



NO. S-S208894
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

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

AND

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*,
S.B.C. 2002, c.57, AS AMENDED

AND

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF URTHECAST
CORP., URTHECAST INTERNATIONAL CORP., URTHECAST USA INC, 1185729 B.C. LTD.
AND THOSE OTHER PETITIONERS SET OUT ON THE ATTACHED SCHEDULE "A"

FOURTH REPORT OF THE MONITOR

ERNST & YOUNG INC.

October 15th, 2020

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FOURTH REPORT OF THE MONITOR

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INTRODUCTION

1. On September 4, 2020 (the “**Filing Date**”) this Honourable Court granted UrtheCast Corp. (“**UrtheCast**”), 1185729 B.C. Ltd. (“**729 BC**”), UrtheCast International Corp., UrtheCast USA Inc., 1185781 B.C. Ltd. (“**781 BC**”), Deimos Imaging S.L.U., DOT Imaging S.L.U., Geosys Australia PTY, Geosys do Brasil Sistemas de Informacao Agricolas Ltda., Geosys Europe Sarl, Geosys Holding, ULC (was Geosys Technology Holding LLC), Geosys-Int’l, Inc., Geosys S.A.S. “**Geosys SAS**”, UrtheCast Holdings (Malta) Limited, UrtheCast Imaging S.L.U., UrtheCast Investments (Malta) Limited, UrtheDaily Corp., (collectively, the “**UrtheCast Group**” or the “**Petitioners**”), relief under the *Companies’ Creditors Arrangement Act* (Canada) (the “**CCAA**”).
2. The initial Order (the “**Initial Order**”), *inter alia*:
 - a) appointed Ernst & Young Inc. (“**EY**”) as monitor of the Petitioners (the “**Monitor**”) in these CCAA proceedings (the “**CCAA Proceedings**”); and
 - b) granted a “**Stay of Proceedings**” to September 14, 2020 (the “**Stay Period**”).
3. On September 14, 2020, this Honourable Court granted an order (the “**Amended and Restated Initial Order**”) that, among other things:
 - a) extended the Stay Period to October 2, 2020 (the “**First Stay Extension**”); and
 - b) approved the 126 DIP Commitment Letter (term defined below) and the Interim Lender’s Charge (term defined below) of USD \$1 million.
4. On September 23, 2020, this Honourable Court granted an order (the “**Revised Amended and Restated Initial Order**”) that, among other things, approved a second DIP facility (the “**Hale DIP Term Sheet**”) and corresponding DIP charge of in the amount of USD \$5,000,000.
5. On October 2, 2020 this Honourable Court granted an that, among other things:

- a) extended the stay of proceedings to December 18, 2020 (the “**Second Stay Extension**”); and
 - b) authorized UrtheCast Corp. to act as the Foreign Representative in any recognition proceedings related to the within CCAA proceedings.
6. A more fulsome introduction and timeline of events resulting in the within proceedings is provided in the Proposed Monitor Report dated September 3, 2020 (the “**Proposed Monitor’s Report**”), the First Report of the Monitor (the “**First Report**”) dated September 10, 2020, the Second Report of the Monitor (the “**Second Report**”) dated September 23, 2020 and the Third Report of the Monitor (the “**Third Report**”) dated October 1, 2020.
7. To date, the Court has granted the following “**Charges**” that rank in the following order:
 - a) an Administration Charge in the amount of \$500,000 in favour of legal counsel for the UrtheCast Group, the Monitor, and independent counsel to the Monitor, as security for professional fees and disbursements incurred both before and after the making of the Initial Order in respect of the within proceedings;
 - b) two Interim Lender’s Charges in the aggregate of USD \$6,000,000; and
 - c) the Directors’ Charge of \$350,000 as security for an indemnity provided by the Petitioners to its directors and officers as described in the Proposed Monitor’s Report and the Revised Amended and Restated Initial Order; and
 - d) the Intercompany Charge as described in the First Report and the Revised Amended and Restated Initial Order.
8. The Monitor has established a website at www.ey.com/ca/urthecast (the “**Monitor’s Website**”). All court documents and certain other documents will be posted on the Monitor’s Website.

9. On October 14, 2020, the Petitioners filed:
- a) a Notice of Application returnable on October 16, 2020, seeking, among other things, approval of a SISP (defined below), a Stalking Horse Offer (defined below) and an interim financing facility; and
 - b) the 5th affidavit of Mr. Sai Chu sworn on October 14, 2020 (the “**Fifth Chu Affidavit**”) in support of the Petitioners’ request to with respect to the above.
10. The purpose of this report, (the “**Fourth Report**”) is to provide this Honourable Court with information on the following:
- a) condensed background information on the Petitioners;
 - b) information on the status of foreign insolvency proceedings commenced in respect of the Urthecast Group;
 - c) the Proposed SISP (defined and described below) sought by the Petitioners;
 - d) The Stalking Horse Offer;
 - e) The Proposed Replacement DIP Facility;
 - f) a summary of the Court Ordered Charges; and
 - g) the Monitor’s recommendations.

TERMS OF REFERENCE

11. In preparing this Fourth Report and making the comments herein, the Monitor has been provided with, has herein relied upon, unaudited financial information, books, records and financial information prepared by the Petitioners, discussions with certain management of the Petitioners (“**Management**”), and information from other third party sources (collectively,

the “**Information**”). Except as described in this Fourth Report in respect of the Cash Flow Forecast:

- a) the Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of such information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards (“**GAAS**”) pursuant to the *Chartered Professional Accountants Canada Handbook* and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information; and
 - b) some of the information referred to in this Fourth Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the *Chartered Professional Accountants Canada Handbook*, has not been performed.
12. Future oriented financial information referred to in this Fourth Report was prepared based on Management’s estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not readily and currently ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be material.
13. Unless otherwise indicated, the Monitor’s understanding of factual matters expressed in this Fourth Report concerning the Petitioners and their business is based on the Information, and not independent factual determinations made by the Monitor.

14. All capitalized terms used herein that are undefined have the meanings ascribed thereto in the Proposed Monitor's Report, the First Report, the Second Report, the Third Report or the Revised Amended and Restated Initial Order.
15. Unless otherwise stated all monetary amounts contained herein are expressed in Canadian Dollars.

CONDENSED BACKGROUND INFORMATION

16. UrtheCast is the overall corporate parent of the UrtheCast Group of companies. It is a public entity listed on the Toronto Stock Exchange under the ticker symbol "UR" and it maintains its Corporate head office in Vancouver, British Columbia.
17. A copy of UrtheCast's organization chart prepared by management was attached to the Proposed Monitor's Report as Appendix "B".
18. The UrtheCast Group is a vertically integrated company that provides satellite imaging, data services and geanalytics through subsidiaries incorporated in the United States, Spain, France, Australia, Switzerland, Brazil, Russia, Barbados and Malta.
19. The UrtheCast Group's primary tangible assets consist of:
 - a) two (2) earth observation ("EO") satellites that are currently deployed in outer space known as the Deimos-1 and Deimos-2 satellites (the "**Deimos Satellites**");
and
 - b) two EO sensors and related equipment currently installed aboard the Russian module of the International Space Station (the "**ISS Cameras**", and collectively with the Deimos Satellites, the "**Orbital Assets**").
20. The Deimos Satellites are owned within UrtheCast Spain which is incorporated under the laws of Spain and are encumbered by a senior secured loan payable to Banco de Sabadell,

S.A. pursuant to a Spanish loan agreement dated December 11, 2015, between Banco de Sabadell, S.A. and UrtheCast Imaging, S.L.U. (the "**Sabadell Term Loan**").

21. Additionally, in January 2019, UrtheCast acquired an operating unit called Geosys (the "**Geosys Operation**") which provides scientific grade weather and satellite data and proven methodologies for monitoring and benchmarking agricultural crops. Geosys primarily operates through the following entities:

a) Geosys-Int'l Inc. (incorporated under the laws of the USA) which is located in Maple Grove, Minnesota and, among other things, manages a satellite imagery services agreement with a key customer; and

b) Geosys SAS (incorporated under the laws of France) which is located in Toulouse, France and provides support services through the employment of approximately 65 personnel in France to enable the provision of services to Geosys' customers. The Monitor is advised that Geosys SAS does not possess any assets of material value and that it relies on intercompany funding to fund ongoing payroll and other costs that are required to service, among other things, the Services Agreement.

22. Urthecast acquired the Geosys Operation from Land O'Lakes Inc. ("**Land O'Lakes**") in January 2019 (the "**Geosys Acquisition Transaction**") for USD \$20 million (the "**Geosys Purchase Price**"), payable by Urthecast in three installments. Land-O' Lakes is a very large member-owned agricultural cooperative based in Minnesota USA that focuses on the dairy industry. Two of the three installments, totaling USD \$15 million (CAD \$20.5 million), are currently outstanding on the Geosys Purchase Price.

23. The Monitor is advised that while Urthecast has completed to acquisition of the Geosys Operation, under the formal terms of the relevant agreements critical intellectual property

("IP") with respect to the transaction will only transfer to Urthecast once the balance of Geosys Purchase Price is paid.

24. Following the Geosys Acquisition Transaction, a subsidiary of Land O'Lakes entered into a long-term license and services agreement with the Urthecast Group for the provision of satellite imagery services (the "**Services Agreement**"). The Services Agreement is a primary cash flow driver for the Petitioners and preservation of the Services Agreement is critical to a restructuring or sale of the Company.
25. The UrtheCast Group's go-forward business plan has been focused on the development of the following two (2) major EO projects that the Petitioners forecast will generate significant revenue once operational:
 - a) **OptiSAR Constellation Project**: a project incorporating synthetic aperture radar ("**SAR**") sensory technology into a constellation of synchronized satellites; and
 - b) **UrtheDaily Constellation Project**: a project focusing on the development of a second constellation of synchronized satellites equipped with optical EO sensors which would be the first earth observation system to provide scientific-quality, analytics-ready imagery of the entire earth (excluding Antarctica) every day.
26. Moreover, the UrtheCast group is developing software and related infrastructure to facilitate EO imagery processing and distribution at scale (the "**UrthePipeline**"). The UrthePipeline has commenced offering some services. Once completed, the technology will form an integrated part of the ground segment for the UrtheDaily Constellation.

UPDATE ON FOREIGN INSOVENCY PROCEEDINGS

Geosys SAS (France)

27. In the Second Report and the Third Report, the Monitor described that Geosys SAS had appeared before the Commercial Court in Toulouse (France) and requested that a type of formal insolvency proceeding, known as Redressement Judiciaire (“**RJ**”), be commenced in France.
28. RJ is a debtor driven process that is similar to a CCAA and whereby a Debtor is subject to oversight by a trustee who will report to the Commercial Court in Toulouse in a manner similar to a Monitor. At a hearing on September 29, 2020, the Commercial Court in Toulouse appointed Me. Caviglioli as Trustee (the “**French Trustee**”).
29. Since the commencement of the RJ proceedings in France, Geosys SAS has been working with the French Trustee to fulfill statutory requirements of the RJ proceeding. The Petitioners, with the support of the Monitor, are sharing information and coordinating with Geosys SAS to ensure compliance with the requirements of the RJ proceeding in order to avoid disruption to operations.

Chapter 15 Proceedings in the District of Minnesota, United States of America

30. The Third Report described that the Petitioners had retained Fredrickson & Byron, P.A. in Minneapolis, Minnesota as legal counsel to file a motion with the United States Bankruptcy Court for the District of Minnesota for an order granting recognition of the within CCAA proceedings as a foreign main proceeding pursuant to Chapter 15 of the *United States Bankruptcy Code*.
31. On October 6, 2020, a number of the Petitioners filed motions for provisional relief and motions for recognition orders in the United States Bankruptcy Court for the District of Minnesota (the “**US Bankruptcy Court**”). At a hearing on October 9, 2020, the US

Bankruptcy Court granted a temporary restraining order (the “**TRO**”), attached hereto as **Appendix “A”**, that, *inter alia*:

- a) recognized these CCAA proceedings as a foreign main proceeding; and
- b) ordered a temporary stay of proceedings in the United States up to and including October 29, 2020.

Potential Proceedings in Spain

- 32. As is noted above, the Petitioners own the Deimos Satellites through UrtheCast Spain which is incorporated under the laws of Spain and are encumbered by the Sabadell Term Loan.
- 33. The Petitioners have been marketing the Deimos Satellites for approximately the past year and have received expressions of from interested parties to acquire the assets. The Petitioners have retained a law firm in Madrid (Spain) to assist it in evaluating the merits of commencing formal insolvency proceedings in Spain to facilitate the sale of the Deimos Satellite that are encumbered by the Sabadell Term Loan.

PROPOSED SALE AND INVESTMENT PROCESS

General Overview

- 34. The Petitioners are seeking this Honourable Court’s approval of Sale and Investment Solicitation Process (the “**Proposed SISP**”) for a sale or investment in the Urthecast Group. This section of the Fourth Report includes a general discussion of the Proposed SISP. A copy of the Proposed SISP is attached hereto as **Appendix “B”**.
- 35. Capitalized terms not defined below have the meaning ascribed to them in the Proposed SISP.

36. In its previous reports, the Monitor described the Petitioners' negotiations with a potential purchaser toward a letter of intent ("**LOI**") that involves a stalking horse bid procedure. In the past week, the Petitioners finalized the terms of a "**Stalking Horse Offer**" for specific assets of the UrtheCast Group that can be generally summarized as the UrtheDaily and UrthePipeline projects together with Geosys (the "**Designated Assets**"). Details pertaining to the Stalking Horse Offer are described below.
37. The Optisar Constellation Project ("**OptiSar**") assets, the Deimos Satellites and the ISS Cameras do not form part of the Stalking Horse Bid (the "**Other Core Assets**").
38. Accordingly, the Petitioners, in consultation with the Monitor developed the Proposed SISP that allows for a sale or investment in the UrtheCast Group together with a Stalking Horse Offer for the Designated Assets.
39. The Monitor further notes that the UrtheCast Group has been actively marketing itself for a sale or investment in the past year and has identified a list of interested parties, many of whom have undertaken due diligence procedures, and are familiar with the Company. To that end, the Petitioners have:
- a) prepared a form of non-disclosure agreement ("**NDA**") for use in their marketing efforts to date; and
 - b) populated an electronic data room, with key information, for potential purchasers and investors.
40. The Petitioners, with the assistance of the Monitor will prepare a teaser sale document (a "**Teaser**") which will provide a brief outline of the opportunity to either acquire the assets of and/or invest in the UrtheCast Group and a summary of the timeline of the SISP.

The Proposed SISP Timeline

41. The Proposed SISP considers a two-phase process with an option to proceed to an Auction if there are competitive bid which warrant the undertaking of same.
42. For ease of reference, a summary timeline associated with the Proposed SISP is as follows:

Milestone	Timeline
Teaser Letter sent to potential Known Potential Bidders	As soon as practicable and, in any case, not later than October 16, 2020
Phase I Bid Deadline	November 6, 2020
Phase II Bid Deadline	To be specified in Phase II Bid Process Letter, but in any case, not later than November 18, 2020
Auction (if required)	November 23, 2020

Phase I: Solicitation and Submission of Non-Binding LOI's

43. Phase I of the Proposed SISP includes the following stages:
- a) Potential Bidders that have executed an NDA will be provided a copy of the binding agreement originating from Stalking Horse Offer (the “**Definitive Stalking Horse Agreement**”);
 - b) Potential Bidders will have the opportunity to complete preliminary due diligence on the assets of the Petitioners with respect to a sale or investment in:
 - i. the entirety of UrtheCast Group;
 - ii. the Designated Assets pursuant to the Stalking Horse Offer; or
 - iii. the Other Core Assets.
 - c) non-binding letters of intent (each a “**Non-Binding LOI**”) to be submitted on or before November 13, 2020; and

- d) review and assessment of Non-Binding LOI's and qualification of potential purchasers for participation in Phase II.

Phase II: Submission of Sale Agreement or Investment/Restructuring Agreement

- 44. Phase II of the Proposed SISP includes the following stages:
 - a) Potential Bidders that submitted qualified Non-Binding LOI's will be provided the opportunity to perform further due diligence;
 - b) Potential Bidders will prepare and submit a final binding proposal ("**Final Agreement**") in the form of a purchase and sale agreement or an investment/restructuring agreement on or before November 18, 2020; and
 - c) a period for Review and Assessment of the Final Agreements by the Petitioners, in consultation with the Monitor.

- 45. The Petitioners, in consultation with the Monitor, will review and assess Final Agreements to determine:
 - a) if any of the Final Agreements are for or include the Designated Assets, whether the offer is superior to the Definitive Stalking Horse Agreement (a "**Superior Offer**"), and if so, the Petitioners will proceed an Auction as outlined below; and
 - b) for Final Agreements that do not include the Designated Assets (i.e. the Other Core Assets on a standalone basis), whether to:
 - i. seek to close a transaction with one or more Potential Bidder(s);
 - ii. proceed to an Auction if there are competitive bids using the best offer for those assets as a Starting Bid; or
 - iii. terminate the SISP in the absence of viable offers the Other Core Assets.

Auction Process (“Auction Phase”)

46. The Petitioners will provide parties making Superior Offers and the party that submitted the Definitive Stalking Horse Agreement an opportunity to make further bids through an Auction process (the “**Auction**”) to be conducted at the offices of the Monitor and by teleconference on or before November 23, 2020.
47. At the close of the Auction, the Monitor shall identify the winning bid (the “**Winning Bid**”) and a backup bid (the “**Backup Bid**”). The Petitioners, with the assistance of the Monitor, shall proceed to settle a definitive agreement in respect of the Winning Bid. Once settled, the Petitioners will apply to this Honourable Court for approval of the Winning Bid and consummate the transaction.

Monitor’s Comments on the Proposed SISP

48. The process for preparation and distribution of information to potentially interested parties is reasonable and preserves the confidentiality of such information where applicable.
49. The timeframe for the Proposed SISP, while aggressive and condensed, is appropriate given the limited cash funding available to the UrtheCast Group (as discussed in greater detail below).
50. The Stalking Horse Offer has the effect of creating a reserve price (or floor price) for the Designated Assets and is subject to a further marketing procedure for same.
51. Overall, the Monitor is of the view that the Proposed SISP will allow the Petitioners to pursue a successful restructuring transaction.

STALKING HORSE OFFER FOR THE URTHEDAILY ASSETS

52. The Stalking Horse Offer for the Designated Assets results from an acquisition term sheet (the “**Stalking Horse Term Sheet**”) entered into between the Petitioners and Antarctica Infrastructure Partners, LLC (“**Bidco**”), an affiliate of Antarctica Capital LLC (“**Antarctica**”). Attached hereto as **Appendix “C”** is a copy of the Stalking Horse Term Sheet.
53. Material terms of the Stalking Horse Term Sheet are as follows:
- a) a purchase price of CAD \$69.3 million (the “**Purchase Price**”) which is comprised of the following:
 - i. cash of CAD \$1,000,000;
 - ii. the assumption of Urthecast’s obligations to pay CAD \$20.5 million with respect of the outstanding amounts owing to Land O’ Lakes as cure costs to complete the transfer of IP pursuant to the Geosys Acquisition Transaction;
 - iii. 35% of Bidco’s non-voting equity in exchange for approximately \$36.1 million of secured debt owing to Bolzano Investments Limited, Lunar Ventures Inc., SMF Investments Limited, Skidmore Group and each of Messrs. Don Osborne, Sai Chu, William Evans, James Topham, and Mark Piegza (collectively, the “Secured Lenders”); and
 - iv. The assumption of CAD \$11.7 million of secured indebtedness to the Strategic Aerospace and Defence Initiative (“**SADI**”).
 - b) a deposit of CAD \$500,000 payable upon execution of a definitive purchase agreement (the “**Purchase Agreement**”);
 - c) a “**Break-Fee**” of 2% of the Purchase Price if Bidco is not the successful bidder for the Designated Assets under the SISF; and

- d) should an “Alternative Transaction” complete within six months of the termination of the Purchase Agreement that results in any cash on closing, Urthecast will pay Bidco:
- i. an “**Expense Reimbursement**” to a maximum of CAD \$1,000,000; and
 - ii. a “**Break-Up Fee**” in an amount equal to 3.0% of the aggregate value of the consideration to be received by Urthecast to a maximum of CAD \$1,500,000;
 - iii. provided, however, that any payment of the Break Fee (2%) by UrtheCast shall reduce on a dollar for dollar basis the amount owing and payable for the Expense Reimbursement (up to CAD \$1 million) and the Break-Up Fee (3%) fee.

Monitor’s Comments on the Stalking Horse Offer

54. The Monitor is of the view that the Stalking Horse Offer together with the SISF is appropriate in the circumstances for the following reasons:
- a) it identifies a purchaser, subject to limited conditions, and establishes a minimum or floor price for the Designated Assets in order to bring certainty of outcome for various stakeholders associated with the within proceedings, including the customers, suppliers, employees and major creditors;
 - b) it proposes to preserve the Services Agreement with the subsidiary of Land O’ Lakes that is critical to the business going forward;
 - c) it assumes and preserves a material amount of secured debt; and

- d) the Stalking Horse Offer may also contribute to the efficiency of the process by providing a base agreement that limits future and duplicative negotiation with alternative parties.
55. Attached hereto as **Appendix “D”** is a schedule of precedent stalking horse break fees in insolvency proceedings in Canada. The Monitor has reviewed recent and similar break and break-up fee precedents and considers the break-up fees associated with the Stalking Horse Offer to be reasonable in the circumstance.
56. The Petitioners are seeking a court ordered charge to secure the Expense Reimbursement and Break-Up described above (the **“Break-up Fee and Expense Reimbursement Charge”**).
57. The Monitor notes that the Stalking Horse Offer is for the Designated Assets only and the combination of transactions that may result from the Proposed SISP warrants special protection to secure Bidco’s ability to claim the Break Fee in the event of an alternative transaction.

PROPOSED REPLACEMENT DIP FACILITY

58. This Honourable Court Honourable Court has approved a two debtor-in-possession (**“DIP”**) financing facilities:
- a) the 126 DIP Commitment Letter in the amount of USD \$1 million; and
 - b) the Second DIP Term Sheet with Hale in the amount of USD \$5,000,000.
59. As of the date of this Report, the Petitioners had drawn the full amount of USD \$1 million under the 126 DIP Commitment Letter. To date, no funding has been advanced directly to the Petitioners under the Second DIP Term Sheet with Hale.

60. In the Second Report, the Monitor noted that some of the Funding Conditions (term defined in the Second Report) set out in the Second DIP Term Sheet were onerous on the Petitioners and afford Hale a significant degree of oversight in the restructuring process.
61. Since this Honourable Court approved the Second DIP Term Sheet, the Monitor observed that the Petitioners worked with diligence and in good faith to satisfy the conditions of the Second DIP Term Sheet; however, as the Fifth Chu Affidavit describes, the Petitioners now believe they will not likely be able to satisfy certain Funding Conditions set out in the Second DIP Term Sheet; and the Petitioners have concluded that continuing to negotiate with Hale could threaten their ability to restructure and maximize value for stakeholders.
62. Given these concerns, the Petitioners approached representatives of Antarctica with respect to their ability and interest in providing a DIP facility to provide the Petitioners with the necessary funding to carry out the Proposed SISP described above. On October 14, 2020, the Petitioners executed a DIP term sheet (the “**Replacement DIP Term Sheet**”) with an affiliate of Antarctica, a copy of which is attached hereto as **Appendix “E”**.
63. Key financial terms of the Replacement DIP Term Sheet include the following:
- a) a term loan of CAD \$3,548,000 available subject in three (3) tranches scheduled with the Petitioners’ funding requirements as set out in the Cash Flow Forecast (defined below) as follows:
 - i. an initial tranche of \$1,266,000 on November 6, 2020;
 - ii. a second tranche in the amount of \$733,000 subject to the conditions therein; and
 - iii. a third tranche in the amount of \$1,548,000 subject to the conditions therein;
 - b) a maturity date of January 15, 2020;

- c) an interest rate of 17.5% per annum;
 - d) a standby fee of 2% per annum on any undrawn portion of the loan;
 - e) a commitment fee of 3% on all monies advanced;
 - f) repayment of the lenders out of pocket due diligence and professional fees associated with the loan;
64. The Petitioners are seeking a priority charge for funds advanced pursuant to the Replacement DIP Term Sheet (the “**Antarctica DIP Charge**”). The Petitioners propose that the Antarctica DIP Charge will rank in priority to all court ordered charges with the exception of the Administration Charge.
65. Funding under the Replacement DIP Term Sheet is conditional on, among other things, this Honorable Court's approval of the Stalking Horse Offer and the Proposed SISP.
66. The Monitor notes that the financial terms outlined above are fair, reasonable and consistent with similarly risked precedent loans and are somewhat less onerous than the terms of the Second DIP Term Sheet. Moreover, the Monitor notes that the interest rate proposed is slightly lower than the interest rate approved by this Honourable Court in connection with the 126 DIP Commitment Letter and Second DIP Term Sheet.
67. The Petitioners are seeking to amend the Amended and Restated Initial Order (the “**Third ARIO**”) to replace and supersede both the 126 DIP Term Sheet and the Second DIP Term Sheet with Hale by repaying in full any amounts owing to Hale and to 126 thereunder.

The Monitor's Observations

68. The Petitioners are not currently seeking an extension to the Stay of Proceedings beyond the current Second Stay Extension period which is set to expire on December 18, 2020. However, Management with the assistance of the Monitor, has developed an updated cash

flow forecast (the “**Cash Flow Forecast**”) for the ten-week period beginning on October 10 and ending on December 18, 2020 which assumes the Petitioners will access all three tranches under the Replacement DIP Term Sheet. A copy of the Cash Flow Forecast together with assumptions is attached hereto as **Appendix “F”** and is summarized below.

	To December 18, 2020
Beginning Cash	\$3,994,000
Receipts	\$1,312,000
Disbursements	
AWS	(20,000)
Payroll	(1,094,000)
Restructuring Fees	(1,391,000)
Intercompany (Geosys)	(856,000)
Intercompany (Deimos)	(331,000)
Repayment of principal advanced to Interim Lender (126)	(1,320,000)
DIP Interest and Fees	(1,434,000)
SAR	(375,000)
Miscellaneous	(223,000)
Ending Cash Balance	\$(1,538,000)
Interim Financing Draw	\$3,547,000
Ending Cash after Interim Financing	\$1,809,000

69. Given these assumptions, the Petitioners will have sufficient liquidity to undertake the Proposed SISF.

COURT ORDERED CHARGES

70. As previously mentioned, there have been several court ordered charges within these CCAA proceedings to date.
71. The Petitioners are currently seeking the approval of the Antarctica DIP Charge and the Break Fee Charge. If approved, the Court ordered super priority charges would rank as follows:
- a) First: Administration Charge (to the maximum amount of \$500,000);

- b) Second: Antarctica Interim Lender's Charge;
- c) Third: Hale Interim Lender's Charge;
- d) Fourth: 126 Interim Lender's Charge;
- e) Fifth: Directors' Charge (to the maximum amount of \$350,000);
- f) Sixth: The Break Fee Charge; and
- g) Seventh: Intercompany Charge.

CONCLUSIONS AND RECOMMENDATIONS

72. For the reasons stated herein, the Monitor supports the relief sought by the Petitioners and recommends that this Honourable Court approve:

- a) the Proposed SISP;
- b) the Stalking Horse Offer;
- c) the Replacement DIP Term Sheet;
- d) the Antarctica DIP Charge; and
- e) the Break Fee Charge.

All of which is respectfully submitted this 15th day of October 2020.

ERNST & YOUNG INC.

in its capacity as Monitor
of the UrtheCast Group
and not in its personal or corporate capacity

Per:



Michael Bell, CPA, CA, CIRP, LIT
Senior Vice President



Philippe Mendelson, CIRP, LIT
Vice President

Appendix A

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MINNESOTA**

In re:

Chapter 15

UrtheCast Corp.,
Geosys-Int'l, Inc.,
Geosys Australia PTY,
Geosys Europe SARL,
Geosys S.A.S.,
Geosys do Brasil Sistemas de Informacao Agricola Ltda.,
Deimos Imagine S.L.U.,

Case No. 20-32353
Case No. 20-42376
Case No. 20-32354
Case No. 20-32355
Case No. 20-32356
Case No. 20-32357
Case No. 20-32358

Debtors in a Foreign Proceeding.¹

Jointly Administered Under
Case No. 20-32353

**ORDER (I) GRANTING EXPEDITED RELIEF AND (II) GRANTING PROVISIONAL
RELIEF PURSUANT TO SECTION 1519 OF THE BANKRUPTCY CODE**

This case is before the Court on a motion for an order (a) provisionally giving full force and effect in the United States to the Initial Order, as amended, and the Revised Initial Order, (b) provisionally applying sections 362, 363, and 365 of the Bankruptcy Code in these chapter 15 cases under section 1519 of the Bankruptcy Code, and (c) granting related relief (the “Motion”)²; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334 and 11 U.S.C. §§ 109 and 1501; and consideration of the Motion and the relief requested therein being a core proceeding under 28 U.S.C. § 157(b)(2)(P); and venue being proper before this Court under 28 U.S.C. § 1410(1) and (3); and it appearing that

¹The Debtors and the last four digits of their U.S. EIN or other unique identifier are as follows: UrtheCast Corp. (#7087); Geosys-Int'l, Inc. (#8642); Geosys Australia PTY (#1624); Geosys Europe SARL (#4389); Geosys S.A.S. (#3790); Geosys do Brasil Sistemas de Informacao Agricola Ltda (#01-34); and Deimos Imaging S.L.U. (#4529). The Debtors' mailing address is 1055 Canada Place, Ste 33, Vancouver BC V6C0C3.

² Capitalized terms not defined herein are defined in the Motion.

no other or further notice need be provided; and the opportunity for a hearing to consider the relief requested in the Motion having been provided; and upon the verified chapter 15 petitions, filed contemporaneously with the Motion, the record in support of the Motion and the chapter 15 petitions, and the proceedings had before the Court; and the Court having found and determined that the relief sought in the Motion is in the best interests of the Debtors, their creditors, and parties in interest, and is in the interest of international comity and not inconsistent with United States public policy, and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor,

THIS COURT HEREBY FINDS AND DETERMINES THAT:

A. The findings and conclusions set forth herein constitute this Court's findings of fact and conclusions of law under Rule 7052 of the Federal Rules of Bankruptcy Procedures (the "Bankruptcy Rules") made applicable to this proceeding under Bankruptcy Rule 9014. To the extent any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

B. This Court has jurisdiction to consider this matter under 28 U.S.C. §§ 157 and 1334.

C. This is a core proceeding under 28 U.S.C. § 157(b)(2)(P).

D. Venue of these cases is proper before this Court under 28 U.S.C. § 1410(1) and (3).

E. There is a substantial likelihood that the Foreign Representative will successfully demonstrate that the Canadian Proceeding constitutes a "foreign main proceeding" as defined in section 1502(4) of the Bankruptcy Code, or a "foreign nonmain proceeding" as defined in section 1502(5).

F. The commencement or continuation of any action or proceeding in the United States against the Debtors should be enjoined pursuant to section 1519 of the Bankruptcy Code to permit the expeditious and economical administration of the Canadian Proceeding, and such relief will either (a) not cause an undue hardship to any creditors or other parties-in-interest or (b) any hardship to such creditors or parties is outweighed by the benefits of the relief requested.

G. Unless a preliminary injunction is issued, there is a material risk that the Debtors' creditors or other parties-in-interest in the United States may take certain actions against the Debtors, including exercising certain remedies under existing executory contracts. Such actions could (a) interfere with and cause harm to the Debtors' efforts to administer the Canadian Proceedings, (c) interfere with the Debtors' operations, and (d) undermine the Debtors' efforts to achieve an equitable result for the benefit of all of the Debtors' stakeholders. Accordingly, there is a material risk that the Debtors may suffer immediate and irreparable injury, and it is therefore necessary that the Court grant the relief set forth in this order (the "Order").

H. The interest of the public will be served by this Court's entry of this Order.

I. The Foreign Representative is entitled to the full protections and rights available pursuant to section 1519(a)(1), (2), and (3) of the Bankruptcy Code.

NOW, THEREFORE, IT IS ORDERED:

1. Beginning on the date of this Order and through and including October 29, 2020 or such other date as ordered by this Court:

- a. The Foreign Representative, on a preliminary basis, is recognized as, and shall be the representative of, the Debtors. In conjunction with the Canadian Proceeding, the Debtors under the oversight of the Monitor are entitled to continue to operate the Debtors' assets and affairs in the United States and may operate the Debtors' business and exercise the rights and powers of a trustee under and to the extent provided by sections 363 and 552 of the Bankruptcy Code.

- b. The Initial Order, the Amended Initial Order, the Revised Initial Order, and the Stay Extension and Foreign Representative Order, including any extensions, amendments, or modifications thereto, are hereby enforced and given full force and effect in the United States (except as otherwise expressly provided herein), including but not limited to the priority afforded to the DIP Lender's security interest pursuant to ¶¶ 42-51 of the Revised Initial Order in, among other things, the Winfield Receivable.
- c. Section 362 of the Bankruptcy Code shall apply with respect to the Debtors and the Debtors' property that is within the territorial jurisdiction of the United States. For the sake of clarity, no person may setoff any debt owing to any of the Debtors that arose before the commencement of the case under this title, including but not limited to the Winfield Receivable, against any claim against such Debtor.
- d. Section 365(e) of the Bankruptcy Code shall apply with respect to the Debtors and the property of the Debtors that is within the territorial jurisdiction of the United States.
- e. Any and all counterparties to a contract with the Debtors are hereby prohibited from taking any steps to cancel, terminate, or modify such contract for any reason, including non-payment of amounts due and/or due to any ipso facto clause described by section 365(e)(1) of the Bankruptcy Code.
- f. The Foreign Representative shall have the rights and protections to which the Foreign Representative is entitled under chapter 15 of the Bankruptcy Code, including, but not limited to, the protections limiting the jurisdiction of United States Courts over the Foreign Representative in accordance with section 1510 of the Bankruptcy Code and the granting of additional relief in accordance with sections 1519(a) and 1521 of the Bankruptcy Code.
- g. Notwithstanding any provision in the Bankruptcy Rules to the contrary, (i) this Order shall be effective immediately and enforceable upon entry, (ii) the Foreign Representative is not subject to any stay in the implementation, enforcement, or realization of the relief granted in this Order, and (iii) the Foreign Representative is authorized and empowered, and may, in its discretion and without further delay, take any action and perform any act necessary to implement and effectuate the terms of this Order.

2. The Foreign Representative and the Debtors are hereby granted the full protections and rights available pursuant to section 1519(a)(1), (2), and (3) of the Bankruptcy Code, including

without limitation, interim relief with respect to section 1520(a)(1), (3), and (4), and section 1521(a)(1), (2), and (5).

3. Pursuant to Bankruptcy Rule 7065, the security provisions of Rule 65(c) of the Federal Rules of Civil Procedure are waived.

4. The banks and financial institutions with which the Debtors maintain bank accounts or on which checks are drawn or electronic payment requests made in payment of prepetition or postpetition obligations are authorized to continue to service and administer the Debtors' bank accounts without interruption and in the ordinary course and to receive, process, honor and pay any and all such checks, drafts, wires and automatic clearing house transfers issued, whether before or after the Petition Date and drawn on the Debtors' bank accounts by respective holders and makers thereof and at the direction of the Monitor or the Debtors, as the case may be.

5. Notwithstanding anything contained in this Order to the contrary, this Order shall have no effect on the *redressement judiciaire* insolvency proceeding involving Debtor Geosys SAS commenced on or about October 1, 2020 in the Commercial Court in Toulouse, France (the "French Proceeding"), or the rights of the trustee appointed therein, Land O'Lakes, Inc., and/or Winfield Solutions, LLC in connection with the French Proceeding.

6. Any party in interest may seek relief from this Order on an expedited basis.

7. The Foreign Representative is authorized to take all actions necessary to effectuate the relief granted pursuant to this Order.

8. This Court shall retain jurisdiction with respect to the enforcement, amendment or modification of this Order, any requests for additional relief or any adversary proceeding or contested matter brought in and through the chapter 15 case, and any request by an entity for relief

from the provisions of this Order, for cause shown, that is properly commenced and within the jurisdiction of this Court.

/e/ William J. Fisher

DATED: *October 11, 2020*

United States Bankruptcy Judge

Appendix B

Sale and Investment Solicitation Process Outline

Introduction

On September 4, 2020, UrtheCast Corp., UrtheCast International Corp., UrtheCast USA Inc., 1185729 B.C. Ltd. and the other petitioner parties set out on Schedule A (collectively, the "**Petitioners**" or "**UrtheCast Group**") to the initial order (the "**Initial Order**") granted by the Supreme Court of British Columbia (the "**Court**"), obtained relief under the *Companies' Creditors Arrangement Act* (Canada) ("**CCAA**") from the Court that, among other things, commenced the CCAA proceedings (the "**CCAA Proceedings**"), granted an initial stay of proceedings in respect of the Petitioners (the "**Stay**") and appointed Ernst & Young Inc., as monitor (the "**Monitor**").

On September 14, 2020, the Petitioners obtained an amended and restated version of the Initial Order from the Court (the "**Amended and Restated Initial Order**") that, among other things, extended the Stay to October 2, 2020, authorized a limited sales and investment solicitation process for certain camera equipment owned by the Petitioners and authorized an interim debtor-in-possession financing facility from 1262743 B.C. Ltd. (the "**Existing DIP Lender**") providing for borrowings of up to US\$1,000,000 (the "**Existing DIP**") and the grant of a priority charge (the "**Existing DIP Lender's Charge**") to the Existing DIP Lender as security for borrowings under the Existing DIP.

On September 21, 2020, the Petitioners obtained a further amended and restated version of the Initial Order from the Court (the "**Second Amended and Restated Initial Order**") that, among other things, authorized an additional interim debtor-in-possession financing from HCP-FVL, LLC, an affiliate of Hale Capital Partners L.P. (the "**Second DIP Lender**") providing for borrowings of up to US \$5,000,000 (the "**Second DIP**") pursuant to the DIP Facilities Loan Agreement dated as of September 21, 2020 (the "**Second DIP Agreement**").

On October 2, 2020, the Petitioners obtained an order of the Court (the "**Stay Extension Order**") that, among other things extended the Stay to December 18, 2020.

On October 16, 2020, the Petitioners obtained an order from the Court that amongst other things:

- (a) authorized the Petitioners to pursue all avenues of refinancing or sale of its business or property, in whole or part, subject to prior approval of the Court before any material refinancing or sale is concluded;
- (b) approved the Sale and Investment Solicitation Process set forth herein (the "**SISP**");
- (c) approved an additional interim debtor-in-possession financing facility from an affiliate of Antarctica Infrastructure Partners, LLC (the "**AC DIP Lender**"), providing for borrowings of up to CAD \$3,548,000 (the "**Stalking Horse DIP**") and the grant of a priority charge (the "**AC DIP Lender's Charge**") to the AC DIP Lender as security for borrowings under the Stalking Horse DIP, ranking in priority to the Existing DIP Lender's Charge;
- (d) approved and accepted for the purpose of conducting a "stalking horse" solicitation in accordance with the SISP procedures set out in this this document (the "**SISP Process**");

Outline) that certain letter agreement dated October 13, 2020 between the Petitioners and the Stalking Horse Bidder, providing for a potential sale (the **“Stalking Horse Bid”**) of the Applicants’ UrtheDaily Constellation project and UrthePipeline business (together, the **“Designated Assets”**) to 1269336 B.C. Ltd. the Stalking Horse Bidder or a designated affiliate, including the payment of an expense reimbursement (the **“Expense Reimbursement”**) by the Petitioners to the Stalking Horse Bidder as contemplated by the Stalking Horse Bid; and

(e) approved the procedures set forth in this SISP Process Outline.

To facilitate an efficient and thorough SISP in the face of UrtheCast’s acute liquidity challenges, the Petitioners have:

- (a) created a form of non-disclosure agreement (**“NDA”**) and established a confidential online data site to facilitate due diligence investigations by Qualified Bidders (defined below) who enter into a NDA with UrtheCast Corp.; and
- (b) finalized a list of potential bidders, including (i) parties that have approached the Petitioners or the Monitor indicating an interest in the Opportunity (defined below), (ii) domestic and international strategic and financial parties who UrtheCast Group in consultation with the Monitor, believe could be interested in purchasing all or part of the assets or investing in UrtheCast Group pursuant to the SISP (including, without limitation, any parties with whom were in contact prior to the Initial Order as part of UrtheCast Group’s strategic review process) and (iii) any other parties reasonably suggested by a stakeholder as a potential bidder who may be interested in the Opportunity (collectively, **“Known Potential Bidders”**).

Opportunity

1. The SISP is intended to solicit interest in and opportunities for a sale of or investment in all or part of the assets, property, business operations and undertaking (the **“Opportunity”**) of the Petitioners and their subsidiaries (collectively, the **“UrtheCast Group”**). The Opportunity may include one or more of a recapitalization, arrangement or other form of investment in or reorganization of the business and affairs of the UrtheCast Group as a going concern or a sale of all, substantially all or one or more components of UrtheCast Group’s assets, including without limitation, the sale of the shares of one or more of the corporations comprising the UrtheCast Group and its business operations (the **“Assets”**) as a going concern or otherwise.
2. Except to the extent otherwise set forth in a definitive sale or investment agreement with a successful bidder, any sale of the Assets or investment in UrtheCast Group will be on an “as is, where is” basis and without surviving representations or warranties of any kind, nature, or description by any member of the UrtheCast Group, the Monitor or any of their respective agents, advisors or estates, and, in the event of a sale, all of the right, title and interest of UrtheCast Group in and to the Assets to be acquired will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests therein and thereon pursuant to Court orders, except as otherwise provided in such Court orders.

Timeline

3. The following table sets out the key milestones under the SISP:

Milestone	Deadline
Teaser Letter sent to potential Known Potential Bidders	As soon as practicable and, in any case, not later than October 16, 2020
Phase 1 Bid Deadline	November 6, 2020
Phase 2 Bid Deadline	To be specified in Phase 2 Bid Process Letter, but in any case not later than November 18, 2020
Auction (if required)	November 23, 2020

4. In recognition that certain of the UrtheCast Group Assets, including but not limited to the synthetic aperture radar ("**SAR**") and Deimos assets, have already been subject to extensive marketing, UrtheCast Group may, with the consent of the Monitor and in consultation with affected stakeholders, shorten any of the deadlines specified above.

Solicitation of Interest: Notice of the SISP

5. The SISP will include a notification process and up to two phases of activity for qualified interested bidders ("**Phase 1**" and "**Phase 2**", respectively). As soon as reasonably practicable, but in any event by no later than October 16, 2020:
- (a) UrtheCast Group will cause a notice of the SISP (and such other relevant information which UrtheCast Group, in consultation with the Monitor, considers appropriate) (the "**Notice**") to be published in such publications as UrtheCast Group in consultation with the Monitor, consider appropriate, if any; and
 - (b) UrtheCast Group will issue a press release setting out the information contained in the Notice and such other relevant information which UrtheCast Group considers appropriate for dissemination in Canada and major financial centres in the United States.

Stalking Horse Protections

6. Unless and until the Stalking Horse Bid has been completed or terminated by one of the parties in accordance with its terms, or amended to provide expressly to the contrary, the Stalking Horse Bidder will be afforded complete and timely access to (a) all confidential information regarding the Opportunity that is shared with any Potential Bidder (defined below), (b) the Bid Process Letter (defined below), and (c) a bi-weekly status update from the Monitor regarding the status of the SISP generally, including an update on whether there are any Qualified Bidders (defined below), Qualified Bids (defined below) received from Phase 2 Qualified Bidders (defined below), Competing Bids (defined below) and/or Compliant Competing Bid (as defined below), however this update will not provide the Stalking Horse Bidder any confidential information about these bidders or the terms of their bids if they include, in whole or in part, the Designated Assets (defined below) unless

and until a Successful Bidder (defined below) is determined for the Designated Assets and the SISP is proceeding to the Auction (defined below). For certainty, nothing in this SISP Process Outline is intended to derogate from any contractual rights of the Stalking Horse Bidder in the Stalking Horse Bid (including in any definitive agreement that may be entered into in respect of the Stalking Horse Bid), including the Stalking Horse Bidder's right to participate in the Auction SISP process, to be paid a break fee and to have certain of its expenses reimbursed.

PHASE 1: NON-BINDING LOIs

Phase 1 Qualified Bidders

7. Any Known Potential Bidder or other third party who contacts any of the Petitioners or Monitor to express interest in participating in the SISP (each, a "**Potential Bidder**") must provide an executed NDA to the Monitor and provide a letter setting forth the identity of the Potential Bidder, the contact information for such Potential Bidder and full disclosure of the direct and indirect principals of the Potential Bidder.
8. A Potential Bidder (who has delivered the executed NDA and letter as set out above) will be deemed a "**Phase 1 Qualified Bidder**" only if UrtheCast Group in its reasonable business judgment and in consultation with the Monitor, determines that such Potential Bidder is likely, based on the availability of financing, experience and other considerations, to be able to timely consummate a sale or investment pursuant to the SISP.
9. For certainty, the Stalking Horse Bidder will be deemed a Phase 1 Qualified Bidder for the purposes of the SISP and, unless terminated by the Stalking Horse Bidder or UrtheCast Corp. in accordance with its terms, the Stalking Horse Bid will be deemed a Qualified LOI and the Stalking Horse Bidder will not be required to submit any other bid during Phase 1 of the SISP.
10. At any time during Phase 1 of the SISP, UrtheCast Group may, in their reasonable business judgment and after consultation with and the consent of the Monitor, eliminate a Phase 1 Qualified Bidder (other than the Stalking Horse Bidder) from the SISP, in which case such bidder will be eliminated from the SISP and will no longer be a "Phase 1 Qualified Bidder" for the purposes of the SISP.
11. UrtheCast Group, in consultation with the Monitor, reserves the right to limit any Phase 1 Qualified Bidder's (other than the Stalking Horse Bidder's) access to any confidential information (including any information in the data room) and to customers and suppliers of UrtheCast Group, where, in UrtheCast Group's opinion after consultation with the Monitor, such access could negatively impact the SISP, the ability to maintain the confidentiality of the confidential information, the UrtheCast Group or the Assets.
12. Potential Bidders must rely solely on their own independent review, investigation and/or inspection of all information of the UrtheCast Group and the Assets in connection with their participation in the SISP and any transaction they enter into with UrtheCast Group.

Non-Binding Letters of Intent from Qualified Bidders

13. A Phase 1 Qualified Bidder (other than the Stalking Horse Bidder) that wishes to pursue the Opportunity further must deliver a non-binding letter of intent (an "**LOI**") to the Monitor

and UrtheCast Group at the addresses specified in Schedule "1" attached hereto (including by email or fax transmission), so as to be received by them not later than 5:00 PM (Pacific Time) on or before November 6, 2020, or such other date as the Monitor may advise in accordance with paragraph 4(the "**Phase 1 Bid Deadline**").

14. Subject to paragraph 13, an LOI so submitted will be considered a qualified LOI (a "**Qualified LOI**") only if:
- (a) it is submitted on or before the Phase 1 Bid Deadline by a Phase 1 Qualified Bidder;
 - (b) it contains an indication of whether the Phase 1 Qualified Bidder is proposing:
 - (i) to acquire all, substantially all or a portion of the Assets (a "**Sale Proposal**"), or
 - (ii) a recapitalization, arrangement or other form of investment in or reorganization of the UrtheCast Group (an "**Investment Proposal**");
 - (c) in the case of a Sale Proposal (other than the Stalking Horse Bid), it identifies or contains the following:
 - (i) the purchase price or price range in Canadian dollars, including details of any liabilities to be assumed by the Phase 1 Qualified Bidder and key assumptions supporting the valuation;
 - (ii) a description of the Assets that is expected to be subject to the transaction and any of the Assets expected to be excluded;
 - (iii) a description of the Phase 1 Qualified Bidder's proposed treatment of material agreements and employees (for example, anticipated employment offers);
 - (iv) a specific indication of the financial capability of the Phase 1 Qualified Bidder and the expected structure and financing of the transaction (including, but not limited to, the sources of financing to fund the acquisition, preliminary evidence of the availability of such financing or such other form of financial disclosure and credit-quality support or enhancement that will allow UrtheCast Group and the Monitor and each of their respective advisors to make a reasonable business or professional judgment as to the Phase 1 Qualified Bidder's financial or other capabilities to consummate the transaction and to perform all obligations to be assumed in such transaction; and the steps necessary and associated timing to obtain financing and any related contingencies, as applicable);
 - (v) a description of the conditions and approvals required for the Phase 1 Qualified Bidder to be in a position to submit a final and binding offer, including any anticipated corporate, securityholder or other internal approvals and any anticipated impediments for obtaining such approvals;

- (vi) an outline of any additional due diligence required to be conducted in order to submit a final and binding offer;
 - (vii) a description of all conditions to closing that the Phase 1 Qualified Bidder expects to include in its final and binding offer, including without limitation any regulatory approvals and any form of agreement required from a government body, stakeholder or other third party (“**Third Party Agreement**”) and an outline of the principal terms thereof; and
 - (viii) any other terms or conditions of the Sale Proposal that the Phase 1 Qualified Bidder believes are material to the transaction;
- (d) in the case of an Investment Proposal, it identifies the following:
- (i) a description of how the Phase 1 Qualified Bidder proposes to structure the proposed investment;
 - (ii) the aggregate amount of the equity and/or debt investment to be made in the UrtheCast Group in Canadian dollars;
 - (iii) key assumptions supporting the Phase 1 Qualified Bidders’ valuation;
 - (iv) a description of the Phase 1 Qualified Bidder’s proposed treatment of any liabilities, material contracts and employees;
 - (v) the underlying assumptions regarding the pro forma capital structure (including the form and amount of anticipated equity and/or debt levels, debt service fees, interest or dividend rates, amortization, voting rights or other protective provisions (as applicable), redemption, prepayment or repayment attributes and any other material attributes of the investment);
 - (vi) a specific indication of the sources of capital for the Phase 1 Qualified Bidder and the structure and financing of the transaction (including, but not limited to, the sources of capital to fund the investment, preliminary evidence of the availability of such capital or such other form of financial disclosure and credit-quality support or enhancement that will allow UrtheCast Group and the Monitor and each of their respective advisors to make a reasonable business or professional judgment as to the Phase 1 Qualified Bidder’s financial or other capabilities to consummate the transaction, steps necessary and associated timing to obtain such capital and any related contingencies, as applicable, and a sources and uses analysis);
 - (vii) a description of the conditions and approvals required for the Phase 1 Qualified Bidder to be in a position to submit a final and binding offer, including any anticipated corporate, securityholder or other internal approvals and any anticipated impediments for obtaining such approvals;
 - (viii) an outline of any additional due diligence required to be conducted in order to submit a final and binding offer;

- (ix) a description of all conditions to closing that the Phase 1 Qualified Bidder expects to include in its final and binding offer, including without limitation any regulatory approvals and any Third Party Agreement required and an outline of the principal terms thereof; and
 - (x) any other terms or conditions of the Investment Proposal which the Phase 1 Qualified Bidder believes are material to the transaction;
- (e) in the case of
- (i) a Sale Proposal for Assets that include any of the Designated Assets, or
 - (ii) an Investment Proposal that contemplates taking any security interest in any of the Designated Assets or that could reasonably be expected to take longer to complete than the sale of the Designated Assets to the Stalking Horse Bidder pursuant to the Stalking Horse Bid (any Sale Proposal or Investment Proposal referred to in this subsection (e) being referred to as a “**Conflicting Bid**”),

such Conflicting Bid provides for payment of the expense reimbursement and break fee (it being understood and agreed that only the Stalking Horse Bidder will be entitled to any bid protections including expense reimbursement and a break fee) and provides that, at a minimum and on closing of the Conflicting Bid, cash proceeds will be paid in an amount which is at least equal to the sum of: (A) the amount of cash payable under the Stalking Horse Bid, (B) the amount of obligations being credit bid and debt assumed (exclusive of cure costs) in the Stalking Horse Bid, (C) the amount of the Expense Reimbursement, (D) the amount of any break fee payable under the Stalking Horse Bidder, (E) the principal and any accrued and unpaid interest owing under the Stalking Horse Bid DIP and the Existing DIP, plus (F) a minimum overbid amount of CAD \$250,000 (the sum of such amounts in clauses (A) through (F) of this paragraph 14(e) being referred to as the “**Minimum Purchase Price**”) and provides that, upon closing of the Conflicting Bid, the Stalking Horse DIP will be repaid in full and all amounts owing to the Stalking Horse Bidder (including the Stalking Horse’s reimbursable expenses and break fee) will be paid at closing (a Conflicting Bid that satisfies the Minimum Purchase Price and other requirements of this clause being referred to as a “**Compliant Conflicting Bid**”); and

- (f) in the case of either a Sale Proposal or an Investment Proposal, it contains such other information as reasonably requested by UrtheCast Group in consultation with the Monitor.

15. For the avoidance of doubt, the completion of any Sale Proposal or Investment Proposal shall be subject to the approval of the Court and the requirement of approval of the Court may not be waived.

Preliminary Assessment of Phase 1 Bids and Subsequent Process

16. Following the Phase 1 Bid Deadline, UrtheCast Group, in consultation with the Monitor, will assess the Qualified LOIs. If it is determined by UrtheCast Group in consultation with the Monitor, that a Phase 1 Qualified Bidder that has submitted a Qualified LOI: (i) has a

bona fide interest in completing a Sale Proposal or Investment Proposal (as the case may be); and (ii) has the financial capability (based on availability of financing, experience and other considerations) to consummate such a transaction based on the financial information provided, then such Phase 1 Qualified Bidder will be deemed a “**Phase 2 Qualified Bidder**”, provided that UrtheCast Group may, in their reasonable business judgment and after consultation with and with the approval of the Monitor, limit the number of Phase 2 Qualified Bidders (and thereby eliminate some bidders from the process) taking into account the factors identified in paragraph 18 below and any material adverse impact on the operations and performance of UrtheCast Group. Only Phase 2 Qualified Bidders shall be permitted to proceed to Phase 2 of the SISP.

17. For certainty, the Stalking Horse Bidder will be deemed a Phase 2 Qualified Bidder for the purposes of the SISP and, unless terminated by the Stalking Horse Bidder or UrtheCast Corp. in accordance with its terms, the Stalking Horse Bid will be deemed a Qualified Bid and the Stalking Horse Bidder will not be required to submit any other bid during Phase 2 of the SISP.
18. As part of the assessment of Qualified LOIs and the determination of the process subsequent thereto, UrtheCast Group, in consultation with the Monitor and with the approval of the Monitor, shall determine the process and timing to be followed in pursuing Qualified LOIs based on such factors and circumstances as they consider appropriate in the circumstances including, but not limited to: (i) the number of Qualified LOIs received, (ii) the extent to which the Qualified LOIs relate to the same Assets or involve Investment Proposals predicated on certain Assets, (iii) the scope of the Assets to which any Qualified LOIs may relate, and (iv) whether to proceed by way of sealed bid or auction (with or without a stalking horse bidder) with respect to some or all of the Assets (other than the Designated Assets). With respect to the Designated Assets, an auction shall be held in accordance with the auction process set out below (the "Auction") where UrtheCast Group in consultation with the Monitor, determines that one or more, or a combination thereof, of the Qualified Bids constitutes a Superior Bid (as defined below).
19. Upon the determination by UrtheCast Group, in consultation with the Monitor and with the approval of the Monitor, of the manner in which to proceed to Phase 2 of the SISP, UrtheCast Group, in consultation with and with the approval of the Monitor, will prepare a bid process letter for Phase 2 (the “**Bid Process Letter**”), and the Bid Process Letter will be (i) sent by the Monitor to all Phase 2 Qualified Bidders, and (ii) posted by the Monitor on the website the Monitor maintains in respect of this CCAA proceeding.
20. Notwithstanding the process and deadlines outlined above with respect to Phase 1 of the SISP and the process to supplement Phase 2 by way of the Bid Process Letter:
 - (a) UrtheCast Group may, at any time bring a motion to seek approval of a stalking horse agreement in respect of some or all of the assets (excluding the Designated Assets) or the UrtheCast Group and related bid procedures in respect of such Assets or to establish further or other procedures for Phase 2; and
 - (b) If no Compliant Conflicting Bid is received by UrtheCast Group on or before the Phase 1 Bid Deadline, the Petitioners will promptly bring an application seeking the granting of an order by the Court authorizing the Petitioners to proceed with the sale of the Designated Assets to the Stalking Horse Bidder in accordance with the terms and subject conditions of the Stalking Horse Bid.

PHASE 2: FORMAL OFFERS AND SELECTION OF SUCCESSFUL BIDDER

21. Paragraphs 22 to 32 below and the conduct of Phase 2 are subject to paragraphs 18, 19, and 20 and any adjustments made to Phase 2 in accordance with the Bid Process Letter and any further Court order regarding the SISP.

Due Diligence

22. UrtheCast Group in consultation with the Monitor, shall in their reasonable business judgment and subject to competitive and other business considerations, afford each Phase 2 Qualified Bidder (which shall be deemed to include the Stalking Horse Bidder, if the Stalking Horse Bid has not been completed in accordance with paragraph 20(b) or terminated by one of the parties in accordance with its terms) such access to due diligence materials and information relating to the Assets and UrtheCast Group as they deem appropriate. Due diligence access may include management presentations, on-site inspections, and other matters which a Phase 2 Qualified Bidder may reasonably request and as to which UrtheCast Group in their reasonable business judgment and after consulting with the Monitor, may agree. The UrtheCast Group will designate a representative to coordinate all reasonable requests for additional information and due diligence access from Phase 2 Qualified Bidders and the manner in which such requests must be communicated. Neither the UrtheCast Group nor the Monitor will be obligated to furnish any information relating to the Assets or UrtheCast Group to any person other than to Phase 2 Qualified Bidders. Further and for the avoidance of doubt, selected due diligence materials may be withheld from certain Phase 2 Qualified Bidders if UrtheCast Group in consultation with the Monitor, determine such information to represent proprietary or sensitive competitive information.

Formal Binding Offers

23. Phase 2 Qualified Bidders (other than the Stalking Horse Bidder, which will be deemed to have satisfied this paragraph 23 by delivering a definitive agreement of purchase and sale to effectuate the transactions contemplated by the Stalking Horse Bid, as the same may be amended by the parties thereto) that wish to make a formal offer to purchase or make an investment in UrtheCast Group or its Assets shall submit a binding offer that complies with all of the following requirements prior to the date set out the Bid Process Letter (the "**Phase 2 Bid Deadline**"):
- (a) the bid shall comply with all of the requirements set forth in respect of Phase 1 Qualified LOIs, including without limitation paragraph 14(e);
 - (b) the bid (either individually or in combination with other bids that make up one bid) is an offer to purchase or make an investment in some or all of the Assets or UrtheCast Group and is consistent with any necessary terms and conditions communicated to Phase 2 Qualified Bidders;
 - (c) the bid includes a letter stating that the Phase 2 Qualified Bidder's offer is irrevocable until the selection of the Successful Bidder (as defined below), provided that if such Phase 2 Qualified Bidder is selected as the Successful Bidder, its offer shall remain irrevocable until the closing of the transaction with the Successful Bidder;

- (d) the bid includes duly authorized and executed transaction agreements, including the purchase price, investment amount and any other key economic terms expressed in Canadian dollars (the “**Purchase Price**”), together with all exhibits and schedules thereto, all applicable ancillary agreements with all exhibits and schedules thereto (or term sheets that describe the material terms and provisions of such agreements), and proposed order to approve the sale by the Court;
- (e) the bid includes written evidence of a firm, irrevocable commitment for financing or other evidence of ability to consummate the proposed transaction, that will allow UrtheCast Group and the Monitor to make a determination as to the Phase 2 Qualified Bidder’s financial and other capabilities to consummate the proposed transaction;
- (f) the bid is not conditioned on (i) the outcome of unperformed due diligence by the Phase 2 Qualified Bidder, apart from, to the extent applicable, to the disclosure of due diligence materials that represent proprietary or sensitive competitive information which was withheld in Phase 2 from the Phase 2 Qualified Bidder and/or (ii) obtaining financing;
- (g) the bid fully discloses the identity of each entity that will be entering into the transaction or the financing (including through the issuance of debt in connection with such bid), or that is participating or benefiting from such bid, and such disclosure shall include, without limitation: (i) in the case of a Phase 2 Qualified Bidder formed for the purposes of entering into the proposed transaction, the identity of each of the actual or proposed direct or indirect equity holders of such Phase 2 Qualified Bidder and the terms and participation percentage of such equity holder’s interest in such bid; and (ii) the identity of each entity that has or will receive a benefit from such bid from or through the Phase 2 Qualified Bidder or any of its equity holders and the terms of such benefit;
- (h) the bid includes a commitment by the Phase 2 Qualified Bidder to provide a non-refundable deposit in the amount of not less than 10% of the purchase price offered upon the Phase 2 Qualified Bidder being selected as the Successful Bidder and in any event, prior to service of the materials for the Sale Approval Motion (as defined below);
- (i) the bid includes acknowledgements and representations of the Phase 2 Qualified Bidder that: (i) the transaction is on an “as is, where is” basis; (ii) it has had an opportunity to conduct any and all due diligence regarding the Assets and UrtheCast Group prior to making its offer (apart from, to the extent applicable, the disclosure of due diligence materials that represent proprietary or sensitive competitive information which were withheld in Phase 2 from the Phase 2 Qualified Bidder); (iii) it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Assets in making its bid; and (iv) it did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory or otherwise, regarding the Assets, or UrtheCast Group or the completeness of any information provided in connection therewith, except as expressly stated in the definitive transaction agreement(s) signed by UrtheCast Group;

- (j) the bid includes evidence, in form and substance reasonably satisfactory to UrtheCast Group, in consultation with the Monitor, of authorization and approval from the Phase 2 Qualified Bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the transaction agreement(s) submitted by the Phase 2 Qualified Bidder;
 - (k) the bid contains other information required by UrtheCast Group or the Monitor including, without limitation, such additional information as may be required in the event Phase 2 is supplemented in accordance with paragraph 19 to contemplate that an auction of certain Assets be conducted; and
 - (l) the bid is received by the Phase 2 Bid Deadline.
24. Following the Phase 2 Bid Deadline, UrtheCast Group in consultation with the Monitor, will assess the Phase 2 bids received. UrtheCast Group, in consultation with the Monitor, will designate the most competitive bids that comply with the foregoing requirements to be "**Qualified Bids**". No Phase 2 bids received shall be deemed not to be Qualified Bids unless the Monitor so approves. Only Phase 2 Qualified Bidders whose bids have been designated as Qualified Bids are eligible to become the Successful Bidder(s).
25. The Monitor shall notify each Phase 2 Qualified Bidder in writing as to whether its bid constituted a Qualified Bid within three (3) business days of the Phase 2 Bid Deadline, or at such later time as UrtheCast Group in consultation with the Monitor, deem appropriate.
26. UrtheCast Group may, in consultation with the Monitor, aggregate separate bids from unaffiliated Phase 2 Qualified Bidders (if, and only if, such aggregation is reasonably practicable to effect a transaction without overlap) to create one "Qualified Bid".

Evaluation of Competing Bids

27. A Qualified Bid will be evaluated based upon several factors, including, without limitation, items such as the Purchase Price and the net value provided by such bid, the claims likely to be created by such bid in relation to other bids, the identity, circumstances and ability of the Phase 2 Qualified Bidder to successfully complete such transactions, the proposed transaction documents, the effects of the bid on the stakeholders of UrtheCast Group, factors affecting the speed, certainty and value of the transaction (including any regulatory approvals or third party contractual arrangements required to close the transactions), the Assets included or excluded from the bid, any related restructuring costs, and the likelihood and timing of consummating such transactions, each as determined by UrtheCast Group and the Monitor.
28. A Qualified Bid will be deemed a Superior Bid where a credible, unconditional and financially viable third party offer, or combination of offers for (A) the acquisition of all, substantially all or certain of the Designated Assets; or (B) an investment, restructuring, recapitalization, refinancing or other reorganization of the UrtheCast Group, the terms of which offer are no less favourable and no more burdensome or conditional than the terms contained in the Stalking Horse Asset Purchase Agreement, and which at a minimum, alone, or in a combination with other offers, includes:

- (a) a payment in cash in excess of CAD \$250,000 of the aggregate of the total consideration payable pursuant to the Stalking Horse APA, being CAD \$69.3 million;
- (b) a payment in cash in the amount necessary to fully pay the Stalking Horse bidder's break fee and expense reimbursement together with any CCAA priority amounts owing, including any interim financing obligations as at the closing of such transaction; and
- (c) a payment in cash of all priority charges and an assumption of liabilities to satisfy and payment of all cure costs required to the closing of such transaction.

Selection of Successful Bid

- 29. UrtheCast Group, in consultation with the Monitor, (a) will review and evaluate each Qualified Bid, provided that each Qualified Bid may be negotiated between UrtheCast Group, in consultation with the Monitor, and the applicable Phase 2 Qualified Bidder, and may be amended, modified or varied to improve such Phase 2 Qualified Bid as a result of such negotiations, and (b) identify the highest or otherwise best bid (the "**Successful Bid**"), and the Phase 2 Qualified Bidder making such Successful Bid, the "**Successful Bidder**") for any particular Assets or UrtheCast Group, in whole or part. UrtheCast's determination of any Successful Bid, with the assistance of the Monitor, shall be subject to approval by the Court and in the case of the Designated Assets, where the Successful Bid constitutes a Superior Bid, the UrtheCast Group will proceed to an auction (the "Auction").
- 30. For certainty, notwithstanding the process and deadlines outlined above with respect to Phase 2 of the SISF, if no binding offer for a Compliant Conflicting Bid is received by UrtheCast Group during Phase 2 on or before the Phase 2 Bid Deadline, then the Petitioners will promptly bring an application seeking the granting of an order by the Court authorizing the Petitioners to proceed with the sale of the Designated Assets to the Stalking Horse Bidder in accordance with the terms and subject conditions of the Stalking Horse Bid. UrtheCast Group shall have no obligation to enter into a Successful Bid (excluding the Stalking Horse Bid, if applicable), and it reserves the right, after consultation with the Monitor to reject any or all Phase 2 Qualified Bids.

Auction

- 31. The Auction shall run in accordance with the following procedures, which may be modified by the UrtheCast Group in its discretion, after consultation with the Monitor:
 - (a) prior to the Auction Monitor shall have identified the Superior Offer and all bidding at the Auction shall be irrevocably made on the terms of the Superior Offer, except for price/investment amount and certain other identified business terms;
 - (b) the Monitor will provide to all Qualified Bidders the material terms and conditions of the Superior Offer (the "**Starting Bid**") and each Qualified Bidder must inform the UrtheCast Group whether it intends to participate in the Auction (the parties who so inform the UrtheCast Group, that they intend to participate are the "**Auction Bidders**");

- (c) Only representatives of the Auction Bidders, the UrtheCast Group, the Monitor, the DIP Lenders and such other persons permitted by the UrtheCast Group and the Monitor (and the advisors to each of the foregoing) are entitled to attend the Auction;
- (d) At the commencement of the Auction, each Auction Bidder shall be required to confirm that it has not engaged in any collusion with any other Auction Bidder to detrimentally affect the price for any sale;
- (e) Only the Auction Bidders will be entitled to make any Subsequent Bids (as defined herein);
- (f) All Subsequent Bids presented during the auction shall be made and received in one room on an open basis. All Auction Bidders will be entitled to be present for all Subsequent Bids at the Auction with the understanding that the true identity of each Auction Bidder at the Auction will be fully disclosed to all other Auction Bidders at the Auction and that all material terms of each Subsequent Bid will be fully disclosed to all other Auction Bidders throughout the entire Auction;
- (g) All Auction Bidders must have at least one individual representative with authority to bind such Auction Bidder present in person at the Auction;
- (h) The UrtheCast Group, after consultation with the Monitor, may employ and announce at the auction additional procedural rules that are reasonable under the circumstances, (e.g. the amount of time allotted to make Subsequent Bids, requirement to bid in each round, and the ability of multiple Auction Bidders to combine to present a single bid) for conducting the auction, provided that such rules are (i) not inconsistent with any applicable law, and (ii) disclosed to each Auction Bidder at the auction;
- (i) Bidding at the Auction will begin with the Starting Bid and continue, in one or more rounds of bidding, so long as during each round at least one subsequent bid is submitted by an Auction Bidder (a "**Subsequent Bid**") that the UrtheCast Group determines, after consultation with the Monitor, is (A) for the first round, a higher or otherwise better offer than the Starting Bid, and (B) for subsequent rounds, a higher or otherwise better offer than the Leading Bid (as defined herein); in each case by at least the Minimum Incremental Overbid. Each bid at the auction shall provide net value to the UrtheCast Group of at least CAD \$100,000 (the "**Minimum Incremental Overbid**") over the Starting Bid or the Leading Bid (as defined herein), as the case may be; provided however that the UrtheCast Group, after consultation with the Monitor, shall retain the right to modify the incremental requirements at the Auction and provided further that the UrtheCast Group, in determining the net value of an incremental bid, shall not be limited to evaluating the incremental dollar value of such bid and may consider other factors. After each Subsequent Bid, the UrtheCast Group shall, after consultation with the Monitor, announce whether such bid (including the value and material terms thereof) is higher or otherwise better than the prior bid (the "**Leading Bid**"). A round of bidding will conclude after each Auction Bidder has the opportunity to submit a Subsequent Bid with full knowledge of the Leading Bid;

- (j) If, in any round of bidding, no new Subsequent Bid is made that becomes a Leading Bid, the Auction shall be closed;
 - (k) The Auction shall be closed by midnight on the day of the Auction unless extended for a further 24 hour period by the UrtheCast Group with the approval of the Monitor;
 - (l) No bids (from Auction Bidders or otherwise) shall be considered after the conclusion of the Auction; and
 - (m) At the close of the Auction, the Monitor shall identify the winning bid (the "**Auction Successful Bid**"). At the conclusion of the Auction, the Monitor will notify the other bidders of the identities of the bidders of the Auction Successful Bid. (n) following conclusion of the Stalking Horse Scenario Auction, the UrtheCast Group, with the assistance of the Monitor, may finalize a definitive agreement or agreements in respect of the Stalking Horse Auction Successful Bid and the Stalking Horse Auction Backup Bid, respectively, if any, conditional upon approval of the Court.
32. All other bids received at the Auction shall be deemed rejected on the earlier of: (i) the date of closing of the Auction Successful Bid, and (ii) confirmation from the Monitor that the bid has been rejected.

Sale Approval Motion Hearing

33. At the hearing of the motion to approve any transaction with a Successful Bidder (which would include the Stalking Horse Bidder in the circumstances contemplated by paragraphs 20(b) or 29 (the "**Sale Approval Motion**"), UrtheCast Group shall seek, among other things, approval from the Court to consummate any Successful Bid. All the Phase 2 Qualified Bids other than the Successful Bid, if any, shall be deemed rejected by UrtheCast Group on and as of the date of approval of the Successful Bid by the Court.

Confidentiality, Stakeholder/Bidder Communication and Access to Information

34. All discussions regarding an LOI, Sale Proposal or Investment Proposal must be directed through the Monitor. Under no circumstances should the management of the UrtheCast Group or any stakeholder of UrtheCast Group be contacted directly without the prior consent of the Monitor. Any such unauthorized contact or communication could result in exclusion of the interested party from the SISP process.
35. Participants and prospective participants in the SISP shall not be permitted to receive any information that is not made generally available to all participants relating to the number or identity of Potential Bidders, Phase 1 Qualified Bidders, LOIs, Phase 2 Qualified Bidders, Phase 2 Qualified Bids, the details of any bids submitted or the details of any confidential discussions or correspondence between UrtheCast Group, the Monitor and such other bidders or Potential Bidders in connection with the SISP, except to the extent UrtheCast Group with the approval of the Monitor and consent of the applicable participants, are seeking to combine separate bids from Phase 1 Qualified Bidders or Phase 2 Qualified Bidders.

Supervision of the SISP

36. The participation of UrtheCast Group in the SISP will be directed by UrtheCast Corp.'s board of directors.
37. The Monitor will participate in the conduct of the SISP in the manner set out in this SISP Process Outline and the Initial Order and is entitled to receive all information in relation to the SISP.
38. This SISP does not, and will not be interpreted to create any contractual or other legal relationship between UrtheCast Group and any Phase 1 Qualified Bidder, any Phase 2 Qualified Bidder (other than the Stalking Horse Bidder) or any other party, other than as specifically set forth in a definitive agreement that may be signed with UrtheCast Group.
39. Participants in the SISP are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any LOI, Phase 2 bid, due diligence activities, and any further negotiations or other actions whether or not they lead to the consummation of a transaction.
40. UrtheCast Group shall have the right to modify the SISP (including, without limitation, pursuant to the Bid Process Letter) provided always that the outside date for closing a transaction of purchase and sale of the Designated Assets will only be amended with the written consent of the Stalking Horse Bidder) with the prior written approval of the Monitor if, in their reasonable business judgment, such modification will enhance the process or better achieve the objectives of the SISP; provided that the Service List in this CCAA proceeding shall be advised of any substantive modification to the procedures set forth herein.

Schedule "1"

Address for Submitting LOIs and Phase 2 Bids

Bennett Jones LLP

666 Burrard St
Suite #2500
Vancouver, BC V6C 2X8

Fax: ●

Attn : ●

Ernst & Young Inc.

700 West Georgia Street
Vancouver, BC V7Y 1C7

Fax: ●

Attn : Mr. Philippe Mendelson, Vice President

Appendix C

DELIVERED BY EMAIL

October 13, 2020

URTHECAST CORP.
Unit 33-1055 Canada Place
Vancouver, BC V6C 0C3

Attention: Mr. Don Osborne
Director & Chief Executive Officer

- and to -

ERNST & YOUNG INC., as Monitor
700 West Georgia Street
Vancouver, BC V7Y 1C7

Attention: Mr. Mike Bell
Senior Vice President

Dear Sirs:

Re: Stalking Horse Bid Letter for UrtheDaily Constellation and UrtheCast Pipeline

This letter of intent, including the term sheet attached hereto as Exhibit "A" (the "Acquisition Term Sheet"), confirms our mutual understanding regarding the proposed material terms and conditions upon which Antarctica Infrastructure Partners, LLC ("Antarctica"), through its wholly-owned subsidiary 1269336 B.C. Ltd. and/or one or more special purpose entities affiliated with Antarctica (in any case, "Bidco"), is prepared to acquire (the "Proposed Transaction") from UrtheCast Corp., an Ontario corporation ("UrtheCast") and/or certain of UrtheCast's direct and indirect subsidiaries (together with UrtheCast, the "Sellers"), all of the assets and certain liabilities of the UrtheDaily Constellation project¹ and the UrthePipeline² product offering (together, the "Acquired Business"), including, without limitation, the assets set forth in Schedule "A" to the Acquisition Term Sheet (collectively, the "Acquired Assets"), in connection with a filing by the Sellers and certain of their affiliates made under the *Companies Creditors' Arrangement Act* (Canada) ("CCAA"). The Proposed Transaction will be subject to Sellers' undertaking a competitive process on the terms and conditions set out in a Sale and Investment Solicitation Process ("SISP") on terms agreed to by UrtheCast's board of directors (the "Board"), UrtheCast, Ernst & Young Inc., as CCAA monitor (the "Monitor") and the Supreme Court of British Columbia (the "Court"), and provided by UrtheCast to Antarctica and approved by the Court. The form of SISP that UrtheCast will present to the Court for approval for

¹ As that term is used in UrtheCast's annual information form dated May 4, 2020, and including all related assets, contracts, intellectual property, software, books and records and employees that are owned by the Sellers (or any of them) and that are reasonably necessary to design, complete, finance, launch and operate the UrtheDaily Constellation.

² As that term is used in UrtheCast's annual information form dated May 4, 2020, and including all related assets, products, contracts, intellectual property, software, books and records and employees that are owned by the Sellers (or any of them) and that are reasonably necessary to design, complete, finance, launch and operate the UrthePipeline ground segment systems.

October 13, 2020

such purpose is attached hereto as Exhibit "A." The execution and delivery of the Purchase Agreement by Antarctica and Bidco, and the execution and delivery by the Antarctica DIP Lender (as defined below) of the AC DIP Loan (as defined below) shall be subject to Antarctica's satisfaction with the form of the SISF that is approved by the Court.

In addition, conditional upon obtaining approval of this letter of intent by the Board, the Monitor, and the Court, Antarctica, through one and/or one or more other special purpose entities ("Antarctica DIP Lender"), will agree to participate in an interim senior secured financing (the "AC DIP Loan") on the terms set forth in the term sheet attached hereto as Exhibit "B" (the "AC Interim Financing Term Sheet"). Subject to the terms and conditions set forth in the AC DIP Loan, the Antarctica DIP Lender will make available to UrtheCast up to CAD\$3,548,000 to fund the Sellers' requirements in accordance with the Agreed Weekly Budgets (as defined in the AC Interim Financing Term Sheet, which will include (a) any amounts owing to 1262743 B.C. LTD. under a DIP Facilities Loan Agreement made between 1262743 B.C. LTD, UrtheCast and certain affiliates of UrtheCast, approved by the Court on October 2, 2020, and (b) UrtheCast's forecast operating cash requirements for the period from the Closing Date (as defined below) to January 15, 2021) and the Third DIP Order (as defined in the AC Interim Financing Term Sheet), each of which shall be in form and substance satisfactory to the Lender.

About Antarctica Capital

Antarctica Infrastructure Partners, LLC is an affiliate of Antarctica Capital, LLC (together with its affiliates, "Antarctica Capital"). Antarctica Capital is a global alternative investment manager with operations in the United States, United Kingdom, and India. Antarctica Capital is a SEC registered investment adviser with a primary focus upon real assets and has assets under management in excess of USD\$2 billion. Antarctica Capital's objective is to offer its investors transaction opportunities that are either off-market or require a particular set of expertise and relationships not readily available to others. This approach often leads our team towards path-breaking investment strategies or overlooked companies and assets that can be enhanced through operational transformation or consolidation strategies. Antarctica Capital has integrated investment and operating teams that permits us to take an "owner/operator" approach to our investments. Antarctica Capital remains heavily involved and embedded in shaping the direction and transformation of portfolio companies and assets. Our holistic investment approach with its emphasis on instilling strong oversight, financial discipline, technology, operational consulting, capital structure, and optimization of management and the workforce, helps to maximize value through the investment lifecycle.

We believe that the Proposed Transaction will be in the best interests of the Sellers and their respective stakeholders, including their creditors, employees, suppliers and customers, as well as the Government of British Columbia and the Government of Canada. We also believe our proposal will provide an opportunity for the Acquired Business to continue as going concerns, while facilitating completion of UrtheCast's other restructuring efforts and offering the maximum recovery for the Sellers' creditors.

Overview of the Proposed Transaction

The terms and conditions set forth in this letter of intent, including the Exhibits attached hereto, are not intended to be comprehensive and if, in the course of Bidco's ongoing due diligence investigations or the parties' ongoing development of the proposed acquisition structure and related negotiations, Bidco or Sellers determine that additional or modified terms and

conditions are necessary or advisable, then the parties reserve the right to address such matters, either by amending this letter of intent or by reflecting such additional or modified terms in any definitive purchase agreement (the "Purchase Agreement") that may be entered into between the parties in connection with the Proposed Transaction.

1. Terms of Proposed Transaction. Under our proposal, Bidco would purchase and acquire the Acquired Assets, and assume certain liabilities of Sellers, on the terms and subject to the conditions identified in the Acquisition Term Sheet, and as will be set out more particularly in the Purchase Agreement.
2. Sale Procedures. We understand that the Proposed Transaction will be subject to Sellers undertaking a competitive bid process which has been designed by UrtheCast and the Monitor to maximize value for Sellers and their stakeholders. Our proposal is conditional upon the Proposed Transaction being approved as the stalking horse bid for the Acquired Assets, on the terms and conditions set forth in the Acquisition Term Sheet, the SISP and the Amended and Restated Initial Order (as defined below).
3. Amended and Restated Initial Order. Our proposal is also contingent upon each of the Acquisition Term Sheet, the SISP and the AC Interim Financing Term Sheet being approved by the Court pursuant to a further modification to the initial order issued on September 4, 2020 by the Court in Vancouver Registry Action No. VLC-S-S208894, as modified by the amended and restated initial orders of the Court dated September 14, 2020, September 23, 2020 and October 2, 2020 (as modified to date and as contemplated to be modified pursuant to this letter of intent, the "Amended and Restated Initial Order"), and which Amended and Restated Initial Order shall otherwise be in form and substance acceptable to Bidco in its sole and absolute discretion.
4. Antarctica DIP Lender. In connection with the execution and delivery of this letter of intent, and subject to Antarctica DIP Lender being approved as an Interim Lender pursuant to the Amended and Restated Initial Order, Antarctica DIP Lender will enter into the AC Interim Financing Term Sheet.
5. Purchase Agreement. As soon as reasonably practical after execution of this letter of intent, the parties will commence negotiations of a definitive binding Purchase Agreement. The Purchase Agreement will be negotiated in good faith, will be subject to the mutual satisfaction of Bidco and Sellers and will contain terms and conditions consistent with those set forth in the Acquisition Term Sheet and other terms and conditions customary for transactions of this nature. Each party's obligations under this letter of intent are subject to its execution and delivery of a Purchase Agreement that is satisfactory to such party.
6. Public Announcements. None of UrtheCast, the other Sellers, Antarctica or Bidco shall make public announcements or public statements concerning the Proposed Transaction, unless such public announcement or public statement is jointly approved by all of UrtheCast, the other Sellers and Antarctica. In the event, however, that the parties are unable to agree on a public announcement or public statement at any time, and UrtheCast determines, after consultation with its legal counsel, that a public announcement or public statement is required by law at such time, then UrtheCast may issue such public statement or public announcement; provided that UrtheCast shall not identify Antarctica Capital in any public announcement or public statement without obtaining Antarctica Capital's prior written consent and UrtheCast gives the other parties advance notice of such public statement or public announcement, and an opportunity to provide comments, to the extent

practicable.

7. Designated Bidcos. Antarctica shall be entitled to designate one or more entities formed by Antarctica or its affiliates (including Bidco) to purchase specified assets (from among the Acquired Assets, as such term is defined below), to assume specified liabilities (from among the Assumed Liabilities, as such term is defined below), to perform any of the other covenants and agreements to be performed by Bidco under the Purchase Agreement and to have the rights and benefits of Bidco thereunder; provided, however, that Antarctica shall be a party to the Purchase Agreement and shall guarantee any and all obligations to the Sellers of such entities so designated by Antarctica.
8. Expense Reimbursement. The Purchase Agreement will provide that, subject to funds being available to UrtheCast under the AC DIP Loan, within three days of completion of the Proposed Transaction, UrtheCast will reimburse Antarctica for its out-of-pocket expenses (including the fees, disbursements and taxes of its professional advisors, McCarthy Tétrault LLP, Argosat Consulting LLC and KPMG LLP), not to exceed CAD\$1.0 million in the aggregate incurred in connection with its due diligence investigations, structuring discussions and negotiations with UrtheCast and preparing this letter of intent, the AC DIP Loan and the Purchase Agreement.
9. Governing Law. This letter of intent, and any questions, claims, disputes, remedies or actions arising from or related to this letter of intent, and any relief or remedies sought by any party to this letter of intent, shall be governed exclusively by the laws of the Province of British Columbia and the laws of Canada applicable therein without regard to the rules of conflict of laws applied therein or any other jurisdiction.

Other than paragraph **Error! Reference source not found.**, 8 and **Error! Reference source not found.**, which are binding on the parties, this letter of intent is not intended and does not create any binding legal obligation on the part of any of UrtheCast, Antarctica, or Sellers. This letter of intent is subject to the confidentiality agreement dated June 24, 2020 made between UrtheCast and SIGA II, LLC an affiliate of Antarctica, is not intended and does not create any binding legal obligation on the part of UrtheCast, Antarctica, or Sellers to enter into any Purchase Agreement. Entering into any binding Purchase Agreement remains subject to, among other things, Antarctica's satisfactory completion of its remaining due diligence investigations, finalizing the parties' structuring discussions, negotiation of mutually acceptable definitive terms of a Purchase Agreement, obtaining approvals by the boards of directors (or similar governance bodies) of each of Antarctica, UrtheCast and the other Sellers, and obtaining approval of the Monitor

*** [The next page is the signature page] ***

If you are in agreement with the foregoing, please execute a copy of this letter and return to me.

Yours truly,

**ANTARCTICA INFRASTRUCTURE
PARTNERS, LLC**

By: _____

Name:

Title:

The foregoing is Accepted and Agreed by each of the undersigned as of this ____ day of October, 2020:

URTHECAST CORP.

By: _____

Name:

Title:

1185729 B.C. LTD.

By: _____

Name:

Title:

1185781 B.C. LTD.

By: _____

Name:

Title:

Exhibit "A"

Acquisition Term Sheet

This term sheet (the "Acquisition Term Sheet") sets forth a summary of certain terms for a proposed definitive "stalking horse" acquisition agreement (the "Purchase Agreement") to be entered into between Antarctica Infrastructure Partners, LLC ("Antarctica"), 1269336 B.C. Ltd. and/or one or more special purpose entities (in any case, "Bidco") to be formed by Antarctica and UrtheCast Corp. ("UrtheCast") and/or certain of UrtheCast's direct and indirect subsidiaries (together with UrtheCast, the "Sellers"), in connection with a filing in the British Columbia Supreme Court (the "Court") (as Vancouver Registry Action No. VLC-S-S208894) by the Sellers and certain of their affiliates (the "Applicants") under the *Companies' Creditors Arrangement Act* (Canada) ("CCAA").

This Acquisition Term Sheet is not intended and does not create any binding legal obligation on the part of either Bidco or Sellers. No legal obligation to negotiate, enter into or consummate any transaction will exist, unless and until the Purchase Agreement has been entered into by the parties, which is subject to board approval by Bidco and Sellers, satisfactory completion of confirmatory due diligence, and negotiation of final documentation. The terms and conditions set forth in this Acquisition Term Sheet are not intended to be comprehensive and if, in the course of Bidco's due diligence review or development of the proposed acquisition structure, or in the course of negotiations, Bidco or Sellers determine that additional terms and conditions, or modification to the terms and conditions set out herein, are necessary, then the parties reserve the right to address such matters.

This Acquisition Term Sheet is attached as Exhibit "A" to a letter of intent between Antarctica and the Sellers (the "Letter of Intent"). Capitalized terms used but not otherwise defined in this Acquisition Term Sheet have the meaning given to those terms in the Letter of Intent.

Transaction Structure:	The Proposed Transaction would be structured as a sale of assets, which may include the acquisition of all of the outstanding shares in the capital of one or more of the Sellers or other direct or indirect subsidiaries of UrtheCast, and certain of the liabilities of the Sellers.
Acquired Assets:	At the closing of the Proposed Transaction (the " <u>Closing</u> "), Bidco will acquire all of the assets, contracts, intellectual property, inventory, software, books and records comprising the UrthePipeline product offering and all of the assets, contracts, intellectual property, inventory, software, books and records that are owned by the Sellers (or any of them) and that are reasonably necessary to design, finance, complete, launch, own and operate the UrtheDaily Constellation project (collectively, the " <u>Acquired Assets</u> "). The Acquired Assets will include, without limitation, the assets described in the attached Schedule "A" titled "Purchased Assets" and: (1) all of the equity interests of Sellers in: a. 1185729 B.C. Ltd. b. 1185781 B.C. Ltd. c. GEOSYS U.S. ULC

- d. Geosys International Inc.
- e. Geosys Brasil Ltd.
- f. GEOSYS S.A.S.
- g. GEOSYS Australia Pty.
- h. GEOSYS Europe SARL

(collectively, the "Acquired Entities");

- (2) all right, title and interest of UrtheCast and all of its affiliates in the Purchase and Sale Agreement dated November 6, 2018 (the "GEOSYS Purchase Agreement") made between Land O' Lakes, Inc. ("Land O'Lakes"), UrtheCast Corp. and 1185781 B.C. Ltd.;
- (3) all right, title and interest of UrtheCast and all of its affiliates in each of the following agreements (collectively, the "Subscription Agreements"):
 - a. UrtheDaily Constellation Subscription Purchase Agreement dated September 20, 2018 between Remote Sensing Inc. and UrtheCast;
 - b. UrtheDaily Constellation Subscription Purchase Agreement dated October 17, 2018 between TerraTech SAC and UrtheCast; and
 - c. Long Term License and Services Agreement dated January 14, 2019 between UrtheCast, Deimos Imaging SLU, GEOSYS SAS and Winfield Solutions, LLC;
- (4) all equipment and tangible property of Sellers, including inventory, raw materials and work in process, to the extent they are directly related to, or required to complete and operate, the UrtheDaily Constellation and/or the UrthePipeline services segment;
- (5) all contracts (other than disclaimed contracts) of Sellers, to the extent they are directly related to, or required to complete and operate, the UrtheDaily Constellation and/or the UrthePipeline services segment;
- (6) all permits, licenses, leases, patents, trademarks held by Sellers, to the extent assignable, that are directly related to, or required to complete and operate, the UrtheDaily Constellation and/or the UrthePipeline;
- (7) all rights, options, claims and causes of action, to the extent they are directly related to, or required to complete and operate, the UrtheDaily Constellation and/or the UrthePipeline; and
- (8) all real property, fixtures and leases or other rights to the extent they are directly related to, or required to

	complete and operate, the UrtheDaily Constellation and/or the UrthePipeline.
Assumption of Liabilities:	<p>The following liabilities, and only the following liabilities, will be assumed by Bidco at Closing:</p> <ol style="list-style-type: none">(1) Assumption of UrtheCast's obligations under the GEOSYS Purchase Agreement to pay approximately CAD\$17.8 million³ in respect of the final installment payable to Land O' Lakes thereunder of approximately CAD\$2.7 million⁴ of accrued past due expenses, provided that Bidco shall have received from Land O' Lakes satisfactory waiver of any and all prior defaults under the GEOSYS Purchase Agreement and assurances from Land O' Lakes that the completion of the Proposed Transaction will not affect completion of the transfer of IP rights thereunder; and(2) Assumption of approximately CAD\$11.7 million⁵ of SADI unsecured indebtedness, provided that Bidco shall have received satisfactory assurances from the government agencies under which the UrtheCast obtains low-interest loans that the completion of the Proposed Transaction will not affect the continued availability of future funding thereunder, as well as completion of the CAD\$40,000,000 loan contemplated by the letter of May 15, 2020 from Innovation, Science and Economic Development Canada and that the related funding agreements remain in good standing at Closing.
Purchase Price:	<p>In consideration for the Acquired Assets, Bidco will pay consideration having an aggregate value of CAD\$69.3 million⁶ (the "<u>Purchase Price</u>"), which will be comprised of the following components and payable as follows:</p> <ol style="list-style-type: none">(1) CAD\$1,000,000 (the "<u>Cash Purchase Price</u>"), CAD\$500,000 of which will be payable to the Monitor, in trust, as a deposit (the "<u>Deposit</u>")⁷ upon the parties' execution and delivery of the Purchase Agreement and the remaining CAD\$500,000 (the "<u>Final</u>

³ Number to be updated prior to signing the Purchase Agreement.

⁴ Number to be updated prior to signing the Purchase Agreement.

⁵ Number to be updated prior to signing the Purchase Agreement.

⁶ Number to be updated prior to signing the Purchase Agreement.

⁷ Bidco shall have the option, in its sole discretion, to satisfy all or part of the Deposit by forgiving all or a portion (but in an equal amount) of any amount owing to the AC DIP Lender for advances made to UrtheCast under the AC DIP Loan prior to Bidco's execution and delivery of the Purchase Agreement.

Payment") will be payable at closing of the Proposed Transaction (the "Closing"),⁸

- (2) Assumption of UrtheCast's obligations to pay approximately CAD\$20.5 million⁹ in respect of the sum of the final installment payable to Land O' Lakes thereunder and the aggregate amount of UrtheCast's accrued past due expenses owing to Land O' Lakes, provided that Bidco shall have received from Land O' Lakes satisfactory waiver of any prior defaults under the GEOSYS Purchase Agreement and assurances from Land O' Lakes that the completion of the Proposed Transaction will not affect completion of the transfer of IP rights thereunder;
- (3) As consideration for the purchase of the Secured Debt (as defined below) Bidco will issue to UrtheCast, for the benefit of the Secured Lenders (as defined below), 35% of Bidco's non-voting equity as of the date of Closing (the "Closing Date"), which would be governed by a shareholders and/or limited partnership agreement (in any case, a "Shareholders Agreement"), providing for governance and minority approval rights, pre-emptive rights, mandatory dilution for any non-participation in the equity component of the project financing raised to develop and launch the Project (Antarctica to finance a material portion of the costs for completing the Project) and other customary provisions.

If and to the extent that UrtheCast determines to distribute any Bidco equity to its securityholders, such distribution will be conditional upon each recipient signing a joinder to the Shareholders Agreement, in form satisfactory to Antarctica. For purposes of this letter agreement, "Secured Debt" means the approximately CAD\$36.1 million¹⁰ of principal and accrued and unpaid interest and all other amounts owing to Bolzano Investments Limited, Lunar Ventures Inc., SMF Investments Limited, Skidmore Group and each of Messrs. Don Osborne, Sai Chu, William Evans, James Topham, and Mark Piegza (collectively, the "Secured Lenders").

Prior to the parties' execution of the Purchase Agreement, certain of the Secured Lenders (being

⁸ Bidco shall have the option, in its sole discretion, to satisfy all or part of the Final Payment by forgiving all or a portion (but in an equal amount) of any amount owing to the AC DIP Lender for advances made to UrtheCast under the AC DIP Loan prior to the Closing.

⁹ Number to be updated prior to signing the Purchase Agreement.

¹⁰ Number to be updated prior to signing the Purchase Agreement.

	<p>Bolzano Investments Limited, Lunar Ventures Inc., SMF Investments Limited and all or most of Messrs. Don Osborne, Sai Chu, William Evans, James Topham and Mark Piegza) will enter into a Support Agreement with the Sellers, Antarctica and Bidco, confirming their support for the completion of the Proposed Transaction; and</p> <p>(4) Assumption of SADI indebtedness of approximately CAD\$11.7 million¹¹, as described above under "Assumption of Liabilities."</p>
Deposit:	<p>The Deposit (if any)¹² shall be payable by Bidco or an affiliate thereof to the Monitor, in trust, upon the parties' execution and delivery of the Purchase Agreement.</p> <p>The Purchase Agreement will provide that: (a) if the Proposed Transaction closes, the Deposit and any accrued interest thereon shall be released by the Monitor at Closing and applied as partial satisfaction of the Cash Purchase Price; (b) if the Purchase Agreement is terminated by UrtheCast as a result of a material breach by Bidco or any of its affiliates that would prevent the satisfaction of the closing conditions in the Purchase Agreement prior to the Outside Date, and such material breach is not cured within five business days, the full amount of the Deposit together, with any accrued interest earned thereon, shall be released by the Monitor to the Sellers, to become the absolute property of the Sellers as liquidated damages (and not as a penalty) and as the Sellers' sole rights and remedy pursuant to the Purchase Agreement; and (c) if the Purchase Agreement is terminated for any other reason, the Deposit, together with any interest accrued thereon, shall be returned to Bidco.</p>
Representations and Warranties:	<p>Representations and warranties given by Sellers and Bidco will include fundamental representations and warranties (valid existence, due authorization, title to assets, validity of permits etc.), and, in the case of Sellers, the absence of a material adverse change with respect to the Acquired Businesses or a material breach or default under material contracts and operating representations and warranties that are customarily provided in a stalking horse bid purchase agreement for a company in CCAA and, in the case of Bidco, (i) the Proposed Transaction is on an "as is, where is" basis; (ii) it has had an opportunity to conduct any and all due diligence regarding the Acquired Assets and the Sellers prior to making its offer; (iii) it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Acquired Assets in making its bid; and</p>

¹¹ Number to be updated prior to signing the Purchase Agreement.

¹² See footnote #11.

	<p>(iv) it did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory or otherwise, regarding the Acquired Assets, or the Sellers or the completeness of any information provided in connection therewith, except as expressly stated in the definitive transaction agreement(s) signed by the Sellers.</p>
<p>Operation of the Business Prior to Closing:</p>	<p>Sellers will agree to customary operating covenants, including an agreement to continue operations in the normal course, <i>provided that</i> Sellers will not enter into, terminate, disclaim or materially amend any contract, terminate or fail to renew any license or hire or terminate any executive without obtaining Bidco's prior written consent.</p> <p>Sellers also agree to provide weekly operating updates as well as daily cash balances and working capital updates, including rolling monthly cash flow forecasts.</p>
<p>Employees:</p>	<p>No decisions relating to employees that are material to the business, including dealing with furloughed employees, unions and collective bargaining arrangements, and any changes to employee compensation arrangements (including changes approved by the Court as part of the CCAA process) shall be made without prior approval of Bidco, such approval not to be unreasonably withheld.</p> <p>Subject to the foregoing, Bidco anticipates that it will offer employment to certain employees of Sellers to be identified by Bidco, on terms and conditions of employment (or continued terms and conditions of employment) acceptable to Bidco.</p>
<p>Conditions to Closing:</p>	<p>The parties' obligations under the Purchase Agreement will be subject to the following conditions:</p> <ol style="list-style-type: none">(1) an Order shall be issued by the Court approving the Proposed Transaction pursuant to the SISP and shall have become a final Order;(2) a Sale Approval and Vesting Order shall be issued by the Court in form and substance satisfactory to Bidco, and shall have become a final Order;(3) receipt of all required third party consents and regulatory approvals to complete the transfer of the Acquired Assets to Bidco, including under applicable competition and foreign investment laws;(4) absence of laws or court orders prohibiting the transaction;(5) all indebtedness of all of the Acquired Entities will be extinguished on or prior to the Closing, other than any obligations expressly assumed by Bidco pursuant to

	<p>the Purchase Agreement, to the satisfaction of Bidco, acting reasonably; and</p> <p>(6) certain key employees for the Project to be identified in the Purchase Agreement will have accepted offers of employment.</p> <p>The conditions to Bidco's obligation to consummate the Proposed Transaction would also include:</p> <ul style="list-style-type: none">(1) accuracy of Sellers' representations and warranties in all material respects;(2) absence of a Material Adverse Change with respect to the Acquired Business, measured from the date of the Purchase Agreement;(3) receipt of all consents and other approvals required to effect the Proposed Transaction (to the extent that the transfer of any contracts, licenses or permits are not effected through the CCAA process without consent separately being needed); and(4) receipt of all required permits and approvals to operate the business after the Closing, including the transfer and assignment of licenses, permits, etc. to Bidco. <p>Notwithstanding any timeline established under the SISP, the Closing Date for the transactions contemplated by the Purchase Agreement shall be as soon as practicable after all of the conditions to closing have been satisfied or waived.</p>
Termination Rights:	<p>Each of the parties would be entitled to terminate the Purchase Agreement if:</p> <ul style="list-style-type: none">(1) the Closing Date does not occur on or before November 30, 2020 or, if the Closing has been delayed solely as a result of an auction involving the Acquired Business in accordance with the requirements of the SISP, December 18, 2020, or such other date as may be agreed between all of the parties to the Purchase Agreement (in any case, the "Outside Date");(2) the Court, or other court or governmental authority, takes action to restrain, enjoin or otherwise prohibit the transfer of the Acquired Assets to Bidco which is not capable of appeal;(3) Bidco is not the successful bidder chosen as a result of the SISP; or(4) the Court does not approve the sale of the Acquired Assets to Bidco on the terms set out in the Purchase Agreement or approves an alternative transaction.
	<p>Bidco would also be entitled to terminate the Purchase Agreement if:</p>

	<ul style="list-style-type: none">• Land O' Lakes or any of the Sellers terminates the GEOSYS Purchase Agreement or the Winfield Long Term License and Services Agreement;• UrtheCast, any of the Sellers or the Sellers' counterparties to the Subscription Agreements terminate any of the Subscription Agreements;• in the event that Antarctica DIP Lender enters into the AC Interim Financing Term Sheet, any unwaived or uncured event of default occurs under the AC Interim Financing Term Sheet;• the CCAA proceeding is terminated or a trustee in bankruptcy or receiver is appointed, and such trustee in bankruptcy or receiver refuses to proceed with the transactions contemplated by the Purchase Agreement;• Sellers breach the Purchase Agreement and fail to cure; or• either (a) the Sellers or their affiliates request or (b) the Court approves any amendments or modifications to the SISP that materially adversely affects the interests of the AC DIP Lender under the AC DIP Loan or of Bidco in respect of the Proposed Transaction
Break-Up Fee and Expense Reimbursement:	<p>If the Purchase Agreement is terminated as a result of Bidco not being a successful bidder under the SISP, the Sellers shall pay Bidco a termination fee equal to 2% of the Purchase Price.</p> <p>If the Purchase Agreement is terminated (except for any termination by the Sellers following a material breach by Bidco) and either a Successful Bid (as defined in the SISP) or any other sale of assets or any plan in the CCAA proceeding is completed within six months of such termination (in any case, an "<u>Alternate Transaction</u>"), and such Alternate Transaction results in the Sellers or any of them, or their respective stakeholders, receiving any cash at closing of such Alternate Transaction:</p> <ol style="list-style-type: none">(1) UrtheCast shall promptly reimburse all reasonable third-party expenses incurred by Bidco after the signing of the Letter of Intent, if and to the extent related to the Purchase Agreement and the SISP, subject to a cap of \$1.0 million; and(2) UrtheCast shall pay a Break-Up Fee in an amount equal to 3.0% of the aggregate value of the consideration to be received by the Applicants and their stakeholders pursuant to the Alternate Transaction, subject to a cap of \$1.5 million, <p>in each case, upon the closing of such Alternate Transaction.</p>

Limitation of Liability:	If the Purchase Agreement is terminated for Bidco breach, Sellers' sole remedy will be liquidated damages in an amount equal to 10% of the Cash Purchase Price.
Not a Back-Up Bid:	Bidco's bid will not be deemed to be a "Back-Up Bid" and Bidco will not be required under any circumstances to be a Back-Up Bidder.
Governing Law:	British Columbia
Dispute Resolution:	Supreme Court of British Columbia

SCHEDULE "A" PURCHASED ASSETS

[Note: Schedule subject to detailed review by UrtheCast]

UrthePipeline, UrthePlatform and Value-Added Services

All intellectual property, assets, and equipment associated with the *UrtheDaily* business, including but not limited to:

1. All software already developed or in development, including, without limitation:
 - a. Raw downlinked optical and SAR Data processing services
 - b. Optical satellite/sensor commissioning, image calibration and QA services
 - c. Generic Satellite Imagery Improvement services for previously processed data
 - d. Automated mosaic generation prototype services
 - e. Next generation data platform prototype with cloud optimized formats
 - f. Geospatial analytics prototypes, e.g., soil moisture maps, generic change detection
2. All products, trademarks and/or brands that constitute the UrthePipeline offering. This includes the UrthePlatform (patented API driven web-based EO satellite platform) and the Earth Data Store (ecosystem for data processing, discovery, and access: <https://www.digitalsupercluster.ca/programs/data-commons/earth-data-store-2/>).
3. All plans, specifications, documents, analyses and reports and all project management and engineering documentation related to the UrthePipeline, including:
 - a. UrthePipeline Project Charter – Details on project scope, requirements, deliverables, schedule
 - b. UrthePipeline Monthly Project Status Updates – Achievements, financial summary
 - c. UrthePipeline Roadmap – Quarterly and yearly roadmaps
 - d. UrthePipeline Software Engineering Processes – Engineering practices, processes and agile methodologies
 - e. UrthePipeline Tasks and Work backlog – Work packages and activities for each team
 - f. UrthePipeline Technical Notes (Design, Analysis, and Review) – e.g., Processing, Calibration, Architecture, Analytics
 - g. UrthePipeline Satellite Test Data – E.g., Theia, Deimos-1, Deimos-2 raw data for testing
 - h. UrthePipeline Requirements – Requirements to satisfy UrtheDaily Mission
 - i. Marketing Materials – UrthePipeline brochures
 - j. Proposals – Proposal responses to CSA, DRDC, customers, etc.
4. All intellectual property (including patents filed, approved or in process).
5. All supplier contracts (cloud compute or storage, network services, etc.) which includes AWS as the primary cloud provider and Microsoft as a research partner for free development use.
6. All automated operational services currently running, including CBERS-4 ortho improvement pipeline and the Deimos-1 raw data processing service which currently serve Geosys
7. All currently existing government contracts which includes the Canadian Space Agency, Digital Supercluster, LookNorth, and DRDC for the years 2020-2022

8. Certain employees of the Sellers (who will be identified to the Sellers in a separate schedule) to be transferred to Bidco on terms and conditions of employment acceptable to Bidco

Geosys

All intellectual property (owned or licensed), assets (owned or mid-transaction with Land O'Lakes) and equipment *necessary for operating Geosys as either a standalone business unit or in support of UrtheDaily*, including but not limited to:

1. All software, firmware and hardware already developed or in development
2. All products, trademarks and/or brands that constitute the Geosys product and services offering
3. All intellectual property (including patents filed, approved or in process) and intellectual property licenses (including Interim License from Land O'Lakes) and associated platforms and data archives
4. All legal entities as described in the Land O'Lakes Purchase Agreement
5. All supplier contracts, including, without limitation:
 - a. Microsoft Azure – cloud storage and computing services
 - b. ASE – cloud masking service
 - c. Tavant – offshore development
 - d. Deimos Imaging – imagery data
 - e. Airbus – imagery data
 - f. Iteris – weather data
 - g. MeteoFrance – weather data
 - h. Office leases – Maple Grove, MN (USA) and Balma, (France)
6. All customer contracts, MOUs, LOIs, sales pipeline, or other commercial agreements
7. Certain employees of the Sellers (who will be identified to the Sellers in a separate schedule) to be transferred to Bidco on terms and conditions of employment acceptable to Bidco

UrtheDaily

All intellectual property, assets and equipment necessary for developing and operating the UrtheDaily constellation, including but not limited to:

1. All software, firmware and hardware already developed or in development
2. All products, trademarks and/or brands that constitute the UrtheDaily offering
3. All technical documentation associated with the UrtheDaily program. This includes technical reports describing the UrtheDaily design, technology and the Concept of Operations, Technical Specifications for elements of the system, Analyses Reports, and Analyses Source Files (e.g., spreadsheets) providing technical budgets and performing specific analyses, including:
 - a. MRD – Mission Requirements Document
 - b. Conops – Mission concept of operations
 - c. SRS – System requirements specification
 - d. Space Segment RS – Space segment requirements specification
 - e. Calibration RS – Camera calibration requirements specification
 - f. GS Spec – Ground Segment system requirements specification
 - g. Launch Vehicle IRD – Launch Vehicle Interface Requirements Document, between spacecraft and Launch vehicle

- h. FOS RS – Flight Operation System Requirements Specification
 - i. Space Segment Description – Space Segment Technical Description
 - j. EM Camera Test Description – Description of the EM UrtheDaily Camera that was built and the tests undertaken
 - k. Spreadsheets – Coverage Gap Calculator, Onboard Data Rates, Propellant & Delta-V Calculations, Pointing Control impact on MTF
 - l. Analyses Reports – EDS Mission Analysis Report
 - m. Informal Technical Notes – CMOSIS CMV Detector family space mission history
 - n. Vendor Data – SSTL UrtheDaily Technical Presentation, CMV12000 detector datasheet, GSN Service Provider Proposals
4. All Project Management related documentation related to the UrtheDaily Program that includes plans, schedules and Statements of Work for suppliers that are developing elements of the UrtheDaily system, including:
- a. PMP – Project management plan
 - b. SEMP – System engineering management plan
 - c. WBS – Work Breakdown Structure
 - d. WPDs – Work package descriptions
 - e. Master Schedule – Mission master schedule including detailed schedule for Space segment and major activities for WBS
 - f. PBS – Product breakdown structure, preliminary
 - g. Risk Register – Mission risk register
 - h. Charter – UrtheDaily Program Charter
 - i. SS SOW – UrtheDaily Space Segment Statement of Work
 - j. LV SOW – UrtheDaily Launch Vehicle Statement of Work
 - k. GSN RFP – RFP for GSN services which includes key GSN requirements & SOW
5. All supplier proposals and contracts. This includes the SSTL subcontract for the Satellites, Launch Vehicle Subcontract, L1 Calibration Services Contract, Ground Station Network Service (GSN) Contract, Flight Operations System ground segment hardware and AWS Cloud Compute, cloud compute, storage and network services contract.
6. All customer Service Level Agreement (i.e., FPP contracts), MOUs and LOIs, backlog, sales pipeline, or other agreements
7. Certain employees of the Sellers (who will be identified to the Sellers in a separate schedule) to be transferred to Bidco or an affiliate on terms and conditions of employment acceptable to Bidco

Exhibit "A"
FORM OF SISP

Exhibit "A"

Sale and Investment Solicitation Process Outline

Introduction

On September 4, 2020, UrtheCast Corp., UrtheCast International Corp., UrtheCast USA Inc., 1185729 B.C. Ltd. and the other petitioner parties set out on Schedule A (collectively, the "**Petitioners**" or "**UrtheCast Group**") to the initial order (the "**Initial Order**") granted by the Supreme Court of British Columbia (the "**Court**"), obtained relief under the *Companies' Creditors Arrangement Act* (Canada) ("**CCAA**") from the Court that, among other things, commenced the CCAA proceedings (the "**CCAA Proceedings**"), granted an initial stay of proceedings in respect of the Petitioners (the "**Stay**") and appointed Ernst & Young Inc., as monitor (the "**Monitor**").

On September 14, 2020, the Petitioners obtained an amended and restated version of the Initial Order from the Court (the "**Amended and Restated Initial Order**") that, among other things, extended the Stay to October 2, 2020, authorized a limited sales and investment solicitation process for certain camera equipment owned by the Petitioners and authorized an interim debtor-in-possession financing facility from 1262743 B.C. Ltd. (the "**Existing DIP Lender**") providing for borrowings of up to US\$1,000,000 (the "**Existing DIP**") and the grant of a priority charge (the "**Existing DIP Lender's Charge**") to the Existing DIP Lender as security for borrowings under the Existing DIP.

On September 21, 2020, the Petitioners obtained a further amended and restated version of the Initial Order from the Court (the "**Second Amended and Restated Initial Order**") that, among other things, authorized an additional interim debtor-in-possession financing from HCP-FVL, LLC, an affiliate of Hale Capital Partners L.P. (the "**Second DIP Lender**") providing for borrowings of up to US \$5,000,000 (the "**Second DIP**") pursuant to the DIP Facilities Loan Agreement dated as of September 21, 2020 (the "**Second DIP Agreement**").

On October 2, 2020, the Petitioners obtained an order of the Court (the "**Stay Extension Order**") that, among other things extended the Stay to December 18, 2020.

On October 16, 2020, the Petitioners obtained an order from the Court that amongst other things:

- (a) authorized the Petitioners to pursue all avenues of refinancing or sale of its business or property, in whole or part, subject to prior approval of the Court before any material refinancing or sale is concluded;
- (b) approved the Sale and Investment Solicitation Process set forth herein (the "**SISP**");
- (c) approved an additional interim debtor-in-possession financing facility from an affiliate of Antarctica Infrastructure Partners, LLC (the "**AC DIP Lender**"), providing for borrowings of up to CAD \$3,548,000 (the "**Stalking Horse DIP**") and the grant of a priority charge (the "**AC DIP Lender's Charge**") to the AC DIP Lender as security for borrowings under the Stalking Horse DIP, ranking in priority to the Existing DIP Lender's Charge;
- (d) approved and accepted for the purpose of conducting a "stalking horse" solicitation in accordance with the SISP procedures set out in this this document (the "**SISP Process**");

Outline) that certain letter agreement dated October 13, 2020 between the Petitioners and the Stalking Horse Bidder, providing for a potential sale (the **"Stalking Horse Bid"**) of the Applicants' UrtheDaily Constellation project and UrthePipeline business (together, the **"Designated Assets"**) to 1269336 B.C. Ltd. the Stalking Horse Bidder or a designated affiliate, including the payment of an expense reimbursement (the **"Expense Reimbursement"**) by the Petitioners to the Stalking Horse Bidder as contemplated by the Stalking Horse Bid; and

(e) approved the procedures set forth in this SISP Process Outline.

To facilitate an efficient and thorough SISP in the face of UrtheCast's acute liquidity challenges, the Petitioners have:

- (a) created a form of non-disclosure agreement ("**NDA**") and established a confidential online data site to facilitate due diligence investigations by Qualified Bidders (defined below) who enter into a NDA with UrtheCast Corp.; and
- (b) finalized a list of potential bidders, including (i) parties that have approached the Petitioners or the Monitor indicating an interest in the Opportunity (defined below), (ii) domestic and international strategic and financial parties who UrtheCast Group in consultation with the Monitor, believe could be interested in purchasing all or part of the assets or investing in UrtheCast Group pursuant to the SISP (including, without limitation, any parties with whom were in contact prior to the Initial Order as part of UrtheCast Group's strategic review process) and (iii) any other parties reasonably suggested by a stakeholder as a potential bidder who may be interested in the Opportunity (collectively, "**Known Potential Bidders**").

Opportunity

1. The SISP is intended to solicit interest in and opportunities for a sale of or investment in all or part of the assets, property, business operations and undertaking (the **"Opportunity"**) of the Petitioners and their subsidiaries (collectively, the **"UrtheCast Group"**). The Opportunity may include one or more of a recapitalization, arrangement or other form of investment in or reorganization of the business and affairs of the UrtheCast Group as a going concern or a sale of all, substantially all or one or more components of UrtheCast Group's assets, including without limitation, the sale of the shares of one or more of the corporations comprising the UrtheCast Group and its business operations (the **"Assets"**) as a going concern or otherwise.
2. Except to the extent otherwise set forth in a definitive sale or investment agreement with a successful bidder, any sale of the Assets or investment in UrtheCast Group will be on an "as is, where is" basis and without surviving representations or warranties of any kind, nature, or description by any member of the UrtheCast Group, the Monitor or any of their respective agents, advisors or estates, and, in the event of a sale, all of the right, title and interest of UrtheCast Group in and to the Assets to be acquired will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests therein and thereon pursuant to Court orders, except as otherwise provided in such Court orders.

Timeline

3. The following table sets out the key milestones under the SISP:

Milestone	Deadline
Teaser Letter sent to potential Known Potential Bidders	As soon as practicable and, in any case, not later than October 16, 2020
Phase 1 Bid Deadline	November 6, 2020
Phase 2 Bid Deadline	To be specified in Phase 2 Bid Process Letter, but in any case not later than November 18, 2020
Auction (if required)	November 23, 2020

4. In recognition that certain of the UrtheCast Group Assets, including but not limited to the synthetic aperture radar ("**SAR**") and Deimos assets, have already been subject to extensive marketing, UrtheCast Group may, with the consent of the Monitor and in consultation with affected stakeholders, shorten any of the deadlines specified above.

Solicitation of Interest: Notice of the SISP

5. The SISP will include a notification process and up to two phases of activity for qualified interested bidders ("**Phase 1**" and "**Phase 2**", respectively). As soon as reasonably practicable, but in any event by no later than October 16, 2020:

- (a) UrtheCast Group will cause a notice of the SISP (and such other relevant information which UrtheCast Group, in consultation with the Monitor, considers appropriate) (the "**Notice**") to be published in such publications as UrtheCast Group in consultation with the Monitor, consider appropriate, if any; and
- (b) UrtheCast Group will issue a press release setting out the information contained in the Notice and such other relevant information which UrtheCast Group considers appropriate for dissemination in Canada and major financial centres in the United States.

Stalking Horse Protections

6. Unless and until the Stalking Horse Bid has been completed or terminated by one of the parties in accordance with its terms, or amended to provide expressly to the contrary, the Stalking Horse Bidder will be afforded complete and timely access to (a) all confidential information regarding the Opportunity that is shared with any Potential Bidder (defined below), (b) the Bid Process Letter (defined below), and (c) a bi-weekly status update from the Monitor regarding the status of the SISP generally, including an update on whether there are any Qualified Bidders (defined below), Qualified Bids (defined below) received from Phase 2 Qualified Bidders (defined below), Competing Bids (defined below) and/or Compliant Competing Bid (as defined below), however this update will not provide the Stalking Horse Bidder any confidential information about these bidders or the terms of their bids if they include, in whole or in part, the Designated Assets (defined below) unless

and until a Successful Bidder (defined below) is determined for the Designated Assets and the SISP is proceeding to the Auction (defined below). For certainty, nothing in this SISP Process Outline is intended to derogate from any contractual rights of the Stalking Horse Bidder in the Stalking Horse Bid (including in any definitive agreement that may be entered into in respect of the Stalking Horse Bid), including the Stalking Horse Bidder's right to participate in the Auction SISP process, to be paid a break fee and to have certain of its expenses reimbursed.

PHASE 1: NON-BINDING LOIs

Phase 1 Qualified Bidders

7. Any Known Potential Bidder or other third party who contacts any of the Petitioners or Monitor to express interest in participating in the SISP (each, a "**Potential Bidder**") must provide an executed NDA to the Monitor and provide a letter setting forth the identity of the Potential Bidder, the contact information for such Potential Bidder and full disclosure of the direct and indirect principals of the Potential Bidder.
8. A Potential Bidder (who has delivered the executed NDA and letter as set out above) will be deemed a "**Phase 1 Qualified Bidder**" only if UrtheCast Group in its reasonable business judgment and in consultation with the Monitor, determines that such Potential Bidder is likely, based on the availability of financing, experience and other considerations, to be able to timely consummate a sale or investment pursuant to the SISP.
9. For certainty, the Stalking Horse Bidder will be deemed a Phase 1 Qualified Bidder for the purposes of the SISP and, unless terminated by the Stalking Horse Bidder or UrtheCast Corp. in accordance with its terms, the Stalking Horse Bid will be deemed a Qualified LOI and the Stalking Horse Bidder will not be required to submit any other bid during Phase 1 of the SISP.
10. At any time during Phase 1 of the SISP, UrtheCast Group may, in their reasonable business judgment and after consultation with and the consent of the Monitor, eliminate a Phase 1 Qualified Bidder (other than the Stalking Horse Bidder) from the SISP, in which case such bidder will be eliminated from the SISP and will no longer be a "Phase 1 Qualified Bidder" for the purposes of the SISP.
11. UrtheCast Group, in consultation with the Monitor, reserves the right to limit any Phase 1 Qualified Bidder's (other than the Stalking Horse Bidder's) access to any confidential information (including any information in the data room) and to customers and suppliers of UrtheCast Group, where, in UrtheCast Group's opinion after consultation with the Monitor, such access could negatively impact the SISP, the ability to maintain the confidentiality of the confidential information, the UrtheCast Group or the Assets.
12. Potential Bidders must rely solely on their own independent review, investigation and/or inspection of all information of the UrtheCast Group and the Assets in connection with their participation in the SISP and any transaction they enter into with UrtheCast Group.

Non-Binding Letters of Intent from Qualified Bidders

13. A Phase 1 Qualified Bidder (other than the Stalking Horse Bidder) that wishes to pursue the Opportunity further must deliver a non-binding letter of intent (an "**LOI**") to the Monitor

and UrtheCast Group at the addresses specified in Schedule "1" attached hereto (including by email or fax transmission), so as to be received by them not later than 5:00 PM (Pacific Time) on or before November 6, 2020, or such other date as the Monitor may advise in accordance with paragraph 4(the "**Phase 1 Bid Deadline**").

14. Subject to paragraph 13, an LOI so submitted will be considered a qualified LOI (a "**Qualified LOI**") only if:
- (a) it is submitted on or before the Phase 1 Bid Deadline by a Phase 1 Qualified Bidder;
 - (b) it contains an indication of whether the Phase 1 Qualified Bidder is proposing:
 - (i) to acquire all, substantially all or a portion of the Assets (a "**Sale Proposal**"), or
 - (ii) a recapitalization, arrangement or other form of investment in or reorganization of the UrtheCast Group (an "**Investment Proposal**");
 - (c) in the case of a Sale Proposal (other than the Stalking Horse Bid), it identifies or contains the following:
 - (i) the purchase price or price range in Canadian dollars, including details of any liabilities to be assumed by the Phase 1 Qualified Bidder and key assumptions supporting the valuation;
 - (ii) a description of the Assets that is expected to be subject to the transaction and any of the Assets expected to be excluded;
 - (iii) a description of the Phase 1 Qualified Bidder's proposed treatment of material agreements and employees (for example, anticipated employment offers);
 - (iv) a specific indication of the financial capability of the Phase 1 Qualified Bidder and the expected structure and financing of the transaction (including, but not limited to, the sources of financing to fund the acquisition, preliminary evidence of the availability of such financing or such other form of financial disclosure and credit-quality support or enhancement that will allow UrtheCast Group and the Monitor and each of their respective advisors to make a reasonable business or professional judgment as to the Phase 1 Qualified Bidder's financial or other capabilities to consummate the transaction and to perform all obligations to be assumed in such transaction; and the steps necessary and associated timing to obtain financing and any related contingencies, as applicable);
 - (v) a description of the conditions and approvals required for the Phase 1 Qualified Bidder to be in a position to submit a final and binding offer, including any anticipated corporate, securityholder or other internal approvals and any anticipated impediments for obtaining such approvals;

- (vi) an outline of any additional due diligence required to be conducted in order to submit a final and binding offer;
 - (vii) a description of all conditions to closing that the Phase 1 Qualified Bidder expects to include in its final and binding offer, including without limitation any regulatory approvals and any form of agreement required from a government body, stakeholder or other third party ("**Third Party Agreement**") and an outline of the principal terms thereof; and
 - (viii) any other terms or conditions of the Sale Proposal that the Phase 1 Qualified Bidder believes are material to the transaction;
- (d) in the case of an Investment Proposal, it identifies the following:
- (i) a description of how the Phase 1 Qualified Bidder proposes to structure the proposed investment;
 - (ii) the aggregate amount of the equity and/or debt investment to be made in the UrtheCast Group in Canadian dollars;
 - (iii) key assumptions supporting the Phase 1 Qualified Bidders' valuation;
 - (iv) a description of the Phase 1 Qualified Bidder's proposed treatment of any liabilities, material contracts and employees;
 - (v) the underlying assumptions regarding the pro forma capital structure (including the form and amount of anticipated equity and/or debt levels, debt service fees, interest or dividend rates, amortization, voting rights or other protective provisions (as applicable), redemption, prepayment or repayment attributes and any other material attributes of the investment);
 - (vi) a specific indication of the sources of capital for the Phase 1 Qualified Bidder and the structure and financing of the transaction (including, but not limited to, the sources of capital to fund the investment, preliminary evidence of the availability of such capital or such other form of financial disclosure and credit-quality support or enhancement that will allow UrtheCast Group and the Monitor and each of their respective advisors to make a reasonable business or professional judgment as to the Phase 1 Qualified Bidder's financial or other capabilities to consummate the transaction, steps necessary and associated timing to obtain such capital and any related contingencies, as applicable, and a sources and uses analysis);
 - (vii) a description of the conditions and approvals required for the Phase 1 Qualified Bidder to be in a position to submit a final and binding offer, including any anticipated corporate, securityholder or other internal approvals and any anticipated impediments for obtaining such approvals;
 - (viii) an outline of any additional due diligence required to be conducted in order to submit a final and binding offer;

- (ix) a description of all conditions to closing that the Phase 1 Qualified Bidder expects to include in its final and binding offer, including without limitation any regulatory approvals and any Third Party Agreement required and an outline of the principal terms thereof; and
 - (x) any other terms or conditions of the Investment Proposal which the Phase 1 Qualified Bidder believes are material to the transaction;
- (e) in the case of
- (i) a Sale Proposal for Assets that include any of the Designated Assets, or
 - (ii) an Investment Proposal that contemplates taking any security interest in any of the Designated Assets or that could reasonably be expected to take longer to complete than the sale of the Designated Assets to the Stalking Horse Bidder pursuant to the Stalking Horse Bid (any Sale Proposal or Investment Proposal referred to in this subsection (e) being referred to as a **"Conflicting Bid"**),

such Conflicting Bid provides for payment of the expense reimbursement and break fee (it being understood and agreed that only the Stalking Horse Bidder will be entitled to any bid protections including expense reimbursement and a break fee) and provides that, at a minimum and on closing of the Conflicting Bid, cash proceeds will be paid in an amount which is at least equal to the sum of: (A) the amount of cash payable under the Stalking Horse Bid, (B) the amount of obligations being credit bid and debt assumed (exclusive of cure costs) in the Stalking Horse Bid, (C) the amount of the Expense Reimbursement, (D) the amount of any break fee payable under the Stalking Horse Bidder, (E) the principal and any accrued and unpaid interest owing under the Stalking Horse Bid DIP and the Existing DIP, plus (F) a minimum overbid amount of CAD \$250,000 (the sum of such amounts in clauses (A) through (F) of this paragraph 14(e) being referred to as the **"Minimum Purchase Price"**) and provides that, upon closing of the Conflicting Bid, the Stalking Horse DIP will be repaid in full and all amounts owing to the Stalking Horse Bidder (including the Stalking Horse's reimbursable expenses and break fee) will be paid at closing (a Conflicting Bid that satisfies the Minimum Purchase Price and other requirements of this clause being referred to as a **"Compliant Conflicting Bid"**); and

- (f) in the case of either a Sale Proposal or an Investment Proposal, it contains such other information as reasonably requested by UrtheCast Group in consultation with the Monitor.

15. For the avoidance of doubt, the completion of any Sale Proposal or Investment Proposal shall be subject to the approval of the Court and the requirement of approval of the Court may not be waived.

Preliminary Assessment of Phase 1 Bids and Subsequent Process

16. Following the Phase 1 Bid Deadline, UrtheCast Group, in consultation with the Monitor, will assess the Qualified LOIs. If it is determined by UrtheCast Group in consultation with the Monitor, that a Phase 1 Qualified Bidder that has submitted a Qualified LOI: (i) has a

bona fide interest in completing a Sale Proposal or Investment Proposal (as the case may be); and (ii) has the financial capability (based on availability of financing, experience and other considerations) to consummate such a transaction based on the financial information provided, then such Phase 1 Qualified Bidder will be deemed a **"Phase 2 Qualified Bidder"**, provided that UrtheCast Group may, in their reasonable business judgment and after consultation with and with the approval of the Monitor, limit the number of Phase 2 Qualified Bidders (and thereby eliminate some bidders from the process) taking into account the factors identified in paragraph 18 below and any material adverse impact on the operations and performance of UrtheCast Group. Only Phase 2 Qualified Bidders shall be permitted to proceed to Phase 2 of the SISP.

17. For certainty, the Stalking Horse Bidder will be deemed a Phase 2 Qualified Bidder for the purposes of the SISP and, unless terminated by the Stalking Horse Bidder or UrtheCast Corp. in accordance with its terms, the Stalking Horse Bid will be deemed a Qualified Bid and the Stalking Horse Bidder will not be required to submit any other bid during Phase 2 of the SISP.
18. As part of the assessment of Qualified LOIs and the determination of the process subsequent thereto, UrtheCast Group, in consultation with the Monitor and with the approval of the Monitor, shall determine the process and timing to be followed in pursuing Qualified LOIs based on such factors and circumstances as they consider appropriate in the circumstances including, but not limited to: (i) the number of Qualified LOIs received, (ii) the extent to which the Qualified LOIs relate to the same Assets or involve Investment Proposals predicated on certain Assets, (iii) the scope of the Assets to which any Qualified LOIs may relate, and (iv) whether to proceed by way of sealed bid or auction (with or without a stalking horse bidder) with respect to some or all of the Assets (other than the Designated Assets). With respect to the Designated Assets, an auction shall be held in accordance with the auction process set out below (the "Auction") where UrtheCast Group in consultation with the Monitor, determines that one or more, or a combination thereof, of the Qualified Bids constitutes a Superior Bid (as defined below).
19. Upon the determination by UrtheCast Group, in consultation with the Monitor and with the approval of the Monitor, of the manner in which to proceed to Phase 2 of the SISP, UrtheCast Group, in consultation with and with the approval of the Monitor, will prepare a bid process letter for Phase 2 (the **"Bid Process Letter"**), and the Bid Process Letter will be (i) sent by the Monitor to all Phase 2 Qualified Bidders, and (ii) posted by the Monitor on the website the Monitor maintains in respect of this CCAA proceeding.
20. Notwithstanding the process and deadlines outlined above with respect to Phase 1 of the SISP and the process to supplement Phase 2 by way of the Bid Process Letter:
 - (a) UrtheCast Group may, at any time bring a motion to seek approval of a stalking horse agreement in respect of some or all of the assets (excluding the Designated Assets) or the UrtheCast Group and related bid procedures in respect of such Assets or to establish further or other procedures for Phase 2; and
 - (b) If no Compliant Conflicting Bid is received by UrtheCast Group on or before the Phase 1 Bid Deadline, the Petitioners will promptly bring an application seeking the granting of an order by the Court authorizing the Petitioners to proceed with the sale of the Designated Assets to the Stalking Horse Bidder in accordance with the terms and subject conditions of the Stalking Horse Bid.

PHASE 2: FORMAL OFFERS AND SELECTION OF SUCCESSFUL BIDDER

21. Paragraphs 22 to 32 below and the conduct of Phase 2 are subject to paragraphs 18, 19, and 20 and any adjustments made to Phase 2 in accordance with the Bid Process Letter and any further Court order regarding the SISP.

Due Diligence

22. UrtheCast Group in consultation with the Monitor, shall in their reasonable business judgment and subject to competitive and other business considerations, afford each Phase 2 Qualified Bidder (which shall be deemed to include the Stalking Horse Bidder, if the Stalking Horse Bid has not been completed in accordance with paragraph 20(b) or terminated by one of the parties in accordance with its terms) such access to due diligence materials and information relating to the Assets and UrtheCast Group as they deem appropriate. Due diligence access may include management presentations, on-site inspections, and other matters which a Phase 2 Qualified Bidder may reasonably request and as to which UrtheCast Group in their reasonable business judgment and after consulting with the Monitor, may agree. The UrtheCast Group will designate a representative to coordinate all reasonable requests for additional information and due diligence access from Phase 2 Qualified Bidders and the manner in which such requests must be communicated. Neither the UrtheCast Group nor the Monitor will be obligated to furnish any information relating to the Assets or UrtheCast Group to any person other than to Phase 2 Qualified Bidders. Further and for the avoidance of doubt, selected due diligence materials may be withheld from certain Phase 2 Qualified Bidders if UrtheCast Group in consultation with the Monitor, determine such information to represent proprietary or sensitive competitive information.

Formal Binding Offers

23. Phase 2 Qualified Bidders (other than the Stalking Horse Bidder, which will be deemed to have satisfied this paragraph 23 by delivering a definitive agreement of purchase and sale to effectuate the transactions contemplated by the Stalking Horse Bid, as the same may be amended by the parties thereto) that wish to make a formal offer to purchase or make an investment in UrtheCast Group or its Assets shall submit a binding offer that complies with all of the following requirements prior to the date set out the Bid Process Letter (the "**Phase 2 Bid Deadline**");
- (a) the bid shall comply with all of the requirements set forth in respect of Phase 1 Qualified LOIs, including without limitation paragraph 14(e);
 - (b) the bid (either individually or in combination with other bids that make up one bid) is an offer to purchase or make an investment in some or all of the Assets or UrtheCast Group and is consistent with any necessary terms and conditions communicated to Phase 2 Qualified Bidders;
 - (c) the bid includes a letter stating that the Phase 2 Qualified Bidder's offer is irrevocable until the selection of the Successful Bidder (as defined below), provided that if such Phase 2 Qualified Bidder is selected as the Successful Bidder, its offer shall remain irrevocable until the closing of the transaction with the Successful Bidder;

- (d) the bid includes duly authorized and executed transaction agreements, including the purchase price, investment amount and any other key economic terms expressed in Canadian dollars (the "**Purchase Price**"), together with all exhibits and schedules thereto, all applicable ancillary agreements with all exhibits and schedules thereto (or term sheets that describe the material terms and provisions of such agreements), and proposed order to approve the sale by the Court;
- (e) the bid includes written evidence of a firm, irrevocable commitment for financing or other evidence of ability to consummate the proposed transaction, that will allow UrtheCast Group and the Monitor to make a determination as to the Phase 2 Qualified Bidder's financial and other capabilities to consummate the proposed transaction;
- (f) the bid is not conditioned on (i) the outcome of unperformed due diligence by the Phase 2 Qualified Bidder, apart from, to the extent applicable, to the disclosure of due diligence materials that represent proprietary or sensitive competitive information which was withheld in Phase 2 from the Phase 2 Qualified Bidder and/or (ii) obtaining financing;
- (g) the bid fully discloses the identity of each entity that will be entering into the transaction or the financing (including through the issuance of debt in connection with such bid), or that is participating or benefiting from such bid, and such disclosure shall include, without limitation: (i) in the case of a Phase 2 Qualified Bidder formed for the purposes of entering into the proposed transaction, the identity of each of the actual or proposed direct or indirect equity holders of such Phase 2 Qualified Bidder and the terms and participation percentage of such equity holder's interest in such bid; and (ii) the identity of each entity that has or will receive a benefit from such bid from or through the Phase 2 Qualified Bidder or any of its equity holders and the terms of such benefit;
- (h) the bid includes a commitment by the Phase 2 Qualified Bidder to provide a non-refundable deposit in the amount of not less than 10% of the purchase price offered upon the Phase 2 Qualified Bidder being selected as the Successful Bidder and in any event, prior to service of the materials for the Sale Approval Motion (as defined below);
- (i) the bid includes acknowledgements and representations of the Phase 2 Qualified Bidder that: (i) the transaction is on an "as is, where is" basis; (ii) it has had an opportunity to conduct any and all due diligence regarding the Assets and UrtheCast Group prior to making its offer (apart from, to the extent applicable, the disclosure of due diligence materials that represent proprietary or sensitive competitive information which were withheld in Phase 2 from the Phase 2 Qualified Bidder); (iii) it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Assets in making its bid; and (iv) it did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory or otherwise, regarding the Assets, or UrtheCast Group or the completeness of any information provided in connection therewith, except as expressly stated in the definitive transaction agreement(s) signed by UrtheCast Group;

- (j) the bid includes evidence, in form and substance reasonably satisfactory to UrtheCast Group, in consultation with the Monitor, of authorization and approval from the Phase 2 Qualified Bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the transaction agreement(s) submitted by the Phase 2 Qualified Bidder;
 - (k) the bid contains other information required by UrtheCast Group or the Monitor including, without limitation, such additional information as may be required in the event Phase 2 is supplemented in accordance with paragraph 19 to contemplate that an auction of certain Assets be conducted; and
 - (l) the bid is received by the Phase 2 Bid Deadline.
24. Following the Phase 2 Bid Deadline, UrtheCast Group in consultation with the Monitor, will assess the Phase 2 bids received. UrtheCast Group, in consultation with the Monitor, will designate the most competitive bids that comply with the foregoing requirements to be "**Qualified Bids**". No Phase 2 bids received shall be deemed not to be Qualified Bids unless the Monitor so approves. Only Phase 2 Qualified Bidders whose bids have been designated as Qualified Bids are eligible to become the Successful Bidder(s).
25. The Monitor shall notify each Phase 2 Qualified Bidder in writing as to whether its bid constituted a Qualified Bid within three (3) business days of the Phase 2 Bid Deadline, or at such later time as UrtheCast Group in consultation with the Monitor, deem appropriate.
26. UrtheCast Group may, in consultation with the Monitor, aggregate separate bids from unaffiliated Phase 2 Qualified Bidders (if, and only if, such aggregation is reasonably practicable to effect a transaction without overlap) to create one "Qualified Bid".

Evaluation of Competing Bids

27. A Qualified Bid will be evaluated based upon several factors, including, without limitation, items such as the Purchase Price and the net value provided by such bid, the claims likely to be created by such bid in relation to other bids, the identity, circumstances and ability of the Phase 2 Qualified Bidder to successfully complete such transactions, the proposed transaction documents, the effects of the bid on the stakeholders of UrtheCast Group, factors affecting the speed, certainty and value of the transaction (including any regulatory approvals or third party contractual arrangements required to close the transactions), the Assets included or excluded from the bid, any related restructuring costs, and the likelihood and timing of consummating such transactions, each as determined by UrtheCast Group and the Monitor.
28. A Qualified Bid will be deemed a Superior Bid where a credible, unconditional and financially viable third party offer, or combination of offers for (A) the acquisition of all, substantially all or certain of the Designated Assets; or (B) an investment, restructuring, recapitalization, refinancing or other reorganization of the UrtheCast Group, the terms of which offer are no less favourable and no more burdensome or conditional than the terms contained in the Stalking Horse Asset Purchase Agreement, and which at a minimum, alone, or in a combination with other offers, includes:

- (a) a payment in cash in excess of CAD \$250,000 of the aggregate of the total consideration payable pursuant to the Stalking Horse APA, being CAD \$69.3 million;
- (b) a payment in cash in the amount necessary to fully pay the Stalking Horse bidder's break fee and expense reimbursement together with any CCAA priority amounts owing, including any interim financing obligations as at the closing of such transaction; and
- (c) a payment in cash of all priority charges and an assumption of liabilities to satisfy and payment of all cure costs required to the closing of such transaction.

Selection of Successful Bid

- 29. UrtheCast Group, in consultation with the Monitor, (a) will review and evaluate each Qualified Bid, provided that each Qualified Bid may be negotiated between UrtheCast Group, in consultation with the Monitor, and the applicable Phase 2 Qualified Bidder, and may be amended, modified or varied to improve such Phase 2 Qualified Bid as a result of such negotiations, and (b) identify the highest or otherwise best bid (the "**Successful Bid**"), and the Phase 2 Qualified Bidder making such Successful Bid, the "**Successful Bidder**") for any particular Assets or UrtheCast Group, in whole or part. UrtheCast's determination of any Successful Bid, with the assistance of the Monitor, shall be subject to approval by the Court and in the case of the Designated Assets, where the Successful Bid constitutes a Superior Bid, the UrtheCast Group will proceed to an auction (the "Auction").
- 30. For certainty, notwithstanding the process and deadlines outlined above with respect to Phase 2 of the SISP, if no binding offer for a Compliant Conflicting Bid is received by UrtheCast Group during Phase 2 on or before the Phase 2 Bid Deadline, then the Petitioners will promptly bring an application seeking the granting of an order by the Court authorizing the Petitioners to proceed with the sale of the Designated Assets to the Stalking Horse Bidder in accordance with the terms and subject conditions of the Stalking Horse Bid. UrtheCast Group shall have no obligation to enter into a Successful Bid (excluding the Stalking Horse Bid, if applicable), and it reserves the right, after consultation with the Monitor to reject any or all Phase 2 Qualified Bids.

Auction

- 31. The Auction shall run in accordance with the following procedures, which may be modified by the UrtheCast Group in its discretion, after consultation with the Monitor:
 - (a) prior to the Auction Monitor shall have identified the Superior Offer and all bidding at the Auction shall be irrevocably made on the terms of the Superior Offer, except for price/investment amount and certain other identified business terms;
 - (b) the Monitor will provide to all Qualified Bidders the material terms and conditions of the Superior Offer (the "**Starting Bid**") and each Qualified Bidder must inform the UrtheCast Group whether it intends to participate in the Auction (the parties who so inform the UrtheCast Group, that they intend to participate are the "**Auction Bidders**");

- (c) Only representatives of the Auction Bidders, the UrtheCast Group, the Monitor, the DIP Lenders and such other persons permitted by the UrtheCast Group and the Monitor (and the advisors to each of the foregoing) are entitled to attend the Auction;
- (d) At the commencement of the Auction, each Auction Bidder shall be required to confirm that it has not engaged in any collusion with any other Auction Bidder to detrimentally affect the price for any sale;
- (e) Only the Auction Bidders will be entitled to make any Subsequent Bids (as defined herein);
- (f) All Subsequent Bids presented during the auction shall be made and received in one room on an open basis. All Auction Bidders will be entitled to be present for all Subsequent Bids at the Auction with the understanding that the true identity of each Auction Bidder at the Auction will be fully disclosed to all other Auction Bidders at the Auction and that all material terms of each Subsequent Bid will be fully disclosed to all other Auction Bidders throughout the entire Auction;
- (g) All Auction Bidders must have at least one individual representative with authority to bind such Auction Bidder present in person at the Auction;
- (h) The UrtheCast Group, after consultation with the Monitor, may employ and announce at the auction additional procedural rules that are reasonable under the circumstances, (e.g. the amount of time allotted to make Subsequent Bids, requirement to bid in each round, and the ability of multiple Auction Bidders to combine to present a single bid) for conducting the auction, provided that such rules are (i) not inconsistent with any applicable law, and (ii) disclosed to each Auction Bidder at the auction;
- (i) Bidding at the Auction will begin with the Starting Bid and continue, in one or more rounds of bidding, so long as during each round at least one subsequent bid is submitted by an Auction Bidder (a "**Subsequent Bid**") that the UrtheCast Group determines, after consultation with the Monitor, is (A) for the first round, a higher or otherwise better offer than the Starting Bid, and (B) for subsequent rounds, a higher or otherwise better offer than the Leading Bid (as defined herein); in each case by at least the Minimum Incremental Overbid. Each bid at the auction shall provide net value to the UrtheCast Group of at least CAD \$100,000 (the "**Minimum Incremental Overbid**") over the Starting Bid or the Leading Bid (as defined herein), as the case may be; provided however that the UrtheCast Group, after consultation with the Monitor, shall retain the right to modify the incremental requirements at the Auction and provided further that the UrtheCast Group, in determining the net value of an incremental bid, shall not be limited to evaluating the incremental dollar value of such bid and may consider other factors. After each Subsequent Bid, the UrtheCast Group shall, after consultation with the Monitor, announce whether such bid (including the value and material terms thereof) is higher or otherwise better than the prior bid (the "**Leading Bid**"). A round of bidding will conclude after each Auction Bidder has the opportunity to submit a Subsequent Bid with full knowledge of the Leading Bid;

- (j) If, in any round of bidding, no new Subsequent Bid is made that becomes a Leading Bid, the Auction shall be closed;
 - (k) The Auction shall be closed by midnight on the day of the Auction unless extended for a further 24 hour period by the UrtheCast Group with the approval of the Monitor;
 - (l) No bids (from Auction Bidders or otherwise) shall be considered after the conclusion of the Auction; and
 - (m) At the close of the Auction, the Monitor shall identify the winning bid (the "**Auction Successful Bid**"). At the conclusion of the Auction, the Monitor will notify the other bidders of the identities of the bidders of the Auction Successful Bid. (n) following conclusion of the Stalking Horse Scenario Auction, the UrtheCast Group, with the assistance of the Monitor, may finalize a definitive agreement or agreements in respect of the Stalking Horse Auction Successful Bid and the Stalking Horse Auction Backup Bid, respectively, if any, conditional upon approval of the Court.
32. All other bids received at the Auction shall be deemed rejected on the earlier of: (i) the date of closing of the Auction Successful Bid, and (ii) confirmation from the Monitor that the bid has been rejected.

Sale Approval Motion Hearing

33. At the hearing of the motion to approve any transaction with a Successful Bidder (which would include the Stalking Horse Bidder in the circumstances contemplated by paragraphs 20(b) or 29 (the "**Sale Approval Motion**"), UrtheCast Group shall seek, among other things, approval from the Court to consummate any Successful Bid. All the Phase 2 Qualified Bids other than the Successful Bid, if any, shall be deemed rejected by UrtheCast Group on and as of the date of approval of the Successful Bid by the Court.

Confidentiality, Stakeholder/Bidder Communication and Access to Information

34. All discussions regarding an LOI, Sale Proposal or Investment Proposal must be directed through the Monitor. Under no circumstances should the management of the UrtheCast Group or any stakeholder of UrtheCast Group be contacted directly without the prior consent of the Monitor. Any such unauthorized contact or communication could result in exclusion of the interested party from the SISP process.
35. Participants and prospective participants in the SISP shall not be permitted to receive any information that is not made generally available to all participants relating to the number or identity of Potential Bidders, Phase 1 Qualified Bidders, LOIs, Phase 2 Qualified Bidders, Phase 2 Qualified Bids, the details of any bids submitted or the details of any confidential discussions or correspondence between UrtheCast Group, the Monitor and such other bidders or Potential Bidders in connection with the SISP, except to the extent UrtheCast Group with the approval of the Monitor and consent of the applicable participants, are seeking to combine separate bids from Phase 1 Qualified Bidders or Phase 2 Qualified Bidders.

Supervision of the SISP

36. The participation of UrtheCast Group in the SISP will be directed by UrtheCast Corp.'s board of directors.
37. The Monitor will participate in the conduct of the SISP in the manner set out in this SISP Process Outline and the Initial Order and is entitled to receive all information in relation to the SISP.
38. This SISP does not, and will not be interpreted to create any contractual or other legal relationship between UrtheCast Group and any Phase 1 Qualified Bidder, any Phase 2 Qualified Bidder (other than the Stalking Horse Bidder) or any other party, other than as specifically set forth in a definitive agreement that may be signed with UrtheCast Group.
39. Participants in the SISP are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any LOI, Phase 2 bid, due diligence activities, and any further negotiations or other actions whether or not they lead to the consummation of a transaction.
40. UrtheCast Group shall have the right to modify the SISP (including, without limitation, pursuant to the Bid Process Letter) provided always that the outside date for closing a transaction of purchase and sale of the Designated Assets will only be amended with the written consent of the Stalking Horse Bidder) with the prior written approval of the Monitor if, in their reasonable business judgment, such modification will enhance the process or better achieve the objectives of the SISP; provided that the Service List in this CCAA proceeding shall be advised of any substantive modification to the procedures set forth herein.

Schedule "1"

Address for Submitting LOIs and Phase 2 Bids

Bennett Jones LLP

666 Burrard St
Suite #2500
Vancouver, BC V6C 2X8

Fax: ●

Attn : ●

Ernst & Young Inc.

700 West Georgia Street
Vancouver, BC V7Y 1C7

Fax: ●

Attn : Mr. Philippe Mendelson, Vice President

Exhibit "B"

AC INTERIM FINANCING TERM SHEET

**DIP FACILITY LOAN AGREEMENT
DATED AS OF OCTOBER 1, 2020**

Summary of Terms and Conditions ("**Term Sheet**")
CAD \$3,548,000 Secured Super-Priority Debtor-in-Possession Credit Facilities

This document is highly confidential and neither this document nor the identity of the lender listed on the signature page hereof ("**Lender**") shall be disclosed to any person other than UrtheCast Corp., its subsidiaries (collectively "**UrtheCast**") or its financing advisors (insofar as such advisors have been informed of, and agree to abide by, the confidentiality of this Term Sheet), and as required to be disclosed in connection with any court proceeding contemplated herein, without the prior written consent of Lender. Term Sheet is subject to the terms of the Confidentiality Agreement dated June 24, 2020 by and among SIGA II, LLC (an affiliate of Antarctica Capital LLC) and UrtheCast.

- Borrower:** UrtheCast Corp. (an Ontario, Canada corporation), 1185729 B.C. Ltd. (a British Columbia, Canada corporation), 1185781 B.C. Ltd. (a British Columbia, Canada corporation), UrtheCast International Corp. (a Canadian corporation), Geosys Holding, ULC (was Geosys Technology Holding LLC) (a British Columbia, Canada corporation) and Urthedaily Corp. (a British Columbia, Canada corporation) (collectively, the "**CAD Borrower**"), and Geosys Europe Sarl (a Switzerland corporation), UrtheCast USA Inc. (a Delaware, USA corporation), Geosys-Int'l, Inc. (a USA corporation) and Geosys S.A.S. (a France corporation) (collectively with the CAD Borrower, the "**Borrower**") during the pendency of the CCAA (as defined below) proceeding (the "**CCAA Proceeding**") under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") commenced pursuant to an initial order (the "**Initial Order**") issued on September 4, 2020 by the Supreme Court of British Columbia, Vancouver Registry Action No. VLC-S-S208894 (the "**CCAA Court**"), as modified by the amended and restated initial order of the CCAA Court dated September 14, 2020 (the "**ARIO**")
- Guarantors:** Deimos Imaging S.L.U., DOT Imaging S.L.U., Geosys Australia Pty, Geosys do Brasil Sistemas de Informacao Agricolas Ltda., Urthecast Holdings (Malta) Limited, UrtheCast Imaging S.L.U., UrtheCast Investments (Malta) Limited and each of the existing and future affiliates and direct and indirect subsidiaries of the Borrower deemed necessary by the Lender in its sole discretion (collectively, the "**Guarantors**" and, together with the Borrower, the "**Debtors**" or "**CCAA Debtors**") shall provide unconditional secured (subject to applicable law) guarantees of payment and not of collection in form satisfactory to the Lender.
- Lender:** An affiliate of Antarctica Infrastructure Partners LLC
- DIP Facility:** A facility consisting of a CAD \$3,548,000 term loan facility (the "**DIP Facility**"). Subject to the conditions set forth below and the final loan documents, the Borrower may draw down funds under the DIP Facility in tranches consisting of: (i) an initial tranche in the amount of CAD \$1,267,000 (the "**Initial Tranche**") on November 6, 2020; (ii) a second tranche in the amount of CAD \$733,000 (the "**Second**")

Tranche"); and (iii) a third tranche in the amount of CAD \$1,548,000 (the "**Third Tranche**") provided that no advances (an "**Advance**") shall be made if there is an Event of Default hereunder, or the Borrower is in default of any term of the DIP Facility and such default is continuing.

Use of Proceeds: The proceeds of the DIP Facility shall only be advanced to and used by the CCAA Debtors in accordance with the Agreed Weekly Budgets (as defined below) and Third DIP Order (as defined below), each of which shall be in form and substance satisfactory to the Lender in its sole discretion. The CCAA Debtors shall not utilize the DIP Facility for any other purpose without the prior written approval of the Lender (in its sole discretion). Except as set out in the Agreed Weekly Budget, the DIP Facility may not be used to pay any outstanding principal amount, accrued and unpaid interest, exit fees, expenses or any other amounts owing in respect of any existing debtor-in-possession financing, with the exception that it is agreed, that the Second Tranche shall be used to pay any amounts outstanding pursuant to the interim debtor-in-possession financing facility from 1262743 B.C. Ltd. The DIP Facility may not be used in connection with any investigation (including discovery proceedings), initiation or prosecution of any claims, causes of action, adversary proceedings or other litigation against or adverse to the Lender or its affiliates or any of their interests (whether direct or indirect).

Direct Advance Condition: The Borrower shall not use, advance or flow any funds from the DIP Facility to any CCAA Debtor located outside of Canada (a "**Foreign CCAA Debtor**"), including without limitation, the United States, France, Spain or Switzerland unless and until the Lender is satisfied that the Lender has a first priority lien and charge in any such foreign jurisdiction in form and substance (and/or court order) satisfactory to the Lender in its sole discretion (the "**Direct Advance Condition**").

Closing Date: The closing date for the DIP Facility shall be November 6, 2020 or such later date as may be agreed to by the Lender in its sole discretion (the "**Closing Date**").

Evidence of Indebtedness: The Lender shall open and maintain accounts and records evidencing advances and repayments under the DIP Facility and all other amounts owing from time to time hereunder. The Lender's accounts and records constitute, in the absence of manifest error, *prima facie* evidence of the indebtedness of the CCAA Debtors to the Lender pursuant to the DIP Facility.

Currency: Unless otherwise stated, all monetary denominations shall be in lawful currency of the Canada.

Interest Rate: All amounts owing hereunder on account of the principal, overdue interest, costs, fees and expenses shall bear interest at the rate of 17.5% per annum payable in cash monthly in arrears on the last day of each calendar month. To the extent permitted by applicable law, upon the occurrence of an Event of Default (as defined below), interest shall accrue and be calculated and compounded at a rate of 20% per annum.

- Standby Fee:** The Borrower shall pay the Lender a standby fee of 2% per annum on any undrawn portion of the DIP Facility. Such fee shall be calculated daily and payable monthly in arrears on the last day of each calendar month.
- Commitment Fee:** The Borrower shall pay to the Lender a non-refundable pro-rated commitment fee of 3% of each amount advanced under the DIP Facility, which initial pro-rated fee shall be payable on the Closing Date.
- Other Costs and Expenses:** The Borrower shall pay, monthly after the Closing Date, all costs and expenses of the Lender for all out-of-pocket due diligence and travel costs and all reasonable fees, costs, expenses and disbursements of outside counsel, appraisers, field auditors, and any financial consultant in connection with the drafting, negotiating and administration of the DIP Facility, including any costs and expenses incurred by the Lender in connection with the enforcement of its security, any of the rights and remedies available hereunder or under any order of the CCAA Court or under the Guarantees or any related security.
- Repayment and Maturity Date:** All amounts owing to the Lender under the DIP Facility shall be due and payable on the earliest of the occurrence of the following:
- (i) January 15, 2021;
 - (ii) the implementation of a plan of compromise or arrangement within the CCAA proceedings (a "**Plan**") which has been approved by the requisite majorities of the applicable CCAA Debtors' creditors and by order entered by the CCAA court (the "**Sanction Order**") and by the Lender;
 - (iii) conversion of the CCAA proceeding into a proceeding under the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**")
 - (iv) on the sale of any of the assets of any CCAA Debtor outside of the ordinary course of business which is not consented to by the Lender in writing (collectively, the "**Approval Conditions**"), including any sale of assets pursuant to a sales and investment solicitation process are for a value in excess of CAD \$50,000 without first having received approval from the CCAA Court (unless the Lender agrees otherwise in its sole discretion); and
 - (v) an Event of Default (as defined below) in respect of which the Lender has elected in its sole discretion to accelerate all amounts owing and demand repayment;
- (such earliest date being the "**Maturity Date**").
- The Lender's commitment to make further advances under the DIP Facility shall expire on the Maturity Date and all amounts outstanding under the DIP Facility shall be permanently and indefeasibly repaid in full and in cash no later than the Maturity Date without the Lender

being required to make demand upon the Borrower or other parties or to give notice that the DIP Facility has expired and that the obligations thereunder are due and payable. The Sanction Order shall not discharge or otherwise affect in any way any of the obligations of the CCAA Debtors to the Lender under the DIP Facility other than after the permanent and indefeasible payment in cash to the Lender of all obligations under the DIP Facility on or before the date that the Plan is implemented.

**Mandatory
Prepayments and
Commitment
Reduction:**

Unless the Lender consents in writing otherwise, the Borrower is required to prepay amounts outstanding under the DIP Facility:

- (i) upon the receipt of net cash proceeds from the issuance by any of the CCAA Debtors of any indebtedness for borrowed money;
- (ii) upon receipt of insurance proceeds or expropriation awards by any of the CCAA Debtors;
- (iii) upon receipt of net cash proceeds from the sale of any of the Collateral (as defined below) except for sales of inventory in the ordinary course of business by any of the CCAA Debtors;
- (iv) any receipt by any of the CCAA Debtors of cash proceeds outside of the ordinary course that is not expressly contemplated in the Agreed Weekly Budget (except for proceeds from new customer contracts); and
- (v) upon receipt of net cash proceeds from the sale or issuance of any equity interests (as such term is defined or used in any applicable securities laws and legislation) in any of the CCAA Debtors or the receipt of capital contributions by any of the CCAA Debtors.

Any prepayment required hereunder shall be a permanent reduction of the DIP Facility and may not be re-borrowed without the prior written consent of the Lender in its sole discretion.

**Optional
Prepayment:**

The DIP Facility may be repaid at any time, in whole or in part, prior to the Maturity Date on not less than two (2) business days' notice to the Lender.

Lender Account:

All payments to the Lender, in addition to payments made to the Lender under the cash management arrangements, shall be made by wire transfer to the account specified in writing to the Borrower from time to time.

Agreed Budgets:

The CCAA Debtors shall provide the Lender with a 13-week cash flow (the "**Agreed Weekly Budget**") reviewed by the Monitor, which shall be filed with the CCAA Court in connection with the CCAA Proceedings. The Agreed Weekly Budget shall be form and substance satisfactory to the Lender and shall reflect, on a line item basis, among other things, anticipated cash flow, cash receipts and

disbursements, sales. The Lender may, in its sole discretion, require changes to the format of the Agreed Weekly Budget and the details provided therein including, without limitation, information on a line item basis as to (i) projected cash receipts; (ii) projected disbursements (including ordinary course operating expenses, restructuring expenses, including professional fees), capital and maintenance expenditures; and (iii) such other matters as may be reasonably required by the Lender. The Agreed Weekly Budget shall be rolled forward on a weekly basis and its format and the detail provided therein may only be amended and modified with the prior written consent of the Lender in its sole discretion.

On the Thursday of each week, the CCAA Debtors shall provide to the Lender a variance report (the "**Weekly Budget Variance Report**") showing on a line-by-line basis actual receipts and disbursements and the total available liquidity for the last day of the prior week for the cumulative period since the commencement of the CCAA proceeding and for a rolling cumulative four week period once the CCAA Proceedings have been pending for four weeks and noting therein all variances on a line-by-line basis from the amounts in the Agreed Weekly Budget and shall include explanations for all negative variances in excess of fifteen percent (15%) and shall be certified by the Chief Financial Officer of the Borrower and approved by the Monitor. The first Weekly Budget Variance Report shall be delivered on November 19, 2020.

**Conditions
Precedent to DIP
Advances:**

No advance shall be made under the DIP Facility until the following conditions precedent (the "**Funding Conditions**") have been satisfied or waived in writing, as determined by the Lender in its sole discretion, acting reasonably:

1. The Borrower shall have served an application for an order or orders, in a form and substance satisfactory to the Lender in its sole discretion, approving this Term Sheet, the DIP Facility, the cash management arrangements, granting the DIP Lender's Charge (as defined below), the Sales and Investment Solicitation Process (the "**SISP**") attached hereto as Schedule "A", and approval of the Stalking Horse Bid Letter (the "**Stalking Horse Bid Letter**") attached hereto as Schedule "B" (the "**Third DIP Order**") on or before October 16, 2020. Notice of the application for the Third DIP Order shall include any party required by the Lender in its sole discretion, acting reasonably. For greater certainty, the Third DIP Order shall provide, *inter alia*: (i) for the approval of the DIP Term Sheet, the DIP Facility, (ii) for the granting of a charge (the "**DIP Lender's Charge**") over all of the Property (as defined in the ARIO) of all of the CCAA Debtors and shall secure all obligations owing by the CCAA Debtors to the Lender hereunder, including without limitation, all principal, interest, fees, costs and expenses (including professional fees) (collectively the "**DIP Obligations**"), which, pursuant to the Third DIP Order, shall rank in priority to all other liens, charges, mortgages, hypothecs, adverse rights or claims, deemed trusts, grants (including any licensing rights provided to any person other than customers or licensees in the ordinary course of business), encumbrances,

security interests of every kind and nature (including, without limitation, the current debtor-in-possession financing) (collectively, "**Liens**") granted by the CCAA Debtors against any of the Property of any of the CCAA Debtors of any kind other than an administration charge granted by the CCAA Court to a maximum of CAD \$500,000 (the "**Administration Charge**"); (iii) that such Third DIP Order may not be rescinded, amended or revised without at least five (5) business days' notice to the Lender and its counsel and shall not stay the rights of the Lender hereunder or under the DIP Credit Documentation (as defined below); (iv) that the Lender and the DIP Facility (including any participation rights hereunder) shall be unaffected under any plan of arrangement in respect of the CCAA Debtors; and (v) for such amendments to the ARIO as may be required by the Lender in its sole discretion;

2. The Third DIP Order shall have been issued and shall not have been amended, restated, rescinded or modified, or be subject to pending a motion, application or other proceeding to amend, restate, rescind, vary or modify, in a manner that, in the Lender's sole opinion, adversely affects the rights or interests of the Lender without the written consent of the Lender;

3. Any and all existing debtor-in-possession financings (including, without limitation, the debtor-in-possession financings provided to the Borrower (or any of them) by HCP-FVL, LLC and/or 1262743 B.C. Ltd.) shall have been repaid in full and subordinated to the Lender pursuant to a Court Order (as defined below) or a fully enforceable executed subordination agreement;

4. The Lender shall have approved the applicable Agreed Weekly Budget;

5. All outstanding fees and expenses payable to the Lender shall have been paid or will be paid within such time as is acceptable to the Lender in its sole discretion, acting reasonably;

6. There shall be no Liens (including any license rights granted to any secured party) existing (registered, inchoate or otherwise) that rank in priority to or *pari passu* with the DIP Lender's Charge other than the Administration Charge;

7. The CCAA Debtors shall be in compliance in all material respects with the timetables in the SISP;

8. The DIP Credit Documentation (as defined below) shall be satisfactory to the Lender in its sole discretion, acting reasonably, and the Lender shall be in receipt of fully executed copies of the DIP Credit Documentation;

9. The Lender shall be satisfied that the CCAA Debtors have complied and are continuing to comply, in all material respects, with

all applicable laws, regulations, policies in relation to their property and business, other than as may be permitted under any order of the CCAA Court (each a “**Court Order**”) which is satisfactory to the Lender in its sole discretion;

10. No Event of Default shall have occurred that is continuing or will occur as a result of the requested advance;

11. All amounts due and owing to the Lender at the time of an advance under the DIP Facility shall have been paid or shall be paid from the requested advance;

12. The Lender shall have been satisfied that all motions, orders and other pleadings and related documents filed or submitted to the CCAA Court by the CCAA Debtors shall be consistent in all material respects with the terms hereof and all orders entered by the CCAA Court shall not be inconsistent with or have an adverse impact in any material respect on the terms of the DIP Facility or the interests of the Lender;

13. Any necessary third party approvals to preserve or perfect the DIP Lender’s Charge shall have been obtained;

14. The Lender shall be in receipt of executed copies of guarantees and security, in form and substance satisfactory to the Lender in its sole discretion, from each of the Guarantors;

15. No material portion of the Collateral be lost or stolen; and

16. There has been no fact, circumstance, change or event (whether in respect of termination, usage, value, implementation of set off rights, or any other matter) in respect of those certain Interim License and Services Agreement among Winfield, Urthecast Corp., Geosys-Int’l, Inc., Geosys Australia Pty, Geosys Europe Sarl, Geosys S.A.S. and Geosys do Brasil sistemas de Informacao Agricola Ltda, or that certain Purchase and Sale Agreement of Certain Subsidiaries of Land O’Lakes Inc. and Certain Platform Assets dated November 6, 2018 (collectively, the “**Winfield Agreements**”), that, in the Lender’s opinion, acting reasonably, would adversely affect the Lender in any material respect, its security or interests, the Collateral.

No advance shall be made under the Second Tranche until the: (i) Funding Conditions have been satisfied or waived in writing, as determined by the Lender in its sole discretion, acting reasonably; and (ii) transaction of purchase and sale as contemplated by the Stalking Horse Bid Letter has closed (such determination to be made in accordance with the provisions of the definitive asset purchase agreement):.

The Third Tranche will be advanced seven days following the transfer of the Designated Assets (as defined in the SISP).

DIP Facility Security and Documentation:

The DIP Obligations shall be secured by (the "DIP Security"):

1. the DIP Lender's Charge;
2. any Recognition Order; and
3. such other security documentation as may be required by the Lender from time to time in its sole discretion, which shall include customary ULC carve out provisions.

If required by the Lender, the DIP Security shall be a perfected first priority charge and not subject to subordination other than in respect of the Administration Charge.

Deposit Accounts:

The CCAA Debtors shall maintain all cash in bank accounts designated by the Borrower at a financial institution approved by the Lender ("**Approved Depository Banks**").

Monitor:

The Lender shall be authorized by the Third DIP Order to have direct discussions with the Monitor and to receive information from the Monitor as requested by the Lender from time to time.

Indemnity:

The CCAA Debtors agree, jointly and severally, to indemnify and hold harmless the Lender, its affiliates and their respective shareholders, officers, directors, employees, advisors, partners and agents (each, an "**indemnified person**") from and against any and all losses, claims, damages, liabilities, and expenses to which any such indemnified person may become subject or may incur arising out of or in connection with the DIP Facility, the proposed or actual use of the proceeds of the DIP Facility, the CCAA Proceeding, participation in any sales process or resulting from the DIP Credit Documentation, and the use of the proceeds thereof, or any claim, litigation, investigation or proceeding relating to any of the foregoing regardless of whether any indemnified person is a party thereto, and to reimburse each indemnified person upon demand for any documented legal or other expenses incurred in connection with investigating or defending any of the foregoing, provided that the foregoing indemnity will not, as to an indemnified person, apply to losses, claims, damages, liabilities or related expenses to the extent (i) they are found by a final, non-appealable judgment of a court to arise directly from the willful misconduct or gross negligence of such indemnified person. This indemnification shall survive whether or not the transactions set out herein are consummated. Further, the Lender shall not be responsible or liable to any CCAA Debtor or any other person for any lost profits, consequential or punitive damages.

Representations and Warranties:

Each of the CCAA Debtors represents and warrants to the Lender, upon which the Lender relies in entering into this Term Sheet and the other DIP Credit Documentation, that

1. The transactions contemplated by this Term Sheet and the other DIP Credit Documentation:
 - (a) upon the granting of the Third DIP Order, are within the powers of the CCAA Debtors;
 - (b) have been duly authorized, executed and delivered by or on behalf of the CCAA Debtors;
 - (c) upon the granting of the Third DIP Order, constitute legal, valid and binding obligations of the CCAA Debtors;
 - (d) upon the granting of the Third DIP Order, do not require the consent or approval of, registration or filing with, or any other action by, any governmental authority, other than filings which may be made to register or otherwise record the DIP Lender's Charge or any DIP Security;
2. The business operations of the CCAA Debtors and their direct and indirect subsidiaries have been and will continue to be conducted in material compliance with all applicable laws of each jurisdiction in which each such business has been or is being carried on subject to the provisions of any Court Order;
3. As at the date of this Term Sheet, all Priority Payables (as defined below) that are due and payable by the CCAA Debtors have been paid.
4. The CCAA Debtors legally or beneficially owns all of their respective cash, intellectual property, contracts, operations and material assets.
5. All of the CCAA Debtors' material assets, cash, intellectual property, contracts and operations are located in Canada, the United States, France, Spain and Switzerland.
6. Each of the CCAA Debtors and their direct and indirect subsidiaries own all intellectual property and material contracts and has obtained all material licences and permits required for the operation of its business, which intellectual property, material contracts, licences and permits remain, and after the DIP Facility, will remain in full force and effect. No proceedings have been commenced to revoke or amend any of such intellectual property, material contracts, licences and permits;
7. Except as set out in Schedule "B" hereto, each of the CCAA Debtors and their direct and indirect subsidiaries has paid where due its obligations for payroll, employee source deductions, Harmonized Sales Tax, value added taxes and is not in arrears in respect of these obligations;

8. None of the CCAA Debtors and their direct and indirect subsidiaries has any defined benefit pension plans or similar plans;

9. All written factual information provided by or on behalf of the CCAA Debtors to the Lender in the data room entitled "Datasite: Atlas DataRoom 2019" as constituted as of the date hereof for the purposes of or in connection with this Term Sheet or any transaction contemplated herein is true and accurate in all material respects on the date as of which such information is dated or certified and is not incomplete by omitting to state any fact necessary to make such information (taken as a whole) not materially misleading at such time in light of the circumstances under which such information was provided. In particular, and without limiting the generality of the foregoing all information regarding the CCAA Debtors' and its direct and indirect subsidiaries' corporate structure is true and complete, all public filings and financial reports are complete and true in all material respects and the CCAA Debtors have provided the Lender with all material information regarding all intellectual property, including, without limitation, patents, copyright, material contracts, cash, bank accounts, assets, jurisdictions, operations, source codes, title information and opinions and environmental reports affecting or relating to the Property (as defined in the ARIO) of the CCAA Debtors;

**Affirmative
Covenants:**

In addition to all other covenants and obligations contained herein, the CCAA Debtors agree and covenant to perform and do each of the following until the DIP Facility is permanently and indefeasibly repaid in full and cancelled:

1. Comply with the provisions of the Court Orders made in the CCAA Proceeding and any foreign proceedings including, without limitation, the Third DIP Order and the proceedings commenced by, *inter alios*, UrtheCast Corp. under and pursuant to Chapter 15, Title 11 of the United States Code in the United States Bankruptcy Court for the District of Minnesota;
2. Utilize the DIP Facility only in accordance with the terms hereof and the applicable Agreed Weekly Budget;
3. Pay when due, or otherwise provide confirmation satisfactory to the Lender that payment arrangements satisfactory to the Lender have been entered into by the CCAA Debtors, to pay all claims which rank prior to the indebtedness and security held by the Lender, in any jurisdiction, from the CCAA Debtors (the "**Priority Payables**"), not consented to in writing by the Lender, or a claim or Lien pursuant to any law, statute, regulation or otherwise, which ranks or is capable of ranking in priority to or *pari passu* with the Lender's security in any jurisdiction or otherwise in priority to any claim for the repayment of any amount owing under the DIP Facility, including without limitation,

all amounts owing to any federal, provincial, municipal or other government entity or Crown corporation, all statutory, actual or deemed trusts, all withholdings and source deductions, all accrued and unpaid payroll and employee claims, including vacation pay, and all amounts owing to any person having a Lien, encumbrance, trust or charge ranking in priority to the Lender's security.

4. Comply with any timetable or process established from time to time by the CCAA Court including, without limitation, the SISP, for the sale of all or part of the assets of the CCAA Debtors and/or their direct and indirect subsidiaries or solicitation of investment in any of the CCAA Debtors and/or their direct and indirect subsidiaries as part of the CCAA Proceedings or in anticipation of a Plan and obtain the approval for such timetable or process from the Lender;

5. Allow the Lender and its advisors full access to the books and records of the CCAA Debtors and/or their direct and indirect subsidiaries on one business day's notice and during normal business hours and cause management thereof to fully cooperate with the Lender and its advisors;

6. Provide the Lender with draft copies of all motions, applications, proposed orders or other material or documents that any of them intend to file within the CCAA Proceeding at least three (3) business days prior to any such filing or, where it is not practically possible to do so with as much notice as possible prior to any such filing;

7. The Third DIP Order, and any other Court Orders which are being sought by the CCAA Debtors shall be submitted to the CCAA Court in a form confirmed in advance to be satisfactory to the Lender, acting reasonably, subject to any amendments required by the CCAA Court and the Monitor and acceptable to the Lender;

8. Any and all materials of the CCAA Debtors in respect of a proposed Plan or any other transaction or solicitation process seeking the investment in or refinancing of the CCAA Debtors and/or their direct and indirect subsidiaries, the sale or process for the selling of all or any part of the assets of the CCAA Debtors and/or their direct and indirect subsidiaries or any other restructuring of the CCAA Debtors' businesses and operations, including any liquidation, bankruptcy or other insolvency proceeding in respect of any of the CCAA Debtors (a "**Restructuring Option**") that does not contemplate the indefeasible repayment in full and in cash of the DIP Facility shall only be submitted to the CCAA Court in or presented to any stakeholder of the CCAA Debtors in a form that is satisfactory to the Lender in its sole discretion, acting reasonably, and has been provided to the Lender at least three (3) business days prior to any such filing or, where it is not practically possible to do so, with as much notice as possible prior to any such filing;

9. The CCAA Debtors shall promptly advise the Lender of, and provide copies of, any proposal received from a third party in respect of a Restructuring Option or any other transaction to be carried out pursuant to or as part of a Plan and, thereafter, shall advise the Lender of the status of any such proposal as well as any material amendments to the terms thereof;

10. Unless such payments are first approved by the Lender, none of the CCAA Debtors shall:

- (i) increase any termination or severance entitlements or pay any termination or severance payments or modify any compensation or benefit plans whatsoever; or
- (ii) establish or make any payments by way of a "key employee retention plan" except as otherwise disclosed in the Agreed Weekly Budget and the application materials filed in respect of the ARIO;

11. Provide to the Lender a weekly status update regarding the status of the CCAA Proceeding and their restructuring process including, without limitation, reports on the progress of any Plan, Restructuring Option, and any information which may otherwise be confidential subject to same being maintained as confidential by the Lender;

12. Inform the Lender on a timely basis of all material developments (as determined by the Lender in its sole discretion) with respect to the business and affairs of the CCAA Debtors and their direct and indirect subsidiaries, the development of a Plan and/or a Restructuring Option;

13. Deliver to the Lender the reporting required under this Term Sheet on or before the timelines required herein and such other reporting and other information from time to time as is reasonably requested by the Lender, in form and substance satisfactory to the Lender, on or before the timeline required by the Lender;

14. The CCAA Debtors shall deliver to the Lender: (i) within one business day of delivery thereof to the Monitor, copies of all financial reporting provided to the Monitor; and (ii) within one business day of receipt from the Monitor any reports or other commentary or analysis received by the CCAA Debtors from the Monitor regarding the financial position of the CCAA Debtors or otherwise;

15. Use the proceeds of the DIP Facility and other cash on hand only in a manner consistent with the terms hereof and the Agreed Weekly Budgets in all material respects to the extent reasonably practicable in the circumstances;

16. Provide the Lender with copies of all general communications out of the ordinary course, or any communication in respect of the CCAA Proceeding, to customers, suppliers, employees and other stakeholders simultaneously with the distribution thereof to such persons;

17. Preserve, renew, maintain and keep in full force its corporate existence and its material licenses, permits, approvals, contracts, and intellectual property rights required in respect of its business, properties, assets or any activities or operations carried out therein and maintain its properties and asset in good working order having regard to the current cessation of operations;

18. Pay all taxes, permitting and licence fees, Priority Payables not consented to in writing by the Lender, and to preserve the Collateral to avoid any Lien thereon and pay all amounts due under any critical supplier contracts as and when due and payable;

19. Maintain all insurance with respect to the Collateral in existence as of the date hereof;

20. Forthwith notify the Lender of the occurrence of any Event of Default, or of any event or circumstance that, with the passage of time, may constitute an Event of Default;

21. Execute and deliver the DIP Credit Documentation, including such security agreements, guarantees, financing statements, discharges, opinions or other documents and information, as may be reasonably requested by the Lender in connection with the DIP Facility, which documentation shall be in form and substance satisfactory to the Lender;

22. Pay upon request by the Lender all documented fees and expenses of the Lender (including professional fees) provided, however, that if any such fees and expenses incurred after the date of this Term Sheet are not paid by the Borrower, the Lender may in its discretion (i) deduct such fees and expenses from any advance of the DIP Facility, or (ii) pay all such fees and expenses whereupon such amounts shall be added to and form part of the DIP Obligations and shall reduce the availability under the DIP Facility; and

23. Pay when due all principal, interest, fees and other amounts payable by the Borrower under this Term Sheet and under any other DIP Credit Documentation on the dates, at the places and in the amounts and manner set forth herein or therein (as the case may be).

24. Notwithstanding any of the provisions of this Term Sheet, the Lender shall not be entitled to receive information regarding the identity of bidders or prospective bidders participating in any such SISP, the terms of any bids received or similar information in

connection with the SISP for the Designated Assets that would customarily not be available to a prospective bidder participating in a SISP (the "SISP Information") until the SISP provides for such disclosure in the Auction (as defined in the SISP). The Lender shall be entitled to receive SISP Information in respect of any asset subject to the SISP that the Lender declares to the Monitor that the Lender will not submit a bid for such asset in the SISP, provided that the asset is not included in a broader bid for additional assets including the Designated Assets which are part of the Stalking Horse Bid.

Guarantee:

Prior to any advance of the DIP Facility, the Borrower will cause its other affiliates and subsidiaries (including the CCAA Debtors) to grant guarantees of payment to the Lender and to grant charges on their assets to secure the DIP Obligations. However, no such guarantee or security will be required for those subsidiaries which the Lender in its sole discretion, acting reasonably, determines to have no material value. Any such subsidiary which provides a guarantee shall thereafter be included as a "Guarantor".

Negative Covenants:

Each of the CCAA Debtors covenants and agrees not to do the following, other than with the prior written consent of the Lender from and after the date hereof:

1. Except as contemplated by this Agreement or any Court Order, make any payment, without consent of the Lender, of any debt or obligation existing as at the date of the Initial Order (being September 4, 2020) (the "**Pre-Filing Debt**");
2. Transfer any funds to any other CCAA Debtors or related party thereof in any foreign jurisdiction prior to obtaining a first priority security interest and Lien in all of the CCAA Debtors' assets, property and undertaking located in such jurisdiction, in accordance with applicable law of such jurisdictions, and providing the Lender with executed copies of all documents required by the Lender (including, if requested by the Lender, an opinion from Borrower's counsel in form and substance satisfactory to the Lender) in order to establish a valid, binding and enforceable first priority security interest (and court order) in all of the assets, property and undertaking of the CCAA Debtors with material assets in such jurisdiction;
3. Create, incur or permit to exist, or permit any subsidiary to incur or permit to exist, any indebtedness for borrowed money or contingent liabilities, or issue any new securities (as such term has the meaning ascribed thereto under applicable law), other than Pre-Filing Debt, the DIP Facility, and post-filing accounts payable in the ordinary course of business;

4. Make any payments contrary to the provisions hereof or outside the ordinary course of business without the prior written consent of the Lender;
5. Sell, assign, lease, gift, transfer, convey or otherwise dispose of any of the Collateral except for sales contemplated by the Third DIP Order and sales of inventory in ordinary course of business;
6. Except for as contemplated herein or as otherwise consented to by the Lender, permit any new Liens to exist on any of the properties or assets of the CCAA Debtors or any of their direct or indirect subsidiaries other than the Liens in favour of the Lender as contemplated by this Agreement;
7. Shall not issue any notice to disclaim or resiliate any agreement pursuant to section 32 of the CCAA without the express written consent of the Lender, in its sole discretion, acting reasonably;
8. Create or permit to exist any other Lien which is senior to or *pari passu* with the DIP Lender's Charge except the Administration Charge;
9. Make any investments in or loans to or guarantee the debts or obligations of any other person or entity or permit any of its subsidiaries to do so;
10. Make any distribution, advance, loan, investment, gift, transfer, loan or other distribution, transaction, conveyance or assignment contrary to the provisions hereof or to any related party without the prior written consent of the Lender in its sole discretion;
11. Enter any restrictive covenants or agreements which might affect the value or liquidity of any Collateral
12. Present, seek the approval of or support any Restructuring Option without prior written consent of the Lender, acting reasonably, unless at the time of such presentment, approval or support, the DIP Facility have been indefeasibly repaid in full in cash.
13. Change or permit any subsidiary to change its jurisdiction of incorporation or registered office;
14. Change its name, fiscal year end or accounting policies or amalgamate, consolidate with, merge into, dissolve or enter into any similar transaction with any other entity without the written consent of the Lender or permit any subsidiary to do so;

15. Terminate any key employees of the CCAA Debtors, including those involved in maintaining the Collateral, without the written consent of the Lender acting reasonably;
16. Provide or seek or support a motion by another party for a charge against any Property (as defined in the ARIO) of any of the CCAA Debtors that ranks equally or in priority to the charge of the Lender without the prior written consent of the Lender;
17. Distribute, loan, advance or otherwise use or transfer any advance or monies under the DIP Facility to any Foreign CCAA Debtor except upon satisfaction of the Direct Advance Condition and in accordance with an approved Foreign Advance Notice, or as otherwise may be agreed to by the Lender in its sole discretion;
18. Agree to a Restructuring Option without the prior written consent of the Lender, acting reasonably; and
19. Carry out any changes to the composition (including the addition, removal or replacement of directors or officers) of the board of directors or the officers (including any chief restructuring officer) of any of the CCAA Debtors or their direct and indirect affiliates or subsidiaries without the prior written consent of the Lender.

Events of Default

The occurrence of any one or more of the following events shall constitute an event of default (each, an "**Event of Default**") under this Term Sheet if such event of default is not cured within two (2) business days of the Borrower receiving notice of the event of default (to the extent such event of default is capable of being cured):

1. Any Court Order or Recognition Order is dismissed, stayed, reversed, vacated, amended or restated and such dismissal, stay, reversal, vacating, amendment or restatement adversely affects or would reasonably be expected to adversely affect the interests of the Lender in a material manner, unless the Lender has consented thereto;
2. Any Court Order is issued which adversely affects or would reasonably be expected to adversely affect the interests of the Lender in a material manner, unless the Lender has consented thereto in writing including, without limitation:
 - (a) the issuance of an order dismissing the CCAA Proceeding or lifting the stay imposed within the CCAA Proceeding to permit the enforcement of any security or claim against any of the CCAA Debtors or the appointment of a receiver and manager, receiver, interim receiver or similar official or the making of a bankruptcy order against any of the Debtors;

- (b) the issuance of an order granting any other claim or a Lien of equal or priority status to that of the DIP Lender's Charge except as permitted by the Lender in its sole discretion;
 - (c) the issuance of an order staying, reversing, vacating or otherwise modifying the DIP Credit Documentation or the provisions of any Court Order affecting the Lender or the Collateral, or the issuance of an order adversely impacting the rights and interests of the Lender, in each case without the consent of the Lender;
 - (d) the failure of the CCAA Debtors to diligently oppose any party that brings an application or motion for the relief set out in (a) through (c) above and/or fails to secure the dismissal of such motion or application within 10 days from the date that such application or motion is brought;
3. Any sales or investor solicitation process is proposed to the CCAA Court by any of the CCAA Debtors without the prior written consent of the Lender, which consent shall not be unreasonably withheld;
4. Any CCAA Debtor presents, seeks the approval of or supports any Restructuring Option without the prior written consent of the Lender, which consent shall not be unreasonably withheld;
5. Failure of the CCAA Debtors to pay any amounts when due and owing by any of the CCAA Debtors hereunder;
6. Any of the Debtors cease to carry on business or operate or maintain their properties in the ordinary course as it is carried on as of the date hereof, except where such cessation is consented to by the Lender in writing;
7. Any representation or warranty by any of the CCAA Debtors herein or in any DIP Credit Documentation shall be incorrect or misleading in any material respect when made or any breach by any of the CCAA Debtors of any of the terms hereunder;
8. A Court Order is made, a liability arises or an event occurs, including any change in the business, assets, or conditions, financial or otherwise, any of the CCAA Debtors, that will in the Lender's judgment, acting reasonably, materially further impair the CCAA Debtors' financial condition, operations or ability to comply with its obligations under this Term Sheet, any DIP Credit Documentation or any Court Order or carry out a Plan or a Restructuring Option acceptable to the Lender;
9. Any material violation or breach of any Court Order by any of the Debtors;

10. Failure of the CCAA Debtors to perform or comply in any material respect with any term or covenant of this Term Sheet or any other DIP Credit Documentation;

11. Failure to maintain a cumulative net cash flow, for the CCAA Debtors on a consolidated basis which is at all times within 15% of the amounts set out in the Agreed Weekly Budget (measured weekly) and failure to provide an updated Agreed Weekly Budget, as required on a rolling basis, which shows sufficient liquidity to meet all of the projected cash requirements of the CCAA Debtors until the Maturity Date;

12. If any of senior officers cease to be senior officers of the CCAA Debtors and are not replaced with persons acceptable to the Lender;

13. Any proceeding, motion or application is commenced or filed by the CCAA Debtors, or if commenced by another party, supported or otherwise consented to by the CCAA Debtors, seeking the invalidation, subordination or other challenging of the terms of the DIP Facility, the DIP Lender's Charge, this Term Sheet, the CCAA stay of proceedings, any foreign court recognition order (each, a "Recognition Order"), or any of the other DIP Credit Documentation or approval of any Plan or Restructuring Option which does not have the prior written consent of the Lender;

14. Any of the CCAA Debtors become subject to a material environmental liability;

15. Any Plan is sanctioned or any Restructuring Option is consummated by any of the Debtors that is not consistent with or contravenes any provision of this Agreement or the other DIP Credit Documentation in a manner that is adverse to the interests of the Lender or would reasonably be expected to adversely affect unless the Lender has consented thereto in writing or unless it provides for repayment in full of all DIP Obligations to the Lenders under this Agreement;

16. The sale, assignment, transfer, lease, farm-out or other form of disposition of all or any part of a CCAA Debtor's property, assets or undertaking, without the prior written consent of the Lender, excluding transfers, leases and dispositions (a) in the ordinary course of business and (b) in accordance with the Sale and Investment Solicitation Process described in the ARIQ;

17. The making of any payments or distributions of any kind by any CCAA Debtor, including payments of principal or interest in respect of existing (pre-filing) debts or obligations, other than as may be permitted by an order of the CCAA Court and that does not result

in an Event of Default and is provided for in the Agreed Weekly Budget;

18. The creation of or permitting to exist indebtedness (including guarantees thereof or indemnities or other financial assistance in respect thereof) by any CCAA Debtor other than (i) Pre-Filing Debt, (ii) debt contemplated by this Term Sheet; and (iii) post-filing trade payables or other post-filing unsecured obligations incurred in the ordinary course of business in accordance with the Agreed Weekly Budget and any Court Order;

19. The making of or giving any additional financial assurances by any CCAA Debtor, in the form of bonds, letters of credit, guarantees or otherwise, to any person (including, without limitation, any governmental authority); and

20. The commencement, continuation or seeking CCAA Court approval of a transaction by any CCAA Debtor in respect of the sale of all or any portion of any CCAA Debtor's assets that will not repay the Lender in full, without the prior written consent of the Lender, in its sole discretion.

Remedies:

Upon the occurrence of an Event of Default, the Lender, in its sole discretion, may, subject to the Third DIP Order and applicable law:

1. Cease to make any further advances of the DIP Facility;
2. Terminate the DIP Facility and declare all amounts outstanding under the DIP Facility as immediately due and payable;
3. Apply to the Court for the appointment of a receiver, an interim receiver or a receiver and manager over the Collateral, or for the appointment of a trustee in bankruptcy of the CCAA Debtors;
4. Apply to the Court for an order, on terms satisfactory to the Monitor and the Lender, providing the Monitor with the power, in the name of and on behalf of any or all of the CCAA Debtors, to take all necessary steps in the CCAA Proceeding to realize on the Collateral;
5. Exercise the powers and rights of a secured party under the applicable federal, provincial or state legislation governing personal property security and the rights of secured creditors, including, for greater certainty, the *Personal Property Security Act* (British Columbia) or any legislation of similar effect; and
6. Exercise all such other rights and remedies available to the Lender under the DIP Credit Documentation, the Court Orders and applicable law or equity.

Lender Approvals:

All consents of the Lender hereunder shall be in writing. Any consent, approval, instruction or other expression of the Lender to be

delivered in writing may be delivered by any written instrument, including by way of electronic mail.

Taxes: All payments by the CCAA Debtors under this Agreement and the other DIP Credit Documentation, including any payments required to be from and after the exercise of any remedies available to the Lender upon an Event of Default, shall be made free and clear of, without reduction for or on account of, any present or future taxes, levies, imposts, duties, charges, fees, deductions or withholdings of any kind or nature whatsoever or any interest or penalties payable with respect thereto now or in the future imposed, levied, collected, withheld or assessed by any country or any political subdivision of any country (collectively, "**Taxes**"); provided, however, that if any Taxes are required by applicable law to be withheld ("**Withholding Taxes**") from any amount payable to the Lender under this Agreement or under any DIP Credit Documentation, the amounts so payable to the Lender shall be increased to the extent necessary to yield to the Lender on a net basis after payment of all Withholding Taxes, the amount payable under such DIP Credit Documentation at the rate or in the amount specified in such DIP Credit Documentation and the CCAA Debtors shall provide evidence satisfactory to the Lender that the Taxes have been so withheld and remitted.

Further Assurances: The CCAA Debtors shall, at their own expense, from time to time do, execute and deliver, or will cause to be done, executed and delivered, all such further acts, documents (including, without limitation, certificates, declarations, affidavits, reports and opinions) and things as the Lender may reasonably request for the purpose of giving effect to this Term Sheet.

Entire Agreement: This Term Sheet and the DIP Credit Documentation, constitutes the entire agreement between the parties related to the subject matter hereof. To the extent there is any inconsistency between this Term Sheet and any of the other DIP Credit Documentation, this Term Sheet shall prevail.

Credit Bid: The Lender or any affiliate to whom it has assigned the loan and security hereunder shall have the right at all times to credit bid all or any portion of the DIP Facility in connection with any sale of shares, assets or property of the Debtors. The DIP Credit Documentation and the CCAA Order will contain provisions recognizing and confirming the ability of the Lender (or its affiliate assignee) to credit bid for the full face value of all amounts outstanding under the DIP Facility without discount or set-off in any sales process, auction or other disposition of the property, assets and undertaking of the CCAA Debtors in the CCAA Proceedings.

Business Day: If any payment is due on a day which is not a business day in Vancouver and New York City, such payment shall be due on the next following business day.

No Waiver or Delay: No waiver or delay on the part of the Lender in exercising any right or privilege hereunder or under any other DIP Credit Documentation

will operate as a waiver hereof or thereof unless made in writing and delivered in accordance with the terms of this Agreement.

Assignability:

The Lender may assign this Term Sheet and its rights and obligations hereunder, in whole or in part, or grant a participation in its rights and obligations hereunder to any party acceptable to the Lender in its sole and absolute discretion (subject to providing the Borrower and the Monitor with reasonable evidence that such assignee has the financial capacity to fulfill the obligations of the Lender hereunder). Neither this Agreement nor any right and obligation hereunder may be assigned by the Borrower or any of the other CCAA Debtors.

Severability:

Any provision in this Agreement or in any DIP Credit Documentation which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or effecting the validity of enforceability of such provision in any other jurisdiction.

No Third Party Beneficiary:

No person, other than the CCAA Debtors and the Lender, is entitled to rely upon this Agreement and the parties expressly agree that this Agreement does not confer rights upon any party not a signatory hereto.

Press Releases:

The CCAA Debtors shall not issue any press releases naming the Lender without its prior approval, acting reasonably, unless the CCAA Debtors are required to do so by applicable securities laws or other applicable law.

Counter Parts and Facsimile Signatures:

This Agreement may be executed in any number of counterparts and delivered by e-mail, including in PDF format, each of which when executed and delivered shall be deemed to be an original, and all of which when taken together shall constitute one and the same instrument. Any party may execute this Agreement by signing any counterpart of it.

Notices:

Any notice, request or other communication hereunder to any of the parties shall be in writing and be well and sufficiently given if delivered personally or sent by electronic mail to the attention of the person as set forth below:

In the case of the Lender:

Antarctica Infrastructure Partners, LLC
630 Fifth Avenue,
20th Floor
New York, NY 10111

Attention: Chandra Patel
Email: crpatel@antarcticacapital.com

With a copy to:

McCarthy Tétrault LLP
Suite 5300, TD Bank Tower
66 Wellington Street West
Toronto, ON M5K 1E6

Attention: Jonathan See
Email: jsee@mccarthy.ca

In the case of the CCAA parties:

UrtheCast Corp.
1055 Canada Place, Pl#33
Vancouver, British Columbia
V6C 0C3

Attention: Sai Chu
Email: schu@urthecast.com

With a copy to:

Bennett Jones LLP
666 Burrard Street, Suite 2500
V6C 2X8

Attention: Christian P. Gauthier
Email: gauthierc@bennettjones.com

In either case, with a copy to the Monitor:

EY Inc.
700 West Georgia Street
PO Box 10101
Vancouver, British Columbia
V7Y 1C7

Attention: Mike Bell
Email: mike.bell@ca.ey.com

Any such notice shall be deemed to be given and received, when received, unless received after 5:00 PM local time or on a day other than a business day, in which case the notice shall be deemed to be received the next business day.

English Language:

The parties hereto confirm that this Agreement and all related documents have been drawn up in the English language at their request. *Les parties aux présentes confirment que le présent acte et tous les documents y relatifs furent rédigés en anglais à leur demande.*

Governing Law :

This Agreement shall be governed by, and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

[Signature pages follow]

Appendix D



**Stalking Horse Break Fee Analysis
Current as at September 29, 2020**

Debtor	Purchaser	Proceeding Type	Trustee	APA date	Jurisdiction	Industry	A Termination Fee	B Expense Reimbursement	C = A + B Total Break Fee ("BF")	Estimated Transaction Value ("TV")	BF as a % of TV	APA in Document Library?	Note
Muskoka Grown	Arthur Zwingenberger, in trust for a corporation to be formed under the laws of the Province of Ontario, and 2685164 Ontario Inc.	NOI	Farber	27-Jul-20	Ontario	Cannabis	-	113,000	113,000	11,961,394	<1%	Yes	
Wire IE (Canada) Inc.	Crown Capital Private Credit Fund, LP	NOI	Farber	20-Jul-20	Ontario	Technology	-	200,000	200,000	\$9.5 million plus the assumption or satisfaction of certain liabilities	-%		
Bow River Energy Ltd.	2270943 Alberta Ltd.	CCAA	BDO	17-Jul-20	Alberta	Oil & Gas	175,000	-	175,000	4,290,221	4.08%	Y	
Cirque du Soleil	Spectacle Bidco LP	CCAA	EY	15-Jul-20	Quebec	Media	-	-	-	US\$1,215 million	-%	Y	APA is called Exhibit 23a in the Document Library
Dominion Diamond Mines	Washington Diamond Investments Holdings II, LLC	CCAA	FTI	21-May-20	Alberta	Mining	US2,522,000	US2,250,000	4,772,000	US\$126.1 million in cash, plus up to US\$5.0 million in respect of any incremental amounts outstanding, plus the assumption of certain liabilities	2.0%	N	
Penady (Barrie) Ltd.	Choice Properties Limited Partnership	Receivership	RSM	2-Jun-20	Ontario	Real Estate	-	400,000	400,000	Unclear - credit bid	Unclear	Y (unsigned copy)	
James E. Wagner Cultivation Corporation	Trichome Financial Corp.	CCAA	KSV	31-Mar-20	Ontario	Cannabis	-	100,000	100,000	11,700,000	0.9%	Y	
Traverse Energy Ltd.	Barrel Oil Corp.	Receivership	EY	5-Feb-20	Alberta	Oil & Gas	97,500	-	97,500	3,250,000	3.0%	Y	
Viafoura Inc.	InterCap Equity Inc.	NOI	KSV	22-Jan-20	Ontario	Technology	25,000	45,000	70,000	1,491,000	4.7%	Y	



**Stalking Horse Break Fee Analysis
Current as at September 29, 2020**

Debtor	Purchaser	Proceeding Type	Trustee	APA date	Jurisdiction	Industry	A Termination Fee	B Expense Reimbursement	C = A + B Total Break Fee ("BF")	Estimated Transaction Value ("TV")	BF as a % of TV	APA in Document Library?	Note
Waves E-Gaming Inc.	Amulka Ventures Inc.	Receivership	Dodick Landau	16-Jan-20	Ontario	E-gaming	-	-	-	370,000	0.0%	Y	
Trade Secret Web Printing Inc.	B&Y Property Holdings Inc.	NOI	Crowe Soberman Inc.	13-Dec-19	Ontario	Printing	-	50,000	50,000	1,800,000	2.8%	Y	
Clover Leaf Seafoods	Certain affiliates of FCF Co. Ltd	CCAA	Alvarez & Marsal	21-Nov-19	Ontario	Distribution	US \$27.75 million	US \$2.5 million	\$30.25 million	US \$925.6 million to \$930.6 million	3.0%	Y	6
3070 Ellesmere Developments Inc.	CoStone Development Inc. and Campus Suites Inc.	NOI	Crowe Soberman Inc.	19-Aug-19	Ontario	Real Estate	400,000		400,000	16,000,000	2.5%	Y	
Orbcare Inc.	iGan Partners Inc.	NOI	MNP	8-Aug-19	Ontario	Technology	60,000		60,000	1,200,000	5.0%	N	
Octopus Holdings Ltd.	East Winds Caribbean Limited Partnership	Receivership	Hardie & Kelly	3-Jun-19	Alberta	Hospitality	-	-	-	2,600,000	0.0%	Y	
Argex Titanium Inc.	Mr. Mazen Alnaimi and other investors	NOI	PwC	21-Jun-19	Quebec	Technology					5.0%	Y	5
Strategic Oil & Gas Ltd.	GMT Exploration Zama Inc.	CCAA	KPMG	3-May-19	Alberta	Oil & Gas	75,000		75,000	1,500,000	5.0%	Y	
Strategic Oil & Gas Ltd.	GMT Exploration Zama Inc.	CCAA	KPMG	3-May-19	Alberta	Oil & Gas	75,000		75,000	1,500,000	5.0%	Y	
Divestco Inc.	2179602 Alberta Ltd.	CCAA	Grant Thornton	19-Mar-19	Alberta	Oil & Gas	425,000	-	425,000	15,410,517	2.8%	Y	
Versaccounts Limited	Seattle Atlantic, Inc.	NOI	Farber	23-Jan-19	Ontario	Technology	25,000	25,000	50,000	250,000	20.0%	Y	
Vari-Form Inc.	11032569 Canada Inc.	CCAA	PwC	7-Jan-19	Ontario	Automotive	1,500,000	-	1,500,000	50,000,000	3.0%	Y	4
Stantive Technologies Group Inc.	2671682 Ontario Inc.	NOI	EY	14-Dec-18	Ontario	Technology	93,000	25,000	118,000	5,400,000	2.2%	Y	



**Stalking Horse Break Fee Analysis
Current as at September 29, 2020**

Debtor	Purchaser	Proceeding Type	Trustee	APA date	Jurisdiction	Industry	A Termination Fee	B Expense Reimbursement	C = A + B Total Break Fee ("BF")	Estimated Transaction Value ("TV")	BF as a % of TV	APA in Document Library?	Note
1033803 Ontario Inc., operating as Forma-Con Construction and Forma Finishing	2657897 Ontario Inc.	Receivership	KSV	6-Dec-18	Ontario	Real Estate	-	-	-	16,500,000	0.0%	Y	
Ladacor AMS Ltd., Nomads Pipeline Consulting Ltd., and 2367147 Ontario Inc.	Sioux Lookout First Nations Health Authority	Receivership	A&M	16-Oct-18	Alberta	Real Estate			125,000	5,000,000	2.5%	Y	3
Purewal Blueberry Farms	0801226 B.C. Ltd.	CCAA	FTI	10-Oct-18	British Columbia	Agriculture			275,000	8,000,000	3.4%	Y	3
2301132 Ontario and 2309840 Ontario	E. Manson Investments Limited	NOI	KSV	5-Oct-18	Ontario	Real Estate	175,000	50,000	125,000	6,700,000	1.9%	Y	
Aralez Pharmaceuticals Inc.	Nuvo Pharmaceuticals Inc.	CCAA	Richter	18-Sep-18	Ontario	Pharmaceutical	2,187,500	575,000	2,762,500	62,500,000	4.4%	Y	
1760184 Ontario Ltd. (Surface Heat Treat &	Rampart Steel Treating Ltd.	NOI	Farber	18-Jun-18	Ontario	Manufacturing	42,500		42,500	850,000	5.0%	Y	1, 3
3291745 Nova Scotia	3308949 Nova Scotia Limited	Receivership	KSV	14-Jun-18	Nova Scotia	Real Estate	100,000	25,000	125,000	3,225,000	3.9%	Y	
Discovery Air	Various	CCAA	KSV	21-Mar-18	Ontario	Aviation	-	-	-	-	0.0%	Y	2

Notes

- Purchase price equal to the sum of \$191,000 in cash plus 90% of the inventory value as at the closing date, plus the purchaser's agreement to the AR collection agreement appended to the APA. Estimated TV is reported in Farber's first report.
- Four separate stalking horse agreements were entered into for various of the debtor's business units. The stalking horse bidder in each agreement is a corporation related to the debtor's 95.5% shareholder and most significant secured creditors. The purchase price in each case is in the form of a credit bid or assumption of debt. No break fees are contemplated in any of the stalking horse agreements.
- APA did not split break fee between termination fee and expense reimbursement amounts
- Estimated transaction value consists only of the cash portion of the purchaser's bid.
- Estimated transaction value equal to an amount sufficient to satisfy i) repayment of the amounts secured by the administration charge; ii) repayment of the DIP loan; iii) payment of amounts secured by KERP charge; and iv) funding of a proposal which will provide for payment of, among other things, the outstanding secured debentures and preferred claims.
- Transaction is for assets of both Canadian and US entities.

Appendix E

**DIP FACILITY LOAN AGREEMENT
DATED AS OF OCTOBER 1, 2020**

Summary of Terms and Conditions (“**Term Sheet**”)
CAD \$3,548,000 Secured Super-Priority Debtor-in-Possession Credit Facilities

This document is highly confidential and neither this document nor the identity of the lender listed on the signature page hereof (“**Lender**”) shall be disclosed to any person other than UrtheCast Corp., its subsidiaries (collectively “**UrtheCast**”) or its financing advisors (insofar as such advisors have been informed of, and agree to abide by, the confidentiality of this Term Sheet), and as required to be disclosed in connection with any court proceeding contemplated herein, without the prior written consent of Lender. Term Sheet is subject to the terms of the Confidentiality Agreement dated June 24, 2020 by and among SIGA II, LLC (an affiliate of Antarctica Capital LLC) and UrtheCast.

Borrower: UrtheCast Corp. (an Ontario, Canada corporation), 1185729 B.C. Ltd. (a British Columbia, Canada corporation), 1185781 B.C. Ltd. (a British Columbia, Canada corporation), UrtheCast International Corp. (a Canadian corporation), Geosys Holding, ULC (was Geosys Technology Holding LLC) (a British Columbia, Canada corporation) and Urthedaily Corp. (a British Columbia, Canada corporation) (collectively, the “**CAD Borrower**”), and Geosys Europe Sarl (a Switzerland corporation), UrtheCast USA Inc. (a Delaware, USA corporation), Geosys-Int’l, Inc. (a USA corporation) and Geosys S.A.S. (a France corporation) (collectively with the CAD Borrower, the “**Borrower**”) during the pendency of the CCAA (as defined below) proceeding (the “**CCAA Proceeding**”) under the *Companies’ Creditors Arrangement Act* (Canada) (the “**CCAA**”) commenced pursuant to an initial order (the “**Initial Order**”) issued on September 4, 2020 by the Supreme Court of British Columbia, Vancouver Registry Action No. VLC-S-S208894 (the “**CCAA Court**”), as modified by the amended and restated initial order of the CCAA Court dated September 14, 2020 (the “**ARIO**”)

Guarantors: Deimos Imaging S.L.U., DOT Imaging S.L.U., Geosys Australia Pty, Geosys do Brasil Sistemas de Informacao Agricolas Ltda., Urthecast Holdings (Malta) Limited, UrtheCast Imaging S.L.U., UrtheCast Investments (Malta) Limited and each of the existing and future affiliates and direct and indirect subsidiaries of the Borrower deemed necessary by the Lender in its sole discretion (collectively, the “**Guarantors**” and, together with the Borrower, the “**Debtors**” or “**CCAA Debtors**”) shall provide unconditional secured (subject to applicable law) guarantees of payment and not of collection in form satisfactory to the Lender.

Lender: An affiliate of Antarctica Infrastructure Partners LLC

DIP Facility: A facility consisting of a CAD \$3,548,000 term loan facility (the “**DIP Facility**”). Subject to the conditions set forth below and the final loan documents, the Borrower may draw down funds under the DIP Facility in tranches consisting of: (i) an initial tranche in the amount of CAD \$1,267,000 (the “**Initial Tranche**”) on November 6, 2020; (ii) a second tranche in the amount of CAD \$733,000 (the “**Second**”

Tranche"); and (iii) a third tranche in the amount of CAD \$1,548,000 (the "**Third Tranche**") provided that no advances (an "**Advance**") shall be made if there is an Event of Default hereunder, or the Borrower is in default of any term of the DIP Facility and such default is continuing.

Use of Proceeds: The proceeds of the DIP Facility shall only be advanced to and used by the CCAA Debtors in accordance with the Agreed Weekly Budgets (as defined below) and Third DIP Order (as defined below), each of which shall be in form and substance satisfactory to the Lender in its sole discretion. The CCAA Debtors shall not utilize the DIP Facility for any other purpose without the prior written approval of the Lender (in its sole discretion). Except as set out in the Agreed Weekly Budget, the DIP Facility may not be used to pay any outstanding principal amount, accrued and unpaid interest, exit fees, expenses or any other amounts owing in respect of any existing debtor-in-possession financing, with the exception that it is agreed, that the Second Tranche shall be used to pay any amounts outstanding pursuant to the interim debtor-in-possession financing facility from 1262743 B.C. Ltd. The DIP Facility may not be used in connection with any investigation (including discovery proceedings), initiation or prosecution of any claims, causes of action, adversary proceedings or other litigation against or adverse to the Lender or its affiliates or any of their interests (whether direct or indirect).

Direct Advance Condition: The Borrower shall not use, advance or flow any funds from the DIP Facility to any CCAA Debtor located outside of Canada (a "**Foreign CCAA Debtor**"), including without limitation, the United States, France, Spain or Switzerland unless and until the Lender is satisfied that the Lender has a first priority lien and charge in any such foreign jurisdiction in form and substance (and/or court order) satisfactory to the Lender in its sole discretion (the "**Direct Advance Condition**").

Closing Date: The closing date for the DIP Facility shall be November 6, 2020 or such later date as may be agreed to by the Lender in its sole discretion (the "**Closing Date**").

Evidence of Indebtedness: The Lender shall open and maintain accounts and records evidencing advances and repayments under the DIP Facility and all other amounts owing from time to time hereunder. The Lender's accounts and records constitute, in the absence of manifest error, *prima facie* evidence of the indebtedness of the CCAA Debtors to the Lender pursuant to the DIP Facility.

Currency: Unless otherwise stated, all monetary denominations shall be in lawful currency of the Canada.

Interest Rate: All amounts owing hereunder on account of the principal, overdue interest, costs, fees and expenses shall bear interest at the rate of 17.5% per annum payable in cash monthly in arrears on the last day of each calendar month. To the extent permitted by applicable law, upon the occurrence of an Event of Default (as defined below), interest shall accrue and be calculated and compounded at a rate of 20% per annum.

- Standby Fee:** The Borrower shall pay the Lender a standby fee of 2% per annum on any undrawn portion of the DIP Facility. Such fee shall be calculated daily and payable monthly in arrears on the last day of each calendar month.
- Commitment Fee:** The Borrower shall pay to the Lender a non-refundable pro-rated commitment fee of 3% of each amount advanced under the DIP Facility, which initial pro-rated fee shall be payable on the Closing Date.
- Other Costs and Expenses:** The Borrower shall pay, monthly after the Closing Date, all costs and expenses of the Lender for all out-of-pocket due diligence and travel costs and all reasonable fees, costs, expenses and disbursements of outside counsel, appraisers, field auditors, and any financial consultant in connection with the drafting, negotiating and administration of the DIP Facility, including any costs and expenses incurred by the Lender in connection with the enforcement of its security, any of the rights and remedies available hereunder or under any order of the CCAA Court or under the Guarantees or any related security.
- Repayment and Maturity Date:** All amounts owing to the Lender under the DIP Facility shall be due and payable on the earliest of the occurrence of the following:

- (i) January 15, 2021;
- (ii) the implementation of a plan of compromise or arrangement within the CCAA proceedings (a "**Plan**") which has been approved by the requisite majorities of the applicable CCAA Debtors' creditors and by order entered by the CCAA court (the "**Sanction Order**") and by the Lender;
- (iii) conversion of the CCAA proceeding into a proceeding under the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**")
- (iv) on the sale of any of the assets of any CCAA Debtor outside of the ordinary course of business which is not consented to by the Lender in writing (collectively, the "**Approval Conditions**"), including any sale of assets pursuant to a sales and investment solicitation process are for a value in excess of CAD \$50,000 without first having received approval from the CCAA Court (unless the Lender agrees otherwise in its sole discretion); and
- (v) an Event of Default (as defined below) in respect of which the Lender has elected in its sole discretion to accelerate all amounts owing and demand repayment;

(such earliest date being the "**Maturity Date**").

The Lender's commitment to make further advances under the DIP Facility shall expire on the Maturity Date and all amounts outstanding under the DIP Facility shall be permanently and indefeasibly repaid in full and in cash no later than the Maturity Date without the Lender

being required to make demand upon the Borrower or other parties or to give notice that the DIP Facility has expired and that the obligations thereunder are due and payable. The Sanction Order shall not discharge or otherwise affect in any way any of the obligations of the CCAA Debtors to the Lender under the DIP Facility other than after the permanent and indefeasible payment in cash to the Lender of all obligations under the DIP Facility on or before the date that the Plan is implemented.

**Mandatory
Prepayments and
Commitment
Reduction:**

Unless the Lender consents in writing otherwise, the Borrower is required to prepay amounts outstanding under the DIP Facility:

- (i) upon the receipt of net cash proceeds from the issuance by any of the CCAA Debtors of any indebtedness for borrowed money;
- (ii) upon receipt of insurance proceeds or expropriation awards by any of the CCAA Debtors;
- (iii) upon receipt of net cash proceeds from the sale of any of the Collateral (as defined below) except for sales of inventory in the ordinary course of business by any of the CCAA Debtors;
- (iv) any receipt by any of the CCAA Debtors of cash proceeds outside of the ordinary course that is not expressly contemplated in the Agreed Weekly Budget (except for proceeds from new customer contracts); and
- (v) upon receipt of net cash proceeds from the sale or issuance of any equity interests (as such term is defined or used in any applicable securities laws and legislation) in any of the CCAA Debtors or the receipt of capital contributions by any of the CCAA Debtors.

Any prepayment required hereunder shall be a permanent reduction of the DIP Facility and may not be re-borrowed without the prior written consent of the Lender in its sole discretion.

**Optional
Prepayment:**

The DIP Facility may be repaid at any time, in whole or in part, prior to the Maturity Date on not less than two (2) business days' notice to the Lender.

Lender Account:

All payments to the Lender, in addition to payments made to the Lender under the cash management arrangements, shall be made by wire transfer to the account specified in writing to the Borrower from time to time.

Agreed Budgets:

The CCAA Debtors shall provide the Lender with a 13-week cash flow (the "**Agreed Weekly Budget**") reviewed by the Monitor, which shall be filed with the CCAA Court in connection with the CCAA Proceedings. The Agreed Weekly Budget shall be form and substance satisfactory to the Lender and shall reflect, on a line item basis, among other things, anticipated cash flow, cash receipts and

disbursements, sales. The Lender may, in its sole discretion, require changes to the format of the Agreed Weekly Budget and the details provided therein including, without limitation, information on a line item basis as to (i) projected cash receipts; (ii) projected disbursements (including ordinary course operating expenses, restructuring expenses, including professional fees), capital and maintenance expenditures; and (iii) such other matters as may be reasonably required by the Lender. The Agreed Weekly Budget shall be rolled forward on a weekly basis and its format and the detail provided therein may only be amended and modified with the prior written consent of the Lender in its sole discretion.

On the Thursday of each week, the CCAA Debtors shall provide to the Lender a variance report (the “**Weekly Budget Variance Report**”) showing on a line-by-line basis actual receipts and disbursements and the total available liquidity for the last day of the prior week for the cumulative period since the commencement of the CCAA proceeding and for a rolling cumulative four week period once the CCAA Proceedings have been pending for four weeks and noting therein all variances on a line-by-line basis from the amounts in the Agreed Weekly Budget and shall include explanations for all negative variances in excess of fifteen percent (15%) and shall be certified by the Chief Financial Officer of the Borrower and approved by the Monitor. The first Weekly Budget Variance Report shall be delivered on November 19, 2020.

**Conditions
Precedent to DIP
Advances:**

No advance shall be made under the DIP Facility until the following conditions precedent (the “**Funding Conditions**”) have been satisfied or waived in writing, as determined by the Lender in its sole discretion, acting reasonably:

1. The Borrower shall have served an application for an order or orders, in a form and substance satisfactory to the Lender in its sole discretion, approving this Term Sheet, the DIP Facility, the cash management arrangements, granting the DIP Lender’s Charge (as defined below), the Sales and Investment Solicitation Process (the “**SISP**”) attached hereto as Schedule “A”, and approval of the Stalking Horse Bid Letter (the “**Stalking Horse Bid Letter**”) attached hereto as Schedule “B” (the “**Third DIP Order**”) on or before October 16, 2020. Notice of the application for the Third DIP Order shall include any party required by the Lender in its sole discretion, acting reasonably. For greater certainty, the Third DIP Order shall provide, *inter alia*: (i) for the approval of the DIP Term Sheet, the DIP Facility, (ii) for the granting of a charge (the “**DIP Lender’s Charge**”) over all of the Property (as defined in the ARIO) of all of the CCAA Debtors and shall secure all obligations owing by the CCAA Debtors to the Lender hereunder, including without limitation, all principal, interest, fees, costs and expenses (including professional fees) (collectively the “**DIP Obligations**”), which, pursuant to the Third DIP Order, shall rank in priority to all other liens, charges, mortgages, hypothecs, adverse rights or claims, deemed trusts, grants (including any licensing rights provided to any person other than customers or licensees in the ordinary course of business), encumbrances,

security interests of every kind and nature (including, without limitation, the current debtor-in-possession financing) (collectively, “**Liens**”) granted by the CCAA Debtors against any of the Property of any of the CCAA Debtors of any kind other than an administration charge granted by the CCAA Court to a maximum of CAD \$500,000 (the “**Administration Charge**”); (iii) that such Third DIP Order may not be rescinded, amended or revised without at least five (5) business days’ notice to the Lender and its counsel and shall not stay the rights of the Lender hereunder or under the DIP Credit Documentation (as defined below); (iv) that the Lender and the DIP Facility (including any participation rights hereunder) shall be unaffected under any plan of arrangement in respect of the CCAA Debtors; and (v) for such amendments to the ARIO as may be required by the Lender in its sole discretion;

2. The Third DIP Order shall have been issued and shall not have been amended, restated, rescinded or modified, or be subject to pending a motion, application or other proceeding to amend, restate, rescind, vary or modify, in a manner that, in the Lender’s sole opinion, adversely affects the rights or interests of the Lender without the written consent of the Lender;

3. Any and all existing debtor-in-possession financings (including, without limitation, the debtor-in-possession financings provided to the Borrower (or any of them) by HCP-FVL, LLC and/or 1262743 B.C. Ltd.) shall have been repaid in full and subordinated to the Lender pursuant to a Court Order (as defined below) or a fully enforceable executed subordination agreement;

4. The Lender shall have approved the applicable Agreed Weekly Budget;

5. All outstanding fees and expenses payable to the Lender shall have been paid or will be paid within such time as is acceptable to the Lender in its sole discretion, acting reasonably;

6. There shall be no Liens (including any license rights granted to any secured party) existing (registered, inchoate or otherwise) that rank in priority to or *pari passu* with the DIP Lender’s Charge other than the Administration Charge;

7. The CCAA Debtors shall be in compliance in all material respects with the timetables in the SISP;

8. The DIP Credit Documentation (as defined below) shall be satisfactory to the Lender in its sole discretion, acting reasonably, and the Lender shall be in receipt of fully executed copies of the DIP Credit Documentation;

9. The Lender shall be satisfied that the CCAA Debtors have complied and are continuing to comply, in all material respects, with

all applicable laws, regulations, policies in relation to their property and business, other than as may be permitted under any order of the CCAA Court (each a “**Court Order**”) which is satisfactory to the Lender in its sole discretion;

10. No Event of Default shall have occurred that is continuing or will occur as a result of the requested advance;

11. All amounts due and owing to the Lender at the time of an advance under the DIP Facility shall have been paid or shall be paid from the requested advance;

12. The Lender shall have been satisfied that all motions, orders and other pleadings and related documents filed or submitted to the CCAA Court by the CCAA Debtors shall be consistent in all material respects with the terms hereof and all orders entered by the CCAA Court shall not be inconsistent with or have an adverse impact in any material respect on the terms of the DIP Facility or the interests of the Lender;

13. Any necessary third party approvals to preserve or perfect the DIP Lender’s Charge shall have been obtained;

14. The Lender shall be in receipt of executed copies of guarantees and security, in form and substance satisfactory to the Lender in its sole discretion, from each of the Guarantors;

15. No material portion of the Collateral be lost or stolen; and

16. There has been no fact, circumstance, change or event (whether in respect of termination, usage, value, implementation of set off rights, or any other matter) in respect of those certain Interim License and Services Agreement among Winfield, Urthecast Corp., Geosys-Int’l, Inc., Geosys Australia Pty, Geosys Europe Sarl, Geosys S.A.S. and Geosys do Brasil sistemas de Informacao Agricola Ltda, or that certain Purchase and Sale Agreement of Certain Subsidiaries of Land O’Lakes Inc. and Certain Platform Assets dated November 6, 2018 (collectively, the “**Winfield Agreements**”), that, in the Lender’s opinion, acting reasonably, would adversely affect the Lender in any material respect, its security or interests, the Collateral.

No advance shall be made under the Second Tranche until the: (i) Funding Conditions have been satisfied or waived in writing, as determined by the Lender in its sole discretion, acting reasonably; and (ii) transaction of purchase and sale as contemplated by the Stalking Horse Bid Letter has closed (such determination to be made in accordance with the provisions of the definitive asset purchase agreement).:

The Third Tranche will be advanced seven days following the transfer of the Designated Assets (as defined in the SISP).

DIP Facility Security and Documentation:

The DIP Obligations shall be secured by (the "DIP Security"):

1. the DIP Lender's Charge;
2. any Recognition Order; and
3. such other security documentation as may be required by the Lender from time to time in its sole discretion, which shall include customary ULC carve out provisions.

If required by the Lender, the DIP Security shall be a perfected first priority charge and not subject to subordination other than in respect of the Administration Charge.

Deposit Accounts:

The CCAA Debtors shall maintain all cash in bank accounts designated by the Borrower at a financial institution approved by the Lender ("**Approved Depository Banks**").

Monitor:

The Lender shall be authorized by the Third DIP Order to have direct discussions with the Monitor and to receive information from the Monitor as requested by the Lender from time to time.

Indemnity:

The CCAA Debtors agree, jointly and severally, to indemnify and hold harmless the Lender, its affiliates and their respective shareholders, officers, directors, employees, advisors, partners and agents (each, an "**indemnified person**") from and against any and all losses, claims, damages, liabilities, and expenses to which any such indemnified person may become subject or may incur arising out of or in connection with the DIP Facility, the proposed or actual use of the proceeds of the DIP Facility, the CCAA Proceeding, participation in any sales process or resulting from the DIP Credit Documentation, and the use of the proceeds thereof, or any claim, litigation, investigation or proceeding relating to any of the foregoing regardless of whether any indemnified person is a party thereto, and to reimburse each indemnified person upon demand for any documented legal or other expenses incurred in connection with investigating or defending any of the foregoing, provided that the foregoing indemnity will not, as to an indemnified person, apply to losses, claims, damages, liabilities or related expenses to the extent (i) they are found by a final, non-appealable judgment of a court to arise directly from the willful misconduct or gross negligence of such indemnified person. This indemnification shall survive whether or not the transactions set out herein are consummated. Further, the Lender shall not be responsible or liable to any CCAA Debtor or any other person for any lost profits, consequential or punitive damages.

Representations and Warranties:

Each of the CCAA Debtors represents and warrants to the Lender, upon which the Lender relies in entering into this Term Sheet and the other DIP Credit Documentation, that

1. The transactions contemplated by this Term Sheet and the other DIP Credit Documentation:

- (a) upon the granting of the Third DIP Order, are within the powers of the CCAA Debtors;
- (b) have been duly authorized, executed and delivered by or on behalf of the CCAA Debtors;
- (c) upon the granting of the Third DIP Order, constitute legal, valid and binding obligations of the CCAA Debtors;
- (d) upon the granting of the Third DIP Order, do not require the consent or approval of, registration or filing with, or any other action by, any governmental authority, other than filings which may be made to register or otherwise record the DIP Lender's Charge or any DIP Security;

2. The business operations of the CCAA Debtors and their direct and indirect subsidiaries have been and will continue to be conducted in material compliance with all applicable laws of each jurisdiction in which each such business has been or is being carried on subject to the provisions of any Court Order;

3. As at the date of this Term Sheet, all Priority Payables (as defined below) that are due and payable by the CCAA Debtors have been paid.

4. The CCAA Debtors legally or beneficially owns all of their respective cash, intellectual property, contracts, operations and material assets.

5. All of the CCAA Debtors' material assets, cash, intellectual property, contracts and operations are located in Canada, the United States, France, Spain and Switzerland.

6. Each of the CCAA Debtors and their direct and indirect subsidiaries own all intellectual property and material contracts and has obtained all material licences and permits required for the operation of its business, which intellectual property, material contracts, licences and permits remain, and after the DIP Facility, will remain in full force and effect. No proceedings have been commenced to revoke or amend any of such intellectual property, material contracts, licences and permits;

7. Except as set out in Schedule "B" hereto, each of the CCAA Debtors and their direct and indirect subsidiaries has paid where due its obligations for payroll, employee source deductions, Harmonized Sales Tax, value added taxes and is not in arrears in respect of these obligations;

8. None of the CCAA Debtors and their direct and indirect subsidiaries has any defined benefit pension plans or similar plans;

9. All written factual information provided by or on behalf of the CCAA Debtors to the Lender in the data room entitled "Datasite: Atlas DataRoom 2019" as constituted as of the date hereof for the purposes of or in connection with this Term Sheet or any transaction contemplated herein is true and accurate in all material respects on the date as of which such information is dated or certified and is not incomplete by omitting to state any fact necessary to make such information (taken as a whole) not materially misleading at such time in light of the circumstances under which such information was provided. In particular, and without limiting the generality of the foregoing all information regarding the CCAA Debtors' and its direct and indirect subsidiaries' corporate structure is true and complete, all public filings and financial reports are complete and true in all material respects and the CCAA Debtors have provided the Lender with all material information regarding all intellectual property, including, without limitation, patents, copyright, material contracts, cash, bank accounts, assets, jurisdictions, operations, source codes, title information and opinions and environmental reports affecting or relating to the Property (as defined in the ARIO) of the CCAA Debtors;

**Affirmative
Covenants:**

In addition to all other covenants and obligations contained herein, the CCAA Debtors agree and covenant to perform and do each of the following until the DIP Facility is permanently and indefeasibly repaid in full and cancelled:

1. Comply with the provisions of the Court Orders made in the CCAA Proceeding and any foreign proceedings including, without limitation, the Third DIP Order and the proceedings commenced by, *inter alios*, UrtheCast Corp. under and pursuant to Chapter 15, Title 11 of the United States Code in the United States Bankruptcy Court for the District of Minnesota;
2. Utilize the DIP Facility only in accordance with the terms hereof and the applicable Agreed Weekly Budget;
3. Pay when due, or otherwise provide confirmation satisfactory to the Lender that payment arrangements satisfactory to the Lender have been entered into by the CCAA Debtors, to pay all claims which rank prior to the indebtedness and security held by the Lender, in any jurisdiction, from the CCAA Debtors (the "**Priority Payables**"), not consented to in writing by the Lender, or a claim or Lien pursuant to any law, statute, regulation or otherwise, which ranks or is capable of ranking in priority to or *pari passu* with the Lender's security in any jurisdiction or otherwise in priority to any claim for the repayment of any amount owing under the DIP Facility, including without limitation,

all amounts owing to any federal, provincial, municipal or other government entity or Crown corporation, all statutory, actual or deemed trusts, all withholdings and source deductions, all accrued and unpaid payroll and employee claims, including vacation pay, and all amounts owing to any person having a Lien, encumbrance, trust or charge ranking in priority to the Lender's security.

4. Comply with any timetable or process established from time to time by the CCAA Court including, without limitation, the SISF, for the sale of all or part of the assets of the CCAA Debtors and/or their direct and indirect subsidiaries or solicitation of investment in any of the CCAA Debtors and/or their direct and indirect subsidiaries as part of the CCAA Proceedings or in anticipation of a Plan and obtain the approval for such timetable or process from the Lender;
5. Allow the Lender and its advisors full access to the books and records of the CCAA Debtors and/or their direct and indirect subsidiaries on one business day's notice and during normal business hours and cause management thereof to fully cooperate with the Lender and its advisors;
6. Provide the Lender with draft copies of all motions, applications, proposed orders or other material or documents that any of them intend to file within the CCAA Proceeding at least three (3) business days prior to any such filing or, where it is not practically possible to do so with as much notice as possible prior to any such filing;
7. The Third DIP Order, and any other Court Orders which are being sought by the CCAA Debtors shall be submitted to the CCAA Court in a form confirmed in advance to be satisfactory to the Lender, acting reasonably, subject to any amendments required by the CCAA Court and the Monitor and acceptable to the Lender;
8. Any and all materials of the CCAA Debtors in respect of a proposed Plan or any other transaction or solicitation process seeking the investment in or refinancing of the CCAA Debtors and/or their direct and indirect subsidiaries, the sale or process for the selling of all or any part of the assets of the CCAA Debtors and/or their direct and indirect subsidiaries or any other restructuring of the CCAA Debtors' businesses and operations, including any liquidation, bankruptcy or other insolvency proceeding in respect of any of the CCAA Debtors (a "**Restructuring Option**") that does not contemplate the indefeasible repayment in full and in cash of the DIP Facility shall only be submitted to the CCAA Court in or presented to any stakeholder of the CCAA Debtors in a form that is satisfactory to the Lender in its sole discretion, acting reasonably, and has been provided to the Lender at least three (3) business days prior to any such filing or, where it is not practically possible to do so, with as much notice as possible prior to any such filing;

9. The CCAA Debtors shall promptly advise the Lender of, and provide copies of, any proposal received from a third party in respect of a Restructuring Option or any other transaction to be carried out pursuant to or as part of a Plan and, thereafter, shall advise the Lender of the status of any such proposal as well as any material amendments to the terms thereof;

10. Unless such payments are first approved by the Lender, none of the CCAA Debtors shall:

- (i) increase any termination or severance entitlements or pay any termination or severance payments or modify any compensation or benefit plans whatsoever; or
- (ii) establish or make any payments by way of a "key employee retention plan" except as otherwise disclosed in the Agreed Weekly Budget and the application materials filed in respect of the ARIO;

11. Provide to the Lender a weekly status update regarding the status of the CCAA Proceeding and their restructuring process including, without limitation, reports on the progress of any Plan, Restructuring Option, and any information which may otherwise be confidential subject to same being maintained as confidential by the Lender;

12. Inform the Lender on a timely basis of all material developments (as determined by the Lender in its sole discretion) with respect to the business and affairs of the CCAA Debtors and their direct and indirect subsidiaries, the development of a Plan and/or a Restructuring Option;

13. Deliver to the Lender the reporting required under this Term Sheet on or before the timelines required herein and such other reporting and other information from time to time as is reasonably requested by the Lender, in form and substance satisfactory to the Lender, on or before the timeline required by the Lender;

14. The CCAA Debtors shall deliver to the Lender: (i) within one business day of delivery thereof to the Monitor, copies of all financial reporting provided to the Monitor; and (ii) within one business day of receipt from the Monitor any reports or other commentary or analysis received by the CCAA Debtors from the Monitor regarding the financial position of the CCAA Debtors or otherwise;

15. Use the proceeds of the DIP Facility and other cash on hand only in a manner consistent with the terms hereof and the Agreed Weekly Budgets in all material respects to the extent reasonably practicable in the circumstances;

16. Provide the Lender with copies of all general communications out of the ordinary course, or any communication in respect of the CCAA Proceeding, to customers, suppliers, employees and other stakeholders simultaneously with the distribution thereof to such persons;

17. Preserve, renew, maintain and keep in full force its corporate existence and its material licenses, permits, approvals, contracts, and intellectual property rights required in respect of its business, properties, assets or any activities or operations carried out therein and maintain its properties and asset in good working order having regard to the current cessation of operations;

18. Pay all taxes, permitting and licence fees, Priority Payables not consented to in writing by the Lender, and to preserve the Collateral to avoid any Lien thereon and pay all amounts due under any critical supplier contracts as and when due and payable;

19. Maintain all insurance with respect to the Collateral in existence as of the date hereof;

20. Forthwith notify the Lender of the occurrence of any Event of Default, or of any event or circumstance that, with the passage of time, may constitute an Event of Default;

21. Execute and deliver the DIP Credit Documentation, including such security agreements, guarantees, financing statements, discharges, opinions or other documents and information, as may be reasonably requested by the Lender in connection with the DIP Facility, which documentation shall be in form and substance satisfactory to the Lender;

22. Pay upon request by the Lender all documented fees and expenses of the Lender (including professional fees) provided, however, that if any such fees and expenses incurred after the date of this Term Sheet are not paid by the Borrower, the Lender may in its discretion (i) deduct such fees and expenses from any advance of the DIP Facility, or (ii) pay all such fees and expenses whereupon such amounts shall be added to and form part of the DIP Obligations and shall reduce the availability under the DIP Facility; and

23. Pay when due all principal, interest, fees and other amounts payable by the Borrower under this Term Sheet and under any other DIP Credit Documentation on the dates, at the places and in the amounts and manner set forth herein or therein (as the case may be).

24. Notwithstanding any of the provisions of this Term Sheet, the Lender shall not be entitled to receive information regarding the identity of bidders or prospective bidders participating in any such SISP, the terms of any bids received or similar information in

connection with the SISP for the Designated Assets that would customarily not be available to a prospective bidder participating in a SISP (the "SISP Information") until the SISP provides for such disclosure in the Auction (as defined in the SISP). The Lender shall be entitled to receive SISP Information in respect of any asset subject to the SISP that the Lender declares to the Monitor that the Lender will not submit a bid for such asset in the SISP, provided that the asset is not included in a broader bid for additional assets including the Designated Assets which are part of the Stalking Horse Bid.

Guarantee:

Prior to any advance of the DIP Facility, the Borrower will cause its other affiliates and subsidiaries (including the CCAA Debtors) to grant guarantees of payment to the Lender and to grant charges on their assets to secure the DIP Obligations. However, no such guarantee or security will be required for those subsidiaries which the Lender in its sole discretion, acting reasonably, determines to have no material value. Any such subsidiary which provides a guarantee shall thereafter be included as a "Guarantor".

Negative Covenants:

Each of the CCAA Debtors covenants and agrees not to do the following, other than with the prior written consent of the Lender from and after the date hereof:

1. Except as contemplated by this Agreement or any Court Order, make any payment, without consent of the Lender, of any debt or obligation existing as at the date of the Initial Order (being September 4, 2020) (the "**Pre-Filing Debt**");
2. Transfer any funds to any other CCAA Debtors or related party thereof in any foreign jurisdiction prior to obtaining a first priority security interest and Lien in all of the CCAA Debtors' assets, property and undertaking located in such jurisdiction, in accordance with applicable law of such jurisdictions, and providing the Lender with executed copies of all documents required by the Lender (including, if requested by the Lender, an opinion from Borrower's counsel in form and substance satisfactory to the Lender) in order to establish a valid, binding and enforceable first priority security interest (and court order) in all of the assets, property and undertaking of the CCAA Debtors with material assets in such jurisdiction;
3. Create, incur or permit to exist, or permit any subsidiary to incur or permit to exist, any indebtedness for borrowed money or contingent liabilities, or issue any new securities (as such term has the meaning ascribed thereto under applicable law), other than Pre-Filing Debt, the DIP Facility, and post-filing accounts payable in the ordinary course of business;

4. Make any payments contrary to the provisions hereof or outside the ordinary course of business without the prior written consent of the Lender;
5. Sell, assign, lease, gift, transfer, convey or otherwise dispose of any of the Collateral except for sales contemplated by the Third DIP Order and sales of inventory in ordinary course of business;
6. Except for as contemplated herein or as otherwise consented to by the Lender, permit any new Liens to exist on any of the properties or assets of the CCAA Debtors or any of their direct or indirect subsidiaries other than the Liens in favour of the Lender as contemplated by this Agreement;
7. Shall not issue any notice to disclaim or resiliate any agreement pursuant to section 32 of the CCAA without the express written consent of the Lender, in its sole discretion, acting reasonably;
8. Create or permit to exist any other Lien which is senior to or *pari passu* with the DIP Lender's Charge except the Administration Charge;
9. Make any investments in or loans to or guarantee the debts or obligations of any other person or entity or permit any of its subsidiaries to do so;
10. Make any distribution, advance, loan, investment, gift, transfer, loan or other distribution, transaction, conveyance or assignment contrary to the provisions hereof or to any related party without the prior written consent of the Lender in its sole discretion;
11. Enter any restrictive covenants or agreements which might affect the value or liquidity of any Collateral
12. Present, seek the approval of or support any Restructuring Option without prior written consent of the Lender, acting reasonably, unless at the time of such presentment, approval or support, the DIP Facility have been indefeasibly repaid in full in cash.
13. Change or permit any subsidiary to change its jurisdiction of incorporation or registered office;
14. Change its name, fiscal year end or accounting policies or amalgamate, consolidate with, merge into, dissolve or enter into any similar transaction with any other entity without the written consent of the Lender or permit any subsidiary to do so;

15. Terminate any key employees of the CCAA Debtors, including those involved in maintaining the Collateral, without the written consent of the Lender acting reasonably;
16. Provide or seek or support a motion by another party for a charge against any Property (as defined in the ARIO) of any of the CCAA Debtors that ranks equally or in priority to the charge of the Lender without the prior written consent of the Lender;
17. Distribute, loan, advance or otherwise use or transfer any advance or monies under the DIP Facility to any Foreign CCAA Debtor except upon satisfaction of the Direct Advance Condition and in accordance with an approved Foreign Advance Notice, or as otherwise may be agreed to by the Lender in its sole discretion;
18. Agree to a Restructuring Option without the prior written consent of the Lender, acting reasonably; and
19. Carry out any changes to the composition (including the addition, removal or replacement of directors or officers) of the board of directors or the officers (including any chief restructuring officer) of any of the CCAA Debtors or their direct and indirect affiliates or subsidiaries without the prior written consent of the Lender.

Events of Default

The occurrence of any one or more of the following events shall constitute an event of default (each, an “**Event of Default**”) under this Term Sheet if such event of default is not cured within two (2) business days of the Borrower receiving notice of the event of default (to the extent such event of default is capable of being cured):

1. Any Court Order or Recognition Order is dismissed, stayed, reversed, vacated, amended or restated and such dismissal, stay, reversal, vacating, amendment or restatement adversely affects or would reasonably be expected to adversely affect the interests of the Lender in a material manner, unless the Lender has consented thereto;
2. Any Court Order is issued which adversely affects or would reasonably be expected to adversely affect the interests of the Lender in a material manner, unless the Lender has consented thereto in writing including, without limitation:
 - (a) the issuance of an order dismissing the CCAA Proceeding or lifting the stay imposed within the CCAA Proceeding to permit the enforcement of any security or claim against any of the CCAA Debtors or the appointment of a receiver and manager, receiver, interim receiver or similar official or the making of a bankruptcy order against any of the Debtors;

- (b) the issuance of an order granting any other claim or a Lien of equal or priority status to that of the DIP Lender's Charge except as permitted by the Lender in its sole discretion;
 - (c) the issuance of an order staying, reversing, vacating or otherwise modifying the DIP Credit Documentation or the provisions of any Court Order affecting the Lender or the Collateral, or the issuance of an order adversely impacting the rights and interests of the Lender, in each case without the consent of the Lender;
 - (d) the failure of the CCAA Debtors to diligently oppose any party that brings an application or motion for the relief set out in (a) through (c) above and/or fails to secure the dismissal of such motion or application within 10 days from the date that such application or motion is brought;
3. Any sales or investor solicitation process is proposed to the CCAA Court by any of the CCAA Debtors without the prior written consent of the Lender, which consent shall not be unreasonably withheld;
4. Any CCAA Debtor presents, seeks the approval of or supports any Restructuring Option without the prior written consent of the Lender, which consent shall not be unreasonably withheld;
5. Failure of the CCAA Debtors to pay any amounts when due and owing by any of the CCAA Debtors hereunder;
6. Any of the Debtors cease to carry on business or operate or maintain their properties in the ordinary course as it is carried on as of the date hereof, except where such cessation is consented to by the Lender in writing;
7. Any representation or warranty by any of the CCAA Debtors herein or in any DIP Credit Documentation shall be incorrect or misleading in any material respect when made or any breach by any of the CCAA Debtors of any of the terms hereunder;
8. A Court Order is made, a liability arises or an event occurs, including any change in the business, assets, or conditions, financial or otherwise, any of the CCAA Debtors, that will in the Lender's judgment, acting reasonably, materially further impair the CCAA Debtors' financial condition, operations or ability to comply with its obligations under this Term Sheet, any DIP Credit Documentation or any Court Order or carry out a Plan or a Restructuring Option acceptable to the Lender;
9. Any material violation or breach of any Court Order by any of the Debtors;

10. Failure of the CCAA Debtors to perform or comply in any material respect with any term or covenant of this Term Sheet or any other DIP Credit Documentation;

11. Failure to maintain a cumulative net cash flow, for the CCAA Debtors on a consolidated basis which is at all times within 15% of the amounts set out in the Agreed Weekly Budget (measured weekly) and failure to provide an updated Agreed Weekly Budget, as required on a rolling basis, which shows sufficient liquidity to meet all of the projected cash requirements of the CCAA Debtors until the Maturity Date;

12. If any of senior officers cease to be senior officers of the CCAA Debtors and are not replaced with persons acceptable to the Lender;

13. Any proceeding, motion or application is commenced or filed by the CCAA Debtors, or if commenced by another party, supported or otherwise consented to by the CCAA Debtors, seeking the invalidation, subordination or other challenging of the terms of the DIP Facility, the DIP Lender's Charge, this Term Sheet, the CCAA stay of proceedings, any foreign court recognition order (each, a "Recognition Order"), or any of the other DIP Credit Documentation or approval of any Plan or Restructuring Option which does not have the prior written consent of the Lender;

14. Any of the CCAA Debtors become subject to a material environmental liability;

15. Any Plan is sanctioned or any Restructuring Option is consummated by any of the Debtors that is not consistent with or contravenes any provision of this Agreement or the other DIP Credit Documentation in a manner that is adverse to the interests of the Lender or would reasonably be expected to adversely affect unless the Lender has consented thereto in writing or unless it provides for repayment in full of all DIP Obligations to the Lenders under this Agreement;

16. The sale, assignment, transfer, lease, farm-out or other form of disposition of all or any part of a CCAA Debtor's property, assets or undertaking, without the prior written consent of the Lender, excluding transfers, leases and dispositions (a) in the ordinary course of business and (b) in accordance with the Sale and Investment Solicitation Process described in the ARIO;

17. The making of any payments or distributions of any kind by any CCAA Debtor, including payments of principal or interest in respect of existing (pre-filing) debts or obligations, other than as may be permitted by an order of the CCAA Court and that does not result

in an Event of Default and is provided for in the Agreed Weekly Budget;

18. The creation of or permitting to exist indebtedness (including guarantees thereof or indemnities or other financial assistance in respect thereof) by any CCAA Debtor other than (i) Pre-Filing Debt, (ii) debt contemplated by this Term Sheet; and (iii) post-filing trade payables or other post-filing unsecured obligations incurred in the ordinary course of business in accordance with the Agreed Weekly Budget and any Court Order;

19. The making of or giving any additional financial assurances by any CCAA Debtor, in the form of bonds, letters of credit, guarantees or otherwise, to any person (including, without limitation, any governmental authority); and

20. The commencement, continuation or seeking CCAA Court approval of a transaction by any CCAA Debtor in respect of the sale of all or any portion of any CCAA Debtor's assets that will not repay the Lender in full, without the prior written consent of the Lender, in its sole discretion.

Remedies:

Upon the occurrence of an Event of Default, the Lender, in its sole discretion, may, subject to the Third DIP Order and applicable law:

1. Cease to make any further advances of the DIP Facility;
2. Terminate the DIP Facility and declare all amounts outstanding under the DIP Facility as immediately due and payable;
3. Apply to the Court for the appointment of a receiver, an interim receiver or a receiver and manager over the Collateral, or for the appointment of a trustee in bankruptcy of the CCAA Debtors;
4. Apply to the Court for an order, on terms satisfactory to the Monitor and the Lender, providing the Monitor with the power, in the name of and on behalf of any or all of the CCAA Debtors, to take all necessary steps in the CCAA Proceeding to realize on the Collateral;
5. Exercise the powers and rights of a secured party under the applicable federal, provincial or state legislation governing personal property security and the rights of secured creditors, including, for greater certainty, the *Personal Property Security Act* (British Columbia) or any legislation of similar effect; and
6. Exercise all such other rights and remedies available to the Lender under the DIP Credit Documentation, the Court Orders and applicable law or equity.

Lender Approvals:

All consents of the Lender hereunder shall be in writing. Any consent, approval, instruction or other expression of the Lender to be

delivered in writing may be delivered by any written instrument, including by way of electronic mail.

- Taxes:** All payments by the CCAA Debtors under this Agreement and the other DIP Credit Documentation, including any payments required to be from and after the exercise of any remedies available to the Lender upon an Event of Default, shall be made free and clear of, without reduction for or on account of, any present or future taxes, levies, imposts, duties, charges, fees, deductions or withholdings of any kind or nature whatsoever or any interest or penalties payable with respect thereto now or in the future imposed, levied, collected, withheld or assessed by any country or any political subdivision of any country (collectively, "**Taxes**"); provided, however, that if any Taxes are required by applicable law to be withheld ("**Withholding Taxes**") from any amount payable to the Lender under this Agreement or under any DIP Credit Documentation, the amounts so payable to the Lender shall be increased to the extent necessary to yield to the Lender on a net basis after payment of all Withholding Taxes, the amount payable under such DIP Credit Documentation at the rate or in the amount specified in such DIP Credit Documentation and the CCAA Debtors shall provide evidence satisfactory to the Lender that the Taxes have been so withheld and remitted.
- Further Assurances:** The CCAA Debtors shall, at their own expense, from time to time do, execute and deliver, or will cause to be done, executed and delivered, all such further acts, documents (including, without limitation, certificates, declarations, affidavits, reports and opinions) and things as the Lender may reasonably request for the purpose of giving effect to this Term Sheet.
- Entire Agreement:** This Term Sheet and the DIP Credit Documentation, constitutes the entire agreement between the parties related to the subject matter hereof. To the extent there is any inconsistency between this Term Sheet and any of the other DIP Credit Documentation, this Term Sheet shall prevail.
- Credit Bid:** The Lender or any affiliate to whom it has assigned the loan and security hereunder shall have the right at all times to credit bid all or any portion of the DIP Facility in connection with any sale of shares, assets or property of the Debtors. The DIP Credit Documentation and the CCAA Order will contain provisions recognizing and confirming the ability of the Lender (or its affiliate assignee) to credit bid for the full face value of all amounts outstanding under the DIP Facility without discount or set-off in any sales process, auction or other disposition of the property, assets and undertaking of the CCAA Debtors in the CCAA Proceedings.
- Business Day:** If any payment is due on a day which is not a business day in Vancouver and New York City, such payment shall be due on the next following business day.
- No Waiver or Delay:** No waiver or delay on the part of the Lender in exercising any right or privilege hereunder or under any other DIP Credit Documentation

will operate as a waiver hereof or thereof unless made in writing and delivered in accordance with the terms of this Agreement.

Assignability:

The Lender may assign this Term Sheet and its rights and obligations hereunder, in whole or in part, or grant a participation in its rights and obligations hereunder to any party acceptable to the Lender in its sole and absolute discretion (subject to providing the Borrower and the Monitor with reasonable evidence that such assignee has the financial capacity to fulfill the obligations of the Lender hereunder). Neither this Agreement nor any right and obligation hereunder may be assigned by the Borrower or any of the other CCAA Debtors.

Severability:

Any provision in this Agreement or in any DIP Credit Documentation which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or effecting the validity of enforceability of such provision in any other jurisdiction.

No Third Party Beneficiary:

No person, other than the CCAA Debtors and the Lender, is entitled to rely upon this Agreement and the parties expressly agree that this Agreement does not confer rights upon any party not a signatory hereto.

Press Releases:

The CCAA Debtors shall not issue any press releases naming the Lender without its prior approval, acting reasonably, unless the CCAA Debtors are required to do so by applicable securities laws or other applicable law.

Counter Parts and Facsimile Signatures:

This Agreement may be executed in any number of counterparts and delivered by e-mail, including in PDF format, each of which when executed and delivered shall be deemed to be an original, and all of which when taken together shall constitute one and the same instrument. Any party may execute this Agreement by signing any counterpart of it.

Notices:

Any notice, request or other communication hereunder to any of the parties shall be in writing and be well and sufficiently given if delivered personally or sent by electronic mail to the attention of the person as set forth below:

In the case of the Lender:

Antarctica Infrastructure Partners, LLC
630 Fifth Avenue,
20th Floor
New York, NY 10111

Attention: Chandra Patel
Email: crpatel@antarcticacapital.com

With a copy to:

McCarthy Tétrault LLP
Suite 5300, TD Bank Tower
66 Wellington Street West
Toronto, ON M5K 1E6

Attention: Jonathan See
Email: jsee@mccarthy.ca

In the case of the CCAA parties:

UrtheCast Corp.
1055 Canada Place, Pl#33
Vancouver, British Columbia
V6C 0C3

Attention: Sai Chu
Email: schu@urthecast.com

With a copy to:

Bennett Jones LLP
666 Burrard Street, Suite 2500
V6C 2X8

Attention: Christian P. Gauthier
Email: gauthierc@bennettjones.com

In either case, with a copy to the Monitor:

EY Inc.
700 West Georgia Street
PO Box 10101
Vancouver, British Columbia
V7Y 1C7

Attention: Mike Bell
Email: mike.bell@ca.ey.com

Any such notice shall be deemed to be given and received, when received, unless received after 5:00 PM local time or on a day other than a business day, in which case the notice shall be deemed to be received the next business day.

English Language:

The parties hereto confirm that this Agreement and all related documents have been drawn up in the English language at their request. *Les parties aux présentes confirment que le présent acte et tous les documents y relatifs furent rédigés en anglais à leur demande.*

Governing Law :

This Agreement shall be governed by, and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

[Signature pages follow]

Appendix F

UrtheCast Corp. et al.
 Combined Cash Flow Statement
 For the ten week period ending December 18, 2020
 All figures in Canadian dollars (000)

Week Ending	Notes	Week 1 2020-10-16	Week 2 2020-10-23	Week 3 2020-10-30	Week 4 2020-11-06	Week 5 2020-11-13	Week 6 2020-11-20	Week 7 2020-11-27	Week 8 2020-12-04	Week 9 2020-12-11	Week 10 2020-12-18	Forecast Total
Collections												
1	Other Collections	-	-	157	156	-	-	-	-	-	-	312
2	Winfield	-	-	-	-	-	-	1,000	-	-	-	-
3	Sale of Assets	-	-	-	-	-	-	-	-	-	-	1,000
	Total Collections	-	-	157	156	-	-	1,000	-	-	-	1,312
Operating Disbursements												
3	AWIS	-	-	(20)	-	-	-	-	-	-	-	(20)
4	Payroll	(38)	(250)	(281)	-	-	(246)	-	(281)	-	-	(1,094)
5	Miscellaneous	(116)	(5)	(17)	(85)	-	-	-	-	-	-	(223)
6	SAR	(20)	-	(103)	-	-	(65)	-	(123)	-	(65)	(375)
	Total Operating Disbursements	(174)	(255)	(420)	(85)	-	(311)	-	(403)	-	(65)	(1,338)
	NET OPERATING CASH FLOW	(174)	(255)	(264)	70	-	(311)	1,000	(403)	-	(65)	(25)
Restructuring Disbursements												
7	Restructuring professional fees	(466)	-	-	-	(400)	-	-	(325)	-	(200)	(1,391)
8	DIP Interest and fees	-	-	-	(37)	-	-	(1,352)	(45)	-	-	(1,434)
	Total Restructuring Disbursements	(466)	-	-	(37)	(400)	-	(1,352)	(370)	-	(200)	(2,825)
	NET WEEKLY CASH FLOW	(640)	(255)	(264)	33	(400)	(311)	(352)	(773)	-	(265)	(2,850)
Cash Balance												
	Beginning Book Balance	3,994	3,193	2,824	2,100	3,206	2,906	2,633	1,299	2,074	2,074	3,994
	Net Cash Flow	(640)	(255)	(264)	33	(400)	(311)	(352)	(773)	-	(265)	(3,225)
9	Intercompany to / from Geosys Subsidiaries	(93)	(22)	(406)	(203)	(28)	18	(120)	-	-	-	(856)
10	Intercompany to / from Deimos Subsidiaries	(69)	(91)	(54)	10	128	20	(274)	-	-	-	(331)
11	Advances pursuant to term loan	-	-	-	-	-	-	-	-	-	-	-
12	Repayment of DIP	-	-	-	-	-	-	(1,320)	-	-	-	(1,320)
13	DIP Funding	-	-	-	1,266	-	-	733	1,548	-	-	3,547
	Ending Cash Balance	3,193	2,824	2,100	3,206	2,906	2,633	1,299	2,074	2,074	1,809	1,809

IN THE MATTER OF A PLAN OF COMPROMISE AND ARRANGEMENT OF URTHECAST CORP., URTHECAST INTERNATIONAL CORP., URTHECAST USA INC, 1185729 B.C. LTD. AND THOSE OTHER PETITIONERS SET OUT ON THE ATTACHED SCHEDULE "A"

Notes and Assumptions to the Cash Flow Forecast

For the ten week period ending December 18, 2020 (the "Period")

Disclaimer:

This cash flow forecast (the "**Forecast**"), has been prepared using unaudited financial information and the Monitor has not attempted to further verify the accuracy or completeness of such information.

The Forecast is based on the probable and hypothetical assumptions outlined below.

Since the Forecast is based on assumptions about future events and conditions that are not ascertainable, the actual results achieved during the Period will vary from the Forecast, and such variation may be material. There is no representation, warranty or other assurance that any of the assumptions or estimates used in the Forecast will be realized.

Overview:

The Cash Flow Forecast includes receipts and disbursements of the Petitioners during the Period. The Petitioners, with the assistance of Ernst & Young Inc., in its capacity as monitor of the Petitioners (the "**Monitor**"), have prepared the Forecast based primarily on estimated receipts and disbursements related to the CCAA proceedings and the Petitioners ongoing operations.

Receipts and disbursements are denominated in Canadian dollars.

The Forecast was prepared for the purpose of satisfying the requirements pursuant to paragraph 10(2)(a) of the *Companies' Creditors Arrangement Act* ("**CCAA**").

Beginning Cash:

The Petitioner's opening cash balance as at October 14, 2020 is approximately \$3,994,000. This amount includes funds held in operating subsidiaries in various jurisdictions and currencies (converted to CAD).

[1] Other collections

Includes various non repayable government grants.

[2] Winfield

Includes the quarterly payment from Winfield pursuant to the contract between certain of the Petitioners and Land O' Lakes, Inc.

[3] Amazon Web Services ("**AWS**")

Payments made to AWS for use of their cloud-based servers. AWS payments are derived by management estimates of anticipated usage related to processing imagery data via the Urthe Pipeline platform and general usage.

[4] Payroll

Includes UrtheCast Corp. bi weekly payroll. Payroll amounts include approximately 53 highly skilled employees including aerospace engineers and computer software developers. The payroll amounts are estimated based on anticipated staffing levels during the CCAA proceedings.

[5] Miscellaneous

Miscellaneous disbursements include office expenses, rent, subcontractors, computer systems and software and other miscellaneous costs.

[6] SAR

Includes payroll and operating costs directly associated with the OptiSar project.

[7] Restructuring professional fees

Fees owing to or estimated to be incurred by the Petitioner's legal counsel, the Monitor and the Monitor's legal counsel in connection with the CCAA proceedings.

[8] DIP Interest and fees

Includes professional fees, interest and other fees associated with the interim financing during the within CCAA proceedings. This includes payment of fees and interest to the two currently approved DIP lenders and the proposed DIP Lender.

[9] Intercompany to / from Geosys Subsidiaries

Intercompany to / from Geosys Subsidiaries shows the funding needs of the Geosys Holding, ULC operations as well as it's ability to fund the parent company over the forecast period. These funding requirements arise from the timing of receipts from large customers and timing of payments to suppliers.

[10] Intercompany to / from Deimos Subsidiaries

Intercompany to / from Deimos Subsidiaries shows the funding needs of the Deimos operations as well as it's ability to fund the parent company over the forecast period.

[11] Advances pursuant to term loan

N/A

[12] Repayment of DIP

The Petitioners anticipate repaying all amounts owing to 126 under the DIP facility provided by it.

[13] DIP Funding

The Petitioners anticipate drawing on the entirety of the Proposed DIP from Antarctica in the three tranches set out in the Third DIP Term Sheet.
