

COURT FILE NO.	1903-24389	Clerk's Stamp
COURT	COURT OF QUEEN'S BENCH OF ALBERTA	
JUDICIAL CENTRE	EDMONTON	
APPLICANT	TLICHO INVESTMENT CORPORATION	
RESPONDENTS	TLICHO LANDTRAN TRANSPORT LTD., 1456998 ALBERTA LTD. AND 1456982 ALBERTA LTD.	
DOCUMENT	SECOND REPORT OF THE MONITOR	
FILED	FEBRUARY 13, 2020	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	<p>Counsel to the Monitor</p> <p>Cassels, Brock & Blackwell LLP Suite 3810, Bankers Hall West 888 3rd Street SW Calgary, AB T2P 5C5</p> <p>Telephone: 403-351-2921 Facsimile: 403-648-1151 Email: joliver@casselsbrock.com</p> <p>Attention: Jeffrey Oliver</p> <p>Monitor</p> <p>MNP Ltd. Suite 1500, 640 5th Avenue SW Calgary, AB T2P 3G4</p> <p>Telephone: 587-702-5963 Facsimile: 403-269-8450 Email: vanessa.allen@mnp.ca</p> <p>Attention: Vanessa Allen</p>	

Table of Contents

INTRODUCTION 1
COURT PROCEEDINGS 1
NOTICE TO READER 2
MONITOR'S ACTIVITIES TO DATE 2
THE SECURITY REVIEWS 3
SALE PROCESS 3
THE STAY 3
CASH FLOW FORECAST 4
MONITOR'S REPORT ON CASH FLOW STATEMENT 7
VARIANCE ANALYSIS 7
CONCLUSION 9

SCHEDULES

- Schedule 1 Signed Statement of Projected Cash Flow for the Thirteen Week Period from February 2 to April 25, 2020
- Schedule 2 Management Report on Cash Flow Statement dated February 12, 2020
- Schedule 3 Variance Analysis for the period from November 29, 2019 to February 1, 2020

INTRODUCTION

1. On November 29, 2019, an Initial Order (the "Initial Order") was granted by the Court of Queen's Bench of Alberta under the *Companies' Creditors Arrangement Act, R.S.C. 1985 c. C-36, as amended* (the "CCAA") in respect of Tlich Landtran Transport Ltd. ("Tlich Landtran"), 1456982 Alberta Ltd. ("1456982"), 1456998 Alberta Ltd. ("1456998") and Ventures West Transport Limited Partnership ("Ventures West", collectively, the "Companies"). 1456998 is the general partner and 1456982 is the limited partner of Ventures West. MNP Ltd. ("MNP") was appointed as Monitor (the "Monitor") in the CCAA proceedings.
2. The Initial Order was granted pursuant to an application by Tlich Investment Corporation ("TIC"). TIC is a creditor of Tlich Landtran, 1456982 and Ventures West. TIC is the ultimate parent company of Tlich Landtran and is the majority shareholder of each of 1456998 and 1456982. The Initial Order provided for relief including a stay of proceedings (the "Stay") until and including December 8, 2019 (the "Initial Stay"). At a hearing on December 6, 2019 (the "December 6 Hearing"), the Stay was extended to February 21, 2020 (the "Extension"). The Companies' most significant secured creditor, Canadian Imperial Bank of Commerce ("CIBC") is unaffected by the Stay.
3. Capitalized terms not otherwise defined herein will have the meanings given to them in the Pre-Filing Report and the First Report (both as subsequently defined).
4. Information on the CCAA proceedings can be accessed on MNP's website at www.mnpdebt.ca/ventures (the "Monitor's Website").

COURT PROCEEDINGS

5. Prior to the Initial Order being granted, MNP prepared a Pre-Filing Report of the Proposed Monitor dated November 27, 2019 (the "Pre-Filing Report"). MNP subsequently prepared the First Report of the Monitor dated December 4, 2019 (the "First Report"). The purpose of the First Report was to provide this Honourable Court with information regarding the December 6 Hearing at which TIC obtained Court approval of the Extension and the following additional relief:
 - 5.1 Authorizing the Companies to carry on business in a manner consistent with the preservation of their business and property;
 - 5.2 Authorizing the Companies to pay the reasonable expenses incurred by the Companies in carrying out their business in the ordinary course, including certain expenses incurred prior to the date of the Initial Order;
 - 5.3 Authorizing the Companies to pay the reasonable fees and disbursements of the Monitor and its legal counsel and TIC's legal counsel (the "Professional Fees");

- 5.4 Approving an increase in the administration charge, granted as part of the Initial Application from \$100,000 to \$300,000; and
 - 5.5 Approving a sale process (the "Sale Process") for the assets of the Companies (the "Assets") as further set out herein.
6. This report represents the Second Report of the Monitor (the "Second Report"). The purpose of the Second Report is to provide this Honourable Court with information regarding TIC's application for a further extension of the Stay to March 31, 2020, which is scheduled to be heard on February 18, 2020 (the "February 18 Hearing").

NOTICE TO READER

7. In preparing this report and making comments herein, the Monitor has relied upon certain unaudited, draft or internal financial information, including the Companies' books and records, and information from other third-party sources (collectively, the "Information"). The Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with generally accepted assurance standards or other standards established by the Chartered Professional Accountants of Canada (the "Standards"). Additionally, none of the Monitor's procedures were intended to disclose defalcations or other irregularities. If the Monitor were to perform additional procedures or to undertake an audit examination of the Information in accordance with the Standards, additional matters may come to the Monitor's attention. Accordingly, the Monitor does not express an opinion, nor does it provide any other form of assurance on the financial or other information presented herein. The Monitor may refine or alter its observations as further information is obtained or brought to its attention after the date of this report.
8. The Monitor assumes no responsibility or liability for any loss or damage occasioned by any party as a result of the use of this report. Any use, which any party makes of this report, or any reliance or decision to be made based on this report, is the sole responsibility of such party.
9. All amounts included herein are in Canadian dollars unless otherwise stated.

MONITOR'S ACTIVITIES TO DATE

10. The Monitor's activities to date, include the following:
- 10.1 Posting publicly available information related to these proceedings on the Monitor's website.
 - 10.2 Attending various meetings with management of the Companies ("Management") and the TIC's legal counsel to discuss the restructuring efforts.
 - 10.3 Attending various meetings with the steering committee established by TIC that includes representatives of the Tlicho Government, which represent the interests of Tlicho citizens.

- 10.4 Reporting to and attending various meetings with CIBC and its financial advisor with respect to the CCAA proceedings.
- 10.5 In conjunction with legal counsel, reviewing and assessing various claims by parties holding liens under the *Garage Keepers' Lien Act*.
- 10.6 Requesting that legal counsel review the security held by CIBC and Kenworth (the "Security Reviews") and communicating with legal counsel on same.
- 10.7 Implementing the proposed Sale Process, as further set out below.
- 10.8 Responding to numerous creditor and stakeholder inquiries.

THE SECURITY REVIEWS

11. The Monitor's legal counsel, Cassels Brock & Blackwell LLP ("Cassels") has completed a review of the security held by CIBC and determined that it is valid and enforceable. Cassels also completed a review of security held by Edmonton Kenworth Ltd. in respect of certain leased trailers and also determined that it was valid and enforceable against those specific trailers.

SALE PROCESS

12. As noted above, the Sale Process was approved pursuant to a Court Order granted on December 6, 2019. The Sale Process has been conducted over a ten-week period as follows:
 - 12.1. The Sale Process was advertised in the Edmonton Journal on December 9 and 14, 2019, in the Yellowknifer on December 13 and 18, 2019 and in the Globe and Mail on December 12, 2019. The Sale Process was also advertised in the Insolvency Insider between December 9, 2019 and the date of this report.
 - 12.2. The Information Summary, including the Sale Process, was posted on the Monitor's Website on December 6, 2019 and circulated to interested parties beginning on December 9, 2020. Those parties who submitted the required non-disclosure agreement, were granted access to an electronic data room. Viewings of the Assets were also arranged for interested party requesting them.
 - 12.3. The deadline to submit binding offers is February 14, 2020. The Monitor will report further about the number of interested parties involved in the Sale Process following its conclusion.

THE STAY

13. At the February 18 Hearing, TIC intends to make an application to extend the Stay from February 21, 2020 to March 31, 2020 (the "Extension"). The Monitor is supportive of the Extension based on the fact that it will allow time for the Companies to assess the results of the Sale Process and, assuming

that a successful offer(s) is received, finalize a transaction(s) with respect to the Assets, subject to Court approval.

14. Based on the Monitor's dealings with Management during the CCAA proceedings and the Monitor's review of the Companies' operations and restructuring efforts to date, the Monitor can advise that:

14.1. The Companies appear to be acting in good faith and with due diligence;

14.2. The Companies are cooperating with the Monitor and assisting in advancing the Sale Process so that the Assets can be realized on for the benefit of the Companies' creditors;

14.3. The Companies have sufficient cash flow to operate over the Forecast Period; and

14.4. The Monitor is of the view that the Companies' creditors will not be materially prejudiced by the Extension and notes that CIBC is unaffected by the Stay.

CASH FLOW FORECAST

15. Attached as "Schedule 1" is a signed copy of the consolidated statement of projected cash flow of the Companies (the "Forecast") for the thirteen-week period ending May 2, 2020 (the "Forecast Period"). The Companies are estimating a total net cash outflow of approximately \$535,400 over the Forecast Period are projected to have cash on hand of \$370,300 at the end of the Forecast Period. A summary of the Forecast is included below;

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**Tlicho Landtran Transport Limited, 1456982 Alberta Ltd.,
1456998 Alberta Ltd. and Ventures West Limited Partnership
Statement of Projected Cash Flow
For the thirteen week period ended May 2, 2020**

		<u>Total</u>
Receipts		
Pre-filing accounts receivable	\$	74,205
Post-filing receipts		60,000
Total Receipts		<u>134,205</u>
Disbursements		
Salaries, wages and benefits		30,000
Insurance		-
Rent		33,123
Utilities		13,500
Office administration		-
Restructuring costs		475,000
Security		65,000
GST payable		-
Contingency		53,000
Total Disbursements		<u>669,623</u>
Net Cash Flow	-	<u>535,418</u>
<hr/>		
Bank Balance		
Beginning cash balance		905,762
Net cash flow	-	535,418
Ending bank balance	\$	<u><u>370,344</u></u>

16. The Companies are forecasting receipts of approximately \$134,200 over the Forecast Period, which consists of the following:
- 16.1. \$74,200 in pre-filing accounts receivable; and
 - 16.2. \$60,000 from a subcontractor related to the continuation of a contract for Tlicho Landtran to haul cement to Diavik Diamond Mines (2012) Inc's ("Diavik") Northern mining operations during the CCAA proceedings (the "Diavik Contract").
17. The Companies are forecasting disbursements of approximately \$669,600 over the Forecast Period. The most significant disbursement is restructuring costs of approximately \$475,000 for the professional fees of the Monitor, the Monitor's legal counsel, TIC's legal counsel and the Companies'

legal counsel, which includes the roll forward of a positive variance of \$133,200 from the Variance Period (as subsequently defined).

18. The remaining disbursements include the following:
 - 18.1. Salaries, wages and benefits of approximately \$30,000 for the Companies' one remaining employee, who has been assisting with the Sale Process;
 - 18.2. Rent of approximately \$33,100 related to monthly rent for March 2020 for the Companies' yard located at 12504 - 33 Street NE in Edmonton, Alberta (the "Yard");
 - 18.3. Security of approximately \$65,000 to safeguard the Assets in the Yard;
 - 18.4. Utilities on the secondary yard located in Yellowknife for \$13,500; and
 - 18.5. A contingency of \$53,000.
19. Based on the Forecast, the Companies are anticipated to have sufficient cash to fund their operations over the Forecast Period.
20. A cash flow forecast for the period from November 29, 2019 to February 22, 2020 was attached as Schedule 3 to the First Report (the "Original Forecast"). We note that the following accounts receivable that were included in the Original Forecast have been excluded from the Forecast:
 - 20.1. Approximately \$762,500 due to Ventures West from Tlicho Logistics Inc. ("TCL"), related to a subcontract for the supply of fuel to a Northern mining operation (the "VW – TCL Receivable"). Following the commencement of the CCAA proceedings, it was determined in conjunction with CIBC that certain accounts receivable that were payable from TCL to Ventures would not be paid to Ventures during the CCAA proceedings. This was done to facilitate the operations of TIC, including TCL, during the CCAA proceedings and to allow TIC to comply with various requirements under its current agreements with CIBC. As CIBC is the Companies primary secured lender and, as there will likely be a shortfall in satisfying CIBC's claim in these proceedings, there is no prejudice to the Companies' other creditors by deferring these payments.
 - 20.2. Approximately \$798,300 due to Tlicho Landtran from Diavik from the pre-CCAA period related to the Diavik Contract. We understand that Diavik is alleging that Tlicho Landtran breached the terms of the Diavik Contract by engaging the services of subcontract operators to fulfill the required services and that, the outstanding amount may be held pending a determination of any claim Diavik may have for set-off (the "Diavik Receivable").
21. A Management Report on Cash Flow Statement filed pursuant to Section 10(2)(b) of the CCAA in respect of the Forecast is attached hereto as "Schedule 2".

MONITOR'S REPORT ON CASH FLOW STATEMENT

22. The Monitor reports as follows with respect to the Forecast: The Forecast has been prepared by Management for the purposes described in the notes contained therein (the "Notes") using the probable and hypothetical assumptions set out in the Notes.

22.1. The Monitor's review consisted of inquiries, analytical procedures and discussion related to information supplied to it by Management and selected employees of the Respondents. Since hypothetical assumptions need not be supported, the Monitor's procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Forecast. We have also reviewed the support provided by Management for the probable assumptions and the preparation and presentation of the Forecast.

22.2. Based on our review, nothing has come to the attention of the Monitor that causes us to believe in all material respects that:

22.2.1. The hypothetical assumptions are not consistent with the purpose of the Forecast;

22.2.2. The probable assumptions developed by Management are not suitably supported and consistent with the plans of the Companies or do not provide a reasonable basis for the Forecast, given the hypothetical assumptions; or

22.2.3. Since the Forecast is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and that the variations may be material. Accordingly, The Monitor expresses no assurance as to whether the Forecast will be achieved. The Proposed Monitor further express no opinion or other form of assurance with respect to the accuracy of any financial information reported with respect to the Forecast or relied upon by it in reporting on the Forecast.

22.2.4. The Forecast has been prepared solely for the purposes described in the Notes and readers are cautioned that they may not be appropriate for other purposes.

VARIANCE ANALYSIS

23. Attached as "Schedule 3" is the variance analysis (the "Variance Analysis") for the period from November 29, 2019 to February 1, 2020 (the "Variance Period"). The Variance Analysis compares actual cash flow for the Companies over the Variance Period to Original Forecast.

24. The Variance Analysis is summarized below:

**Tlicho Landtran Transport Limited, 1456982 Alberta Ltd., 1456998 Alberta Ltd.
and Ventures West Limited Partnership
Variance Analysis for the 10 Week Period ended February 1, 2020**

	Forecast Total	Actual Total	Variance (A-F) 01-Feb-20
Receipts			
Pre-filing accounts receivable	\$ 2,838,092	\$ 1,881,960	-\$ 956,132
Post-filing receipts	20,000	-	20,000
Total Receipts	2,858,092	1,881,960	- 976,132
Disbursements			
Salaries, wages and benefits	- 540,800	- 443,438	97,362
Insurance	- 330,000	- 134,839	195,161
Rent	- 106,500	- 111,450	4,950
Utilities	- 13,500	- 3,460	10,040
Office administration	- 10,000	- 14,270	4,270
Restructuring costs	- 240,000	- 106,840	133,160
Security	- 51,000	- 68,617	17,617
GST payable	- 162,000	- 86,053	75,947
Contingency	- 50,000	- 7,232	42,768
Total Disbursements	- 1,503,800	- 976,198	527,602
Net Cash Flow	\$ 1,354,292	\$ 905,762	-\$ 448,531
Bank Balance			
Beginning bank balance	-	-	-
Net cash flow	1,354,292	905,762	- 448,531
Ending bank balance	\$ 1,354,292	\$ 905,762	-\$ 448,531

25. The Variance Analysis indicates a negative variance of approximately \$448,500 over the Forecast Period that reflects the following permanent variances over \$10,000:

25.1. A negative variance of approximately \$956,100 for the collection of pre-filing accounts receivable that includes a permanent positive variance of \$147,700 for the collection of an account that was previously deemed uncollectible, a permanent negative variance of approximately \$762,500 related to the VW – TCL Receivable, a negative variance of


- approximately \$463,800 related to the Diavik Receivable, which may or may not be permanent, and a positive timing variance of \$122,500.
- 25.2. A permanent positive variance of approximately \$97,400 for salaries and wages as a result of actual expenses being lower than what was originally forecast.
 - 25.3. A permanent positive variance of approximately \$195,200 for insurance coverage. Prior to the CCAA proceedings, the Companies were paying a monthly insurance premium of approximately \$130,000. Following the commencement of the CCAA proceedings and the cessation of the Companies' operations, Management renegotiated their premiums with their existing insurance provider such that they were required to pay only \$134,839 for a six-month period.
 - 25.4. Permanent positive variances approximately \$75,900 for GST and approximately \$42,800 for contingency as a result of actual expenses being lower than originally projected; and
 - 25.5. Permanent negative variance of approximately \$17,600 for security as a result of actual expenses being higher than what was originally estimated.

CONCLUSION

- 26. The Monitor is supportive of the Extension as it will provide time for the Companies to review and assess the results of the Sale Process, in consultation with the Monitor and CIBC, and, assuming a successful offer is received, finalize the terms of a corresponding transaction(s).

All of which is respectfully submitted this 13th day of February 2020.

MNP Ltd., in its capacity as Monitor of Tliche Landtran Transport Ltd, 1456998 Alberta Ltd. and 1456982 Alberta Ltd. and Ventures West Transport Limited Partnership not in its personal capacity

Per: 

Vanessa Allen, B. Comm, CIRP, LIT
Senior Vice President

SCHEDULES

SCHEDULE 1

Tilcho Landran Transport Limited, 1456982 Alberta Ltd., and Ventures West Limited Partnership (the "Companies")
Statement of Projected Cash Flow (the "Cash Flow")
For the thirteen week period ended May 2, 2020

Week ending	08-Feb-20	15-Feb-20	22-Feb-20	29-Feb-20	07-Mar-20	14-Mar-20	21-Mar-20	28-Mar-20	04-Apr-20	11-Apr-20	18-Apr-20	25-Apr-20	02-May-20	Total	Notes
Receipts															
Pre-filing accounts receivable	\$ 35,912	\$ 11,291	\$ 11,291	\$ 10,311	\$ 3,270	\$ 1,651	\$ -	\$ -	\$ -	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 74,305	1
Post-filing receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2
Total Receipts	\$ 35,912	\$ 11,291	\$ 11,291	\$ 10,311	\$ 3,270	\$ 1,651	\$ -	\$ -	\$ -	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 134,305	
Disbursements															
Salaries, wages and benefits	6,000	-	6,000	-	6,000	-	6,000	-	6,000	-	-	-	-	30,000	3
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4
Rent	-	-	-	33,173	-	-	-	-	-	-	-	-	-	33,173	5
Utilities	4,500	-	-	4,500	-	-	-	-	4,500	-	-	-	-	11,500	6
Administrations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7
Restructuring costs	131,000	-	-	-	120,000	-	-	-	-	-	100,000	-	-	475,000	8
Security	-	-	-	11,000	-	-	-	11,000	-	-	-	-	-	6,000	7
GST payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8
Contingency	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	2,000	2,000	51,000	
Total Disbursements	\$ 156,500	\$ 138,000	\$ 11,000	\$ 48,673	\$ 138,000	\$ 13,000	\$ 18,000	\$ 18,000	\$ 15,500	\$ 10,000	\$ 10,000	\$ 2,000	\$ 2,000	\$ 669,923	
Net Cash Flow	\$ 114,588	\$ 176,709	\$ 291	\$ 7,679	\$ 44,854	\$ 135,349	\$ 11,000	\$ 8,000	\$ 5,500	\$ 5,000	\$ 92,000	\$ 8,000	\$ 8,000	\$ 335,418	

Bank balance	08-Feb-20	15-Feb-20	22-Feb-20	29-Feb-20	07-Mar-20	14-Mar-20	21-Mar-20	28-Mar-20	04-Apr-20	11-Apr-20	18-Apr-20	25-Apr-20	02-May-20	Total
Beginning cash balance	\$ 905,762	\$ 791,174	\$ 654,465	\$ 664,735	\$ 657,076	\$ 612,192	\$ 475,844	\$ 454,844	\$ 458,844	\$ 431,344	\$ 446,344	\$ 354,344	\$ 362,344	\$ 905,762
Net cash flow	\$ 114,588	\$ 176,709	\$ 291	\$ 7,679	\$ 44,854	\$ 135,349	\$ 11,000	\$ 8,000	\$ 5,500	\$ 5,000	\$ 92,000	\$ 8,000	\$ 8,000	\$ 335,418
Ending bank balance	\$ 792,174	\$ 654,465	\$ 654,465	\$ 672,076	\$ 612,192	\$ 475,844	\$ 464,844	\$ 462,844	\$ 464,344	\$ 446,344	\$ 354,344	\$ 362,344	\$ 370,344	\$ 370,344

Purpose:
The Cash Flow has been prepared by the Companies' management pursuant to section 10(2)(a) of the Companies' Creditors Arrangement Act (the "CCAA"). It is being filed specifically for the purposes contemplated in that section and readers are cautioned that it may not be appropriate for other purposes. In addition, the Cash Flow has been prepared based on assumptions regarding future events; therefore actual results may vary from the estimates presented herein and these variances may be material.

Tilcho Landran Transport Limited, 1456982 Alberta Ltd., and Ventures West Limited Partnership

Per: *M. Bryer*, Chief Executive Officer
M. Bryer, Chief Executive Officer

Notes and assumptions - general

1. Unless otherwise stated, all amounts are based on historical data and management estimates.
2. All amounts are in Canadian dollars.
3. All amounts include applicable GST.
4. The Companies' transportation assets are currently being offered for sale via tender (the "Sale Process"). The Sale Process has a deadline of February 14, 2020. As the outcome of the Sale Process is unknown, no proceeds from the disposition of the Sale Process are reflected herein.

Notes and assumptions - specific

1. Collections are based on known customer payment terms.
2. Management has arranged for a subcontractor to continue one of the Companies' contracts to transport cement to a milling operation in the Northwest Territories until such time as it can be assigned. Pursuant to this agreement, management anticipates collecting total revenue of approximately \$100,000.
3. Includes ongoing payments to one employee, who has been retained to assist in the collection of the Companies' assets and assist in the collection of go-forward accounts receivable. It is anticipated that the services of this employee will be required until March 31, 2020.
4. The Companies have renewed their insurance policy through Northridge General Insurance Corporation (the "Policy"). Pursuant to the Policy a payment of approximately \$135,000 was paid for the six months ended May 31, 2019.
5. Includes amounts payable for a restructured lease in Edmonton, Alberta (the "Lease") through Osborn Holdings Inc. (the "Yard Lease"). The Companies currently anticipate continuing the Yard Lease until March 31, 2020.
6. Includes utilities payable for a restructured lease in Edmonton, Alberta.
7. Represents amounts payable to the Monitor, Tilcho Investment Corporation's legal counsel, the Companies' legal counsel and the Monitor's legal counsel for professional fees and disbursements during the restructuring proceedings.
8. Includes 24 hour security at the Yard.
9. Represents cash held in the Companies' bank account.

MWP Ltd. in its capacity as Monitor in proceedings under the CCAA for Tilcho Landran Transport Limited, 1456982 Alberta Ltd., 1456982 Alberta Ltd. and Ventures West and not in its personal capacity

Per: Vanessa Allen, Senior Vice President

SCHEDULE 2

MANAGEMENT REPORT ON CASH FLOW STATEMENT PURSUANT TO PARAGRAPH OF 10(2)(B) OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, as amended

1. The Management of the Respondents has developed the assumptions and prepared the attached statement of projected cash flow for each of the Respondents for the thirteen-week period (the "Forecast Period") ending May 2, 2020 (the "Forecast").
2. The Forecasts have been prepared for the purpose of determining the liquidity requirements of the Respondents during the Forecast Period.
3. The hypothetical assumptions are reasonable and consistent with the purpose of the projections described in the notes to the Forecast, and the probable assumptions are suitably supported and consistent with the plans of the Respondents and provide a reasonable basis for the Forecasts.
4. Since the Forecasts are based on assumptions regarding future events, actual results will vary from the information presented and variations may be material.
5. The Forecasts have been prepared solely for the purposes described in the notes to the Forecasts. Consequently, readers are cautioned that Forecasts may not be appropriate for other purposes.
6. The Respondents confirm that the Forecasts and the underlying assumptions are the responsibility of the Respondents, and that all material information relevant to the Forecasts and to the underlying assumptions has been made available to MNP Ltd., in its capacity as the Monitor for the Applicants.

Dated at Edmonton, Alberta this 12th day of February 2020.

Tli Cho Landtran Transport Ltd., 1456998 Alberta Ltd.,
And 1456982 Alberta Ltd.

Per: 
Mark Brajer

SCHEDULE 3

Tilco Landran Transport Limited, 1459992 Alberta Ltd. and Ventures West Transport Limited Partnership (the "Companies")
 Variance Analysis
 For the period from November 29, 2019 to February 01, 2020

	30-Nov-19		07-Dec-19		14-Dec-19		21-Dec-19		28-Dec-19		04-Jan-20		11-Jan-20		18-Jan-20		25-Jan-20		31-Jan-20		04-Feb-20		11-Feb-20		18-Feb-20		25-Feb-20		01-Mar-20		Notes	
	Forecast	Actual	Forecast	Actual	Forecast	Actual	Forecast	Actual	Forecast	Actual	Forecast	Actual	Forecast	Actual	Forecast	Actual	Forecast	Actual	Forecast	Actual	Forecast	Actual	Forecast	Actual	Forecast	Actual	Forecast	Actual	Variance (A-F)			
Receipts																																
Pre-billing accounts receivable	\$ 900,000	\$ 39,482	\$ 72,218	\$ 125,181	\$ 125,181	\$ 125,181	\$ 125,181	\$ 125,181	\$ 125,181	\$ 125,181	\$ 125,181	\$ 125,181	\$ 125,181	\$ 125,181	\$ 125,181	\$ 125,181	\$ 125,181	\$ 125,181	\$ 125,181	\$ 125,181	\$ 125,181	\$ 125,181	\$ 125,181	\$ 125,181	\$ 125,181	\$ 125,181	\$ 125,181	\$ 125,181	\$ 125,181	\$ 125,181	14.2	
Other receivables																																
Total Receipts	\$ 900,000	\$ 39,482	\$ 72,218	\$ 125,181	\$ 125,181	\$ 125,181	\$ 125,181	\$ 125,181	\$ 125,181	\$ 125,181	\$ 125,181	\$ 125,181	\$ 125,181	\$ 125,181	\$ 125,181	\$ 125,181	\$ 125,181	\$ 125,181	\$ 125,181	\$ 125,181	\$ 125,181	\$ 125,181	\$ 125,181	\$ 125,181	\$ 125,181	\$ 125,181	\$ 125,181	\$ 125,181	\$ 125,181	\$ 125,181	\$ 125,181	
Disbursements																																
Salaries, wages and benefits	\$ 138,100	\$ 387,100	\$ 35,200	\$ -	\$ -	\$ 16,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	3
Insurance	\$ 130,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	4	
Rent	\$ 43,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	3	
Utilities	\$ -	\$ -	\$ 4,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	3	
Office administration	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	3	
Restructuring costs	\$ -	\$ -	\$ 120,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1	
Security	\$ -	\$ 10,200	\$ -	\$ 10,200	\$ -	\$ 10,200	\$ -	\$ 10,200	\$ -	\$ 10,200	\$ -	\$ 10,200	\$ -	\$ 10,200	\$ -	\$ 10,200	\$ -	\$ 10,200	\$ -	\$ 10,200	\$ -	\$ 10,200	\$ -	\$ 10,200	\$ -	\$ 10,200	\$ -	\$ 10,200	\$ -	\$ 10,200	3	
GST payable	\$ -	\$ 54,000	\$ -	\$ 54,000	\$ -	\$ 54,000	\$ -	\$ 54,000	\$ -	\$ 54,000	\$ -	\$ 54,000	\$ -	\$ 54,000	\$ -	\$ 54,000	\$ -	\$ 54,000	\$ -	\$ 54,000	\$ -	\$ 54,000	\$ -	\$ 54,000	\$ -	\$ 54,000	\$ -	\$ 54,000	\$ -	\$ 54,000	3	
Contingency	\$ -	\$ 10,000	\$ -	\$ 10,000	\$ -	\$ 10,000	\$ -	\$ 10,000	\$ -	\$ 10,000	\$ -	\$ 10,000	\$ -	\$ 10,000	\$ -	\$ 10,000	\$ -	\$ 10,000	\$ -	\$ 10,000	\$ -	\$ 10,000	\$ -	\$ 10,000	\$ -	\$ 10,000	\$ -	\$ 10,000	\$ -	\$ 10,000	3	
Total Disbursements	\$ 311,100	\$ 588,100	\$ 154,700	\$ 154,700	\$ 154,700	\$ 154,700	\$ 154,700	\$ 154,700	\$ 154,700	\$ 154,700	\$ 154,700	\$ 154,700	\$ 154,700	\$ 154,700	\$ 154,700	\$ 154,700	\$ 154,700	\$ 154,700	\$ 154,700	\$ 154,700	\$ 154,700	\$ 154,700	\$ 154,700	\$ 154,700	\$ 154,700	\$ 154,700	\$ 154,700	\$ 154,700	\$ 154,700	\$ 154,700	3	
Net Cash Flow	\$ 588,900	\$ 341,382	\$ 82,482	\$ 109,981	\$ 109,981	\$ 109,981	\$ 109,981	\$ 109,981	\$ 109,981	\$ 109,981	\$ 109,981	\$ 109,981	\$ 109,981	\$ 109,981	\$ 109,981	\$ 109,981	\$ 109,981	\$ 109,981	\$ 109,981	\$ 109,981	\$ 109,981	\$ 109,981	\$ 109,981	\$ 109,981	\$ 109,981	\$ 109,981	\$ 109,981	\$ 109,981	\$ 109,981	\$ 109,981	\$ 109,981	
Bank Balance																																
Beginning bank balance	\$ 568,600	\$ 226,982	\$ 144,101	\$ 144,101	\$ 144,101	\$ 144,101	\$ 144,101	\$ 144,101	\$ 144,101	\$ 144,101	\$ 144,101	\$ 144,101	\$ 144,101	\$ 144,101	\$ 144,101	\$ 144,101	\$ 144,101	\$ 144,101	\$ 144,101	\$ 144,101	\$ 144,101	\$ 144,101	\$ 144,101	\$ 144,101	\$ 144,101	\$ 144,101	\$ 144,101	\$ 144,101	\$ 144,101	\$ 144,101	\$ 144,101	
Ending bank balance	\$ 568,600	\$ 235,422	\$ 344,101	\$ 254,082	\$ 254,082	\$ 254,082	\$ 254,082	\$ 254,082	\$ 254,082	\$ 254,082	\$ 254,082	\$ 254,082	\$ 254,082	\$ 254,082	\$ 254,082	\$ 254,082	\$ 254,082	\$ 254,082	\$ 254,082	\$ 254,082	\$ 254,082	\$ 254,082	\$ 254,082	\$ 254,082	\$ 254,082	\$ 254,082	\$ 254,082	\$ 254,082	\$ 254,082	\$ 254,082	\$ 254,082	

Notes:

- Timing variance that is anticipated to reverse itself in subsequent weeks.
- Approximately \$147,669 of this represents a permanent positive variance as a result of the of the payment of an account that was originally deemed uncollectible. Approximately \$762,246 of this represents a permanent negative variance in that following the commencement of the CCAA proceedings, it was determined in conjunction with CIBC that certain accounts receivable that were payable from Tilco Logistics Inc. to Ventures West Transport Limited Partnership as a result of a subcontract for the supply of fuel to a Northern milling operation would remain in Tilco Logistics Inc. in order to facilitate the operations of that entity during the CCAA proceedings. As such the net permanent negative variance is \$624,577.
- Approximately \$100,000 of this represents a permanent positive variance as a result of the payment of an account that was originally deemed uncollectible. Approximately \$762,246 of this represents a permanent negative variance in that following the commencement of the CCAA proceedings, it was determined in conjunction with CIBC that certain accounts receivable that were payable from Tilco Logistics Inc. to Ventures West Transport Limited Partnership as a result of a subcontract for the supply of fuel to a Northern milling operation would remain in Tilco Logistics Inc. in order to facilitate the operations of that entity during the CCAA proceedings. As such the net permanent negative variance is \$624,577.
- Prior to the CCAA proceedings, the Companies were paying a monthly insurance premium of approximately \$130,000. Following the CCAA proceedings being initiated, the Companies renegotiated their premiums with their existing insurance provider such that they are now paying \$134,839 for six months. This payment was made on December 9, 2019.