Court File No. CV-17-580840-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 1715439 ONTARIO INC. (FORMERLY KNOWN AS INDEX ENERGY MILLS ROAD CORPORATION)

Applicant

THIRD REPORT OF THE MONITOR

FEBRUARY 15, 2018

Grant Thornton Limited,
Monitor of the Applicant under the
Companies' Creditors Arrangement Act

200 King Street West, 11th Floor
Toronto, Ontario, M5H 3T4

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THIRD REPORT OF THE MONITOR

FEBRUARY 15, 2018

INTRODUCTION

1. On August 16, 2017, 1715439 Ontario Inc. (formerly known as Index Energy Mills Road Corporation) (the "**Applicant**" or "**Index Energy Ajax**") made an application to the Ontario Superior Court of Justice (Commercial List) (the "**Court**") to commence proceedings under the *Companies' Creditors Arrangement Act* (the "**CCAA Proceedings**"). On that day, the Court issued an Order (the "**Initial Order**") granting the Applicant's requested relief and appointing Grant Thornton Limited ("**GTL**") as monitor (the "**Monitor**") in the CCAA Proceedings.

2. The Initial Order, among other things:

(a) granted a stay of proceedings in favour of Index Energy Ajax until and including September 15, 2017, or such later date as the Court may order (the "**Stay Period**"); and

(b) authorized Index Energy Ajax to borrow the maximum sum of $5,000,000 pursuant to a credit facility (the "**DIP Facility**") as interim financing from Index Equity US LLC ("**Index US**", and, in this capacity, the "**DIP Lender**") with a maximum amount of $1,600,000 permitted to be borrowed under the DIP Facility prior to the approval of a SISP acceptable to the Agent or further order of the Court.

3. The affidavit of Mr. Rickard Haraldsson, a director of Index Energy Ajax and Index Equity Sweden AB, the parent company of Index Energy Sweden AB ("**Index Sweden**"), a majority shareholder of the Applicant, sworn on August 15, 2017 (the "**Haraldsson Affidavit**") and filed in connection with the CCAA Proceedings, describes, *inter alia*, the Applicant's background, including the reasons for the requested CCAA Proceedings. In its capacity as proposed monitor, GTL filed a report with the Court dated August 15, 2017 (the "**Pre-Filing Report**"), which provided information on certain aspects of the Applicant's requested relief and the proposed Initial Order.

4. On September 11, 2017, the Court issued an Order (Stay Extension and DIP Extension) (the "**Extension Order**") and an endorsement dated September 11, 2017 that, among other things:

(a) extended the Stay Period to and including December 22, 2017;

(b) approved the activities of the Monitor as set out in the first report of the Monitor dated September 6, 2017 (the "**First Report**"); and

(c) authorized the Company to obtain and borrow the full amount of the DIP Facility (i.e. $5,000,000).

5. Also, on September 11, 2017, the Court issued an Order (the “**SISP Approval Order**”) which, among other things, approved:

(a) the sale and investment solicitation (the “**SISP**”) procedure as defined and detailed in Schedule “A” of the SISP Approval Order; and

(b) the asset purchase agreement dated as of September 1, 2017 (the "**Stalking Horse Agreement**") between the Applicant and Index Residence (in its capacity as purchaser under the Stalking Horse Agreement, the "**Stalking Horse Bidder**").

6. On December 11, 2017, the Court issued an Order (Stay Extension) (the “**Second Extension Order**”) and an endorsement dated December 11, 2017 that, among other things:

(a) extended the Stay Period to and including February 28, 2018;

(b) approved the activities of the Monitor as set out in the second report of the Monitor dated November 30, 2017 (the “**Second Report**”); and

(c) approved the fees and disbursements of the Monitor and of its counsel, Goodmans LLP (“**Goodmans**”), as set out in the Second Report, the Affidavit of Michael Creber sworn November 29, 2017, and the Affidavit of Brian Empey sworn November 29, 2017.

7. Also, on December 11, 2017, the Court issued an Order (Approval and Vesting Order) (the “**Approval and Vesting Order**”) which, among other things:

(a) approved the Transaction (as defined below) contemplated in the Stalking Horse Agreement;

(b) upon the closing of the Transaction:

  (i) vested Index Energy Ajax's interest in and to the Purchased Assets (as defined in the Stalking Horse Agreement) other than certain litigation against HMI Construction Inc. and its counsel (the "**HMI Litigation**") in Index Energy Ajax Corporation ("**BusinessCo**") as assignee of the Stalking Horse Bidder, free and clear of all encumbrances;

  (ii) vested Index Energy Ajax's interest in the HMI Litigation in Mills Road Corporation ("**LitigationCo**") as assignee of the Stalking Horse Bidder, free and clear of all encumbrances;

  (iii) authorized the filing of Articles of Reorganization to effect a name change of the Applicant; and

  (iv) approved the proposed distribution to the Agent, on behalf of the Syndicate, as described herein.

8. A copy of the Second Report (without Appendices) is attached hereto as **Appendix "1"**.

9. All materials filed with the Court in the CCAA Proceedings are accessible on the Monitor's website at: www.GrantThornton.ca/IndexEnergy (the "**Monitor's Website**").

PURPOSE OF THE THIRD REPORT

10. The purpose of this third report of the Monitor (the "**Third Report**") is to advise the Court with respect to:

(a) the Applicant's operations, communications with stakeholders, and other activities conducted since the issuance of the Second Extension Order;

(b) the closing of the Transaction and the distribution of proceeds;

(c) the status of and final steps required to conclude the administration of these CCAA Proceedings;

(d) the Monitor's activities since the Second Report;

(e) the Applicant's motion seeking an Order (the "**CCAA Termination Order**"), among other things:

   (i) extending the Stay Period (as defined in paragraph 13 of the Initial Order) until 11:59 p.m. on the day on which the Monitor files the certificate attached as Schedule "A" to the CCAA Termination Order (the "**Discharge Certificate**") with the Court;

   (ii) approving this Third Report and the Monitor's activities as described in this Third Report;

   (iii) approving the fees and disbursements of the Monitor as described herein;

   (iv) approving the fees and disbursements of the Monitor's independent counsel, Goodmans as described herein; and

   (v) upon the filing by the Monitor of the Discharge Certificate, discharging GTL as Monitor and terminating these CCAA Proceedings.

SCOPE AND TERMS OF REFERENCE

11. In preparing this Third Report, the Monitor has relied upon unaudited financial information, the Applicant's records, financial information and projections, and discussions with the Applicant's current and past management (the "**Management**"), including Joseph Aletto (Chief Executive Officer) and Derek Blais (President). While the Monitor reviewed various documents provided by the Applicant (including, among other things, unaudited internal financial statements and financial projections) and believes that the information therein provides a fair summary of the transactions as reflected in the documents, such work does not constitute an audit or verification of such information for accuracy, completeness or compliance with Generally Accepted Assurance Standards ("**GAAS**"), Generally Accepted Accounting Principles ("**GAAP**"), or International Financial Reporting Standards ("**IFRS**"). Accordingly, the Monitor expresses no opinion or other form of assurance pursuant to GAAS, GAAP or IFRS with respect to such information.

12. In the course of its mandate, the Monitor has assumed the integrity and truthfulness of the information and explanations presented to it by the Applicant and its Management, within the context in which such information was presented. To date, nothing has come to the Monitor's attention that would cause it to question the reasonableness of these assumptions. The Monitor has requested that Management bring to its attention any significant matters which were not addressed in the course of the Monitor's specific inquiries. Accordingly, the Monitor has relied upon the information (financial or otherwise) made available to the Monitor by the Applicant and its Management in connection with the preparation of this Third Report.

13. This Third Report has been prepared for the use of this Court and the Applicant's stakeholders as general information relating to the Applicant and to assist the Court in

determining whether to grant the relief sought by the Applicant. Accordingly, the reader is cautioned that this Third Report may not be appropriate for any other purpose. The Monitor will not assume responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of this Third Report contrary to the provisions of this paragraph.

14. Capitalized terms not defined in this Third Report have the meanings ascribed to them in the Second Report.

15. All references to dollars are in Canadian currency unless otherwise noted.

SISP AND CLOSING OF THE TRANSACTION

16. As set out in the First Report, the SISP was developed by the Applicant in consultation with the Monitor and the Agent, to solicit offers from Bidders (as defined in the SISP Approval Order) on an "as is, where is" basis to purchase the Property of Index Energy Ajax and/or make an investment in the business of Index Energy Ajax which is superior to the offer contemplated in the Stalking Horse Agreement. A copy of the SISP Procedure is attached as Schedule "A" to the SISP Approval Order while a summary of the SISP is provided in paragraphs 22 to 37 of the First Report.

17. The SISP was supported by the Stalking Horse Bid submitted by the Stalking Horse Bidder in the form of an asset purchase agreement entered into between Index Energy Ajax and Index Residence AB (the "**Stalking Horse Purchaser**") dated as of September 1, 2017 (the "**Stalking Horse Agreement**"). A summary of the Stalking Horse Agreement is included in paragraphs 38 to 47 of the First Report.

18. As outlined in the Second Report, the SISP did not yield a Qualified Bid (as defined in the SISP Approval Order) other than the bid submitted by the Stalking Horse Purchaser. As a

result, in accordance with the terms of the SISP, the Stalking Horse Purchaser's bid was declared the Accepted Bid. Pursuant to the Approval and Vesting Order, the sale transaction (the "**Transaction**") contemplated by the Stalking Horse Agreement was approved. The closing date for the Transaction, as contemplated in the Stalking Horse Agreement, was January 12, 2018 (the "**Scheduled Closing Date**").

19. On January 11, 2018, the Stalking Horse Purchaser, entered into an amended and restated assignment and assumption agreement with BusinessCo, and LitigationCo (collectively, the "**Purchasers**") (the "**Assignment and Assumption Agreement**"), whereby:

(a) the Stalking Horse Purchaser assigned to LitigationCo all of the rights of the Stalking Horse Purchaser under the Stalking Horse Agreement to purchase the HMI Litigation Assets (as such term is defined in the Stalking Horse Agreement), and LitigationCo assumed all of the obligations of the Stalking Horse Purchaser under the Stalking Horse Agreement to pay that portion of the Purchase Price (defined below) and to assume the HMI Litigation Liabilities (as such term is defined in the Stalking Horse Agreement); and

(b) the Stalking Horse Purchaser assigned to BusinessCo all of the rights of the Stalking Horse Purchaser under the Stalking Horse Agreement (other than the rights of the Stalking Horse under the Stalking Horse Agreement assigned LitigationCo), and BusinessCo assumed all of the obligations of the Stalking Horse Purchaser under the Stalking Horse Agreement (other than the obligations of the Stalking Horse Purchaser under the Stalking Horse Agreement assumed by LitigationCo);

20. Upon the Transaction closing, the purchase price (the “**Purchase Price**”) paid by the Purchasers under the Stalking Horse Agreement consisted of:

(a) $10,000,000.00 that was being held by the Monitor in its capacity as escrow agent under the escrow agreement dated September 1, 2017 (the “**Escrow Agreement**”) among the Monitor, Index Energy Ajax, the Stalking Horse Bidder and the Agent (the “**Escrowed Purchase Price Component**”);

(b) a further $10,000,000.00 (the “**Cash Purchase Price Amount**”);

(c) $140,000.00 in respect of amounts outstanding under the Administration Charge at the closing date together with the Monitor’s estimate of professional fees of the Monitor, its counsel and the Applicant’s counsel to be incurred from the closing date of the Transaction to the discharge of the Monitor (the “**Administration Charge Amount**”);

(d) $743,086.95 in respect of amounts secured by Encumbrances (other than the Permitted Encumbrances) that rank in priority to the Syndicate Security or repayment of the Syndicate Facilities (the “**Priority Amount**”, together with the Cash Purchase Price Amount, the Administration Charge Amount the “**Non-Escrowed Cash Component**”); and

(e) the assumption of the amount outstanding under the DIP Facility, which was $5,000,000.00 at the time of closing of the Transaction, and certain other trade and other obligations of Index Energy Ajax.

21. The purchase price also included all amounts outstanding secured by the Directors’ Charge (as defined in the Initial Order). Prior to the closing of the Transaction, the directors

and officers of the Applicant confirmed to the Monitor that such amount was nil and agreed to the release of the Directors' Charge.

<u>Closing and Distribution of Proceeds</u>

22. On January 29, 2018, after extending the Scheduled Closing Date pursuant to three (3) amendments to the Stalking Horse Agreement, the Monitor received confirmation from the Applicant and the Stalking Horse Purchaser that all conditions to closing contained in the Stalking Horse Agreement had been satisfied or waived. Upon receipt by the Monitor of a direction to release the Escrowed Purchase Price Component from escrow in accordance with the Escrow Agreement and the entirety of the Non-Escrowed Cash Component ($10,883,086.95), the Transaction closed and the Monitor executed its Monitor's Certificate dated January 29, 2018 and distributed same in accordance with the *Rules of Civil Procedure* and the Initial Order.

23. On January 29, 2018, following the closing of the Transaction, the Monitor:

(a) distributed $20,000,000.00 to the Agent as a partial repayment of the principal amount owing to the Syndicate (the "**Distribution**");

(b) distributed $743,086.95 to the Town of Ajax to satisfy the Priority Amount payable to same; and

(c) retained the Administrative Charge Amount in its trust account.

24. Following the closing of the Transaction, the Applicant has no ongoing business or operations. The Distribution was in an amount significantly less than the outstanding secured Syndicate Debt. Accordingly there will be no funds available to distribute to any other creditors of the Applicant.

25. The Monitor currently holds $183,539.29 of cash in its trust account consisting of the Administrative Charge Amount and the interest earned on the Escrowed Cash Deposit. Upon completion of the CCAA Proceedings, the amount remaining after the payment of outstanding professional fees, will be remitted to BusinessCo in accordance with the Stalking Horse Agreement and the Approval and Vesting Order.

Name Change

26. Pursuant to the Stalking Horse Agreement, following the closing of the Transaction the Applicant changed its name to 1715439 Ontario Inc. by filing Articles of Reorganization in accordance with the Approval and Vesting Order.

27. Following the Applicant's name change, the Monitor's legal counsel sent a copy of the Approval and Vesting Order, together with a copy of the Articles of Reorganization of the Applicant evidencing the name change, to all parties that have a registration under the *Personal Property Security Act* (Ontario) against the Applicant in accordance with the Approval and Vesting Order.

ACTIVITIES OF THE APPLICANT

28. Since the date of the Second Report, the Applicant's activities have included, among other things:

(a) operating the Biomass Facility;

(b) continuing its efforts to improve the operations of the Biomass Facility;

(c) communicating with various stakeholders and creditors regarding the CCAA Proceedings, in consultation with the Monitor;

(d) corresponding with its legal counsel and the Monitor;

(e) ongoing communications with certain creditors and/or their advisors;

(f) reporting to the Monitor on a weekly basis in respect of the Applicant's receipts and disbursements;

(g) carrying out its duties under the SISP Approval Order and the Approval and Vesting Order; and

(h) preparing for and completing the closing of the Transaction.

EXTENSION OF THE STAY PERIOD

29. As outlined above, the Second Extension Order extended the Stay Period up to and including February 28, 2018.

30. The Applicant has requested that the Court extend the Stay Period until 11:59 p.m. on the day on which the Monitor files the Discharge Certificate and that the Monitor be empowered to complete the remaining activities which, among other things, include (collectively, the "**Remaining Activities**"):

(a) distributing any remaining funds held by the Monitor, to BusinessCo and close the related trust account; and

(b) undertaking any other activities that the Monitor deems necessary for the completion of the CCAA Proceedings.

31. In the Monitor's view, the Applicant has acted in accordance with the Initial Order and the Second Extension Order. Accordingly, the Monitor is satisfied that: (i) Management and the Applicant have acted in good faith and with due diligence; and (ii) no stakeholder of the Applicant will suffer any material prejudice if the Stay Period is extended as requested by the Applicant. Given that the Transaction has closed and the Applicant is no longer

operating, the Applicant has not prepared an extended cash flow forecast through to the termination date of the CCAA Proceedings and corresponding termination of the Stay Period. On behalf of the Applicant, the Monitor intends to satisfy any amounts properly incurred in respect of the ongoing administration of the estate, which are anticipated to be limited to professional fees and expenses and other incidental fees and costs. The Administrative Charge Amount is expected to be sufficient to satisfy such amounts.

ACTIVITIES OF THE MONITOR

32. Pursuant to the Initial Order, the following notices have been posted on the Monitor's Website since the date of the Second Extension Order:

    (a) on December 11, 2017, the Monitor posted a copy of the Second Extension Order and the Approval and Vesting Order on the Monitor's Website;

    (b) the Monitor posted a copy of the endorsement issued by the Honourable Regional Senior Justice G.B. Morawetz on December 11, 2017 on the Monitor's Website; and

    (c) the Monitor has continued to update and post an up-to-date copy of the Service List as required by the Initial Order and the Second Extension Order on the Monitor's Website.

33. In addition to the above, the Monitor's activities since the date of the Second Report have included, among other things:

    (a) corresponding and meeting with the Applicant, Management, and its legal counsel;

    (b) corresponding and meeting with the Monitor's legal counsel, Goodmans;

(c) reviewing the receipts and disbursements of the Applicant in accordance with the Initial Order and the Second Extension Order;

(d) comparing the actual receipts and disbursements to the Cash Flow Projection (as defined in the Second Report) and documenting reasons for variances, if any;

(e) assisting the Applicant in revising the Cash Flow Projection;

(f) providing regular updates to the Agent's financial advisor, Alvarez & Marsal Canada ULC ("**A&M**"), regarding the Transaction;

(g) providing weekly updates on the actual receipts and disbursements of the Applicant compared to the Cash Flow Projection to A&M;

(h) monitoring the daily production performance of the Biomass Facility;

(i) corresponding and assisting Index Energy Ajax with respect to matters involving utilities providers;

(j) corresponding with certain of the Applicant's unsecured creditors and other stakeholders;

(k) working with the Applicant, the Applicant's legal counsel and the Monitor's legal counsel in connection with the closing of the Transaction;

(l) reviewing all materials filed with the Court in respect of the CCAA Proceedings;

(m) maintaining the Monitor's Website as required;

(n) delivering the notices required by paragraph 13 of the Approval and Vesting Order;

(o) working with the Applicant, the Applicant's legal counsel and the Monitor's legal counsel in connection with the CCAA Termination Order; and

(p) preparing this Third Report.

PROFESSIONAL FEES

34. The Monitor and its independent legal counsel have maintained detailed records of their professional time and costs since the Initial Order was granted.

35. Pursuant to paragraph 28 and 29 of the Initial Order, the Monitor and its counsel shall be paid their reasonable fees and disbursements and shall pass their accounts before the Court. In addition, pursuant to paragraph 30 of the Initial Order, the Monitor and its counsel, among other parties, were granted an Administration Charge on the property of the Companies as security for their fees and disbursements, up to a maximum of $1,000,000.

36. The fees of the Monitor and its counsel, Goodmans, during the period from August 16, 2017 to November 24, 2017 have previously been approved by the Court.

37. The total fees of the Monitor during the period from November 25, 2017 to February 14, 2018 amount to $52,974.87 together with expenses and disbursements in the sum of $136.09, and HST in the amount of $6,904.42, totaling $60,015.38. The details of the time spent and services provided by the Monitor are more particularly described in the Affidavit of Michael G. Creber, the Senior Vice-President of GTL having carriage of GTL's mandate as the Monitor, sworn February 15, 2018 (the "**Creber Affidavit**") in support hereof, a copy of which is attached hereto as **Appendix "2"**.

38. The total legal fees incurred by the Monitor during the CCAA Proceedings for services provided to the Monitor by the Monitor's independent legal counsel, Goodmans, during the period from November 25, 2017 to February 9, 2018 amount to $44,139.50, together with disbursements in the sum of $414.82, and HST in the amount of $5,792.07, totaling

$50,346.39. The details of the time spent and services provided by Goodmans is more particularly described in the Affidavit of Brian F. Empey, the partner at Goodmans having carriage over Goodmans' mandate as counsel to the Monitor, sworn February 15, 2018 (the "**Empey Affidavit**" and, together with the Creber Affidavit, the "**Fee Affidavits**") in support hereof, a copy of which is attached hereto as **Appendix "3"**. The Monitor confirms that the fees and disbursements set out in the Goodmans' invoices relate to advice sought by the Monitor and that, in the Monitor's review, Goodmans' fees and disbursements are reasonable.

39. In addition to the amounts set forth in the Fee Affidavits, the Monitor requests that the Court authorize and approve the fees and disbursements of the Monitor and Goodmans, respectively, that are not set out in the Fee Affidavits but have been or will be incurred in the performance of the duties of the Monitor up to a maximum amount of $10,000.00 plus applicable HST (the "**Maximum Remaining Amount**"). The Maximum Remaining Amount is an estimate determined by the Monitor in consultation with Goodmans on the assumption that the motion for the CCAA Termination order will proceed on an uncontested basis. In the event that the Monitor's and Goodmans' fees and disbursements exceed the Maximum Remaining Amount, the additional accounts will be submitted to this Court for approval.

40. The Monitor respectfully requests that the Court approve its fees and disbursements and those of its legal counsel.

TERMINATION OF THE CCAA PROCEEDINGS AND DISCHARGE OF THE MONITOR

41. The Applicant has requested that this Court grant the CCAA Termination Order providing that effective at 11:59 p.m. on the date of the filing with the Court of the Discharge Certificate, among other things:

(a) the CCAA Proceedings shall be terminated;

(b) GTL shall be discharged as Monitor and relieved from any further obligations, liabilities, responsibilities or duties in its capacity as Monitor pursuant to the Initial Order, any other Order of this Court in the CCAA Proceedings, the CCAA or otherwise, provided that notwithstanding its discharge, (i) the Monitor shall remain Monitor for the performance of such incidental duties as may be required to complete the administration of the CCAA Proceeding, and (ii) the Monitor shall continue to have the benefit of the provisions of all Orders made in the CCAA Proceeding, including all approvals, protections and stays of proceedings in favour of GTL in its capacity as Monitor; and

(c) releasing and discharging GTL from any and all liability that GTL now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of GTL while acting in its capacity as Monitor herein, save and except for any gross negligence or willful misconduct on the Monitor's part.

42. Subject to the completion of the Remaining Activities, the Monitor is not aware of any other outstanding matters relating to the CCAA Proceedings.

43. The Monitor has duly and properly discharged and performed its duties and obligations as Monitor in the CCAA Proceedings in compliance and in accordance with the CCAA and all Orders of this Honourable Court made in the CCAA Proceedings.

44. The Monitor does not anticipate any further role as this Court’s officer in the CCAA Proceedings following the completion of the Remaining Activities. Accordingly, the Monitor believes that, upon the completion of the Remaining Activities, it is appropriate that GTL be discharged as Monitor and these CCAA Proceedings be terminated.

CONCLUSION AND RECOMMENDATION

45. For the reasons set out on this Third Report, the Monitor recommends that this Court grant the relief sought by the Applicant in the CCAA Termination Motion.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 15th day of February, 2018.

GRANT THORNTON LIMITED,
SOLELY IN ITS ROLE AS COURT-APPOINTED MONITOR OF THE APPLICANT, AND NOT IN ITS PERSONAL OR CORPORATE CAPACITY

Per: ______________________________

Michael Creber, CPA, CA, CIRP, LIT
Senior Vice-President

APPENDIX “1”

[ATTACHED]

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Applicant

SECOND REPORT OF THE MONITOR

NOVEMBER 30, 2017

Grant Thornton Limited,
Monitor of the Applicant under the
Companies' Creditors Arrangement Act

200 King Street West, 11th Floor
Toronto, Ontario, M5H 3T4

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Appendix 1 Monitor's First Report dated September 6, 2017

Appendix 2 SISP Notice as advertised in *The Globe and Mail* (National Edition)

Appendix 3 Cash Flow Projection from November 27, 2017 to January 12, 2018

Appendix 4 Post-Filing Cash Flow Projection Comparison

Appendix 5 Affidavit of Michael G. Creber dated November 29, 2017

Appendix 6 Affidavit of Brian F. Empey dated November 29, 2017

CONFIDENTIAL APPENDICES

Confidential Appendix 1 Summary of Potential Bidders

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Applicant

SECOND REPORT OF THE MONITOR

NOVEMBER 30, 2017

INTRODUCTION

1. On August 16, 2017, Index Energy Mills Road Corporation (the "**Applicant**" or "**Index Energy Ajax**") made an application to the Ontario Superior Court of Justice (Commercial List) (the "**Court**") to commence proceedings under the *Companies' Creditors Arrangement Act* (the "**CCAA Proceedings**"). On that day, the Court issued an Order (the "**Initial Order**") granting the Applicant's requested relief and appointing Grant Thornton Limited ("**GTL**") as monitor (the "**Monitor**") in the CCAA Proceedings.

2. The Initial Order, among other things:

   (a) granted a stay of proceedings in favour of Index Energy Ajax until and including September 15, 2017, or such later date as the Court may order (the "**Stay Period**"); and

(b) authorized Index Energy Ajax to borrow the maximum sum of $5,000,000 pursuant to a credit facility (the "**DIP Facility**") as interim financing from Index Equity US LLC ("**Index US**", and, in this capacity, the "**DIP Lender**") with a maximum amount of $1,600,000 permitted to be borrowed under the DIP Facility prior to the approval of a SISP acceptable to the Agent or further order of the Court.

3. The affidavit of Mr. Rickard Haraldsson, a director of Index Energy Ajax and Index Equity Sweden AB, the parent company of Index Energy Sweden AB ("**Index Sweden**"), a majority shareholder of the Applicant, sworn on August 15, 2017 (the "**Haraldsson Affidavit**") and filed in connection with the CCAA Proceedings, describes, *inter alia*, the Applicant's background, including the reasons for the requested CCAA Proceedings. In its capacity as proposed monitor, GTL filed a report with the Court dated August 15, 2017 (the "**Pre-Filing Report**"), which provided information on certain aspects of the Applicant's requested relief and the proposed Initial Order.

4. On September 11, 2017, the Court issued an Order (Stay Extension and DIP Extension) (the "**Extension Order**") and an endorsement dated September 11, 2017 that, among other things:

(a) extended the Stay Period to and including December 22, 2017;

(b) approved the activities of the Monitor as set out in the first report of the Monitor dated September 6, 2017 (the "**First Report**"); and

(c) authorized the Company to obtain and borrow the full amount of the DIP Facility (i.e. $5,000,000).

5. A copy of the First Report is attached hereto as **Appendix "1"**. A copy of the Extension Order, is attached as Exhibit "D" to the affidavit of Derek Blais sworn on November 28, 2017 (the "**Second Blais Affidavit**"), filed in connection with the Applicant's motions.

6. Also, on September 11, 2017, the Court issued an Order (the "**SISP Approval Order**") which, among other things, approved:

   (a) the sale and investment solicitation (the "**SISP**") procedure as defined and detailed in Schedule "A" of the SISP Approval Order; and

   (b) the asset purchase agreement dated as of September 1, 2017 (the "**Stalking Horse Agreement**") between the Applicant and Index Residence (in its capacity as purchaser under the Stalking Horse Agreement, the "**Stalking Horse Bidder**").

   A copy of the SISP Approval Order is attached as Exhibit "E" to the Second Blais Affidavit.

7. All materials filed with the Court in the CCAA Proceedings are accessible on the Monitor's website at: www.GrantThornton.ca/IndexEnergy (the "**Monitor's Website**").

PURPOSE OF THE SECOND REPORT

8. The purpose of this second report of the Monitor (the "**Second Report**") is to advise the Court with respect to:

   (a) the Monitor's activities since the First Report;

   (b) the Applicant's operations, communications with stakeholders, and other activities conducted since the issuance of the Initial Order and the Extension Order;

(c) the conduct and outcome of the SISP;

(d) Index Energy Ajax's motion seeking an Order (the "**Stay Extension and Fee Approval Order**"), among other things:

   (i) extending the Stay Period to and including February 28, 2018;

   (ii) approving this Second Report and the Monitor's activities as described in this Second Report;

   (iii) approving the fees and disbursements of the Monitor from August 1, 2017 to November 24, 2017, as described herein; and

   (iv) approving the fees and disbursements of the Monitor's independent counsel, Goodmans LLP ("**Goodmans**") from August 16, 2017 to November 24, 2017, as described herein;

(e) Index Energy Ajax's motion seeking an Order (the "**Sale Approval and Vesting Order**"), among other things:

   (i) approving the sale transaction (the "**Transaction**") contemplated in the Stalking Horse Agreement;

   (ii) upon the closing of the Transaction:

      1. vesting Index Energy Ajax's interest to the Purchased Assets (as defined in the Stalking Horse Agreement) other than certain litigation against HMI Construction Inc. and its counsel (the "**HMI Litigation**") in Index Energy Ajax Corporation (the "**Purchaser**") as assignee of the Stalking Horse Bidder, free and clear of all encumbrances;

2. vesting Index Energy Ajax's interest in the HMI Litigation in Mills Road Corporation (the "**Litigation Purchaser**") as assignee of the Stalking Horse Bidder, free and clear of all encumbrances;

3. amending the articles of Index Energy Ajax in accordance with the Articles of Reorganization attached as Schedule "E" to the Sale Approval and Vesting Order;

4. amending the style of cause in these proceedings to reflect the change of name of Index Energy Ajax following the filing of the Articles of Reorganization; and

5. approving the proposed distribution to the Agent, on behalf of the Syndicate, as described herein.

SCOPE AND TERMS OF REFERENCE

9. In preparing this Second Report, the Monitor has relied upon unaudited financial information, the Applicant's records, financial information and projections, and discussions with the Applicant's current and past management (the "**Management**"), including Joseph Aletto (Chief Executive Officer) and Derek Blais (President). While the Monitor reviewed various documents provided by the Applicant (including, among other things, unaudited internal financial statements and financial projections) and believes that the information therein provides a fair summary of the transactions as reflected in the documents, such work does not constitute an audit or verification of such information for accuracy, completeness or compliance with Generally Accepted Assurance Standards ("**GAAS**"), Generally Accepted Accounting Principles ("**GAAP**"), or International Financial Reporting Standards ("**IFRS**"). Accordingly, the Monitor

expresses no opinion or other form of assurance pursuant to GAAS, GAAP or IFRS with respect to such information.

10. Some of the information used in preparing this Second Report consists of financial projections, including the Cash Flow Projection (as defined herein). The Monitor cautions that these projections are based upon assumptions about future events and conditions that are not ascertainable. The Applicant's actual results may vary from the Cash Flow Projection, even if the hypothetical and probable assumptions set forth in the Cash Flow Projection contained therein materialize, and the variations could be significant. The Monitor's review of the future oriented information used to prepare this First Report did not constitute an audit of such information under Generally Accepted Auditing Standards, GAAP or IFRS.

11. In the course of its mandate, the Monitor has assumed the integrity and truthfulness of the information and explanations presented to it by the Applicant and its Management, within the context in which such information was presented. To date, nothing has come to the Monitor's attention that would cause it to question the reasonableness of these assumptions. The Monitor has requested that Management bring to its attention any significant matters which were not addressed in the course of the Monitor's specific inquiries. Accordingly, the Monitor has relied upon the information (financial or otherwise) made available to the Monitor by the Applicant and its Management in connection with the preparation of this Second Report.

12. This Second Report has been prepared for the use of this Court and the Applicant's stakeholders as general information relating to the Applicant and to assist the Court in determining whether to grant the relief sought by the Applicant. Accordingly, the reader is cautioned that this Second Report may not be appropriate for any other purpose. The

Monitor will not assume responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of this Second Report contrary to the provisions of this paragraph.

13. Capitalized terms not defined in this Second Report have the meanings ascribed to them in the SISP Approval Order or the Second Blais Affidavit.

14. All references to dollars are in Canadian currency unless otherwise noted.

SUMMARY OF THE SALE AND INVESTMENT SOLICITATION PROCESS

15. At the commencement of the CCAA Proceedings, the Applicant advised that it intended to return to court to seek approval of a SISP. As set out in the First Report, the SISP was developed by the Applicant in consultation with the Monitor and the Agent, to solicit offers from Bidders (as defined in the SISP Approval Order) on an "as is, where is" basis to purchase the Property of Index Energy Ajax (a "**Sale Proposal**") and/or make an investment in the business of Index Energy Ajax (an "**Investment Proposal**") which is superior to the offer contemplated in the Stalking Horse Agreement (the "**Opportunity**"). A copy of the SISP Procedure is attached as Schedule "A" to the SISP Approval Order while a summary of the SISP is provided in paragraphs 22 to 37 of the First Report.

16. The SISP was supported by the Stalking Horse Bid submitted by the Stalking Horse Bidder in the form of an asset purchase agreement entered into between Index Energy Ajax and the Stalking Horse Purchaser dated as of September 1, 2017 (the "**Stalking Horse Agreement**"). A summary of the Stalking Horse Agreement is included in paragraphs 38 to 47 of the First Report.

17. Given that the Stalking Horse Bidder is a related party to Index Energy Ajax, in order to maintain the integrity of the SISP, the SISP was carried out by the Monitor with the cooperation of, and in consultation with, the Applicant and the Agent.

18. In addition, the Monitor advised Management of the confidential nature of the SISP and that any and all communication regarding the SISP from Management to the Stalking Horse Bidder was required to be approved by the Monitor. More specifically, the Monitor advised Management that no substantive reporting of the SISP or transactional details (such as nature of the bid, names or number of bidders, status of due diligence efforts, or issues raised etc.) were to be communicated to the Stalking Horse Bidder and that the ultimate results of the SISP were to be communicated to the Stalking Horse Bidder by the Monitor.

Identification of Known Potential Bidders and Solicitation of Interest

19. On or about August 23, 2017, following the issuance of the Initial Order, the Monitor began to prepare a list of potential bidders to approach as part of the SISP, including but not limited to:

(a) parties identified through industry research that had expressed interest in, or had existing investments in, power generation facilities, including biomass power plants;

(b) parties that had approached the Applicant, the Agent, or the Monitor indicating an interest in the Opportunity; and

(c) local and international strategic and financial parties who the Monitor, in consultation with Index Energy Ajax and the Agent, believed may be interested in the Opportunity.

Upon conclusion of this process, the Monitor initially identified 87 potential bidders (the "**Known Potential Bidders**") which included biomass facility and renewable energy power plant companies, utilities, and financial buyers with investments in infrastructure and power generation facilities.

20. On or about September 2, 2017, the Monitor, in consultation with Index Energy Ajax and the Agent, began preparation of the initial materials for the electronic data room (the "**Data Room**").

21. In consultation with Index Energy Ajax and the Agent, the Monitor prepared the following documents:

(a) a notice of the SISP (the "**SISP Notice**"), which was published in the *Globe and Mail* (National Edition) on September 16, 2017 and September 20, 2017, a copy of which is attached hereto as **Appendix "2"**;

(b) a process summary describing the Opportunity, outlining the process under the SISP, and inviting recipients to express their interest pursuant to the SISP (the "**Solicitation Letter**"), a copy of which is attached as Appendix "3" to the First Report;

(c) a form of non-disclosure agreement to be signed by Potential Bidders (defined below) interested in receiving additional information regarding the Opportunity and access the Data room (an "**NDA**"), a copy of which is attached as Appendix "3" to the First Report;

(d) a confidential information memorandum (the "**CIM**"), describing the Opportunity, which was made available by the Monitor to Prospective Bidders (defined below); and

(e) a financial forecast model illustrating the anticipated production levels and a projected pro-forma income statement for FY2018 to FY2034 (the "**Financial Model**").

<u>Solicitation of Interest</u>

22. On September 11, 2017, the Monitor began contacting the Known Potential Bidders. The Monitor had contacted all of the Known Potential Bidders by September 20, 2017.

23. From the advertisements in the *Globe and Mail*, the Monitor was contacted by an additional 10 parties who expressed interest in the SISP (together with the Known Potential Bidders, totaling 97, the "**Potential Bidders**").

24. The Monitor provided the Potential Bidders with the Solicitation Letter, the SISP Approval Order, the Acknowledgement of the SISP, and the NDA. To be provided with a copy of the CIM and access to the Data Room, including the Financial Model, Potential Bidders were required to provide to the Monitor:

(a) an executed Acknowledgement of the SISP;

(b) an executed NDA; and

(c) such form of financial disclosure that allowed the Monitor to make a reasonable determination as to the Potential Bidder's financial and other capabilities to consummate a Sale Proposal or Investment Proposal (the "**Financial Disclosure**")

(collectively the "**Required Documentation**").

Signed NDAs and Identification of Interested Parties

25. Of the Potential Bidders, 12 provided the Monitor with the Required Documentation (collectively, the "**Prospective Bidders**"). Once the Required Documentation was received by the Monitor, each of the Prospective Bidders were provided with a copy of the CIM. The Monitor advised each of the Prospective Bidders that they would be provided with access to the Data Room if they indicated that they would be pursuing the Opportunity further after reviewing the CIM.

26. Upon review of the CIM, four Prospective Bidders (of which one attended a meeting with the Monitor) indicated that they would not be pursuing the Opportunity further. The remaining eight (8) bidders are hereby referred to as the "**Interested Bidders**".

27. Each of the Interested Bidders was provided with access to the Data Room. Throughout the SISP, the Monitor updated the documents in the Data Room as necessary, based on the requests of the Interested Bidders and when new documents, and financial and production data became available. The Interested Bidders were encouraged to review the materials and documentation in the Data Room and to forward any questions or requests for supplementary information to the Monitor.

Site Visits

28. Site visits were scheduled to allow for the Interested Bidders to meet Management, tour the Biomass Facility, and engage in discussions with Management. Upon contact by the Monitor to schedule a site visit, four Interested Bidders communicated that they did not require a site visit as they had decided to discontinue pursuing the Opportunity.

29. Initial site visits were scheduled and attended by four Interested Bidders (the "**Shortlisted Bidders**") which occurred on the following dates:

(a) September 26, 2017;

(b) October 11, 2017;

(c) October 16, 2017; and

(d) October 19, 2017.

The Monitor was present for all site visits conducted and for meetings/communications between Management and the Shortlisted Bidders.

<u>Shortlisted Bidders</u>

30. Following the site visit and after multiple communications with the Monitor, one of the Shortlisted Bidders formally withdrew from the SISP on October 26, 2017.

31. Although two of the Shortlisted Bidders did not formally communicate their withdrawal from the SISP, they ceased conducting diligence activities and engaging with the Monitor in early November 2017.

32. One of the Shortlisted Bidders, the most active participant in the SISP, retained engineering consultants, legal counsel, and attended two additional follow-up plant visits (on October 24, 2017 and November 14, 2017) and several calls with Management and the Monitor throughout the SISP.

33. Throughout the SISP, this Shortlisted Bidder, its consultants, and its legal counsel sent multiple information request lists requesting additional detailed information on a

consistent basis and was active and engaged in the SISP right up until the eve of the Bid Deadline.

34. On November 21, 2017, that Shortlisted Bidder indicated to the Monitor that it would not be submitting a bid. No bids were received by the deadline of 5:00 p.m. on November 21, 2017. None of the Shortlisted Bidders requested more time nor have they contacted the Monitor since the passing of the bid deadline.

Results of the SISP

35. The SISP did not yield a Qualified Bid other than the Stalking Horse Bid, and as a result, in accordance with the terms of the SISP, the Stalking Horse Bid was declared the Accepted Bid. Counsel for the Stalking Horse Bidder was notified on November 22, 2017. Counsel and the financial advisor for the Agent were also notified on November 22, 2017. Accordingly, in accordance with the terms of the SISP, the Applicant has brought a motion seeking the Sale Approval and Vesting Order in respect of the Stalking Horse Bid.

36. A summary of the Potential Bidders, Prospective Bidders, Interested Bidders, and Shortlisted Bidders prepared by the Monitor is attached hereto as **Confidential Appendix "1"**.

The Stalking Horse APA

37. As discussed above, a summary of the Stalking Horse Agreement is included in paragraphs 38 to 47 of the First Report.

38. On November 27, 2017, the Monitor was advised by counsel to the Stalking Horse Purchaser that the Stalking Horse Purchaser intended to assign its rights under the

Stalking Horse Agreement to two affiliates of the Stalking Horse Purchaser, being the Purchaser and the Litigation Purchaser. Section 11.5 of the Stalking Horse Agreement permits assignment by the Stalking Horse Purchaser to its subsidiaries or affiliates.

The Monitor's Comments

39. The Monitor is of the view that the Property and Business have been adequately exposed to the market through the SISP, and that the SISP provided for a process that is reasonable in the circumstances.

40. The Monitor is of the view, supported by the results of the SISP, that the Accepted Bid represents the best viable alternative for a going-concern transaction for the benefit of the Applicant's stakeholders.

DISTRIBUTION OF PROCEEDS

41. The Applicant seeks approval of a distribution of $20 million from the proceeds of the Transaction to the Agent in partial repayment of the Syndicate Indebtedness (defined below).

42. As discussed in the Pre-Filing Report, as at the commencement of these proceedings the principal amount owing under the Syndicate Credit Agreement was approximately $44 million (the "**Syndicate Indebtedness**").

43. The Syndicate Indebtedness is secured by security interests on all of the Applicant's personal property and charges on the Applicant's real property located at 170 Mills Road, Ajax and 176 Mills Road, Ajax (collectively, the "**Syndicate Security**"). The Monitor's independent legal counsel, Goodmans LLP ("**Goodmans**") conducted a security review of the Syndicate Security. On August 29, 2017, Goodmans provided an opinion confirming the validity and enforceability of the Syndicate Security as at the date

of the opinion, subject to standard assumptions and qualifications typically contained in security opinions of this nature.

44. The proceeds from the Transaction will be insufficient to satisfy the remaining Syndicate Indebtedness in full. In addition, pursuant to the Stalking Horse Agreement, the Stalking Horse Purchaser will assume the liabilities associated with the Index Secured Debt and will pay, as part of the purchase price provided for under the Stalking Horse Agreement, amounts to cover all encumbrances ranking in priority to the Syndicate Security and amounts to cover the estimated professional fees and expenses associated with the wind-down of these proceedings.

45. For the foregoing reasons, the Monitor is of the view that the proposed distribution of a portion of the proceeds from the Transaction to the Agent is appropriate in the circumstances.

EXTENSION OF THE STAY PERIOD

46. As outlined above, the Extension Order extended the Stay Period up to and including December 21, 2017.

47. The Applicant seeks an extension of the Stay Period to and including February 28, 2018 to allow for Index Energy Ajax and the Stalking Horse Bidder, and their respective counsel, with the assistance of the Monitor, to close the Accepted Bid and complete the administration of the CCAA Proceedings. The Second Blais Affidavit states that the Transaction is targeted to be completed on or before January 12, 2018.

48. The Monitor is of the view that an extension of the Stay Period is appropriate for the following reasons, among others:

(a) Management has continued to operate the Biomass Facility and has focused its efforts on improving the operations of same;

(b) the Applicant acted in good faith and with due diligence as it related to the execution of the SISP and fulfilled its duties as outlined in the SISP Approval Order;

(c) Management continues to investigate and implement improvements to increase the maximum capacity output and availability of the Biomass Facility; and

(d) the Applicant continues to operate in good faith and with due diligence since the date of the Initial Order.

49. A stay of proceedings is necessary to allow the Applicant to maintain their business and to allow for a transaction to be consummated between the Applicant and the Stalking Horse Bidder in a stabilized environment.

CASH FLOW PROJECTION

50. The Applicant has prepared a revised cash flow projection, on a weekly basis, from November 27, 2017 to January 12, 2018 (the "**Cash Flow Period**") (the "**Cash Flow Projection**"). The Cash Flow Projection is attached to this First Report as **Appendix "3"**. The Cash Flow Projection has been prepared by Management using probable and hypothetical assumptions set out therein (the "**Probable and Hypothetical Assumptions**").

51. The Monitor has reviewed the Cash Flow Projection to the standard required of a Court-appointed Monitor by s. 23(1)(b) of the CCAA. The Monitor's review of the Cash Flow Projection consisted of inquiries, analytical procedures, and discussions related to

information supplied to the Monitor by management and employees of the Applicant. Since the Probable and Hypothetical Assumptions need not be supported, the Monitor's procedures with respect to same were limited to evaluating whether they were consistent with the purpose of the Cash Flow Projection. The Monitor has also reviewed the support provided by management for the Probable and Hypothetical Assumptions and the preparation and presentation of the Cash Flow Projection. Based on the Monitor's review, nothing has come to its attention that causes it to believe that, in all material respects:

(a) the Probable and Hypothetical Assumptions are not consistent with the purpose of the Cash Flow Projection;

(b) as at the date of this Report, the Probable and Hypothetical Assumptions developed by management are not suitably supported and consistent with the Applicant's plans or do not provide a reasonable basis for the Cash Flow Projection, given the Probable and Hypothetical Assumptions; or

(c) the Cash Flow Projection does not reflect the Probable and Hypothetical Assumptions.

<u>Monitor's Comments</u>

52. The Cash Flow Projection has been prepared to January 12, 2018, the targeted Transaction closing date in anticipation of the granting of the Sale Approval and Vesting Order. While the Applicant seeks a stay extension to February 28, 2018, expenses associated with the Business and incurred after the Transaction will be the responsibility of the Purchaser and the Litigation Purchaser, as applicable. In addition, as outlined in section 2.3(b) of the Stalking Horse Agreement, the Purchaser and the Litigation

Purchaser will also assume and be responsible for all post-filing trade obligations payable or accrued payable (including, for certainty, customer credit balances and open purchase orders) of the Business post-filing up to Transaction closing date. Index Energy Ajax, with the assistance of the Monitor, has estimated that expenses incurred but not yet paid as at January 12, 2018 will amount to $540,000.

53. The Cash Flow Projection estimates that during the Cash Flow Period, the Applicant is projecting total receipts of $2,404,836, consisting of:

(a) an additional DIP Facility Advance of $1,400,000 to be received the week ending December 1, 2017 resulting in the entire DIP Facility amount of $5 million being advanced; and

(b) receipts of $1,004,836 for payment under the FIT Contract as it relates to November 2017's electricity production.

54. Total disbursements during the Cash Flow Period are forecasted to be $3,219,033 including the following material disbursements accounting for approximately 87% of the total disbursements:

(a) Wood Fuel & Fly Ash Removal – $630,000;

(b) Professional Fees – $625,000;

(c) Utilities – $515,000 (Hydro & Gas – $300,000 and Water & Sewage – $215,000);

(d) Labour, Wages & Salaries, and Payroll Expenses – $456,500;

(e) Interest – $298,606; and

(f) Maintenance & Repairs – $269,500.

55. At the end of the Cash Flow Period, it is anticipated that Index Energy Ajax will have an ending cash balance of $328,735.

56. Following completion of the Transaction, it is anticipated that the only remaining expenses incurred by the Applicant will be associated with the administration and wind-down of these proceedings. Pursuant to the Stalking Horse Agreement, the Stalking Horse Purchaser is required to pay to the Applicant, as part of the purchase price, an amount equal to the outstanding Administration Charge as at the closing date of the Transaction plus the Monitor's estimate of professional fees of the Monitor, its counsel and the Applicant's counsel to be incurred from the closing date of the Transaction to the discharge of the Monitor. The Monitor anticipates these amounts will be sufficient to fund the wind-down of these proceedings.

PERFORMANCE COMPARED TO POST-FILING CASH FLOW

57. In accordance with the Initial Order and the Extension Order, the Monitor has reviewed the Applicant's receipts and disbursements since the date of the Initial Order.

58. The Applicant has remained current in respect of their obligations that have arisen since the issuance of the Initial Order.

59. A comparison of Index Energy Ajax's receipts and disbursements compared to the cash flow projection filed with the First Report for the period of September 2, 2017 to November 24, 2017 (the "**Post-Filing Reporting Period**") (the "**Post-Filing Cash Flow Projection**"), with commentary, is attached to this Second Report as **Appendix "4"**.

Monitor's Comments

60. For the Post-Filing Reporting Period, Index Energy Ajax had total cash receipts of $4,856,811, approximately $1,388,812 less than forecasted in the Post-Filing Cash Flow Projection. The unfavorable variance is due to remaining DIP Facility advances of $1,400,000 not yet being withdrawn by Index Energy Ajax. The $1,400,000 remains available to Index Energy Ajax and is anticipated to be received during the week ending December 1, 2017.

61. The Post-Filing Cash Flow projected total disbursements of $6,148,575 for the Post-Filing Reporting Period. Actual disbursements for the Post-Filing Reporting Period totaled $5,665,880 resulting in a favourable variance of $482,695.

62. The Monitor recognizes the following material variances in expected disbursements outlined in the Post-Filing Cash Flow Projection against actual disbursements:

(a) the Post-Filing Cash Flow Projection provided for the possibility of utilities providers requiring deposits of $275,000, however, only one utility provider required a deposit amount to $40,000 (i.e. a favourable variance of $235,000);

(b) the cost of utilities was in the Post-Filing Cash Flow Projection was estimated to be $677,306, however, actual disbursements were $226,995 less than forecasted (i.e. a favourable variance) due to the inclusion of an additional utilities payment in the Post-Filing Cash Flow Projection; and

(c) professional fees were approximately $165,605 less than initially forecasted for the Post-Filing Reporting Period ($2,075,760).

OTHER ACTIVITIES OF THE MONITOR

63. Pursuant to the Initial Order, the following notices have been posted on the Monitor's Website since the date of the Extension Order:

   (a) on September 11, 2017, the Monitor posted a copy of the Extension Order and the SISP Approval Order on the Monitor's Website;

   (b) the Monitor posted a copy of the endorsement issued by the Honourable Regional Senior Justice G.B. Morawetz on September 11, 2017 on the Monitor's Website; and

   (c) the Monitor has continued to update and post an up-to-date copy of the Service List as required by the Initial Order and the Extension Order on the Monitor's Website.

64. Pursuant to the SISP Approval Order, the Monitor placed notices regarding the CCAA Proceedings in *The Globe and Mail* (National Edition) on September 16, 2017 and September 20, 2017.

65. In addition to the above, the Monitor's activities since the date of the First Report have included, among other things:

   (a) corresponding and meeting with the Applicant, Management, and its legal counsel;

   (b) corresponding and meeting with the Monitor's legal counsel, Goodmans LLP;

   (c) reviewing the receipts and disbursements of the Applicant in accordance with the Initial Order and the Extension Order;

(d) comparing the actual receipts and disbursements to the Post-Filing Cash Flow Projection (as defined herein) and documenting reasons for variances, if any;

(e) assisting the Applicant to revise the Cash Flow Projection (defined herein);

(f) providing weekly updates to the Agent's financial advisor, Alvarez & Marsal Canada ULC ("**A&M**"), regarding the SISP;

(g) providing weekly updates on the actual receipts and disbursements of the Applicant compared to the Post-Filing Cash Flow Projection to A&M;

(h) monitoring the daily production performance of the Biomass Facility;

(i) corresponding and assisting Index Energy Ajax with respect to matters involving critical suppliers and utilities providers;

(j) corresponding with certain of the Applicant's unsecured creditors and other stakeholders;

(k) communications with the Applicant's creditors, suppliers and other stakeholders;

(l) reviewing all materials filed with the Court in respect of the CCAA Proceedings;

(m) maintaining the Monitor's Website as required;

(n) carrying out its duties with respect to the SISP;

(o) working with the Applicant, the Applicant's legal counsel and the Monitor's legal counsel in connection with the Approval Motion; and

(p) preparing this Second Report.

OTHER ACTIVITIES OF THE APPLICANT

66. Since the date of the Initial Order, the Applicant's activities have included, among other things:

    (a) operating the Biomass Facility;

    (b) continuing its efforts to improve the operations of the Biomass Facility;

    (c) communicating with various stakeholders and creditors regarding the CCAA Proceedings, in consultation with the Monitor;

    (d) corresponding with its legal counsel and the Monitor;

    (e) ongoing communications with certain creditors and/or their advisors;

    (f) reporting to the Monitor on a weekly basis in respect of the Applicant's receipts and disbursements; and

    (g) carrying out its duties as required by the SISP Approval Order.

PROFESSIONAL FEES

67. The Monitor and its independent legal counsel have maintained detailed records of their professional time and costs since the Initial Order was granted.

68. Pursuant to paragraph 28 and 29 of the Initial Order, the Monitor and its counsel shall be paid their reasonable fees and disbursements and shall pass their accounts before the Court. In addition, pursuant to paragraph 30 of the Initial Order, the Monitor and its counsel, among other parties, were granted an Administration Charge on the property of the Companies as security for their fees and disbursements, up to a maximum of $1,000,000.

69. The total fees of the Monitor during the period from August 1, 2017 to November 24, 2017 amount to $318,450.57 together with expenses and disbursements in the sum of $8,939.24, and HST in the amount of $42,560.69, totaling $369,950.50. The details of the time spent and services provided by the Monitor are more particularly described in the Affidavit of Michael G. Creber, the Senior Vice-President of GTL having carriage of GTL's mandate as the Monitor, sworn November 29, 2017 in support hereof, a copy of which is attached hereto as **Appendix "5"**.

70. The total legal fees incurred by the Monitor during the CCAA Proceedings for services provided to the Monitor by the Monitor's independent legal counsel, Goodmans, during the period from August 16, 2017 to November 24, 2017 amount to $90,855.50, together with disbursements in the sum of $709.01, and HST in the amount of $11,903.41, totaling $103,467.92. The details of the time spent and services provided by Goodmans is more particularly described in the Affidavit of Brian F. Empey, the partner at Goodmans having carriage over Goodmans' mandate as counsel to the Monitor, sworn November 29, 2017 in support hereof, a copy of which is attached hereto as **Appendix "6"**. The Monitor confirms that the fees and disbursements set out in the Goodmans' invoices relate to advice sought by the Monitor and that, in the Monitor's review, Goodmans' fees and disbursements are reasonable.

71. The Monitor respectfully requests that the Court approve its fees and disbursements and those of its legal counsel.

CONCLUSION AND RECOMMENDATION

Recommendation for Stay Extension and Fee Approval Order

72. The Applicant has requested that the Court extend the Stay Period to and including February 28, 2018. Among other things, the extension of the Stay Period is required for Index Energy Ajax and the Stalking Horse Bidder, and their respective counsel, with the assistance of the Monitor, to close the Accepted Bid and complete the administration of the CCAA Proceedings. The Second Blais Affidavit states that the Transaction is targeted to occur on or before January 12, 2018.

73. In the Monitor's view, the Applicant has acted in accordance with the Initial Order and the Extension Order. Accordingly, the Monitor is satisfied that: (i) the Applicant has sufficient funds (as demonstrated in the Cash Flow Projection) to continue operations and the CCAA Proceedings until February 28, 2018; (ii) Management and the Applicant are acting in good faith and with due diligence; and (iii) no stakeholder of Index Energy Ajax will suffer any material prejudice if the Stay Period is extended as requested by the Applicant.

Recommendation for the Sale Approval Order

74. The Monitor is of the opinion that the SISP operated as a broad, open and fair process to identify and solicit interest form interested buyers or investors in the property, assets and operations of the Applicant. The Monitor is of the view that the Accepted Bid represents the fair value of the property, assets and operations of the Applicant and that the Accepted Bid is the best viable alternative for a going-concern transaction for the benefit of the Applicant's stakeholders.

75. The Monitor recommends that this Court grant the relief sought by the Applicant in the Sale Approval Motion.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 30th day of November, 2017.

GRANT THORNTON LIMITED,
SOLELY IN ITS ROLE AS COURT-APPOINTED MONITOR OF THE APPLICANT, AND NOT IN ITS PERSONAL OR CORPORATE CAPACITY

Per: ______________________________
Michael Creber, CPA, CA, CIRP, LIT
Senior Vice-President

Court File No. CV-17-580840-00CL

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF INDEX ENERGY MILLS ROAD CORPORATION

Applicant

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at Toronto

SECOND REPORT OF THE MONITOR DATED NOVEMBER 30, 2017

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Lawyers for the Monitor

APPENDIX “2”

[ATTACHED]

Court File No. CV-17-580840-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 1715439 ONTARIO INC. (FORMERLY KNOWN AS INDEX ENERGY MILLS ROAD CORPORATION)

AFFIDAVIT OF MICHAEL G. CREBER
(Sworn February 15, 2018)

I, MICHAEL G. CREBER, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am a Senior Vice-President at Grant Thornton Limited ("**GTL**"), the Court appointed Monitor in these proceedings (the "**Monitor**"). As such, I have knowledge of the matters hereinafter deposed to, except where stated to be on information and belief and whereso stated I verily believe it to be true.

2. GTL was appointed as Monitor pursuant to the Order of Regional Senior Justice Morawetz dated August 16, 2017. The Monitor retained Goodmans LLP as its counsel in these proceedings.

3. The fees and disbursements of the Monitor for the period from August 1, 2017 to November 24, 2017 were approved by this Court pursuant to the Order of the Regional Senior Justice Morawetz dated December 11, 2017.

4. Attached hereto and marked as Exhibits "A" to "C" are copies of each invoice rendered by the Monitor in respect of the period from November 25, 2017 to February 14, 2018 (the "**GTL Application Period**"). The invoices contain the fees (including details of the billing rates and total hours of each of the members of GTL who acted on behalf of the Monitor in these proceedings), disbursements and HST charged by GTL in these proceedings.

5. As shown on the summary chart attached hereto as Exhibit "D", the Monitor expended a total of 115.15 hours in connection with this matter during the GTL Application Period, giving

rise to fees and disbursements totalling $60,015.38, including HST, as outlined in Exhibits "A" to "C".

6. To the best of my knowledge, GTL's rates and disbursements are consistent with those in the market for these types of matters and the hourly billing rates charged by GTL are comparable to the rates charged by GTL for services rendered in similar proceedings. GTL has had its rates and disbursements, including the rates of various professionals who provided services in these proceedings, approved by this Honourable Court in respect of similar services provided in various insolvency and restructuring files.

SWORN before me at the City of Toronto, in the Province of Ontario, on this 15th day of February, 2018.

A Commissioner for taking affidavits
Name:

Daniel Kenneth Wootton,
a Commissioner, etc., Province of Ontario,
for Grant Thornton Limited.
Expires April 6, 2019.

MICHAEL G. CREBER

This is Exhibit "A" referred to in the

affidavit of Michael G. Creber

sworn before me, this 15th

day of February, 2018.

A Commissioner for Taking Affidavits

Daniel Kenneth Wootton,
a Commissioner, etc., Province of Ontario,
for Grant Thornton Limited.
Expires April 6, 2019.

January 11, 2018

Index Energy Mills Road Corporation
170 Mills Rd.
Ajax, ON L1S 2H1

Attention: Derek Blais

Remit To: Grant Thornton Limited
11th Floor, Box 11
200 King Street West
Toronto, ON M5J 2P9

Attention: Michael Creber

BILLING

BN 12738 4717 RT0001
Client #222180
Invoice#LSON-3940

To professional services rendered for the period from November 25, 2017 to December 31, 2017.

Date	Full Name	Time	Detail
November 25, 2017	Jason Knight	3.10	Drafting Second Report; Revising SISP section of Second Report.
November 26, 2017	Jason Knight	1.10	Reviewing and revising Second Report; Distributing Second Report internally for review.
November 27, 2017	Jason Knight	3.80	Conference call with counsel re: Second Report; Phone calls with Index re: Cash Flow Projection and DIP Advance; Internal discussions and review of draft Second Report; Updating and revising Second Report based on internal comments and discussions; Distributing Second Report to counsel for review; Correspondence with Company's counsel re: Cash Flow Projection; Drafting and compiling appendices to Second Report.
November 27, 2017	Michael Creber	3.20	Court matters, documentation and correspondence and discussions re same; Cash flow and DIP matters; Operating matters; Draft report.
November 27, 2017	Michael Goldband	1.50	Report writing, call with counsel.

Date	Full Name	Time	Detail
November 28, 2017	Jason Knight	2.90	Conference call with Cassels and counsel re: Cash Flow Projection; Updating and compiling appendices for the Second Report; Reviewing counsel's comments on the Second Report and discussing same internally; Making revisions to Second Report and sending same to counsel; Reviewing invoices re: CCAA and sending same to counsel; Discussion with Index re: accrual of liability as at January 12, 2017 (the Transaction date).
November 28, 2017	Michael Creber	5.60	Review court materials and discussions and correspondence re same; Cash flow and DIP matters and correspondence and discussions re same; Operating matters; Planning; APA.
November 29, 2017	Jason Knight	1.90	Reviewing materials provided by Cassels; Updating Cash Flow Projection appendices based on internal discussions and sending same to counsel; Final revisions of the Second Report; Reviewing fee affidavit and making revisions to same; Coordinating finalization of the Second Report.
November 29, 2017	Michael Creber	3.40	Review court materials and discussions and correspondence re same; Operating matters.
November 30, 2017	Michael Creber	2.10	Court materials; Operating matters.
December 1, 2017	Michael Creber	0.10	Operational matters.
December 4, 2017	Michael Creber	0.20	Operational matters; Discussion A&M.
December 5, 2017	Jason Knight	1.30	Update weekly production reporting for Veridian and send same to Veridian; Update weekly cash flow projection results for the week ending December 1, 2017 and discuss same with Index; Correspondence with Index re: cash flow projection and professional fees; Internal discussion re: professional fees and cash flow forecast; Phone conversation with creditor re: update on CCAA Proceedings.
December 5, 2017	Michael Creber	0.20	Discussion legal; Operating metrics.

Date	Full Name	Time	Detail
December 6, 2017	Michael Creber	1.90	Court matters; Transaction matters; Operating metrics; Cash flow.
December 7, 2017	Jason Knight	0.40	Correspondence re: property tax bill; Review of production results.
December 7, 2017	Michael Creber	0.90	Court documents; Operating metrics.
December 8, 2017	Jason Knight	0.25	Correspondence with counsel and Index re: property tax notices.
December 8, 2017	Michael Creber	0.60	Court matters.
December 11, 2017	Jason Knight	1.50	Prepare for and attend court re: Sale Approval and Monitor's Second Report; Review previous week production and incorporate same into the weekly reporting; Draft correspondence to Veridian re: weekly reporting; Review previous week cash withdrawals and incorporate same into cash flow reporting; Correspondence to Index re: reported cash outflows.
December 11, 2017	Michael Creber	1.10	Prepare for and attend court; Operating statistics.
December 13, 2017	Jason Knight	0.30	Review correspondence from Index re: production results and status of recent shut-down; Review email re: Veridian requests.
December 18, 2017	Michael Creber	0.20	Operating matters; File status update.
December 18, 2017	Rosa Wilford	0.30	Reconcile November GIC term deposits, review and approve estate balances.
December 19, 2017	Michael Creber	0.90	Operating results and related correspondence; Discussion legal; APA matters.
December 20, 2017	Michael Creber	0.80	APA matters; Operating matters.
December 21, 2017	Michael Creber	0.60	File status update and planning; Operating statistics.
December 22, 2017	Michael Creber	0.20	Operating matters.

Date	Full Name	Time	Detail
December 28, 2017	Jason Knight	0.30	Email correspondence with IEMRC; Reviewing production results.
December 28, 2017	Michael Creber	0.20	Correspondence.
December 29, 2017	Michael Creber	0.20	Correspondence.
December 30, 2017	Michael Creber	0.30	Correspondence.

Time Summary

M. Creber, Senior Vice-President	22.70	hours @	$ 595.00	per hour	$	13,506.50
J. Knight, Manager	16.85	hours @	$ 275.00	per hour	$	4,633.75
R. Wilford, Manager	0.30	hours @	$ 250.00	per hour	$	75.00
M. Goldband, Sr. Associate	1.50	hours @	$ 225.00	per hour	$	337.50
	41.35				$	18,552.75
5% Technology and Administration					$	927.64
					$	19,480.39
Disbursements						
Travel					$	136.09
					$	136.09
Total time and disbursements					$	19,616.48
HST					$	2,550.14
Total Invoice Due					**$**	**22,166.62**

This is Exhibit "B" referred to in the

affidavit of Michael G. Creber

sworn before me, this 15th

day of February, 2018.

A Commissioner for Taking Affidavits

Daniel Kenneth Wootton,
a Commissioner, etc., Province of Ontario,
for Grant Thornton Limited.
Expires April 6, 2019.

Grant Thornton

January 25, 2018

Index Energy Mills Road Corporation
170 Mills Rd.
Ajax, ON L1S 2H1

Attention: Derek Blais

Remit To: Grant Thornton Limited
11th Floor, Box 11
200 King Street West
Toronto, ON M5J 2P9

Attention: Michael Creber

BILLING

BN 12738 4717 RT0001
Client #222180
Invoice#LSON-4019

To professional services rendered for the period from January 1, 2018 to January 19, 2018.

Date	Full Name	Time	Detail
January 2, 2018	Jason Knight	1.20	Correspondence with Index Energy Ajax re: cash flow forecast and reporting for same; Update cash flow reporting for the week ending Dec 15/17 and Dec 22/17; Update and send reporting to Veridian for the week ending Dec 31/17; Correspondence with creditor re: arrears balance prior to Aug 16/17.
January 2, 2018	Michael Creber	1.60	Cash flow matters; Closing matters.
January 3, 2018	Jason Knight	2.30	Correspondence with the Company; Update cash flow projection for the week ending Dec 29/17; Conference call to discuss cash flow projection and cash needs, if any, over the next few weeks; Correspondence with the Company re: cash flow projection and accuracy of same; Revise cash flow forecast; Phone conversation with D. Blais re: cash flow forecast; Format cash flow forecast and send same to A&M.
January 3, 2018	Michael Creber	3.10	Cash flow matters; Closing matters.
January 4, 2018	Jason Knight	0.50	Review submission received from Volume Biomass and correspondence sent by counsel to same.
January 4, 2018	Michael Creber	1.40	SISP matters; Cash flow.
January 4, 2018	Rosa Wilford	0.20	Review estate bank account, post accrued interest and reconcile December statement.
January 5, 2018	Michael Creber	1.40	SISP matters; Cash flow.
January 8, 2018	Michael Creber	0.60	SISP matters; Cash flow.

Date	Full Name	Time	Detail
January 9, 2018	Jason Knight	0.70	Update weekly reporting and draft email including same to Veridian; Review and update weekly cash flow reporting and provide revised cash flow to the Company for their review; Correspondence with A&M re: cash flow projection; Adjust cash flow projection to include vacation payout.
January 9, 2018	Michael Creber	2.20	SISP matters; Cash flow; Discussion A&M.
January 9, 2018	Rosa Wilford	0.30	Review and reconcile December GIC term deposits and approve estate balances.
January 10, 2018	Michael Creber	1.10	SISP matters; Cash flow.
January 11, 2018	Jason Knight	1.30	Prepare cash flow forecast up to and including Feb 16/18 per Company's request; Draft correspondence to Company including cash flow; Phone conversation with counsel re: cash flow; Correspondence with Index's counsel re: Data Room; Administering Data Room to provide access to Cassels; Locate fully executed NDA's and provide same to Cassels.
January 11, 2018	Michael Creber	0.90	SISP matters; Cash flow.
January 12, 2018	Jason Knight	0.80	Prepare for and attend conference call with counsel re: extension requested for closing; Review production results; Conference call with counsel to discuss extension request, preparation of materials for closing of transaction, and other various closing matters.
January 12, 2018	Michael Creber	2.60	Closing matters; Creditor matters; Operating matters; Cash flow.
January 12, 2018	Rosa Wilford	0.10	Review monthly banking summary report: prepare and post January accrued interest.
January 15, 2018	Jason Knight	0.40	Review cash flow reporting for the week ending Jan 12/18; Correspondence with counsel re: Durham Region arrears.
January 15, 2018	Michael Creber	1.90	Operating statistics; Cash flow; APA and closing issues; SISP issues; Correspondence legal counsel; Correspondence company;
January 16, 2018	Jason Knight	0.90	Prepare and send weekly production reporting to Veridian; Prepare weekly cash flow results for the week ending Jan 12/18 and updating cash flow thereafter.
January 16, 2018	Michael Creber	1.60	APA and closing matters; Operating numbers; Cash flow; Correspondence and discussions with Goodmans.

Date	Full Name	Time	Detail
January 17, 2018	Jason Knight	0.30	Correspondence with counsel re: message from TGF re: potential administrative charge and quantum of same.
January 18, 2018	Michael Creber	1.10	File status and planning; Correspondence.
January 19, 2018	Jason Knight	0.20	Draft response to creditor re: pre-filing amounts owing.
January 19, 2018	Michael Creber	1.20	Operating statistics; Closing matters; Correspondence legal; Planning.

Time Summary

M. Creber, Senior Vice-President	20.70	hours @	$ 595.00	per hour	$	12,316.50
J. Knight, Manager	8.60	hours @	$ 295.00	per hour	$	2,537.00
R. Wilford, Manager	0.60	hours @	$ 250.00	per hour	$	150.00
	29.90				$	15,003.50
5% Technology and Administration					$	750.18
					$	15,753.68
HST					$	2,047.98
Total Invoice Due					**$**	**17,801.66**

This is Exhibit “C” referred to in the

affidavit of Michael G. Creber

sworn before me, this 15th

day of February, 2018.

A Commissioner for Taking Affidavits

Daniel Kenneth Wootton,
a Commissioner, etc., Province of Ontario,
for Grant Thornton Limited.
Expires April 6, 2019.

Grant Thornton

February 15, 2018

Index Energy Mills Road Corporation
170 Mills Rd.
Ajax, ON L1S 2H1

Attention: Derek Blais

Remit To: Grant Thornton Limited
11th Floor, Box 11
200 King Street West
Toronto, ON M5J 2P9

Attention: Michael Creber

BILLING

BN 12738 4717 RT0001
Client #222180
Invoice#LSON-4105

To professional services rendered for the period from January 20, 2018 to February 14, 2018.

Date	Full Name	Time	Detail
January 22, 2018	Michael Creber	0.20	Correspondence and planning; closing matters.
January 22, 2018	Jason Knight	0.50	Prepare and send weekly production reporting to Veridian; Prepare weekly cash flow results for the week ending Jan 19/18 and updating cash flow thereafter.
January 23, 2018	Jason Knight	0.60	Correspondence with Index re: closing date and banking procedures; Phone call with counsel discuss various closing matters; Prepare updated cash flow for the period up to March 31, 2018 for IEMRC.
January 24, 2018	Jason Knight	1.20	Correspondence with the Company re: closing; Correspondence with counsel re: admin charge; Prepare for and attend conference call with counsel re: closing matters; Correspondence with Index Energy Ajax re: cash flow and scheduled FIT Payment receipt.
January 24, 2018	Michael Creber	1.40	Discussion and correspondence re closing matters.
January 25, 2018	Michael Creber	3.20	Closing matters.

Date	Full Name	Time	Detail
January 25, 2018	Jason Knight	4.10	Various correspondence internally and with counsel re: closing matters; Various correspondence with the Company re: closing matters and banking; Gather information re: closing procedures and cash statement for purchase price; Conference call re: communication strategy.
January 26, 2018	Jason Knight	3.20	Correspondence internally, with counsel, and with the Company re: closing matters and the coordination of documents for same.
January 26, 2018	Michael Creber	2.60	closing matters.
January 26, 2018	Rosa Wilford	4.50	Review internal email instructions; review Banking and GIC's; Draft letter to Bank for full redemption of GIC, prepare receipts and post entries, email correspondences to and from Bank re collapsing GIC, expecting incoming wire, prepare and draft outgoing wires, Bank letters, Bank forms, authorizations of transfers, emails and various phone calls with Bank and team, prepare disbursement requisitions, review banking ledgers and general banking administration.
January 29, 2018	Jason Knight	1.40	Internal correspondence and correspondence with counsel re: closing matters; Coordinate closing of transaction and disbursement of funds received; Prepare weekly reporting to Veridian and draft correspondence to same.
January 29, 2018	Michael Creber	1.80	Closing matters.
January 29, 2018	Rosa Wilford	3.00	Correspondences and phone calls to and from Bank, team and Town of Ajax, review print screens for expecting wires, prepare receipts, post entries, meet with team, provide transfers, post disbursement wires, bank charges, review ledger, provide supporting documentation, email notifications of outgoing wires, issue cheque, emails and general banking and filing administration.
January 30, 2018	Michael Creber	0.40	Correspondence and planning.

Date	Full Name	Time	Detail
January 30, 2018	Jason Knight	0.40	Conference call with counsel and Cassels to discuss closing matters; Begin to prepare final report.
January 30, 2018	Rosa Wilford	0.20	General filing administration.
January 31, 2018	Jason Knight	4.10	Draft Monitor's Third Report; Correspondence internally.
January 31, 2018	Rosa Wilford	2.50	Review internal instructions; Review ledger, prepare disbursement requisitions, post entries, correspondences with Bank, review print screens for cleared items, Bank reconciliations, Bank letter and general banking administration.
February 1, 2018	Michael Creber	1.80	draft report; planning.
February 1, 2018	Jason Knight	2.30	Draft Monitor's Third Report; Review, revise and finalize Monitor's Third Report; Internal discussion re: Third Report; Review comments and revise Third Report; Draft correspondence to counsel re: Third Report.
February 2, 2018	Michael Creber	0.20	creditor matters; correspondence
February 5, 2018	Michael Creber	0.30	Discussion Cassels; correspondence Goodmans; planning and file status review.
February 6, 2018	Michael Creber	1.30	Draft report; file status update; correspondence.
February 6, 2018	Jason Knight	0.30	Review counsel's comments on Monitor's Third Report.
February 11, 2018	Rosa Wilford	0.25	Review monthly banking summary report: prepare and post February accrued interest.
February 12, 2018	Michael Creber	0.30	File status update.
February 13, 2018	Rosa Wilford	0.25	Review estate bank account and reconcile January statement.
February 14, 2018	Michael Creber	0.90	Court documents and matters.

Date	Full Name	Time	Detail
February 14, 2018	Jason Knight	0.70	Correspondence internally and with counsel re: closing; Draft email correspondence to creditors re: questions submitted by same.

Time Summary

M. Creber, Senior Vice-President	14.40	hours @	$ 595.00	per hour	$	8,568.00
J. Knight, Manager	18.80	hours @	$ 295.00	per hour	$	5,546.00
R. Wilford, Manager	10.70	hours @	$ 260.00	per hour	$	2,782.00
	43.90				$	16,896.00
5% Technology and Administration					$	844.80
					$	17,740.80
HST					$	2,306.30
Total Invoice Due					**$**	**20,047.10**

Accounts are due when rendered. All accounts outstanding over 30 days will be charged interest at a rate of 1 ½% per month (18% per annum) until paid.

This is Exhibit "D" referred to in the

affidavit of Michael G. Creber

sworn before me, this 15th

day of February, 2018.

A Commissioner for Taking Affidavits

Daniel Kenneth Wootton,
a Commissioner, etc., Province of Ontario,
for Grant Thornton Limited.
Expires April 6, 2019.

Grant Thornton Limited
Bill Summary from November 25, 2017 to February 14, 2018

Invoice	Invoice Date	Fees	Cost	Tax
LSON-3940	11-Jan-18	$ 19,480.39	$ 136.09	$ 2,550.14
LSON-4019	25-Jan-18	$ 15,753.68	$ -	$ 2,047.98
LSON-4105	15-Feb-18	$ 17,740.80	$ -	$ 2,306.30
	TOTAL	$ 52,974.87	$ 136.09	$ 6,904.42

Timekeeper	Title	Bill Hours	Bill Amount	Average Billing Rate
Michael Creber	Senior Vice President	57.80	$ 34,391.00	595.00
Jason Knight	Manager	44.25	$ 12,716.75	287.38
Rosa Wilford	Manager	11.60	$ 3,007.00	259.22
Michael Goldband	Senior Associate	1.50	$ 337.50	225.00
Total		115.15	$ 50,452.25	438.14
5% Technologies & Administration			$ 2,522.62	
			$ 52,974.87	

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C 36, AS AMENDED,

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 1715439 ONTARIO INC. (FORMERLY KNOWN AS INDEX ENERGY MILLS ROAD CORPORATION)

Court File No.: CV-17-580840-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

AFFIDAVIT OF MICHAEL G. CREBER
(sworn February 15, 2018)

GOODMANS LLP
Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto, Canada M5H 2S7

Brian F. Empey LSO# 30640G
bempey@goodmans.ca

Ryan Baulke LSO# 66189O
rbaulke@goodmans.ca

Tel: 416.979.2211
Fax:416.979.1234

Lawyers for the Monitor

6784115

APPENDIX “3”

[ATTACHED]

Court File No. CV-17-580840-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 1715439 ONTARIO INC. (FORMERLY KNOWN AS INDEX ENERGY MILLS ROAD CORPORATION)

AFFIDAVIT OF BRIAN F. EMPEY
(Sworn February 15, 2018)

I, BRIAN F. EMPEY, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am a partner with the law firm of Goodmans LLP ("**Goodmans**"), counsel for Grant Thornton Limited ("**GTL**") in its capacity as Court-appointed Monitor (the "**Monitor**") in these proceedings. Since July 31, 2017, I have been the partner at Goodmans with primary responsibility for this file. As such, I have knowledge of the matters hereinafter deposed to, except where stated to be on information and belief and where so stated I verily believe it to be true.

2. GTL was appointed as Monitor pursuant to the Order of Regional Senior Justice Morawetz dated August 16, 2017. The Monitor retained Goodmans as its counsel in these proceedings.

3. The fees and disbursements of Goodmans for the period from August 16, 2017 to November 24, 2017 were approved by this Court pursuant to the Order of the Regional Senior Justice Morawetz dated December 11, 2017.

4. Attached hereto and marked as Exhibits "A" to "C" are copies of each invoice rendered by the Monitor in respect of the period from November 25, 2017 to February 9, 2018 (the "**Goodmans Application Period**"). The invoices contain the fees (including details of the billing rates and total hours of each of the members of Goodmans who acted on behalf of the Monitor in

these proceedings), disbursements, and HST charged by Goodmans in these proceedings during the Goodmans Application Period. The invoices have been redacted for confidentiality and/or privileged information where appropriate.

5. As shown on the summary chart attached hereto as Exhibit "D", Goodmans expended a total of 67.5 hours in connection with this matter during the Goodmans Application Period, giving rise to fees and disbursements totalling $50,346.39, including HST, as outlined in Exhibits "A" to "C".

6. Goodmans' rates and disbursements are consistent with those in the market for these types of matters. Goodmans has had its rates and disbursements, including the rates of certain lawyers who provided services in these proceedings, approved by this Honourable Court in respect of similar services provided in this and other insolvency and restructuring proceedings.

SWORN before me at the City of Toronto, in the Province of Ontario, on this 15th day of February, 2018.

A Commissioner for taking affidavits
Name: ANDREW HARMES

BRIAN F. EMPEY

This is Exhibit “A” referred to in the

affidavit of Brian F. Empey

sworn before me, this 15th

day of February, 2018.

A Commissioner for Taking Affidavits

ANDREW HARMES

Goodmans LLP

Barristers & Solicitors

Bay Adelaide Centre - West Tower
333 Bay Street, Suite 3400
Toronto, Ontario M5H 2S7

Telephone: 416.979.2211
Facsimile: 416.979.1234
goodmans.ca

December 28, 2017

Grant Thornton Limited
19th Floor, South Tower
200 Bay Street
Box 55, Royal Bank Plaza
Toronto, ON
Canada M5J 2P9

ATTENTION: Michael Creber

OUR FILE NO. GRLN 172195
OUR INVOICE NO. 696598
GST/HST REGISTRATION NO. R119422962

Re: Index Energy Mills Road Corporation

TO OUR PROFESSIONAL SERVICES RENDERED IN CONNECTION WITH THE ABOVE NOTED MATTER INCLUDING THE FOLLOWING:

Date	TKID	Hours	Description
11/27/17	RNB	1.50	Reviewing and commenting on motion materials; teleconference with Grant Thornton re: sale approval motion.
11/27/17	BFE	1.80	Reviewing R. Baulke's comments on draft Motion materials and discussing same with him; emails re: Court date; telephone conference with Grant Thornton re: Motion materials and next steps for sale approval; discussions with Cassels re: Motion materials; emails re: assignment agreements and re: draw request.
11/28/17	RNB	6.40	Reviewing and commenting on updated approval order; e-mails with the Monitor re: same; teleconference with the Monitor and company advisors re: DIP funding matters; reviewing and revising draft second report of the Monitor; discussions with J. Knight re: same; discussions with B. Empey re: same; reviewing invoices re: privilege matters; reviewing and revising fee affidavits.
11/28/17	LBL	3.40	Drafting fee affidavit for B. Empey and M Creber; reviewing invoices of Goodmans LLP and Grant Thornton Limited for privileged information.
11/28/17	BFE	3.60	Telephone conference with Cassels and Monitor re: DIP draw; telephone conference with Company, DIP Lender, Monitor, Torys, Cassels and Goodmans re: cash flow to closing and DIP advances; reviewing draft Approval and Vesting Order circulated by Cassels; reviewing draft Report

Goodmans LLP

Barristers & Solicitors

Bay Adelaide Centre - West Tower
333 Bay Street, Suite 3400
Toronto, Ontario M5H 2S7

Telephone: 416.979.2211
Facsimile: 416.979.1234
goodmans.ca

Date	TKID	Hours	Description
			and discussing comments with R. Baulke; emails re: draft Order; reviewing further draft of Report, discussing comments and next steps with R. Baulke.
11/29/17	RNB	3.20	Discussion with J. Knight re: second report of the monitor; reviewing and commenting on same; discussions with B. Goodis re: motion materials for sale approval; preparing fee approval affidavits; discussions with B. Empey re: privilege matters; commissioning fee affidavit of B. Empey; reviewing updated motion materials for sale approval.
11/29/17	BFE	1.00	Reviewing and discussing fee affidavits with R. Baulke; telephone conferences and meetings with R. Baulke and various emails re: motion materials and draft report; swearing fee affidavit.
11/30/17	RNB	.80	Telephone conversation with G. Moffat re: Monitor's report; finalizing and serving same.
11/30/17	BFE	.50	Attendances re: finalizing Report.
12/01/17	RNB	.60	Preparing materials for filing with the court.
12/01/17	LBL	.80	Attending the Ontario Court of Justice Commercial List to file Monitor's Report..
12/06/17	RNB	1.80	Teleconference with company advisors re: HMI litigation and update on sale transaction; telephone conversation with L. Williams re: regulatory matters; reviewing and commenting on factum; discussions with J. Dietrich re: sale approval motion.
12/06/17	BFE	.80	Conference call re: discussions about litigation claims between Tory's and Norton Rose; reviewing revised drafts.
12/07/17	BFE	.50	Discussing Applicant's Factum with R. Baulke; reviewing emails re: updates on discussions between purchaser and HMI; considering proposed changes to Purchase Agreement.
12/08/17	RNB	.20	Reviewing amended approval and vesting order.
12/08/17	BFE	.20	Email updates.
12/11/17	RNB	.50	Discussions with B. Empey re: sale approval hearing matters.
12/11/17	BFE	2.00	Preparing for and attending at Court for Hearing of motion for sale approval; reporting to clients.
12/13/17	BFE	.20	Emails re: conditions for new Veridian connection agreement with purchaser.

Goodmans LLP

Barristers & Solicitors

Bay Adelaide Centre - West Tower
333 Bay Street, Suite 3400
Toronto, Ontario M5H 2S7

Telephone: 416.979.2211
Facsimile: 416.979.1234
goodmans.ca

Date	TKID	Hours	Description
12/15/17	RNB	2.00	Reviewing and revising various closing documents; discussions with J. Knight re: same.
12/18/17	BFE	.20	Interoffice conference with R. Baulke re: comments on closing agenda.
12/19/17	RNB	.40	Discussions with J. Dietrich re: closing matters; discussions with A . Slavens re: same.
12/19/17	BFE	.30	Reviewing Amendment Agreement for APA and forwarding to Monitor for review.

OUR FEE **$20,161.50**

TKID	NAME	HOURS	RATE	TOTAL
BFE	Empey, Brian F.	11.10 hrs	$925.00	$10,267.50
RNB	Baulke, Ryan	17.40 hrs	$495.00	$8,613.00
LBL	Bell, Luke	4.20 hrs	$305.00	$1,281.00
				$20,161.50

DISBURSEMENTS

Telephone - Long Distance	3.32
Copies	204.50
Conference Calls	9.06

TOTAL DISBURSEMENTS **$216.88**

TOTAL FEES ON THIS INVOICE		$20,161.50
HST ON FEES		2,621.00
NON TAXABLE DISBURSEMENTS	0.00	
TAXABLE DISBURSEMENTS	216.88	

Goodmans LLP

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TOTAL DISBURSEMENTS ON THIS INVOICE	$216.88
HST ON TAXABLE DISBURSEMENT	28.19
TOTAL THIS INVOICE (CANADIAN DOLLARS)	**$23,027.57**

THIS IS OUR ACCOUNT HEREIN
GOODMANS LLP

E. & O. E.
BFE /

This invoice may not reflect all time and disbursements incurred on this matter to date. It is payable upon receipt and in accordance with Section 33 of the *Solicitors Act* (Ontario), interest will be charged at the rate of 0.80% per annum on unpaid fees, charges or disbursements calculated one month from the date this invoice is delivered.

This is Exhibit "B" referred to in the

affidavit of Brian F. Empey

sworn before me, this 15th

day of February, 2018.

A Commissioner for Taking Affidavits

ANDREW HARMES

Goodmans LLP

Barristers & Solicitors

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333 Bay Street, Suite 3400
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January 23, 2018

Grant Thornton Limited
19th Floor, South Tower
200 Bay Street
Box 55, Royal Bank Plaza
Toronto, ON
Canada M5J 2P9

ATTENTION: Michael Creber

OUR FILE NO. GRLN 172195

OUR INVOICE NO. 697433

GST/HST REGISTRATION NO. R119422962

Re: Index Energy Mills Road Corporation

TO OUR PROFESSIONAL SERVICES RENDERED IN CONNECTION WITH THE ABOVE NOTED MATTER INCLUDING THE FOLLOWING:

Date	TKID	Hours	Description
01/02/18	RNB	.40	Reviewing definitive documents re: closing date extension.
01/03/18	RNB	1.20	Reviewing assignment and assumption agreement; teleconference with Cassels and Grant Thornton re: closing date; preparing e-mail re: conditions of closing date extension.
01/03/18	BFE	.80	Telephone call with Monitor and Cassels re: extension request from purchaser; drafting and issuing email to Torys re: terms for extension of closing date.
01/04/18	BFE	1.00	Emails re: Volume Biomass correspondence, drafting and issuing a response; emails re: construction lien litigation lift stay; emails re: Cassels correcting Court version of Sale Approval and Vesting Order, including their correspondence to Court Office.
01/08/18	RNB	.50	Reviewing and revising amendment to closing date; reviewing and responding to various e-mails re: same.
01/08/18	BFE	.20	Various emails re: agreement to extend closing date and assignment agreement.
01/09/18	RNB	.50	Reviewing assignment and assumption agreement and amendment to APA; responding to e-mails re: same; discussions with B. Empey re: closing

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Date	TKID	Hours	Description
			matters.
01/09/18	BFE	.20	Interoffice conference with R. Baulke re: status of closing arrangements.
01/10/18	RNB	.50	Teleconference with Osler re: closing matters; reviewing and responding to various e-mails.
01/10/18	BFE	.50	Telephone conference with Osler re: status of closing; status of IESO approvals; voicemails to and from J. Dietrich re: post-closing administration of the estate.
01/11/18	RNB	.90	Discussions with J. Knight re: closing matter and cash flow forecast; discussions with B. Empey re: same; reviewing cash flow projection.
01/11/18	BFE	.30	Telephone conference with J. Dietrich re: post-closing administration; emails re: cash flow.
01/12/18	RNB	.50	Teleconference with Grant Thornton re: closing date extension.
01/12/18	BFE	.90	Correspondence with the Court Office re: Volume Biomass; telephone call with M. Creber, J. Knight, R. Baulke re: extension request and next steps.
01/15/18	RNB	.30	Teleconference with Torys re: closing date extension.
01/15/18	BFE	.40	Telephone conference with D. Bish, J. Weisz and R. Baulke re: extension request, closing matters and communications; emails re: Volume Biomass communication with Court.
01/16/18	BFE	.80	Reviewing draft extension request from Torys; telephone conference with M. Creber re: same; responding by email with amendments.
01/17/18	RNB	.40	Telephone conversation with A. Iqbal re: update on closing matters; various e-mails re: same.
01/17/18	BFE	.20	Reviewing correspondence from Torys re: closing date extension; instructions to R. Baulke.
01/18/18	RNB	.70	Teleconference with M. Creber and company counsel re: next steps and post-closing matters; reviewing and responding to various e-mails with J. Knight.
01/18/18	BFE	.80	Conference call with Cassels Brock and Grant Thornton re: next steps for post-closing administration; draft email to J. Dietrich re: disclaimer process.

OUR FEE **$8,948.50**

Goodmans LLP

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Toronto, Ontario M5H 2S7

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TKID	NAME	HOURS	RATE	TOTAL
BFE	Empey, Brian F.	6.10 hrs	$935.00	$5,703.50
RNB	Baulke, Ryan	5.90 hrs	$550.00	$3,245.00
				$8,948.50

DISBURSEMENTS

Conference Calls	5.96	
TOTAL DISBURSEMENTS		**$5.96**

TOTAL FEES ON THIS INVOICE		$8,948.50
HST ON FEES		1,163.31
NON TAXABLE DISBURSEMENTS	0.00	
TAXABLE DISBURSEMENTS	5.96	
TOTAL DISBURSEMENTS ON THIS INVOICE		$5.96
HST ON TAXABLE DISBURSEMENT		0.77
TOTAL THIS INVOICE (CANADIAN DOLLARS)		**$10,118.54**

Goodmans LLP

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E. & O. E.
BFE /

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This is Exhibit "C" referred to in the

affidavit of Brian F. Empey

sworn before me, this 15th

day of February, 2018.

A Commissioner for Taking Affidavits

ANDREW HARMES

Goodmans LLP

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Bay Adelaide Centre - West Tower
333 Bay Street, Suite 3400
Toronto, Ontario M5H 2S7

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goodmans.ca

February 14, 2018

Grant Thornton Limited
19th Floor, South Tower
200 Bay Street
Box 55, Royal Bank Plaza
Toronto, ON
Canada M5J 2P9

ATTENTION: Michael Creber

OUR FILE NO. GRLN 172195

OUR INVOICE NO. 698461

GST/HST REGISTRATION NO. R119422962

Re: Index Energy Mills Road Corporation

TO OUR PROFESSIONAL SERVICES RENDERED IN CONNECTION WITH THE ABOVE NOTED MATTER INCLUDING THE FOLLOWING:

Date	TKID	Hours	Description
01/22/18	RNB	.40	Drafting acknowledgement re: D&O Charge reserve.
01/22/18	BFE	.30	Reviewing draft and office conference with R. Baulke re: draft acknowledgement for Ds and Os.
01/23/18	RNB	1.20	Telephone conversations with J. Knight re: closing matters; telephone conversations with J. Dietrich re: same; telephone conversations with A. Iqbal re: same.
01/23/18	BFE	.30	Dealing with matters for closing.
01/24/18	RNB	1.40	Teleconference with D. Bish re: closing date extension request; e-mails with A. Iqbal re: closing mechanics; discussions with B. Empey re: extension request; reviewing APA and related documents re: same; teleconference with M. Creber and J. Knight re: same.
01/24/18	BFE	1.20	Teleconference with D. Bish re: possible further extension request by Purchaser; teleconference with Grant Thornton re: cash flow issues with extension; draft and issue email re: terms for extension.
01/25/18	RNB	3.10	Reviewing and commenting on various closing documents; telephone conversations with J. Knight re: closing mechanics; teleconference with M. Creber, J Knight and B. Empey re: closing documents; discussions with M.

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Date	TKID	Hours	Description
			Daniels re: closing mechanics; discussions with D. Bish re: same.
01/25/18	BFE	2.80	Conference call re: communications planning for closing/post-closing discussions with R. Baulke and numerous emails re: issues for closing.
01/26/18	RNB	2.30	Attending to various closing matters; telephone conversations with J. Knight re: closing matters; telephone conversations with L. Williams and M. Daniels re: same; teleconference with Torys and Dentons re: same; preparing execution copy of closing documents.
01/26/18	BFE	.50	Emails and teleconference with Monitor and R. Baulke re: closing matters; teleconference with Torys and Dentons re: payment flow delayed to Monday.
01/29/18	RNB	.50	Attending to various closing matters.
01/30/18	RNB	.30	Attending to filing of monitor's certificate with the court and various post-closing matters.
01/30/18	LBL	.70	Filing Monitor's Certificate at the Commercial List.
01/30/18	BFE	.40	Emails with R. Baulke and conference call with Cassels, Brock and Grant Thornton re: next steps to complete the CCAA proceedings.
02/01/18	BFE	.20	Instructions to B. Baulke re: next steps under the A and V order.
02/01/18	HEW	.30	Emails with R. Baulke; order searches.
02/02/18	RNB	3.30	Reviewing and commenting on Monitor's third report; preparing fee affidavits.
02/05/18	RNB	1.50	Attending to various post-closing matters; drafting notice of name change to PPSA registrants; reviewing and revising draft third report.
02/05/18	BFE	1.30	Reviewing and commenting on draft PPSA notice of name change; reviewing and commenting on draft Third Report and fee affidavits; discussions with R. Baulke
02/05/18	HEW	.10	Emails with R. Baulke.
02/06/18	RNB	.70	Preparing and sending out notices of name change and asset sale transaction; revising Monitor's third report.

OUR FEE **$15,029.50**

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TKID	NAME	HOURS	RATE	TOTAL
BFE	Empey, Brian F.	7.00 hrs	$935.00	$6,545.00
RNB	Baulke, Ryan	14.70 hrs	$550.00	$8,085.00
HEW	Wilson, Heather	0.40 hrs	$465.00	$186.00
LBL	Bell, Luke	0.70 hrs	$305.00	$213.50
				$15,029.50

DISBURSEMENTS

Telephone - Long Distance	1.33
Copies	28.50
Conference Calls	6.52
Delivery - Courier	95.93
Search - PPSA	59.70

TOTAL DISBURSEMENTS **$191.98**

TOTAL FEES ON THIS INVOICE		$15,029.50
HST ON FEES		1,953.84
NON TAXABLE DISBURSEMENTS	0.00	
TAXABLE DISBURSEMENTS	191.98	
TOTAL DISBURSEMENTS ON THIS INVOICE		$191.98
HST ON TAXABLE DISBURSEMENT		24.96
TOTAL THIS INVOICE (CANADIAN DOLLARS)		**$17,200.28**

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GOODMANS LLP

E. & O. E.
BFE /

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This is Exhibit "D" referred to in the

affidavit of Brian F. Empey

sworn before me, this 15th

day of February, 2018.

A Commissioner for Taking Affidavits

ANDREW HARMES

Goodmans LLP
Bill Summary - CCAA Proceedings of Index Energy Mills Road Corporation
As at February 15, 2018

Invoice	Invoice Date	Fees	Cost	Tax	Total
696598	12/28/2017	$ 20,161.50	$ 216.88	$ 2,649.19	$ 23,027.57
697433	1/23/2018	$ 8,948.50	$ 5.96	$ 1,164.08	$ 10,118.54
698461	2/14/2018	$ 15,029.50	$ 191.98	$ 1,978.80	$ 17,200.28
	Total	**$ 44,139.50**	**$ 414.82**	**$ 5,792.07**	**$ 50,346.39**

Timekeeper	Title	Billed Hours	Bill Amount	Average Billing Rate
Brian F. Empey	Partner (Restructuring)	24.2	$ 22,516.00	$ 930
Ryan Baulke	Associate (Restructuring)	38.0	$ 19,943.00	$ 525
Heather Wilson	Law Clerk	0.4	$ 186.00	$ 465
Luke Bell	Articling Student	4.9	$ 1,494.50	$ 305
Total		**67.50**	**$ 44,139.50**	**$ 654**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C 36, AS AMENDED,

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 1715439 ONTARIO INC. (FORMERLY KNOWN AS INDEX ENERGY MILLS ROAD CORPORATION)

Court File No.: CV-17-580840-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

AFFIDAVIT OF BRIAN F. EMPEY
(sworn February 15, 2018)

GOODMANS LLP
Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto, Canada M5H 2S7

Brian F. Empey LSO# 30640G
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Ryan Baulke LSO# 66189O
rbaulke@goodmans.ca

Tel: 416.979.2211
Fax:416.979.1234

Lawyers for the Monitor

Court File No. CV-17-580840-00CL

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 1715439 ONTARIO INC. (FORMERLY KNOWN AS INDEX ENERGY MILLS ROAD CORPORATION)

Applicant

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at Toronto

THIRD REPORT OF THE MONITOR
DATED FEBRUARY 15, 2018

GOODMANS LLP
Barristers & Solicitors
333 Bay Street, Suite 3400
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Lawyers for the Monitor

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