

MNP LTD.

RECEIVER OF

**LAKELSE HELICOPTERS LIMITED PARTNERSHIP, LAKELSE
AIR LTD. AND 1167537 B.C. LTD.**

**INVITATION
FOR OFFERS TO PURCHASE**

NOVEMBER 26, 2021

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1.0 DISCLAIMER

This Invitation for Offers to Purchase (the “**Invitation**”) has been compiled by MNP Ltd., in its capacity as Receiver (the “**Receiver**”) of LAKELSE HELICOPTERS LIMITED PARTNERSHIP, LAKELSE AIR LTD. AND 1167537 B.C. LTD, collectively referred to as, (the “**Company**”, or “**Lakelse**”). It has been prepared solely for information purposes to assist prospective purchasers (“**Prospective Purchasers**”) in making an evaluation of the Company’s assets, (the “**Assets**”). The information provided herein may not contain all the information a Prospective Purchaser may require and therefore, Prospective Purchasers should conduct their own investigation, analysis and due diligence relating to the Company’s Assets and of the information contained herein.

The information contained in this Invitation has been obtained from the Company and from other sources independent of the Receiver. The Receiver has not verified or audited any of the information contained herein. The Receiver does not make any representation or warranty as to the accuracy or completeness of this Invitation and shall have no liability for any representations (expressed or implied) contained in or for any omissions from, this Invitation, or for any other written or oral communications transmitted to Prospective Purchasers in the course of their evaluation of the assets.

The Assets are being sold on an “as is, where is” basis. Prospective Purchasers must rely on their own investigations and due diligence to satisfy themselves as to all matters relating to the Assets and this Invitation.

The Receiver reserves the right to negotiate with one or more Prospective Purchasers at any time and to enter into a definitive agreement related to the acquisition of the Assets without prior notice to any other Prospective Purchaser.

The Receiver reserves the right to terminate, at any time, this Invitation or to modify any part or procedure thereto without providing reason to any party.

No attempt should be made to contact any former employees or representatives of the Company. All communications, inquiries and requests for information relating to this Invitation should be addressed to the Receiver as follows:

MNP Ltd.
Suite 1400, 1801 Hollis Street
Halifax, NS B3J 3N4
Phone: (902) 334-2024
Justin.Noftall@mnp.ca

2.0 BACKGROUND INFORMATION

Lakelse previously operated as a helicopter services provider and operated out of Terrace, British Columbia with other locations in Dease Lake and Bob Quinn both located in Northwest British Columbia.

The Company provided services to mining, seismic, technical industries, heli-logging, heli-skiing, environmental support, fire-fighting operations, search & rescue, emergency medical services, and heavy-lift aerial construction and charters.

MNP was appointed as Receiver by Canadian Western Bank on May 27, 2020.

3.0 ASSETS INCLUDED IN SALE

The Assets offered for sale are all those which are present at the Terrace, BC facility and include:

a. Aircraft consumable parts inventory, including but not limited to:

Pratt & Whitney parts, Turbomeca parts, Rolls Royce parts, Bell parts, Airbus parts, Honeywell parts, standard hardware parts, electrical parts and other miscellaneous parts, the “Consumables”.

b. Aircraft rotatable parts inventory, including but not limited to:

Bell, Rolls Royce, Airbus, Turbomeca & Honeywell parts, together with other miscellaneous serviceable parts inventories, the “Rotables”.

c. Aircraft Operational Gear, including but not limited to:

Buckets, ground handling wheels, baskets, satellite phones, seismic equipment, various nets, lines, slings and hooks and many other items required for a variety of helicopter tasks, the “Ops Gear”.

d. Aircraft Speciality Tools, including but not limited to:

A variety of aircraft speciality tools for servicing specific helicopter makes and models, such as Bell 212, Airbus SD2, 355N, AS350B2, and a variety of general use aircraft special tools such as Strobex units, and bore gage measuring sets.

e. General Shop Equipment, including but not limited to:

A variety of items that could be found in most maintenance facilities regardless of whether they are aviation related or some other operation, such as automotive repairs or steel fabrication and welding. Equipment available includes fire cabinets, generators, toolboxes and tools, parts cleaners, space heaters, workbenches, cabinets, cases, sea cans, and many other items.

f. Office equipment and crew accommodation furniture and equipment

A variety of items such as computers, desks, kitchen and living room items as well as bedroom items.

g. FLYIT flight training simulator and enclosed trailer

A 2010 FIYIT professional Simulator model PHS-3, serial number N9382H installed in a 18' Carson RC182 trailer/classroom bearing VIN#4HXRC1824AC150591, together with all installed parts, accessories, instruments, equipment, manuals, technical data, computer software. The computer software and other parts are upgradeable to meet today's standards.

4.0 PROCEDURE TO SUBMIT AN OFFER TO PURCHASE

The submission of an Offer to Purchase to the Receiver shall constitute an acknowledgement and an acceptance by the Prospective Purchaser of the terms of the Invitation for Offers to Purchase including the Terms and Conditions of Sale as set out in Schedule “A”.

All Offers to Purchase must be substantially in the form attached (see Schedule “C”) and accompanied by a bank draft or certified cheque payable to “MNP Ltd., in Trust” in an amount equal to 5% of the total purchase price offered for the assets.

The deadline for the submission of an Offer to Purchase is 4:00 PM (Atlantic Standard Time), January 7, 2022.

Schedule A

TERMS AND CONDITIONS OF SALE

General Terms and Conditions

1. MNP Ltd., in its capacity as Receiver (the “**Receiver**”) of Lakelse Air Ltd. (referred to hereinafter as “the Company”) will consider written offers to purchase (“**Offer to Purchase**”) the Company’s right, title and interest, if any, in the Assets of the Company (the “**Assets**”).
2. All Offers to Purchase must be submitted by completing the attached form of Offer to Purchase and must be received by Justin Noftall, by 4:00 PM AST, January 7, 2022 at the Halifax office of the Receiver at Suite 1400, 1801 Hollis Street, Halifax, NS B3J 3N4, or by way of email to justin.noftall@mnp.ca.
3. The Assets are being offered for sale on an “as is” and “where is” and “without recourse” basis with no representations or warranties as to title, encumbrances, description, fitness for use, condition (environmental or otherwise), defect (patent or latent), collectability, merchantability, quantity, quality, or any other matter or thing whatsoever, either stated or implied. Each party making an offer (the “**Offeror**”) must rely on its own judgement, inspection and investigation of the Assets being offered for sale.

Sales Process

4. The Receiver reserves the right and shall be at liberty, at any time, at its sole discretion, to:
 - Amend or terminate the sales procedures during the sales process;
 - Accept an Offer to Purchase that may not necessarily be the highest bid;
 - Negotiate with one or more prospective purchasers at any time;
 - Set a minimum offer price for any of the Assets
 - Enter into a definitive transaction agreement without prior notice to other prospective purchasers at any time during the transaction process; and
 - Not accept any Offers to Purchase
5. The Receiver reserves the right to amend or terminate the sales process at any time, at its sole discretion. With respect to any withdrawal or amendment, the sole obligation of the Receiver to the Offeror shall be to inform the Offeror of the withdrawal or amendment. With respect to the termination of the sales process, the sole obligation of the Receiver to the Offeror shall be to return the deposit without interest or deduction.
6. Any sale of the assets of the Company may be subject to the approval of the Court.

Offers to Purchase

7. All Offers to Purchase must be accompanied by a bank draft, certified cheque or wire transfer payable to “MNP Ltd., in Trust” in an amount equal to 5% of the total purchase price offered for the Assets, which Deposit (the “**Deposit**”) will be subject to the terms of paragraphs 8 and 9 herein. All offers should be in CAD currency. Acceptance of any Offer to Purchase shall result in an agreement between the Receiver and the successful Offeror (the “**Purchaser**”).
8. If the Offer to Purchase is accepted, the draft, cheque, or wire accompanying the Offer to Purchase shall be deemed a non-refundable cash Deposit. If the contemplated sale is completed, the Deposit will be applied without interest, against the purchase price. If the contemplated sale is not completed by the Purchaser by reason of the Purchaser’s default,

Schedule A

the Deposit shall be retained by the Receiver on account of damages and the Receiver shall be entitled to pursue all of its rights and remedies against the Purchaser.

9. Deposits accompanying Offers to Purchase that are not accepted by the Receiver shall be returned, without interest thereon, by prepaid regular mail to the Offeror, addressed to the Offeror at the address set forth in its Offer to Purchase, no later than ten (10) working days after notification by the Receiver that the offer has been rejected.
10. Upon receipt by the Receiver of any Offer to Purchase, no person shall be entitled to retract, withdraw, vary or amend the Offer to Purchase prior to acceptance or rejection thereof, without the prior written consent of the Receiver.
11. The submission of an Offer to Purchase to the Receiver shall constitute an acknowledgement and an acceptance by the Offeror of the terms of the Invitation for Offers to Purchase including these Terms and Conditions of Sale.

Purchase Closing

12. Upon the acceptance of an Offer to Purchase by the Receiver, the Purchaser shall pay the balance of the purchase price to the Receiver by bank draft, certified cheque, solicitor's trust cheque or wire transfer, within thirty (30) days from the date of the Offer to Purchase, or such other date as may be mutually agreed by the Receiver and the Purchaser (the "**Closing Date**").
13. The Purchaser will pay to the Receiver on the Closing Date, in addition to the balance of the Purchase Price, any and all applicable federal, provincial and other sales, goods and services, and other taxes whatsoever which are payable in connection with the purchase and conveyance of the Assets, together with all duties, registration fees or other charges properly payable or exigible upon or in connection with the conveyance or transfer of the Assets. Specifically, an Offer shall be considered to be exclusive of harmonized sales tax (HST). The Purchaser will pay HST to the Receiver on closing unless the Purchaser provides the Receiver with appropriate exemption certificates in form and substance satisfactory to the Receiver in respect of HST or, with respect to any real property subject to an Offer, (i) the Purchaser is a HST registrant before or on closing; (ii) the Receiver is given the HST registration number of the Purchaser on closing; (iii) the Purchaser agrees to pay any HST directly to the Canada Revenue Agency in the event that any HST liability arises in respect of the transaction; (iv) the Purchaser represents and warrants as of closing that it is buying the Assets for its own account; and (v) the Purchaser provides a customary declaration and indemnity to the Receiver on closing. The Purchaser will indemnify and hold the Receiver harmless in respect of any taxes, penalties, interest and other amounts which may be assessed against the Receiver or the Company under the Excise Tax Act, RSC 1985 c. E-15, as amended, or any comparable law as a result of the sale of the Assets or as a result of the failure by the Purchaser to pay all the aforementioned taxes exigible in connection with the transactions contemplated by this Agreement, whether arising from re-assessment or otherwise.
14. The Purchaser acknowledges that the sale of any or all of the Assets may need to be approved by the court in certain circumstances. Where that approval is required and has been sought but is not obtained by the Closing Date, then the Closing Date shall be extended to the date two business days following the granting of the court approval. In the event that the court approval is refused by a court of final competent jurisdiction, any sale subject to the approval shall be at an end, and the sole obligation of the Receiver will be to return the Deposit to the subject Purchaser without interest or deduction.
15. Without limitation, the Assets shall be as they exist on the Closing Date. The Purchaser acknowledges and agrees that the Receiver shall not be required to inspect the Assets or

Schedule A

- any part thereof and the Purchaser shall be deemed at its own expense to have relied entirely on its own inspection and investigation. The Purchaser acknowledges that no warranties or conditions, expressed or implied, pursuant to the *Sale of Goods Act (British Columbia)* or similar legislation in other jurisdictions apply hereto and all of the same are hereby waived by the Purchaser.
16. The Purchaser shall examine title to the Assets at its own expense and the Receiver shall not be required to furnish or produce any abstract, survey, deed, declaration or other document or evidence of title except as such are in its possession. The Purchaser is allowed 5 days from acceptance of the Purchaser's Offer (or until the Closing Date, whichever is earlier) to investigate the title to the Assets. If within that time any valid objection to title is made in writing, to the Receiver, or its solicitors, which the Receiver shall be unable or unwilling to remove, and which the Purchaser shall not waive, the Agreement of Purchase and Sale shall be null and void and the Deposit shall be returned to the Purchaser, without interest, and without liability by the Receiver for any expenses incurred or damages sustained by the Purchaser.
 17. After the closing of the Purchase and Sale of the Assets subject to an Agreement of Purchase and Sale, but not prior, the purchased Assets shall be at the risk of the Purchaser. In the event of material damage to any Assets occurring on or before closing, the Receiver may, at its option, terminate the Agreement of Purchase and Sale and the Deposit shall be returned to the Purchaser, without interest, and without liability by the Receiver for any expenses incurred or damages sustained by the Purchaser. Where any damage is not material, at the option of the Receiver, the Purchaser shall be obligated to complete the Agreement of Purchase and Sale with a reasonable abatement of the purchase price on account of the damage, and without any other liability of the Receiver for any expenses incurred or damages sustained by the Purchaser.
 18. The validity and interpretation of these Terms and Conditions of Sale shall be governed by the laws of the Province of British Columbia, as applicable and these Terms and Conditions of Sale shall enure to the benefit of and be binding upon the parties hereto, and their respective heirs, executors, administrators or assigns as the case may be.
 19. Unless otherwise specifically stated therein, all obligations, representations and warranties of the parties contained herein shall survive the completion of the purchase.
 20. No supplement, modification, waiver or termination of these Terms and Conditions of Sale shall be binding unless executed in writing by the parties to be bound thereby, provided that the time provided for doing any matter or thing contemplated herein may be abridged or extended by written agreement, in letter form or otherwise, executed by the duly authorized solicitors for the parties.
 21. These Terms and Conditions of Sale shall constitute the entire agreement between the parties pertaining to the subject matter hereof and shall supersede all prior and contemporaneous agreements, understandings, negotiations and discussions, whether oral or written, of the parties if any and there shall be no agreements or understandings between the parties in connection with the subject matter hereof except as specifically set forth herein. No party hereto has relied on any express or implied representation, written or oral, of any individual or entity as an inducement to enter into the Offer to Purchase.
 22. At the Closing Date, the Purchaser shall be entitled to such deeds or assignments as may be considered necessary by the Receiver to convey the Assets to the Purchaser provided that the Purchaser shall remain liable hereunder notwithstanding any assignment thereof by the Purchaser. Any such deeds or assignments shall contain only a release of the Receiver's interest in the Assets and shall not contain any covenants.

Schedule A

Purchaser's Representations, Responsibilities and Indemnifications

23. The Purchaser shall assume, at its cost, complete responsibility for compliance with all municipal, provincial and federal laws insofar as the same apply to the Assets and the use thereof by the Purchaser. It shall be the Purchaser's sole responsibility to obtain, and pay the cost of obtaining, any consents, permits, licenses or other authorizations necessary or desirable for the transfer to the Purchaser of the Company's right, title and interest, if any, in the Assets.
24. The Purchaser represents and warrants that
- a) It is a corporation duly incorporated, organized and subsisting under the laws of Canada;
 - b) It has the corporate power and authority to enter into and perform its obligations under the Offer to Purchase and these Terms and Conditions of Sale and all necessary actions and approvals have been taken or obtained by the Purchaser to authorize the creation, execution, delivery and performance of the Offer to Purchase and the Offer to Purchase has been duly executed and delivered by the Purchaser and is enforceable against the Purchaser in accordance with its and these terms; and
 - c) It is not a non-Canadian for the purpose of the *Investment Canada Act (Canada)* and it is not a non-resident of Canada within the meaning of the *Income Tax Act (Canada)*.
25. The Purchaser shall indemnify the Receiver and hold the Receiver harmless against and from all losses, costs, damages and expenses which the Receiver may sustain, incur or become liable for by reason of or arising from any operations of the Purchaser in relation to the Assets, including without limitation, any clean up, decommissioning, restoration or remediation of the Assets which may be required of the Receiver or any of them pursuant to any environmental laws as a result of the operations of the Purchaser.

Receiver's Rights, Responsibilities and Obligations

26. MNP Ltd. is acting solely in its capacity as Receiver of the Company and not in its personal or corporate capacity, and its liabilities hereunder, if any, or under the Offer to Purchase or sale contemplated hereby, will be solely in its capacity as Receiver of the Company and it shall have no personal or corporate liability of any kind, whether in contract or in tort or otherwise.
27. The obligation of the Receiver to complete the purchase is subject to the satisfaction of, among other things, the following terms and conditions at or prior to the Closing Date, which conditions are for the sole benefit of the Receiver and which may be waived by the Receiver:
- a) The representations and warranties of the Purchaser herein are true and accurate as of the Closing Date;
 - b) No action or proceeding at law or in equity shall be pending or threatened by any person, firm, governmental authority, regulatory body or agency, to enjoin, restrict or prohibit the purchase and sale of the Assets; and
 - c) No party shall have taken any action to redeem any of the Assets.

Schedule A

28. If a sale is not completed because of the Purchaser's default, the Purchaser's Deposit and all other payments made in connection with the purchase price shall be retained by the Receiver and the Assets may be resold by the Receiver and the Purchaser shall pay to the Receiver (i) an amount equal to the amount, if any, by which the original purchase price exceeds the net purchase price received by the Receiver pursuant to such resale, and (ii) an amount equal to all costs and expenses incurred by the Receiver in respect of or occasioned by the Purchaser's failure to complete the purchase.
29. Any offers submitted through a broker, finder or other financial consultant will be considered provided however that there shall be no commission or other compensation (the "Compensation") payable to any broker, finder, financial consultant or similar agent claiming to have been employed by or on behalf of any prospective purchaser out of the proceeds of sale unless and until:
- a) The Receiver has agreed to such Compensation in writing; and
 - b) Only if the approved transaction closes in accordance with the terms of the Offer to Purchase.

Notices

30. Any notices, requests, demands or other communications to be given pursuant to this process shall be in writing and shall either be hand delivered, faxed or mailed by prepared registered mail addressed as follows:

To the Purchaser: at the address set forth in the Offer to Purchase

To the Receiver: MNP Ltd., Suite 1400, 1801 Hollis Street, Halifax, NS B3J 3N4., Fax: (902) 701-3690, Attention: Eric Findlay.

31. Notices shall be effective upon personal delivery or, if mailed, three days after the Deposit with the post office, if sent by telegram, on the date of Deposit or if telefaxed, on the date the notices were sent by telefax, or if on a holiday the next business day thereafter.

Dated at Halifax, Nova Scotia this 26th day of November, 2021.

MNP LTD

In its capacity as Receiver of

Lakelse Air Ltd.

And not in its personal or corporate capacity

Schedule B

Property Description

Inventory Listing and Photographs

Lakelse Air Ltd., In Receivership

For a detailed inventory listing with accompanying photographs, we ask that you please refer to our website at the following link:

<https://mnpdebt.ca/en/corporate/corporate-engagements/lakelse-air>

On our website under the section titled “Invitation for Offers”, you will find two documents that will contain a complete inventory listing sorted into the following categories:

- Aircraft Specialty Tools
- Furniture & Office Equipment
- General Shop Equipment
- Ops Gear
- Rotables
- Consumables
- FLYIT Professional Flight Training Simulator

Please refer to the documents named “Schedule B – Complete Inventory Listing” and “Schedule B – All Pictures” which will contain the sorted inventory accompanied by pictures for some of the inventory.

Should you require the inventory listing in Excel format, please contact Justin Noftall at justin.noftall@mnp.ca.

Invitation to Offer

Schedule C

FORM OF OFFER

INVITATION FOR OFFERS TO PURCHASE

THE PROPERTY OF

Lakelse Air Ltd.

To: MNP Ltd.
1801 Hollis Street
Suite 1400
Halifax, NS B3J 3N4
Direct: (902) 334-2024
Facsimile: (902) 701-3690
Email: Justin.Noftall@mnp.ca

Attention: Justin Noftall

Name of Prospective Purchaser: _____

Address (include postal code): _____

Telephone: _____

Facsimile: _____

Email: _____

- I. I/we, hereby submit this offer for the purchase of the Receiver's right, title and interest in the Property of Lakelse Air Ltd. (**all amounts in CAD**):

LOT	OFFER	HST	TOTAL
(a) Consumables			
(b) Rotables			
(c) Ops Gear			
(d) Aircraft Specialty Tools			
(e) General Shop Equipment			
(f) Office & crew accommodation furniture & equipment			
(g) FLYIT professional flight training simulator and enclosed trailer			
GRAND TOTALS			

- II. Enclosed is the cash deposit by way of certified cheque, bank draft, money order, confirmation of wire transfer payable to MNP Ltd. in the amount of \$ _____, representing five per cent (5%) of the total offer.

Invitation to Offer

- III. It is acknowledged that this offer is subject to the Terms and Conditions of Sale issued by the Vendor.
- IV. This offer is irrevocable and may not, in any circumstances, be withdrawn varied or countermanded once submitted to MNP Ltd.
- V. I/We acknowledge that, without limiting the generality of the foregoing, the Vendor reserves the right, in its sole discretion, to terminate the Sale of all or any part(s) of the assets, at any time prior to the completion of the sale for any reason, including, but not limited to, the reinstatement of the obligations of the borrower or the exercise of any right of redemption by the borrower or any other encumbrances. Further, in the event that some of the offers submitted are similar in terms and/or amounts, the Vendor may in its sole discretion call upon those prospective Purchasers to submit further offers.
- VI. I/We acknowledge that the Vendor disclaims any obligation or liability in relation to the completeness or accuracy of any documentation or information provided to any prospective purchaser, whether in writing or otherwise, and whether by Lakelse Air Ltd., MNP Ltd., Canadian Western Bank, any employee or representative of any of the foregoing, counsel to any of the foregoing, or any other person for on behalf of any of the foregoing (the "**Vendor Group**"). Each offeror, prospective offeror and any Purchaser(s) shall be deemed to have relied upon its or their own investigations or enquiries of persons other than the Vendor Group in relation to any offer, potential offeror the completion of the purchase of all or any part(s) of the purchased property and shall not have any claim against the Vendor Group either based on any contract or principle of liability.

We acknowledge MNP Ltd. acts in its capacity as Receiver of Lakelse Air Ltd. and shall have no personal or corporate liability hereunder of form any Agreement(s) of Purchase and Sale contemplated hereby or as a result of any sale(s) contemplated hereby.

DATED AT _____, this _____ day of _____, 2021.
(city or town) (day) (month)

(PRINTED NAME OF PROSPECTIVE PURCHASER)

Per: _____

(If offeror is a Corporation, seal should be affixed)

For the information of the Vendor, the attached indicate our proposed counsel for purposes of this transaction (if none identified as yet, please so indicate):

Counsel name/Firm

Telephone number/Email address