COURT FILE NUMBER	**Q.B. No. _____ of 2021**
COURT OF QUEEN'S BENCH FOR SASKATCHEWAN IN BANKRUPTCY AND INSOLVENCY	
JUDICIAL CENTRE	**SASKATOON**
APPLICANTS	**VOYAGER RETIREMENT II GENPAR INC., VOYAGER RETIREMENT II LP, VOYAGER RETIREMENT III GENPAR INC. AND VOYAGER RETIREMENT III LP**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, RSC 1985, c C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF VOYAGER RETIREMENT II GENPAR INC., VOYAGER RETIREMENT II LP, VOYAGER RETIREMENT III GENPAR INC. AND VOYAGER RETIREMENT III LP

AFFIDAVIT OF SIROUS TOSH

I, Sirous Tosh, of the City of Saskatoon, in the Province of Saskatchewan, businessperson, make oath and say as follows that:

1. I am the sole director, shareholder and president of each of the Applicants, Voyager Retirement II Genpar Inc. and Voyager Retirement III Genpar Inc. (collectively, the "**GP Applicants**"). I am also the director and president of Caleb Management Ltd. ("**Caleb**"), the majority partnership unit holder in each of the Applicants, Voyager Retirement II LP ("**Tisdale LP**") and Voyager Retirement III LP ("**Melville LP**") (Tisdale LP and Melville LP hereinafter collectively referred to as the "**LP Applicants**"). Based on the foregoing, I have personal knowledge of the facts and matters hereinafter deposed to, except where stated to be on information and belief, and where so stated, I believe the same to be true.

2. The GP Applicants and the LP Applicants are hereinafter collectively referred to as the "**Applicants**". Attached and marked collectively as **Exhibit "A"** to my Affidavit are Corporate

Profile Reports for each of the Applicants, all of which are duly registered to carry on business in the Province of Saskatchewan.

I. BACKGROUND TO THE APPLICANTS AND DESCRIPTION OF ASSETS

3. Each of the Applicants was established to develop, construct, own and operate seniors' retirement residences in Saskatchewan. Typically, the business plan for these retirement residences is to sell approximately one-third of the units and retain ownership of the other units for rental to senior citizens to live in.

4. The underlying principles of the Applicants' business plan and the rationale for selling approximately one third of the units are as follows:

   a. to establish financial commitment from the communities;
   b. to reduce the credit facilities by partial repayment of the mortgage from the proceeds of the sold units;
   c. obtaining financial support from the municipality or city through receiving a five-year tax abatement;
   d. attaining a threshold number of pre-sold units to establish a baseline level of financial stability for commencement of operations;
   e. extensive marketing to prospective residents based on the concept of providing a complete "lifestyle" rather than just a "unit to live in"; and
   f. fostering and maintaining security and comfort for residents and their families in the form of a commitment to stay in the community and maintain top-tier quality of living in the residence.

5. Below is a table setting forth the location, number of living units, year constructed and the corresponding owner GP Applicant for each of the LP Applicants.

Location	# Units	Year Constructed	GP Applicant
Tisdale LP	94	2012	Voyager GP II
Melville LP	94	2012	Voyager GP III

6. I have reviewed paragraph 6 of each of the Affidavits of Terry Wrishko, dated July 8, 2021 (the "**Wrishko Affidavits**"), filed in the receivership proceedings commenced by Conexus Credit Union 2006 against the Applicants. It is accurate that the living units in the residences comprise three types of layout: studio, one-bedroom and two-bedroom, and that "lifestyle services (meals, housekeeping, transit and so forth) can be provided. However, I have the following corrections or clarifications in regard to the information contained in the balance of paragraph 6 in each of the Wrishko Affidavits:

    a. residents in the <u>sold</u> units can purchase lifestyle services;
    b. for residents in the <u>rental</u> units, the monthly rental rate includes the lifestyle services; and
    c. the amount paid by a resident in a rental unit is not broken down by rent and lifestyle services: it is one monthly fee.

7. In regard to paragraph 7 of each of the Wrishko Affidavits, I have the following corrections or clarifications:
    a. the lifestyle services are provided by the LP Applicants and not Caleb; and
    b. it is not correct that Caleb is reimbursed for any costs; the LP Applicants pay the operating expenses for the lifestyle services.

8. In response to paragraph 16(d) of each of the Wrishko Affidavits, the payments to Caleb are in accordance with the management agreements and were made in the ordinary course to maintain operations, similar to other ordinary course payments to food suppliers, housekeeping suppliers, SaskPower, condominium fees and so forth.

9. Below is a table setting forth the ownership and rental information for each of the residences, including the number of owned units, rented units, vacant units and the date upon which the last unit was sold or rented.

Location	# Sold	Last Sale	# Retained	# Rented	Last Rental
Tisdale	27	Nov. 2015	67	37	August 2021
Melville	30	June 2014	64	38	August 2021

10. Copies of titles to certain units owned by Voyager GP II and Voyager GP III in Tisdale and Melville, respectively, are attached as Exhibit "E" to the Wrishko Affidavits.

II. LIABILITIES OF THE APPLICANTS

11. The Applicants have three principal liabilities through the LPs by their GPs:
    a. municipal tax arrears;
    b. mortgage loans with Conexus Credit Union 2006 ("**Conexus**"); and
    c. mortgage loans with Caleb (the "**Caleb Mortgages**").

12. I have reviewed paragraphs 9-15 of the Wrishko Affidavits and I adopt the contents of those paragraphs in regard to the municipal tax arrears and the indebtedness to Conexus pursuant to the Conexus loans and security (collectively, the "**Conexus Loans**"). I also adopt paragraphs 20 and 21 and Exhibits "D" and "E" to the Wrishko Affidavits as evidencing registration of the security of Conexus in regard to the Conexus Loans. The initial amount of the Conexus Loan for each of the Tisdale LP and the Melville LP was $10,000,000.00 (for an aggregate of $20,000,000.00).

13. The Applicants initially ceased making payments in April of 2017 on the Conexus Loans. An agreement was ultimately reached with Conexus whereby the interest rate would be increased by .5% in return for interest-only payments from December 2017 to March 2018, with regular principal and interest payments to resume in April of 2018. As part of that arrangement, interest and legal fees of $196,000.00 and $177,000.00 were added to the Tisdale and Melville Conexus Loans, respectively.

14. The Applicants ceased making payments on the Conexus Loans in February of 2019.

15. The Tisdale LP is indebted to Conexus in the approximate amount of $6.3 million and to the municipality for property taxes in the approximate amount of $730,000.00. The Melville LP is indebted to Conexus in the approximate amount of $5.9 million and to the municipality for property taxes in the approximate amount of $731,000.00.

16. Particulars of the Caleb Mortgages as they pertain to the Applicants are contained in the Affidavit of Celia-Ann Koturbash filed in these proceedings on behalf of Caleb (the "**Koturbash Affidavit**"). I have reviewed the particulars of the Caleb Mortgages contained in the Koturbash Affidavit, and I adopt them herein.

17. The Tisdale LP is indebted (secured by a second mortgage) to Caleb in the approximate amount of $625,000.00. The Melville LP is indebted (secured by a second mortgage) to Caleb in the approximate amount of $701,000.00.

III. INSOLVENCY OF THE APPLICANTS

18. Attached and marked collectively as **Exhibit "B"** to my Affidavit are copies of Unaudited Financial Statements for the years 2019 and 2020 for Tisdale LP and Melville LP.

19. The Applicants are insolvent, including for the reasons more particularly discussed below. I have reviewed the information contained at paragraphs 16-19 of the Wrishko Affidavits describing the financial difficulties, insolvency and default of the Applicants, and I adopt them herein.

20. In particular, I acknowledge that the Applicants are unable to meet their obligations due and owing to the Town of Tisdale, the City of Melville and Conexus.

21. Although Caleb has not demanded payment of the Caleb Mortgages, no payments have been made on the Caleb Mortgages, and the Applicants do not possess sufficient funds to pay any amount on demand to Caleb, such that the Caleb Mortgages will be in default if any payments are demanded.

IV. REASONS FOR THE INSOLVENCY OF THE APPLICANTS AND EFFORTS MADE BY THE APPLICANTS TO AMELIORATE MATTERS

22. Notwithstanding that the Applicants established the Tisdale and Melville residences in accordance with their usual business plan, those markets did not perform as well as expected after construction of the residences was completed. In addition to lower-than-projected rental

occupancy due to market challenges, the Applicants have faced other difficulties since the residences were built in 2012, as more particularly described below.

23. As part of the mutually beneficial commitments negotiated between the Applicants and the communities of Tisdale and Melville, each of those municipalities granted the Applicants a five-year property tax abatement (from 2012 to 2017, inclusive) as part of the initial land acquisition deal (the "**Tax Abatements**").

24. The depressed rental market conditions in Tisdale and Melville continued to affect profitability for the Applicants in 2017 such that, when the Tax Abatements expired and property taxes became due, the Applicants were unable to meet those obligations in addition to the payments on the Conexus Loans. As a result, as mentioned above, the Applicants ceased making payments on the Conexus Loans in April of 2017, and have never fully met their tax payment obligations, except for the months of December of 2019 and January and February of 2020, and, in the case of Melville, payments of $21,480.96 in June of 2021 and $21,547.06 in July of 2021.

25. In July of 2017, the Applicants communicated to then-counsel to Conexus details of pro-active efforts by the Applicants to resolve the financial difficulties. These efforts included cash calls in the aggregate amount of $1,300,000.00, additional credit facilities by way of loans by the Limited Partners of Tisdale LP and Melville LP, as well as a variety of marketing incentives intended to increase the occupancy rates in the two residences.

26. In the intervening period between 2017 and 2020, the Applicants focused their resources on maintaining day-to-day operations and the comfort and security of residents. Resources for advertising, promotion and other marketing initiatives were severely limited. Then, in early 2020, the global pandemic exacerbated the situation, among other things, by:

    a. introducing extraordinary health measures pursuant to government directives, which materially increased operating costs;
    b. significantly altering and complicating routine operations, including closure of the dining room and the attendant impact on delivery methods of food to residents;

c. increasing demand (or perceived demand) for additional or alternative care for residents, such that a number of residents either were forced by failing health, or made the decision, to move out of the residences; and
d. obliterating any remaining market for the attraction of new residents.

27. The Applicants ceased making property tax payments in March of 2020 due to issues created by the global pandemic.

28. The Applicants have expended significant efforts to obtain alternative financing, but have not been successful in doing so.

29. Meanwhile, Caleb, which was "on the ground" and intimately acquainted with the business, did not have a sufficient majority of units in the Tisdale LP and the Melville LP to take certain actions which it had long regarded as necessary and appropriate.

30. In order to be in a position to better control the situation, a transaction was effected in March of 2020, whereby Caleb acquired the majority of partnership units in the Tisdale LP (80%) and the Melville LP (86%).

31. Since attaining majority control, Caleb has been actively making efforts to improve the situation, including by:

a. continuing to maintain exceptional facilities;
b. streamlining operations through, among other things, improving staffing efficiencies and controlling food costs;
c. upgrading the website and social media pages;
d. materially revising marketing strategies, including in regard to the post-pandemic economy by emphasizing the perfect track record of both facilities in preventing any Covid-19 cases in residents and the implementation of other enhanced safety and security features;

e. hiring key management personnel in Tisdale and Melville who are actively promoting the businesses in the respective communities through local media, local businesses and actively meeting with the Mayor, City Manager, Development Manager and other public officials; and
f. working with the Tisdale manager for the creation of a professional video promoting that facility on social media.

32. Notwithstanding the efforts which Caleb and the Applicants have been making, progress has been further fettered by Conexus which, in the midst of a global pandemic, instructed its counsel to send a letter in the form attached and marked as **Exhibit "C"** to my Affidavit (the "**Letter**").

33. The Letter, which provided very little context, constituted formal written notice upon residents to remit rental payments directly to Conexus. A number of residents (and in some cases, their families) were extremely upset and frightened by the Letter, and rumors circulated in the facilities and the communities that the Applicants were "bankrupt" or going out of business. In addition, in Melville, 20 out of 36 pre-authorized debits for rent (including lifestyle payments) were stopped by residents which, in addition to the creation of upheaval in the community, led to further cash flow challenges as a result of the cancelled payments.

34. Based on all of the foregoing, it is my belief that the Applicants have acted in good faith and with due diligence in regard to their efforts to address the issues discussed herein, notwithstanding a myriad of challenges.

V. PREREQUISITES FOR APPLYING FOR AN INITIAL ORDER

35. I have passed a Resolution of the Sole Director of each of the GP Applicants dated effective August 18, 2021 (collectively, the "**Resolutions**"), authorizing each of the Applicants to:
    a. apply to the Court for an Initial Order pursuant to the CCAA in the form filed herewith; and
    b. seek to have The Bowra Group Inc. appointed as Monitor under the CCAA proceedings.

36. Copies of the Resolutions are attached as **Exhibit "D"** to my Affidavit, and a copy of the consent of The Bowra Group Inc. to act as Monitor in these proceedings is attached as **Exhibit "E"** to my Affidavit.

37. Finally, with the assistance of my professional advisors, I am in the process of preparing 13-week cash flow statements for each of the LP Applicants, commencing on the date of the proposed Initial Order, which will be filed as soon as possible prior to the hearing date.

VI. PROSPECTS FOR RESTRUCTURING UNDER THE CCAA

38. I have reviewed paragraph 24 of each of the Wrishko Affidavits, and I have the following comments:
    a. in regard to paragraph 24(a), payment arrangements for Melville taxes have been approved by the mediation board, and are currently being complied with. The tax enforcement office in Tisdale continues to be patient as Tisdale LP attempts to resolve matters;
    b. in regard to paragraph 24(b), I will comment further below;
    c. in regard to paragraph 24(c), I have already discussed the marketing efforts of the Applicants in detail above, and I strongly disagree with the assertion made by Conexus that the Applicants do not wish to sell units or are not undertaking sufficient marketing efforts;
    d. in regard to paragraph 24(d), I can confirm that all CRA remittances, including GST, and provincial remittances, including PST and WCB, are up to date; and
    e. in regard to paragraph 24(e), I will comment further below.

39. I have reviewed paragraph 25 of each of the Wrishko Affidavits, and I wholeheartedly agree with the statements that the value of the assets ought to be maximized and that anxiety and stress for residents ought to be avoided. I appreciate that Conexus has acknowledged the stress and anxiety that was caused by Conexus when it acted on the assignments of rent.

40. I have been involved with Caleb since 2006 in various capacities (Director of Marketing, Vice-President of Sales and Marketing, Senior Vice-President, Chief Executive Officer and President).

My education includes receiving degrees in Master of Business Administration, Doctorate in Economy and Doctorate in Business Administration.

41. I have been successful in building and selling or facilitating sales of this very type of business with material returns to investors. A recent example is the sale of a seniors' residence in Edmonton to Chartwell Retirement Homes, the largest owner/operator of seniors' residences in North America. Over the last seven years, I have sold or facilitated the sale of no fewer than seven other seniors' residences in Saskatoon, Regina, Swift Current, Moose Jaw and Yorkton, including to Revera Living, another top major owner/operator in North America.

42. In addition to my qualifications, the Applicants have been assiduous in their hiring, and have assembled, including through Caleb, an extremely competent team who are experts in the business.

43. Based on the foregoing, and in reply to paragraphs 24(b) and 24(e) of the Wrishko Affidavits, I strongly believe that a company-driven sales process is the least costly and most likely way to achieve the mutually-agreed-upon goals of maximizing value and preserving the status quo vis-à-vis operations and stability for residents and their families.

44. The Applicants intend to work with their professional advisors under the CCAA in good faith and with due diligence to propose for approval a sale and investment solicitation process (a "**SISP**") to market the assets to a target group, perhaps with a stalking horse bid by a related or "friendly" bidder. As emphasized above, the value of these assets is maximized by retaining the business model of "selling a lifestyle", rather than "selling condominium units and parking stalls" without more, as Conexus seems to propose at paragraph 24(b).

45. Of course, if other opportunities for restructuring, such as a refinancing opportunity, arise in the near term under the CCAA process, those opportunities will also be considered. However, seeking court approval of a SISP seems the most likely "germ of a plan" under the present circumstances.

46. Based on in-depth discussions with my professional advisors and my own experience in these matters, I believe that a company-driven process under the CCAA will derive the maximum

benefit for all stakeholders, and is eminently superior to a receivership, including for the following additional reasons:

a. community perception created by the inevitably public nature of the appointment of a receiver will lead to a material loss in value to the assets, including the impact on new occupancy, sales of individual units and interest of potential buyers or investors;
b. the appointment of a receiver will materially damage the reputation of the Applicants and Caleb (the latter of which is not insolvent and operates in other markets);
c. the appointment of a receiver will create fear and panic in local residents and community members;
d. the appointment of a receiver will impact upon employees and local suppliers;
e. the appointment of a receiver will reduce recovery to other stakeholders (including second mortgagees); and
f. put simply, the Applicants have a better "germ of a plan".

47. Finally, as evidenced by the news article attached and marked as **Exhibit "F"** to my Affidavit, wherein it is reported that Chartwell has determined it prudent to raise $175 million to repay debt and fund capital expenditures, the market for seniors' residences is currently fraught, in no small part due to the fallout from infections and deaths in seniors' residences across Canada as a result of Covid-19 infections (of which the Applicants, through extraordinary measures, had none). Once again, I believe that my team and I are best qualified to lead a SISP and navigate the market as it gradually improves through acquisitions by companies such as Chartwell.

48. Based on all of the foregoing, the Applicants believe that protection under the CCAA is the singular proceeding under the circumstances to successfully restructure the Applicants and see the businesses emerge from a SISP as going concerns.

49. I make this Affidavit in support of an Initial Order in respect of the Applicants.

SWORN BEFORE ME at the City of Saskatoon, in the Province of Saskatchewan, this 19th day of August, 2021.	))))))	
A Notary Public in and for the Province of Saskatchewan. Being a Solicitor.		**SIROUS TOSH**

CONTACT INFORMATION AND ADDRESS FOR SERVICE

Name of firm:	W Law LLP
Name of lawyer in charge of file:	Mike Russell
Address of legal firm:	Suite 300, 110 – 21st Street East Saskatoon, SK S7K 0B6
Telephone number:	(306) 244-2242
Fax number:	(306) 652-0332
E-mail address:	mrussell@wlaw.com

This is **Exhibit "A"** referred to in the
Affidavit of Sirous Tosh
Sworn before me this 19th day of
August, 2021.

____
A Notary Public in and for the
Province of Saskatchewan.
Being a Solicitor.

Information™ Services Corporation

Profile Report

Entity Number: 101159404

Entity Name: VOYAGER RETIREMENT II GENPAR INC.

Report Date: 17-Aug-2021

Entity Details

Entity Type	Business Corporation
Entity Subtype	Saskatchewan Corporation
Entity Status	Active
Incorporation Date	10-Mar-2010
Annual Return Due Date	30-Apr-2022
Nature of Business	RETIREMENT PROJECT
MRAS indicator	No

Registered Office/Mailing Address

Physical Address	300-110 21ST ST E, SASKATOON, Saskatchewan, Canada, S7K 0B6
Attention To	JENNY UNDERHILL
Mailing Address	VOYAGER RETIREMENT II GENPAR INC., 100-465 1ST AVE N, SASKATOON, Saskatchewan, Canada, S7K 1X5
Attention To	SIROUS TOSH

Directors/Officers

SIROUS TOSH (Director)

Physical Address:	100-465 1ST AVE N, SASKATOON, Saskatchewan, Canada, S7K 1X5	Resident Canadian:	Yes
Mailing Address:	100-465 1ST AVE N, SASKATOON, Saskatchewan, Canada, S7K 1X5		
		Effective Date:	07-Mar-2020

SIROUS TOSH (Officer)

Physical Address:	100-465 1ST AVE N, SASKATOON, Saskatchewan, Canada, S7K 1X5		
Mailing Address:	100-465 1ST AVE N, SASKATOON, Saskatchewan, Canada, S7K 1X5	Office Held:	PRESIDENT & SECRETARY-TREASURER
		Effective Date:	07-Mar-2020

Shareholders

Shareholder Name	Mailing Address	Share Class	Shares Held
SIROUS TOSH	100-465 1ST AVE N, SASKATOON, SASKATCHEWAN, CANADA, S7K 1X5	A	5

Articles

Minimum Number of Directors: 1 Maximum Number of Directors: 10

Share Structure:

Class Name	Voting Rights	Authorized Number	Number Issued
A	Yes	Unlimited	5
B	No	Unlimited	
C	No	Unlimited	
D	Yes	Unlimited	
E	No	Unlimited	
F	No	Unlimited	
G	No	Unlimited	

Business Names Owned By Corporation

Number	Name	Type
102083124	VOYAGER RETIREMENT II LP	Saskatchewan Limited Partnership

Previous Entity Names

Type	Name	Effective Until
Registered Name	MOOSOMIN RETIREMENT GENPAR INC.	23-Sep-2010

Event History

Type	Date
Business Corporation - Annual Return	05-Apr-2021
Notice of Change of Registered Office/Mailing Address	05-Apr-2021
Business Corporation - Annual Return	03-Apr-2020
Notice of Change of Registered Office/Mailing Address	03-Apr-2020
Notice of Shareholders	17-Mar-2020

Notice of Change of Directors/Officers	17-Mar-2020
Business Corporation - Annual Return	17-Apr-2019
Notice of Shareholders	17-Apr-2019
Notice of Change of Directors/Officers	17-Apr-2019
Notice of Change of Registered Office/Mailing Address	17-Apr-2019
Business Corporation - Annual Return	20-Apr-2018
Notice of Change of Registered Office/Mailing Address	20-Apr-2018
Business Corporation - Annual Return	29-Mar-2017
Notice of Change of Registered Office/Mailing Address	08-Sep-2016
Notice of Change of Registered Office/Mailing Address	06-Jun-2016
Business Corporation - Annual Return	28-Apr-2016
Business Corporation - Annual Return	29-Apr-2015
Business Corporation - Annual Return	29-Apr-2014
Business Corporation - Annual Return	29-Apr-2013
Business Corporation - Annual Return	27-Apr-2012
Business Corporation - Annual Return	27-Apr-2011
Business Corporation - Amend Articles	24-Sep-2010
Notice of Shareholders	17-Mar-2010
Business Corporation - Incorporation	10-Mar-2010

Saskatchewan Corporate Registry

Information™ Services Corporation

Profile Report

Entity Number: 102083124

Entity Name: VOYAGER RETIREMENT II LP

Report Date: 17-Aug-2021

Entity Details

Entity Type	Business Name
Entity Subtype	Saskatchewan Limited Partnership
Entity Status	Active
Registration Date	25-Jul-2019
Expiry Date	31-Dec-2060
Nature of Business	Lessors of residential buildings and dwellings
MRAS indicator	No

Business Address/Mailing Address

Physical Address	100-465 1ST AVE N, SASKATOON, Saskatchewan, Canada, S7K 1X5
Attention To	CELIA-ANN KOTURBASH
Mailing Address	VOYAGER RETIREMENT II LP, 100-465 1ST AVE N, SASKATOON, Saskatchewan, Canada, S7K 1X5
Attention To	CELIA-ANN KOTURBASH

Proprietor/Partners/General Partner(s)

(101159404) VOYAGER RETIREMENT II GENPAR INC.

Physical Address:	300-110 21ST ST E, SASKATOON, Saskatchewan, Canada, S7K 0B6
Mailing Address:	VOYAGER RETIREMENT II GENPAR INC., 100-465 1ST AVE N, SASKATOON, Saskatchewan, Canada, S7K 1X5
Effective Date:	25-Jul-2019

Event History

Type	Date
Business Name - Amendment of Declaration	10-Feb-2020
Business Name - Amendment of Declaration	15-Oct-2019
Business Name - Amendment of Declaration	01-Aug-2019
Business Name - Register Business Name	25-Jul-2019

Information™ Services Corporation

Profile Report

Entity Number: 101187811

Entity Name: VOYAGER RETIREMENT III GENPAR INC.

Report Date: 17-Aug-2021

Entity Details

Entity Type	Business Corporation
Entity Subtype	Saskatchewan Corporation
Entity Status	Active
Incorporation Date	12-Jul-2011
Annual Return Due Date	31-Aug-2021
Nature of Business	RETIREMENT PROJECT
MRAS indicator	No

Registered Office/Mailing Address

Physical Address	300-110 21ST ST E, SASKATOON, Saskatchewan, Canada, S7K 0B6
Attention To	JENNY UNDERHILL
Mailing Address	VOYAGER RETIREMENT III GENPAR INC., 100-465 1ST AVE N, SASKATOON, Saskatchewan, Canada, S7K 1X5
Attention To	SIROUS TOSH

Directors/Officers

SIROUS TOSH (Director)

Physical Address:	100-465 1ST AVE N, SASKATOON, Saskatchewan, Canada, S7K 1X5	Resident Canadian:	Yes
Mailing Address:	100-465 1ST AVE N, SASKATOON, Saskatchewan, Canada, S7K 1X5		
		Effective Date:	07-Mar-2020

SIROUS TOSH (Officer)

Physical Address:	100-465 1ST AVE N, SASKATOON, Saskatchewan, Canada, S7K 1X5		
Mailing Address:	100-465 1ST AVE N, SASKATOON, Saskatchewan, Canada, S7K 1X5	Office Held:	PRESIDENT & SECRETARY-TREASURER
		Effective Date:	07-Mar-2020

Entity Number: 101187811

Entity Name: VOYAGER RETIREMENT III GENPAR INC.

Report Date: 17-Aug-2021

Shareholders

Shareholder Name	Mailing Address	Share Class	Shares Held
SIROUS TOSH	100-465-1ST AVENUE NORTH, SASKATOON, SASKATCHEWAN, CANADA, S7K 1X5	A	5

Articles

Minimum Number of Directors: 1 Maximum Number of Directors: 10

Share Structure:

Class Name	Voting Rights	Authorized Number	Number Issued
A	Yes	Unlimited	5
B	No	Unlimited	
C	No	Unlimited	
D	Yes	Unlimited	
E	No	Unlimited	
F	No	Unlimited	
G	No	Unlimited	

Business Names Owned By Corporation

Number	Name	Type
101188057	VOYAGER RETIREMENT III LP	Saskatchewan Limited Partnership

Event History

Type	Date
Business Corporation - Annual Return	24-Aug-2020
Notice of Shareholders	17-Mar-2020
Notice of Change of Directors/Officers	17-Mar-2020
Business Corporation - Annual Return	21-Aug-2019
Notice of Change of Registered Office/Mailing Address	21-Aug-2019
Business Corporation - Annual Return	27-Aug-2018
Notice of Shareholders	27-Aug-2018
Notice of Change of Directors/Officers	27-Aug-2018
Business Corporation - Annual Return	27-Aug-2017

Entity Number: 101187811

Entity Name: VOYAGER RETIREMENT III GENPAR INC.

Report Date: 17-Aug-2021

Notice of Change of Registered Office/Mailing Address	27-Aug-2017
Notice of Change of Registered Office/Mailing Address	08-Sep-2016
Business Corporation - Annual Return	24-Aug-2016
Notice of Change of Registered Office/Mailing Address	06-Jun-2016
Business Corporation - Annual Return	28-Aug-2015
Business Corporation - Amend Articles	31-Mar-2015
Business Corporation - Annual Return	25-Aug-2014
Business Corporation - Annual Return	28-Aug-2013
Business Corporation - Amend Articles	31-Jul-2013
Business Corporation - Annual Return	30-Aug-2012
Notice of Shareholders	30-Aug-2011
Business Corporation - Incorporation	12-Jul-2011

Information™ Services Corporation

Profile Report

Entity Number: 101188057

Entity Name: VOYAGER RETIREMENT III LP

Report Date: 17-Aug-2021

Entity Details

Entity Type	Business Name
Entity Subtype	Saskatchewan Limited Partnership
Entity Status	Active
Registration Date	12-Jul-2011
Expiry Date	31-Dec-2061
Nature of Business	Lessors of residential buildings and dwellings
MRAS indicator	No

Business Address/Mailing Address

Physical Address	#100-465-1ST AVENUE NORTH, SASKATOON, Saskatchewan, Canada, S7K 1X5
Attention To	CELIA-ANN KOTURBASH
Mailing Address	VOYAGER RETIREMENT III LP, #100-465-1ST AVENUE NORTH, SASKATOON, Saskatchewan, Canada, S7K 1X5
Attention To	CELIA-ANN KOTURBASH

Proprietor/Partners/General Partner(s)

(101187811) VOYAGER RETIREMENT III GENPAR INC.

Physical Address:	300-110 21ST ST E, SASKATOON, Saskatchewan, Canada, S7K 0B6
Mailing Address:	VOYAGER RETIREMENT III GENPAR INC., 100-465 1ST AVE N, SASKATOON, Saskatchewan, Canada, S7K 1X5

Event History

Type	Date
Business Name - Amendment of Declaration	17-Mar-2020
Business Name - Amendment of Declaration	10-Feb-2020
Business Name - Amendment of Declaration	23-Jul-2019
Business Name - Notice of Change of Business Address/Mailing Address	13-Jun-2018
Business Name - Amendment of Declaration	06-Dec-2017
Business Name - Amendment of Declaration	30-Sep-2016
Business Name - Amendment of Declaration	27-Nov-2015

Entity Number: 101188057

Entity Name: VOYAGER RETIREMENT III LP

Report Date: 17-Aug-2021

Business Name - Amendment of Declaration	31-Mar-2015
Business Name - Amendment of Declaration	20-Nov-2014
Business Name - Amendment of Declaration	06-Jun-2014
Business Name - Amendment of Declaration	31-Jul-2013
Business Name - Amendment of Declaration	04-Jul-2013
Business Name - Amendment of Declaration	22-Nov-2011
Business Name - Register Business Name	12-Jul-2011

This is **Exhibit "B"** referred to in the
Affidavit of Sirous Tosh
Sworn before me this 19th day of
August, 2021.

A Notary Public in and for the
Province of Saskatchewan.
Being a Solicitor.

VOYAGER RETIREMENT II LP

FINANCIAL STATEMENTS
(unaudited)

DECEMBER 31, 2019

BUCKBERGER BAERG
& PARTNERS LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Partners of
Voyager Retirement II LP

We have reviewed the accompanying financial statements of Voyager Retirement II LP that comprise the balance sheet as at December 31, 2019, and the statements of loss, partners' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility
Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Voyager Retirement II LP as at December 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

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Emphasis of Matter

Without modifying our conclusion, we draw attention to Note 2 in the financial statements, which indicates the Voyager Retirement II LP has incurred a net loss of $744,140 (2018 - $654,321) during the period ended December 31, 2019. Subsequent to year end, on January 9, 2020, Conexus Credit Union 2006 issued a Notice of Intention to Enforce Security on the mortgage under Section 244(1) of the Bankruptcy and Insolvency Act. These conditions, along with other matters as set forth in Note 2, indicate the existence of a material uncertainty that may cast significant doubt about Voyager Retirement II LP's ability to continue as a going concern.

SASKATOON, SASKATCHEWAN

Buckberger Baerg & Partners LLP

May 28, 2020

Chartered Professional Accountants

VOYAGER RETIREMENT II LP

BALANCE SHEET
(unaudited)

DECEMBER 31, 2019

	2019	2018
ASSETS		
Current assets		
Cash	$ 38,831	$ 2,106
Prepaid expenses	1,477	1,800
Inventory	6,779	8,114
	47,087	12,020
Property and equipment (Note 4)	8,374,569	8,685,317
	$ 8,421,656	**$ 8,697,337**
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Note 10)	$ 255,124	$ 296,346
Government remittances payable	9,432	26,711
Interest payable (Notes 6, 7, & 8)	403,171	75,777
Accrued property tax payable	354,180	171,500
Advances payable (Note 5)	33,500	-
Damage deposits held	45,000	45,780
Tenant rent deposits	900	900
Promissory note payable (Note 6)	282,000	732,000
Mortgage payable (Note 7)	5,544,482	5,560,316
	6,927,789	6,909,330
Promissory notes payable (Note 8)	815,000	365,000
	7,742,789	7,274,330
Going concern (Note 2)		
PARTNERS' EQUITY		
Partners' equity (Note 9)	678,867	1,423,007
	$ 8,421,656	**$ 8,697,337**

See accompanying notes

Approved by Voyager Retirement II Genpar Inc.

Per Darrell Remai, Director

VOYAGER RETIREMENT II LP

STATEMENT OF LOSS
(unaudited)

YEAR ENDED DECEMBER 31, 2019

	2019	2018
Revenue		
Property revenue	$ 1,283,027	$ 1,388,314
Other revenue	3,421	8,388
	1,286,448	1,396,702
Expenses		
Advertising and promotion	1,585	3,112
Bank charges	2,119	3,091
Condominium fees	175,904	29,317
Insurance	4,543	25,872
Management fees (Note 10)	109,851	117,482
Office and activities	4,449	4,290
Payroll and benefits	504,127	521,108
Professional fees	17,081	28,039
Property taxes	201,759	171,500
Repairs and maintenance	6,808	67,130
Supplies	199,812	192,666
Telecommunications	7,649	9,870
Transportation	3,365	5,829
Travel	5,008	6,568
Utilities	58,534	151,673
	1,302,594	1,337,547
(Loss) income before undernoted items	(16,146)	59,155
Amortization - property and equipment	(361,336)	(357,213)
Interest on mortgage payable and promissory notes payable (Notes 6, 7 & 8)	(366,658)	(356,263)
Net loss	**$ (744,140)**	**$ (654,321)**

See accompanying notes

VOYAGER RETIREMENT II LP

STATEMENT OF PARTNERS' EQUITY
(unaudited)

YEAR ENDED DECEMBER 31, 2019

2019

	Limited partners' deficit	Limited partners' capital	General partner deficit	General partner capital	Total
Balance, beginning of year	$ (4,286,572)	$ 5,710,001	$ (427)	$ 5	$ 1,423,007
Net loss	(744,066)	-	(74)	-	(744,140)
Balance, end of year	**$ (5,030,638)**	**$ 5,710,001**	**$ (501)**	**$ 5**	**$ 678,867**

2018

	Limited partners' deficit	Limited partners' capital	General partner deficit	General partner capital	Total
Balance, beginning of year	$ (3,632,316)	$ 5,710,001	$ (362)	$ 5	$ 2,077,328
Net loss	(654,256)	-	(65)	-	(654,321)
Balance, end of year	**$ (4,286,572)**	**$ 5,710,001**	**$ (427)**	**$ 5**	**$ 1,423,007**

See accompanying notes

VOYAGER RETIREMENT II LP

STATEMENT OF CASH FLOWS
(unaudited)

YEAR ENDED DECEMBER 31, 2019

	2019	2018
Cash flows from (used in) operating activities		
Net loss	$ (744,140)	$ (654,321)
Items not affecting cash		
Amortization - property and equipment	361,336	357,213
Gain on sale of property and equipment	(3,358)	-
Net change in non-cash working capital items:		
Prepaid expenses	323	482
Inventory	1,335	(2,154)
Accounts payable and accrued liabilities	(41,223)	(11,438)
Government remittances payable	(17,279)	(24,794)
Interest payable	327,394	32,561
Accrued property tax payable	182,680	171,500
Damage deposits held	(780)	(5,340)
Tenant rent deposits	-	(1,995)
	66,288	(138,286)
Cash flows used in investing activities		
Purchase of property and equipment	(50,587)	(10,240)
Proceeds on disposal of property and equipment	3,358	-
	(47,229)	(10,240)
Cash flows from financing activities		
Advances payable	33,500	-
Repayment of mortgage payable	(15,834)	(142,554)
Capitalized mortgage interest and legal fees	-	785
Proceeds from promissory notes	-	282,000
	17,666	140,231
Net increase (decrease) in cash during the year	36,725	(8,295)
Cash, beginning of year	2,106	10,401
Cash, end of year	**$ 38,831**	**$ 2,106**

See accompanying notes

1. Description of business

Voyager Retirement II LP (the "Limited Partnership") is a limited partnership involved in the ownership, management and operation of a seniors' retirement community in Tisdale, Saskatchewan. The Limited Partnership was formed through a Limited Partnership Agreement (the "Agreement") on September 24, 2010, and operations commenced on March 1, 2012.

The Limited Partnership, as the owner of rental suites included in property and equipment, pays condominium fees to the Condominium Corporation (the "Corporation"). The Corporation is responsible for the operation of the building, including repairs and maintenance, utilities, insurance, and administrative costs.

2. Going concern

These financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. Should the Limited Partnership be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due.

During the year ended December 31, 2019, the Limited Partnership had a net loss of $744,140 (2018 - $654,321). The Limited Partnership is in breach of mortgage covenants due to non-payment and on January 9, 2020 has received a Notice of Intention to Enforce Security under Section 244(1) of the Bankruptcy and Insolvency Act (Note 7). The Limited Partnership is also in tax arrears of $354,180 (2018 - $171,500) with the Town of Tisdale, who has placed liens on condominium units for non-payment. These conditions raise significant doubt about the Limited Partnership's ability to continue as a going concern.

The Limited Partnership's future operations are dependent upon many factors, including the ability of the Limited Partnership to generate sufficient profit and cash flows from operations and obtain additional funding. Financing has been obtained for short-term cash requirements (2019 - $33,500 (Note 5), 2018 - $282,000 (Note 6)). The decision to fund the Limited Partnership is ultimately at the lender's discretion, and there is no guarantee that funds will be provided or be provided at reasonable interest rates. In addition, there is no assurance that management will be successful in its efforts, or that adequate financing will be available on acceptable terms.

These financial statements do not reflect adjustments to the carrying values of assets and liabilities and the classifications used on the balance sheet that would be necessary if the going concern assumption was not appropriate. Such adjustments could be material.

3. Significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for private enterprises. The significant accounting policies are detailed as follows:

3. Significant accounting policies (continued)

Basis of presentation

These financial statements include only the assets, liabilities, revenue, and expenses related to the business operated by the Limited Partnership. No provision has been made for compensation to the Partners or interest on their investment.

Financial instruments

The Limited Partnership initially measures its financial assets and liabilities at fair value, except for related party transactions, which are recorded at the carrying or exchange amount depending on the circumstances.

The Limited Partnership subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income. Financial assets and financial liabilities measured at amortized cost include cash, accounts payable and accrued liabilities, government remittances payable, interest payable, advances payable, mortgage payable, and promissory notes payable.

Transaction costs are recognized in net income in the period incurred. However, transaction costs associated with financial instruments carried at cost or amortized cost are recorded as adjustments to the initial fair value recognized and amortized over the expected life of the instrument.

When there is an indication of impairment and such impairment is determined to have occurred, the carrying amount of financial assets measured at amortized cost is reduced to the greater of the discounted future cash flows expected, the proceeds that could be realized from the sale of the financial asset, or the amount that could be realized by exercising the right to any collateral held to secure repayment of the asset. Such impairments can be subsequently reversed to the extent that the improvement can be related to an event occurring after the impairment was recognized.

Income taxes

No provision has been made for income taxes in these financial statements, as the income will be taxable to the Partners.

Inventory

Inventory is valued at the lower of cost and net realizable value, with cost being determined on a first-in, first-out basis. Net realizable value is the estimated selling price, less estimated cost of completion or preparation.

Property and equipment

Property and equipment are recorded at cost, less accumulated amortization. Amortization is calculated using the straight-line method at rates calculated to amortize the cost of the assets over their estimated useful lives.

3. Significant accounting policies (continued)

Impairment of long-lived assets
Long-lived assets, which comprise property and equipment, are tested for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected undiscounted future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent carrying value exceeds its fair value.

Revenue recognition
The Limited Partnership recognizes property revenue when persuasive evidence of an arrangement exists, delivery has occurred, the price to the buyer is fixed or determinable and collection is reasonably assured. The Limited Partnership recognizes other revenue as earned, provided collection is reasonably assured.

Use of estimates
The preparation of financial statements in conformity with Canadian accounting standards for private enterprises requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Items requiring the use of significant estimates include the provision for the useful lives of long-lived assets in property and equipment. Actual results could differ from those estimates.

4. Property and equipment

	2019				2018
	Rate	Cost	Accumulated amortization	Net book value	Net book value
Buildings	35 yrs	$ 9,048,705	$ 1,349,073	$ 7,699,632	$ 7,952,973
Furniture and fixtures	10 yrs	545,596	280,094	265,502	308,630
Land improvements	10 yrs	454,016	237,211	216,805	262,206
Vehicle	5 yrs	34,580	3,458	31,122	-
		10,082,897	1,869,836	8,213,061	8,523,809
Land		161,508	-	161,508	161,508
		$ 10,244,405	$ 1,869,836	$ 8,374,569	$ 8,685,317

5. Advances payable

	2019	2018
Advance payable to Voyager Retirement IV LP, whose general partner is controlled by the same shareholder as the Limited Partnership's general partner, non-interest bearing with no terms of repayment	$ 24,000	$ -
Advance payable to Voyager Retirement VI LP, whose general partner is controlled by the same shareholder as the Limited Partnership's general partner, non-interest bearing with no terms of repayment	9,500	-
	$ 33,500	**$ -**

6. Promissory note payable

	2019	2018
Promissory note payable to Voyager Retirement VI LP, whose general partner is controlled by the same shareholder as the Limited Partnership's general partner, accruing interest at 6% annually, unsecured, repayable on terms mutually agreed upon by both parties	$ 282,000	$ 282,000
Promissory note payable to a limited partner, sold in the year (Note 8)	-	450,000
	$ 282,000	**$ 732,000**

During the year, the Limited Partnership expensed interest of $16,920 (2018 - $5,410) on the $282,000 promissory note. Included in interest payable is $22,330 (2018 - $5,410) relating to this debt.

In the year ending December 31, 2018 the Limited Partnership expensed interest of $32,625 and $21,355 was included in interest payable relating to the $450,000 promissory note (Note 8).

7. Mortgage payable

	2019	2018
Mortgage payable on demand, until demanded, payable in monthly blended payments of $40,592, bearing interest at 5.3%, maturing January 4, 2020, secured by first mortgage on the title to each of the condominium units with a combined carrying value of $8,077,945 (2018 -$8,376,688) and a general security agreement covering all assets of the Limited Partnership	$ 5,544,482	$ 5,560,316

During the year, the Limited Partnership expensed mortgage interest of $294,856 (2018 - $295,851), which is included in interest on mortgage and promissory notes payable. Included in interest payable is $293,856 (2018 - $24,757) relating to this debt.

As of February 2019, the Limited Partnership stopped making the mortgage payment to Conexus Credit Union 2006 "Conexus", and as a result, the Limited Partnership mortgage covenant is in breach. Due to non-payment on January 9, 2020, Conexus issued a Notice of Intention to Enforce Security on the mortgage under Section 244(1) of the Bankruptcy and Insolvency Act (Note 2). At the report date, Conexus and the Limited Partnership are still involved in active negotiations.

8. Promissory notes payable

	2019	2018
Promissory note payable to Caleb Management Ltd., a limited partner, in monthly interest-only payments at 7.25%, secured by a second mortgage on title to certain condominium units of the Limited Partnership with a carrying value of $299,676 (2018 - $310,759)	$ 450,000	$ -
Promissory note payable to Caleb Construction Ltd., in monthly interest only payments at 5.0%, classified as long-term, as the company did not call the loan before the transaction noted below	175,000	175,000
Promissory note payable to a limited partner, in monthly interest only payments at 7.0%	190,000	190,000
	$ 815,000	$ 365,000

8. Promissory notes payable (continued)

During the year, the Limited Partnership expensed interest of $54,675 (2018 - $22,050) on these promissory notes, of which $8,750 (2018 - $8,750) relates to Caleb Construction Ltd. and $16,312 (2018 - $nil) relates to Caleb Management Ltd. the remainder related to unrelated entities. The total is included in interest on mortgage and promissory notes payable. Included in interest payable is $86,984 (2018 - $26,765) related to these debts, of which $31,896 (2018 - $23,146) relates to Caleb Construction Ltd. and $53,980 (2018 - $nil) relates to Caleb Management Ltd.

Caleb Construction Ltd. is related to the sole shareholder of the general partner.

On July 1, 2019, a limited partner sold its $450,000 promissory note and related accrued interest to Caleb Management Ltd.

As of March 5, 2020, interest only payments have ceased on the $190,000 promissory note due to a limited partner.

On March 7, 2020, Caleb Management Ltd. purchased the $175,000 promissory note payable from Caleb Construction Ltd. On March 17, 2020 this promissory note payable and the second mortgage on the $450,000 promissory note were consolidated into one second mortgage for $625,000. This mortgage bears interest at 2.5%, with monthly interest-only payments commencing April 15, 2020 and due March 15, 2023. At the financial statement date, the Limited Partnership is not currently paying the interest-only payments that were to commence on April 15, 2020. This note has been presented as non-current as Caleb Management Ltd. has waived the right to call the loan until after December 31, 2020.

9. Partners' equity

The following is a description of the authorized and issued units of the Limited Partnership:

	Number of units 2019	Number of units 2018
Limited Partnership units entitled to limited voting rights, allocation of partnership earnings and allocation of remaining assets of the Limited Partnership upon termination	6,533,181	6,533,181

During the year, Caleb Management Ltd. acquired 2,651,603 Limited Partner units from other limited partners.

Subsequent to year end, Caleb Management Ltd. acquired 2,600,000 units from a limited partner. Caleb Management Ltd. owns 5,251,603 Limited Partner units after these transactions.

On March 7, 2020, the ownership of Voyager Retirement II Genpar Inc, the general partner of the Limited Partnership was transferred to the controlling shareholder of Caleb Management Ltd.

10. Related party transactions

The Limited Partnership has entered into a management agreement dated April 1, 2016 with Caleb Management Ltd. ("Caleb"), expiring December 31, 2058, to manage and operate the retirement community. Under the provisions of the agreement, the Limited Partnership has committed to paying a monthly fee based on the greater of 8% of gross monthly revenue or $8,500. During the year, management fees of $109,851 (2018 - $117,482) were paid to Caleb. Included in accounts payable and accrued liabilities is $9,243 (2018 - $37,192) related to these management fees.

Included in accounts payable and accrued liabilities is $176,590 (2018 - $176,590) payable to Caleb Construction Ltd. relating to garages purchased in 2012.

These transactions are in the normal course of operations and are measured at their exchange amount, which is the amount of consideration established and agreed to by the related parties.

11. Financial instruments

The Limited Partnership, through its financial assets and liabilities, has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk, and interest rate risk.

Credit risk
The Limited Partnership's principal financial asset is cash, which is subject to credit risk. The carrying amounts of financial assets on the balance sheet represents the Limited Partnership's maximum credit exposure at the balance sheet date.

Liquidity risk
The most significant financial liabilities are accounts payable and accrued liabilities, government remittances payable, interest payable, advances payable, mortgage payable, and promissory notes payable. Liquidity risk is the risk that the Limited Partnership cannot repay its obligations when they become due to its creditors. The Limited Partnership has significant liquidity risk as indicated in Note 2.

Interest rate risk
The Limited Partnership is exposed to interest rate risk on its fixed-interest mortgage payable. Fixed-interest instruments subject the Limited Partnership to a fair value risk, since fair value fluctuates inversely to changes in market rates.

12. Subsequent events

In March 2020, a national response to coronavirus (COVID-19) began. The implications of this response are far reaching and have impacted the Limited Partnership's operations. Management is currently evaluating the impact to mitigate the risk. An estimate of financial effect cannot be made at this time.

Report is not dated

bbllp.ca

VOYAGER RETIREMENT II LP

FINANCIAL STATEMENTS
(unaudited)

DECEMBER 31, 2020

BUCKBERGER BAERG
& PARTNERS LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Terry Baerg CPA CA
Kathryn Bankowski CPA CA
Ashley Buckberger CPA CA CFA
Jennifer Funk CPA CA
Tyler Kachur CPA CA
Alan Koop CPA CA
Paul Pastor CPA CA CBV

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Partners of
Voyager Retirement II LP

We have reviewed the accompanying financial statements of Voyager Retirement II LP that comprise the balance sheet as at December 31, 2020, and the statements of loss, partners' deficit and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility
Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Voyager Retirement II LP as at December 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

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Emphasis of Matter
Without modifying our conclusion, we draw attention to Note 2 in the financial statements, which indicates the Voyager Retirement II LP has incurred a net loss of $824,819 (2019 - $744,140) during the year ended December 31, 2020. On January 9, 2020, Conexus Credit Union 2006 issued a Notice of Intention to Enforce Security on the mortgage under Section 244(1) of the Bankruptcy and Insolvency Act. These conditions, along with other matters as set forth in Note 2, indicate the existence of a material uncertainty that may cast significant doubt about Voyager Retirement II LP's ability to continue as a going concern.

SASKATOON, SASKATCHEWAN

Chartered Professional Accountants

VOYAGER RETIREMENT II LP

BALANCE SHEET
(unaudited)

DECEMBER 31, 2020

	2020	2019
ASSETS		
Current assets		
Cash	$ 95,624	$ 38,831
Accounts receivable (Notes 8 & 11)	26,164	-
Prepaid expenses	1,518	1,477
Inventory	6,052	6,779
	129,358	47,087
Property and equipment (Note 4)	8,035,630	8,374,569
	$ 8,164,988	**$ 8,421,656**
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Note 10)	$ 268,681	$ 255,124
Government remittances payable	24,118	9,432
Interest payable (Notes 6 & 7)	739,548	403,171
Accrued property tax payable (Note 2)	544,361	354,180
Advances payable (Note 5)	9,500	33,500
Damage deposits held	43,250	45,000
Tenant rent deposits	-	900
Mortgage payable (Note 6)	5,544,482	5,544,482
Current portion of promissory notes payable (Note 7)	-	282,000
	7,173,940	6,927,789
Promissory notes payable (Note 7)	1,097,000	815,000
Canada Emergency Business Account loan (Note 8)	40,000	-
	8,310,940	7,742,789
Going concern (Note 2)		
PARTNERS' DEFICIT		
Partners' (deficit) equity (Note 9)	(145,952)	678,867
	$ 8,164,988	**$ 8,421,656**

See accompanying notes

Approved by Voyager Retirement II Genpar Inc.

Per Sirous Tosh, Director

VOYAGER RETIREMENT II LP

STATEMENT OF LOSS
(unaudited)

YEAR ENDED DECEMBER 31, 2020

	2020	2019
Revenue		
Property revenue	$ 1,222,029	$ 1,283,027
Other revenue	23	3,421
	1,222,052	1,286,448
Expenses		
Advertising and promotion	5,084	1,585
Bank charges	2,136	2,119
Condominium fees (Note 1)	175,904	175,904
Insurance	4,621	4,543
Management fees (Note 10)	108,265	109,851
Office and activities	7,753	4,449
Payroll and benefits	515,050	504,127
Professional fees	24,594	17,081
Property taxes	231,960	201,759
Repairs and maintenance	17,412	6,808
Supplies	192,842	199,812
Telecommunications	8,366	7,649
Transportation	3,166	3,365
Travel	6,956	5,008
Utilities	62,354	58,534
	1,366,463	1,302,594
Loss before undernoted items	(144,411)	(16,146)
Grant revenue (Note 8)	20,000	-
Government assistance (Note 11)	6,164	-
Amortization - property and equipment	(366,574)	(361,336)
Interest on mortgage payable and promissory notes payable (Notes 6 & 7)	(339,998)	(366,658)
Net loss	**$ (824,819)**	**$ (744,140)**

See accompanying notes

VOYAGER RETIREMENT II LP

STATEMENT OF PARTNERS' DEFICIT
(unaudited)

YEAR ENDED DECEMBER 31, 2020

2020

	Limited partners' deficit	Limited partners' capital	General partner deficit	General partner capital	Total
Balance, beginning of year	$ (5,030,638)	$ 5,710,001	$ (501)	$ 5	$ 678,867
Net loss	(824,737)	-	(82)	-	(824,819)
Balance, end of year	**$ (5,855,375)**	**$ 5,710,001**	**$ (583)**	**$ 5**	**$ (145,952)**

2019

	Limited partners' deficit	Limited partners' capital	General partner deficit	General partner capital	Total
Balance, beginning of year	$ (4,286,572)	$ 5,710,001	$ (427)	$ 5	$ 1,423,007
Net loss	(744,066)	-	(74)	-	(744,140)
Balance, end of year	**$ (5,030,638)**	**$ 5,710,001**	**$ (501)**	**$ 5**	**$ 678,867**

See accompanying notes

VOYAGER RETIREMENT II LP

STATEMENT OF CASH FLOWS
(unaudited)

YEAR ENDED DECEMBER 31, 2020

	2020	2019
Cash flows from operating activities		
Net loss	$ (824,819)	$ (744,140)
Items not affecting cash		
Amortization - property and equipment	366,574	361,336
Gain on sale of property and equipment	-	(3,358)
Grant revenue	(20,000)	-
Net change in non-cash working capital items:		
Accounts receivable	(26,164)	-
Prepaid expenses	(41)	323
Inventory	727	1,335
Accounts payable and accrued liabilities	13,558	(41,223)
Government remittances payable	14,686	(17,279)
Interest payable	336,377	327,394
Accrued property tax payable	190,181	182,680
Damage deposits held	(1,750)	(780)
Tenant rent deposits	(900)	-
	48,429	66,288
Cash flows used in investing activity		
Purchase of property and equipment	(27,636)	(50,587)
Proceeds on disposal of property and equipment	-	3,358
	(27,636)	(47,229)
Cash flows from financing activities		
Advances payable	(24,000)	33,500
Repayment of mortgage payable	-	(15,834)
Proceeds from Canada Emergency Business Account loan ("CEBA")	60,000	-
	36,000	17,666
Net increase in cash during the year	56,793	36,725
Cash, beginning of year	38,831	2,106
Cash, end of year	**$ 95,624**	**$ 38,831**

See accompanying notes

VOYAGER RETIREMENT II LP

NOTES TO THE FINANCIAL STATEMENTS
(unaudited)

DECEMBER 31, 2020

1. Description of business

Voyager Retirement II LP (the "Limited Partnership") is a limited partnership involved in the ownership, management and operation of a seniors' retirement community in Tisdale, Saskatchewan. The Limited Partnership was formed through a Limited Partnership Agreement (the "Agreement") on September 24, 2010, and operations commenced on March 1, 2012.

The Limited Partnership, as the owner of rental suites included in property and equipment, pays condominium fees (2020 - $175,904, 2019 - $175,904) to the Condominium Corporation (the "Corporation"), related by common control. The Corporation is responsible for the operation of the building, including repairs and maintenance, utilities, insurance, and administrative costs.

2. Going concern

These financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. Should the Limited Partnership be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due.

During the year ended December 31, 2020, the Limited Partnership had a net loss of $824,819 (2019 - $744,140). The Limited Partnership is in breach of mortgage covenants due to non-payment and on January 9, 2020 has received a Notice of Intention to Enforce Security under Section 244(1) of the Bankruptcy and Insolvency Act (Note 6). The Limited Partnership is also in property tax arrears of $544,361 (2019 - $354,180) with the Town of Tisdale, who has placed liens on condominium units for non-payment. The Limited Partnership has ceased making any payments on property taxes as of February 2020. The Town of Tisdale has also issued a notice of intent to collect on property taxes arrears. These conditions raise significant doubt about the Limited Partnership's ability to continue as a going concern.

The Limited Partnership's future operations are dependent upon many factors, including the ability of the Limited Partnership to generate sufficient profit and cash flows from operations and obtain additional funding. Financing has been obtained through the CEBA loan of $60,000 (Note 8). No additional financing was obtained in the year. The decision to fund the Limited Partnership is ultimately at the lender's discretion, and there is no guarantee that funds will be provided or be provided at reasonable rates. In addition, there is no assurance that management will be successful in its efforts, or that adequate financing will be available on acceptable terms.

These financial statements do not reflect adjustments to the carrying values of assets and liabilities and the classifications used on the balance sheet that would be necessary if the going concern assumption was not appropriate. Such adjustments could be material.

3. Significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for private enterprises. The significant accounting policies are detailed as follows:

3. Significant accounting policies (continued)

Basis of presentation

These financial statements include only the assets, liabilities, revenue, and expenses related to the business operated by the Limited Partnership. No provision has been made for compensation to the Partners or interest on their investment.

Financial instruments

The Limited Partnership initially measures its financial assets and liabilities at fair value, except for related party transactions, which are recorded at the carrying or exchange amount depending on the circumstances.

The Limited Partnership subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income. Financial assets and financial liabilities measured at amortized cost include cash, accounts receivable, accounts payable and accrued liabilities, government remittances payable, interest payable, accrued property tax payable, advances payable, mortgage payable, promissory notes payable, and the CEBA loan.

Transaction costs are recognized in net income in the period incurred. However, transaction costs associated with financial instruments carried at cost or amortized cost are recorded as adjustments to the initial fair value recognized and amortized over the expected life of the instrument.

When there is an indication of impairment and such impairment is determined to have occurred, the carrying amount of financial assets measured at amortized cost is reduced to the greater of the discounted future cash flows expected, the proceeds that could be realized from the sale of the financial asset, or the amount that could be realized by exercising the right to any collateral held to secure repayment of the asset. Such impairments can be subsequently reversed to the extent that the improvement can be related to an event occurring after the impairment was recognized.

Income taxes

No provision has been made for income taxes in these financial statements, as the income will be taxable to the Partners.

Inventory

Inventory is valued at the lower of cost and net realizable value, with cost being determined on a first-in, first-out basis. Net realizable value is the estimated selling price, less estimated cost of completion or preparation.

Property and equipment

Property and equipment are recorded at cost, less accumulated amortization. Amortization is calculated using the straight-line method at rates calculated to amortize the cost of the assets over their estimated useful lives.

3. Significant accounting policies (continued)

Impairment of long-lived assets
Long-lived assets, which comprise property and equipment, are tested for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected undiscounted future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent carrying value exceeds its fair value.

Revenue recognition
The Limited Partnership recognizes property revenue when persuasive evidence of an arrangement exists, title has changed, the price to the buyer is fixed or determinable and collection is reasonably assured. The Limited Partnership recognizes other revenue as earned, provided collection is reasonably assured.

Government assistance
The Limited Partnership periodically applies for financial assistance under available government programs. Government grants and subsidies are presented separately on the statement of loss in the period that they are earned.

Use of estimates
The preparation of financial statements in conformity with Canadian accounting standards for private enterprises requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Items requiring the use of significant estimates include the provision for the useful lives and valuation of long-lived assets in property and equipment. Actual results could differ from those estimates.

4. Property and equipment

			2020		2019
	Rate	Cost	Accumulated amortization	Net book value	Net book value
Buildings	35 yrs	$ 9,069,185	$ 1,607,900	$ 7,461,285	$ 7,699,632
Furniture and fixtures	10 yrs	546,219	334,686	211,533	265,502
Land improvements	10 yrs	454,016	282,613	171,403	216,805
Vehicle	5 yrs	34,580	10,374	24,206	31,122
Computer equipment	3 yrs	6,533	838	5,695	-
		10,110,533	2,236,411	7,874,122	8,213,061
Land		161,508	-	161,508	161,508
		$ 10,272,041	**$ 2,236,411**	**$ 8,035,630**	**$ 8,374,569**

5. Advances payable

	2020	2019
Advance payable to Voyager Retirement VI LP, whose general partner was controlled by the same shareholder as the Limited Partnership's general partner, non-interest bearing with no terms of repayment	$ 9,500	$ 9,500
Advance payable to Voyager Retirement IV LP, whose general partner is controlled by the same shareholder as the Limited Partnership's general partner, repaid in the year	-	24,000
	$ 9,500	**$ 33,500**

6. Mortgage payable

	2020	2019
Mortgage payable on demand, until demanded, payable in monthly blended payments of $40,592, bearing interest at 5.3%, maturing January 4, 2020, secured by first mortgage on the title to each of the condominium units with a combined carrying value of $7,794,196 (2019 - $8,077,945) and a general security agreement covering all assets of the Limited Partnership	**$ 5,544,482**	**$ 5,544,482**

During the year, the Limited Partnership expensed mortgage interest of $293,858 (2019 - $294,856), which is included in interest on mortgage payable and promissory notes payable. Included in interest payable is $587,714 (2019 - $293,856) relating to this debt.

As of February 2019, the Limited Partnership stopped making the mortgage payment to Conexus Credit Union 2006 ("Conexus"), and as a result, the Limited Partnership mortgage covenant is in breach. Due to non-payment on January 9, 2020, Conexus issued a Notice of Intention to Enforce Security on the mortgage under Section 244(1) of the Bankruptcy and Insolvency Act (Note 2). At the report date, Conexus and the Limited Partnership are still involved in active negotiations and the mortgage has not been repaid.

7. Promissory notes payable

	2020	2019
Promissory note payable to Caleb Management Ltd., a limited partner, in monthly interest-only payments at 2.50%, secured alongside the $175,000 promissory note by a second mortgage on title to certain condominium units of the Limited Partnership with a carrying value of $289,150 (2019 - $299,676)	$ 450,000	$ 450,000

7. Promissory notes payable (continued)

	2020	2019
Promissory note payable to Voyager Retirement VI LP, whose general partner was controlled by the same shareholder as the Limited Partnership's general partner, accruing interest at 6% annually, unsecured, repayable on terms mutually agreed upon by both parties	282,000	282,000
Promissory note payable to a limited partner, in monthly interest only payments at 7.0%, unsecured, repayable on terms mutually agreed upon by both parties	190,000	190,000
Promissory note payable to Caleb Management Ltd., a limited partner, in monthly interest-only payments at 2.50%, secured alongside the $450,000 promissory note, by a second mortgage on title to certain condominium units of the Limited Partnership with a carrying value of $289,150 (2019 - $299,676)	175,000	-
Promissory note payable to Caleb Construction Ltd., sold in the year as below	-	175,000
	1,097,000	1,097,000
Less current portion	-	282,000
	$ 1,097,000	$ 815,000

During the year, the Limited Partnership expensed interest of $45,845 (2019 - $54,675) on these promissory notes, of which $2,825 (2019 - $8,750) relates to Caleb Construction Ltd. and $12,800 (2019 - $16,312) relates to Caleb Management Ltd., the remainder related to unrelated entities. The total is included in interest on mortgage payable and promissory notes payable. Included in interest payable is $151,835 (2019 - $86,984) related to these debts, of which $nil (2019 - $31,896) relates to Caleb Construction Ltd. and $101,501 (2019 - $53,980) relates to Caleb Management Ltd., with the remainder related to unrelated entities.

Caleb Construction Ltd. was related to the sole shareholder of the general partner.

As of March 5, 2020, interest only payments have ceased on the $190,000 promissory note due to a limited partner.

On March 7, 2020, Caleb Management Ltd. purchased the $175,000 promissory note payable from Caleb Construction Ltd. On March 17, 2020 this promissory note payable and the second mortgage on the $450,000 promissory note were consolidated into one second mortgage for $625,000. This mortgage bears interest at 2.5%, with monthly interest-only payments commencing April 15, 2020 and due March 15, 2023. At the financial statement date, the Limited Partnership is not currently paying the interest-only payments that were to commence on April 15, 2020. This note has been presented as non-current as Caleb Management Ltd. has waived the right to call the loan until after December 31, 2021. XXX UPDATE OR OBTAIN WAIVER XXX

8. Canada Emergency Business Account loan

The Limited Partnership has applied for and received a loan in the amount of $60,000 under the CEBA program through Royal Bank of Canada ("RBC"). The loan has 0% interest with no repayment required until December 2022. If the loan is not repaid in full by December 2022, then the loan will start bearing interest at 5% per annum, with monthly interest only payments required. The balance of the loan is fully repayable by December 2025. As at year end, the Limited Partnership has complied with all conditions and requirements of the program, which will forgive $20,000 of the original loan if it is repaid by December 2022. Accordingly, this $20,000 has been reflected in the statement of loss as grant revenue, and the liability has been reduced by the forgivable amount to $40,000. Of this amount, $20,000 has been recorded in accounts receivable at year end.

Should the Limited Partnership not repay the loan by December 2022, the forgivable $20,000 would be reflected as an increase to this liability and a reduction of revenue in the 2022 fiscal year.

9. Partners' (deficit) equity

The following is a description of the authorized and issued units of the Limited Partnership:

	Number of units 2020	Number of units 2019
Limited Partnership units entitled to limited voting rights, allocation of partnership earnings and allocation of remaining assets of the Limited Partnership upon termination	6,533,181	6,533,181

During the year, Caleb Management Ltd. acquired 2,600,000 (2019 - 2,651,603) units from a limited partner. Caleb Management Ltd. owns 5,251,603 Limited Partner units after this transaction.

On March 7, 2020, the ownership of Voyager Retirement II Genpar Inc, the general partner of the Limited Partnership was transferred to the controlling shareholder of Caleb Management Ltd.

10. Related party transactions

The Limited Partnership has entered into a management agreement dated April 1, 2016 with Caleb Management Ltd., expiring December 31, 2058, to manage and operate the retirement community. Under the provisions of the agreement, the Limited Partnership has committed to paying a monthly fee based on the greater of 8% of gross monthly revenue or $8,500. During the year, management fees of $108,265 (2019 - $109,851) were paid to Caleb Management Ltd. Included in accounts payable and accrued liabilities is $9,007 (2019 - $9,243) related to these management fees.

10. Related party transactions (continued)

Included in accounts payable and accrued liabilities is $176,590 (2019 - $176,590) payable to Caleb Construction Ltd. relating to garages purchased in 2012.

These transactions are in the normal course of operations and are measured at their exchange amount, which is the amount of consideration established and agreed to by the related parties.

11. Government assistance

The Limited Partnership was granted a subsidy for wages from the Canada Emergency Wage Subsidy in the amount of $6,164. This amount has been recorded in the statement of loss, and has been included in accounts receivable at year end.

12. Financial instruments

The Limited Partnership, through its financial assets and liabilities, has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk, and interest rate risk.

Credit risk
The Limited Partnership's principal financial assets are cash and accounts receivable, which are subject to credit risk. Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amounts of financial assets on the balance sheet represents the Limited Partnership's maximum credit exposure at the balance sheet date.

Liquidity risk
The most significant financial liabilities are accounts payable and accrued liabilities, government remittances payable, interest payable, accrued property tax payable, advances payable, mortgage payable, promissory notes payable, and the CEBA loan. Liquidity risk is the risk that the Limited Partnership cannot repay its obligations when they become due to its creditors. The Limited Partnership has significant liquidity risk as indicated in Note 2.

Interest rate risk
The Limited Partnership is exposed to interest rate risk on its fixed-interest mortgage payable. Fixed-interest instruments subject the Limited Partnership to a fair value risk, since fair value fluctuates inversely to changes in market rates.

13. Significant event

During the year, COVID-19 (coronavirus) was declared a pandemic by the World Health Organization. This has resulted in significant economic uncertainty and financial markets have experienced significant volatility in response to the developing COVID-19 pandemic.

At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Limited Partnership, as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict

13. Significant event (continued)

the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be, put in place by Canada and other countries to fight the virus.

VOYAGER RETIREMENT III LP

FINANCIAL STATEMENTS
(unaudited)

DECEMBER 31, 2019

BUCKBERGER BAERG
& PARTNERS LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Partners of
Voyager Retirement III LP

We have reviewed the accompanying financial statements of Voyager Retirement III LP that comprise the balance sheet as at December 31, 2019, and the statements of loss, partners' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility
Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Voyager Retirement III LP as at December 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

210 - 616 MAIN STREET
SASKATOON SK S7H 0J6
306-657-8999
info@bbllp.ca

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT (continued)

Emphasis of Matter
Without modifying our conclusion, we draw attention to Note 2 in the financial statements, which indicates the Voyager Retirement III LP has incurred a net loss of $725,794 (2018 - $710,859) during the period ended December 31, 2019. Subsequent to year end, on January 9, 2020, Conexus Credit Union 2006 issued a Notice of Intention to Enforce Security on the mortgage under Section 244(1) of the Bankruptcy and Insolvency Act. These conditions, along with other matters as set forth in Note 2, indicate the existence of a material uncertainty that may cast significant doubt about Voyager Retirement III LP's ability to continue as a going concern.

SASKATOON, SASKATCHEWAN

Buckberger Baerg & Partners LLP

May 28, 2020

Chartered Professional Accountants

VOYAGER RETIREMENT III LP

BALANCE SHEET
(unaudited)

DECEMBER 31, 2019

	2019	2018
ASSETS		
Current assets		
Cash	$ 49,804	$ 4,730
Inventory	7,133	6,415
Prepaid expenses	3,669	3,927
	60,606	15,072
Property and equipment (Note 4)	7,981,074	8,285,276
	$ 8,041,680	$ 8,300,348
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Note 10)	$ 368,484	$ 389,386
Government remittances payable	15,786	19,210
Interest payable (Notes 6, 7, & 8)	378,815	84,334
Accrued property tax payable	338,185	155,547
Damage deposits held	41,750	38,750
Advance payable (Note 5)	24,000	-
Promissory note payable (Note 6)	183,200	454,675
Mortgage payable (Note 7)	5,273,570	5,288,337
	6,623,790	6,430,239
Promissory notes payable (Note 8)	699,075	425,500
	7,322,865	6,855,739
Going concern (Note 2)		
PARTNERS' EQUITY		
Partners' equity (Note 9)	718,815	1,444,609
	$ 8,041,680	$ 8,300,348

See accompanying notes

Approved by Voyager Retirement III Genpar Inc.

Per Darrell Remai, Director

VOYAGER RETIREMENT III LP

STATEMENT OF LOSS
(unaudited)

YEAR ENDED DECEMBER 31, 2019

	2019	2018
Revenue		
Property revenue	$ 1,259,650	$ 1,155,469
Other revenue	24,046	26,043
	1,283,696	1,181,512
Expenses		
Advertising and promotion	4,847	834
Bank charges	3,022	1,377
Condominium fees	177,451	177,451
Insurance	3,787	3,613
Management fees (Note 10)	109,481	108,118
Office and activities	8,039	7,253
Payroll and benefits	525,904	496,929
Professional fees	17,101	14,918
Property taxes	206,710	155,547
Repairs and maintenance	10,380	10,394
Supplies	211,813	198,446
Telecommunications	10,038	7,612
Transportation	4,277	6,009
Travel	7,475	4,600
Utilities	58,476	55,182
	1,358,801	1,248,283
Loss before undernoted items	(75,105)	(66,771)
Amortization - deferred financing costs	(2,100)	(2,100)
Amortization - property and equipment	(330,606)	(329,570)
Interest on mortgage payable and promissory notes payable (Notes 6, 7 & 8)	(317,983)	(312,418)
Net loss	**$ (725,794)**	**$ (710,859)**

See accompanying notes

VOYAGER RETIREMENT III LP

STATEMENT OF PARTNERS' EQUITY
(unaudited)

YEAR ENDED DECEMBER 31, 2019

2019	Limited partners' deficit	Limited partners' capital	General partner deficit	General partner capital	Total
Balance, beginning of year	$ (3,035,135)	$ 4,480,001	$ (262)	$ 5	$ 1,444,609
Net loss	(725,721)	-	(73)	-	(725,794)
Balance, end of year	$ (3,760,856)	$ 4,480,001	$ (335)	$ 5	$ 718,815

2018	Limited partners' deficit	Limited partners' capital	General partner deficit	General partner capital	Total
Balance, beginning of year	$ (2,324,347)	$ 4,480,001	$ (191)	$ 5	$ 2,155,468
Net loss	(710,788)	-	(71)	-	(710,859)
Balance, end of year	$ (3,035,135)	$ 4,480,001	$ (262)	$ 5	$ 1,444,609

See accompanying notes

VOYAGER RETIREMENT III LP

STATEMENT OF CASH FLOWS
(unaudited)

YEAR ENDED DECEMBER 31, 2019

	2019	2018
Cash flows from (used in) operating activities		
Net loss	$ (725,794)	$ (710,859)
Items not affecting cash		
Amortization - deferred financing costs	2,100	2,100
Amortization - property and equipment	330,606	329,570
Net change in non-cash working capital items:		
Inventory	(718)	(1,661)
Prepaid expenses	258	117
Accounts payable and accrued liabilities	(20,902)	27,658
Government remittances payable	(3,424)	(2,290)
Interest payable	294,481	34,359
Accrued property tax payable	182,638	155,547
Damage deposits held	3,000	7,000
Tenant rent deposits	-	(4,090)
	62,245	(162,549)
Cash flows used in investing activity		
Purchase of property and equipment	(26,404)	(22,080)
Cash flows (used in) from financing activities		
Advance payable	24,000	-
Capitalized mortgage interest and legal fees	-	569
Repayment of mortgage payable	(14,767)	(132,993)
Proceeds from promissory notes	-	183,200
	9,233	50,776
Net increase (decrease) in cash during the year	45,074	(133,853)
Cash, beginning of year	4,730	138,583
Cash, end of year	**$ 49,804**	**$ 4,730**

See accompanying notes

1. Description of business

Voyager Retirement III LP (the "Limited Partnership") is a limited partnership involved in the ownership, management and operation of a seniors' retirement community in Melville, Saskatchewan. The Limited Partnership was formed through a Limited Partnership Agreement (the "Agreement") on July 12, 2011, and operations commenced on October 1, 2012.

The Limited Partnership, as the owner of rental suites included in property and equipment, pays condominium fees to the Condominium Corporation (the "Corporation"). The Corporation is responsible for the operation of the building, including repairs and maintenance, utilities, insurance, and administrative costs.

2. Going concern

These financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. Should the Limited Partnership be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due.

During the year ended December 31, 2019, the Limited Partnership had a net loss of $725,794 (2018 - $710,859). The Limited Partnership is in breach of mortgage covenants due to non-payment and on January 9, 2020 received a Notice of Intention to Enforce Security under Section 244(1) of the Bankruptcy and Insolvency Act (Note 7). The Limited Partnership is also in tax arrears of $338,185 (2018 - $155,547) with the City of Melville, who has placed liens on condominium units for non-payment. On February 7, 2020 the City of Melville issued a Notice under the Tax Enforcement Act to claim title to the related land. These conditions raise significant doubt about the Limited Partnership's ability to continue as a going concern.

The Limited Partnership's future operations are dependent upon many factors, including the ability of the Limited Partnership to generate sufficient profit and cash flows from operations and obtain additional funding. Financing has been obtained for short-term cash requirements (2019 - $24,000 (Note 5), 2018 - $183,200 (Note 6)). The decision to fund the Limited Partnership is ultimately at the lender's discretion, and there is no guarantee that funds will be provided or be provided at reasonable rates. In addition, there is no assurance that management will be successful in its efforts, or that adequate financing will be available on acceptable terms.

These financial statements do not reflect adjustments to the carrying values of assets and liabilities and the classifications used on the balance sheet that would be necessary if the going concern assumption was not appropriate. Such adjustments could be material.

3. Significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for private enterprises. The significant accounting policies are detailed as follows:

3. Significant accounting policies (continued)

Basis of presentation
These financial statements include only the assets, liabilities, revenue, and expenses related to the business operated by the Limited Partnership. No provision has been made for compensation to the Partners or interest on their investment.

Financial instruments
The Limited Partnership initially measures its financial assets and liabilities at fair value, except for related party transactions, which are recorded at the carrying or exchange amount depending on the circumstances.

The Limited Partnership subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income. Financial assets and financial liabilities measured at amortized cost include cash, accounts payable and accrued liabilities, government remittances payable, interest payable, advance payable, mortgage payable, and promissory notes payable.

Transaction costs are recognized in net income in the period incurred. However, transaction costs associated with financial instruments carried at cost or amortized cost are recorded as adjustments to the initial fair value recognized and amortized over the expected life of the instrument.

When there is an indication of impairment and such impairment is determined to have occurred, the carrying amount of financial assets measured at amortized cost is reduced to the greater of the discounted future cash flows expected, the proceeds that could be realized from the sale of the financial asset, or the amount that could be realized by exercising the right to any collateral held to secure repayment of the asset. Such impairments can be subsequently reversed to the extent that the improvement can be related to an event occurring after the impairment was recognized.

Income taxes
No provision has been made for income taxes in these financial statements, as the income will be taxable to the Partners.

Inventory
Inventory is valued at the lower of cost and net realizable value, with cost being determined on a first-in, first-out basis. Net realizable value is the estimated selling price, less estimated cost of completion or preparation.

Property and equipment
Property and equipment are recorded at cost, less accumulated amortization. Amortization is calculated using the straight-line method at rates calculated to amortize the cost of the assets over their estimated useful lives.

3. Significant accounting policies (continued)

Impairment of long-lived assets
Long-lived assets, which comprise property and equipment, are tested for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected undiscounted future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent carrying value exceeds its fair value.

Deferred financing costs
Deferred financing costs are recorded at cost and netted against the mortgage and note payable to which they relate. Amortization is calculated using the straight-line method over a period of five years.

Revenue recognition
The Limited Partnership recognizes property revenue when persuasive evidence of an arrangement exists, delivery has occurred, the price to the buyer is fixed or determinable and collection is reasonably assured. The Limited Partnership recognizes other income as earned, provided collection is reasonably assured.

Use of estimates
The preparation of financial statements in conformity with Canadian accounting standards for private enterprises requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Items requiring the use of significant estimates include the provision for the useful lives of long-lived assets in property and equipment and the useful lives of deferred financing costs. Actual results could differ from those estimates.

4. Property and equipment

				2019	2018
	Rate	Cost	Accumulated amortization	Net book value	Net book value
Buildings	35 yrs	$ 8,582,505	$ 1,253,665	$ 7,328,840	$ 7,557,015
Furniture and fixtures	10 yrs	514,725	260,239	254,486	295,874
Land improvements	10 yrs	346,392	187,308	159,084	193,723
		9,443,622	1,701,212	7,742,410	8,046,612
Land		238,664	-	238,664	238,664
		$ 9,682,286	$ 1,701,212	$ 7,981,074	$ 8,285,276

5. Advance payable

	2019	2018
Advance payable to Voyager Retirement IV LP, whose general partner is controlled by the same shareholder as the Limited Partnership's general partner, non-interest bearing with no terms of repayment	$ 24,000	$ -

6. Promissory note payable

	2019	2018
Promissory note payable to Voyager Retirement VI LP, whose general partner is controlled by the same shareholder as the Limited Partnership's general partner, accruing interest at 6% annually, unsecured, repayable on terms mutually agreed upon by both parties	$ 183,200	$ 183,200
Promissory note payable to a limited partner, sold in the year (Note 8)	-	275,500
Less deferred financing charges	-	(4,025)
	$ 183,200	$ 454,675

During the year, the Limited Partnership expensed interest of $10,992 (2018 - $2,393), of which $13,385 (2018 - $2,393) is included in interest payable.

7. Mortgage payable

	2019	2018
Mortgage payable on demand, until demanded, payable in monthly blended payments of $37,038, bearing interest at 5.01%, maturing January 4, 2020, secured by first mortgage on the title to each of the condominium units with a carrying value of $7,726,589 (2018 - $7,989,402) and a general security agreement covering all assets of the Limited Partnership	$ 5,273,570	$ 5,288,337

7. Mortgage payable (continued)

During the year, the Limited Partnership expensed interest of $266,200 (2018 - $266,068), which is included in interest on mortgage and promissory notes payable. Included in interest payable is $265,200 (2018 - $22,271) relating to this debt.

As of February 2019, the Limited Partnership stopped making the mortgage payment to Conexus Credit Union 2006 ("Conexus") and, as a result, the mortgage covenant is in breach. Due to non-payment, on January 9, 2020 Conexus issued a Notice of Intention to Enforce Security under Section 244(1) of the Bankruptcy and Insolvency Act (Note 2). At the report date Conexus and the Limited Partnership are still involved in active negotiations.

8. Promissory notes payable

	2019	2018
Promissory note payable to Caleb Construction Ltd., payable in monthly interest-only payments at 5.0%, unsecured, classified as long-term as the company did not call the loan before the transaction noted below	$ 425,500	$ 425,500
Promissory note payable to Caleb Management Ltd., a limited partner, payable in monthly interest-only payments at 7.0% classified as long-term as the company did not call the loan before the transaction noted below	275,500	-
	701,000	425,500
Less deferred financing charges	1,925	-
	$ 699,075	$ 425,500

On July 1, 2019 the $275,500 promissory note and associated unpaid interest (Note 6) was purchased by Caleb Management Ltd.

During the year, the Limited Partnership expensed interest of $40,560 (2018 - $40,560), of which $21,275 (2018 - $21,275) relates to Caleb Construction Ltd. and $9,642 (2018 - $nil) relates to Caleb Management Ltd. and the remainder relates to an unrelated limited partner. The total is included in interest on mortgage payable and promissory notes payable. Included in interest payable is $100,231 (2018 - $59,671) related to these debts, of which $68,089 (2018 - $46,814) relates to Caleb Construction Ltd. and $32,142 (2018 - $nil) relates to Caleb Management Ltd.

Caleb Construction Ltd. is related to the sole shareholder of the general partner and one of the limited partners.

8. Promissory notes payable (continued)

On March 7, 2020, Caleb Management Ltd. purchased the $425,500 promissory note payable from Caleb Construction Ltd. On March 17, 2020 this promissory note payable and the $275,500 promissory note were consolidated into one second mortgage for $701,000. This mortgage bears interest at 2.5%, with monthly interest-only payments commencing April 15, 2020 and due March 15, 2023. At the financial statement date, the Limited Partnership is not currently paying the interest-only payments that were to commence on April 15, 2020. The promissory notes have been presented as non-current as Caleb Management Ltd. has waived the right to call the combined note until after December 31, 2020.

9. Partners' equity

The following is a description of the authorized and issued units of the Limited Partnership:

	Number of units 2019	Number of units 2018
Limited Partner units entitled to limited voting rights, allocation of partnership earnings and allocation of remaining assets of the Limited Partnership upon termination	5,436,895	5,436,895

During the year, Caleb Management acquired 1,317,476 units from another limited partner.

Subsequent to year end, Caleb Management Ltd. acquired 3,374,758 units from other limited partners. Caleb Management Ltd. owns 4,692,234 units after these transactions.

On March 7, 2020 ownership of Voyager Retirement III Genpar Inc., the general partner of the Limited Partnership was transferred to the controlling shareholder of Caleb Management Ltd.

10. Related party transactions

The Limited Partnership has entered into a management agreement dated April 1, 2016 with Caleb Management Ltd. ("Caleb"), expiring December 31, 2058, to manage and operate the retirement community. Under the provisions of the agreement, the Limited Partnership has committed to paying a monthly fee based on the greater of 8% of gross monthly revenue or $8,500. During the year, management fees of $109,481 (2018 - $108,118) were paid to Caleb. Included in accounts payable and accrued liabilities is $9,705 (2018 - $9,151) related to these management fees.

Included in accounts payable and accrued liabilities is $290,814 (2018 - $290,814) payable to Caleb Construction Ltd. relating to garages purchased in 2012.

These transactions are in the normal course of operations and are measured at their exchange amount, which is the amount of consideration established and agreed to by the related parties.

11. Financial instruments

The Limited Partnership, through its financial assets and liabilities, has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk and interest rate risk.

Credit risk

The Limited Partnership's principal financial asset is cash, which is subject to credit risk. The carrying amounts of financial asset on the balance sheet represents the Limited Partnership's maximum credit exposure at the balance sheet date.

Liquidity risk

The most significant financial liabilities are accounts payable and accrued liabilities, advances payable, mortgage payable, and promissory notes payable. Liquidity risk is the risk that the Limited Partnership cannot repay its obligations when they become due to its creditors. The Limited Partnership has significant liquidity risk as indicated in Note 2.

Interest rate risk

The Limited Partnership is exposed to interest rate risk on its fixed-interest mortgage payable and promissory notes payable. Fixed-interest instruments subject the Limited Partnership to a fair value risk, since fair value fluctuates inversely to changes in market rates.

12. Subsequent events

In March 2020, a national response to coronavirus (COVID-19) began. The implications of this response are far reaching and have impacted the Limited Partnership's operations. Management is currently evaluating the impact to mitigate the risk. An estimate of financial effect cannot be made at this time.

Report is not dated

bbllp.ca

VOYAGER RETIREMENT III LP

FINANCIAL STATEMENTS
(unaudited)

DECEMBER 31, 2020

BUCKBERGER BAERG
& PARTNERS LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Terry Baerg CPA CA
Kathryn Bankowski CPA CA
Ashley Buckberger CPA CA CFA
Jennifer Funk CPA CA
Tyler Kachur CPA CA
Alan Koop CPA CA
Paul Pastor CPA CA CBV

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Partners of
Voyager Retirement III LP

We have reviewed the accompanying financial statements of Voyager Retirement III LP that comprise the balance sheet as at December 31, 2020, and the statements of loss, partners' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility
Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Voyager Retirement III LP as at December 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT (continued)

Emphasis of Matter

Without modifying our conclusion, we draw attention to Note 2 in the financial statements, which indicates the Voyager Retirement III LP has incurred a net loss of $689,086 (2019 - $725,794) during the year ended December 31, 2020. On January 9, 2020, Conexus Credit Union 2006 issued a Notice of Intention to Enforce Security on the mortgage under Section 244(1) of the Bankruptcy and Insolvency Act. These conditions, along with other matters as set forth in Note 2, indicate the existence of a material uncertainty that may cast significant doubt about Voyager Retirement III LP's ability to continue as a going concern.

SASKATOON, SASKATCHEWAN

Chartered Professional Accountants

VOYAGER RETIREMENT III LP

BALANCE SHEET
(unaudited)

DECEMBER 31, 2020

	2020	2019
ASSETS		
Current assets		
Cash	$ 153,128	$ 49,804
Accounts receivable (Notes 7 & 10)	33,015	-
Inventory	5,055	7,133
Prepaid expenses	4,255	3,669
	195,453	60,606
Property and equipment (Note 4)	7,672,985	7,981,074
	$ 7,868,438	**$ 8,041,680**
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Notes 1 & 9)	$ 394,864	$ 368,484
Government remittances payable	10,172	15,786
Tenant rent deposits	2,010	-
Interest payable (Notes 5 & 6)	671,538	378,815
Accrued property tax payable (Note 2)	522,605	338,185
Damage deposits held	39,750	41,750
Advance payable	-	24,000
Mortgage payable (Note 5)	5,273,570	5,273,570
Current portion of promissory notes payable (Note 6)	-	183,200
	6,914,509	6,623,790
Promissory notes payable (Note 6)	884,200	699,075
Canada Emergency Business Account loan (Note 7)	40,000	-
	7,838,709	7,322,865
Going concern (Note 2)		
PARTNERS' EQUITY		
Partners' equity (Note 8)	29,729	718,815
	$ 7,868,438	**$ 8,041,680**

See accompanying notes

Approved by Voyager Retirement III Genpar Inc.

____

Per Sirous Tosh, Director

VOYAGER RETIREMENT III LP

STATEMENT OF LOSS
(unaudited)

YEAR ENDED DECEMBER 31, 2020

	2020	2019
Revenue		
Property income	$ 1,331,804	$ 1,259,650
Other income	2,110	24,046
	1,333,914	1,283,696
Expenses		
Advertising and promotion	3,811	4,847
Bank charges	2,243	3,022
Condominium fees (Note 1)	177,451	177,451
Insurance	4,104	3,787
Management fees (Note 9)	113,068	109,481
Office and activities	6,097	8,039
Payroll and benefits	550,398	525,904
Professional fees	24,594	17,101
Property taxes	223,355	206,710
Repairs and maintenance	17,848	10,380
Supplies	226,548	211,813
Telecommunications	9,698	10,038
Transportation	2,881	4,277
Travel	5,030	7,475
Utilities	61,476	58,476
	1,428,602	1,358,801
Loss before undernoted items	(94,688)	(75,105)
Grant revenue (Note 7)	20,000	-
Government assistance (Note 10)	13,015	-
Amortization - deferred financing costs	(1,925)	(2,100)
Amortization - property and equipment	(332,388)	(330,606)
Interest on mortgage payable and promissory notes payable (Notes 5 & 6)	(293,100)	(317,983)
Net loss	$ (689,086)	$ (725,794)

See accompanying notes

VOYAGER RETIREMENT III LP

STATEMENT OF PARTNERS' EQUITY
(unaudited)

YEAR ENDED DECEMBER 31, 2020

	2020				
	Limited partners' deficit	Limited partners' capital	General partner deficit	General partner capital	Total
Balance, beginning of year	$ (3,760,856)	$ 4,480,001	$ (335)	$ 5	$ 718,815
Net loss	(689,017)	-	(69)	-	(689,086)
Balance, end of year	**$ (4,449,873)**	**$ 4,480,001**	**$ (404)**	**$ 5**	**$ 29,729**

	2019				
	Limited partners' deficit	Limited partners' capital	General partner deficit	General partner capital	Total
Balance, beginning of year	$ (3,035,135)	$ 4,480,001	$ (262)	$ 5	$ 1,444,609
Net loss	(725,721)	-	(73)	-	(725,794)
Balance, end of year	**$ (3,760,856)**	**$ 4,480,001**	**$ (335)**	**$ 5**	**$ 718,815**

See accompanying notes

VOYAGER RETIREMENT III LP

STATEMENT OF CASH FLOWS
(unaudited)

YEAR ENDED DECEMBER 31, 2020

	2020	2019
Cash flows from operating activities		
Net loss	$ (689,086)	$ (725,794)
Items not affecting cash		
Amortization - deferred financing costs	1,925	2,100
Amortization - property and equipment	332,388	330,606
Grant revenue	(20,000)	-
Net change in non-cash working capital items:		
Accounts receivable	(33,015)	-
Inventory	2,078	(718)
Prepaid expenses	(586)	258
Accounts payable and accrued liabilities	26,380	(20,902)
Government remittances payable	(5,614)	(3,424)
Tenant rent deposits	2,010	-
Interest payable	292,723	294,481
Accrued property tax payable	184,420	182,638
Damage deposits held	(2,000)	3,000
	91,623	62,245
Cash flows used in investing activity		
Purchase of property and equipment	(24,299)	(26,404)
Cash flows from financing activities		
Advance payable	(24,000)	24,000
Repayment of mortgage payable	-	(14,767)
Proceeds from Canada Emergency Business Account loan ("CEBA")	60,000	-
	36,000	9,233
Net increase in cash during the year	103,324	45,074
Cash, beginning of year	49,804	4,730
Cash, end of year	**$ 153,128**	**$ 49,804**

See accompanying notes

1. Description of business

Voyager Retirement III LP (the "Limited Partnership") is a limited partnership involved in the ownership, management and operation of a seniors' retirement community in Melville, Saskatchewan. The Limited Partnership was formed through a Limited Partnership Agreement (the "Agreement") on July 12, 2011, and operations commenced on October 1, 2012.

The Limited Partnership, as the owner of rental suites included in property and equipment, pays condominium fees (2020 - $177,451, 2019 - $177,451) to the Condominium Corporation (the "Corporation"), related by common control. The Corporation is responsible for the operation of the building, including repairs and maintenance, utilities, insurance, and administrative costs. Included in accounts payable and accrued liabilities at year end is $22,000 (2019 - $nil) payable to the Corporation.

2. Going concern

These financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. Should the Limited Partnership be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due.

During the year ended December 31, 2020, the Limited Partnership had a net loss of $689,086 (2019 - $725,794). The Limited Partnership is in breach of mortgage covenants due to non-payment and on January 9, 2020 received a Notice of Intention to Enforce Security under Section 244(1) of the Bankruptcy and Insolvency Act (Note 5). The Limited Partnership is also in property tax arrears of $522,605 (2019 - $338,185) with the City of Melville, who has placed liens on condominium units for non-payment. The Limited Partnership has ceased making any payments on property taxes as of February 2020. On October 26, 2020, The City of Melville filed for Tax Enforcement Proceedings with the Provincial Mediation Board. These conditions raise significant doubt about the Limited Partnership's ability to continue as a going concern.

The Limited Partnership's future operations are dependent upon many factors, including the ability of the Limited Partnership to generate sufficient profit and cash flows from operations and obtain additional funding. Financing has been obtained through the CEBA loan of $60,000 (Note 7). The decision to fund the Limited Partnership is ultimately at the lender's discretion, and there is no guarantee that funds will be provided or be provided at reasonable rates. In addition, there is no assurance that management will be successful in its efforts, or that adequate financing will be available on acceptable terms.

These financial statements do not reflect adjustments to the carrying values of assets and liabilities and the classifications used on the balance sheet that would be necessary if the going concern assumption was not appropriate. Such adjustments could be material.

3. Significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for private enterprises. The significant accounting policies are detailed as follows:

Basis of presentation
These financial statements include only the assets, liabilities, revenue, and expenses related to the business operated by the Limited Partnership. No provision has been made for compensation to the Partners or interest on their investment.

Financial instruments
The Limited Partnership initially measures its financial assets and liabilities at fair value, except for related party transactions, which are recorded at the carrying or exchange amount depending on the circumstances.

The Limited Partnership subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income. Financial assets and financial liabilities measured at amortized cost include cash, accounts receivable, accounts payable and accrued liabilities, government remittances payable, tenant rent deposits, interest payable, accrued property tax payable, mortgage payable, promissory notes payable, and the CEBA loan.

Transaction costs are recognized in net income in the period incurred. However, transaction costs associated with financial instruments carried at cost or amortized cost are recorded as adjustments to the initial fair value recognized and amortized over the expected life of the instrument.

When there is an indication of impairment and such impairment is determined to have occurred, the carrying amount of financial assets measured at amortized cost is reduced to the greater of the discounted future cash flows expected, the proceeds that could be realized from the sale of the financial asset, or the amount that could be realized by exercising the right to any collateral held to secure repayment of the asset. Such impairments can be subsequently reversed to the extent that the improvement can be related to an event occurring after the impairment was recognized.

Income taxes
No provision has been made for income taxes in these financial statements, as the income will be taxable to the Partners.

Inventory
Inventory is valued at the lower of cost and net realizable value, with cost being determined on a first-in, first-out basis. Net realizable value is the estimated selling price, less estimated cost of completion or preparation.

3. Significant accounting policies (continued)

Property and equipment
Property and equipment are recorded at cost, less accumulated amortization. Amortization is calculated using the straight-line method at rates calculated to amortize the cost of the assets over their estimated useful lives.

Impairment of long-lived assets
Long-lived assets, which comprise property and equipment, are tested for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected undiscounted future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent carrying value exceeds its fair value.

Deferred financing costs
Deferred financing costs are recorded at cost and netted against the mortgage payable to which they relate. Amortization is calculated using the straight-line method over a period of five years.

Revenue recognition
The Limited Partnership recognizes property revenue when persuasive evidence of an arrangement exists, title has changed, the price to the buyer is fixed or determinable and collection is reasonably assured. The Limited Partnership recognizes other income as earned, provided collection is reasonably assured.

Government assistance
The Limited Partnership periodically applies for financial assistance under available government programs. Government grants and subsidies are presented separately on the statement of loss in the period that they are earned.

Use of estimates
The preparation of financial statements in conformity with Canadian accounting standards for private enterprises requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Items requiring the use of significant estimates include the provision for the useful lives and valuation of long-lived assets in property and equipment and the useful lives of deferred financing costs. Actual results could differ from those estimates.

4. Property and equipment

				2020	2019
	Rate	Cost	Accumulated amortization	Net book value	Net book value
Buildings	35 yrs	$ 8,599,305	$ 1,499,119	$ 7,100,186	$ 7,328,840
Furniture and fixtures	10 yrs	515,889	311,769	204,120	254,486
Land improvements	10 yrs	346,392	221,947	124,445	159,084
Computer equipment	3 yrs	6,334	764	5,570	-
		9,467,920	2,033,599	7,434,321	7,742,410
Land		238,664	-	238,664	238,664
		$ 9,706,584	$ 2,033,599	$ 7,672,985	$ 7,981,074

5. Mortgage payable

	2020	2019
Mortgage payable on demand, until demanded, payable in monthly blended payments of $37,038, bearing interest at 5.01%, maturing January 4, 2020, secured by first mortgage on the title to each of the condominium units with a carrying value of $7,463,295 (2019 - $7,726,589) and a general security agreement covering all assets of the Limited Partnership	$ 5,273,570	$ 5,273,570

During the year, the Limited Partnership expensed interest of $264,206 (2019 - $266,200), which is included in interest on mortgage payable and promissory notes payable. Included in interest payable is $529,406 (2019 - $265,200) relating to this debt.

As of February 2019, the Limited Partnership stopped making the mortgage payment to Conexus Credit Union 2006 ("Conexus") and, as a result, the mortgage covenant is in breach. Due to non-payment, on January 9, 2020 Conexus issued a Notice of Intention to Enforce Security under Section 244(1) of the Bankruptcy and Insolvency Act (Note 2). At the report date Conexus and the Limited Partnership are still involved in active negotiations and the mortgage has not been repaid.

6. Promissory notes payable

	2020	2019
Promissory note payable to Caleb Management Ltd., a limited partner, payable in monthly interest-only payments at 2.5%, secured alongside the $275,500 promissory note by a second mortgage on title to certain condominium units of the Limited Partnership with a carrying value of $339,138 (2019 - $351,102)	$ 425,500	$ -
Promissory note payable to Caleb Management Ltd., payable in monthly interest-only payments at 2.5%, secured alongside the $425,500 promissory note by a second mortgage on title to certain condominium units of the Limited Partnership with a carrying value of $339,138 (2019 - $351,102)	275,500	275,500
Promissory note payable to Voyager Retirement VI LP, accruing interest at 6% annually, unsecured, repayable on terms mutually agreed upon by both parties	183,200	183,200
Promissory note payable to Caleb Construction Ltd., sold in the year as below	-	425,500
	884,200	884,200
Less deferred financing charges	-	1,925
	884,200	882,275
Less current portion	-	183,200
	$ 884,200	**$ 699,075**

During the year, the Limited Partnership expensed interest of $28,517 (2019 - $40,560), on these promissory notes, of which $1,923 (2019 - $21,275) relates to Caleb Construction Ltd. and $15,602 (2019 - $9,642) relates to Caleb Management Ltd., the remainder related to unrelated entities. The total is included in interest on mortgage payable and promissory notes payable. Included in interest payable is $142,133 (2019 - $100,231) related to these debts, of which $nil (2019 - $68,089) relates to Caleb Construction Ltd. and $117,756 (2019 - $32,142) relates to Caleb Management Ltd., with the remainder related to unrelated entities.

Caleb Construction Ltd. was related to the sole shareholder of the general partner.

On March 7, 2020, Caleb Management Ltd. purchased the $425,500 promissory note payable from Caleb Construction Ltd. On March 17, 2020 this promissory note payable and the $275,500 promissory note were consolidated into one second mortgage for $701,000. This mortgage bears interest at 2.5%, with monthly interest-only payments commencing April 15, 2020 and due March 15, 2023. At the financial statement date, the Limited Partnership is not currently paying the interest-only payments that were to commence on April 15, 2020. The promissory notes have been presented as non-current as Caleb Management Ltd. has waived the right to call the combined note until after December 31, 2021. XXXXXXXX Update for Waiver

7. Canada Emergency Business Account loan

The Limited Partnership has applied for and received a loan in the amount of $60,000 under the CEBA program through Royal Bank of Canada ("RBC"). The loan has 0% interest with no repayment required until December 2022. If the loan is not repaid in full by December 2022, then the loan will start bearing interest at 5% per annum, with monthly interest only payments required. The balance of the loan is fully repayable by December 2025. As at year end, the Limited Partnership has complied with all conditions and requirements of the program, which will forgive $20,000 of the original loan if it is repaid by December 2022. Accordingly, this $20,000 has been reflected in the statement of loss as grant revenue, and the liability has been reduced by the forgivable amount to $40,000. Of this amount, $20,000 has been recorded in accounts receivable at year end.

Should the Limited Partnership not repay the loan by December 2022, the forgivable $20,000 would be reflected as an increase to this liability and a reduction of revenue in the 2022 fiscal year.

8. Partners' equity

The following is a description of the authorized and issued units of the Limited Partnership:

	Number of units 2020	Number of units 2019
Limited Partner units entitled to limited voting rights, allocation of partnership earnings and allocation of remaining assets of the Limited Partnership upon termination	5,436,895	5,436,895

During the year, Caleb Management Ltd. acquired 3,374,758 (2019 - 1,317,476) units from other limited partners. Caleb Management Ltd. owns 4,692,234 units after these transactions.

On March 7, 2020 ownership of Voyager Retirement III Genpar Inc., the general partner of the Limited Partnership was transferred to the controlling shareholder of Caleb Management Ltd.

9. Related party transactions

The Limited Partnership has entered into a management agreement dated April 1, 2016 with Caleb Management Ltd., expiring December 31, 2058, to manage and operate the retirement community. Under the provisions of the agreement, the Limited Partnership has committed to paying a monthly fee based on the greater of 8% of gross monthly revenue or $8,500. During the year, management fees of $113,068 (2019 - $109,481) were paid to Caleb Management Ltd. Included in accounts payable and accrued liabilities is $9,073 (2019 - $9,705) related to these management fees.

Included in accounts payable and accrued liabilities is $290,814 (2019 - $290,814) payable to Caleb Construction Ltd. relating to garages purchased in 2012.

9. Related party transactions (continued)

These transactions are in the normal course of operations and are measured at their exchange amount, which is the amount of consideration established and agreed to by the related parties.

10. Government assistance

The Limited Partnership was granted a subsidy for wages from the Canada Emergency Wage Subsidy in the amount of $13,015. This amount has been recorded in the statement of loss, and has been included in accounts receivable at year end.

11. Financial instruments

The Limited Partnership, through its financial assets and liabilities, has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk and interest rate risk.

Credit risk
The Limited Partnership's principal financial assets are cash and accounts receivable, which are subject to credit risk. Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amounts of financial asset on the balance sheet represents the Limited Partnership's maximum credit exposure at the balance sheet date.

Liquidity risk
The most significant financial liabilities are accounts payable and accrued liabilities, interest payable, accrued property taxes payable, mortgage payable, promissory notes payable and the CEBA loan. Liquidity risk is the risk that the Limited Partnership cannot repay its obligations when they become due to its creditors. The Limited Partnership has significant liquidity risk as indicated in Note 2.

Interest rate risk
The Limited Partnership is exposed to interest rate risk on its fixed-interest mortgage payable and promissory notes payable. Fixed-interest instruments subject the Limited Partnership to a fair value risk, since fair value fluctuates inversely to changes in market rates.

12. Significant event

During the year, COVID-19 (coronavirus) was declared a pandemic by the World Health Organization. This has resulted in significant economic uncertainty and financial markets have experienced significant volatility in response to the developing COVID-19 pandemic.

At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Limited Partnership, as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be, put in place by Canada and other countries to fight the virus.

This is **Exhibit "C"** referred to in the
Affidavit of Sirous Tosh
Sworn before me this 19th day of
August, 2021.

____
A Notary Public in and for the
Province of Saskatchewan.
Being a Solicitor.

MILLER THOMSON
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MILLERTHOMSON.COM

January 26, 2021

Rick M. Van Beselaere, Q.C.
Direct Line: 306.347.8316
Direct Fax: 306.347.8350
rvanbeselaere@millerthomson.com

File: 0237270.0048

[redacted]

Dear Sir/Madam:

Re: Conexus Credit Union 2006 ("Conexus") and Voyager Retirement III Genpar Inc. (the "Borrower")

We are the solicitors for Conexus. Voyager Retirement III LP, through its general partner, Voyager Retirement III Genpar Inc., is in indebted to our client and is in default in respect of that indebtedness.

The general partner, on behalf of itself and the limited partnership, granted an assignment of all leases to Conexus as security for the outstanding indebtedness and obligations of the Borrower.

As a result, we are hereby providing you with formal notice that effective immediately upon receipt of this letter, all ongoing rental payments must be made to our client and not directly to the Borrower. Payments may be made by forwarding your rent cheques to Conexus at the address indicated below. If you automatically pay your rent amounts, please contact our client as indicated below so that arrangements for direct deposits or electronic fund transfers can be completed. You must take steps immediately to cease making payments directly to Caleb Management or any other party on behalf of the Borrower. Effective immediately your obligation is to make payments to our client. Please note that if you continue to make payments to the Borrower or its representative, you will quite possibly be obligated to make the same payment again to Conexus. Our client has legal entitlement to require that all rents be paid directly to it.

Please note that this obligation does not extend to payment of the life style charges and those payments are not affected by this notice and therefore you should continue to make those payments directly the Borrower or its representative.

If you, your representative or your solicitor have any questions, please contact our office.

Send payment by cheque or other direct payment to:

Miller Thomson LLP
Barristers and Solicitors
600 – 2103 11th Avenue
Regina SK S4P 3Z8
Attention: B. Abrahamson/R. Alexander

To make arrangements with respect to debiting your account or for other fund transfers for the rent amounts please contact B. Abrahamson or R. Alexander at:

B. Abrahamson (306) 347-8320 or by email babrahamson@millerthomson.com

R. Alexander (306) 347-8334 or by email ralexander@millerthomson.com.

Payments of rent must be made to Conexus in this manner until you are advised by Conexus or by our office as solicitors for Conexus to do otherwise.

Yours truly,

MILLER THOMSON LLP

Per:

Rick M. Van Beselaere, Q.C.
RMV/ba

This is **Exhibit "D"** referred to in the
Affidavit of Sirous Tosh
Sworn before me this 19th day of
August, 2021.

____
A Notary Public in and for the
Province of Saskatchewan.
Being a Solicitor.

VOYAGER RETIREMENT II GENPAR INC.
(the "Corporation")

<u>RESOLUTIONS OF THE SOLE DIRECTOR</u>

The Undersigned, being the sole Director of the Corporation, hereby signs the following Resolutions pursuant to Section 112(1) of *The Business Corporations Act* of Saskatchewan:

THE FOLLOWING RESOLUTIONS ARE HEREBY ENACTED:

<u>Application under the *Companies' Creditors Arrangement Act*</u>

WHEREAS the Corporation, on its own behalf and as General Partner for and on behalf of Voyager Retirement II Limited Partnership, wishes to apply to the Court for an Initial Order pursuant to the *Companies' Creditors Arrangement Act*, R.S.C., 1985, c. C-25 (the "Act"); and

AND WHEREAS the Corporation, on its own behalf and as General Partner for and on behalf of Voyager Retirement II Limited Partnership, seeks to have The Bowra Group Inc. appointed as monitor in the proceedings under the said Act;

RESOLVED:

1. That the Corporation, on its own behalf and as General Partner for and on behalf of Voyager Retirement II Limited Partnership, is hereby authorized to apply to the Court for an Initial Order pursuant to the Act; and

2. That the Corporation, on its own behalf and as General Partner for and on behalf of Voyager Retirement II Limited Partnership, is hereby authorized to seek to have The Bowra Group Inc. appointed as monitor in the proceedings under the said Act.

<u>Execution</u>

RESOLVED that in addition to hand delivery, a signed signature page may be transmitted to the solicitors of the Corporation by mail, facsimile, or email, and any such signature shall have the same legal effect as an original.

Dated effective the 18th day of August, 2021.

SIROUS TOSH

VOYAGER RETIREMENT III GENPAR INC.
(the "Corporation")

<u>RESOLUTIONS OF THE SOLE DIRECTOR</u>

The Undersigned, being the sole Director of the Corporation, hereby signs the following Resolutions pursuant to Section 112(1) of *The Business Corporations Act* of Saskatchewan:

THE FOLLOWING RESOLUTIONS ARE HEREBY ENACTED:

<u>Application under the *Companies' Creditors Arrangement Act*</u>

WHEREAS the Corporation, on its own behalf and as General Partner for and on behalf of Voyager Retirement III Limited Partnership, wishes to apply to the Court for an Initial Order pursuant to the *Companies' Creditors Arrangement Act*, R.S.C., 1985, c. C-25 (the "Act"); and

AND WHEREAS the Corporation, on its own behalf and as General Partner for and on behalf of Voyager Retirement III Limited Partnership, seeks to have The Bowra Group Inc. appointed as monitor in the proceedings under the said Act;

RESOLVED:

1. That the Corporation, on its own behalf and as General Partner for and on behalf of Voyager Retirement III Limited Partnership, is hereby authorized to apply to the Court for an Initial Order pursuant to the Act; and

2. That the Corporation, on its own behalf and as General Partner for and on behalf of Voyager Retirement III Limited Partnership, is hereby authorized to seek to have The Bowra Group Inc. appointed as monitor in the proceedings under the said Act.

<u>Execution</u>

RESOLVED that in addition to hand delivery, a signed signature page may be transmitted to the solicitors of the Corporation by mail, facsimile, or email, and any such signature shall have the same legal effect as an original.

Dated effective the 18th day of August, 2021.

SIROUS TOSH

This is **Exhibit "E"** referred to in the
Affidavit of Sirous Tosh
Sworn before me this 19th day of
August, 2021.

____

A Notary Public in and for the
Province of Saskatchewan,
Being a Solicitor.

COURT FILE NUMBER	**Q.B. No. _____ of 2021**

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

JUDICIAL CENTRE	**SASKATOON**
APPLICANTS	**VOYAGER RETIREMENT II GENPAR INC., VOYAGER RETIREMENT II LP, VOYAGER RETIREMENT III GENPAR INC. AND VOYAGER RETIREMENT III LP**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, RSC 1985, c C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF VOYAGER RETIREMENT II GENPAR INC., VOYAGER RETIREMENT II LP, VOYAGER RETIREMENT III GENPAR INC. AND VOYAGER RETIREMENT III LP

CONSENT TO APPOINTMENT

THE BOWRA GROUP INC. HEREBY CONSENTS to act as Monitor of Voyager Retirement II Genpar Inc., Voyager Retirement II LP, Voyager Retirement III Genpar Inc. and Voyager Retirement III LP in the within proceedings.

Dated at City of Edmonton in the Province of Alberta this 18 day of August, 2021.

THE BOWRA GROUP INC.

Kristin Gray, LIT

This is **Exhibit "F"** referred to in the Affidavit of Sirous Tosh
Sworn before me this 19th day of August, 2021.

____

A Notary Public in and for the Province of Saskatchewan.
Being a Solicitor.

CHARTWell
retirement residences

***Source:** Chartwell Retirement Residences*

August 16, 2021 16:37 ET

Chartwell Announces a Public Offering of $175 Million of Trust Units

Not for distribution to U.S. newswire services or for dissemination in the United States

MISSISSAUGA, Ontario, Aug. 16, 2021 (GLOBE NEWSWIRE) -- Chartwell Retirement Residences (TSX:CSH.UN) ("**Chartwell**" or the "**Trust**") announced today that it has entered into an agreement with a syndicate of underwriters led by BMO Capital Markets, RBC Capital Markets and CIBC World Markets (collectively the "**Underwriters**") to issue to the public, on a bought deal basis, 13,470,000 of trust units ("**Trust Units**"), representing approximately $175 million of gross proceeds, at a price of $13.00 per Trust Unit (the "**Offering**"). BMO Capital Markets and RBC Capital Markets will act as joint bookrunners for this Offering. Chartwell has also granted the Underwriters an over-allotment option to purchase up to an additional 15% of the Trust Units offered in the Offering on the same terms and conditions, exercisable at any time, in whole or in part, up to 30 days after the closing of the Offering.

Chartwell intends to use the net proceeds from the Offering to repay indebtedness and fund development and capital expenditures, with the remainder to fund future acquisitions, developments and for general trust purposes. Pro forma the Offering and the intended use of proceeds, Chartwell's ratio of consolidated indebtedness to aggregated adjusted assets as at June 30, 2021 is expected to be reduced by ~340 bps to approximately 49.4%.

"From the beginning of the COVID-19 pandemic we have been focused on the health and safety of our residents, their families and our staff and we continue to be vigilant in our infection prevention and control protocols today. With the high vaccination rates of our residents and staff, as well as in the society overall, we are seeing easing of the pandemic related restrictions. As a result our web site traffic, initial contacts, personalized visits and move-ins have been gradually increasing, pointing to the beginning of occupancy recovery in the coming months," said Vlad Volodarski, Chief Executive Officer. "We believe it is prudent at this time to raise additional equity capital to pay down debt and provide flexibility to invest in value creating initiatives within our property portfolio, development of new residences, and potentially, future acquisitions."

The Offering is being made pursuant to Chartwell's short form base shelf prospectus dated December 6, 2019 (the "**Base Shelf Prospectus**"). The terms of the Offering will be described in a prospectus supplement (the "**Prospectus Supplement**") to be filed with Canadian securities regulators in each of the provinces of Canada. The Offering is expected to close on or about August 25, 2021 and is subject to customary conditions, including the approval of the Toronto Stock Exchange. The Prospectus Supplement and the Base Shelf Prospectus contain important detailed information about the Trust and the proposed Offering. Prospective investors should read the Prospectus Supplement, the Base Shelf Prospectus and the other documents the Trust has filed before making an investment decision. Copies of the Prospectus Supplement, following filing thereof, and the Base Shelf Prospectus will be available on SEDAR at www.sedar.com.

The Trust Units have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**1933 Act**"), or any state securities laws, and accordingly may not be offered, sold or delivered, directly or indirectly, within the United States of America, (the "**United States**"), its possessions and other areas subject to its jurisdiction, except pursuant to an exemption from the registration requirements of the 1933 Act. This press release does not constitute an offer to sell or a solicitation of an offer to buy any Trust Units in the United States.

About Chartwell

Chartwell is an unincorporated, open-ended real estate trust which indirectly owns and operates a complete range of seniors housing communities, from independent supportive living through assisted living to long term care. It is the largest operator in the Canadian seniors living sector with over 200 quality retirement communities in four projections of management about the future results, performance, achievements, prospects or opportunities for Chartwell and the seniors housing industry. Forward-looking information can be generally identified by the use of words such as "anticipate", "continue", "estimate", "expect", "expected", "intend", "may", "will", "project", "plan", "should", "believe" and similar expressions. Forward-looking statements in this press release include statements relating to expectations regarding timing for completion of the Offering, the anticipated use of the net proceeds of the Offering and pro forma ratio of consolidated indebtedness to aggregated adjusted assets. Forward-looking statements are based upon a number of assumptions and are subject to a number of known and unknown risks and uncertainties, many of which are beyond our control, and that could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking statements. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those expected or estimated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. See the "Risks and Uncertainties" section in Chartwell's management's discussion analysis of results of operations and financial condition for the year ended December 31, 2020 and in our management's discussion and analysis of results of operations and financial condition for the three and six months ended June 30, 2021 ("**Q2 2021 MD&A**"), and in materials filed with the securities regulatory authorities in Canada from time to time, including but not limited to our most recent Annual Information Form and in the Prospectus Supplement to be filed in connection with the Offering. Except as required by law, Chartwell does not intend to update or revise any forward-looking statements, whether as a result of new information, future events or for any other reason.

Non-GAAP Measures

Chartwell's consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("**IFRS**"). Management uses certain financial measures to assess Chartwell's financial performance, which are measures not defined in generally accepted accounting principles ("**GAAP**") under IFRS. Chartwell's credit agreements and outstanding debentures contain numerous financial covenants. The calculation of the pro forma ratio of consolidated indebtedness to aggregate adjusted assets in this press release is based on the definitions of various financial metrics as reflected in the indenture governing Chartwell's outstanding debentures and may not be comparable to similar metrics used by other entities or to any GAAP measure. For a full description of certain of these covenants, please refer to the Q2 2021 MD&A available on Chartwell's website and at www.sedar.com.

Contact Information

Chartwell Retirement Residences
Sheri Harris
Chief Financial Officer
Tel: (905) 501-9219
Email: investorrelations@chartwell.com