

October 27, 2021

Notice to the creditors of Alaska – Alberta Railway Development Corporation (“A2A” or the “Company”)

On June 18, 2021, the Company filed a Notice of Intention to Make a Proposal pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act* (the “BIA”). On October 27, 2021, a proposal for A2A (the “Proposal”) was filed with the Office of the Superintendent of Bankruptcy. MNP Ltd. acts as Trustee in the Proposal proceedings and also as Interim Receiver of A2A. Information related to the proceedings can be found on MNP Ltd.’s website at <https://mnpdebt.ca/en/corporate/corporate-engagements/alaska-alberta-railway-development-corporation-7198362-manitoba-ltd-and-12703131-canada-ltd>

To assist you in considering the Proposal, the following documents are attached:

1. Notice of Proposal to Creditors;
2. Proposal;
3. Trustee’s Report on Proposal;
4. Statement of Affairs;
5. Proof of Claim/ Proxy; and
6. Voting Letter.

The first meeting of creditors (the “Meeting”) is being held virtually via Zoom on November 9, 2021 at 10:00 a.m. Mountain Time. The link to the Zoom meeting is below (call in details can also be provided upon request):

<https://us02web.zoom.us/j/4343814113?pwd=MzFURVFrZkhNSzN2ZmM5akdqeUUrUT09>

Enclosed herein are a proof of claim form and a voting letter. In order to participate in the Creditors’ Meeting and share in any distribution made pursuant to the Proposal, creditors must submit the proof of claim, including the required supporting documentation at or prior to the Creditors’ Meeting. **If you cannot attend the Creditors’ Meeting, you may still vote using either the Proxy or the Voting Letter. Documentation can be sent by fax to 403-537-8437 or via email to jacqueline.shellon@mnp.ca.**

Should you have additional questions, please contact Jacqueline Shellon at 587-702-5959.

MNP Ltd. in its capacity as the Licensed Insolvency
Trustee under the Proposal for Alaska – Alberta Railway
Development Corporation and not in its personal or
corporate capacity



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

District of: Alberta
Division No. 02 - Calgary
Court No. 24-2746532
Estate No. 24-2746532

FORM 92
Notice of Proposal to Creditors
(Section 51 of the Act)

In the Matter of the Proposal of
Alaska - Alberta Railway Development Corporation

Take notice that Alaska - Alberta Railway Development Corporation of the city of Edmonton in the Province of Alberta has lodged with me a proposal under the *Bankruptcy and Insolvency Act*.

A copy of the proposal, a condensed statement of the debtor's assets, and liabilities, and a list of the creditors affected by the proposal and whose claims amount to \$250 or more are enclosed.

A general meeting of the creditors will be held on the 9th day of November 2021 at 10:00 AM at:
<https://us02web.zoom.us/j/4343814113?pwd=MzFURVFrZkhNSzN2ZmM5akdqeUUrUT09>.

The creditors or any class of creditors qualified to vote at the meeting may by resolution accept the proposal either as made or as altered or modified at the meeting. If so accepted and if approved by the court the proposal is binding on all the creditors or the class of creditors affected.

Proofs of claim must be lodged with me prior to the commencement of the meeting.

Proxies and voting letters intended to be used at the meeting may be filed at any time up until the moment a vote is called.

Dated at the city of Calgary in the Province of Alberta, this 27th day of October 2021.

MNP Ltd. - Licensed Insolvency Trustee
Per:



Vanessa Allen - Licensed Insolvency Trustee
1500, 640 - 5 Avenue SW
Calgary AB T2P 3G4
Phone: (403) 477-9661 Fax: (403) 537-8437

(A form of proof of claim, a form of proxy and a voting letter should be enclosed with each notice.)

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
5321328 Manitoba Inc.	2500 - 360 Main Street Winnipeg MB R3C 4H6		3,725,372.63
7198362 Manitoba Ltd.	2500 - 360 Main Street Winnipeg MB R3C 4H6		8,966,257.50
Alayna Ward-Award Communications	553 Whites Road Trenton ON K8V 5P8		5,040.00
Altek Construction Ltd.	4 - 11720 Stewart Crescent Maple Ridge BC V2X 9E7		100,815.62
Arnold & Porter	P.O. Box 759451 Baltimore MD 21275-9451 USA		928,632.54
Award Communications	553 Whites Road Trenton ON K8V 5P8		11,718.00
Axiom	11154 Bayshore Drive Anchorage AK 99515 USA		22,667.64
Bank of Montreal	P.O. Box 6044, STN Centre-Ville Montreal QC H3C 3X2	5112 4200 0022 4208	40,000.00
Barnes & Thornburg LLP	1000 N. West Street, Suite 1500 Wilmington DE 19801-1054 USA		13,013.00
Brattle	One Beacon Street, Suite 2600 Boston MA 02108 USA		333,065.62
Brian Love	22-23 Normandy Road Whitehorse YT Y1A 0L4		29,568.87
Bridging Income Fund LP	c/o PWC Suite 2600 - 18 York Street Toronto ON M5J 0B2		212,891,590.00
Britt Radius	1100, 630 - 6th Avenue SW Calgary AB T2P 0S8		692.53
Coates Holdroyd Consulting	202 - 1630 Quebec Ave. Saskatoon SK S7K 1V7		42,500.00
Communica Public Affairs Inc.	c/o Fast Trippier Law 10 Donald Street Winnipeg MB R3C 1L5		154,117.93
CRA - Service Canada	140 Promenade Du Portage Phase IV 2nd Flr. Gatineau QC K1A 0J9		45,941.08
CSC	251 Little Falls Drive Wilmington Delaware 19808-1674 USA		487.64
Dean Dokkie	7779 West Moberly Road Moberly Lake BC V0C 1X0		4,253.26

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Deborah Archibald (Archibald Robb Consulting)	Unit #1, 809 Sixth Street Canmore AB T1W 2V1		1,381.80
Don Pope - EcoStep Environmental Consulting Ltd	9126 - 80 Avenue NW Edmonton AB T6C 0T8		2,047.50
Dr. Ken Coates	1926 Pohorecky Terrace Saskatoon SK S7S 1N1		39,280.50
Environmental Dynamics Inc	2195 2nd Ave Whitehorse YT Y1A 3T8		4,778.99
Fort Nelson First Nation	RR 1 Mile 295 Alaska Hwy Fort Nelson BC V0C 1R0		23,785.13
Future 500	588 Sutter Street, #212 San Francisco CA 94102 USA		14,111.08
HDR Engineering	100 York Boulevard, Suite 300 Richmond Hill ON L4B 1J8		2,006,794.00
Hydrogeological Consultants HCL	17740 - 118 Avenue NW Edmonton AB T5S 2W3		2,385.65
Jack Ferguson and Associates	203 Maryland Avenue NE Washington DC 20002 USA		165,000.00
Jason Smith (Jacobs)	540 - 12th Avenue SW Calgary AB T2R 0H4		5,207.21
JP Gladu Expenses	Mokwateh 1 Copper Thunderbird Road SandPoint First Nation ON P0T 2B0		3,193.37
Keja Nokomis Whiteman	1500, 640 - 5th Avenue SW Calgary AB T2P 3G4		3,785.63
McKinsey	PO Box 7247-7255 Philadelphia PA 191 70-7255 USA		3,339,114.90
Navigator	121 King Street West, Suite 1810 Toronto ON M5H 3T9		236,115.38
NPA	Suite 201, 212 Main Street Whitehorse YT Y1A 2B1		39,280.00
Outcrop Communications Ltd	305 - 104 Elliott Street Whitehorse YT Y1A 0M8		4,751.35
Peter Scholz	Box 436, #400, 3rd Ave Arviat NU X0C 0E0		37,751.30
Peter Wallis Consulting	110 Sienna Ridge Landing SW Calgary AB T3H 3T1		13,178.64
Pinpoint Consulting Inc.	7632 Quail Hill Road Charlotte NC 28210 USA		15,513.75

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Prolog	PO Box 31798 Whitehorse YT Y1A 6L3		1,575.00
Qilak LNG	1029 W 3rd Avenue, Suite 500 Anchorage AK USA		18,022.59
Sean McCoshen	12905 - 127 Avenue NW Edmonton AB T5L 1H8		250,000.00
Serecon	600 - 10665 Jasper Ave. Edmonton AB T5J 3S9		23,600.23
State of Alaska - Dept of Natural Resources	550 W 7th Avenue, Suite 1430 Anchorage AK 99501 USA		24,345.91
Tetrattech Yukon	14940 - 123 Avenue Edmonton AB T5V 1B4		876.75
Thompson Hine	3900 Key Tower, 127 Public Square Cleveland OH 441 14-129 USA		34,093.78
Thurber Engineering	4127 Roper Road Edmonton AB T6B 3S5		4,876.20
Torys	4600 525 - 8th Avenue SW Calgary AB T2P 1G1		379,017.05
Uptown Property Group	Suite 330 - 555 Sixth Street New Westminster BC V3L 5H1		15,793.71
Uqaqti Consulting	P.O. Box 74194 AK 99707 USA		27,000.00
Total			234,052,391.26

**IN THE MATTER OF THE PROPOSAL OF
ALASKA – ALBERTA RAILWAY DEVELOPMENT CORPORATION
OF EDMONTON, ALBERTA**

PROPOSAL

Alaska – Alberta Railway Development Corporation, a company existing under the laws of the Province of Alberta (“**A2A**” or the “**Debtor**”) hereby submits the following Proposal to all of its Creditors pursuant to Part III, Division I of the BIA.

**ARTICLE 1
DEFINITIONS**

1.1 Definitions

In this Proposal:

“**Administration Charge**” means the priority Administration Charge over the property of the Debtor in favour of the Interim Receiver and its legal counsel in the maximum amount of \$200,000 as granted by the Court pursuant to the Interim Receivership Order dated July 12, 2021;

“**Administrative Fees and Expenses**” means the proper fees, expenses and legal fees and disbursements of the Trustee and the Interim Receiver on and incidental to the administration of the Interim Receivership, the negotiation, preparation, presentation, amendments to, consideration, creditor and Court approval of and implementation of the Proposal and all proceedings and matters relating to or arising out of the Proposal or in related bankruptcy proceedings, if any;

“**Affected Claim**” means all Claims that are not Unaffected Claims;

“**Affected Creditor**” means a Creditor having an Affected Claim;

“**Approval Order**” means an Order of the Court approving the Proposal;

“**Articles of Reorganization**” means the articles of reorganization of A2A to become effective on the Implementation Date attached hereto as Schedule “A”;

“**BIA**” means the *Bankruptcy and Insolvency Act*, RSC 1985, c.B-3;

“**Bridging Loan Agreement**” means the loan agreement between the Unaffected Secured Creditor and A2A dated December 11, 2015, as amended from time to time;

“**Business Day**” means each day other than a Saturday or Sunday or a statutory or civic holiday on which banks are open for business in Calgary, Alberta, Canada;

“**Claim**” means any right of any Person against A2A whether or not asserted in connection with any indebtedness, liability or obligation of any kind whatsoever owed to a Person, including any indebtedness, liability or obligation owed to such Person as a result of any duty (including any legal, statutory, equitable

or fiduciary duty), any right of ownership of or title to, or to a trust or deemed trust against, any of the property or assets of A2A, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, secured, under-secured, unsecured, preferred, perfected, unperfected, present, future, direct or indirect, known or unknown, by guarantee, by surety or otherwise, at law or in equity, and whether or not such a right is executory or anticipatory in nature, including the 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 is based in whole or in part on facts which existed prior to the NOI Date;

“Convertible Debenture” means the Convertible Debenture in the principal amount of \$30,630,000 issued on June 1, 2019 by the Unaffected Secured Creditor to A2A;

“Court” means the Court of Queen’s Bench of Alberta;

“Court Ratification” means (a) the approval of the Proposal by Order of the Court and (b) the expiry of all appeal periods in relation to such Order of the Court;

“Creditor” means any Person that has a Claim;

“Creditors’ Meeting” means any meeting of the Affected Creditors, in person or virtually, called by the Trustee for the purpose of considering and voting upon the Proposal;

“Creditors’ Meeting Date” means 10:00 a.m. Mountain Time on the date and time as may be called by the Trustee in consultation with the Official Receiver pursuant to Section 7.2 of the Proposal;

“Crown Claims” means an amount due to Her Majesty in Right of Canada or a Province and that are of a kind that could be subject to a demand under:

- a) subsection 224(1.2) of the Income Tax Act;
- b) any provision of the Canada Pension Plan or of the Employment Insurance Act that refers to subsection 224(1.2) of the Income Tax Act and provides for the collection of a contribution, as defined in the Canada Pension Plan, or an employee’s premium, or employer’s premium, as defined in the Employment Insurance Act, and of any related interest, penalties or other amounts; or
- c) any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the Income Tax Act, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum:
 - i) has been withheld or deducted by a Person from a payment to another Person and is in respect of a tax similar in nature to the income tax imposed on individuals under the Income Tax Act, or
 - ii) is of the same nature as a contribution under the Canada Pension Plan if the province is a “province providing a comprehensive pension plan” as defined in

subsection 3(1) of the Canada Pension Plan and the provincial legislation establishes a “provincial pension plan” as defined in that subsection;

“**Date of Court Approval**” means the date on which the Proposal is approved by Order of the Court;

“**Date of Proposal**” means the date of the filing of the Proposal with the Official Receiver;

“**Disputed Claims**” means any Proof of Claim which has been received by the Trustee in accordance with the terms of this Proposal and the BIA but has not been accepted as proven in accordance with section 135 of the BIA or which is being disputed in whole or in part by the Trustee, or any other Person entitled to do so and has not been resolved in accordance with the BIA;

“**Dividend Fund**” means the lesser of the amount required to make the Proposal Payment to all Ordinary Unsecured Creditors with a Proven Claim plus the Levy and \$50,000, which will be held by the Trustee for the benefit of the Ordinary Unsecured Creditors. The Dividend Fund shall be created, first from A2A’s cash on hand, subject to the maintenance of applicable reserves for the completion of the Proposal as of the Implementation Date. To the extent A2A does not have sufficient cash available to it for this purpose, any shortfall between the amount of cash available from A2A and the amount required to create the Dividend Fund will be paid to the Trustee in cash by the Unaffected Secured Creditor on the Date of Court Approval;

“**Equity Claim**” means a Claim that is an “equity claim” within the meaning of section 2 of the BIA with respect to A2A;

“**Equity Interest**” means an “equity interest” within the meaning of section 2 of the BIA with respect to A2A;

“**Existing Shares**” means all issued preferred and common shares of A2A and any and all, warrants, options, instruments, rights or entitlements which have the capacity to be converted into or exchanged for, or give the right to acquire, shares of A2A in existence on the Implementation Date, but excluding the Convertible Debenture;

“**First Secured Debt**” means the indebtedness of A2A to the Unaffected Secured Creditor in connection with the Bridging Loan Agreement that is subject to a first secured charge on the property, assets and undertakings of A2A;

“**Implementation Date**” means the date upon which the conditions set forth in Section 10.4 have been satisfied;

“**Income Tax Act**” means *Income Tax Act*, RSC 1985, c. 1 (5th Supp.);

“**Inspectors**” means one or more Inspectors appointed pursuant to section 116(1) of the BIA, as provided for in the Proposal;

“**Interim Receiver**” means MNP Ltd., solely in its capacity as interim receiver of A2A pursuant to the Interim Receivership Order, and not in its personal capacity;

“Interim Receivership Order” means the Amended and Restated Interim Receivership Order granted by the Court in Court File No. 24-2746532 on October 13, 2021;

“Lessor” means the holder of a commercial real property lease that was disclaimed or resiliated pursuant to Section 65.2(1) of the BIA following the NOI Date;

“Levy” means the levy payable to the Superintendent of Bankruptcy pursuant to section 147 of the BIA;

“New Common Shares” means the shares of A2A to be issued to the Unaffected Secured Creditor on the Implementation Date;

“NOI Date” means June 18, 2021, the date on which A2A filed a Notice of Intention to Make a Proposal with the Official Receiver;

“Official Receiver” shall have the meaning ascribed thereto in the BIA;

“Order” means any award, writ, injunction, judgment, order or decree entered, issued, made or rendered by the Court;

“Ordinary Unsecured Creditors” means those Persons with Claims that are proved in respect of debts and liabilities present or future to which A2A was subject at the NOI Date or to which A2A may become subject by reason of obligations incurred before the NOI Date except for those Claims:

- a) that are by the Unaffected Secured Creditor;
- b) that are Crown Claims;
- c) that have been finally and conclusively disallowed or found by the Court not to be provable Claims;
- d) that are by Preferred Creditors; or
- e) that are for Administrative Fees and Expenses;

“Person” is to be broadly interpreted and includes any individual, firm, corporation, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization, joint venture, government authority or any agency, officer or instrumentality thereof or any other entity, wherever situated or domiciled, and whether or not having legal status;

“Post-Filing Claim” means any Claims arising in respect of Post-Filing Goods and Services;

“Post-Filing Goods and Services” means in respect of this Proposal, the goods supplied or services rendered to A2A on and after the NOI Date and up to and including Court Ratification;

“Preferred Claims” means any Claims by Preferred Creditors;

“Preferred Creditors” means those persons with Claims that are provable and proved under the BIA and which are required by Section 136 of the BIA to be paid in priority to the Claims of Ordinary Unsecured Creditors;

“Proof of Claim” shall mean the proof of claim required by the BIA to be mailed to each known Creditor prior to the Creditors’ Meeting;

“Proposal” means this proposal together with any amendments or additions thereto;

“Proposal Payment” means the lesser of the amount of the Proven Claim of an Ordinary Unsecured Creditor and \$1,000;

“Proven Claim” of a Creditor means the amount of the Affected Claim of such Creditor finally determined in accordance with BIA;

“Section 95-101 Claims” shall have the meaning assigned to them in section 9.1 herein.

“Secured Claim” means a Claim related to a mortgage, hypothec, charge, pledge, charge or lien on or against the property or assets of the Debtor as security for a debt due or accruing;

“Trustee” means MNP Ltd., or its duly appointed successor or successors, solely in its capacity as Trustee under the Notice of Intention to Make a Proposal of A2A and under this Proposal, and not in its personal capacity;

“Unaffected Claims” means the claim of the Unaffected Secured Creditor, Administrative Fees and Expenses, Post-Filing Claims and any Claims of the Unaffected Secured Creditor in relation to the payment of the Dividend Fund, the payment of the Crown Claims or the payment of Claims by Preferred Creditors;

“Unaffected Secured Creditor” means Bridging Finance Inc., in its capacity as agent on behalf of Bridging Income Fund LP and the related investment funds from time to time acting as lender in connection with the Bridging Loan Agreement and the First Secured Debt;

“Voting Claim” means the amount of the Proven Claim of the Affected Creditors, as determined for voting purposes in accordance with the provisions of the BIA;

“Voting Letter” shall mean the voting letter required by section 51(1) of the BIA to be mailed to each known Creditor prior to the Creditors’ Meeting; and

1.2 Articles of Reference

The terms “hereof”, “hereunder”, “herein” and similar expressions refer to the Proposal and not to any particular article, section, subsection, clause or paragraph of the Proposal and include any agreements supplemental hereto. In the Proposal, a reference to an article, section, subsection, clause or paragraph will, unless otherwise stated, refer to an article, section, subsection, clause or paragraph of the Proposal.

1.3 Interpretation Not Affected by Headings

The division of the Proposal into articles, sections, subsections, clauses or paragraphs and the insertion of a table of contents and headings are for convenience of reference only and will not affect the construction or interpretation of this Proposal.

1.4 Date for Any Action

In the event that any date on which any action is required to be taken hereunder is not a Business Day, such action will be required to be taken on the next succeeding day which is a Business Day.

1.5 Time

All times expressed herein are local time in Edmonton, Alberta, Canada unless otherwise stipulated. Where the time for anything pursuant to the Proposal on a particular date is unspecified herein, the time shall be deemed to be 5:00 p.m. local time in Edmonton, Alberta, Canada.

1.6 Numbers, Gender

In the Proposal, where the context requires, a word importing the singular number will include the plural and vice versa and a word or words importing gender will include all genders.

1.7 Currency

Unless otherwise stated herein, all references to currency in the Proposal are to lawful money of Canada.

1.8 Statutory References

Except as otherwise provided herein, any reference in the Proposal to a statute includes all regulations made thereunder, all amendments to such statute or regulation(s) in force from time to time, and any statute or regulation that supplements or supersedes such statute or regulation(s).

1.9 Successors and Assigns

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

1.10 Including

The word "including", or any variation thereof means "including without limitation", and shall not be construed to limit any general statement that it follows to the specific or similar items or matters immediately following it.

ARTICLE 2 PURPOSE OF THE PROPOSAL

2.1 Purpose of the Proposal

The purpose of the Proposal is to allow the Debtor to effect the restructuring of its indebtedness in the manner contemplated herein and as permitted by the BIA in the expectation that all Affected Creditors will derive greater benefit from the restructuring than they would otherwise receive from a bankruptcy of the Debtor and to provide for:

- a) the distributions by the Trustee to pay the Crown Claims and the Proven Claims of Preferred Creditors;
- b) the distribution by the Trustee of the Proposal Payments from the Dividend Fund to the Ordinary Unsecured Creditors on account of their Affected Claims that are Proven Claims;
- c) the effective redemption or cancellation of all Existing Shares; and
- d) the issuance of New Common Shares to the Unaffected Secured Creditor.

The Proposal provides for the foregoing consideration in exchange for the full compromise and final satisfaction of all Affected Claims. The Proposal applies to all Affected Creditors, whether or not any such Affected Creditor proves a Claim against the Debtor under this Proposal but does not apply to the Unaffected Claims.

ARTICLE 3 CLASSIFICATION OF CREDITORS

3.1 Classes of Creditors

For the purposes of voting on the Proposal, the Affected Creditors of the Debtor shall be comprised of a single class.

ARTICLE 4 TREATMENT OF CREDITORS

4.1 Administrative Fees and Expenses

On the Implementation Date, all Administrative Fees and Expenses incurred to that date which remain unpaid shall be paid by the Trustee in full from funds on hand at A2A or paid by the Unaffected Secured Creditor to the Trustee in addition to the Dividend Fund. The Administration Charge secures such Administrative Fees and Expenses, in accordance with the terms of the Interim Receivership Order.

4.2 Binding Effect and Distribution

Pursuant to section 62 of the BIA, this Proposal shall become binding on all Affected Creditors in respect the Debtor upon acceptance by the Affected Creditors pursuant to section 7.6 hereof and Court Ratification. Thereafter:

- a) The Trustee shall pay all Crown Claims pursuant to this Proposal and in accordance with section 59 of the BIA;
- b) The Trustee shall make all distributions to Preferred Creditors pursuant to this Proposal and in accordance with section 136 of the BIA; and
- c) The Trustee shall make the Proposal Payments from the Dividend Fund to Ordinary Unsecured Creditors pursuant to this Proposal.

4.3 Interest on Claims

Interest will not accrue or be paid on Affected Claims after or in respect of the period following the NOI Date and no Affected Creditor will be entitled to any interest in respect of its Claim accruing on or after or in respect of the period following the NOI Date.

4.4 Crown Claims

Unless Her Majesty in Right of Canada agrees otherwise, the Crown Claims shall be paid by the Trustee to Her Majesty in Right of Canada forthwith after having received the funds describe in 4.6(a)(i) upon Court Ratification from the Unaffected Secured Creditor, which amount shall be added to the First Secured Debt.

4.5 Claims by Lessors

Any Claim by a Lessor may be filed in an amount equal to the lesser of:

- a) The aggregate of:
 - (i) The rent provided for in the relevant lease for the first year of that lease following the date on which the disclaimer or resiliation becomes effective; and
 - (ii) Fifteen per cent of the rent for the remainder of the term of the relevant lease after that year; and
- b) Three years rent.

4.6 Obligations of the Unaffected Secured Creditor

- a) The Unaffected Secured Creditor shall, immediately upon Court Ratification:
 - (i) pay the amount required to satisfy the Crown Claims to the Trustee, provided such claims have been fully determined;
 - (ii) pay the amount required to create the Dividend Fund to the Trustee;
 - (iii) pay the amount required to satisfy any Preferred Claims to the Trustee; and
 - (iv) pay sufficient additional funds to the Trustee to enable the Trustee to pay and Post-Filing Claims incurred prior to the Implementation Date; and

- b) To the extent that A2A does not have sufficient funds to do so, the Unaffected Secured Creditor shall pay to the Trustee all Administrative Fees and Expenses up to and including the date of the Trustee's discharge in accordance with Section 8.1.

4.7 Superintendent of Bankruptcy Levy

The Office of the Superintendent of Bankruptcy shall be paid its prescribed levy as required by sections 60(4) and 147 of the BIA: (i) by the Trustee from any dividends paid to the Proven Creditors.

4.8 Treatment of Equity Claims

On the Implementation Date, all issued and outstanding Equity Interests and all Equity Claims shall be fully, finally, irrevocably and forever compromised, settled, released, discharged, extinguished, redeemed, cancelled and barred without the consent of the Creditors or any other Person holding such Equity Claims and the New Common Shares shall be issued in accordance with the terms herein.

4.9 Treatment of Unaffected Claims

Unaffected Creditors will not receive any consideration or distributions under this Proposal in respect of their Unaffected Claims and shall not be entitled to vote on this Proposal at any Creditors' Meeting in respect of their Unaffected Claims.

4.10 Disputed Claims

An Affected Creditor with a Disputed Claim shall not be entitled to receive any distribution hereunder with respect to such Disputed Claim unless and until such Claim becomes a Proven Claim. Distributions made pursuant to this Proposal shall be made in respect of any Disputed Claim that is finally determined to be a Proven Claim. The procedure for resolving any Disputed Claims will be as set forth in the BIA.

4.11 Post-Filing Claims

Post-Filing Claims will be paid in full by the Interim Receiver until Court Ratification and, following that, by the Debtor in the ordinary course of business and on regular trade terms, or as may otherwise be arranged with the holders of such Post-Filing Claims.

4.12 Timing of Payments

The Unaffected Secured Creditor will fund the Proposal by providing sufficient funds to pay the Crown Claims, the Preferred Claims, the amount required to create the Dividend Fund and any outstanding Administrative Fees and Expenses upon Court Ratification of the Proposal.

**ARTICLE 5
REORGANIZATION**

5.1 Issuance of Shares to the Unaffected Secured Creditor

Upon Court Ratification, in further consideration for its agreement to pay the Crown Claims, the Claims of Preferred Creditors, the Dividend Fund and Administrative Fees and Expenses, the Unaffected Secured Creditor shall be issued the New Common Shares, as further set out in the Articles of Reorganization.

**ARTICLE 6
PROCEDURE FOR VALIDATION OF CLAIMS**

6.1 Allowance or Disallowance of Claims by the Trustee

Upon receipt of a completed Proof of Claim, the Trustee shall examine the Proof of Claim and shall deal with each Proof of Claim in accordance with the provisions of the BIA.

**ARTICLE 7
MEETING OF CREDITORS**

7.1 Creditors' Meeting

On the Creditors' Meeting Date, the Trustee shall hold the Creditors' Meeting in order for the Affected Creditors to consider and vote upon the Proposal.

7.2 Time and Place of Meeting

The Creditors' Meeting shall be held on the Creditors' Meeting Date at a time and place to be established by the Trustee in consultation with Official Receiver, or the nominee thereof, and confirmed in its notice of meeting to be mailed by the Trustee pursuant to the BIA. All Proofs of Claim shall be delivered in accordance with the provisions of the Proposal, the BIA and any Order which may be issued by the Court in respect of the procedure governing the Creditors' Meeting, subject at all times to (i) further Order of the Court, including any Order respecting COVID-19 related creditor meeting protocols; and (ii) any COVID-19 related creditor meeting directive issued by the Official Receiver.

7.3 Conduct of Meetings

The Official Receiver, or the nominee thereof, shall preside as the chair of the Creditors' Meeting and will decide all matters relating to the conduct of the Creditors' Meeting. The only Persons entitled to attend the Creditors' Meeting are those Affected Creditors, including the holders of proxies, entitled to vote at the Creditors' Meeting and their respective legal counsel, if any, the officers, directors, auditors and legal counsel of the Debtor, one or more representatives of and legal counsel to the Unaffected Secured Creditor, together with such representatives of the Trustee and representatives of the Trustee's legal counsel as the Trustee may appoint in its discretion, and such scrutineers as may be duly appointed by the chair of such meeting. Any other Person may be admitted on invitation of the chair of the Creditors' Meeting or with the consent of the Creditors.

7.4 Adjournment of Meetings

The Creditors' Meeting may be adjourned in accordance with Section 52 of the BIA.

7.5 Voting by Affected Creditors

To the extent provided for herein, and as prescribed in the BIA, each Affected Creditor will be entitled to vote to the extent of the amount which is equal to the amount accepted by the chair of the Creditors' Meeting for voting purposes or such amount as may be agreed to by the Trustee for voting purposes at or prior to the Creditors' Meeting (dollar amounts to be voted by Affected Creditors in accordance with the foregoing are referred to as "Voting Claims").

7.6 Approval by Creditors

In order for the Proposal to be binding on the Affected Creditors in accordance with the BIA, it must first be accepted by a majority in number of the Affected Creditors with Voting Claims, who are present (in person or by proxy) at the Creditors' Meeting or have filed a Voting Letter, representing two-thirds in value of the Voting Claims of the Affected Creditors who actually have filed Claims approved by the chair for voting and are present (in person or by proxy) at the Creditors' Meeting or have filed a Voting Letter. Approval of the Proposal by the class of Affected Creditors shall bind such class with regard to all Affected Claims against the Debtor.

7.7 Appointment of Inspectors

In accordance with section 56 of the BIA, at the Creditors' Meeting, the Affected Creditors may appoint up to five (5) Inspectors who will have the powers set out in the BIA. Any decision, direction or act of the Inspectors may be referred to the Court by the Trustee, the Affected Creditors or the Inspectors and the Court may confirm, reverse or modify the decision, direction or act and make such Order as it thinks just.

The authority and term of office of the Inspectors will terminate upon the full performance of the Proposal.

7.8 Valuation of Claims

The procedure for valuing Claims of Creditors and resolving disputes with respect to such Claims will be as set forth in Article 6 and the BIA.

ARTICLE 8 COMPLETION OF THE PROPOSAL

8.1 Discharge of Trustee

Upon distribution by the Trustee to pay the Crown Claims, the Preferred Claims and to make the Proposal Payments and the Trustee having issued the certificate of full performance, this Proposal shall be fully performed. The Trustee will proceed to apply for its discharge thereafter in due course.

The Trustee is acting in its capacity as Trustee under the BIA and not in its personal capacity and no officer, director, employee or agent of the Trustee, or the Trustee, shall incur any liabilities or obligations in

connection with the Proposal, in respect of the business or obligations of the Debtor or the Unaffected Secured Creditor and will be exempt from any personal liability in fulfilling any duties or exercising any powers conferred upon it by this Proposal unless such acts have been carried out in bad faith and constitute a wilful misconduct or gross negligence.

8.2 Completion of the Proposal

The payment, compromise, extinguishment or other satisfaction of any Affected Claim under the Proposal will be binding upon each Affected Creditor, its heirs, executors, administrators, successors and assigns, for all purposes, and as and from the Implementation Date all Affected Claims against the Debtor shall be forever discharged and released, excepting only the obligations to make distributions in respect of such Affected Claims in the manner and to the extent provided for in this Proposal.

ARTICLE 9 PREFERENCES, TRANSFERS AT UNDERVALUE, ETC.

9.1 Sections 95-101 of the BIA

In conformity with Section 101.1 of the BIA, all of the rights, remedies and recourses under Sections 95-101 of the BIA and any provincial statute related to preferences, fraudulent conveyances, transfers at undervalue, or the like (the “**Section 95-101 Claims**”) shall be exclusively assigned to the Unaffected Secured Creditor upon Court Ratification of the Proposal and no other Creditor shall have any rights, remedies or recourses related to the Section 95-101 Claims.

9.2 Recourse

As a result of and in accordance with Section 9.1 hereof and all of the rights, remedies, recourses and Affected Claims described therein:

- a) all such rights, remedies and recourses related to the Section 95-101 Claims will not be available to the Affected Creditors. For greater certainty, the rights of the Unaffected Secured Creditor to pursue any Section 95-101 Claims will not be affected; and
- b) all of the Affected Creditors shall be deemed, for all purposes whatsoever, to have irrevocably and unconditionally waived and renounced any rights, remedies and recourses related to the Section 95-101 Claims upon Court Ratification of the Proposal.

ARTICLE 10 MISCELLANEOUS

10.1 Modification of Proposal

Subject to obtaining the prior written consent of the Trustee and the Unaffected Secured Creditor, the Debtor may propose one or more alterations or modifications to the Proposal prior to the conclusion of the Creditors’ Meeting called to consider the Proposal.

10.2 Appointment of New Directors

Upon Court Ratification, a new director shall be appointed for A2A by the Unaffected Secured Creditor.

10.3 Consents, Waivers and Agreements

As at 12:01 a.m. on the Implementation Date, each Affected Creditor will be deemed to have:

- a) executed and delivered to the Debtor all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the Proposal in its entirety;
- b) waived any default by the Debtor in any provision, express or implied, in any agreement or other arrangement, written or oral, existing between such Affected Creditor and the Debtor that has occurred on or prior to the Implementation Date;
- c) agreed, in the event that there is any conflict between the provisions, express or implied, of any agreement or other arrangement, written or oral, existing between such Affected Creditor and the Debtor as at the Implementation Date (other than those entered into by the Debtor on, or with effect from, the Implementation Date) and the provisions of the Proposal, that the provisions of this Proposal shall take precedence and priority and the provisions of such agreement or other arrangement shall be amended accordingly; and
- d) released the Debtor and the Trustee and all of the Trustee's respective affiliates, employees, agents, directors, officers, shareholders, advisors, consultants and solicitors from any and all Claims and any other demands, actions, causes of action, counter-claims, suits, debts, sums of money, accounts, covenants, damages, judgements, expenses, executions, liens, set off rights and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Person may be entitled to assert, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Implementation Date, relating to or arising out of or in connection with the matters herein.

10.4 Conditions to Proposal Implementation

The implementation of the Proposal by the Debtor will be conditional upon the fulfilment or satisfaction of the following conditions:

- a) approval of the Proposal by the Affected Creditors pursuant to Section 7.6;
- b) Court Ratification; and
- c) confirmation that the amount required for the Proposal Payments will not exceed the maximum amount of the Dividend Fund; and
- d) the payment by the Unaffected Secured Creditor of an amount sufficient to pay the Crown Claims, the Claims by Preferred Creditors, the Dividend Fund, any unpaid Post-Filing Claims and the Administrative Fees and Expenses.

10.5 Effect of Proposal Generally

As at 12:01 a.m. on the Implementation Date, the treatment of all Claims under the Proposal shall be final and binding the Debtor and all Affected Creditors (along with their respective heirs, executors, administrators, legal personal representatives, successors and assigns) and the Proposal shall constitute (i) a full, final and absolute settlement of all rights of the holders of the Affected Claims affected hereby; and (ii) an absolute release and discharge of all indebtedness, liabilities and obligations of the Debtor of or in respect of such Affected Claims.

10.6 Notices

Any notices or communication to be made or given hereunder shall be in writing and shall refer to this Proposal and may, subject as hereinafter provided, be made or given by personal delivery, by prepaid mail or by receipted email (except for Proofs of Claim which may only be sent by personal delivery, receipted email or registered mail) addressed to the respective parties as follows:

- a) if to a Creditor, to the address or email address for such Creditor specified in the Proof of Claim filed by Creditor or, if no Proof of Claim has been filed, to such other address or email address at which the notifying party may reasonably believe that the Creditor may be contacted; and
- b) if to the Trustee, the Interim Receiver or the Debtor:

MNP Ltd.
1500, 640 – 5 Avenue SW
Calgary, Alberta T2P 3G4

Attention: Vanessa Allen and Jacqueline Shellon
Email: vanessa.allen@mnp.ca; jacqueline.shellon@mnp.ca

With a copy to:

Lawson Lundell LLP
Suite 1100, 225 – 6th Avenue SW
Calgary, Alberta T2P 1N2

Attention: Alexis Teasdale
Email: ateasdale@lawsonlundell.com

or to such other address or email address as any party may from time to time notify the others in accordance with this section. In the event of any strike, lock-out and other event which interrupts postal service in any part of Canada, all notices and communications during such interruption may only be given or made by personal delivery or by receipted email and any notice or other communication given or made by prepaid mail within the five (5) Business Day period immediately preceding the commencement of such interruption will be deemed not to have been given or made. All such notices and communications will be deemed to have been received, in the case of notice by email or by delivery prior to 5:00 p.m. (local time) on a Business Day, when received or if received after 5:00 p.m. (local time) on a Business Day or at any time on a non-Business Day, on the next following Business Day and in the case of notice mailed as

aforesaid, on the fifth (5th) Business Day following the date on which such notice or other communication is mailed. The unintentional failure to give a notice contemplated hereunder to any particular Creditor will not invalidate this Proposal or any action taken by any Person pursuant to this Proposal.

10.7 Assignment of Claims

No assignment of a Claim by an Affected Creditor is effective to give the assignee any rights in respect of the Proposal unless written notice of the assignment is given to the Debtor and the Trustee in accordance with the requirements of Section 10.6. The assignment of the Claim will not be effective for a period of five (5) Business Days from the date of effective receipt of the notice of assignment by the Debtor and by Trustee as determined in accordance with Section 10.6.

10.8 Foreign Currency Obligations

For purposes of this Proposal, Claims denominated in a currency other than Canadian funds will be converted to Canadian Dollars at the closing spot rate of exchange of the Bank of Canada on the NOI Date.

10.9 Applicable Law

The Proposal shall be construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein and shall be treated in all respects as an Alberta contract.

10.10 Non Severability

It is intended that all material provisions of this Proposal shall be fully binding on and effective between all Persons named or referred to in this Proposal and in the event that any material provision or provisions of the Proposal is or are found by the Court to be void, voidable or unenforceable for any reason whatever, then the remainder of this Proposal and all other provisions shall be void and of no force or effect.

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10.11 Deeming Provisions

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

DATED at the City of Calgary, in the Province of Alberta, this 27th day of October 2021.

**MNP LTD. in its capacity as Interim Receiver of
Alaska – Alberta Railway Development
Corporation and not in its personal or corporate
capacity**



Per: _____
Name:
Title:

SCHEDULE "A"

ARTICLES OF REORGANIZATION

See attached.

Articles of Reorganization

Alaska – Alberta Railway Development Corporation

1. to create an unlimited number of shares of a class designated as “New Common Shares”;
2. to cancel all Existing Shares;
3. to cancel all existing options, warrants, convertible instruments and any other rights or interests that are capable of being converted into Common Shares or Preferred Shares, except for the Convertible Debenture;
4. to remove the authorized but unissued Common Shares and Preferred Shares and all rights, privileges, restrictions and conditions attaching thereto;
5. to declare that the capital of the Corporation after giving effect to the foregoing shall consist of an unlimited number of New Common Shares with the following rights, privileges, restrictions and conditions:
 - (a) **Payment of Dividends:** The holders of the New Common Shares will be entitled to receive dividends if, as and when declared by the board of directors of the Corporation out of the assets of the Corporation properly applicable to the payment of dividends in such amounts and payable in such manner as the board may from time to time determine. Subject to the rights of the holders of any other class of shares of the Corporation entitled to receive dividends in priority to or concurrently with the holders of the New Common Shares, the board may in its sole discretion declare dividends on the New Common Shares to the exclusion of any other class of shares of the Corporation.
 - (b) **Participation upon Liquidation, Dissolution or Winding Up:** 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, the holders of the New Common Shares will be entitled to receive assets of the Corporation. Such distribution will be made in equal amounts per share on all the New Common Shares at the time outstanding without preference or distinction.
 - (c) **Voting Rights:** Subject to the provisions of the Act, the holders of the New Common Shares will be entitled to receive notice of and to attend all annual and special meetings of the shareholders of the Corporation and to one vote in respect of each New Common Share held at all such meetings.
6. to establish that there shall be a minimum number of one and a maximum number of ten directors of the Corporation;
7. to replace “Schedule B” of the Debtor’s articles of incorporation to provide that the issue, transfer or ownership of shares of the Debtor is restricted and the restrictions (if any) are as follows:

The right to transfer shares of the Corporation shall be restricted in that no shares shall be transferred without either: (a) the consent of the directors of the Corporation expressed by a resolution passed by the directors or by an instrument or instruments in writing signed by a majority of the directors, which consent may be given either prior or subsequent to the time of transfer of such shares, or (b) the consent of the holders of shares of the Corporation to which are attached at least a majority of the votes attaching to all shares of the Corporation for the time being outstanding carrying a voting right either under all circumstances or under some circumstances that have occurred and are continuing, expressed by resolution passed by such shareholders or by an instrument or instruments in writing by such shareholders, which consent may be given either prior or subsequent to the time of transfer of such shares.

8. For the purposes of these Articles the following capitalized terms shall have the following respective meanings:
- (a) **“Act”** shall mean the *Business Corporations Act* (Alberta), as amended.
 - (b) **“Common Shares”** shall mean the common shares of the Corporation in existence immediately prior to the Effective Time.
 - (c) **“Effective Time”** shall mean 12:01 a.m. on the “Implementation Date” as defined in the Proposal.
 - (d) **“New Common Shares”** shall mean the new common shares of the Corporation.
 - (e) **“Preferred Shares”** shall mean the preferred shares of the Corporation in existence immediately prior to the Effective Time.
 - (f) **“Proposal”** shall mean the Proposal pursuant to Part III of the *Bankruptcy and Insolvency Act* (Canada) of the Corporation to its creditors dated October 27, 2021.

Estate No/ Court No: 24-2746532

**IN THE MATTER OF THE PROPOSAL OF
ALASKA – ALBERTA RAILWAY DEVELOPMENT CORPORATION
OF EDMONTON, ALBERTA**

REPORT OF TRUSTEE ON PROPOSAL

INTERPRETATION

1. Capitalized terms not otherwise defined herein are as defined in Article 1 of the proposal (the “Proposal”) lodged by Alaska – Alberta Railway Development Corporation (“A2A”, the “Debtor” or the “Company”) with the Office of the Superintendent of Bankruptcy (the “OSB”) pursuant to Part III, Division I of the *Bankruptcy and Insolvency Act, RSC 1985, c.B-3* (the “BIA”) on October 27, 2021.

BACKGROUND

2. A2A was originally incorporated as 1788099 Alberta Ltd. (“178”) under the *Alberta Business Corporations Act* on February 3, 2017. 178 originally changed its name to Alberta – Alaska Railway Development Corporation and then to Alaska – Alberta Railway Development Corporation.
3. The Debtor’s operations were undertaken to advance its stated purpose of building and operating a railway that would extend from Alberta to Alaska and allow for the transport of resource commodities to global markets via the ports of Southcentral Alaska (the “Railway Project”). A2A’s most notable milestones have been the granting of a Presidential Permit issued by former U.S. President, Donald J. Trump, granting permission to the Debtor to construct, connect, operate and maintain railway facilities at the international border between the United States and Canada (the “Presidential Permit”) and the execution of a master agreement with the Alaska Railroad Corporation that includes cooperation in permitting, selection of right-of-way, economic terms and authorization to operate on its track and extend several portions of its system (the “ARC Agreement”).

COURT PROCEEDINGS

4. On June 18, 2021, the Company filed a Notice of Intention to Make a Proposal (the “NOI”) pursuant to Section 50.4(1) of the BIA. MNP Ltd. consented to act as Trustee under the NOI (in such capacity, the “Trustee”).
5. The NOI proceedings were initiated following the receivership of the Debtor’s primary secured lender, Bridging Finance Inc. (“BFI”) and certain other entities and investment funds related to BFI

- (collectively, “Bridging”) pursuant to Orders granted by the Ontario Superior Court of Justice on April 30, 2021 and May 3, 2021. PricewaterhouseCoopers Inc. (“PwC”) acts as the Court-appointed Receiver of Bridging (the “Bridging Receiver”). On June 8, 2021, the Bridging Receiver issued a demand letter and a Notice of Intention to Enforce Security to A2A pursuant to Section 244 of the BIA.
6. Upon filing its NOI, the Debtor became subject to a statutory 30-day stay of proceedings pursuant to Section 69(1) of the BIA (the “Stay”). Three extensions of the Stay were granted by the Court of Queen’s Bench of Alberta (the “Court”) pursuant to which the Stay was extended to November 29, 2021.
 7. On July 7, 2021, the Trustee issued a material adverse change report for A2A pursuant to Section 50(10) of the BIA based on the following:
 - 7.1. The Bridging Receiver advised the Trustee that it would only support an extension of the initial Stay for A2A if an Interim Receiver was appointed in respect of the Debtor. Due to the size and nature of Bridging’s claim, A2A did not have the ability to make a viable proposal without the Bridging Receiver’s support.
 - 7.2. Outside of Mr. Sean McCoshen (“McCoshen”), the sole director and shareholder for A2A, there was no party with the corporate authority to act on behalf of the Company. The Trustee had been advised that McCoshen was under medical care and was not involved in the day-to-day operations of the Debtor. Further, McCoshen had not been accessible to the Trustee other than through the Company’s former legal counsel, Dickinson Wright LLP (“Dickinson”), in addition to which, the Bridging Receiver had expressed concern regarding McCoshen’s activities in relation to the Company prior to the NOI filing.
 - 7.3. The parties charged with the management of the day-to-day activities of A2A did not appear to have comprehensive information regarding the Company’s assets or the required authority to manage and direct A2A’s operations through these proceedings.
 8. On July 12, 2021, on application by the Bridging Receiver, the Court granted an Order (the “Interim Receivership Order”) appointing MNP Ltd. as Interim Receiver of A2A during the NOI proceedings (the “Interim Receiver”).
 9. The Interim Receiver consulted extensively with the Bridging Receiver on potential realization strategies for A2A’s assets, including a potential sale and investor solicitation process (“SISP”), and worked with the Debtor’s consultants to prepare the required material to support those potential realization strategies.
 10. During this time, the Bridging Receiver undertook a SISP for Bridging, Phase 1 of which was completed in mid-September 2021. The results of the initial phase of the Bridging SISP, informed

PwC in assessing a path forward for A2A. Based on subsequent discussions with PwC, the Interim Receiver was advised as follows:

- 10.1. Due to uncertainty surrounding the realizable value of the A2A's intellectual property (the "A2A IP") and after reviewing the cost to maintain the Company's operations, the associated professional fees and other considerations specific to the A2A IP including the timing of any realization process, the Bridging Receiver did not wish to fund the Interim Receiver undertaking any type of SISP for the Debtor in the short- to mid-term until such time as the realizable value of the A2A IP can be demonstrated.
- 10.2. The Bridging Receiver advised that it wished to maintain optionality and the value of A2A's assets by preserving A2A as a corporate entity through the Proposal. Based on the foregoing, the Interim Receiver, with the support and consent of the Bridging Receiver, took steps to file the Proposal on behalf of A2A.
11. On October 13, 2021, the Court granted a further Order expanding the Interim Receiver's powers to empower and authorize, but not obligate, the Interim Receiver to negotiate and file the Proposal on behalf of A2A.
12. A2A's proposal was filed with the Office of the Superintendent of Bankruptcy (the "OSB") on October 27, 2021.
13. Copies of the relevant documents relating to these proceedings are available on the Trustee's website at <https://mnpdebt.ca/en/corporate/corporate-engagements/alaska-alberta-railway-development-corporation-7198362-manitoba-ltd-and-12703131-canada-ltd>.

SUMMARY OF PROPOSAL

The Unaffected Secured Creditor

14. A2A is indebted to Bridging in the amount of approximately \$212.9 million consisting of a principal balance of approximately \$145.8 million, additional transfers of approximately \$14.2 million and interest and other fees of \$52.9 million pursuant to a non-revolving credit facility (the "Bridging Loan"). The Bridging Loan is secured by, among other things, a general security agreement over all present and after acquired property of A2A and all proceeds thereof (collectively, the "Bridging Security"). The Trustee has received an independent legal opinion that subject to the standard assumptions and qualifications, the Bridging Security is valid and enforceable pursuant to its terms.
15. Bridging is unaffected by the Proposal and has agreed to sponsor the Proposal as follows:
 - 15.1. Pay the amount required to satisfy any Crown Claims and Claims of Preferred Creditors.
(The Trustee notes that it is not aware of any Preferred Claims);
 - 15.2. pay the amount required to create the Dividend Fund for the Ordinary Unsecured Creditors;

- 15.3. Pay any amount required to satisfy any Claims incurred between the NOI Date and the Implementation Date (the “Post-Filing Claims”); and
- 15.4. Pay all Administrative Fees and Expenses, including the proper fees, expenses and legal fees and disbursements of the Trustee and the Interim Receiver on and incidental to the administration of the Interim Receivership and Proposal proceedings.
16. In exchange for sponsoring the Proposal as set out above, upon Court Ratification, the Existing Shares of A2A will be cancelled and the New Common Shares will be issued to Bridging resulting in Bridging being the Debtor’s only shareholder. The Bridging Receiver will be in possession and control of the New Common Shares.

The Affected Creditors

17. The Proposal will affect and be binding on all creditors having a Crown Claim, a Claim by a Preferred Creditor or Claim by an Ordinary Unsecured Creditor (including a Claim by a Lessor). Pursuant to the Proposal, Crown Claims and Claims by Preferred Creditors will be paid in full, subject to the levy payable to the OSB pursuant to Section 147 of the BIA (the “Levy”).
18. Any Claim by a Lessor may be filed in an amount equal to the lesser of:
 - 18.1. The aggregate of:
 - 18.1.1. The rent provided for in the relevant lease for the first year of that lease following the date on which the disclaimer or resiliation becomes effective; and
 - 18.1.2. Fifteen per cent of the rent for the remainder of the term of the relevant lease after that year; and
 - 18.2. Three years rent.
19. All Affected Creditors, including any Lessor will comprise a single class of Creditors for the purpose of voting on the Proposal.
20. Payment of dividends to proven A2A Ordinary Unsecured Creditors (subject to the Levy) will be made based on the lesser of the amount of the Proven Claim of each Ordinary Unsecured Creditor and \$1,000.

FINANCIAL POSITION OF THE DEBTOR

Assets

21. As noted above, A2A does not have any active operations. A2A’s assets and liabilities at the NOI Date are summarized in “Schedule A” attached hereto. As noted therein, A2A’s assets consist of the following:
 - 21.1. The Interim Receiver is currently holding approximately \$142,300 in its trust account of which approximately \$113,000 consists of a retainer that was previously paid to Dickinson

(the “Retainer”). In further investigating the source of the Retainer, the Trustee has confirmed that it was paid by McCoshen personally. McCoshen is currently bankrupt and Farber Group acts as Trustee of his bankrupt estate. The Interim Receiver anticipates that the Retainer will be remitted to Farber for the benefit of the creditors in McCoshen’s personal bankruptcy. The remaining funds will be required to support A2A’s ongoing operations until Court Ratification;

- 21.2. As noted above, A2A’s primary asset is the A2A IP and, in particular, the Presidential Permit and the ARC Agreement. No sale process has been undertaken for the A2A IP in either the Interim Receivership or Proposal proceedings. Although the Interim Receiver has received some preliminary expressions of interest in the A2A IP, the value of the A2A IP is highly uncertain. In addition, even in the event that a transaction was to be completed for the A2A IP, it is virtually certain that the proceeds would be insufficient to fully repay the Bridging Loan.
- 21.3. At the NOI Date, A2A listed a related party account receivable of approximately \$43.7 million (the “Related Party Receivable”) due from 7047747 Manitoba Ltd. (“7047747”). The Trustee understands that 7047747 has no ongoing operations or assets. As such, there is no recovery anticipated for the Related Party Receivable.
- 21.4. Also at the NOI Date, A2A listed pre-paid commissions of approximately \$15.2 million, representing amounts payable to David and Natasha Sharpe. These transactions may be further investigated by the Bridging Receiver, however, no recovery in the Proposal is anticipated for the Prepaid Commissions.

CREDITOR CLAIMS

22. As noted above, A2A is indebted to Bridging for approximately \$212.9 million. The Trustee anticipates that Bridging will file a portion of its claim as an Ordinary Unsecured Creditor related to an estimated deficiency in its security, which has yet to be determined.
23. In addition to Bridging, A2A listed additional creditors with claims totaling approximately \$21.1 million of which \$12.9 million is due to related parties. Canada Revenue Agency also has a deemed trust claim for payroll source deductions against the Debtor in the amount of approximately \$45,900. The Trustee is not aware of any Claims by Preferred Creditors against A2A.

PREFERENCES AND TRANSFERS AT UNDERVALUE

24. Sections 95 – 101 of the BIA and any provincial statute related to preference, fraudulent conveyance, transfer at undervalue or the like do not apply to the Proposal. In the Trustee’s view, it is reasonable to include this provision because the non-application of these provisions is limited in its application to the Proposal and the payments to be made thereunder, and any claims existing

with respect to reviewable transactions involving A2A and the Section 95 – 101 Claims will survive, as explained in the following paragraph.

25. The Bridging Receiver is conducting a detailed review of A2A's records as part of a larger forensic investigation being undertaken by the Bridging Receiver. The Trustee will not be completing an independent review of A2A's records to identify reviewable transactions and the Section 95 – 101 Claims will be assigned to the Unaffected Secured Creditor upon Court Ratification of the Proposal.

ADMINISTRATIVE FEES AND EXPENSES

26. Administrative Fees and Expenses incurred by the Interim Receiver and the Trustee include the proper fees and expenses, including legal fees and disbursements, on and incidental to the administration of the Interim Receivership, the negotiation, preparation, presentation, amendments to, consideration, creditor and Court approval and implementation of the Proposal and all proceedings and matters related to or arising out of the Proposal or any related bankruptcy proceedings.
27. On the Implementation Date, all Administrative Fees and Expenses incurred to that date, which remain unpaid shall be paid to the Trustee by Bridging. The Administrative Fees and Expenses of both the Interim Receiver and the Trustee will be dependent on actual time incurred and will be reviewed by the Inspectors, if any are appointed, and subject to taxation by the Court.

CREDITORS' MEETING, PROOF OF CLAIM AND VOTING LETTER

28. A meeting of creditors to consider the Proposal will be held virtually via Zoom on November 9, 2021 at 10:00 a.m. Mountain Time at the following link:

<https://us02web.zoom.us/j/4343814113?pwd=MzFURVFrZkhNSzN2ZmM5akdqeUUrUT09>

29. The proposal will only be deemed to have been accepted by the creditors if two-thirds in value and a majority in number of Affected Creditors present at the Creditors' Meeting, personally or by proxy, have voted in favour of the Proposal. Enclosed herein are a proof of claim form and a voting letter. In order to participate in the Creditors' Meeting and share in any distribution made pursuant to the Proposal, creditors must submit the proof of claim, including the required supporting documentation at or prior to the Creditors' Meeting. **If you cannot attend the Creditors' Meeting, you may still vote using either the Proxy or the Voting Letter. Documentation can be sent by fax to 403-537-8437 or via email to jacqueline.shellon@mnp.ca. Should you have any questions regarding completion of any of the forms, please contact Jacqueline Shellon at 587-702-5959.**

OTHER PROVISIONS

30. As further set out in the Articles of Reorganization attached as "Schedule A" to the Proposal, upon Court Ratification, the Existing Shares of A2A will be cancelled and new Class A Common Shares will be issued to the Unaffected Secured Creditor. In addition, upon Court Ratification, the Sponsor will appoint at least one new director of A2A. For clarity, McCoshen, who was the Company's sole

director, has resigned. A2A does not currently have any acting directors and there is no party with the corporate authority to act on behalf of A2A.

PROPOSAL VS BANKRUPTCY COMPARISON

31. If the Proposal is not accepted at the Creditors' Meeting, there will be a deemed bankruptcy. A review by the Interim Receiver and its legal counsel of the Presidential Permit and the ARC Agreement suggests that any realization strategy for the Company will need to preserve A2A as a corporate entity. In particular, the impact of a bankruptcy on the Presidential Permit is unknown. Based on the Trustee's analysis, should A2A be deemed to be bankrupt, the A2A IP will be materially impacted such that any further realization efforts will be unlikely. As such, there will not be any recovery for any of A2A's creditors in a bankruptcy scenario. In addition, in the unlikely event that the A2A IP could be realized upon in the event of its bankruptcy, given the size of the Bridging Loan, there would not be any recovery for the Ordinary Unsecured Creditors or Claims by Preferred Creditors.
32. In a Proposal scenario, the Crown Claims and Claims by Preferred Creditors will be paid in full net of the Levy and each Ordinary Unsecured Creditors will receive a distribution in the lesser of the amount of their Proven Claim and \$1,000.
33. The distributions to the Affected Creditors under a Proposal are further summarized in "Schedule A", attached hereto.

TRUSTEE'S RECOMMENDATION

34. The Trustee is recommending the Proposal based on the following:
 - 34.1. The Unaffected Secured Creditor is sponsoring the Proposal by providing sufficient funds to pay the Crown and Preferred Claims and to make the Proposal Payments to the Ordinary Unsecured Creditors as set out in the Proposal. As noted above, the Interim Receiver has obtained an independent legal opinion that the Bridging Security is valid and enforceable. Based on the quantum of Bridging's claim, outside of this sponsorship being provided, there is no opportunity for any distribution to A2A's Ordinary Unsecured Creditors;
 - 34.2. As noted above, should A2A be deemed to be bankrupt, no recovery for any of the Debtor's creditors is anticipated;
 - 34.3. The Proposal will allow A2A to continue as a corporate entity. Although the Company is expected to remain dormant in the short- to mid-term, this provides an opportunity for the Railway Project to continue or for A2A to obtain further investment or complete a transaction in the future; and

34.4. The Proposal provides a mechanism to appoint a new director for A2A such that the Company can be managed by an individual with the necessary corporate authority.

DATED at the City of Calgary in the Province of Alberta this 27th day of October 2021.

MNP Ltd., in its capacity as Trustee under the Proposal of Alaska
– Alberta Railway Development Corporation, and not in its
personal or corporate capacity



Per: _____
Vanessa Allen, B. Comm, CIRP, LIT
Senior Vice President

**Alaska - Alberta Railway Development Corporation
Summary of Assets and Liabilities**

	Original Value	Proposal	Bankruptcy	Notes
Assets:				
Net cash available from Interim Receivership	\$ 142,299	\$ -	\$ -	1
Intellectual Property	\$ -	Unknown	-	2
Related Party Account Receivable	\$ 43,736,439	-	-	3
Prepaid Commissions	\$ 15,178,149	-	-	4
Total Assets:		Unknown	\$ -	

Estimated Claims:

Unaffected Creditor Claims:

Claim by Unaffected Secured Creditor	\$ 212,891,590	\$ 212,891,590	5
Total Unaffected Creditor Claims:	\$ 212,891,590	\$ 212,891,590	

Affected Creditor Claims:

Priority Claims

Crown Claims	\$ 45,941	\$ 45,941	6
Preferred Claims	-	-	7
Total Priority Claims	45,941	45,941	

Ordinary Unsecured Claims

Third-Party Claims	8,173,439	8,173,439	
Related-Party Claims	12,941,630	12,941,630	8
Total Ordinary Unsecured Claims	21,115,070	21,115,070	

Total Affected Creditor Claims:	\$ 21,161,011	\$ 21,161,011	
--	----------------------	----------------------	--

Estimated Amount Available for Distribution to the Affected Creditors:

Description	Treatment under the Proposal
Crown Claims	Paid in full less the Levy.
Preferred Claims	Paid in full less the Levy.
Ordinary Unsecured Claims	Paid the lessor of their Proven Claim and \$1,000 less the Levy.

Notes:

1. Includes a retainer received from Dickinson Wright LLP (the "Retainer") for approximately \$113,000. It has now been determined that the Retainer was originally paid by Mr. Sean McCoshen personally. The Interim Receiver anticipates that the Retainer will be remitted to the Farber Group, who acts as the Trustee of Mr. McCoshen's bankrupt estate.
2. The intellectual property relates to A2A's stated purpose of building and operating a railway that would extend from Alberta to Alaska and allow for the transport of resource commodities to global markets via the ports of Southcentral Alaska (the "A2A IP"). The value of the A2A IP is unknown.
3. Represents an account receivable due from 7047747 Manitoba Ltd. ("7047747"), a related company. 7047747 has no ongoing operations or assets. As such, no recovery is anticipated from this account.
4. Represents prepaid commissions paid to David and Natasha Sharpe. These transactions may be further investigated by the Bridging Receiver, however, no recovery in the Proposal is estimated from these commissions.
5. Represents a secured claim in the amount of approximately \$212.9 million by Bridging Finance Inc.
6. Canada Revenue Agency ("CRA") has indicated that they will be completing a payroll audit for AARDC. This estimate is based on A2A's books and records and may vary as result of that audit.
7. Represents claims that would be required by Section 136 of the *Bankruptcy and Insolvency Act* to be paid in priority to the claims of ordinary unsecured creditors. The Trustee is not aware of any such claims.
8. Represents claims by 5321328 Manitoba Inc., 7198362 Manitoba Ltd. and Sean McCoshen.

District of: Alberta
 Division No. 01 - Edmonton
 Court No. 24-2746532
 Estate No. 24-2746532

Original Amended

- Form 78 -
 Statement of Affairs (Business Proposal) made by an entity
 (Subsection 49(2) and Paragraph 158(d) of the Act / Subsections 50(2) and 62(1) of the Act)

In the Matter of the Proposal of
 Alaska - Alberta Railway Development Corporation

To the debtor:
 You are required to carefully and accurately complete this form and the applicable attachments showing the state of your affairs on the date of the filing of your proposal (or notice of intention, if applicable), on the 18th day of June 2021. When completed, this form and the applicable attachments will constitute the Statement of Affairs and must be verified by oath or solemn declaration.

LIABILITIES (as stated and estimated by the officer)		ASSETS (as stated and estimated by the officer)	
1. Unsecured creditors as per list "A"	21,115,069.61	1. Inventory	0.00
Balance of secured claims as per list "B"	212,937,529.08	2. Trade fixtures, etc.	0.00
Total unsecured creditors	<u>234,052,598.69</u>	3. Accounts receivable and other receivables, as per list "E"	
2. Secured creditors as per list "B"	2.00	Good	0.00
3. Preferred creditors as per list "C"	0.00	Doubtful	0.00
4. Contingent, trust claims or other liabilities as per list "D"		Bad	<u>58,914,500.00</u>
estimated to be reclaimable for	0.00	Estimated to produce	0.00
Total liabilities	<u>234,052,600.69</u>	4. Bills of exchange, promissory note, etc., as per list "F"	0.00
Surplus	NIL	5. Deposits in financial institutions	0.00
		6. Cash	1.00
		7. Livestock	0.00
		8. Machinery, equipment and plant	0.00
		9. Real property or immovable as per list "G"	0.00
		10. Furniture	0.00
		11. RRSPs, RRIFFs, life insurance, etc.	0.00
		12. Securities (shares, bonds, debentures, etc.)	0.00
		13. Interests under wills	0.00
		14. Vehicles	0.00
		15. Other property, as per list "H"	1.00
		If debtor is a corporation, add:	
		Amount of subscribed capital	0.00
		Amount paid on capital	0.00
		Balance subscribed and unpaid	0.00
		Estimated to produce	0.00
		Total assets	2.00
		Deficiency	<u>234,052,598.69</u>

I, MNP Ltd. in its capacity as Interim Receiver of Alaska - Alberta Railway Development Corporation and not in its, of the city of Edmonton in the Province of Alberta, do swear (or solemnly declare) that this statement and the attached lists are to the best of my knowledge, a full, true and complete statement of the affairs of the Corporation on the 27th day of October 2021 and fully disclose all property of every description that is in my possession or that may devolve on me in accordance with the Act.

SWORN (or SOLEMNLY DECLARED)
 before me at the city of Calgary in the Province of Alberta, on this 27th day of October 2021.

e-Signed by Hajara Thaha
 2021-10-27 19:15:06:06 GMT

Hajara Thaha, Commissioner of Oaths
 For the Province of Alberta
 Expires October 9, 2024

e-Signed by Vanessa Allen
 2021-10-27 19:15:07:07 GMT

MNP Ltd. in its capacity as Interim Receiver of
 Alaska - Alberta Railway Development
 Corporation and not in its personal capacity

District of: Alberta
 Division No. 01 - Edmonton
 Court No. 24-2746532
 Estate No. 24-2746532

FORM 78 -- Continued

List "A"
 Unsecured Creditors

Alaska - Alberta Railway Development Corporation

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
1	5321328 Manitoba Inc.	2500 - 360 Main Street Winnipeg MB R3C 4H6	3,725,372.63	0.00	3,725,372.63
2	7198362 Manitoba Ltd.	2500 - 360 Main Street Winnipeg MB R3C 4H6	8,966,257.50	0.00	8,966,257.50
3	Air Alaska (Alpine)	2000 Airport Road NE Calgary AB T2E 6W5	1.00	0.00	1.00
4	Alayna Ward-Award Communications	553 Whites Road Trenton ON K8V 5P8	5,040.00	0.00	5,040.00
5	Alberta Treasury Board & Finance Attn: Hazel Trombley	9811 - 109 Street Edmonton AB T5K 2L5	1.00	0.00	1.00
6	Altek Construction Ltd.	4 - 11720 Stewart Crescent Maple Ridge BC V2X 9E7	100,815.62	0.00	100,815.62
7	Arnold & Porter	P.O. Box 759451 Baltimore MD 21275-9451 USA	928,632.54	0.00	928,632.54
8	Award Communications	553 Whites Road Trenton ON K8V 5P8	11,718.00	0.00	11,718.00
9	Axiom	11154 Bayshore Drive Anchorage AK 99515 USA	22,667.64	0.00	22,667.64
10	Bank of Montreal 5112 4200 0022 4208	P.O. Box 6044, STN Centre-Ville Montreal QC H3C 3X2	40,000.00	0.00	40,000.00
11	Barnes & Thornburg LLP	1000 N. West Street, Suite 1500 Wilmington DE 19801-1054 USA	13,013.00	0.00	13,013.00
12	Brattle	One Beacon Street, Suite 2600 Boston MA 02108 USA	333,065.62	0.00	333,065.62
13	Brian Love	22-23 Normandy Road Whitehorse YT Y1A 0L4	29,568.87	0.00	29,568.87
14	Bridging Income Fund LP	c/o PWC Suite 2600 - 18 York Street Toronto ON M5J 0B2	0.00	212,891,590.00	212,891,590.00
15	Britt Radius	1100, 630 - 6th Avenue SW Calgary AB T2P 0S8	692.53	0.00	692.53
16	Cassels Brock LLP	3810, 888 - 3rd Street SW Calgary AB T2P 5C5	1.00	0.00	1.00
17	Clear Concepts	219 Kennedy Street Winnipeg MB R3C 1S8	194.43	0.00	194.43
18	Coates Holdroyd Consulting	202 - 1630 Quebec Ave. Saskatoon SK S7K 1V7	42,500.00	0.00	42,500.00
19	Communica Public Affairs Inc.	c/o Fast Trippier Law 10 Donald Street Winnipeg MB R3C 1L5	154,117.93	0.00	154,117.93
20	CRA - Service Canada	140 Promenade Du Portage Phase IV 2nd Flr. Gatineau QC K1A 0J9	0.00	45,939.08	45,939.08
21	CRA - Tax - Prairies	Surrey National Verification and Collection Centre 9755 King George Blvd Surrey BC V3T 5E1	1.00	0.00	1.00
22	CSC	251 Little Falls Drive Wilmington Delaware 19808-1674 USA	487.64	0.00	487.64
23	Dean Dokkie	7779 West Moberly Road Moberly Lake BC V0C 1X0	4,253.26	0.00	4,253.26

27-Oct-2021

Date

e-Signed by Vanessa Allen
 2021-10-27 19:15:12:12 GMT

MNP Ltd. in its capacity as Interim Receiver of
 Alaska - Alberta Railway Development Corporation
 and not in its personal capacity

List "A"
 Unsecured Creditors

Alaska - Alberta Railway Development Corporation

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
24	Deborah Archibald (Archibald Robb Consulting)	Unit #1, 809 Sixth Street Canmore AB T1W 2V1	1,381.80	0.00	1,381.80
25	Dentons Canada LLP	20th Floor, 250 Howe Street Vancouver BC V6C 3R8	1.00	0.00	1.00
26	Don Pope - EcoStep Environmental Consulting Ltd	9126 - 80 Avenue NW Edmonton AB T6C 0T8	2,047.50	0.00	2,047.50
27	Dr. Ken Coates	1926 Pohorecky Terrace Saskatoon SK S7S 1N1	39,280.50	0.00	39,280.50
28	Environmental Dynamics Inc	2195 2nd Ave Whitehorse YT Y1A 3T8	4,778.99	0.00	4,778.99
29	Fast Trippier Clunie Wittman LLP Attn: Faron J. Trippier/Irina Vakurova	10 Donal Street Winnipeg MB R3J 1L5	1.00	0.00	1.00
30	Fort Nelson First Nation	RR 1 Mile 295 Alaska Hwy Fort Nelson BC V0C 1R0	23,785.13	0.00	23,785.13
31	Future 500	588 Sutter Street, #212 San Francisco CA 94102 USA	14,111.08	0.00	14,111.08
32	G Seven Generations Ltd.	Box 2789 Revelstoke BC V0E 2S0	1.00	0.00	1.00
33	HDR Engineering	100 York Boulevard, Suite 300 Richmond Hill ON L4B 1J8	2,006,794.00	0.00	2,006,794.00
34	Hydrogeological Consultants HCL	17740 - 118 Avenue NW Edmonton AB T5S 2W3	2,385.65	0.00	2,385.65
35	Jack Ferguson and Associates	203 Maryland Avenue NE Washington DC 20002 USA	165,000.00	0.00	165,000.00
36	Jambo Software	4723 - 52 Ave NW, # 201 Edmonton AB T6B 3R6	1.00	0.00	1.00
37	Jason Smith (Jacobs)	540 - 12th Avenue SW Calgary AB T2R 0H4	5,207.21	0.00	5,207.21
38	John Vateriaus	2825 E. Cottonwood Parkway, Suite 200 Salt Lake City UT 84121 USA	1.00	0.00	1.00
39	JP Gladu Expenses	Mokwateh 1 Copper Thunderbird Road SandPoint First Nation ON P0T 2B0	3,193.37	0.00	3,193.37
40	Keja Nokomis Whiteman	1500, 640 - 5th Avenue SW Calgary AB T2P 3G4	3,785.63	0.00	3,785.63
41	McKinsey	PO Box 7247-7255 Philadelphia PA 191 70-7255 USA	3,339,114.90	0.00	3,339,114.90
42	MLT Aikins LLP Attn: Martin S. Minuk	30th Floor, 360 Main Street Winnipeg MB R3C 4G1	1.00	0.00	1.00
43	Navigator	121 King Street West, Suite 1810 Toronto ON M5H 3T9	236,115.38	0.00	236,115.38
44	NPA	Suite 201, 212 Main Street Whitehorse YT Y1A 2B1	39,280.00	0.00	39,280.00
45	Outcrop Communications Ltd	305 - 104 Elliott Street Whitehorse YT Y1A 0M8	4,751.35	0.00	4,751.35
46	Peter Scholz	Box 436, #400, 3rd Ave Arviat NU X0C 0E0	37,751.30	0.00	37,751.30
47	Peter Wallis Consulting	110 Sienna Ridge Landing SW Calgary AB T3H 3T1	13,178.64	0.00	13,178.64

27-Oct-2021

Date

e-Signed by Vanessa Allen
 2021-10-27 19:15:17 GMT

MNP Ltd. in its capacity as Interim Receiver of
 Alaska - Alberta Railway Development Corporation
 and not in its personal capacity

District of: Alberta
 Division No. 01 - Edmonton
 Court No. 24-2746532
 Estate No. 24-2746532

FORM 78 -- Continued

List "A"
 Unsecured Creditors

Alaska - Alberta Railway Development Corporation

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
48	Pinpoint Consulting Inc.	7632 Quail Hill Road Charlotte NC 28210 USA	15,513.75	0.00	15,513.75
49	Prolog	PO Box 31798 Whitehorse YT Y1A 6L3	1,575.00	0.00	1,575.00
50	Qilak LNG	1029 W 3rd Avenue, Suite 500 Anchorage AK USA	18,022.59	0.00	18,022.59
51	Sean McCoshen	12905 - 127 Avenue NW Edmonton AB T5L 1H8	250,000.00	0.00	250,000.00
52	Serecon	600 - 10665 Jasper Ave. Edmonton AB T5J 3S9	23,600.23	0.00	23,600.23
53	State of Alaska - Dept of Natural Resources	550 W 7th Avenue, Suite 1430 Anchorage AK 99501 USA	24,345.91	0.00	24,345.91
54	Tetrattech Yukon	14940 - 123 Avenue Edmonton AB T5V 1B4	876.75	0.00	876.75
55	Thompson Hine	3900 Key Tower, 127 Public Square Cleveland OH 441 14-129 USA	34,093.78	0.00	34,093.78
56	Thurber Engineering	4127 Roper Road Edmonton AB T6B 3S5	4,876.20	0.00	4,876.20
57	Torkin Manes LLP Attn: Darryl T. Mann/Jennifer L. Siemon	151 Yonge Street, Suite 1500 Toronto ON M5C 2W7	1.00	0.00	1.00
58	Torys	4600 525 - 8th Avenue SW Calgary AB T2P 1G1	379,017.05	0.00	379,017.05
59	UPG Property Group Inc.	900 West Hastings Street Vancouver BC V6C 1E5	1.00	0.00	1.00
60	Uptown Property Group	Suite 330 - 555 Sixth Street New Westminster BC V3L 5H1	15,793.71	0.00	15,793.71
61	Uqaqti Consulting	P.O. Box 74194 AK 99707 USA	27,000.00	0.00	27,000.00
62	US Department of the Interior (US Geological Survey)	1221 Sunrise Valley Drive Reston VA 20192 USA	1.00	0.00	1.00
63	WBM Technologies Inc.	100 - 175 Hargrave Street Calgary AB R3C 3P3	1.00	0.00	1.00
64	WCB Workers Compensation Board of Alberta Attn: Collection Department	PO Box 2415 Edmonton AB T5J 2S5	1.00	0.00	1.00
Total:			21,115,069.61	212,937,529.08	234,052,598.69

27-Oct-2021

Date

e-Signed by Vanessa Allen
 2021-10-27 19:15:19 GMT

MNP Ltd. in its capacity as Interim Receiver of
 Alaska - Alberta Railway Development Corporation
 and not in its personal capacity

District of: Alberta
 Division No. 01 - Edmonton
 Court No. 24-2746532
 Estate No. 24-2746532

FORM 78 -- Continued

List "B"
 Secured Creditors

Alaska - Alberta Railway Development Corporation

No.	Name of creditor	Address	Amount of claim	Particulars of security	When given	Estimated value of security	Estimated surplus from security	Balance of claim
1	Bridging Income Fund LP	c/o PWC Suite 2600 - 18 York Street Toronto ON M5J 0B2	212,891,590.00	Cash on Hand - Chequing account - Cash available from receivership estate	15-Dec-2013	0.00		
				Debts Due - Business - 7047747 Manitoba Ltd	15-Dec-2013	0.00		
				Debts Due - Business - Prepaid commissions	15-Dec-2013	0.00		
				Other - Intellectual property (Value unknown)	15-Dec-2013	0.00		212,891,590.00
2	CRA - Service Canada	140 Promenade Du Portage Phase IV 2nd Flr. Gatineau QC K1A 0J9	45,941.08	Cash on Hand - Chequing account - Cash available from receivership estate	01-Jan-2021	1.00		
				Other - Intellectual property (Value unknown)	01-Jan-2021	1.00		45,939.08
				Debts Due - Business - 7047747 Manitoba Ltd	01-Jan-2021	0.00		
				Debts Due - Business - Prepaid commissions	01-Jan-2021	0.00		
Total:			212,937,531.08			2.00	0.00	212,937,529.08

27-Oct-2021

Date

e-Signed by Vanessa Allen
 2021-10-27 19:15:21 GMT

MNP Ltd. in its capacity as Interim Receiver of
 Alaska - Alberta Railway Development Corporation
 and not in its personal capacity

District of: Alberta
Division No. 01 - Edmonton
Court No. 24-2746532
Estate No. 24-2746532

FORM 78 -- Continued

List "C"
Preferred Creditors for Wages, Rent, etc.

Alaska - Alberta Railway Development Corporation

No.	Name of creditor	Address and occupation	Nature of claim	Period during which claim accrued	Amount of claim	Amount payable in full	Difference ranking for dividend
Total:					0.00	0.00	0.00

27-Oct-2021

Date

e-Signed by Vanessa Allen
2021-10-27 19:15:24:24 GMT

MNP Ltd. in its capacity as Interim Receiver of
Alaska - Alberta Railway Development Corporation
and not in its personal capacity

District of: Alberta
Division No. 01 - Edmonton
Court No. 24-2746532
Estate No. 24-2746532

FORM 78 -- Continued

List "D"
Contingent or Other Liabilities

Alaska - Alberta Railway Development Corporation

No.	Name of creditor or claimant	Address and occupation	Amount of liability or claim	Amount expected to rank for dividend	Date when liability incurred	Nature of liability
Total:			0.00	0.00		

27-Oct-2021

Date

e-Signed by Vanessa Allen
2021-10-27 19:15:26 GMT

MNP Ltd. in its capacity as Interim Receiver of
Alaska - Alberta Railway Development Corporation
and not in its personal capacity

District of: Alberta
 Division No. 01 - Edmonton
 Court No. 24-2746532
 Estate No. 24-2746532

FORM 78 -- Continued

List "E"
 Debts Due to the Debtor

Alaska - Alberta Railway Development Corporation

No.	Name of debtor	Address and occupation	Nature of debt	Amount of debt (good, doubtful, bad)	Folio of ledgers or other book where particulars to be found	When contracted	Estimated to produce	Particulars of any securities held for debt
1	7047747 Manitoba Ltd.	2500 - 360 Main Street Winnipeg MB R3C 4H6	Related party accounts receivable	0.00 0.00 43,736,400.00		15-Oct-2021	0.00	GSA
2	Prepaid commissions	Unknown Winnipeg MB	Commissions	0.00 0.00 15,178,100.00		15-Oct-2021	0.00	GSA
Total:				0.00 0.00 58,914,500.00			0.00	

27-Oct-2021

Date

e-Signed by Vanessa Allen
 2021-10-27 19:15:29:29 GMT

MNP Ltd. in its capacity as Interim Receiver of
 Alaska - Alberta Railway Development Corporation
 and not in its personal capacity

District of: Alberta
 Division No. 01 - Edmonton
 Court No. 24-2746532
 Estate No. 24-2746532

FORM 78 -- Continued

List "F"

Bills of Exchange, Promissory Notes, Lien Notes, Chattel
 Mortgages, etc., Available as Assets

Alaska - Alberta Railway Development Corporation

No.	Name of all promissory, acceptors, endorsers, mortgagors, and guarantors	Address	Occupation	Amount of bill or note, etc.	Date when due	Estimated to produce	Particulars of any property held as security for payment of bill or note, etc.
Total:				0.00		0.00	

27-Oct-2021

Date

e-Signed by Vanessa Allen
 2021-10-27 19:15:32:32 GMT

MNP Ltd. in its capacity as Interim Receiver of
 Alaska - Alberta Railway Development Corporation
 and not in its personal capacity

District of: Alberta
Division No. 01 - Edmonton
Court No. 24-2746532
Estate No. 24-2746532

FORM 78 -- Continued

List "G"
Real Property or Immovables Owned by Debtor

Alaska - Alberta Railway Development Corporation

Description of property	Nature of debtor interest	In whose name does title stand	Total value	Particulars of mortgages, hypothecs, or other encumbrances (name, address, amount)	Equity or surplus
			Total:		0.00

27-Oct-2021

Date

e-Signed by Vanessa Allen
2021-10-27 19:15:35:35 GMT

MNP Ltd. in its capacity as Interim Receiver of
Alaska - Alberta Railway Development Corporation
and not in its

District of: Alberta
 Division No. 01 - Edmonton
 Court No. 24-2746532
 Estate No. 24-2746532

FORM 78 -- Concluded

List "H"
 Property

Alaska - Alberta Railway Development Corporation
 FULL STATEMENT OF PROPERTY

Nature of property	Location	Details of property	Original cost	Estimated to produce
(a) Stock-in-trade			0.00	0.00
(b) Trade fixtures, etc.			0.00	0.00
(c) Cash in financial institutions			0.00	0.00
(d) Cash on hand		Cash on hand	1.00	1.00
(e) Livestock			0.00	0.00
(f) Machinery, equipment and plant			0.00	0.00
(g) Furniture			0.00	0.00
(h) Life insurance policies, RRSPs, etc.			0.00	0.00
(i) Securities			0.00	0.00
(j) Interests under wills, etc.			0.00	0.00
(k) Vehicles			0.00	0.00
(l) Taxes			0.00	0.00
(m) Other		Intellectual property (Value unknown)	1.00	1.00
			Total:	2.00

27-Oct-2021

Date

e-Signed by Vanessa Allen
 2021-10-27 19:15:38:38 GMT

MNP Ltd. in its capacity as Interim Receiver of
 Alaska - Alberta Railway Development Corporation
 and not in its personal capacity

District of: Alberta
Division No. 01 - Edmonton
Court No. 24-2746532
Estate No. 24-2746532

- FORM 31 / 36 -
Proof of Claim / Proxy
In the Matter of the Proposal of
Alaska - Alberta Railway Development Corporation

All notices or correspondence regarding this claim must be forwarded to the following address:

In the matter of the proposal of Alaska - Alberta Railway Development Corporation of the city of Edmonton in the Province of Alberta and the claim of _____, creditor.

I, _____, of the city of _____, a creditor in the above matter, hereby appoint _____, of _____, to be my proxyholder in the above matter, except as to the receipt of dividends, _____ (with or without) power to appoint another proxyholder in his or her place.

I, _____ (name of creditor or representative of the creditor), of the city of _____ in the province of _____ do hereby certify:

1. That I am a creditor of the above named debtor (or I am _____ (position/title) of _____, creditor).

2. That I have knowledge of all the circumstances connected with the claim referred to below.

3. That the debtor was, at the date of proposal, namely the 18th day of June 2021, and still is, indebted to the creditor in the sum of \$ _____, as specified in the statement of account (or affidavit or solemn declaration) attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled. (The attached statement of account or affidavit must specify the vouchers or other evidence in support of the claim.)

4. (Check and complete appropriate category.)

A. UNSECURED CLAIM OF \$ _____

(other than as a customer contemplated by Section 262 of the Act)

That in respect of this debt, I do not hold any assets of the debtor as security and
(Check appropriate description.)

Regarding the amount of \$ _____, I claim a right to a priority under section 136 of the Act.

Regarding the amount of \$ _____, I do not claim a right to a priority.
(Set out on an attached sheet details to support priority claim.)

B. CLAIM OF LESSOR FOR DISCLAIMER OF A LEASE \$ _____

That I hereby make a claim under subsection 65.2(4) of the Act, particulars of which are as follows:

(Give full particulars of the claim, including the calculations upon which the claim is based.)

C. SECURED CLAIM OF \$ _____

That in respect of this debt, I hold assets of the debtor valued at \$ _____ as security, particulars of which are as follows:
(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.)

D. CLAIM BY FARMER, FISHERMAN OR AQUACULTURIST OF \$ _____

That I hereby make a claim under subsection 81.2(1) of the Act for the unpaid amount of \$ _____

(Attach a copy of sales agreement and delivery receipts.)

E. CLAIM BY WAGE EARNER OF \$ _____

That I hereby make a claim under subsection 81.3(8) of the Act in the amount of \$ _____,

That I hereby make a claim under subsection 81.4(8) of the Act in the amount of \$ _____,

F. CLAIM BY EMPLOYEE FOR UNPAID AMOUNT REGARDING PENSION PLAN OF \$ _____

That I hereby make a claim under subsection 81.5 of the Act in the amount of \$ _____,

That I hereby make a claim under subsection 81.6 of the Act in the amount of \$ _____,

G. CLAIM AGAINST DIRECTOR \$ _____

(To be completed when a proposal provides for the compromise of claims against directors.)

That I hereby make a claim under subsection 50(13) of the Act, particulars of which are as follows:

(Give full particulars of the claim, including the calculations upon which the claim is based.)

H. CLAIM OF A CUSTOMER OF A BANKRUPT SECURITIES FIRM \$ _____

That I hereby make a claim as a customer for net equity as contemplated by section 262 of the Act, particulars of which are as follows:

(Give full particulars of the claim, including the calculations upon which the claim is based.)

5. That, to the best of my knowledge, I _____ (am/am not) (or the above-named creditor _____ (is/is not)) related to the debtor within the meaning of section 4 of the Act, and _____ (have/has/have not/has not) dealt with the debtor in a non-arm's-length manner.

6. That the following are the payments that I have received from, and the credits that I have allowed to, and the transfers at undervalue within the meaning of subsection 2(1) of the Act that I have been privy to or a party to with the debtor within the three months (or, if the creditor and the debtor are related within the meaning of section 4 of the Act or were not dealing with each other at arm's length, within the 12 months) immediately before the date of the initial bankruptcy event within the meaning of Section 2 of the Act: (Provide details of payments, credits and transfers at undervalue.)

7. (Applicable only in the case of the bankruptcy of an individual.)

Whenever the trustee reviews the financial situation of a bankrupt to redetermine whether or not the bankrupt is required to make payments under section 68 of the Act, I request to be informed, pursuant to paragraph 68(4) of the Act, of the new fixed amount or of the fact that there is no longer surplus income.

I request that a copy of the report filed by the trustee regarding the bankrupt's application for discharge pursuant to subsection 170(1) of the Act be sent to the above address.

Dated at _____, this _____ day of _____, _____.

Witness

Individual Creditor

Witness

Name of Corporate Creditor

Per _____
Name and Title of Signing Officer

Return To:

Phone Number: _____

Fax Number: _____

E-mail Address: _____

MNP Ltd. - Licensed Insolvency Trustee

Per:

Vanessa Allen - Licensed Insolvency Trustee
1500, 640 - 5 Avenue SW
Calgary AB T2P 3G4
Fax: (403) 537-8437
E-mail: calgary.insolvency@mnp.ca

NOTE: If an affidavit is attached, it must have been made before a person qualified to take affidavits.

WARNINGS: A trustee may, pursuant to subsection 128(3) of the Act, redeem a security on payment to the secured creditor of the debt or the value of the security as assessed, in a proof of security, by the secured creditor.

Subsection 201(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.

CHECKLIST FOR PROOFS OF CLAIM

This checklist is provided to assist you in preparing the accompanying proof of claim form and, where required, proxy form in a complete and accurate manner. Please specifically check each requirement.

PROOF OF CLAIM

- ▶ The signature of a witness is required;
- ▶ The claim must be signed personally by the individuals;
- ▶ If the creditor is a corporation, the full and complete legal name of the company or firm must be stated;
- ▶ Give the complete address, including postal code, where all notices or correspondence is to be forwarded, the name of the person to contact, the phone number and fax number.

PARAGRAPH 1

- ▶ Please state your name, city of residence, and if you are completing the declaration for a corporation or another person, your position or title.

PARAGRAPH 3

- ▶ State the date of bankruptcy, proposal of receivership and the amount of your claim;
- ▶ A detailed statement of account must be attached and must show the date, number and amount of all the invoices, charged credits or payments;
- ▶ A statement of account is not complete if it begins with an amount brought forward;
- ▶ The amount of the statement of account must agree with the amount claimed on the proof of claim.

PARAGRAPH 4

- ▶ An ordinary creditor must check subparagraph A. A preferred creditor must set out on an attached schedule the particulars of your priority;
- ▶ A secured creditor must check subparagraph C. You must insert the value at which you assess each of your securities and provide a certified true copy of the security documents as registered.

PARAGRAPH 5

Strike out “are” or “are not” as applicable to you. You would be considered a related person if:

- ▶ You are related to blood or marriage to the debtor;
- ▶ If the debtor is a corporation and you were a shareholder or if your company was controlled by the same shareholders as the debtor corporation.

PARAGRAPH 6

All creditors must attach a detailed list of all payments or credits received or granted, as follows:

- ▶ Within the 3 months preceding the bankruptcy or proposal, if the creditor and the debtor are not related;
- ▶ Within 12 months preceding the bankruptcy or proposal, if the creditor and debtor are related.

In the case of an individual’s bankruptcy only, you may request some or all of the items stated after paragraph 6.

GENERAL PROXY

A creditor may appoint a proxy by completing the proxy form, if the creditor is a corporation, the proxy form must be completed in the corporate name and signature witness.

NOTES

- ▶ Only creditors who have filed claims in the proper manner before the time appointed for the meeting of creditors are entitled to vote;
- ▶ A creditor may vote either in person or by proxy;
- ▶ A debtor may not be appointed a proxy at any meeting of his creditors;
- ▶ The trustee may be appointed as a proxy to for any creditors;
- ▶ A corporation may vote by an authorized agent at the meeting of creditors;
- ▶ In order to have the right to vote, a person must himself be a creditor or be the holder of a property executed proxy showing the name of the creditor;
- ▶ Only creditors who filed claims in the proper form with the trustee are entitled to share in any distribution that may be made.

District of: Alberta
Division No. 01 - Edmonton
Court No. 24-2746532
Estate No. 24-2746532

- FORM 37 -

Voting Letter
(Paragraph 51(1)(f) of the Act)

In the Matter of the Proposal of
Alaska - Alberta Railway Development Corporation

I, _____, creditor (or I, _____, representative of _____, creditor), of _____, a creditor in the above matter for the sum of \$ _____, hereby request the trustee acting with respect to the proposal of Alaska - Alberta Railway Development Corporation, to record my vote _____ (for or against) the acceptance of the proposal as made on the 27th day of October 2021.

Dated at _____, this _____ day of _____.

Witness

Individual Creditor

Witness

Name of Corporate Creditor

Per _____
Name and Title of Signing Officer

Return To:
MNP Ltd. - Licensed Insolvency Trustee
Per:

Vanessa Allen - Licensed Insolvency Trustee
1500, 640 - 5 Avenue SW
Calgary AB T2P 3G4
Fax: (403) 537-8437
E-mail: calgary.insolvency@mnp.ca