affected Unsecured Creditor shall count as one vote for determining a majority in number.

In order for this Stalking Horse Proposal to be approved by the Affected Creditors, it must receive the affirmative vote of the Required Majority at the Creditors' Meeting.

3.5 Creditors with Unaffected Claims

No Unaffected Creditor in respect of an Unaffected Claim will be entitled to vote on this Stalking Horse Proposal or attend the Creditors' Meeting.

3.6 Existing Shareholders

No Existing Shareholder in respect of its Existing Shares or in respect of any Equity Claim will be entitled to vote on this Stalking Horse Proposal or to attend the Creditors' Meeting.

ARTICLE 4 - RESTRUCTURING OF THE COMPANY

4.1 Release and Extinguishment of Claims

Effective upon Proposal Implementation and subject to the conditions precedent set forth in Section 9.1 being satisfied or waived, each Claim that does not constitute an Unaffected Claim shall be fully, finally, irrevocably and forever released, discharged, cancelled and extinguished and any Person holding such a Claim shall be forever barred, estopped, restrained, and permanently stayed from asserting such a Claim against the Company.

4.2 Corporate Actions

The adoption, execution, delivery, implementation and consummation of all matters contemplated under this Stalking Horse Proposal involving corporate action of the Company will occur and be effective as of Proposal Implementation, and will be authorized and approved under this Stalking Horse Proposal and by the Court, where appropriate, as part of the Approval Order, in all respects and for all purposes without any requirement of further action by the Existing Shareholders or current Directors or Officers of the Company. All necessary approvals to take actions will be deemed to have been obtained from the current Directors or Existing Shareholders, as applicable, including the deemed passing by any class of Existing Shareholders of any resolution or special resolution.

4.3 Redemption and Cancellation of Existing Shares

Effective upon Proposal Implementation, the issued and outstanding Existing Shares will be deemed to be retracted and to be fully, finally and irrevocably cancelled and extinguished without any consideration and any and all Claims of the Existing Shareholders in respect of or arising from the Existing Shares will be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred.

4.4 Articles of Reorganization

Effective upon Proposal Implementation in accordance with Section 6.3(b), the Articles will be amended and restated under section 185 of the BCA by articles of reorganization incorporating and implementing the terms of this Stalking Horse Proposal, cancelling all classes of Existing Shares and deleting all references thereto from the Articles, and creating the New Shares in the capital of the Company having the attributes and rights set out in Schedule "A", and all provisions in the Articles relating to the Existing Shares and the rights and privileges of the Existing Shareholders are amended and restated by the terms and provisions set out on Schedule "A" (the articles of reorganization, to which the Approval Order is attached as Exhibit "A" thereto, this Stalking Horse Proposal is attached as Exhibit "B" thereto, and the terms and provisions relating to the Shares set out on Schedule "A" and attached as Exhibit "C" thereto (each such document attached as an Exhibit to such articles of reorganization being incorporated in and forming part thereof) are defined as the "**Articles of Reorganization**").

4.5 Stock Options and Other Securities

For greater certainty, effective on Proposal Implementation:

- (a) all Equity Interests and stock option plans of the Company in existence immediately before the Proposal Implementation Date will be terminated and any Claims of any Person thereunder or arising as a result of such termination will be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred; and,
- (b) all other Equity Interests and securities of whatsoever description in the capital of the Company in existence immediately before the Proposal Implementation Date will be terminated and any Claims of any Person thereunder or arising as a result of such termination will be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred.

ARTICLE 5- DISTRIBUTIONS

5.1 Issuance of New Shares to Affected Secured Creditors

On the Proposal Implementation Date, in accordance with this Stalking Horse Proposal and subject to the conditions precedent set forth in Section 9.1 being satisfied or waived, each Affected Secured Creditor shall be entitled to receive a distribution of New Shares based on its Affected Pro Rata Share entitlement and which shall, and shall be deemed to, be received in full and final settlement of all Affected Secured Claims.

5.2 Issuance of Unsecured Creditors' Distribution to Affected Unsecured Creditors

On the Proposal Implementation Date, in accordance with this Stalking Horse Proposal and subject to the conditions precedent set forth in Section 9.1 being satisfied or waived, each Affected Unsecured Creditor shall be entitled to receive a distribution of cash in the amount of its respective Unsecured Creditors' Distribution based on the value of its Affected Unsecured Claim and which shall, and shall be deemed to, be received in full and final settlement of all Affected Unsecured Claims. The method and timing of distribution of the Unsecured Creditors' Distribution shall be in accordance with Section 6.2.

5.3 Unaffected Creditors

No Unaffected Creditor will be entitled to receive any distribution, dividend or payment under this Stalking Horse Proposal. At or after Proposal Implementation, all Unaffected Creditors will be paid in full and in accordance with the existing terms and conditions of their contractual arrangements with the Company or on such other terms and conditions as may be agreed to by each of the Company and the Unaffected Creditor in writing. For greater certainty: (i) nothing in this Stalking Horse Proposal will affect the rights that any Unaffected Creditor has or may have with respect to any Unaffected Claims and all such rights shall continue and be unaffected by this Stalking Horse Proposal; and, (ii) all Persons holding Claims which relate to Trade Amounts shall be paid, in full, in the ordinary course of the Company's Business on the existing terms and conditions of their contractual arrangements with the Company, unless such Person(s) and the Company agree otherwise in writing.

5.4 Crown Priority Claims

Within six (6) months after Proposal Implementation, the Company will pay in full to Her Majesty in Right of Canada or any province any amount of a kind that could be subject to a demand under the statutory provision referred to in section 54(2.1) of the BIA that was outstanding on the Filing Date which has not been paid by Proposal Implementation.

5.5 Existing Shareholders

No Existing Shareholder in respect of its Existing Shares will be entitled to receive any consideration or distributions under this Stalking Horse Proposal. All Claims of Existing Shareholders in respect of or arising from their Existing Shares will be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred effective on Proposal Implementation.

5.6 Withholding Rights

The Company will be entitled to deduct or withhold from any amount payable to any Person under this Stalking Horse Proposal such amounts as it is required to deduct and withhold with respect to such payment under the ITA. To the extent that amounts are so withheld or deducted, such withheld or deducted amounts will be treated for all purposes under this Stalking Horse Proposal as having been paid to the Person in respect of which such deduction or withholding was made, provided that such amounts are actually remitted to the Governmental Authority to whom the Company is required to remit under the ITA.

ARTICLE 6 - MECHANICS OF IMPLEMENTATION

6.1 Issuance of New Shares

The New Shares will be issued to Affected Secured Creditors as determined by the Company, the Affected Secured Creditors and the Proposal Trustee and the Company shall register the New Shares in the Share Register and in accordance with the Affected Pro Rata Share entitlements.

6.2 Issuance of Unsecured Creditors' Distribution

The Unsecured Creditors' Distribution will be paid to an Affected Unsecured Creditor by the Company within seven (7) days of such Affected Unsecured Creditor presenting its respective

Proven Claim to the Company, provided such presentation occurs on or after the Proposal Implementation Date.

6.3 Implementation Steps

- (a) Upon the Company completing the deliveries contemplated by Section 6.1, and the fulfillment, satisfaction or waiver of the conditions set out in Section 9.1, the following steps and releases to be taken and effected in implementation of this Stalking Horse Proposal will occur, and be deemed to have occurred and be taken and effected, immediately in sequence in the following order, without any further act or formality, on the Proposal Implementation Date beginning at the Effective Time:
 - (i) all Existing Shares will be redeemed, cancelled and extinguished without any consideration in accordance with Section 4.3;
 - (ii) all Claims that are not Unaffected Claims shall be released, barred and extinguished in the manner provided for in Section 4.1;
 - (iii) the Articles of Reorganization will be filed with the director under the BCA, amending and restating the Articles in accordance with Section 4.4;
 - (iv) the New Shares will be deemed to have been issued to the Affected Creditors in accordance with Section 6.1;
 - (v) the Unaffected Creditors' Distribution will become payable in accordance with the terms of Section 6.2;
 - (vi) the releases contained in Section 7.1 will become effective;
 - (vii) the New Directors will be appointed as directors of the Company in accordance with section 185(3)(b) of the BCA; and,
 - (viii) the BIA Charges will be deemed to be fully satisfied, released and discharged.
- (b) Upon the completion of the sequential steps referred to in Section 6.3(a):
 - (i) the Company will deliver the New Shares to the Affected Creditors in accordance with Section 6.1; and,
 - (ii) upon issuance by the director under the BCA of a certificate of amendment in respect of the Articles of Reorganization, the Company will forthwith deliver a copy of such certificate to the Proposal Trustee.

ARTICLE 7 - RELEASES

7.1 Releases

Effective on Proposal Implementation in accordance with Section 6.3(a), each of the Company, the Proposal Sponsor and the Proposal Trustee together with their respective advisors, agents, officers, directors, and assigns (each, a "Released Party") shall be released and discharged from

any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, orders (including for injunctive relief or specific performance and any compliance orders), expenses, executions, attachments, garnishments, Encumbrances and other recoveries on account of any liability, obligation, demand or cause of action of whatsoever nature which any Creditor or other Person may be entitled to assert, including any Claims, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, in each of the foregoing cases based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to Proposal Implementation in any way relating to, arising out of or in connection with any Claims, the arrangement, compromise and restructuring contemplated in this Stalking Horse Proposal, the business carried on by the Company, the administration of this Stalking Horse Proposal or the NOI Proceedings, and all Claims arising out of such actions or omissions will be forever waived and released, all to the full extent permitted by Applicable Law, provided that nothing in this Stalking Horse Proposal shall release or discharge:

- (a) the Company from any Unaffected Claims or any obligation to any Person created by this Stalking Horse Proposal; or,
- (b) a Released Party from any criminal or fraudulent misconduct; or,
- (c) solely as it pertains to any Released Party who is a Director or Officer, any Claim that relates to contractual rights of one or more creditors or are based on allegations of misrepresentation made by any Director or Officer to creditors or wrongful or oppressive conduct by such Directors or Officers.

ARTICLE 8 - COURT APPROVAL

8.1 Application for the Approval Order

If the Required Majority approves this Stalking Horse Proposal, the Proposal Trustee will promptly apply for the Approval Order.

8.2 Approval Order

The Order of the Court approving this Stalking Horse Proposal (the "**Approval Order**") will be made pursuant to the BIA and the BCA and will, among other things:

- (a) be substantially in the form attached as Schedule "C" to this Stalking Horse Proposal, with such revisions as may be agreed to by the Company, the Proposal Sponsor, and the Proposal Trustee, each acting reasonably;
- (b) declare that this Stalking Horse Proposal is fair and reasonable and the Successful Bid (as such term is defined in the SISF);
- (c) declare that as of Proposal Implementation, this Stalking Horse Proposal and all associated steps, transactions, arrangements, assignments, releases and reorganizations effected hereby are approved, binding and effective as herein set out upon the Company, all Affected Creditors, all Unaffected Creditors, the Existing Shareholders and all other Persons and parties affected by this Stalking Horse Proposal;

- (d) declare that the steps to occur, be taken and be effected, and the releases to be effected, on Proposal Implementation are deemed to occur, be taken and effected, and be effective in the sequential order contemplated by Section 6.3(a) on Proposal Implementation, beginning at the Effective Time;
- (e) declare that effective upon the fulfillment, satisfaction or waiver of the conditions in Section 9.1, and in the sequential order contemplated by Section 6.3:
 - (i) all Claims other than Unaffected Claims shall be fully, finally, irrevocably and forever released, discharged, cancelled and extinguished and that any Person holding such a Claim shall be forever barred and estopped from asserting such a Claim against the Company;
 - (ii) all Existing Shares are retracted, redeemed, and fully, finally and irrevocably cancelled and extinguished as of the Effective Date for no consideration and any rights of the Existing Shareholders under, pursuant to or arising from their Existing Shares are extinguished;
 - (iii) the Articles of Reorganization will be filed with the director under the BCA, amending and restating the Articles;
 - (iv) all classes of Existing Shares are deleted, cancelled and extinguished;
 - (v) the New Shares shall be issued to the Affected Creditors free and clear of any Encumbrances or Claims;
 - (vi) the Unsecured Creditors' Distribution shall become payable in accordance with Section 6.2;
 - (vii) the releases referred to in Section 7.1 will become effective in accordance with this Stalking Horse Proposal;
 - (viii) the New Directors will be appointed as Directors of the Company; and,
 - (ix) the BIA Charges are terminated and discharged (effective, in the case of the Administration Charge, on the filing by the Proposal Trustee of the certificate under Section 8.2(j));
- (f) declare that all obligations, agreements or leases to which the Company is a party will be and remain in full force and effect, unamended, as at Proposal Implementation, and no party to any such obligation or agreement will on or following Proposal Implementation accelerate, terminate, refuse to renew, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise (or purport to enforce or exercise) any right or remedy under or in respect of any such obligation, agreement or lease, by reason:
 - (i) of any event which occurred prior to, and not continuing after, the Effective Date or which is or continues to be suspended or waived under this Stalking Horse Proposal, which would have entitled any other party thereto to enforce those rights or remedies;

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- (ii) that the Company has sought or obtained relief or has taken steps as part of this Stalking Horse Proposal or under the BIA or BCA;
 - (iii) of any default or event of default arising as a result of the financial condition or insolvency of the Company;
 - (iv) of the effect upon the Company of the completion of any of the transactions contemplated under this Stalking Horse Proposal; or
 - (v) of any restructurings or reorganizations effected pursuant to this Stalking Horse Proposal;
- (g) declare that all Claims (other than Unaffected Claims) are forever barred and extinguished, the Company is discharged and released from any and all Claims of any nature or kind in accordance with the Proposal, the ability of any Person to proceed against the Company in respect of or relating to any Claims (other than Unaffected Claims) is forever discharged and restrained and all proceedings with respect to, in connection with or relating to such Claims are permanently stayed, subject only to the rights of the Affected Creditors and Unaffected Creditors as provided for in this Stalking Horse Proposal, provided that nothing shall release or discharge (a) the Company from any obligation owed to any Person pursuant to this Stalking Horse Proposal, or (b) a Released Party from any criminal or fraudulent conduct
- (h) stay, suspend and forever extinguish the commencing, taking, applying for or issuing or continuing any and all steps or proceedings, including administrative hearings and orders, declarations or assessments, commenced, taken or proceeded with or that may be commenced, taken or proceeded with against any Released Party in respect of all Claims and any other matter released pursuant to Section 7.1;
- (i) authorize the Proposal Trustee to perform its functions and fulfil its obligations under this Stalking Horse Proposal to facilitate the implementation of this Stalking Horse Proposal;
- (j) declare that upon completion by the Proposal Trustee of its duties in respect of the Company pursuant to the BIA and the Orders, the Proposal Trustee may file with the Court a certificate of Stalking Horse Proposal completion stating that all of its duties in respect of the Company pursuant to the BIA and the Orders have been completed and thereupon, without further Order of the Court, the Proposal Trustee will be discharged from its duties as Proposal Trustee of the Company and the Administration Charge will be terminated and released; and,
- (k) declare that the Company, the Proposal Trustee, the Affected Creditors, or any other interested Person may apply to the Court for advice and direction in respect of any matter arising from or under this Stalking Horse Proposal.

ARTICLE 9 - CONDITIONS TO PROPOSAL IMPLEMENTATION

9.1 Conditions to Proposal Implementation

Proposal Implementation will be conditional upon the fulfillment, satisfaction or waiver (in accordance with Section 9.2) of the following conditions:

- (a) this Stalking Horse Proposal will have been approved by the Required Majority of Affected Creditors;
- (b) the Court will have granted the Approval Order, the operation and effect of which will not have been stayed, reversed or amended, and all applicable appeal periods in respect of the Approval Order will have expired and in the event of an appeal or application for leave to appeal, final determination of such appeal or such application for leave to appeal upholding the Approval Order will have been made by the applicable appellate Court; and,
- (c) all regulatory approvals, consents, waivers, and filings that are required in respect of this Proposal shall have been obtained, approved, or granted;

9.2 Waiver

The Proposal Sponsor may at any time waive in writing the fulfillment or satisfaction, in whole or in part, of any one or more of the conditions set out in Section 9.1.

9.3 Proposal Trustee's Certificate of Proposal Implementation

Upon the delivery of written notice from the Company of the satisfaction, fulfillment or waiver of the conditions set out in Section 9.1, and the completion of the steps, deliveries and filings set out in Section 6.3, the Proposal Trustee will deliver to the Company a certificate stating that Proposal Implementation has occurred and that this Stalking Horse Proposal and the Approval Order are effective in accordance with their respective terms (the "**Proposal Trustee's Certificate**"). Following the Proposal Implementation Date, the Proposal Trustee will file the Proposal Trustee's Certificate with the Court and will deliver copies thereof to the Affected Creditors.

ARTICLE 10 - GENERAL

10.1 Binding Effect

At the Effective Time:

- (a) this Stalking Horse Proposal will become effective;
- (b) the treatment of Affected Creditors and Existing Shareholders under this Stalking Horse Proposal will be final and binding for all purposes and enure to the benefit of the Company, all Affected Creditors, all Released Parties and all other Persons and Parties named or referred to in, or subject to, this Stalking Horse Proposal and their respective heirs, executors, administrators and other legal representatives, successors and assigns;

- (c) each Affected Creditor will be deemed to have consented and agreed to all of the provisions of this Stalking Horse Proposal in its entirety;
- (d) all Claims that are not Affected Claims or Unaffected Claims shall be conclusively barred and extinguished; and,
- (e) each Creditor will be deemed to have executed and delivered to the Company all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out this Stalking Horse Proposal in its entirety.

10.2 Waiver of Defaults

From and after the Proposal Implementation Date, all Persons will be deemed to have waived any and all defaults or events of default of the Company then existing or previously committed by the Company, or caused by the Company, any of the provisions in this Stalking Horse Proposal or steps contemplated in this Stalking Horse Proposal, or non-compliance with any covenant, warranty, representation, term, provision, condition or obligation, expressed or implied, in any contract, instrument, credit document, lease, guarantee, agreement for sale or other agreement, written or oral, and any and all amendments or supplements thereto, existing between such Person and the Company and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith under any such agreement will be deemed to have been rescinded and of no further force or effect, provided that nothing will be deemed to excuse the Company from performing its obligations under this Stalking Horse Proposal or be a waiver of defaults by the Company under this Stalking Horse Proposal and the related documents. This section does not affect the rights of any Person to pursue any recoveries for a Claim that may be obtained from a guarantor (other than the Company) and any security granted by such guarantor.

10.3 Deeming Provisions

In this Stalking Horse Proposal, the deeming provisions are not rebuttable and are conclusive and irrevocable.

10.4 Non-Consummation

If Proposal Implementation does not occur by August 1, 2022 or such later period as agreed to in writing by the Company, the Proposal Sponsor, and the Proposal Trustee, (a) this Stalking Horse Proposal will be null and void in all respects, and (b) nothing contained in this Stalking Horse Proposal, and no acts taken in preparation for consummation of this Stalking Horse Proposal, will (i) constitute or be deemed to constitute a waiver or release of any Claims by or against the Company or any other Person; (ii) prejudice in any manner the rights of the Company or any other Person in any further proceedings involving the Company; or, (iii) constitute an admission of any sort by the Company or any other Person.

10.5 Modification of Stalking Horse Proposal

- (a) The Proposal Sponsor may at any time and from time to time, amend, restate, modify and/or supplement this Stalking Horse Proposal, with the prior consent of the Proposal Trustee and, if the amendment, restatement, modification or supplement is adverse to the financial or economic interests of the Affected Creditors, with the prior consent of the Required Majority of the Affected Creditors,

provided that any such amendment, restatement, modification or supplement must be contained in a written document which is filed with the Court and (i) if made prior to the Creditors' Meeting, communicated to the Affected Creditors in the manner required by the Court (if so required); and (ii) if made following the Creditors' Meeting, approved by the Court on notice to the Affected Creditors.

- (b) Notwithstanding Section 10.5(a), any amendment, restatement, modification or supplement may be made by the Proposal Sponsor and Company with the prior consent of the Proposal Trustee, and pursuant to an Order following the making of the Approval Order, provided that such amendment, restatement, modification or supplement concerns a matter which, in the opinion of the Company, the Proposal Sponsor and the Proposal Trustee is of an administrative nature required to better give effect to Proposal Implementation and the Approval Order or is required in order to cure any errors, omissions or ambiguities and is not adverse to the financial or economic interests of the Affected Creditors.
- (c) Any amended, restated, modified or supplementary proposal or plans of arrangement and reorganization filed with the Court and, if required by this Section, approved by the Court with the prior consent of the Proposal Sponsor, the Proposal Trustee (and, if necessary in accordance with this Section, the Affected Creditors) will, for all purposes, be and be deemed to be a part of and incorporated into this Proposal.

10.6 Severability of Stalking Horse Proposal Provisions

If, prior to the Proposal Implementation Date, any term or provision of this Stalking Horse Proposal is held by the Court to be invalid, void or unenforceable, then, at the request of the Company and subject to the prior consent of the Proposal Sponsor, acting reasonably, the Court will have the power to either (a) sever such term or provision from the balance of this Stalking Horse Proposal and provide the Company, the Proposal Sponsor and the Required Majority of the Affected Creditors (to the extent such severance may adversely affect the Affected Creditors) with the option to proceed with the implementation of the balance of this Stalking Horse Proposal as of and with effect from the Proposal Implementation Date, or (b) alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision will then be applicable as altered or interpreted, provided that the Proposal Sponsor and the Required Majority of Affected Creditors (to the extent such alteration or interpretation may adversely affect the Affected Creditors) have approved such alteration or interpretation, acting reasonably. Notwithstanding any such holding, alternation or interpretation, and provided that the Company proceeds with the implementation of this Stalking Horse Proposal, the remainder of the terms and provisions of this Stalking Horse Proposal will remain in full force and effect and will in no way be affected, impaired or invalidated by such holding, alteration or interpretation.

10.7 Responsibilities of the Proposal Trustee

Alvarez & Marsal Canada Inc. is acting solely in its capacity as Proposal Trustee in the NOI Proceedings and this Stalking Horse Proposal with respect to the Company and not in its personal or corporate capacity and is not and will not be responsible or liable for any Claims against or Obligations of the Company. For greater certainty, the Affected Creditors may appoint one or more inspectors of the estate of the Company in accordance with section 56 of the BIA.

10.8 Notices

Any notice of other communication to be delivered hereunder must be in writing and refer to this Stalking Horse Proposal and may, subject as hereinafter provided, be made or given by personal delivery, registered mail, email or by facsimile addressed to the recipient(s) as follows:

(a) If to the Company:

Just Solutions Inc.
33 - 310 Main St. N.
Moose Jaw, Saskatchewan S6H 3K1

Attention: Justin Simpkins, Chief Operating Officer
Tel. No.: (306) 691-2662
E-mail: justin.simpkins@justsolutionsag.ca

with a copy (which shall not constitute notice) to:

McCarthy Tétrault LLP
4000, 421 – 7th Avenue S.W.
Calgary, AB T2P 4K9

Attention: Walker W. MacLeod / Nathan Stewart / Erinn Wilson
Tel. No.: (403) 260-3710 / (403) 260-3534 / (403) 260-3682

E-mail: wmacleod@mccarthy.ca / nstewart@mccarthy.ca /
erinnwilson@mccarthy.ca

(b) If to the Proposal Trustee:

Alvarez and Marsal Canada Inc.
#1110, 250 6th Ave SW
Calgary, AB T2P 3H7

Attention: Orest Konowalchuk / Cassie Riglin / Bryan Krol
Tel. No.: (403) 538-4736 / (403) 538-7519 / (403) 538-7523

E-mail: okonowalchuk@alvarezandmarsal.com /
criglin@alvarezandmarsal.com / bkrol@alvarezandmarsal.com

with a copy (which shall not constitute notice) to:

MLT Aikins LLP
Suite 1201 - 409 3rd Avenue S
Saskatoon, SK S7K 5R5

Attention: Jeff Lee, Q.C.
Tel. No.: (306) 975-7136

E-mail: jmlee@mltaikins.com

(c) If to the Proposal Sponsor:

Forage Subordinated Debt Limited Partnership II
#502, 400 Crowfoot Cres. N.W.
Calgary, AB T3G 5H6

Attention: Jim Taylor
Tel. No.: (403) 215-5490

E-mail: jtaylor@foragecapitalpartners.com

with a copy (which shall not constitute notice) to:

Tingle Merrett LLP
Suite 1250, 639 - 5th Avenue S.W.
Calgary, AB T2P 0M9

Attention: Cathy Merrett
Tel. No.: (403) 571-8010

E-mail: cmerrett@tinglemerrett.com

or to such other address as any such party may from time to time notify the others in accordance with this Section. Any such communication so given or made will be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of faxing, email or sending by other means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered, faxed, emailed or sent before 5:00 p.m. (Saskatchewan time) on such day. Otherwise, such communication will be deemed to have been given and made and to have been received on the next following Business Day.

10.9 Paramountcy

From and after the Effective Time on the Proposal Implementation Date, any conflict between this Stalking Horse Proposal and the covenants, warranties, representations, terms, conditions, provisions or obligations, express or implied, of any contract, mortgage, security agreement, indenture, note, loan agreement, commitment letter, agreement for sale, lease or other agreement, written or oral, and any and all amendments or supplements thereto existing between any Person and the Company as at the Proposal Implementation Date, will be deemed to be governed by the terms, conditions and provisions of this Stalking Horse Proposal and the Approval Order, which will take precedence and priority.

10.10 Further Assurances

Each of the Persons named or referred to in, or subject to, this Stalking Horse Proposal will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of this Stalking Horse Proposal and to give effect to the transactions contemplated herein.

DATED as of the 18th day of April, 2022.

SCHEDULE "A"
ARTICLES OF REORGANIZATION



**Information
Services
Corporation**
OF SASKATCHEWAN

Articles of Reorganization
The Business Corporations Act
(Section 185)

Form 14

- | | | |
|----|--|--------------------------|
| 1. | Name of Corporation:
Just Solutions Inc. | Entity No.:
101306575 |
|----|--|--------------------------|
2. In accordance with the order for reorganization, the articles of incorporation are amended as follows: **[NTD: To be updated upon review of articles.]**
- (a) By replacing paragraph ● thereof with "See attached Schedule Exhibit "●" which is incorporated in this form", and thereby amending the authorized share capital as follows:
 - (i) by deleting from the authorized share capital the Class "A" Shares, the Class "B" Shares and the Class "C" Shares;
 - (ii) by creating and authorizing 1 class of shares in the capital stock of the Corporation, namely Class "A" shares with the rights, privileges, restrictions, prohibitions and conditions as more particularly set forth in the attached Schedule Exhibit "●".
 - (b) By replacing paragraph ● with the following:

No securities of the Corporation, other than non-convertible debt securities, shall be transferred to any person without approval of the board of directors.
 - (c) By restating paragraph ● as follows:

Not less than ● nor more than ● directors, as determined by the directors from time to time.
 - (d) By restating paragraph ● as follows:

Nil.
 - (e) By replacing paragraph ● with the following:

Subject to *The Business Corporations Act* (Saskatchewan) the board of directors may, between annual general meetings of the shareholders, appoint one or more additional directors of the Corporation to serve until the next annual meeting of shareholders, provided that the total number of directors so appointed may not exceed one-third of the number of directors elected at the previous annual meeting of the shareholders of the Corporation.

SCHEDULE "B"
SHARE PROVISIONS SCHEDULE
TO THIS STALKING HORSE PROPOSAL

The classes and any maximum number of shares that Just Solutions Inc. (the "**Corporation**") is authorized to issue:

an unlimited number of Class A Common Shares;

all without nominal or par value and subject to the rights, privileges, restrictions and conditions as set out below.

1. CLASS A COMMON SHARES

The Class A Common Shares shall confer on the holders thereof and shall be subject to the following rights, restrictions, privileges and conditions:

(a) Voting:

The holders of the Class A Common Shares shall be entitled to one (1) vote in respect of each such Class A Common Share held at all meetings of the shareholders of the Corporation.

(b) Dividends and Distributions:

The Class A Common Shares shall rank equally with respect to the declaration and payment of all dividends and distributions of any kind (including any returns of capital). The Class A Common Shares shall, in each year, in the absolute discretion of the directors, be entitled, out of any or all profits or surplus available for dividends, to non-cumulative dividends at a rate to be determined by the directors.

(c) Liquidation:

In the event of the liquidation, dissolution or winding-up of the Corporation or other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs or upon a reduction of capital, the holders of the Class A Common Shares will be entitled to participate equally, share for share, in the distribution of the assets of the Corporation.

2. RIGHT OF PARTICIPATION

(a) Right of Participation:

Each holder of Class A Common Shares (each such holder being a "**Holder**" and all of such holders being collectively the "**Holders**", and such shares held by a Holder being the "**Shares**") shall be entitled to participate in any proposed issuance of securities by the Corporation from treasury, which participation right shall be offered *pro rata* to each Holder (based upon the proportion of such Holder's Shares to the Shares of all Holders) in accordance with the number of Class A Common Shares held by such Holder, regardless of the classes of securities. The Corporation shall offer the securities (the "**Offered Securities**") as provided for herein by notice in writing to each Holder, which notice shall include: the terms of the offer; the time, which shall not be less than fifteen (15) business days, for acceptance; and current financial information on the Corporation. The right of participation set forth in this Section 2 shall not apply to the granting

of options and/or the issuance of securities pursuant to any permitted stock option or share purchase plan.

(b) Expiration of Time:

After expiration of the acceptance period detailed in Section 2(a) hereof, the Corporation may, for a period of ninety (90) days thereafter allot and issue such Offered Securities which are not purchased by a Holder pursuant to Section 2(a) hereof to the persons and in the manner determined to be most beneficial to the Corporation, but any such allotment and issuance shall not be at a price less than, or on terms more favourable than the offer to the Holders. In the event the Corporation has not sold the Offered Securities within such ninety (90) day period, the Corporation shall not thereafter issue or sell the Offered Securities without first again complying with the provisions of Section 2(a) hereof.

(c) Payment for Offered Shares:

The payment for Offered Securities by a Holder shall be by certified cheque, bank draft or wire transfer against delivery of the certificate representing the Offered Securities at the head office of the Corporation.

3. RESTRICTIONS ON TRANSFER

No securities of the Corporation, other than non-convertible debt securities, shall be transferred to any person without the approval of the board of directors.

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SCHEDULE "C"
FORM OF SANCTION ORDER

[See attached]

This is Exhibit "F" referred to in the Affidavit of Justin Simpkins
sworn before me this 18th day of April, 2022.





A Notary Public in and for the Province of Saskatchewan

Execution Version

\$225,000 (CAD) Debtor-in-Possession Facility Term Sheet April 22, 2022

Defined Terms:	All capitalized terms used herein and not otherwise defined shall have the meaning ascribed to them in the Senior Secured Credit Agreement between Forage Subordinated Debt Limited Partnership II, formerly known as Avrio Subordinated Debt Limited Partnership II, as lender, and Just Solutions Inc., as borrower, dated December 12, 2019, as amended, modified, supplemented, restated, or replaced from time to time (the " Senior Credit Agreement ").
Borrower:	Just Solutions Inc. (the " Borrower ").
Commitment Amount:	Up to CAD \$225,000 (the " Commitment Amount "), subject to the terms and conditions set forth herein.
Facility Type:	Senior secured, super priority debtor-in-possession non-revolving loan facility (the " DIP Facility ").
Purpose:	This DIP Facility is being provided pursuant to an order (the " DIP Order ") granted by the Court of Queen's Bench For Saskatchewan in Bankruptcy and Insolvency (the " Court ") under Division I of Part III of the <i>Bankruptcy and Insolvency Act</i> (Canada) (the " BIA ") in the Division I proposal proceedings initiated by the Borrower (the " NOI Proceedings ") and to implement a restructuring of the Borrower that is backstopped and supported by the Lender (the " Backstopped Restructuring ") pursuant to the BIA, with the assistance of the licensed trustee appointed in the NOI Proceedings in accordance with the BIA (the " Proposal Trustee "), and approved by the Court.
Lender:	Forage Subordinated Debt Limited Partnership II and/or any of its affiliates (the " Lender ").
Closing Date:	The date of the DIP Order (the " Closing Date ").
Commitment Date:	The date that is one business day after the DIP Order is pronounced and entered by the Court in the NOI Proceedings (the " Commitment Date ").
Commitment Period:	Subject to the terms and conditions herein, the DIP Facility will be available to the Borrower from the Commitment Date until the Maturity Date (as defined below), unless otherwise extended by the Lender in its sole discretion in writing (the " Commitment Period ").
Use of Proceeds:	The DIP Facility shall only be used to: (i) provide for working capital and other ordinary course expenditures; (ii) pay interest, fees and expenses associated with the DIP Facility; (iii) pay costs and expenses in connection with the NOI Proceedings as approved by the Lender; and (iv) to otherwise implement and complete the Backstopped Restructuring in the NOI Proceedings.
Tranches:	As determined by the Lender at its discretion, acting reasonably.
Availability:	Subject to the satisfaction of the Conditions Precedent set out below, the Borrower may draw the DIP Facility on a non-revolving basis on or after

	the Commitment Date up to the amount of the Commitment Amount, and subject to the tranche restrictions imposed by the Lender, any time during the Commitment Period so long as there is no Event of Default (as defined below) either occurring or pending.
Maturity Date:	The date that is the earliest of: (i) the effective date of any Proposal sanctioned by the Court; (ii) the termination of the NOI Proceedings, (iii) at the election of the Lender, on the occurrence of any Event of Default; and (v) August 1, 2022 (the " Maturity Date ").
Drawdown:	Drawdowns on the DIP Facility will occur only after the Conditions Precedent set out below have been satisfied or waived by the Lender in writing. Drawdowns will occur on six (6) Business Days' notice and each one will be in a minimum amount of \$25,000. At the expiration of the Commitment Period, the then undrawn or unused portion of the DIP Facility, if any, shall no longer be available.
Amortization:	None.
Interest Rate:	All principal amounts outstanding under the DIP Facility will bear interest at ten (10%) percent per annum, calculated and compounded monthly.
Voluntary Prepayments:	The DIP Facility may be prepaid in whole or in part without premium or penalty.
Mandatory Prepayments:	<p>The following mandatory prepayments of the DIP Facility are required, subject to any exceptions to be agreed to by the Lender in its sole discretion:</p> <ol style="list-style-type: none"> 1. <u>Asset Sales</u>: No later than five (5) Business Days following the date of receipt by the Borrower, prepayments in an amount equal to 100% of the cash proceeds received by the Borrower from any sale or disposition of its property or assets (net of taxes payable in respect thereof and reasonable transaction-related expenses determined and acceptable by the Lender in its reasonable discretion), other than proceeds from sales or other dispositions in the ordinary course of business. 2. <u>Insurance Proceeds</u>: No later than five (5) Business Days following the date of receipt by the Borrower, prepayments in an amount equal to 100% of the insurance and condemnation cash proceeds (net of reasonable transaction-related expenses determined acceptable by the Lender in its reasonable discretion) received on account of any loss of or damage to any property or assets of the Borrower. 3. <u>Incurrence of Indebtedness</u>: No later than five (5) Business Days following the date of receipt by the Borrower, prepayments in an amount equal to 100% of the net cash proceeds received from the incurrence of indebtedness for borrowed money by the Borrower after the Closing Date. 4. <u>Deposits/Prepayments</u>: No later than five (5) Business Days following the date of receipt by the Borrower, prepayments in an amount equal to 100% of the cash proceeds (net of taxes payable in respect thereof and reasonable transaction-related expenses

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determined acceptable by the Lender in its reasonable discretion) of any returned deposits, prepayments, or other similar amounts in excess of \$100,000 in aggregate.

5. Equity Offering: No later than five (5) Business Days following the date of receipt by the Borrower, prepayments in an amount equal to 100% of the cash proceeds (net of taxes payable in respect thereof and reasonable transaction-related expenses determined acceptable by the Lender in its reasonable discretion) of the sale of equity in the Borrower after the Closing Date.

All mandatory prepayments will be applied, without penalty or premium, to the prepayment of the DIP Facility and may not be reborrowed, unless otherwise agreed by the Lender in its sole discretion.

Documentation: This Term Sheet sets out the material terms of the DIP Facility. Any further documentation relating to the DIP Facility will, if required by the Lender, be prepared by counsel to the Lender.

Security: To secure all obligations of the Borrower under or in connection with the DIP Facility, the Lender shall be granted and will receive, pursuant to the DIP Order, a fully perfected first (except as otherwise contemplated herein) priority charge in, and first ranking court ordered charge on (or applicable equivalents thereto, such charge being the "**DIP Charge**") (i) all of the existing and after acquired real and personal, tangible and intangible, assets of the Borrower; and (ii) other forms of security customary for debtor-in-possession financings, as requested by the Lender as a result of its due diligence (collectively, the "**Collateral**").

Permitted Encumbrances and Priority: All Collateral will be free and clear of liens, encumbrances and claims, except for (a) the DIP Charge; (b) charges created by other orders issued in the NOI Proceedings, provided that the Lender has expressly consented to the issuance of such order and such order is in form and substance satisfactory to the Lender in its sole discretion; and (c) such other liens as are acceptable to the Lender in its sole discretion (collectively, the "**Permitted Encumbrances**").

Permitted Encumbrances referred to herein shall be subordinate to the DIP Charge except as set forth in the DIP Order. For greater certainty, the DIP Order will provide that the DIP Charge will rank junior only to the charge granted to secure the fees and disbursements of the Borrower's professional restructuring advisors (including, without limitation, the fees and disbursements of the Proposal Trustee and its counsel and the fees and disbursements of counsel to the Borrower) (the "**Administrative Charge**").

Representations and Warranties: The Borrower represents and warrants to the Lender that:

1. Existence: the Borrower is a corporation duly created, validly existing and in good standing under the laws of the Province of Saskatchewan;
2. Power: the Borrower has full capacity and power and authority to

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own its properties and assets, to conduct business as now conducted and as proposed to be conducted, to execute and deliver this Term Sheet to the Lender and to perform its obligations thereunder;

3. Title to Assets: the Borrower has good and valid title to all of its properties and assets free and clear of all liens, charges and encumbrances other than liens, charges and encumbrances in favour of the Lender, Permitted Encumbrances and encumbrances which protect leasehold interests;
4. Payroll Obligations: the Borrower has not defaulted in respect of its obligations for payroll and source deductions and is not in arrears in respect of the payment of any such obligations;
5. Events of Default: no Default or Event of Default has occurred or is continuing;
6. Accuracy of Information: all information materials and documents delivered by or on behalf of the Borrower to the Lender in contemplation of the transactions contemplated by this Term Sheet or as required by the terms of this Agreement are true, complete and accurate in all material respects;

**Conditions
Precedent:**

No amount shall be available to be drawn until each of the following conditions has been met to the satisfaction of the Lender:

1. the Lender shall have received all required internal and external credit approvals to enter into this Term Sheet and offer the Commitment Amount to the Borrower including, without limitation, approval from its investment committee;
2. the DIP Order has been issued by the Court in form and substance satisfactory to the Lender and the DIP Order shall not have been reversed, modified, amended or stayed;
3. no application for leave to appeal, notice of appeal or an appeal in respect of the DIP Order or any other order issued by the Court in the NOI Proceedings (each a "**Related Order**"), shall have been made or threatened, and either (i) all appeal periods in respect of the DIP Order and any Related Orders have expired; or (ii) the Lender has received confirmation and waivers in writing of any rights of appeal from such stakeholders of the Borrower as the Lender deems sufficient in its sole discretion;
4. the Court shall have issued a Related Order in the NOI Proceedings approving a sales and investment solicitation process (the "**SISP**") in form and substance acceptable to the Lender, acting reasonably;
5. the Court shall have issued a Related Order in the NOI Proceedings approving a stalking horse proposal (the "**Stalking Horse Proposal**") in form and substance acceptable to the Lender, acting reasonably;
6. receipt by the Lender of customary closing certificates, legal opinions and other documents as may be reasonably required by

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the Lender; and

7. no default or Event of Default shall be existing in respect of the DIP Facility or would be caused by the making of such drawdown.

**Affirmative
Covenants:**

The Borrower covenants and agrees with the Lender that:

1. it will perform and observe all of the terms and conditions contained in this Term Sheet;
2. at all times, all appropriate efforts will be undertaken by it for the purposes of managing its property and undertakings in a commercially reasonable manner and maintaining its assets in accordance with usual and accepted proper practice for its industry, as applicable, so as to maintain the value and utility of such assets;
3. it will pay or remit when due, all statutory remittances, withholding taxes, wages, property taxes, and any other amounts that, if unpaid, would or may have the benefit of an encumbrance or deemed trust ranking in priority to the security of the Lender;
4. it will deliver to the Lender all information concerning its assets, business and affairs as may reasonably be requested by the Lender from time to time;
5. it will deliver to the Lender, immediately upon becoming aware of the occurrence of an Event of Default, written notice thereof specifying the details of such Event of Default;
6. it will provide the Lender with reasonable access to its facilities, senior management team and representatives;
7. it will take all steps and actions necessary to approve, implement and complete the SISP in accordance with the terms of the SISP and the Related Order issued in respect of the SISP;
8. it will take all steps and actions necessary to enter into, obtain approval of and complete the Stalking Horse Credit Bid in accordance with the terms of the Stalking Horse Credit Bid and the Related Order issued in respect of the Stalking Horse Credit Bid;
9. it will comply with all terms, conditions and covenants contained in the Engagement Letter and the Related Order issued in respect of the Engagement Letter;
10. it will maintain strict confidentiality over the content of all of its discussions with the Lender and the Lender's Affiliates relating to the NOI Proceedings and the Senior Credit Agreement;
11. it will not take any action, step or proceeding that would be materially adverse to the interests of the Lender or its Affiliates without the prior written consent of the Lender;
12. it will require that, subsequent to the Borrower having paid in full all invoices for professional services rendered in regard to the NOI

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Proceedings by the Proposal Trustee, legal counsel to the Proposal Trustee and legal counsel to the Borrower (collectively, the "**Professional Advisors**"), the Borrower will request of the Professional Advisors that all remaining retainer amounts (if any) that have been paid to the Professional Advisors in connection with the NOI Proceedings be refunded to the Borrower; and

13. it will, if the Lender determines in its reasonable discretion that the same is necessary to preserve or protect the Lender's security position, on written notice to the Borrower, require the Borrower to appoint a chief restructuring officer acceptable to, and on terms acceptable to, the Lender.

**Negative
Covenants:**

The Borrower covenants and agrees with the Lender that it shall not:

1. grant, or permit to be outstanding, any encumbrance of any kind whatsoever other than Permitted Encumbrances existing on the date hereof and liens arising solely by operation of law in the ordinary course of business;
2. create, incur, assume or suffer to exist, directly, contingently or otherwise, any debt other than:
 - (a) debt existing on the date hereof;
 - (b) unsecured current liabilities (which are not the result of borrowing) incurred and payable in the ordinary course of business and not represented by any note, bond or debenture;
3. incur any liabilities that it will be unable to satisfy;
4. other than in connection with the Backstopped Restructuring, make any amendment or modification to any indenture, note or other agreement evidencing or governing any debt, or directly or indirectly voluntarily prepay, defease or in substance defease, purchase, redeem, retire or otherwise acquire any such other debt;
5. enter into any transactions outside the ordinary course of its business;
6. declare any dividends or distributions or pay any amount to any shareholder or any person affiliated or associated with any shareholder whether by way of dividend or otherwise;
7. guarantee, endorse or otherwise become surety for or upon any obligations of others;
8. pay any amount to its employees, officers or directors in their capacities as such by way of salary, bonus, commission, directors fees or otherwise, in excess of the amounts currently being paid or at a rate in excess of the current rate thereof; or
9. lend or invest, whether by way of loan, acquisition of shares, acquisition of debt obligations or in any other way whatsoever.

**Reporting
Covenants:**

The Borrower shall, when requested to so by the Lender, provide reporting to the Lender on the financial operations of the Borrower in a

form that is acceptable to the Lender, acting reasonably.

Events of Default:

If any one or more of the following events has occurred, the Lender may declare by written notice to the Borrower that an Event of Default shall have occurred effective as of the time specified in such notice:

1. Failure to Pay Amounts Due: the failure of the Borrower to make any payment of any amounts when due hereunder;
2. Breach of Term Sheet: if there is a material breach, default or failure of due performance or observance by the Borrower of any material term, condition, covenant or other provision of this Term Sheet;
3. Misrepresentations: if any representation or warranty made or deemed to be made by or on behalf of the Borrower shall prove to have been incorrect in any material respect when made or deemed to be made or repeated hereunder or thereunder;
4. SISP: if the Borrower breaches, defaults on or otherwise fails to comply with any material term, condition, milestone or deadline contained in the SISP;
5. Stalking Horse Proposal: if the Borrower breaches, defaults on or otherwise fails to comply with any material term, condition or covenant contained in the Stalking Horse Proposal;
6. Disposition of Assets: if the Borrower passes a resolution or initiates steps or proceedings (including applications to the Court in the NOI Proceedings) without the prior written consent of the Lender for the purpose of authorizing the disposition of all or substantially all of its property, assets and undertakings;
7. Adverse Proceedings:
 - (a) if any proceeding, motion or application is commenced or filed by the Borrower, or, if commenced by another Person, supported or otherwise consented to by the Borrower, seeking the invalidation, subordination or other challenging of the terms of this Term Sheet, the DIP Charge or any order issued by the Court in the NOI Proceedings;
 - (b) unless such Proposal provides for indefeasible repayment in full and in cash of the Obligations and the amounts outstanding on the DIP Facility, the filing of any Proposal or application to the Court for approval of a Proposal or other restructuring option which does not have the prior written consent of the Lender; or
 - (c) if any Person commences an action or takes any other proceeding that seeks to obtain any form of relief against the Lender or any Affiliate thereof relating to the obligations, liabilities and indebtedness owed by the Borrower to the Lender and / or any Affiliate of the Lender;
8. Court Orders: if:
 - (a) any Related Order contravenes this Term Sheet so as to

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- materially adversely impact the rights or interests of the Lender, as determined by the Lender, acting reasonably;
- (b) the Borrower breaches or otherwise violates the DIP Order or any Related Order;
 - (c) any Related Order is issued lifting the stay in the NOI Proceedings;
 - (d) any order issued by a court in any jurisdiction granting any lien, charge, encumbrance or security interest on the property of the Borrower that is senior to or *pari passu* with the DIP Charge unless agreed to by the Lender; or
 - (e) any order issued by a court in any jurisdiction materially adversely impacting the rights and interests of the Lender as determined by the Lender, acting reasonably;
9. Material Adverse Change: if there occurs any material adverse change in the financial condition of the Borrower;
 10. Total Commitment: if at any time the borrowings exceed the Commitment Amount; or
 11. Plans and Restructuring Options: if any Proposal is sanctioned or any restructuring option is consummated or initiated by the Borrower that is materially adverse to the interests of the Lender (as determined by the Lender acting reasonably) or would reasonably be expected to materially adversely affect the interests of the Lender (as determined by the Lender acting reasonably).

Remedies:

Upon the occurrence of an Event of Default, whether or not there is availability under the DIP Facility, the right of the Borrower to receive any advance or other accommodation of credit may be terminated by the Lender and all indebtedness of the Borrower to the Lender including, without limitation, the Obligations, shall immediately become due and payable upon written notice from the Lender to the Borrower (the "Default Notice"). Upon the issuance of the Default Notice by the Lender to the Borrower, the Lender shall be entitled to enforce its security and realize on all Collateral, in each case without the necessity of obtaining further relief or order from any Court and the Borrower expressly consents to the issuance of an order by the Court appointing a receiver and manager over the assets, properties and undertakings of the Borrower.

Expenses:

Upon signing this Term Sheet, the Borrower agrees to pay all reasonable fees and expenses (including, but not limited to, all due diligence, legal and documentation fees) incurred by the Lender in connection with the DIP Facility. The Borrower shall also pay the reasonable out of pocket expenses of the Lender in connection with the ongoing monitoring of the DIP Facility and the enforcement of any DIP Facility documentation and the DIP Charge.

Governing Law:

This DIP Facility and the DIP Facility documentation will be governed by the laws of the Province of Saskatchewan and the federal laws of Canada applicable therein.

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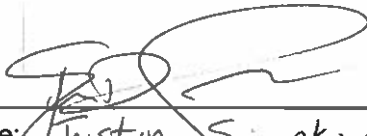
Counterparts:

This Term Sheet may be signed by original or by facsimile and executed in any number of counterparts, and each executed counterpart will be considered to be an original. All executed counterparts taken together will constitute one Term Sheet.

Execution page to the Term Sheet made effective April 22, 2022, between Forage Subordinated Debt Limited Partnership II, as lender, and Just Solutions Inc., as borrower.

**FORAGE SUBORDINATED DEBT LIMITED PARTNERSHIP II, by its General Partner
FORAGE SUBORDINATED DEBT GENERAL PARTNER II LTD. as Lender**

Per: _____
Name:
Title:

Per: 
Name: Justin Simpkins
Title: Chief Operating Officer