

September 9, 2015

TO THE CREDITORS OF 3258042 NOVA SCOTIA LIMITED

Sir/Madam,

Subject: 3258042 Nova Scotia Limited ("3258042") - Status of Proposal

We write as a follow up to the Proposal Trustee's Fourth Report dated August 21, 2015 and the Notice of Hearing of Application for Court Approval of Proposal dated August 24, 2015.

We have been in regular contact with PwC, in its role as Receiver of 3258042, along with representatives of the Interested Party and its legal counsel. We are in receipt of an executed letter of interest ("LOI") between Business Development Bank of Canada ("BDC") and the Interested Party whereby the Interested Party will purchase the outstanding debt and related security of BDC. We are also in receipt of correspondence from the Interested Party's legal counsel confirming the Interested Party's intent to fund the Proposal as presented to creditors.

It is the intent of the Proposal Trustee to request an adjournment at the upcoming Court hearing on September 10, 2015 to allow for the Interested Party to clear all conditions contained within the LOI. The Proposal Trustee continues to believe the return provided to creditors under the Proposal would exceed what would be realized in a liquidation scenario. The principal shareholder of 3258042 has informed the Proposal Trustee that he supports the above noted undertakings.

We trust you will find the above to be in order. If you have any questions please contact the undersigned at your earliest convenience.

Sincerely,

DELOITTE RESTRUCTURING INC.

Acting in its capacity as Proposal Trustee of
3258042 Nova Scotia Limited
and not in its personal capacity

Per:



James Foran, CPA, CA, CIRP
Vice President