

COURT FILE NO. 24-2746532, 24-2746514, 24-2746511 Clerk's Stamp

COURT COURT OF QUEEN'S BENCH OF ALBERTA
IN BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE EDMONTON

DOCUMENT FIRST REPORT OF THE TRUSTEE IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE PROPOSALS OF ALASKA – ALBERTA RAILWAY DEVELOPMENT CORPORATION, 7198362 MANITOBA LTD. AND 12703131 CANADA LTD.

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT Counsel
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Attention: Alexis Teasdale

Trustee
MNP Ltd.
Suite 1500, 640 5th Avenue SW
Calgary, AB T2P 3G4

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Attention: Vanessa Allen/ Jerry Henechowicz

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INTRODUCTION

1. On June 18, 2021 (the “Filing Date”), Alaska – Alberta Railway Development Corporation (“AARDC”), 7198362 Manitoba Ltd. (“719”) and 12703131 Canada Ltd. (“127”, collectively with AARDC and 719 “the “Companies”) filed Notices of Intention to Make Proposals (the “NOIs”) pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act, RSC 1985, c B-3* (the “BIA”). MNP Ltd. consented to act as Trustee under the NOIs (the “Trustee”). Attached hereto as “Schedule 1” are copies of the Certificates of Filing Notices of Intention to Make Proposals issued by the Official Receiver. Attached hereto as “Schedule 2” are copies of the creditors’ packages that include the NOIs (the “Creditor Packages”). The Creditor Packages were sent via regular mail to all known creditors on June 22, 2021.
2. On June 28, 2021, Statements of Projected Cash Flow for the Period from June 18, 2021 to September 17, 2021 (the “Cash Flows”) were filed for each of the Companies. Attached hereto as “Schedule 3” are copies of the Cash Flows. Attached hereto as “Schedule 4” are the Reports on the Cash Flows by the Person making the Proposals and the Trustee’s Reports on the Cash Flow Statements for each of the Companies.
3. The Companies were each granted a 30 day stay of proceedings pursuant to Section 69(1) of the BIA (the “Initial Stay”). The Companies are required to file a proposal within the Initial Stay or within any further extension of that period granted by the Court of Queen’s Bench of Alberta (the “Court”).
4. The NOI proceedings were initiated following the receivership of the Companies’ primary secured lender, Bridging Finance Inc. (“BFI”) and certain other entities and investment funds related to BFI (collectively, “Bridging”) pursuant to Orders granted by The Ontario Superior Court of Justice (the “Ontario Court”) on April 30, 2021 and May 3, 2021. PricewaterhouseCoopers Inc. (“PwC”) acts as the Court-appointed Receiver of Bridging (the “Bridging Receiver”).
5. Copies of the relevant documents relating to these proceedings are available on the Trustee’s website at <https://mnpdebt.ca/en/corporate/corporate-engagements/alaska-alberta-railway-development-corporation-7198362-manitoba-ltd-and-12703131-canada-ltd>.

NOTICE TO READER

6. In preparing this report and making comments herein, the Trustee has relied upon, certain unaudited, draft or internal financial information, including the Companies’ books and records, and information from other third-party sources (collectively, the “Information”). The Trustee has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with generally accepted assurance standards or other standards established by the Chartered Professional Accountants of Canada (the “Standards”). Additionally,

none of the Trustee's procedures were intended to disclose defalcations or other irregularities. If the Trustee were to perform additional procedures or to undertake an audit examination of the Information in accordance with the Standards, additional matters may have come to the Trustee's attention. Accordingly, the Trustee does not express an opinion, nor does it provide any other form of assurance on the financial or other information presented herein. The Trustee may refine or alter its observations as further information is obtained or brought to its attention after the date of this report.

7. All amounts included herein are in Canadian dollars unless otherwise stated.

PURPOSE OF THE REPORT

8. This report is the first report of the Trustee (the "First Report" or "this report"). The purpose of the First Report is to provide the Court with the Trustee's findings since the Filing Date and information as to the following relief sought at an application scheduled to be heard on July 12, 2021 (the "July 12 Hearing"):

- 8.1 An application by the Bridging Receiver seeking the appointment of MNP Ltd. as the Interim Receiver of AARDC (the "Interim Receiver").

- 8.2 Provided that the relief in paragraph 8.1 is granted, an application by the Interim Receiver seeking a 45-day extension of the Initial Stay for AARDC from July 18, 2021 to August 31, 2021 (the "Extension").

- 8.3 The following applications by the Trustee:

- 8.3.1 Terminating the Initial Stay for 719 and 127 pursuant to Section 50.4(11) of the BIA, following which 719 and 127 will both be deemed bankrupt; and

- 8.3.2 Declaring that the Trustee and the Trustee's legal counsel shall be paid their reasonable professional fees and disbursements, including any pre-filing fees and disbursements as part of the costs of the NOI proceedings of each of the Companies.

BACKGROUND

9. AARDC was originally incorporated as 1788099 Alberta Ltd. ("178") under the *Alberta Business Corporations Act* on February 3, 2017. 178 originally changed its name to Alberta – Alaska Railway Development Corporation and then to AARDC. 719 was originally incorporated under the *Manitoba Business Corporations Act* on September 8, 2015 and 127 was originally incorporated under the *Canada Business Corporations Act* on February 2, 2021. Mr. Sean McCoshen ("McCoshen") was the sole director and shareholder of AARDC and 127. 719 listed McCoshen as its sole director and 127

as its sole shareholder. The Trustee notes that approximately \$30.0 million of the Bridging Loan (as subsequently defined) was advanced by way of a convertible debenture (the “Convertible Debenture”). As noted in the Third Report of the Bridging Receiver, it remains unclear as to whether the requirements for conversion of the Convertible Debenture were met. As such, Bridging may also be shareholder of 127.

10. The Trustee understands that the Companies’ operations were being managed out of an office located at 12905 127 Avenue NW in Edmonton, Alberta (the “Edmonton Office”), in a residential condominium owned by Mr. Sean McCoshen. As of the Filing Date, the bulk of the Companies’ operations were being conducted remotely; however, AARDC did lease an office located at Suite 500, 900 West Hastings Street in Vancouver, B.C. (the “Vancouver Office”) and sublet an office located in Anchorage, Alaska (the “Alaska Office”). On June 30, 2021, AARDC issued a Notice to Lessor to Disclaim or Resiliate a Lease by Commercial Tenant in respect of the Vancouver Office. The Alaska Office continues to be used by AARDC.
11. As of the Filing Date, neither 127 nor 719 had any ongoing operations. AARDC’s operations were undertaken to advance their stated purpose of building and operating a railway that would extend from Alberta to Alaska and allow for the transport of resource commodities to global markets via the ports of Southcentral Alaska (the “Railway”). Mr. Mead Treadwell is a contractor of AARDC who led efforts to build the Railway in Alaska. The Trustee understands that Mr. Treadwell represents AARDC with respect to the Railway, however, does not have corporate authority to act on behalf of the Companies. AARDC’s operations to date have largely been funded by Bridging. The Trustee understands that some of AARDC’s most notable milestones with respect to realizing the railway project include the granting of a Presidential Permit issued by former U.S. President, Donald J. Trump, granting permission to AARDC to construct, connect, operate and maintain railway facilities at the international border of United States and Canada (the “Presidential Permit”), the execution of a master agreement with the Alaska Railroad Corporation that includes cooperation in permitting, selection of right-of-way, economic terms and authorization to operate on their track and extend several portions of their system and the execution of agreements with three deep-water ports that would be serviced by the Railway.

ASSETS

12. AARDC’s assets consist of various intellectual property related to the development of the proposed Railway, including the Presidential Permit.
13. 719 holds at least two investment accounts, one at Canaccord Genuity Corp. (the “Canaccord Account”) and one at National Bank of Canada (“NB”, the “NB Account”). In addition, the Trustee notes that at least one significant legal retainer (the “Retainer”) appears to have been paid by 719 prior to the Filing Date, the source of which funds requires further investigation. The Canaccord Account is a margined account that was listed as having a market value of approximately \$32.8

million as at May 31, 2021. The Canaccord Account has been pledged to Bridging pursuant to a Securities Account Control Agreement dated February 2, 2021. The NB Account was listed as having a market value of approximately \$5.0 million as of June 29, 2021. NB has indicated that they may have a secured interest in the NB Account, in relation to various third-party guarantees. NB is currently assessing their claim. With the support of the Companies, both Canaccord and NB have provided assurances to the Trustee that no withdrawals will be processed from the Canaccord Account and the NB Account respectively without the Trustee's prior consent.

14. As noted above, 127 is the sole shareholder of 719 and does not list any assets outside of the shares of 719.

CREDITORS

15. On June 8, 2021, the Bridging Receiver issued a demand letter and a Notice of Intention to Enforce Security (the "244 Notice") to AARDC pursuant to Section 244 of the *Bankruptcy and Insolvency Act (Canada)* (the "BIA") and demand letters to 719 and 127. As set out in the 244 Notice, AARDC is indebted to Bridging in the amount of approximately \$212.9 million consisting of a principal balance of approximately \$145.8 million, additional transfers of approximately \$14.2 million and interest and penalties of \$52.9 million pursuant to a non-revolving credit facility (the "Bridging Loan"). The terms of the Bridging Loan were originally set out in a term sheet dated December 11, 2015, as subsequently modified by ten amending agreements during the subsequent period ended February 23, 2021. The Bridging Loan was secured by a general security agreement over all present and after acquired property of AARDC and all proceeds thereof (collectively, the "Bridging Security"). 719 and 127 were obligors under the Bridging Loan, pursuant to the tenth amendment to the term sheet. The Trustee has not yet received a legal opinion with respect to the validity and enforceability of the Bridging Security.
16. In addition to the Bridging Loan, AARDC listed additional creditors with claims totaling approximately \$20.0 million of which \$12.7 million is due to related parties (including approximately \$9.0 million due to 719). Canada Revenue Agency also has a deemed trust claim for payroll source deductions against AARDC in the amount of approximately \$45,900.
17. As noted above, 719 is an obligor with respect to the Bridging Loan, in addition to which they list approximately \$11.4 million as being due to 7047747 Manitoba Ltd. a related company.
18. 127 is also an obligor with respect to the Bridging Loan and does not list any creditors outside of Bridging.

CORPORATE AUTHORITY

19. The Trustee understands that McCoshen is currently in a wellness facility and has limited access to receiving telephone calls or emails. The Trustee's only contact with McCoshen has been through

the Companies' counsel, Dickinson Wright LLP. To the Trustee's knowledge, McCoshen is the only individual with corporate authority to provide direction on behalf of the Companies.

20. At the outset of the NOI proceedings and, as set out in the Trustee's engagement letter, McCoshen was intended to have limited, if any, participation in the NOI proceedings. The Trustee understood that the Companies intended to arrange for another individual to obtain the necessary corporate authority to act in Mr. McCoshen's place, however, to the Trustee's knowledge, this has not occurred as of the date of this report. The Trustee notes that the NOIs were signed by McCoshen and the Cash Flows were signed by both McCoshen and Mr. Treadwell, who the Companies contemplated having appointed as the Chief Restructuring Officer. This appointment did not come to pass.
21. As set out above, the Trustee has not had direct access to McCoshen during the NOI proceedings. In addition, another individual contracted by AARDC, who had been the Trustee's main point of contact for the Companies during the NOI proceedings, resigned on July 2, 2021. The Companies' remaining contractors do not appear to have the required authority to manage the Companies' operations, including completing required day to day banking transactions and communicating with Canada Revenue Agency.
22. The Trustee notes that none of the Companies' contractors appear to have comprehensive information regarding the Companies' assets and, since the Filing Date, the Trustee has become aware of additional assets of 719 that were not originally reported to the Trustee, being the NB Account and the Retainer.

MATERIAL ADVERSE CHANGE REPORT

23. Since the outset of the NOI proceedings, the Trustee has been engaged in discussions with the Bridging Receiver regarding the Companies' intended course of action during the NOI proceedings. On June 30, 2021, the Bridging Receiver advised the Trustee that it would not support any proposal filed by the Companies. Following those discussions, the Trustee issued correspondence to the Companies dated July 2, 2021 (the "July 2 Letter"), a copy of which is attached hereto as "Schedule 6".
24. The July 2 Letter outlines the Trustee's intention to issue a material adverse change report as a result of the following:
 - 24.1 Due to the size and nature of Bridging's claim, the Companies do not have the ability to make a viable proposal without Bridging's support;
 - 24.2 Outside of McCoshen, there is no party with the corporate authority to act on behalf of the Companies and McCoshen has not been accessible to the Trustee and others, in addition to which, the Receiver of Bridging has expressed concern regarding McCoshen's activities in relation to the Companies prior to the filing of their NOIs; and

- 24.3 The parties currently charged with the management of the day-to-day activities of the Companies do not appear to have comprehensive information regarding the Companies' assets.
- 25 On July 6, 2021, the Trustee exchanged email correspondence with Mr. Treadwell regarding the July 2 Letter, however, this did not resolve the concerns outlined in the MAC Report. The Trustee has been advised that McCoshen was provided with a copy of the July 2 Letter but no response to the July 2 Letter was received by the Trustee from McCoshen. As such, on July 7, 2021, the Trustee issued the MAC Report, a copy of which is attached hereto as "Schedule 7".

CASH FLOW

26. As noted above, attached as "Schedule 3" are the Cash Flows for the period from June 18, 2021 to September 17, 2021 (the "Forecast Period"). the Trustee notes that neither 719 nor 127 have any ongoing operations or hold operating accounts. As such, no opening cash balance is reported for either 719 nor 127 and no activity is reflected for either entity during the Forecast Period. The Cash Flow for AARDC reflects an opening cash balance of \$398,500 at the beginning of the Forecast Period with the only receipt during the Forecast Period being the return of an unused retainer of approximately \$43,700 by the Companies' former legal counsel, Cassels Brock & Blackwell LLP.
27. The Cash Flow includes disbursements of approximately \$424,000 with the most significant disbursements being summarized below.
- 27.1. Approximately \$212,600 payable to two contractors who are assisting in the day to day operations of the Companies and Mr. Treadwell and his team, who were expected to assist in a proposed future sale and investor solicitation process;
- 27.2. Professional fees of approximately \$160,000 payable to the Trustee and the Trustee's legal counsel. The Trustee understands that the Companies' legal counsel is holding a retainer and intends to draw down on that retainer for work done related to the NOI proceedings as such no professional fees for the Companies' legal counsel are reflected in the Cash Flow; and
- 27.3. Additional expenses relate to rent for the Alaska Office and various administrative and IT expenses.
28. The Trustee is holding a \$150,000 retainer with respect to the NOI proceedings that was paid by AARDC. Any unused portion will be returned to AARDC upon completion of the NOI proceedings.
29. As noted above, should an Interim Receiver be appointed at the July 12 Hearing, the Interim Receiver will need to revisit the Cash Flows in consultation with the Bridging Receiver and may file amended Cash Flows as needed.

VARIANCE ANALYSIS

30. Attached as "Schedule 5" is the variance analysis (the "Variance Analysis") for the two-week period from June 18, 2021 until July 2, 2021 (the "Variance Period"). The Variance Analysis is based on the Cash Flow and includes information as to timing and permanent variances reported by the Companies. Neither 719 nor 127 reflected any transactions during the Variance Period. AARDC reported the following permanent variances over the Variance Period:

30.1. Approximately \$15,800 for the payment of rent for the Vancouver Office for July 2021, a portion of which may be recoverable by AARDC; and

30.2. Approximately \$700 for a pre-authorized payment to Ford Credit (the "Ford Payment"). The Trustee has requested additional information regarding the Ford Payment since they previously understood that AARDC did not lease or own any vehicles.

RECOMMENDATION AND CONCLUSION

31. Based on the Trustee's review of the Company's operations and restructuring efforts to date, pursuant to Section 50.4(9) of the BIA, assuming the Interim Receiver is appointed, the Trustee is supportive of the Extension for AARDC on the following basis:

31.1. The remaining contractors of the Companies, who have been working with the Trustee over the course of the NOI proceedings, appear to be acting in good faith and with due diligence;

31.2. The appointment of the Interim Receiver will ensure that AARDC's assets are preserved for the benefit of the creditors, including Bridging;

31.3. The continuation of the NOI proceedings provides optionality in terms of being able to realize on the AARDC Assets either through the NOI proceedings or a subsequent insolvency proceeding and preserves the value of those AARDC Assets, including the Presidential Permit that may be compromised by the bankruptcy of AARDC; and

31.4. The Trustee is of the view that the Companies' creditors will not be materially prejudiced by the Extension and notes that the Bridging Receiver supports the Extension.

32. As set out herein, the Trustee is in support of the Extension and is of the view that the Initial Stay should be terminated for 719 and 127.

All of which is respectfully submitted this 7th day of July 2021.

MNP Ltd., in its capacity as Trustee under the Proposal of Alaska – Alberta Railway Development Corporation, 7198362 Manitoba Ltd. and 12703131 Canada Ltd. and not in its personal or corporate capacity

Per: _____



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

SCHEDULES

SCHEDULE 1



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

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

In the Matter of the Notice of Intention to make a proposal of:

Alaska - Alberta Railway Development Corporation

Insolvent Person

MNP LTD / MNP LTÉE

Licensed Insolvency Trustee

Date of the Notice of Intention:

June 18, 2021

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: June 18, 2021, 19:19

E-File/Dépôt Electronique

Official Receiver

Canada Place Building, 9700 Jasper Avenue NW, Suite 725, Edmonton, Alberta, Canada, T5J4C3, (877)376-9902

Canada 



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Alberta
Division No. 01 - Edmonton
Court No. 24-2746514
Estate No. 24-2746514

In the Matter of the Notice of Intention to make a proposal of:

7198362 Manitoba Ltd.

Insolvent Person

MNP LTD / MNP LTÉE

Licensed Insolvency Trustee

Date of the Notice of Intention:

June 18, 2021

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: June 18, 2021, 18:05

E-File/Dépôt Electronique

Official Receiver

Canada Place Building, 9700 Jasper Avenue NW, Suite 725, Edmonton, Alberta, Canada, T5J4C3, (877)376-9902

Canada 



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Alberta
Division No. 01 - Edmonton
Court No. 24-2746511
Estate No. 24-2746511

In the Matter of the Notice of Intention to make a proposal of:

12703131 Canada Ltd.

Insolvent Person

MNP LTD / MNP LTÉE

Licensed Insolvency Trustee

Date of the Notice of Intention:

June 18, 2021

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: June 18, 2021, 18:04

E-File/Dépôt Electronique

Official Receiver

Canada Place Building, 9700 Jasper Avenue NW, Suite 725, Edmonton, Alberta, Canada, T5J4C3, (877)376-9902

Canada 

SCHEDULE 2

Writer's Direct Line: 403-477-9661
Writer's Email: Vanessa.allen@mnp.ca

June 21, 2021

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

On June 18, 2021 (the “Filing Date”), the Company filed a Notice of Intention to Make a Proposal (the “NOI”) pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act* (the “BIA”). MNP Ltd. is acting as Trustee under the proposal. Information related to the NOI proceedings will be posted on MNP Ltd.’s website at <https://mnpdebt.ca/en/corporate/corporate-engagements/alaska-alberta-railway-development-corporation-7198362-manitoba-ltd-and-12703131-canada-ltd>.

Attached is a copy of the NOI, which includes a list of the Company’s known creditors as well as MNP Ltd.’s consent to act as Trustee under the Proposal.

Pursuant to section 69(1) of the BIA, all proceedings against the Company are now stayed and service to the Company cannot be discontinued.

The Company is now required to do the following:

1. File a statement of projected cash flow within 10 days of the Filing Date; and
2. File a proposal within 30 days of the Filing Date or within any further extension of that period that may be granted by the Court of Queen’s Bench of Alberta.

The Trustee is required to monitor the Company’s business and financial affairs during the Stay and report any material adverse change to the Office of the Superintendent of Bankruptcy and the Court.

Should you have any questions, please contact Rick Anderson via telephone at 403-537-8424 or via email at Rick.Anderson@mnp.ca.

Yours truly,

MNP Ltd.,

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



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

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

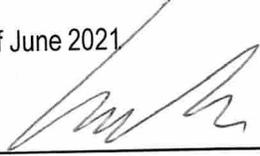
- FORM 33 -
Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

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

Take notice that:

1. I, Alaska - Alberta Railway Development Corporation, an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that I intend to make a proposal to my creditors.
2. MNP Ltd. of 1500, 640 - 5 Avenue SW, Calgary, AB, T2P 3G4, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.
3. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims is also attached.
4. Pursuant to section 69 of the Act, all proceedings against me are stayed as of the date of filing of this notice with the official receiver in my locality.

Dated at the city of Vancouver in the Province of British Columbia, this 18th day of June 2021



Alaska - Alberta Railway Development Corporation
Insolvent Person

To be completed by Official Receiver:

Filing Date

Official Receiver

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

- FORM 33 -
 Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)
 In the Matter of the Proposal of
 Alaska - Alberta Railway Development Corporation

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
5321328 Manitoba Inc.	2500 - 360 Main Street Winnipeg MB R3C 4H6		3,725,372.63
7198362 Manitoba Ltd.	2500 - 360 Main Street Winnipeg MB R3C 4H6		8,966,257.50
Air Alaska (Alpine)	2000 Airport Road NE Calgary AB T2E 6W5		2,111.20
Alayna Ward-Award Communications	553 Whites Road Trenton ON K8V 5P8		5,040.00
Altek Construction Ltd.	4 - 11720 Stewart Crescent Maple Ridge BC V2X 9E7		100,815.62
Arnold & Porter	P.O. Box 759451 Baltimore MD 21275-9451 USA		928,632.54
Axiom	11154 Bayshore Drive Anchorage AK 99515 USA		22,667.64
Barnes & Thornburg LLP	1000 N. West Street, Suite 1500 Wilmington DE 19801-1054 USA		13,013.00
Brattle	One Beacon Street, Suite 2600 Boston MA 02108 USA		333,065.62
Brian Love	22-23 Normandy Road Whitehorse YT Y1A 0L4		29,568.87
Bridging Income Fund LP	c/o PWC Suite 2600 - 18 York Street Toronto ON M5J 0B2		206,393,821.00
Bridging Income Fund LP	c/o PWC Suite 2600 - 18 York Street Toronto ON M5J 0B2		1,372,101.00
Britt Radius	1100, 630 - 6th Avenue SW Calgary AB T2P 0S8		692.53
CRA - Service Canada	140 Promenade Du Portage Phase IV 2nd Flr. Gatineau QC K1A 0J9		45,941.08
CSC	251 Little Falls Drive Wilmington Delaware 19808-1674 USA		487.64

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

- FORM 33 -
 Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

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

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Dean Dokkie	7779 West Moberly Road Moberly Lake BC V0C 1X0		4,253.26
Deborah Archibald (Archibald Robb Consulting)	Unit #1, 809 Sixth Street Canmore AB T1W 2V1		1,381.80
Don Pope - EcoStep Environmental Consulting Ltd	9126 - 80 Avenue NW Edmonton AB T6C 0T8		8,190.00
Fort Nelson First Nation	RR 1 Mile 295 Alaska Hwy Fort Nelson BC V0C 1R0		23,785.13
Future 500	588 Sutter Street, #212 San Francisco CA 94102 USA		14,111.08
HDR Engineering	100 York Boulevard, Suite 300 Richmond Hill ON L4B 1J8		1,114,996.14
Hydrogeological Consultants HCL	17740 - 118 Avenue NW Edmonton AB T5S 2W3		2,385.65
Jason Smith (Jacobs)	540 - 12th Avenue SW Calgary AB T2R 0H4		5,207.21
JP Gladu Expenses	Mokwateh 1 Copper Thunderbird Road SandPoint First Nation ON P0T 2B0		3,193.37
Keja Nokomis Whiteman	1500, 640 - 5th Avenue SW Calgary AB T2P 3G4		3,785.63
McKinsey	PO Box 7247-7255 Philadelphia PA 191 70-7255 USA		3,339,114.90
Navigator	121 King Street West, Suite 1810 Toronto ON M5H 3T9		236,115.38
Outcrop Communications Ltd	305 - 104 Elliott Street Whitehorse YT Y1A 0M8		4,751.35
Peter Wallis Consulting	110 Sienna Ridge Landing SW Calgary AB T3H 3T1		13,178.64
Pinpoint Consulting Inc.	7632 Quail Hill Road Charlotte NC 28210 USA		15,513.75
Prolog	PO Box 31798 Whitehorse YT Y1A 6L3		1,575.00

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

- FORM 33 -
 Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

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

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Sean McCoshen	12905 - 127 Avenue NW Edmonton AB T5L 1H8		250,000.00
Serecon	600 - 10665 Jasper Ave. Edmonton AB T5J 3S9		23,600.23
State of Alaska - Dept of Natural Resources	550 W 7th Avenue, Suite 1430 Anchorage AK 99501 USA		24,345.91
Tetrattech Yukon	14940 - 123 Avenue Edmonton AB T5V 1B4		876.75
Thompson Hine	3900 Key Tower, 127 Public Square Cleveland OH 441 14-129 USA		34,093.78
Thurber Engineering	4127 Roper Road Edmonton AB T6B 3S5		4,876.20
Torys	4600 525 - 8th Avenue SW Calgary AB T2P 1G1		379,017.05
Uptown Property Group	Suite 330 - 555 Sixth Street New Westminster BC V3L 5H1		15,793.71
US Department of the Interior (US Geological Survey)	1221 Sunrise Valley Drive Reston VA 20192 USA		274,297.50
Total			227,738,027.29

Alaska - Alberta Railway Development Corporation
 Insolvent Person

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

To whom it may concern,

This is to advise that we hereby consent to act as trustee under the Bankruptcy and Insolvency Act for the proposal of Alaska - Alberta Railway Development Corporation.

Dated at the city of Calgary in the Province of Alberta, this 18th day of June 2021.

MNP Ltd. - Licensed Insolvency Trustee

Per:



Vanessa Allen - Licensed Insolvency Trustee
1500, 640 - 5 Avenue SW
Calgary AB T2P 3G4
Phone: (403) 538-3187 Fax: (403) 537-8437

Writer's Direct Line: 403-477-9661
Writer's Email: Vanessa.allen@mntp.ca

June 21, 2021

Notice to the creditors of 7198362 Manitoba Ltd. (the "Company")

On June 18, 2021 (the "Filing Date"), the Company filed a Notice of Intention to Make a Proposal (the "NOI") pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act* (the "BIA"). MNP Ltd. is acting as Trustee under the proposal. Information related to the NOI proceedings will be posted on MNP Ltd.'s website at <https://mntpdebt.ca/en/corporate/corporate-engagements/alaska-alberta-railway-development-corporation-7198362-manitoba-ltd-and-12703131-canada-ltd>.

Attached is a copy of the NOI, which includes a list of the Company's known creditors as well as MNP Ltd.'s consent to act as Trustee under the Proposal.

Pursuant to section 69(1) of the BIA, all proceedings against the Company are now stayed and service to the Company cannot be discontinued.

The Company is now required to do the following:

1. File a statement of projected cash flow within 10 days of the Filing Date; and
2. File a proposal within 30 days of the Filing Date or within any further extension of that period that may be granted by the Court of Queen's Bench of Alberta.

The Trustee is required to monitor the Company's business and financial affairs during the Stay and report any material adverse change to the Office of the Superintendent of Bankruptcy and the Court.

Should you have any questions, please contact Rick Anderson via telephone at 403-537-8424 or via email at Rick.Anderson@mntp.ca.

Yours truly,

MNP Ltd.,

In its capacity as Trustee under the Proposal of
7198362 Manitoba Ltd. and not in its personal
or corporate capacity



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

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

- FORM 33 -
Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
7198362 Manitoba Ltd.

Take notice that:

1. I, 7198362 Manitoba Ltd., an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that I intend to make a proposal to my creditors.
2. MNP Ltd. of 1500, 640 - 5 Avenue SW, Calgary, AB, T2P 3G4, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.
3. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims is also attached.
4. Pursuant to section 69 of the Act, all proceedings against me are stayed as of the date of filing of this notice with the official receiver in my locality.

Dated at the city of Vancouver in the Province of British Columbia, this 18th day of June 2021.



7198362 Manitoba Ltd.
Insolvent Person

To be completed by Official Receiver:

Filing Date

Official Receiver

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

- FORM 33 -
Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
7198362 Manitoba Ltd.

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
7047747 Manitoba Inc.	2500 - 360 Main Street Winnipeg MB R3C 4H6		11,408,589.00
Bridging Income Fund LP	c/o PWC Suite 2600 - 18 York Street Toronto ON M5J 0B2		206,393,821.00
Bridging Income Fund LP	c/o PWC Suite 2600 - 18 York Street Toronto ON M5J 0B2		1,372,101.00
Total			219,174,511.00



7198362 Manitoba Ltd.
Insolvent Person

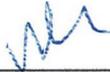
- Proposal Consent -
In the Matter of the Proposal of
7198362 Manitoba Ltd.

To whom it may concern,

This is to advise that we hereby consent to act as trustee under the Bankruptcy and Insolvency Act for the proposal of 7198362 Manitoba Ltd..

Dated at the city of Calgary in the Province of Alberta, this 18th day of June 2021.

MNP Ltd. - Licensed Insolvency Trustee
Per:



Vanessa Allen - Licensed Insolvency Trustee
1500, 640 - 5 Avenue SW
Calgary AB T2P 3G4
Phone: (403) 538-3187 Fax: (403) 537-8437

Writer's Direct Line: 403-477-9661
Writer's Email: Vanessa.allen@mnp.ca

June 21, 2021

Notice to the creditors of 12703131 Canada Ltd. (the "Company")

On June 18, 2021 (the "Filing Date"), the Company filed a Notice of Intention to Make a Proposal (the "NOI") pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act* (the "BIA"). MNP Ltd. is acting as Trustee under the proposal. Information related to the NOI proceedings will be posted on MNP Ltd.'s website at <https://mnpdebt.ca/en/corporate/corporate-engagements/alaska-alberta-railway-development-corporation-7198362-manitoba-ltd-and-12703131-canada-ltd>.

Attached is a copy of the NOI, which includes a list of the Company's known creditors as well as MNP Ltd.'s consent to act as Trustee under the Proposal.

Pursuant to section 69(1) of the BIA, all proceedings against the Company are now stayed and service to the Company cannot be discontinued.

The Company is now required to do the following:

1. File a statement of projected cash flow within 10 days of the Filing Date; and
2. File a proposal within 30 days of the Filing Date or within any further extension of that period that may be granted by the Court of Queen's Bench of Alberta.

The Trustee is required to monitor the Company's business and financial affairs during the Stay and report any material adverse change to the Office of the Superintendent of Bankruptcy and the Court.

Should you have any questions, please contact Rick Anderson via telephone at 403-537-8424 or via email at Rick.Anderson@mnp.ca.

Yours truly,

MNP Ltd.,

In its capacity as Trustee under the Proposal of
12703131 Canada Ltd. and not in its personal
or corporate capacity



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

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

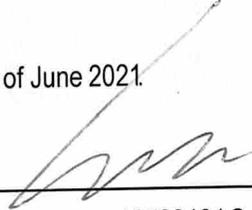
- FORM 33 -
Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
12703131 Canada Ltd.

Take notice that:

1. I, 12703131 Canada Ltd., an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that I intend to make a proposal to my creditors.
2. MNP Ltd. of 1500, 640 - 5 Avenue SW, Calgary, AB, T2P 3G4, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.
3. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims is also attached.
4. Pursuant to section 69 of the Act, all proceedings against me are stayed as of the date of filing of this notice with the official receiver in my locality.

Dated at the city of Vancouver in the Province of British Columbia, this 18th day of June 2021.



12703131 Canada Ltd.
Insolvent Person

To be completed by Official Receiver:

Filing Date

Official Receiver

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

- FORM 33 -
Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
12703131 Canada Ltd.

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Bridging Income Fund LP	c/o PWC Suite 2600 - 18 York Street Toronto ON M5J 0B2		206,393,821.00
Bridging Income Fund LP	c/o PWC Suite 2600 - 18 York Street Toronto ON M5J 0B2		1,372,101.00
Total			207,765,922.00



12703131 Canada Ltd.
Insolvent Person

- Proposal Consent -
In the Matter of the Proposal of
12703131 Canada Ltd.

To whom it may concern,

This is to advise that we hereby consent to act as trustee under the Bankruptcy and Insolvency Act for the proposal of 12703131 Canada Ltd..

Dated at the city of Calgary in the Province of Alberta, this 18th day of June 2021.

MNP Ltd. - Licensed Insolvency Trustee
Per:



Vanessa Allen - Licensed Insolvency Trustee
1500, 640 - 5 Avenue SW
Calgary AB T2P 3G4
Phone: (403) 538-3187 Fax: (403) 537-8437

SCHEDULE 3

Alaska - Alberta Railway Development Corporation ("AZA" or the "Company")
Statement of Projected Cash Flow
For the Thirteen Week Period from June 18, 2021 to September 17, 2021

Week ending:	25-Jun-21	02-Jul-21	09-Jul-21	16-Jul-21	23-Jul-21	30-Jul-21	06-Aug-21	13-Aug-21	20-Aug-21	27-Aug-21	03-Sep-21	10-Sep-21	17-Sep-21	Total	Notes
Receipts															
Miscellaneous receipts	\$ 43,701	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43,701	1
Total Receipts	43,701	-	-	-	-	-	-	-	-	-	-	-	-	43,701	
Disbursements															
Contractor fees				70,854				70,854					70,854	212,563	2
Rent		5,000					5,000				5,000			15,000	3
Office administration		1,050					1,050				1,050			3,150	
Website/Computer		7,094					7,094				7,094			21,281	
Restructuring costs				60,000									50,000	160,000	4
Contingency		1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000	
Total Disbursements	-	14,144	1,000	131,854	1,000	1,000	14,144	121,854	1,000	1,000	14,144	1,000	121,854	423,994	
Net Cash Flow	\$ 43,701	-\$ 14,144	-\$ 1,000	-\$ 131,854	-\$ 1,000	-\$ 1,000	-\$ 14,144	-\$ 121,854	-\$ 1,000	-\$ 1,000	-\$ 14,144	-\$ 1,000	-\$ 121,854	-\$ 380,293	
Bank Balance															
Beginning cash balance	\$ 398,525	\$ 442,226	\$ 428,082	\$ 427,082	\$ 295,228	\$ 294,228	\$ 293,228	\$ 279,084	\$ 157,230	\$ 156,230	\$ 155,230	\$ 141,086	\$ 140,086	\$ 398,525	5
Net cash flow	43,701	- 14,144	- 1,000	- 131,854	- 1,000	- 1,000	- 14,144	- 121,854	- 1,000	- 1,000	- 14,144	- 1,000	- 121,854	- 380,293	
Ending bank balance	\$ 442,226	\$ 428,082	\$ 427,082	\$ 295,228	\$ 294,228	\$ 293,228	\$ 279,084	\$ 157,230	\$ 156,230	\$ 155,230	\$ 141,086	\$ 140,086	\$ 18,232	\$ 18,232	

The Statement of Projected Cash Flow has been prepared by the Company's management pursuant to Section 50.4(2) of the Bankruptcy and Insolvency Act (the "BIA"). It is being filed specifically for the purposes contemplated in that section and readers are cautioned that it may not be appropriate for other purposes. In addition, the Statement of Projected Cash Flow has been prepared based on assumptions regarding future events, therefore actual results may vary from the estimates presented herein and these variances may be material.

Alaska - Alberta Railway Development Corporation, 7196983
Mantoba Inc. and 12703131 Canada Ltd.
Per: Mr. Sean McCreesh

MNP Ltd. in its capacity as Trustee under the Notice of Intention for Alaska - Alberta Railway Development Corporation, 7196983 Mantoba Inc. and 12703131 Canada Ltd.
Per: Vanessa Allen, Senior Vice President, MNP Ltd.

Agreed to by the proposed Chief Restructuring Officer of Alaska - Alberta Railway Development Corporation, 7196983 Mantoba Inc. and 12703131 Canada Ltd.
Per: Mr. Mead Treadwell

28 June 2021

Alaska - Alberta Railway Development Corporation ("AZA" or the "Company")
Statement of Projected Cash Flow
For the Thirteen Week Period from June 18, 2021 to September 17, 2021

General notes:

1. On June 18, 2021, AZA, 7196983 Manitoba Ltd. ("719") and 12703131 Canada Ltd. ("127") filed Notices of Intention to Make Proposals (the "NOI(s)") pursuant to Section 50.4(1) of the BIA.
2. Unless otherwise stated, all amounts are based on historical data and management estimates.
3. The Statement of Projected Cash flow does not include any payments to the Company's creditors pursuant to any future proposal that may be developed by the Company pursuant to the BIA.
4. All amounts are in Canadian dollars. Amounts payable in USD have been converted at a rate \$1.00 US: \$1.25 CDN.
5. AZA's operations are limited to preserving the value of its intellectual property, including various permits and agreements related to the development of a railway from Alberta to Alaska.
6. The Company will be making an application to procedurally consolidate the NOI proceedings for AZA, 719 and 127.

Specific notes:

1. Represents the return of a retainer from Cassels Brock & Blackwell LLP.
2. Includes amounts payable to two contractors who are assisting in the day to day operations of the Companies and one contractor who is intended to act as the Chief Restructuring Officer (the "CRO") and his team during the NOI proceedings and will be critical to any future sale and investor solicitation process.
3. The Companies were operating out of premises located at 1200-900 W Hastings in Vancouver, B.C. (the "Premises"). The Companies are in the process of disclaiming their lease on the Premises pursuant to Section 65.11(1) of the BIA. In addition, the Companies lease an office located in Anchorage, Alaska, which will remain in use by the CRO.
4. Represents amounts payable to the proposal Trustee and the Proposal Trustee's legal counsel for professional fees and disbursements during the restructuring proceedings. The Trustee is holding a \$150,000 retainer with respect to their professional fees and disbursements, any unused portion of which will be returned to the Companies upon completion of the restructuring proceedings.
5. Represents cash held in the Companies' bank account at the Bank of Montreal.

7196983 Manitoba Ltd. ("719" or the "Company")
Statement of Projected Cash Flow
For the Thirteen Week Period from June 18, 2021 to September 17, 2021

Week ending:	25-Jun-21	02-Jul-21	09-Jul-21	16-Jul-21	23-Jul-21	30-Jul-21	06-Aug-21	13-Aug-21	20-Aug-21	27-Aug-21	03-Sep-21	10-Sep-21	17-Sep-21	Total	Notes
Receipts															
Miscellaneous receipts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Receipts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Disbursements															
Miscellaneous disbursements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Disbursements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net Cash Flow	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Bank Balances															
Beginning cash balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1
Net cash flow	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Ending bank balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

The Statement of Projected Cash Flow has been prepared by the Company's management pursuant to Section 50.4(2) of the Bankruptcy and Insolvency Act (the "BIA"). It is being filed specifically for the purposes contemplated in that section and readers are cautioned that it may not be appropriate for other purposes. In addition, the Statement of Projected Cash Flow has been prepared based on assumptions regarding future events, therefore actual results may vary from the estimates presented herein and these variances may be material.

Alaska - Alberta Railway Development Corporation, 7196983
Manitoba Ltd. and 12703131 Canada Ltd.

Per: Mr. Sean McCoshen

MNP Ltd. in its capacity as Trustee under the Notice of Intention for Alaska - Alberta Railway
Development Corporation, 7196983 Manitoba Ltd. and 12703131 Canada Ltd.

Per: Vanessa Allen, Senior Vice President, MNP Ltd.

Agreed to by the proposed Chief Restructuring Officer of Alaska -
Alberta Railway Development Corporation, 7196983 Manitoba Ltd.
and 12703131 Canada Ltd.

Per: Mr. Mead Treaswell

28 June 2021

General notes:

1. On June 18, 2021, Alaska - Alberta Railway Development Corporation ("AZA"), 719 and 12703131 Canada Ltd. ("127") filed Notices of Intention to Make Proposals pursuant to Section 50.4(1) of the BIA.
2. An application is being made to procedurally consolidate the NOI proceedings for AZA, 7196983 Manitoba Ltd. and 12703131 Canada Ltd. All costs associated with the restructuring are being paid by AZA, which has limited ongoing operations.

Specific notes:

1. The Company does not have a bank account.

12703131 Canada Ltd. ("127" or the "Company")
Statement of Projected Cash Flow
For the Thirteen Week Period from June 18, 2021 to September 17, 2021

Week ending:	25-Jun-21	02-Jul-21	09-Jul-21	16-Jul-21	23-Jul-21	30-Jul-21	06-Aug-21	13-Aug-21	20-Aug-21	27-Aug-21	03-Sep-21	10-Sep-21	17-Sep-21	Total	Notes
Receipts															
Miscellaneous receipts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Total Receipts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Disbursements															
Miscellaneous disbursements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Disbursements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Bank Balance															
Beginning cash balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Net cash flow	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending bank balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-

The Statement of Projected Cash Flow has been prepared by the Company's management pursuant to Section 50.4(2) of the *Bankruptcy and Insolvency Act* (the "BIA"). It is being filed specifically for the purposes contemplated in that section and readers are cautioned that it may not be appropriate for other purposes. In addition, the Statement of Projected Cash Flow has been prepared based on assumptions regarding future events, therefore actual results may vary from the estimates presented herein and these variances may be material.

Alaska - Alberta Railway Development Corporation, 7196983
Manitoba Ltd. and 12703131 Canada Ltd.

Per: Mr. Sean McCoshen

Agreed to by the proposed Chief Restructuring Officer of Alaska -
Alberta Railway Development Corporation, 7196983 Manitoba Ltd.
and 12703131 Canada Ltd.

Per: Mr. Mead Treadwell

78 June 2021

MNP Ltd. in its capacity as Trustee under the Notice of Intention for Alaska - Alberta Railway
Development Corporation, 7196983 Manitoba Ltd. and 12703131 Canada Ltd.

Per: Vanessa Allen, Senior Vice President, MNP Ltd.

General notes:

1. On June 18, 2021, Alaska - Alberta Railway Development Corporation ("AZA"), 719 and 12703131 Canada Ltd. ("127") filed Notices of Intention to Make Proposals pursuant to Section 50.4(1) of the BIA.
2. An application is being made to procedurally consolidate the NOI proceedings for AZA, 7196983 Manitoba Ltd. and 12703131 Canada Ltd. All costs associated with the restructuring are being paid by AZA, which has limited ongoing operations.

SCHEDULE 4

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

- FORM 30 -

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

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

I, Alaska - Alberta Railway Development Corporation, have developed the assumptions and prepared the attached statement of projected cash flow of the insolvent person, as of the 28th day of June 2021 consisting of the Statement of Projected Cash Flow for the Thirteen Week Period from June 18, 2021 to September 17, 2021.

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

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

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

Dated at the city of Calgary in the Province of Alberta, this 28th day of June 2021.

Alaska - Alberta Railway Development
Corporation
Debtor

Sean McCoshen, Director

Agreed to by the proposed Chief Restructuring Officer, Mr. Mead Treadwell

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

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

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

The attached statement of projected cash flow of Alaska - Alberta Railway Development Corporation, as of the 28th day of June, 2021, consisting of the Statement of Projected Cash Flow for the Thirteen Week Period from June 18, 2021 to September 17, 2021, has been prepared by the management of the insolvent person (or the insolvent debtor) for the purpose described in the notes attached, using the probable and hypothetical assumptions set out in the notes attached.

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

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

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

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

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

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

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

Dated at the city of Calgary in the Province of Alberta, this 28th day of June 2021.

MNP Ltd. - Licensed Insolvency Trustee

Per:



Vanessa Allen - Licensed Insolvency Trustee
1500, 640 - 5 Avenue SW
Calgary AB T2P 3G4
Phone: (403) 538-3187 Fax: (403) 537-8437

District of: Alberta
Division No. 01 - Edmonton
Court No. 24-2746514
Estate No. 24-2746514

- FORM 30 -

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

In the Matter of the Proposal of
7198362 Manitoba Ltd.

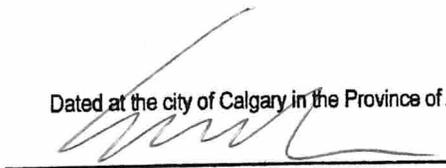
I, 7198362 Manitoba Ltd., have developed the assumptions and prepared the attached statement of projected cash flow of the insolvent person, as of the 28th day of June 2021 consisting of the Statement of Projected Cash Flow for the Thirteen Week Period from June 18, 2021 to September 17, 2021.

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

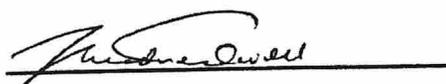
Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

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

Dated at the city of Calgary in the Province of Alberta, this 28th day of June 2021.


7198362 Manitoba Ltd., Debtor


Sean McCoshen, Director


7198362 Manitoba Ltd.

Agreed to by the proposed Chief Restructuring Officer, Mr. Mead Treadwell

District of: Alberta
Division No. 01 - Edmonton
Court No. 24-2746514
Estate No. 24-2746514

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

In the Matter of the Proposal of
7198362 Manitoba Ltd.

The attached statement of projected cash flow of 7198362 Manitoba Ltd., as of the 28th day of June 2021, consisting of the Statement of Projected Cash Flow for the Thirteen Week Period from June 18, 2021 to September 17, 2021, has been prepared by the management of the insolvent person (or the insolvent debtor) for the purpose described in the notes attached, using the probable and hypothetical assumptions set out in the notes attached.

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

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

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

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

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

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

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

Dated at the city of Calgary in the Province of Alberta, this 28th day of June 2021.

MNP Ltd. - Licensed Insolvency Trustee
Per:

Vanessa Allen - Licensed Insolvency Trustee
1500, 640 - 5 Avenue SW
Calgary AB T2P 3G4
Phone: (403) 538-3187 Fax: (403) 537-8437

District of: Alberta
Division No. 01 - Edmonton
Court No. 24-2746511
Estate No. 24-2746511

- FORM 30 -

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

In the Matter of the Proposal of
12703131 Canada Ltd.

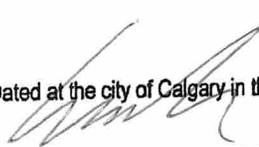
I, 12703131 Canada Ltd., have developed the assumptions and prepared the attached statement of projected cash flow of the insolvent person, as of the 28th day of June 2021 consisting of the Statement of Projected Cash Flow for the Thirteen Week Period from June 18, 2021 to September 17, 2021.

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

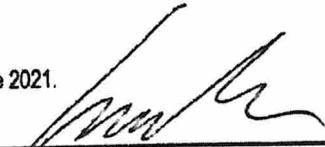
Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

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

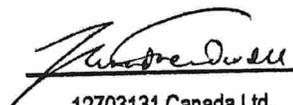
Dated at the city of Calgary in the Province of Alberta, this 28th day of June 2021.



12703131 Canada Ltd., Debtor



Sean McCoshen, Director



12703131 Canada Ltd.
Agreed to by the proposed Chief Restructuring Officer, Mr. Mead Treadwell

District of: Alberta
Division No. 01 - Edmonton
Court No. 24-2746511
Estate No. 24-2746511

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

In the Matter of the Proposal of
12703131 Canada Ltd.

The attached statement of projected cash flow of 12703131 Canada Ltd., as of the 28th day of June, 2021, consisting of the Statement of Projected Cash Flow for the Thirteen Week Period from June 18, 2021 to September 17, 2021, has been prepared by the management of the insolvent person (or the insolvent debtor) for the purpose described in the notes attached, using the probable and hypothetical assumptions set out in the notes attached.

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

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

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

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

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

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

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

Dated at the city of Calgary in the Province of Alberta, this 28th day of June 2021.

MNP Ltd. - Licensed Insolvency Trustee

Per:



Vanessa Allen - Licensed Insolvency Trustee
1500, 640 - 5 Avenue SW
Calgary AB T2P 3G4
Phone: (403) 538-3187 Fax: (403) 537-8437

SCHEDULE 5

Alaska - Alberta Railway Development Corporation ("AARDC" or the "Company")
Variance Analysis
For the Two Week Period Ended July 2, 2021

Week ending:	Forecast (F)	Actual (A)	Variance (A -F)	Notes
	Total	Total	Total	
Receipts				
Miscellaneous receipts	\$ 43,701	\$ 43,702	1	1
Total Receipts	43,701	43,702	1	
Disbursements				
Contractor fees	-	3,333	3,333	1
Rent	5,000	15,794	10,794	2
Office administration	1,050	-	1,050	1
Website/Computer	7,094	-	7,094	1
Restructuring costs	-	-	-	
Contingency	1,000	712	288	3
Total Disbursements	14,144	19,839	5,695	
Net Cash Flow	\$ 29,557	\$ 23,862	\$ 5,696	
Bank Balance				
Beginning cash balance	\$ 398,525	\$ 398,525	\$ 0	
Net cash flow	29,557	23,862	5,695	
Ending bank balance	\$ 428,082	\$ 422,387	-\$ 5,695	

Notes:

1. Represents timing related variances that are expected to reverse themselves in future weeks.
2. Approximately \$15,800 for the payment of rent for the office located at Suite 500, 900 West Hastings Street in Vancouver, B.C. (the "Vancouver Office") for July 2021 was not previously forecast. AARDC disclaimed their interest in the lease on the Vancouver Office effective July 29, 2021. The remaining variance is timing related.
3. Approximately \$700 was paid for a pre-authorized payment to Ford Credit (the "Ford Payment"). The Company is requesting additional information regarding the Ford Payment.

SCHEDULE 6

Writer's Direct Line: 587-702-5963

Writer's Email: vanessa.allen@mnp.ca

Via Email : mtreadwell@a2arail.com/ hstangl@mccoshen.com

July 2, 2021

Alaska – Alberta Railway Development Corporation
12905 127 Avenue NW
Calgary, AB T5L 1H8

Attention: Mr. Mead Treadwell/ Mr. Sean McCoshen (provided via Hanna Stangl)

Dear Sirs,

RE: Alaska – Alberta Railway Development Corporation, 7198362 Manitoba Ltd. and 12703131 Canada Ltd. (the “Companies”) – Notice of Intention to Make a Proposal (“NOIs”)

As you are aware, as Trustee under the NOIs, we are charged with monitoring the Companies' operations during the NOI proceedings. Pursuant to Section 50(10) of the *Bankruptcy and Insolvency Act* (the “BIA”), the Trustee must, upon ascertaining a material adverse change in the insolvency person's projected cash-flow or financial circumstances, send a report to the Official Receiver, the creditors and the Court (the “Material Adverse Change Report”).

The purpose of this correspondence is to notify you that the Trustee has determined that a material adverse change has occurred as a result of the following:

1. The Companies' most significant creditor, Bridging Income Fund LP (“Bridging”), by its Court-appointed Receiver, has advised the Trustee that it will not support any proposal filed by the Companies. Due to the size and nature of Bridging's claim, the Companies do not have the ability to make a viable proposal without Bridging's support;
2. Outside of Mr. Sean McCoshen, there is no party with the corporate authority to act on behalf of the Companies. We have been advised that Mr. McCoshen is currently under medical care and

is not involved in the day to day operations of the Companies. Further, Mr. McCoshen has not, during the course of the Companies' NOI proceedings been easily accessible to the Trustee and others, in addition to which, the Receiver of Bridging has expressed concern regarding Mr. McCoshen's activities in relation to the Companies prior to the filing of their NOIs; and

3. The parties currently charged with the management of the day-to-day activities of the Companies do not appear to have comprehensive information regarding the Companies' assets.

Please provide a response, including any additional information to be considered by the Trustee by the close of business on July 6, 2021. Should the information that is provided not be sufficient to change the Trustee's assessment that a material adverse change has occurred, the Trustee intends to issue the Material Adverse Change Report forthwith and further intends to make an application to the Court of Queen's Bench of Alberta pursuant to Section 50.4(11) of the BIA to terminate the stay of proceedings. The Trustee has been asked by the Companies' counsel to re-schedule the currently booked hearing date to July 16, 2021.

Yours truly,

MNP Ltd., in its capacity as Proposal Trustee of
Alaska – Alberta Railway Development Corporation,
7198362 Manitoba Ltd. and 12703131 Canada Ltd.
not in its personal or corporate capacity



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

cc. Dickinson Wright LLP

SCHEDULE 7

District of Alberta

Division of No. 01 – Edmonton

Court No. 24-2746532, 24-2746511, 24-2746514

Estate No. 24-2746532, 24-2746511, 24-2746514

REPORT OF TRUSTEE PURSUANT TO SECTION 50(10)

**IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE PROPOSALS FOR ALASKA –
ALBERTA RAILWAY DEVELOPMENT CORPORATION, 7198362 MANITOBA LTD. AND 12703131
CANADA LTD.**

Introduction

The purpose of this report (the “Material Adverse Change Report”) is to provide the Official Receiver, the Court of Queen’s Bench of Alberta (the “Court”) and other interested parties with notice, pursuant to Section 50(10) of the *Bankruptcy and Insolvency Act* (the “BIA”), that the Trustee has determined that a material adverse change in the Companies’ financial circumstances has occurred as further set out below.

Background

On June 18, 2021, Alaska – Alberta Railway Development Corporation (“AARDC”), 7198362 Manitoba Ltd. (“719”) and 12703131 Canada Ltd. (“127”, collectively with AARDC and 719 “the “Companies”) filed Notices of Intention to Make Proposals (the “NOIs”) pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act, RSC 1985, c B-3* (the “BIA”). MNP Ltd. consented to act as Trustee under the NOIs (the “Trustee”).

On June 28, 2021, Statements of Projected Cash Flow for the Period from June 18, 2021 to September 17, 2021 were filed for each of the Companies.

As a result of filing their NOIs, the Companies were each granted a 30 day stay of proceedings pursuant to Section 69(1) of the BIA (the “Initial Stay”). The Companies are required to file a proposal within the Initial Stay or within any further extension of that period granted by the Court.

The NOI proceedings were initiated following the receivership of the Companies’ primary secured lender, Bridging Finance Inc. (“BFI”) and certain other entities and investment funds related to BFI (collectively, “Bridging”) pursuant to Orders granted on April 30, 2021 and May 3, 2021. PricewaterhouseCoopers Inc. (“PwC”) acts as the Court-appointed Receiver of Bridging (the “Bridging Receiver”). On June 8, 2021, the

Bridging Receiver issued a demand letter and a Notice of Intention to Enforce Security to AARDC pursuant to Section 244 of the *BIA* and demand letters to 719 and 127.

Material Adverse Change

The Trustee has determined that a material adverse change in the Companies' financial circumstances has occurred as a result of the following:

1. The Bridging Receiver has advised the Trustee that it will not support any proposal filed by 719 and 127 and that it will only support any extension to the Initial Stay for AARDC in the event that an Interim Receiver is appointed in respect of AARDC. Due to the size and nature of Bridging's claim, the Companies do not have the ability to make a viable proposal without Bridging's support.
2. Outside of Mr. Sean McCoshen, there is no party with the corporate authority to act on behalf of the Companies. The Trustee has been advised that Mr. McCoshen is currently under medical care and is not involved in the day to day operations of the Companies. Further, Mr. McCoshen has not, during the course of the Companies' NOI proceedings been accessible to the Trustee other than through the Companies' counsel, Dickinson Wright LLP, in addition to which, the Receiver of Bridging has expressed concern regarding Mr. McCoshen's activities in relation to the Companies prior to the filing of their NOIs.
3. The parties currently charged with the management of the day-to-day activities of the Companies do not appear to have comprehensive information regarding the Companies' assets or the required authority to manage the Companies' operations.

Accordingly, the Proposal Trustee is of the opinion that these events represent a material adverse change in the Companies' circumstances that will preclude 719 and 127 from being able to file a proposal to their creditors and will, absent the appointment of an Interim Receiver, also preclude AARDC from being able to file a proposal to its creditors.

The Trustee will be making an application, currently scheduled to be heard on July 12, 2021 (the "July 12 Hearing") for the termination of the Initial Stay in respect of 719 and 127. Also, at the July 12 Hearing, the Bridging Receiver will be making an application to appoint MNP Ltd. as the Interim Receiver of AARDC, which will resolve the lack of any person having corporate authority for AARDC. Assuming this relief is granted, the Interim Receiver will be making an application for an extension of the Initial Stay for AARDC. This report and all publicly available information filed in support of the July 12 Hearing will be posted on

the Trustee's website at <https://mnpdebt.ca/en/corporate/corporate-engagements/alaska-alberta-railway-development-corporation-7198362-manitoba-ltd-and-12703131-canada-ltd>.

Dated at Calgary, Alberta this 7th day of July 2021.

MNP Ltd., in its capacity as Proposal Trustee of
Alaska – Alberta Railway Development Corporation,
7198362 Manitoba Ltd. and 12703131 Canada Ltd.
not in its personal or corporate capacity



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