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C A N A D A
PROVINCE OF QUEBEC
DISTRICT OF QUEBEC
COURT. No.: 500-11-055122-184

S U P E R I O R C O U R T
Commercial Division

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, RSC 1985, C C-36, AS AMENDED: LE GROUPE SMI INC. / THE SMI GROUP INC.

– and –

LE GROUPE S.M. INC. / THE S.M. GROUP INC.

– and –

CLAULAC INC.

– and –

SMi CONSTRUCTION INC.

– and –

ÉNERPRO INC.

– and –

**LE GROUPE S.M. INTERNATIONAL
(CONSTRUCTION) INC. / S.M.
INTERNATIONAL GROUP CONSTRUCTION
INC.**

Debtors

– and –

THE ENTITIES LISTED IN APPENDIX “A”

Mises-en-cause

– and –

**ALARIS ROYALTY CORP.
and
INTEGRATED PRIVATE DEBT FUND V LP.**

Joint Applicants

– and –

DELOITTE RESTRUCTURING INC.

Monitor

**SECOND REPORT TO THE COURT
SUBMITTED BY DELOITTE RESTRUCTURING INC.
IN ITS CAPACITY AS MONITOR**

(Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended)

INTRODUCTION

1. On August 24, 2018, following the filing of a joint application made by Alaris Royalty Corp. and Integrated Private Debt Fund V LP (collectively, the "**Applicants**"), the Superior Court of Quebec (Commercial Division) (the "**Court**") rendered an Initial Order (the "**Initial Order**") , pursuant to the *Companies' Creditors Arrangement Act* (the "**CCAA**" and the "**CCAA Proceedings**") in respect of each of the SMI Group Inc., The S.M. Group Inc., Claulac Inc., SMi Construction Inc., Énerpro Inc, S.M. International Group (Construction) Inc. (collectively, the "**Debtors**") and the entities listed in **Appendix A** (collectively, the "**Mises-en-cause**" and, together with the Debtors, the "**Company**"), and a stay of proceedings was granted in their favour until September 21, 2018 (the "**Stay Period**").
2. As part of the Initial Order, Deloitte Restructuring Inc. ("**Deloitte**" or the "**Monitor**") was appointed to monitor the business and financial affairs of the Company pursuant to the CCAA, and LGBM Inc. (Mr. Paul Lafrenière) was appointed as Chief Restructuring Officer (the "**CRO**") for the Company.

PURPOSE

3. The purpose of this Second Report of the Monitor (the "**Second Report**") is to report to the Court with respect to:
 - i. The status of the CCAA proceedings;
 - ii. The operations since the issuance of the Initial Order;
 - iii. The status of the investigation led by the Autorité des Marchés Financiers ("**AMF**") and other governance issues;
 - iv. The status of the discussions with Thornhill Investments with regards to a potential transaction involving the assets of the Company;
 - v. The proposed sale and investor solicitation process;
 - vi. The analysis of potentially reviewable transactions and the initiation of a forensic review;
 - vii. The Key Employee Retention Program;
 - viii. The Company's financial performance since the issuance of the Initial Order and its cash flow projections;
 - ix. The proposed extension of the application of the Initial Order to an additional party;
 - x. The proposed CRO Indemnity Charge;
 - xi. The preparation of a restructuring plan and the Applicant's request for an extension of the Stay Period; and
 - xii. The Monitor's recommendation.

TERMS OF REFERENCE

4. In preparing this Second Report, the Monitor has been provided with and has relied upon unaudited financial information, the Company's books and records, financial information and projections prepared by the Company and discussions with the Company's management team. While the Monitor has reviewed the information, some in draft format, obtained since he has been involved with the Company, the Monitor has not performed an audit or other verification of such information. Forward looking financial information included in the Second Report is based on assumptions regarding future events, and actual results achieved will vary from this information and the variations may be material.
5. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars. Capitalized terms not otherwise defined herein shall have the same meaning ascribed to them in the Applicant's Joint Application to Extend and Modify the Initial Order and to Approve a Sale and Investment Solicitation Process (the "**Applicants' Second Motion**").
6. Copies of the relevant orders, procedures and reports in connection with the CCAA Proceedings are available on the Monitor's website at www.insolvencies.deloitte.ca/en-ca/sm-group. The Monitor has also established a toll free telephone number and an email address (groupesmccaa@deloitte.ca) that is referenced on the Monitor's website so that parties may contact the Monitor if they have questions with respect to the CCAA Proceedings.

STATUS OF CCAA PROCEEDINGS

Cash flow monitoring

7. On August 24, 2018, the date of the Initial Order, the Monitor began monitoring the Company's cash flow. As part of this process, the Monitor, with the support of the CRO, has performed the following:
 - i. An analysis of all cash inflows and outflows originating from the Company's various bank accounts on a daily basis; and,
 - ii. A weekly analysis and comparison of all cash inflows and outflows to the cash flow forecast previously submitted in Appendix G of the Monitor's First Report dated August 24, 2018 (the "**Monitor's First Report**").

Daily cash flow monitoring

8. Since August 24, 2018, the date of the Initial Order, on a daily basis, the Monitor has analyzed the receipts and disbursements transacted through each of the Company's bank accounts where the Monitor has been informed of their existence, with the cooperation of the Company's accounting team.
9. In accordance with the Initial Order, any disbursements which was to be made for services rendered to the Company subsequent to the date of the Initial Order, were submitted to the CRO for its review and, once approved by the CRO, were submitted to the Monitor for its approval.

Weekly budget-to-actual analysis

10. In addition, since August 24, 2018, the date of the Initial Order, the Monitor with the assistance of the CRO, has also proceeded with a weekly review of all of the Company's receipts and disbursements, as compiled by its accounting team, and compared such actual weekly cash-flows to the forecasted cash flows as previously submitted in Appendix G of the Monitor's First Report. In the event where material variances were noted, the Monitor requested and received from the Company's accounting team detailed explanations allowing it to determine whether such variance had a permanent impact requiring for the cash-flow forecast to be adjusted, or whether such variance was only temporary and would be corrected in the near future by the passage of time.

Notifying and reporting duties performed by the Monitor

11. In accordance with the terms set forth in the Initial Order, the Monitor, within five (5) business days following the issuance thereof:
 - i. Posted on its website (www.insolvencies.deloitte.ca/en-ca/sm-group) all public information and documentation related to the Company's restructuring process, including a list of all known creditors, the CCAA Notice (as defined below), as well as all relevant motion materials filed with this Court; and
 - ii. Sent a notice of the CCAA Proceedings (the "**CCAA Notice**") by regular mail to all known creditors of the Company in accordance with the Initial Order. Approximately 300 creditors received the said notice. A copy of the CCAA Notice is attached hereto as **Appendix B**.
12. As indicated earlier, the Monitor also established a toll-free telephone number and an email address to allow creditors and other interested parties to contact the Monitor to obtain additional information concerning the CCAA Proceedings.
13. On September 4, 2018, and September 11, 2018, the Monitor published a notice in *La Presse* and in *The Globe and Mail*, announcing the issuance of the Initial Order, in accordance with the terms thereof.
14. Finally, since the issuance of the Initial Order, the Monitor sent various notices of the stay of proceedings to parties involved in litigation proceedings involving the Debtors and/or the Mises-en-cause as defendants.

OPERATIONS SINCE THE ISSUANCE OF THE INITIAL ORDER

Overview

15. Since the commencement of the CCAA Proceedings, the CRO, with the assistance of the Company's management team and in consultation with the Monitor and the Applicants, has focused primarily on stabilizing the Company's operations, with a view of ensuring their continuity during the CCAA Proceedings.
16. While there have been various issues with many customers and suppliers, the Company's operations have been generally maintained in the normal course without significant erosions. The CRO, in collaboration with the Company's management team,

has been in discussions with many suppliers and business partners to re-establish supply arrangements and to negotiate credit terms under which suppliers will continue to provide goods and services during the CCAA Proceedings. In general, the suppliers have been supportive and have agreed to provide the Company with reasonable credit terms.

Banking

17. Following the appointment of the CRO, as per the Initial Order, the Company made certain changes to its banking operations so as to remove some of the members of its management team as authorized signatories to the Company's bank accounts, and to add the CRO as an authorized signatory.
18. Given the extensive list of tasks of the CRO and in order to facilitate the orderly administration of the Company's operations, the Applicants' Second Motion is seeking to empower and authorize the Monitor's representative to sign cheques and execute banking and other transactions on behalf of the Company.

Customers

19. Immediately upon the issuance of the Initial Order, the CRO implemented a communication plan with the support of the business unit leaders advising their key customers of the CCAA Proceedings, and that despite such proceedings, the Company intended to continue its operations in the normal course.
20. Since the beginning of the CCAA Proceedings, the Company has continued to deal with its main customers, and has also been able to enter into a few new contracts with certain existent or new customers.
21. To the Monitor's knowledge, no customers have terminated their business relationship with the Company since the issuance of the Initial Order. However, the CRO and the Monitor believe that the Company's ability to obtain new contracts during the CCAA Proceedings may be affected during the pendant of these CCAA proceedings, such that an exit of the CCAA Proceedings as quickly as possible will reduce the impact of the proceedings on the Company's business.

Vendors

22. Following the issuance of the Initial Order, the Company communicated with the most important suppliers to advise them of the CCAA Proceedings. The CRO, with the assistance of the Applicants and the Monitor and their respective advisors, continues to promptly address suppliers' concerns to ensure the continuity of the Company's operations.
23. Management of the Algerian operations (SM Group International Algérie EURL) were contacted by the CRO and the Monitor in order to determine the potential negative impact of the CCAA Proceedings on the operations, including the impact on the inter-company advances and the limited funding availability for the payment of pre-petition liabilities. Management of the Algerian operations indicated concerns with regards to, *inter alia*, the continuity of the Algerian operations, as well as their potential personal liability for any pre-petition debts, which may be owing by SM Group International Algérie EURL to its creditors. In order to minimize and mitigate any potential negative

impact resulting from the CCAA Proceedings, the Monitor has temporarily suspended the issuance of the CCAA Notice to SM Group International Algérie EURL's creditors, until it has a better understanding of the Algerian operations and the consequences of the CCAA Proceedings not only on the operations but also on the Algerian management team in place. As things currently stand, however, all post-filing debts of this Mises-en-causes are being paid in the normal course. The Monitor expects that a strategy to address the above-mentioned concerns will be developed in the following weeks.

Inter-Company Transactions

24. Inter-company transactions have been limited to certain post-petition transactions in the ordinary course of business whereby one entity is providing services to another entity on terms consistent with past practices and those of third party suppliers. The post-filing inter-company transactions are being monitored by the Monitor.

Employee Related Matters

25. The Company has generally made employee-related payments on a business as usual basis. The CRO, in consultation with the Monitor and the Applicants, has authorized the payment of employees' wages and salaries in connection with the pay period preceding the filing, despite it being a pre-filing obligation, an exception that is permitted by the Initial Order and that the Monitor is of the view is justified, especially given the importance of the Company retaining the employees.
26. In the days following the Initial Order, the CRO met with over 90% of the employees located at the Company's various offices across the province, in order to communicate and explain to them the impact of the CCAA Proceedings, and the restructuring being contemplated.
27. The CRO, with the support of the Monitor, prepared a memo that was sent to all employees. In addition, the CRO posts various updates relating to the CCAA Proceedings on the Company's intranet on a regular basis. A Q&A was also prepared to address any questions which the Company's employees may have had with regards to the CCAA Proceedings and such Q&A is also available on the Monitor's website.
28. As at the date of the Initial Order, the Company employed more than 700 employees. The CRO, together with the Company's management team and with the support of the Monitor, has been able to retain most of these employees, since out of all of them, only 4 have resigned since the issuance of the Initial Order, while 16 have been hired.

Financial Statements

29. The Company's management team, with the support of the Monitor, has worked on finalizing its December 31, 2015, 2016 and 2017 year-end financial statements, as well as its June 30, 2018 financial statements, which have been required in the context of ongoing discussions with a potential purchaser.
30. As indicated at the hearing of August 24, 2018, the CRO, with the support of the Company's management team and the Monitor, has been working on a breakdown of the Company's financial results, per entity and business unit. This is key in order to identify cost-cutting measures to be implemented in the context of an operational

restructuring of the business by the CRO. In addition, this analysis is also relevant in determining an adjusted EBITDA in the context of a potential solicitation process.

31. We understand that the CRO will update this Honourable Court on its findings at the Court hearing on September 21, 2018.

INVESTIGATION BY THE AMF AND GOVERNANCE ISSUES

Background

32. As stated in the Joint Application, the Company provides engineering, consulting and other services in connection with, *inter alia*, various high profile public projects currently being performed in the Province of Quebec, including, for instance, the construction of the new Champlain Bridge and the redevelopment of the Turcot Interchange.
33. In order to perform service or construction contracts or subcontracts with provincial public bodies, including cities and municipalities, the Company is required to obtain and maintain various authorizations pursuant to an *Act Respecting Contracting by Public Bodies* (the "**Public Contracting Act**") and other applicable legislation (a "**Public Contract Authorization**"), provided the relevant contract is of a certain monetary value.
34. The AMF is the governing body responsible for delivering Public Contract Authorizations and has extensive discretion in deciding whether such authorizations should be granted or renewed. In that regard, the AMF is invested with broad powers to compel the production of information and documents it deems necessary for the exercise of its decisional powers and can rely on a specialized unit of the provincial anti-corruption police ("**UPAC**") to make verifications, whenever needed.
35. Following the filing of criminal charges against Mr. Bernard Poulin ("**Poulin**") as well as others in September 2017, the AMF initiated a process under the Public Contracting Act (the "**Revocation Process**") to revoke the Public Contract Authorizations granted to some of the Debtors (the "**SM Authorizations**").
36. While for the time being, the AMF appears to have suspended the Revocation Process, the Monitor, the CRO and the Applicants have serious concerns that in light of past representations that appear to have been made by the Company, the public attention given to these CCAA Proceedings and certain matters relating to Poulin, the AMF could eventually lift the suspension of the Revocation Process and/or take further measures to revoke, suspend, modify or not renew the SM Authorizations, thus threatening the Company's prospects for a successful restructuring.
37. Below is a summary description of the Revocation Process initiated by the AMF in 2017.

The AMF Revocation Process

38. In 2017, the Company initiated the appropriate process under the Public Contracting Act to obtain the renewal of the SM Authorizations for a further period of three (3) years.

39. In October 2017, various Debtors and/or Mises-en-Cause (collectively, the “**Targeted Companies**”) received various notices of revocation as part of the Revocation Process (the “**Notices of Revocation**”).
40. In the Notices of Revocation, the AMF alleged various facts that could serve to justify the revocation or non-renewal of the SM Authorizations under the Public Contracting Act, including, *inter alia*, the fact that Poulin appeared to be in legal or *de facto* control over the affairs of the Targeted Companies, despite the fact that he had been charged with certain criminal offenses.
41. On November 13, 2017, the Targeted Companies transmitted to the AMF, through their attorneys, Robinson Sheppard Shapiro LLP (“**RSS**”), their observations (the “**Initial Observations**”) in response to the Notices of Revocation, together with relevant supporting documentation.
42. In the Initial Observations, the Targeted Companies’ counsel provided explanations and supporting evidence with a view to establishing that Poulin no longer exercised any control over the Targeted Companies and that he was no longer involved in any of the Company’s activities in Quebec. The Initial Observations also highlighted the Company’s record of collaboration with the AMF and proposed remedial measures to alleviate any of the concerns raised in the Notices of Revocation.
43. At the end of November 2017, the AMF acknowledged receipt of the Initial Observations and advised some entities of the Targeted Companies (the “**Notices of Suspension**”) that it would suspend the issuance of its decision in connection with the Revocation Process, pending the outcome of an investigation into the Company’s affairs by the Associate Commissioner for Audits of UPAC (the “**Commissioner**”).
44. On December 13, 2017, the Company’s representatives met with the Commissioner in connection with its investigation and thereafter provided additional information and documentation in response to the latter’s requests.
45. By letter dated February 14, 2018, the Company provided additional written observations and documents as a follow up to the Initial Observations and confirmed that further measures had been taken to ensure that Poulin was no longer exercising control over the Company’s operations or assets (together with the Initial Observations, the “**Company’s Observations**”).
46. Since that time, neither the Company nor RSS have received any further formal communications from the AMF or the Commissioner regarding the SM Authorizations or the Revocation Process.

Communications with the AMF and the Termination of Mr. Poulin’s Employment with the Company

47. Pursuant to the Initial Order, the Monitor was appointed as Monitor of the Company and the CRO was appointed as its Chief Restructuring Officer. The duties of these court-appointed officers include the management of, and reporting on the Company’s affairs during the pendency of the CCAA Proceedings as well as the development and implementation of the restructuring contemplated by the Initial Order.

48. Once the Initial Order was rendered and made public, the CCAA Proceedings became the object of significant media coverage, given that the Company is a well-known firm involved in various high profile projects in Quebec.
49. However, some of the above-mentioned media coverage placed a particular emphasis on certain allegations made in the Initial Application relating to Poulin's continued involvement in the Group's affairs and certain payments made to the latter while the Company was experiencing financial difficulties.
50. This media coverage also highlighted the Company's involvement in various public contracts, and the fact that the Company has also been the subject matter of an investigation led by the AMF since September 2017. The Monitor became concerned that, in light of this recent attention received by the Company from the public, and potentially the AMF, the AMF may potentially be inclined to pursue the Revocation Process, which would have a detrimental effect to the Company and its stakeholders.
51. In the week following the issuance of the Initial Order, the CRO met with Poulin and requested that he cease all involvement with the Company and refrain from communicating with any of its employees or representatives until further notice.
52. Given the concerns of the Monitor, the CRO and the Applicants, on September 4, 2018, one of the Applicants, represented by its attorneys, communicated with the AMF, as an interested party, to determine whether the SM Authorizations could be at risk.
53. During this discussion with the representatives of the AMF representatives, it was agreed that:
 - i. Complementary information regarding the CCAA Proceedings would be provided to the AMF by September 15, 2018;
 - ii. The Revocation Process would remain suspended until such complementary information was received by the AMF; and
 - iii. The AMF would provide the Company, the CRO and the Monitor a prior notice of 30 days before taking any measures in connection with the Revocation Process.
54. On September 7, 2018 after having consulted with the Monitor, in order to preserve the interests of the Company and their stakeholders and in light of certain disruptions of Poulin with the employees, the CRO formally notified Poulin that his employment with the Company was terminated for cause, effective immediately, the whole for the reasons elaborated in the termination letter filed under seal as Exhibit A-4 to the Applicants' Second Motion.
55. On September 12, 2018, complementary information was provided to the AMF, as previously agreed upon. The information and documents provided to the AMF are attached at **Appendix C** of this Second Report, which will be filed under seal.

56. In essence, the following was highlighted to the AMF:
- i. In light of the Court's appointment of the CRO and of the Monitor, Poulin was no longer in control of the Company, whether directly or indirectly. In addition, Poulin no longer had control on any of the Company's disbursements, such disbursements being reviewed and approved on a daily basis by the Monitor since the issuance of the Initial Order; and
 - ii. Poulin had been formally advised to suspend any business activities within the Company, to cease all communications with the Company's employees, and to no longer appear at any of the Company's premises.
57. Given the importance of the SM Authorizations to the Company's operations and the fact that the CRO and the Monitor intend to collaborate fully with the AMF and the Commissioner, the CRO and the Monitor are of the view that it is necessary and appropriate that the SM Authorizations be maintained during the pendency of the CCAA Proceedings.
58. The Monitor, the CRO and the Applicants are optimistic that the AMF will maintain the SM Authorizations once they had an opportunity to review all of the information provided to it on September 12, 2018 and finalize their investigation.
59. In order to facilitate the communications with the AMF, to answer to their enquiries and to ensure that the SM Authorizations are maintained during the pendency of the CCAA Proceedings, the Applicants' Second Motion seeks a declaration from the Court that any of the representatives of the CRO, the Monitor or the Applicants are authorized to communicate with the AMF and to respond to their enquiries in connection with the SM Authorizations.

STATUS OF THE DISCUSSIONS WITH THORNHILL INVESTMENTS

60. As indicated in the Joint Application for an Initial Order, Thornhill Investments Inc. ("**Thornhill**") submitted an LOI on July 18, 2018 ("**Thornhill LOI**").
61. The Thornhill LOI contemplates the sale of the Company's business on a going concern basis. However, after the issuance of the Thornhill LOI, all requests by Thornhill to conduct its due diligence in accordance with the Thornhill LOI were seemingly ignored by the Company and its management.
62. After the issuance of the Initial Order, the CRO and a representative of the Monitor had a meeting with two representatives of Thornhill in order to discuss the *modus operandi* for the due diligence process. After such meeting, a list of preliminary documents requested was submitted by Thornhill in anticipation of their due diligence.
63. After receiving this request for information, the Monitor set up a virtual data room ("**Data Room**") with the objective of uploading all relevant documents in order to allow Thornhill to access such documents as part of its due diligence, subject to the execution of a non-disclosure agreement ("**NDA**") by Thornhill, which received on September 5, 2018.

64. On September 5, 2018, a series of meetings took place between numerous representatives of Thornhill and its counsel, the CRO, the Monitor and the Monitor's counsel, the President of Groupe SM and the leaders of the various business units, in order to allow Thornhill to gain a better understanding of the Company's various business units.
65. Following this meeting, numerous discussions took place between Thornhill, the CRO and the Monitor, in connection with temporary exclusivity rights requested by Thornhill until September 21, 2018. The CRO and the Monitor requested that Thornhill submit a new LOI, before it could consider such exclusivity rights.
66. An amended LOI was therefore submitted to the CRO on September 10, 2018 ("**Amended LOI**"), providing for an exclusivity period until September 21, 2018. After review and comments, the Amended LOI was signed by the CRO and the Monitor on September 10, 2018. A copy of the Amended LOI is attached hereto at **Appendix D** and shall be filed with the Court under seal. As reflected in the Amended LOI, the CRO and the Monitor acknowledged receipt of the Amended LOI and agreed to certain items such as to cooperate for the due diligence by Thornhill, the granting of exclusivity rights for a limited period and the undertaking to negotiate a customary purchase agreement to the extent an agreement is reached in connection with a transaction, including with respect to the purchase price. In addition, certain amendments were made by Thornhill to the terms and conditions including commercial terms.
67. Since September 6, 2018, based on the exclusivity disclosed to the Court at the time of the hearing on the Joint Application and provided for in the Amended LOI, Thornhill has been the only party having had access to the Data Room, which is still being documented by the Company, with the assistance of the Monitor and the CRO. A list of all documents which have been uploaded onto the Data Room as of the date hereof is attached at **Appendix E** and shall be filed with the Court under seal.
68. The Company, in collaboration with the Monitor and the CRO, intends to continue to upload onto the Data Room additional relevant information pertaining to the affairs of the Company.
69. While Thornhill continues to perform its due diligence, the CRO with the support of the Monitor and the Company's management team, has continued ongoing restructuring efforts and has been working on, *inter alia*:
 - i. The finalization of the consolidated financial results of the Company for Fiscal 2016, Fiscal 2017 and for the 6-month period ended on June 30, 2018;
 - ii. A detailed analysis of the Company's work in progress and accounts receivable in order to determine the level of the provision that had to be taken to reflect the actual financial results of the last few years;
 - iii. The segregation of the Company's financial results per business unit with a view of determining an adjusted EBITDA per division;
 - iv. The identification of various cost cutting measures, which would allow the CRO to determine not only an adjusted EBITDA (for either a transaction with Thornhill or an eventual sale process), but also areas of improvement that could

have an immediate impact on the cash flow of the Company during the CCAA Proceedings.

70. Based on various discussions between Thornhill, the CRO and the Monitor, it appears that Thornhill needs this financial information by business unit in order for Thornhill to complete its due diligence.
71. Based on discussions that the Monitor had with the CRO, it is our understanding that this analysis is underway and should be available on or about September 21, 2018.
72. On September 14, 2018, Thornhill advised that it would require an additional thirty days after September 21, 2018 to complete its due diligence verification. As a result, Thornhill has requested that the exclusivity period provided for in the Amended LOI be extended accordingly. The Applicants have advised the Monitor that they would only consider an extension of the exclusivity period of fifteen days at this stage given, inter alia, the significant costs and potential erosion of enterprise value resulting from the CCAA proceedings as well as the Company's limited liquidity.

PROPOSED SALE AND INVESTOR SOLICITATION PROCESS

73. Since the issuance of the Initial Order, the Monitor and the CRO received numerous unsolicited communications from strategic purchasers who manifested their interest either for various business units (Infrastructures, Earth & Environmental Sciences, Telecom & Security, Energy Distribution, Building & Structural and Oil & Gas) or for the Company's entire business.
74. In response to such communications and indications of interest, the CRO and the Monitor advised these potential parties that:
 - i. An exclusivity period was granted in favour of an interested party until September 21, 2018 (the "**Exclusivity Period**");
 - ii. The Exclusivity Period could be extended at the request of the interested party in the event the Applicants, CRO and Monitor were of the view it was appropriate and the Court determined that such extension would be in the best interest of the Company's stakeholders;
 - iii. A sale and investor solicitation process ("**SISP**") would likely be initiated either following the expiry of the Exclusivity Period (as extended, as the case may be) or upon confirmation that no transaction would be completed with Thornhill.
75. As part of their Joint Application, the Applicants have requested the Court's approval in connection with a proposed SISP. Below is a high-level summary of the SISP, as proposed by the Applicants:
 - i. The SISP will be carried out by the Monitor, in consultation with the CRO and the Applicants ("**SISP Team**"), with the Applicants being subject to a non-disclosure agreement preventing them from disclosing any information obtained as a result of their participation in the SISP Team to any third parties. The Monitor is advised that Blakes as counsel for the Debtors has requested that the Debtors also be involved in the SISP Team. At this stage the Monitor

is of the view that this is not necessary or appropriate, namely on the basis that: (i) the Monitor is a court officer who is looking to the interests of all of the Company's stakeholder; (ii) the CRO is already a representative of the Company pursuant to the terms of the Initial Order, (iii) the Applicants are the stakeholders with the most important economic interest in the Company, representing almost the entirety of the secured debts and the vast majority in value of the unsecured debts; and (iv) all members of the Company's management team are expected to be a potential bidder or is related to a potential bidder;

- ii. The SISP will commence at the earliest on October 3, 2018, or any other date agreed upon by the SISP Team (the "**Commencement Date**");
- iii. The Monitor will deliver a teaser letter to all identified potential bidders ("**Potential Bidders**") on or around the Commencement Date;
- iv. Additional information will be made available to Potential Bidders by way of access to the Data Room upon execution of a confidentiality agreement on or after the Commencement Date;
- v. The deadline for bids will be November 2, 2018 at 5:00 p.m. (Montreal time) or the date that is thirty (30) days after the Commencement Date, in the event that same is postponed (the "**Bid Deadline**");
- vi. Potential Bidders will have the opportunity to submit offers to purchase, some or all of the Company's property or business, or any part thereof ("**Sale Proposals**") or to invest in the Company or any part thereof by sponsoring a plan of compromise and arrangement ("**Plan Sponsorship Proposals**");
- vii. Bids may be submitted in respect of Sale Proposals and Plan Sponsorship Proposals, which may cover all or part of the Company's property or business, or any specific divisions thereof;
- viii. In order for bids to be considered, they must be received by the Bid Deadline and comply with various requirements outlined in the SISP, including, notably, the payment of a deposit and the provision of assurances that the bidder is capable of closing the transaction within the applicable timeframe;
- ix. All bids will be considered by the SISP Team and any single bid or combination of non-overlapping bids that is in the best interests of the Company's stakeholders may be accepted by the Monitor, with the consent of the Applicants as a successful bid;
- x. The successful bid will be selected by the SISP Team as promptly as possible after the Bid Deadline;
- xi. In the event that that no single bid or combination of non-overlapping bids would permit the repayment of the Company's secured creditors in full, the Applicants will be entitled, but not required, to submit a credit bid to purchase all or part of the Company's property or business.

76. The Monitor is of the view that while the timeline for the proposed SISP is expedited, it is reasonable in the circumstances, given that the Monitor and CRO were previously engaged and actively working with the Company to market its property and its business prior to the Initial Order. The CRO and the Monitor have also received multiple indications of interest from Potential Bidders that will likely culminate in bids being submitted pursuant to the SISP.
77. Accordingly, the Monitor is supportive of the proposed SISP and recommends its approval by the Court.

REVIEWABLE TRANSACTIONS AND INITIATION OF A FORENSIC REVIEW

78. As indicated in its first report, the Monitor was appointed as financial advisor by the Company prior to the issuance of the Initial Order and the initiation of the CCAA Proceedings. While appointed as financial advisor, Deloitte discovered certain material payments (close to \$900K over a period of six months) that were made to Poulin (some of which came out of an account that had not been disclosed to Deloitte).
79. Following the issuance of the Initial Order, the Monitor requested the Company's cheque balance as at December 31, 2017, June 30, 2018 and August 29, 2018 (a few days after the issuance of the Initial Order) in order to have a better understanding of the various advances made either to Poulin, to an entity under his control or any other individual or company related to Poulin. We also wanted to have a better understanding of the variances between such dates.
80. **Appendix F** to this Second Report, filed under seal, shows a comparison between the outstanding balances of the various advances made by the Companies as at August 29, 2018 versus June 30, 2018. The outstanding balances went from approximately \$3.6M to \$0.7M, a difference of more than \$2.9M.
81. Upon further analysis, it was noted that various book entries were made between August 14, 2018 to August 24, 2018, namely in the days preceding the Initial Order. These transactions are still under review by the Monitor.
82. Based on the above, the Monitor decided to immediately request that a mirror copy of the server be made in order to preserve the integrity of the Company's accounting records.
83. During the week of August 27, 2018, the Monitor was made aware that certain individuals related to Poulin had access to some of the Company's employees' emails, without their knowledge or consent, allowing these individuals to read and potentially delete some of these emails. Consequently, while doing a mirror copy of the server, the Monitor also requested that a copy of the email server be made, in order to protect the integrity of the email server.
84. Due to the events described above, the Monitor initiated a forensic review. As part of this review, and as of the date hereof, the following work was performed:
 - i. Emails contained in the mailboxes of various individuals were saved and copied (on August 24 and September 4 in order to compare content and determine which emails were deleted);

- ii. The data collected was reviewed and analyzed;
 - iii. Various meetings were organized with certain representatives of the Company's accounting team;
 - iv. A detailed analysis was performed in connection with the Company's statements of account for the various corporate credit cards.
85. Based on preliminary discussions, meetings with the representatives of the Company's accounting team and preliminary review of the accounting records, it is the Monitor's understanding that:
- i. Funds were transferred to Poulin's personal bank accounts and recorded in the "advance" account of the Company;
 - ii. Poulin used the Amex corporate credit card for personal purposes. These expenses were recorded in the "advance" account of the Company but also in the company expense accounts (eg. maintenance, marketing);
 - iii. Some of Poulin's personal expenses were, at times, paid with the Company's funds and then recorded as corporate expenses in the Company's books and records;
86. On September 11, 2018, the CRO met with Poulin's personal assistant in order to advise her that her employment with the Company was being terminated, effective immediately. However, shortly thereafter on the same day, the CRO and the Monitor discovered that this person had been shredding documents in Poulin's office with the assistance of a third party who is not an employee of the Company. In total, Poulin's personal assistant had shredded documents sufficient to fill three (3) garbage bags.
87. At this time, the Monitor is not in a position to determine the nature or content of the shredded documents. Based on a declaration made by Poulin's personal assistant, the only documents shredded by this person were documents personal to Poulin, and that such action was made on her own initiative. The Monitor notes, however, that several documents relating to the business and affairs of the Company were found close to the shredder and appeared to be the next to be shredded had the Monitor and CRO not intervene.
88. Following these events, the Monitor retained the services of a bailiff in order to prepare a detailed inventory of all documents located in Poulin's offices (the "**Inventory of Documents**").
89. The Monitor has also retained the services of a firm specialized in reconstruction of shredded documents in order to validate the nature and content of the documents destroyed.
90. The Monitor has also communicated with Poulin's personal assistant in order to discuss with her the above-mentioned events. Although she had originally accepted to meet with the Monitor in order to discuss such events, she advised at the last minute that she had to cancel the meeting. Since then, the Monitor has been informed that this person

has appointed or is being advised by a legal counsel who also represents Poulin for the purpose of recuperating his personal documents. After reviewing the inventory of Documents, the Monitor will be providing to Poulin's counsel a copy of the Inventory of Documents, and will be requesting Poulin to identify which of those is considered to be personal. Following adequate review, documents which are of a personal nature will be sent to him or his counsel.

91. Following her dismissal, the Monitor did an inventory of the Company's documents contained in her office. During his review, a copy of a cheque coming out of an unknown bank account was found. This account was not disclosed to either the Monitor or the CRO, notwithstanding the requirements of the Initial Order.
92. The Monitor did a preliminary review of the transactions for the period between June 1st to August 31, 2018. It appears that during this period, an amount of approximately \$90,000 was used by Poulin for personal expenses from this undisclosed bank account.
93. The Applicants have requested in their Joint Application that the Monitor be authorized to proceed with the examination of any person which is believed to have knowledge of the affairs of the Company and to require such person to provide the Monitor with copies of any document deemed relevant in the context of its review.
94. In light of the recent events previously discussed, the Monitor is in agreement with and supports this request made by the Applicants.

KEY EMPLOYEE RETENTION PROGRAM

95. As indicated in the Monitor's First Report, the CRO prepared a Key Employee Retention Program ("**KERP**") to encourage the key employees to remain in the employment of the Company. This program aims to keep the operations ongoing to maximize the enterprise value of the Company, which value is essentially derived from the quality of its employees.
96. The Monitor and the CRO believe that the continued employment of the key employees is crucial to its successful restructuring and that absent the establishment of an incentive plan in favor of these key employees, they are likely to seek other employment opportunities, especially in the current context of high demand for qualified engineers in the industry. The global amount planned by the KERP proposed by the CRO is \$500K and the Monitor agrees that this amount is reasonable at this stage and will allow to reassure the employees globally.
97. Since the issuance of the Initial Order, the CRO has had the opportunity to perform an employee by employee analysis in order to split amongst the identified employees the total amount of \$500K. The bonuses under the KERP were established by the CRO and management, with the assistance of the Monitor, based on the following factors:
 - i. The nature of the employees' job requirements and experience;
 - ii. The employees' relevance to a successful restructuring; and
 - iii. The estimate of the cost and risk that without appropriate incentives the employees would seek alternate employment.

98. The analysis of the KERP, detailed by employees, was completed by the CRO and reviewed by the Monitor.
99. The CRO has identified 366 existing employees ("**Eligible Employees**") that are critical to the preservation of the Company's enterprise value. A copy of the KERP with all Eligible Employees is included under seal as **Appendix G** to this Second Report.
100. Under the KERP, each of the Eligible Employees is eligible to receive up to a prescribed maximum amount (the "Incentive Payment") provided that the Eligible Employee remains actively employed by the Company throughout the term of their respective contracts. The CRO do realize that the Incentive Payment per employee is not substantial but it was important for the CRO to put in place this KERP so that the Eligible Employees realize that they are paramount in maintaining the operations while the Company put in place their restructuring plan.
101. The Monitor compared the proposed KERP with similar programs authorized in recent CCAA filing ("**KERP Data**"). The Monitor's analysis indicated that the proposed KERP and the total payments are consistent with the KERP Data.
102. As indicated above, an amount of \$500K to provide for the payments to be made to the Eligible Employees under the KERP, in accordance with the terms thereof, was remitted by the Company to the Monitor within five days after the issuance of the Initial Order. This amount is held by the Monitor in escrow, for the benefit of the Eligible Employees.
103. The Monitor has reviewed the KERPs and believes that the terms thereof are reasonable and justified in the circumstances.

FINANCIAL PERFORMANCE AND CASH FLOW PROJECTIONS

Cash flow results for the three weeks ended September 15, 2018

104. For the four weeks ended September 15, 2018, the net cash flow generated by the consolidated operations was \$1,979.3K. The DIP Term Loan Facility was not used during this period.
105. The net cash flow for the four-week period was \$931.3K higher than projected in the cash flow forecast prepared by the Applicants (the "**Filing Cash Flow Forecast**") and attached to the Monitor's First Report.
106. The actual cash flow results and the variances from the Filing Cash Flow Forecast for the four-week period are presented in further detail in the schedule at **Appendix H** attached.

Cash flow forecast for the 9 weeks ending November 17, 2018

107. To determine the Company's short term cash flow and ongoing financing requirements during the CCAA Proceedings, the Company have prepared a revised cash flow forecast (the "**Revised Cash Flow Forecast**") for the nine-week period ending November 17, 2018. The Revised Cash Flow Forecast reflects management's and the CRO's expectations for the consolidated operations.

108. The Revised Cash Flow Forecast projects that the Company will incur a negative cash flow of \$5,561 during the nine-week period, including a reserve of \$1,678 ("**Reserve**") due to representation made by various parties with regards to potential pre-CCAA liabilities and also amounts that should be segregated related to various joint ventures.
109. Considering that the Company's cash balance is projected to decline to a low of \$1,969 during the week ending November 3, 2018, the Revised Cash Flow Forecast does contemplate drawings on the DIP Loan Term Facility for a total amount of \$1,969. However considering that the Reserve is currently being reviewed, any reduction of the Reserve will have a positive impact on the Revised Cash Flow Forecast.
110. As projected in the Filing Cash Flow Forecast, the Company did not have to draw on the DIP Loan Term Facility during the initial stay period. Such results are primarily due to short term credit from trade suppliers.
111. The Revised Cash Flow Forecast is attached as **Appendix I** and shall be filed with the Court under seal.

THE EXTENSION OF THE APPLICATION OF THE INITIAL ORDER TO 9229-4263 QUÉBEC INC.

112. In addition to the remedies previously discussed above in connection with the SISP and the Monitor's powers, the Applicants are also seeking to extend the application of the Initial Order to 9229-4263 Québec inc. ("**9229**").
113. 9229 is a subsidiary of Le Groupe S.M. International s.e.c. / The S.M. Group International LP and its activities include the pouring and finishing of concrete.
114. In the course of its review of the Company's affairs, the Monitor has noted that 9229 had assets in the form of equipment and accounts receivable with an aggregate estimated value of \$800,000.
115. The Monitor was also advised that 9229 has intercompany liabilities towards other entities in the SM Group of nearly \$5,000,000 and is a defendant to an action for over \$20 million before the Superior Court of Quebec in court file number 500-17-100631-178.
116. Accordingly, in light of the above, the Monitor supports the Applicants' request to extend the application of the Initial order to 9229.

THE CRO INDEMNITY CHARGE

117. As part of the Initial Order, the Court approved the engagement agreement entered into between the Company and the CRO, which provided for an indemnity (the "**CRO Indemnity**") in favour of the CRO, as well as any of its officers, directors, employees or agent (the "**CRO Indemnified Parties**"). Pursuant to paragraph [64] of the Initial Order, the CRO Indemnity would survive any termination, replacement or discharge of the CRO.
118. However, the Initial Order did not provide for any security in favour of the CRO Indemnified Parties.

119. The Monitor understands that despite the protections afforded to the CRO under the Initial Order, the CRO remains concerned, nevertheless, of potential claims which may be asserted against him, by reason of his involvement with the Company, as well as his central role in the Company's restructuring process.
120. As appears from the Applicants' Second Motion, the Applicants propose to establish a charge in favour of the CRO Indemnified Parties (the "**CRO Indemnity Charge**") of \$1,500,000, which would rank prior to any existing charges against the Company's assets, but after the Administration Charge and the Interim Lender Charge.
121. In light of the broad responsibilities given to the CRO in the context of the Company's restructuring proceedings, and given the extent of the claims which could potentially be asserted against him as well as the other CRO Indemnified Parties, including claims by employees or former employees of the Company, the Monitor believes that the CRO Indemnity Charge is reasonable in the circumstances.

PREPARATION OF A RESTRUCTURING PLAN & REQUEST FOR AN EXTENSION TO THE STAY OF PROCEEDINGS

122. As indicated earlier in this Second Report, the shape and direction of the Company's restructuring will take time to develop. It will require a thorough strategic review of the Company's assets and operations by the CRO as well as input from the Company's various stakeholders. It will also depend on whether a transaction can be completed with Thornhill or whether one or more transactions are concluded under the SISP.
123. The Company's restructuring plan can only be formulated once the business plan is completed and supported by the most important stakeholders.
124. As things currently stand, pursuant to the Initial Order, the stay period expires on September 21, 2018. The Applicants therefore seek an extension of the stay period until and including November 14, 2018.
125. The stabilization process of the operations during the first few weeks of the CCAA Proceedings is well underway. In addition, the Monitor with the support of the CRO and the management team continues to gather information on the Data Room, which will be relevant for a potential purchaser.
126. The CRO has now begun the process of developing its business and restructuring plans with the intention of sharing this information with key stakeholders and potential purchasers. It is expected that this may take a number of months to complete. As a result, the Company will require an extension of the Stay Period.
127. As described earlier in this Monitor's Second Report, the Company has prepared the forecast, which cover the period September 16, 2018 to November 17, 2018 and which indicate that it has sufficient liquidity to sustain ordinary course operations during the proposed extended Stay Period.

RECOMMENDATION

128. In light of the foregoing, the Monitor is of the view that:

- i. The Applicants and the Company, the latter being directed by the CRO in consultation with the Monitor and the Applicants, have acted and are acting in good faith and with due diligence;
- ii. The extension of the Stay Period sought will allow the Company, under the direction of the CRO and in consultation with the Monitor and the Applicants, to continue its restructuring efforts for the benefit of all of its stakeholders; and
- iii. The extension of the Stay Period sought will not prejudice any of the Company's creditors.

129. The Monitor is also of the view that it is reasonable and appropriate in the circumstances to:

- i. Extend the application of the Initial Order to 9229;
- ii. Grant the CRO Indemnity Charge;
- iii. Authorize the Monitor to conduct examinations under oath, to compel the production of relevant documents, and to execute transactions on behalf of the Company;
- iv. Approve the implementation of the SISP; and
- v. Declare that any of the CRO, the Monitor or the Applicants are authorized to communicate with the AMF in connection with the Company's regulatory authorizations.

130. Accordingly, the Monitor recommends that the Stay Period be extended to November 14, 2018 and that the other relief sought pursuant to the Applicants' Second Motion be granted.

The Monitor respectfully submits to the Court its Second Report.

DATED AT MONTREAL, this 19th day of
September 2018.

DELOITTE RESTRUCTURING INC.
In its capacity as Court-Appointed Monitor



Martin Franco, CPA, CA, CIRP, LIT,
Senior Vice President

Appendix A

Appendix A

Mises-en-cause

LE GROUPE S.M. INTERNATIONAL S.E.C. / THE S.M. GROUP INTERNATIONAL LP,
a limited partnership formed pursuant to the laws of Alberta, having its head office at 433, Chabanel Street West, 12th Floor, Montréal, Québec H2N 2J8.

ÉNERPRO S.E.C. / ENERPRO LP,
a limited partnership formed pursuant to the laws of Québec, having its head office at 433, Chabanel Street West, 12th Floor, Montréal, Québec H2N 2J8.

LES SERVICES DE PERSONNEL S.M. INC.,
a limited partnership formed pursuant to the laws of Québec, having its head office at 433, Chabanel Street West, 12th Floor, Montréal, Québec H2N 2J8.

LE GROUPE S.M. (ONTARIO) INC. / THE S.M. GROUP (ONTARIO) INC.,
a corporation incorporated pursuant to the laws of Canada, having its registered office at 205-6205B Airport Road, Mississauga, Ontario L4V 1E3.

LE GROUPE S.M. (ONTARIO) INC. / THE S.M. GROUP (ONTARIO) INC.,
a corporation incorporated pursuant to the laws of Canada, having its registered office at 205-6205B Airport Road, Mississauga, Ontario L4V 1E3.

LE GROUPE S.M. (ONTARIO) INC. / THE S.M. GROUP (ONTARIO) INC.,
a corporation incorporated pursuant to the laws of Canada, having its registered office at 205-6205B Airport Road, Mississauga, Ontario L4V 1E3.

AMÉNATECH INC.,
a corporation incorporated pursuant to the laws of Québec, having its head office at 740 Galt Street West, Sherbrooke, Québec, J1H 1Z3 and an elected domicile at 433, Chabanel Street West, 12th Floor, Montréal, Québec H2N 2J8.

LABO S.M. INC.,
a corporation incorporated pursuant to the laws of Québec, having its head office at 740 Galt Street West, Sherbrooke, Québec, J1H 1Z3 and an elected domicile at 433, Chabanel Street West, 12th Floor, Montréal, Québec H2N 2J8.

LES CONSULTANTS INDUSTRIELS S.M. INC. / S.M. INDUSTRIAL CONSULTANTS INC.,
a corporation incorporated pursuant to the laws of Québec, having its head office at 740 Galt Street West, Sherbrooke, Québec, J1H 1Z3 and an elected domicile at 433, Chabanel Street West, 12th Floor, Montréal, Québec H2N 2J8.

LES CONSULTANTS S.M. INC. / S.M. CONSULTANTS INC.,
a corporation incorporated pursuant to the laws of Québec, having its head office at 2111 Fernand-Lafontaine Blvd., Longueuil, Québec, J4G 2J4 and an elected domicile at 433, Chabanel Street West, 12th Floor, Montréal, Québec H2N 2J8.

FACILIOP EXPERTS CORP.

a corporation incorporated pursuant to the laws of Canada, having its registered office at 1400, 350 – 7 Avenue SW, Calgary, Alberta, T2P 3N9.

LE GROUPE S.M. INTERNATIONAL INC. / THE S.M. GROUP INTERNATIONAL INC.,
a corporation incorporated pursuant to the laws of Québec, having its head office at 740 Galt Street West, Sherbrooke, Québec, J1H 1Z3 and an elected domicile at 433, Chabanel Street West, 12th Floor, Montréal, Québec H2N 2J8.

CSP CONSULTANTS EN SÉCURITÉ INC. / CSP SECURITY CONSULTING INC.,
a corporation incorporated pursuant to the laws of Canada, having its head office at 433, Chabanel Street West, 12th Floor, Montréal, Québec H2N 2J8.

**LE GROUPE S.M. INTERNATIONAL (S.A.) INC. /
THE S.M. GROUP INTERNATIONAL (S.A.) INC.,**
a corporation incorporated pursuant to the laws of Canada, having its head office at 433, Chabanel Street West, 12th Floor, Montréal, Québec H2N 2J8.

LE GROUPE S.M. INTERNATIONAL (CONSTRUCTION) EURL,
a corporation incorporated pursuant to the laws of the People's Democratic Republic of Algeria, having its head office at Villa 40, cooperative El Amel, extension <D>, El Anhour, Alger, 16104, Algeria.

SM SAUDI ARABIA CO LTD,
a corporation incorporated pursuant to the laws of the Kingdom of Saudi Arabia, having its head office at 7958 Al Amir Muhammed Ibn Faisal Road, Hajar Unit No: 25, Dharan 34253-5296, Kingdom of Saudi Arabia.

THE S.M. GROUP INTERNATIONAL SARL,
a corporation incorporated pursuant to the laws of Grand Duchy of Luxembourg, having its head office at 595, 1er étage, rue de Neudorf, L-2220, Luxembourg.

THE S.M. GROUP INTERNATIONAL ALGÉRIE EURL,
a corporation incorporated pursuant to the laws of the People's Democratic Republic of Algeria, having its head office at Villa 40, cooperative El Amel, extension <D>, El Anhour, Alger, 16104, Algeria.

S.M. UNITED EMIRATES GENERAL CONTRACTING LLC,
a corporation incorporated pursuant to the laws of the United Arab Emirates, having its head office at Mezzanine 2, bâtiment n. 295, Mohammed Ben Zayed, Mussoffah Shabiya Khalifa, ME-11 P.O. Box 91777, Abu Dhabi, United Arab Emirates.

**COMMANDITÉ SMi-ÉNERPRO FONDS VERT INC. /
SMi-ENERPRO GREEN FUND GP INC.,**
a corporation incorporated pursuant to the laws of Canada, having its head office at 433, Chabanel Street West, 12th Floor, Montréal, Québec H2N 2J8.

**SMi-ÉNERPRO FONDS VERT S.E.C. /
SMi-ENERPRO GREEN FUND LP,**
a corporation incorporated pursuant to the laws of Canada, having its head office at 433, Chabanel Street West, 12th Floor, Montréal, Québec H2N 2J8.

Appendix B

CANADA
PROVINCE DE QUÉBEC
DISTRICT DE MONTRÉAL
COUR N° : 500-11-055122-184

COUR SUPÉRIEURE
Chambre commerciale

**DANS L’AFFAIRE DU PLAN
D’ARRANGEMENT ET DE
RÉORGANISATION DE :**

**LE GROUPE SMI INC. LE GROUPE S.M. INC., CLAULAC
INC., SMi CONSTRUCTION INC., ÉNERPRO INC., LE
GROUPE S.M. INTERNATIONAL (CONSTRUCTION) INC.,
et al.**, compagnies légalement constituées et ayant son siège social au
433, rue Chabanel Ouest, 12^e étage, Montréal, Québec H2N 2J8

Débitrices

- et -

RESTRUCTURATION DELOITTE INC.

(Martin Franco, CPA, CA, CIRP, SAI responsable désigné), ayant
un établissement au 1190, avenue des Canadiens-de-Montréal,
Bureau 500, Montréal, QC H3B 0M7

Contrôleur

AVIS AUX CRÉANCIERS

Le 24 août 2018, suite au dépôt d’une demande conjointe par Alaris Royalty Corp. et Integrated Private Debt Fund V LP, la Cour supérieure du Québec (Chambre commerciale) (la « **Cour** ») a rendu une ordonnance initiale (l’ « **Ordonnance initiale** ») en vertu de la *Loi sur les arrangements avec les créanciers des compagnies* à l’égard des Débitrices ainsi que certaines de leurs entités liées (collectivement le « **Groupe SM** »), et Restructuration Deloitte inc. (le « **Contrôleur** ») a été nommée afin de surveiller l’exploitation de l’entreprise et les affaires financières de ces dernières à titre d’officier de la Cour, et LGBM inc. a été nommée Chef de la Restructuration du Groupe SM. En vertu de l’Ordonnance initiale, la Cour a ordonné une suspension de toute procédure ou mesure d’exécution à l’encontre ou à l’égard du Groupe SM ou de ses biens.

Une copie de l’ordonnance initiale ainsi qu’une liste des nom et adresse de chacun des créanciers connus du Groupe SM et des montants estimés de leur réclamation sont disponibles sur le site Web du Contrôleur à l’adresse www.insolvencies.deloitte.ca/en-ca/groupe-sm. Si vous ne pouvez y accéder, veuillez communiquer avec nous au **514-369-9699** en nous laissant votre nom et numéro de téléphone ainsi que votre numéro de télécopieur, adresse courriel ou adresse postale selon le mode de transmission désiré.

À ce stade-ci, aucune procédure relative à la révision des réclamations des créanciers du Groupe SM n’a encore été mise en place, de sorte que ces créanciers ne sont pas requis pour le moment de produire leur preuve de réclamation. Le Contrôleur avisera ces créanciers de tout développement à cet égard en temps et lieu.

FAIT À MONTRÉAL, ce 31^e jour d’août 2018

RESTRUCTURATION DELOITTE INC.
Contrôleur



Deloitte Restructuring Inc.
1190, avenue des Canadiens-
de-Montréal
Suite 500
Montreal QC H3B 0M7
Canada

Tel: 514-393-7115
Fax: 514-390-4103
www.deloitte.ca

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTRÉAL
COURT. No.: 500-11-055122-184

SUPERIOR COURT
Commercial Division

**IN THE MATTER OF A PLAN OF
ARRANGEMENT AND REORGANIZATION
OF:**

**THE SMI GROUP INC., THE S.M. GROUP INC., CLAULAC
INC., SMi CONSTRUCTION INC., ÉNERPRO INC., THE S.M.
GROUP INTERNATIONAL (CONSTRUCTION) INC., et al.**, a
legal person, duly incorporated according to law, having its head
office at 433, Chabanel Street West, 12th Floor, Montréal, Québec
H2N 2J8

Debtors

– and –

DELOITTE RESTRUCTURING INC.
(Martin Franco, CPA, CA, CIRP, LIT responsible), having a place
of business at 1190, avenue des Canadiens-de-Montréal, Suite 500,
Montreal, Quebec H3B 0M7

Monitor

NOTICE TO CREDITORS

On August 24, 2018, following the filing of a joint application made by Alaris Royalty Corp. and Integrated Private Debt Fund V LP, the Superior Court of Quebec (Commercial Division) (the “**Court**”) rendered an initial order (the “**Initial Order**”) pursuant to the *Companies’ Creditors Arrangement Act* in respect of each of the Debtors, as well as some of its affiliated entities (collectively, the “**SM Group**”), and Deloitte Restructuring Inc. (the “**Monitor**”) was appointed to monitor the business and financial affairs of the SM Group as an officer of the Court, and LGBM Inc. was appointed as Chief Restructuring Officer for the SM Group.

A copy of the Initial Order as well as a list showing the names and addresses of each known creditor of the SM Group, together with the estimated amounts of their respective claim are available on the Monitor’s website at www.insolvencies.deloitte.ca/en-ca/sm-group. If you are unable to access the Monitor’s website, please communicate with us at **514-369-9699**, leaving your name, telephone and fax number, as well as your email address or your postal address, depending on the manner in which you wish to receive a copy of the Initial Order.

At this stage, a claims process in respect of the SM Group has not yet been put in place, such that its creditors are not required, for the time being, to file their proofs of claim. The Monitor shall advise such creditors of any development in that regard in due course.

Dated at Montreal, this 31st day of August 2018

DELOITTE RESTRUCTURING INC.
Monitor

No.	Name of Creditors	Address	Unsecured claim	Secured claim
1	€ Aerogolf Business Center Sàrl	560 Rue de Neudorf L-2220 Luxembourg	17,413.90	
2	€ Deloitte	560 rue de Neudorf L-2220 Luxembourg	30,318.87	
3	€ DMS	23, rue des Bruyères L-1274 Howald Luxembourg	4,078.94	
4	10086720 Canada Inc.	2516, Route du Fleuve Les Eboulements QC G0A 2M0 Canada	11,872.33	
5	2641-1363 Québec Inc.	Bureau Chef C.P. 210 Succursale St-Bruno-de-Montarville QC J3V 4P9 Canada	5,348.37	
6	8432171 Canada Inc.	2155, Crescent Suite 300 Montréal QC H3G 2C1 Canada	10,136.51	
7	9133-0969 Québec Inc.	1187, Rue Labadie Longueuil QC J4N 1E2 Canada	1,590.97	
8	9137-6939 Québec Inc.	Jean-Pierre Guertin 337, Avenue de la Chapelle Magog QC J1X 5V4 Canada	3,449.29	
9	9169-1758 Québec Inc., Gestion A1	3225, Boul. de l'Industrie Saint-Mathieu-de-Beloil QC J3G 0J8 Canada	2,774.68	
10	Aadil Mamuji	19-336 Queen St. S Mississauga ON L5M 1M2 Canada	1,750.00	
11	Ab Tech Services Polytechniques Inc.	204, Rue Joseph-Robertson Sherbrooke QC J1L 2X3 Canada	3,689.78	
12	Abbas Brirem	A/S Lette et Associés s.e.n.c.r.l. 630 boul. René-Lévesque Ouest, Bur 2800 Montréal QC H3B 1S6 Canada	1.00	
13	Acklands Grainger Inc.	2420, Rue de la Province Longueuil QC J4G 1G1 Canada	5,738.98	
14	ADT Canada Inc.	8481 Langelier Montréal QC H1P 2C3 Canada	7,604.34	
15	Aecon Material Engineering Corp.	215 Stafford Rd. W. #104 Ottawa ON K2H 9C1 Canada	3,124.45	
16	Aeromax	4636 Louis-B. Mayer Laval QC H7P 6E4 Canada	2,652.51	
17	AGAT Laboratoires Ltd.	9770, Route Transcanadienne St-Laurent QC H4S 1v9 Canada	1,224.48	
18	Agence du revenu du Québec	Direction régionale du recouvrement Secteur R23CPF - 3ième étage 1600 René-Lévesque Ouest Montréal QC H3H 2V2 Canada	-	1.00
19	Agility Logistics, Co. M9005C/U	Head Office - Suite B 185 Courtneypark Drive East Mississauga ON L5T 2T6 Canada	1,966.76	
20	Agility Logistics, Co. M9005C/U	Head Office - Suite B 185 Courtneypark Drive East Mississauga ON L5T 2T6 Canada	4,687.18	
21	Alaris Royalty Corp.	250, 333 - 24th Avenue S.W. Calgary AB T2S 3E6 Canada	83,457,242.00	10,227,398.00
22	Amar, Daniel	1415, Chemin Scarboro Mont-Royal QC H3P 2S2 Canada	11,729.06	
23	Amarjeet Singh Sabharwal	24, Scotchmere Crescent Brampton ON L6P 3A7 Canada	1,475.00	
24	Aménagement Paysager Lambert	9147-4551 Québec Inc. 3585, Boul. Jean d Bréboeuf Drummondville QC J2A 3K3 Canada	1,149.75	
25	American Bank of Canada (GC 63002)	P.O. Box 2000 West Hill ON M1E 5H4 Canada	262,929.51	
26	Anritsu Electronics Ltd	6600, TransCanada Highway Suite 750 Montréal QC H9R 4S2 Canada	101,986.38	
27	AON Parizeau Inc.	700, Rue de la Gauchetière Ouest Bureau 1800 Montréal QC H3B 0A5 Canada	1,671.67	
28	Aon Parizeau Inc.	A/S Lockbox 210400 C.P. 11728 Succursale Centre-Ville Montréal QC H3C 6P7 Canada	181,181.14	

No.	Name of Creditors	Address	Unsecured claim	Secured claim
29	Aon Parizeau Inc.	2637, Rue King Ouest Suite 200 Sherbrooke QC J1J 2H3 Canada	1,660.51	
30	Aqua Data	95, 5e Avenue Pincourt QC J7V 5K8 Canada	3,150.32	
31	Aqua Rehab	2145, rue Michelin Laval QC H7L 5B8 Canada	2,661.97	
32	Aquatech Société de Gestion de l'Eau Inc.	101, Rolland-Therrien Bureau 110 Longueuil QC J4H 4B9 Canada	4,114.67	
33	ARC - Bureau des services fiscaux de Montréal	Section Insolvabilité Division du recouvrement des recettes 305 Boulevard René-Lévesque Ouest Montréal QC H2Z 1A6 Canada	-	1.00
34	Arseneault, Gilles	694, Rue de Strasbourg Ste-Foy QC G1X 3A7 Canada	7,000.00	
35	ASM Atlantique Sous-Marine	1820 rue Mitis Chicoutimi QC G7K 1H5 Canada	50,014.13	
36	Association Des Maitres-Couvreurs du Québec	3001, Boul. Tessier Chomedey QC H7S 2M1 Canada	5,748.75	
37	Association Québécoise Transports et Routes	6666, Rue St-Urbain Bureau 450 Montréal QC H2S 3H1 Canada	7,112.36	
38	Atelier Civiliti Inc.	5778, Rue Saint-André Montréal QC H2S 2K1 Canada	11,847.94	
39	Atelier Urban Soland Inc.	5778, Rue Saint-André Montréal QC H2S 2K1 Canada	4,188.54	
40	Axor Experts-Conseils Inc.	5101 rue Buchan Bureau 400 Montréal QC H4P 2R9 Canada	199,414.77	
41	BDO Canada s.r.l./S.E.N.C.R.L./LLP	1000, Rue de la Gauchetière Ouest Bur. 200 Montréal QC H3B 4W5 Canada	6,029.38	
42	Beaucher Electrique Inc.	1280, Rue Galt Est Sherbrooke QC J1G 5C1 Canada	2,644.43	
43	Bell Canada	Centre de Versement sClients SP CP 11490 Succursale Centre-Ville Montréal QC H3C 3P6 Canada	27,348.21	
44	Bell Canada	C.P. 8713 Succursale Centre-Ville Montréal QC H3C 4L6 Canada	92,224.86	
45	Bell Canada	C.P. 11490 Station Centre-Ville Montréal QC H3C 5R7 Canada	21,409.38	
46	Bell Canada	Floor 2- 5115 Creekbank RD Copy Room 2A Mississauga ON L4W 5R1 Canada	2,848.63	
47	Bell Mobilite Cellulaire	C.P. 11095 Succursale Centre-Ville Montréal QC H3C 5E7 Canada	57,063.50	
48	Benning	43, Avenue Winston Churchill F-27400 Louvre France	4,711.08	
49	Bentley Systems, Inc.	P.O. Box 3695 Commerce Court Postal Station Toronto ON M5L 1K1 Canada	1,079.52	
50	Béton Mobile J.R.P. Inc.	144, St-Joseph Nord Rivière-Bleue QC G0L 2B0 Canada	3,679.21	
51	Binette, Claude	65, Rue De L'Oasis St-Jean-Sur-Richelieu QC J3B 7N1 Canada	1,845.06	
52	Blasteck International Inc.	16, rue Greenlay Nord Windsor QC J1S 2K2 Canada	2,609.93	
53	Borden Ladner Gervais LLP	1000 De la Gauchetière Ouest Suite 900 Montréal QC H3B 5H4 Canada	28,241.64	
54	Bouchard & Laflamme Architectes	989, ave. Royale Beauport QC G1E 2A3 Canada	2,069.55	
55	Bourgeois, Jean-Marie	Chemin Paul Rose, 7 1213 Onex Switzerland	5,859.93	
56	Brant County Power	65, Dundas ST. E. Paris ON H3L 3H1 Canada	23,221.50	
57	Brian M. Asparro	350 Albany Street, Apt 4P New York NY 10280 USA	12,424.14	
58	Brookfield GRS	A/S Jasmin Jagpal 39, Wynford Drive Toronto ON M3C 3K5 Canada	3,219.30	

No.	Name of Creditors	Address	Unsecured claim	Secured claim
59	Calibration Québec 1991 Enr	258, Chaplin Legardeur QC J5Z 4J8 Canada	2,684.71	
60	Can-Inspecc Inc.	C.P. 70072 C.P. des Châteaux Blainville QC J7B 0A9 Canada	4,528.58	
61	Canon Canada Inc.	A/S C.P. Scellée 914820 C.P. 4090 - Succursale A Toronto ON L6Y 5Z7 Canada	22,339.03	
62	Carmichael	260 A, Rue Léger Sherbrooke QC J1L 1Y5 Canada	3,740.14	
63	Centre Technologie Minérale et Plasturgie Inc.	671, Boul. Frontenac Ouest Porte 7-C Theftord Mines QC G6G 1N1 Canada	1,212.99	
64	Ceriu	1255, Rue University Bureau 800 Montréal QC H3B 3W3 Canada	3,019.82	
65	Chouinard, Jacques	5782, Chemin Roberge Ascot Corner QC J0B 1A0 Canada	4,943.93	
66	Chubb Edwards Canada	P.O. Box 57005 Station A Toronto ON M5W 5M5 Canada	1,505.69	
67	Cintas Canada Limitée	DEP 40000 P.O. Box 4372 - STN A Toronto ON M5W 0J2 Canada	1,102.37	
68	Civelec Consultant Inc.	3900, Côte Vertu Suite 200 St-Laurent QC H4R 1V4 Canada	1,437.19	
69	Civelec Consultants Inc.	3900, Côte-Vertu Suite 200 St-Laurent QC H4R 1V4 Canada	6,183.62	
70	Claire Dagenais	440, Rue Merry Sud Magog QC J1X 3M1 Canada	2,024.34	
71	Claude Barry R.C. Professionnelle Inc.	10, Rue Léonard Saint-Sauveur QC J0R 1R0 Canada	261,578.58	
72	Climatisation Montreal Inc.	109-115 rue Gaston-Dumoulin Blainville QC J7C 6B4 Canada	7,257.42	
73	Clyde & Cie Canada en Fidécimmis	630, René-Lévesque Ouest Bureau 1700 Montréal QC H3B 1S6 Canada	5,000.00	
74	Cometh Somocum	Le Triton 5, Rue du Gablan 98000 Monaco France	8,754.99	
75	Commission Scolaire Marie-Victorin	13 rue Saint-Laurent Est Longueuil QC J4H 3B7 Canada	16,184.33	
76	Commission Scolaire Région Sherbrooke	2955, Boul. Universite Sherbrooke QC J1K 2Y3 Canada	1,678.53	
77	Compac Ingénierie	116-14 Rue Louverture Pétion-Ville Haiti	61,658.08	
78	Compilation Data Traffic (CL)	12,736 boul. Industriel Pointes-aux-Trembles QC H1A 3V2 Canada	52,879.21	
79	Construction Jessiko	51, des Ateliers Lavaltrie QC J5T 3R3 Canada	3,159.79	
80	Consultant Michel Massicotte Inc.	500, Place d'Armes Suite 1940 Montreal QC H2Y 2W2 Canada	21,540.57	
81	Consultants Aurus Inc.	315, 5e Rue Chibougamau QC G8P 1T2 Canada	7,258.37	
82	Consultants Carpien Inc. (Les)	5929, Transcanadienne Bureau 140 St-Laurent QC H4T 1Z6 Canada	23,839.84	
83	Corem	1180, rue de la Minéralogie Québec QC G1N 1X7 Canada	15,751.54	
84	Corning Optical Communications (pour Samsung)	P.O. Box 040250 10061 Berlin Germany	140,289.42	
85	CSI Computers & Structure	1995, University Avenue Suite 540 Berkeley CA 94704 Canada	25,606.50	
86	CT Copieur Inc.	5545, Maurice-Cullen Laval QC H7C 2T8 Canada	11,968.29	
87	Cyme International T&D Inc.	P.O. Box 8729 STN A Toronto ON M5W 3C2 Canada	1,671.75	
88	Dairy One Cooperative, Inc.	730 Warren Road Ithaca NY 14850 Canada	3,856.08	
89	Dassault Systèmes	10 rue Marcel Dassault CS 40501 78946 Vélizy-Villacoublay Cedex France	22,650.18	
90	David Leslie Architecte	790, Learned Plain Cookshire QC J0B 1M0 Canada	13,911.98	
91	Déménagement Martin	81, Saint-Jean-Baptiste Sherbrooke QC J1c 0S9 Canada	5,106.27	

No.	Name of Creditors	Address	Unsecured claim	Secured claim
92	Déneigement Daniel Lachance Inc.	2860, Rue Royale St-Ferréol-les-Neiges QC G0A 3R0 Canada	5,754.50	
93	Détection Radex Inc.	4, Place du Commerce Bureau 101 Verdun QC H3E 1J4 Canada	14,049.95	
94	Développement Olymbec (2004) Inc.	333, Décarie 5e Etage St-Laurent QC H4N 3M9 Canada	46,342.95	
95	DHP Sherbrooke Inc.	196 Chemin Dion Sherbrooke QC J1R 0R8 Canada	1,422.40	
96	Dicom Express	10315, Cote De Liesse Dorval QC H9P 1A6 Canada	6,720.87	
97	Diners Club Commercial	C.P. 6044 Succursale Centre-Ville Montréal QC H3C 3X2 Canada	97,480.47	
98	Docu-Dépot Inc.	2301 de Cannes-Brûlées Lasalle QC H8N 3G1 Canada	27,439.78	
99	Domaine Bitobi	148, Chemin Quatre-Pattes Grand-Remous QC J0W 1E0 Canada	2,947.96	
100	Eaton Yale Company	4170, Sladeview Crescent Unit 1 Mississauga ON L5L 0A1 Canada	82,734.57	
101	Echafaudage Falardeau Inc.	6100, rue des Tournelles Québec QC G2J 1E4 Canada	3,995.38	
102	Ecole Polytechnique de Montréal	Service des finances, C.P. 6079 Succursale Centre-Ville Montréal QC H3C 3A7 Canada	1,319.85	
103	EDC Entretien du Coin	1411, rue Le Ber Sherbrooke QC J1G 2Y4 Canada	1,563.66	
104	Element Fleet Management Inc.	4 Robert Speck Parkway Suite 900 Mississauga ON L4Z 1S1 Canada	29,015.94	
105	EMS Structure Inc.	815, Boul. Lebourgneuf Bureau 406 Québec QC G2J 0C1 Canada	5,748.75	
106	Encon Group Inc.	1400, Blair Place Suite 500 Ottawa ON K1J 9B8 Canada	89,652.10	
107	Energir	C.P. 6115 Succursale Centre-Ville Montréal QC H3C 4N7 Canada	2,990.90	
108	Entreprises d'Electricité Gaétain Marciel Ltée (Les)	1031, Rue du Curé Beauchemin Terrebonne QC J6W 5H2 Canada	3,776.93	
109	Entrust Limited	Attn: Accounts Receivable 1000 Innovation Drive Ottawa ON K2K 3E7 Canada	8,014.00	
110	Enviro 5	1101, Route 139 Roxton Pond QC J0E 1Z0 Canada	3,755.62	
111	EnviroServices	589 rue Saint-Jean-Baptiste Terrebonne QC J6W 4R2 Canada	14,124.68	
112	Ercogener	ZI de St. Lambert-des-levées BP 30163 F49212 Saumur cédex France	10,493.98	
113	Erse Kablo Imalati San. Ve Tic. Ltd. Sti.	Perpa Ticaret Merkezi A Block K:2 NO: 9/0023 Istanbul Turkey	14,759.26	
114	Esthétique D'Autos Ste-Agathe-Des-Monts Inc.	1061, Rue Principale Sainte-Agathe-Des-Monts QC J8C 1L7 Canada	1,046.71	
115	ETAP Canada Ttd.	#102, 1289 - 91 Street SW Edmonton AB T6X 1H1 Canada	6,364.05	
116	Euler Hermès Canada Services Inc.	C/O Département des Finances 1155, Boul. René-Lévesque O. - B-2810 Montréal QC H3B 2J8 Canada	69,760.00	
117	Eurofins Environmental Testing Canada, Inc.	1111 Flint Road Suite 36 Downsview ON M3J 3C7 Canada	2,115.55	
118	Excavation Charles Grenier Inc.	C.P. 9 Stoke QC J0B 3G0 Canada	1,511.81	
119	Excavation CPT Tech Inc.	79, Rue Isaie Québec QC G1C 2S6 Canada	2,831.28	
120	Excavation G.A.L. inc	765 chemin Lakeside Foster QC J0E 1R0 Canada	2,095.42	
121	Excavation P. Laramée Inc.	5490 rue Frontenac Saint-Hyacinthe QC J2S 2E6 Canada	1,025.08	
122	Exova Canada Inc.	M9021C - C.P. 11792 Serv.9 Succursale Centre-Ville Montréal QC H3C 0C6 Canada	4,678.34	

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123	Exportation et Développement Canada	800, Square-Victoria, Bureau 4520 C.P. 124 Tour de la Bourse Montréal QC H4Z 1A1 Canada	1.00	
124	Fasken Martineau DuMoulin	800, Place Victoria, Bureau 3700 C.P. 242 - Tour de la Bourse Montréal QC H4Z 1E9 Canada	3,562.22	
125	Fondation du CHUS	530, 10e Avenue Sud Sherbrooke QC J1G 2R9 Canada	1,600.00	
126	Fondation Le Petit Baluchon	815 boul Lebourgneuf bur 201 Quebec QC G2J 0C1 Canada	1,200.00	
127	Forage Andre Roy Inc.	186, Rue Boyer St-Isidore QC J0L 2A0 Canada	112,075.84	
128	Forage et Dynamitage Daniel Fortin Inc.	500, Robert-McKenzie Suite 201 Beauharnois QC J6N 0N9 Canada	4,599.01	
129	Forage Grenville Drilling	141 Queen Grenville QC J0V 1J0 Canada	4,623.14	
130	Forage Liégeois	A/S Alain Zubrzycki 367, Rue Victoria Valleyfield QC J6T 1B5 Canada	1,567.51	
131	Forage M3 Drilling	501, Main E Suite 301 Hawkesbury ON K6A 1B3 Canada	22,936.50	
132	Forages Boissonneault Inc.	114 des Champs St-Apollinaire QC G0S 2E0 Canada	8,160.11	
133	Forages Comeau Inc.	801, Rue Principale Notre-Dame De Lourdes QC G0S 1T0 Canada	45,129.14	
134	Forages S.L. Inc.	383, Joseph-Gagné Sud La Baie QC G7B 3P6 Canada	11,834.27	
135	Fordia Ltée	3, Hôtel de Ville Dollard-des-Ormeaux QC H9B 3G4 Canada	1,704.00	
136	Francis Dubé, Consultant - Expert en assainissement	6-8285 rue Saint-Hubert Montreal QC H2P 1Z4 Canada	17,246.25	
137	Galaxia Consultants Inc.	6846, Kildare Montreal QC H4W 1B8 Canada	26,705.85	
138	Galerie Jeannine Blais	102, Main North Hatley QC J0B 2C0 Canada	1,071.81	
139	Génécor Experts-Conseils Inc.	660, Avenue Royale Québec QC G1E 1Y7 Canada	9,485.44	
140	Geneq Inc.	10700 rue Sécant Montréal QC H1J 1S5 Canada	14,988.42	
141	Genie +	1984, 5e Rue, Local 295 Levis QC G6W 5M6 Canada	25,363.49	
142	Géophysique G.P.R. International Inc.	100-2545, rue Delorimier Longueuil QC J4K 3P7 Canada	8,615.08	
143	Geophysique Sigma Inc.	1400, Bl. Marie-Victorin Bureau 200 St-Bruno QC J3V 6B9 Canada	37,300.68	
144	GHD Consultants Ltée	4600, Boul. de la Côte-Vertu Montréal QC H4S 1C7 Canada	7,526.37	
145	Gicleurs F.F. (1981) Ltée.	435, Robinson Sud Granby QC J2G 7N3 Canada	5,475.69	
146	GicloCept Inc.	55, Boul. Ste-Rose Ste-Rose - Laval QC H7L 2J4 Canada	2,184.53	
147	Gill, Claude	6043, Rue Paulin Laval QC H7H 3E2 Canada	12,191.70	
148	Gingras Electrique Inc.	455, Boul. Renault Beauceville QC G5X 1N5 Canada	1,217.50	
149	Goulet Cormier & Associés Inc.	2, Place Alexis-Nihon 3500, Boul. de Maisonneuve O. - B-950 Montréal QC H3Z 3C1 Canada	91,980.00	
150	Groupe ABS Inc.	17, Rue de L'Industrie St-Rémi QC J0L 2L0 Canada	7,811.98	
151	Groupe Dayan Inc.	(Division de 143839 Canada Inc.) 433, Chabanel W. - Suite 300 Montréal QC H2N 2J4 Canada	3,209.39	
152	Groupe Diamantex	215, Rue de Copenhague Saint-Augustin-de-Desmaures QC G3A 2V1 Canada	5,513.07	
153	Groupe Environex	4495, Boul. Wilfrid-Hamel Suite 150 Québec QC G1P 2J7 Canada	84,149.83	
154	Groupe Géniarp Inc.	4650 Boul. de L' Auvergne Québec QC G2C 2B5 Canada	8,442.05	

No.	Name of Creditors	Address	Unsecured claim	Secured claim
155	Groupe Intervia Inc.	7505, Rue Saint-Hubert Montréal QC H2R 2N7 Canada	2,771.80	
156	Groupe Pages Jaunes Corp.	C.P. 11788 Succursale Centre-Ville Montréal QC H3C 0C2 Canada	1,823.13	
157	Groupe Santé Medisys Inc.	600, Boul. de Maisonneuve Ouest Bureau 2000 Montréal QC H3A 3J2 Canada	5,260.13	
158	Groupe Soucy Inc.	1060 boul. Thibeau Trois-Rivières QC G8T 7B2 Canada	1,528.42	
159	Groupe-Conseil Gabriel Amar & Associés Inc.	2000, Avenue McGill College Bureau 1460 Montréal QC H3A 3H3 Canada	6,809.39	
160	GSF Canada Inc.	4705, Louis-B. Mayer Laval QC H7P 6G5 Canada	3,482.88	
161	Hoskin Scientifique Ltée	4210, Morris Drive Burlington ON L7L 5L6 Canada	1,261.23	
162	Huawei Telecommunications Algeria SARL	14 Avenue Mohamed Khemisti 16033 Dar Elbeida Alger Algérie	43,249.80	
163	Hugo Regnier Aménagement HR Inc.	4881, Rue Gilles-Coutu Sherbrooke QC J1N 0C8 Canada	1,724.63	
164	Hydratec Inc.	64 Haverhill RD Windham NH 03087 USA	2,998.43	
165	Hydro-Québec	C.P. 11022 Succursale Centre-Ville Montréal QC H3C 4V6 Canada	30,705.70	
166	Ige-Xao Amerique du Nord Inc.	7777 Boul. Louis-H. Lafontaine Suite 201 Anjou QC H1K 4E4 Canada	13,912.01	
167	IME Experts-Conseils Inc.	1340, Rue King Ouest Sherbrooke QC J1J 2B6 Canada	13,613.04	
168	Infosat Télécommunications	3130-114 Avenue, SE Calgary AB T2Z 3V6 Canada	1,268.00	
169	Intact Insurance	2020 University Street, Suite 700 Montréal QC H3A 2A5 Canada	1.00	
170	Integrated Private Debt Fund V LP	70 University Avenue, Suite 1200 Toronto ON M5J 2M4 Canada		25,780,463.00
171	Investissement Québec	413 St-Jacques Bur 500 Montréal QC H2Y 1N9		353,750.00
172	Ipswitch Inc.	10, Maguire Road Lexington MA 02421 USA	18,245.84	
173	J.R. Labrecque Electricque	2580, Cote de Terrebonne Terrebonne QC J6Y 1H6 Canada	1,580.91	
174	Jan-Pro Canada Est Inc.	2323, Boul. du Versant Nord Bureau 114 Québec QC G1N 4P4 Canada	3,207.80	
175	Jean Larose Sténo Inc.	110-215, rue Saint-Jacques Montréal QC H2Y 1M6 Canada	1,631.06	
176	Jobboom Inc.	C.P. 11474 Succ. Centre-Ville Montreal QC H3C 5N4 Canada	9,254.00	
177	JOVACO Solutions inc.	7100, rue Jean-Talon est Bureau 1150 Montréal QC H1M 3S3 Canada	1,425.69	
178	Jubenville et Associés, Architectes	101, Rue Court Sherbrooke QC J1H 1G5 Canada	12,562.14	
179	Kinetic Living Concept Inc.	C.P. 267 Succursale Youville Montréal QC H4P 2V4 Canada	45,482.50	
180	KPMG s.r.l./s.e.n.c.r.l.	C.P. 4348 Succ. A Toronto ON M5W 7A6 Canada	454,009.83	
181	LaboSport Inc.	100-5661, Rue de Lanaudière Montréal QC H2G 3A5 Canada	6,323.62	
182	Lakes Environmental Software	170, Columbia St W, Unit 1 Waterloo ON N2L 3L3 Canada	1,793.88	
183	Langelier For-Expert Inc.	195, Route 137 La Présentation QC J0H 1B0 Canada	3,794.17	
184	Langlois Avocats, S.E.N.C.R.L.	1250, Boul. René-Lévesque Ouest 20e Etage Montreal QC H3B 4W8 Canada	12,771.82	
185	Le Cabinet de relations publiques National Inc.	1155, rue Metcalfe Bureau 800 Montréal QC H3B 0C1 Canada	37,701.13	
186	Leibe Engineering Associates	22, Antares Drive Suite 201 Nepean ON K2E 7Z6 Canada	10,836.70	
187	Létourneau, Vincent	VL Environnement 44, Chemin Nicole Orford QC J1X 6M1 Canada	2,536.23	
188	Livingston	6700 Cote de Liesse Bureau 300 St-Laurent QC H4T 2B5 Canada	2,182.41	

No.	Name of Creditors	Address	Unsecured claim	Secured claim
189	LJT Conseil Inc.	380, rue Saint-Antoine Ouest Bureau 7100 Montreal QC H2Y 3X7 Canada	29,717.55	
190	LJT Litige Inc.	380, rue Saint-Antoine Ouest Bureau 7100 Montreal QC H2Y 3X7 Canada	253,192.45	
191	LJT Recherche Inc.	380, Rue Saint-Antoine Ouest Bureau 7100 Montréal QC H2Y 3X7 Canada	5,109.41	
192	Location Sauvageau	521, Cote Joyeuse St-Raymond QC G3L 4A9 Canada	1,478.89	
193	Location St-Jean Inc.	630 Chemin Grand-Bernier Nord Suite #100 St-Jean-sur-Richelieu QC J2W 2H1 Canada	1,221.04	
194	Loranger Marcoux Avocats s.e.n.c.r.l.	2000, avenue McGill College Bureau 2150 Montréal QC H3A 3H3 Canada	33,528.20	
195	Luqs Inc.	2250, Saint-Martin Est Bureau 200 Laval QC H7E 5A4 Canada	1,227.35	
196	LysAirMécanic Inc.	1420, Rue Lachaine Laval QC H7C 2N7 Canada	1,619.71	
197	M. Bernard Barrucco	128, Rue Blancardin Québec QC G1C 4Y2 Canada	7,190.72	
198	Malka, Emile - Succession	5900, Boul. Cavendish App. 802 Côte Saint-Luc QC H4W 3G9 Canada	5,259.09	
199	Matériel de Laboratoire J.G.	1011, Autoroute 13 Laval QC H7W 4V3 Canada	1,714.97	
200	Matrec	140, Rue Martin Granby QC J2G 6B4 Canada	1,783.41	
201	Maximum Signalisation	9128-3713 Québec Inc. 2929 Bellefeuille Trois-Rivières QC G9A 3Z2 Canada	1,759.12	
202	Maxi-Paysage Inc.	2601, ave. de la Rotonde Charny QC G6X 2M2 Canada	8,047.51	
203	Mayer Brown	20, Avenue Hoche 75008 Paris France	9,893.02	
204	MDDELCC	675, boul. René-Lévesque Est, 30e étage Quebec QC G1R 5V7 Canada	2,389.00	
205	MDDEP	675, Boul. René-Lévesque Est 3e Etage - Boite 11 Québec QC G1R 5V7 Canada	7,500.00	
206	Michel Hamel Architecte Designer	659, London Sherbrooke QC J1H 3N2 Canada	3,705.64	
207	Microbios Analytique	550 Père-Lelièvre Bureau #108 Québec QC G1M 3R2 Canada	1,827.35	
208	Mini-Excavation Beloeil Inc.	2255 rue Bombardier Sainte-Julie QC J3E 2J9 Canada	4,369.05	
209	Ministère des Transports de la mobilité durable et de l'Électrification des Transports	700, Boul. René-Lévesque Est 20e Etage Québec QC G1R 5H1 Canada	25,660.00	
210	Miovision Technologies	137 Glasgow Street Suite 110 Kitchener ON N2G 4X8 Canada	14,986.97	
211	Mme Doris Poulin et M. Michel Raymond	A/S Langlois Avocats s.e.n.c.r.l. 1250, boul. René-Lévesque Ouest, 20e étage Montréal QC H3B 14W8 Canada	1.00	
212	Mme Josée Goulet	1001, Place Mount Royal App. 801 Montréal QC H3A 1P2 Canada	9,863.66	
213	Morneau Shepell Ltd	CP 6124 Succursale F Toronto ON M4Y 2Z2 Canada	3,191.20	
214	Nakivo	785 Virginia Ave Campbell CA 95008 Canada	2,429.13	
215	Navair Technologies Inc.	6375 Dixie Road, Unit #7 Mississauga ON L5T 2E7 Canada	3,712.32	
216	Neopost Canada Limited	150, Steelcase Rd. West Markham ON L3R 3J9 Canada	13,907.22	
217	Network IT Inc.	50, West Wilmot St. Unit 12 Richmond Hill ON L4B 1M5 Canada	4,095.00	
218	Noramtec Consultants Inc.	1770, Boul. René-Lévesque Ouest Montreal QC H3H 2S9 Canada	27,938.93	
219	Norda Stelo Inc.	1015, Avenue Wilfrid-Pelletier Québec QC G1W 0C4 Canada	50,713.35	
220	Nordikeau Inc.	603, Boul. Base-de-Roc Joliette QC J6E 5P3 Canada	10,147.98	
221	Notaire Pascale Gagnon	3355, boul. Grande-Allée Boisbriand QC J7H 1H5 Canada	1,724.63	

No.	Name of Creditors	Address	Unsecured claim	Secured claim
222	Notarius Inc.	465 rue McGill Bureau 300 Montréal QC H2Y 2H1 Canada	16,377.54	
223	Nubik Inc.	2921 des Marguerites Carignan QC J3L 0E8 Canada	5,691.27	
224	Omnimetrix Instruments	6415458 Canada Inc. 3465 rue Ashby St-Laurent QC H4R 2K3 Canada	7,850.15	
225	Opta Intelligence Informationnelle Inc.	255, Boul. Crémazie Est 2e Etage Montréal QC H2M 1M2 Canada	1,810.86	
226	Orange Traffic	18195 , J.A. Bombardier Mirabel QC J7J 0E7 Canada	3,311.28	
227	Orlando Rodriguez-Pabon	1587, 7è Rue St-Rédempteur QC G6K 1S7 Canada	4,606.60	
228	Orthogone Technologies Inc.	200-1425, Route Transcanadienne Dorval QC H9P 2W9 Canada	121,682.48	
229	Osler, Hoskin & Harcourt LLP	Service des finances et de la comptabilité 1 First Canadian Place Toronto ON M5X 1B8 Canada	9,875.55	
230	Osler, Hoskin & Harcourt LLP	1 First Canadian Place PO Box 50 Toronto ON M5X 1B8 Canada	1,621.09	
231	Osler, Hoskin & Harcout S.E.N.C.R./s.r.l.	1000, Rue de la Gauchetière Ouest Bureau 2100 Montréal QC H3B 4W5 Canada	12,846.93	
232	OTN Systems NV	Atealaan 34 B-2200 Herentals Belgium	64,506.04	
233	P.R. Martin et Associés Inc, Gestionnaires	1080, Côte du Beaver Hall Bureau 1810 Montréal QC H2Z 1S8 Canada	25,721.60	
234	Pedro José Botero, ing.	Carrera 52a, No. 57b 33 Apto 421 Bogota Colombia	5,000.00	
235	Perfectionnement - ETS	Univesité du Québec/ETS 1100, Rue Notre-Dame Ouest Montréal QC H3C 1K3 Canada	1,713.13	
236	Perron, Hudon, Bélanger Inc.	90D, chemin de la Grande-Côte Boisbriand QC J7G 1C3 Canada	16,306.04	
237	Plastech Plus Inc	1011, Autoroute 13 Laval QC H7W 4V3 Canada	1,031.91	
238	Plomberie Réjean Lemelin Inc.	5340, Boul. Laurier Ouest St-Hyacinthe QC J2S 3V7 Canada	11,296.29	
239	Pourvoirie Le Rochu	13, Rue Descôteau Saint-Charles-Borromée QC J6E 7T1 Canada	1,949.28	
240	Power Trunk Inc.	590 Madison Ave. 21st Floor New York NY 10022 USA	858,712.13	
241	Powersys Inc.	2000 Town Center Suite #1900 Southfield MI 48075 Canada	4,803.30	
242	ProContact Informatique	1000, Saint-Jean Baptiste Bureau 111 Québec QC G2E 5G5 Canada	137,140.76	
243	Professional Engineers and Geoscientists of BC	1500, Scotia One 10060 Jasper Avenue NW Edmonton AB T5J 4A2 Canada	1,102.50	
244	Promark-Télécon Inc.	200 Town Centre Blvd. Suite 300 Markham ON L3R 8G5 Canada	1,249.30	
245	Protection Incendie Idéal Inc.	1095, Rue Berlier Laval QC H7L 3Z1 Canada	3,564.23	
246	Protection Incendie MCI Inc.	5415 rue Armand-Frappier Saint-Hubert QC J3Z 1J4 Canada	2,832.24	
247	PSB Boisjoli	3333 Graham Bureau 400 Montréal QC H3R 3L5 Canada	7,133.38	
248	Quali-T Services et Solutions RH	9500, avenue Illinois Local B Brossard QC J4Y 3B7 Canada	12,006.98	
249	Quantum Management Services Ltd.	2000, McGill College Ave. Suite 1800 Montréal QC H3A 3H3 Canada	1,351.00	
250	R. Beaumont & Fils Inc.	321, Boul. Taché Ouest Montmagny QC G5V 3R8 Canada	9,387.70	
251	R.S. Means Company	Reed Construction Data P.O. Box 7247-6961 Philadelphia PA 19170-6961 USA	1,795.64	
252	RBC equipement financing	1, Place Ville-Marie M-1 Montréal QC H3C 3B5		16,479.00
253	RCI Environnement	Div. de WM Québec Inc. 9501 Boul. Ray-Lawson Anjou QC H2Y 2G1 Canada	8,729.05	

No.	Name of Creditors	Address	Unsecured claim	Secured claim
254	RD Pavage Ray. Desrochers Inc.	304, Rue Beaucage Québec QC G1M 1H7 Canada	3,031.71	
255	Receveur Général du Canada	ARC - Centre de Technologie 875, Chemin Héron Ottawa ON K1A 1B1 Canada	1,580.56	
256	Renald Meunier Inc.	2705, ch. Dunant Sherbrooke QC J1H 0A4 Canada	2,118.42	
257	Resologi	10138, Rue Lajeunesse Suite 301 Montréal QC H3L 2E2 Canada	1,747.62	
258	Revenu Canada	275, Chemin Pope - S-101 Iles Prince Edouard QC C1N 6E7 Canada	44,328.08	
259	Robinson Sheppard Shapiro S.E.N.C.R.L. * L.L.P.	4600-800 du Square Victoria Montréal QC H4Z 1H6 Canada	99,569.66	
260	Rootlevel	575, Saint-Joseph Est Bureau 200 Québec QC G1K 3B7 Canada	21,557.81	
261	S. et S. Maintenance Inc.	1900, Chemin Brunet Sainte-Agathe-des-Monts QC J0T 2Z7 Canada	1,718.89	
262	S.D. Énergie Inc.	2155, rue Joseph-St-Cyr Drummondville QC J2C 0B9 Canada	4,228.94	
263	Salesforce.com Canada Corp	C/O 913321 P.O. Box 4090, Station A Toronto ON M5W 0E9 Canada	15,043.62	
264	SEMS Consultancy DMCC	405 JBC5, Cluster W, JLT P.O. BOX 390366 Dubai United Arab	36,571.60	
265	Services CB Star (Les)	333, Rue Chabanel Ouest Bureau 516 Montréal QC H2N 2E7 Canada	3,953.99	
266	SGS Canada Inc.	CP 4580 Dept 5, Station A Toronto ON M5W 4W2 Canada	6,898.50	
267	Signa + Inc.	975, Rue Bergar Laval QC H7L 4Z6 Canada	7,770.32	
268	Signalisation SMG	2275 - 43e Avenue Lachine QC H8T 2K1 Canada	3,960.89	
269	SKM Power Tools	One Pearl Street Redondo Beach CA 90277 USA	1,914.80	
270	Smart Navigation inc.	4650, Boul. de l'Auvergne Québec QC G2C 2B5 Canada	9,198.00	
271	Société de Service en Signalisation SSS	4455, Rue Louis-B. Mayer Laval QC H7P 6B5 Canada	5,992.50	
272	Société en Commandite Services	Forestiers Opitciwan 1, de la Pointe - C.P. 108 Obedjiwan QC G0W 3B0 Canada	2,975.00	
273	Société Erre Inc.	5854, 8e Avenue Montréal QC H1Y 2L8 Canada	4,988.18	
274	Soft DB	1040, Avenue Belvédère Suite 215 Québec QC G1S 3G3 Canada	9,933.84	
275	SolidCAD	101-C Rue Louvain Ouest Montréal QC H2N 1A3 Canada	7,640.09	
276	Solution, Division de EnGlobe Corp.	4495, Boul. Wilfrid-Hamel Bureau 200 Québec QC G1P 2J7 Canada	2,461.94	
277	Solutions Aquavidya Inc.	948, Rue Donat-Bélisle Laval QC H7X 3W5 Canada	1,690.14	
278	Solutions Biz Inc.	5601 Chemin St-Francois St-Laurent QC H4S 1W6 Canada	10,186.26	
279	Solutions TPL Inc.	2250, boul. St-Martin Est Bureau #010 Laval QC H7E 5A4 Canada	3,782.68	
280	Somatech Inc.	2313, rue King Ouest #202 Sherbrooke QC J1J 2G2 Canada	149,941.76	
281	Soucy Aquatik Inc.	3605, Boul. Wilfrid-Hamel Québec QC W1P 2J4 Canada	6,898.50	
282	Spectris Canada, Inc.dba Omega Environmental	P.O. Box Number 15793 Station A Toronto ON M5W 1C1 Canada	1,350.17	
283	SPI Santé Sécurité Inc.	60 Gaston-Dumoulin Blainville QC J7C 0A3 Canada	2,320.01	
284	Starin Marketing Inc.	P.O. Box 15388 Station A Toronto ON M5W 1C1 Canada	4,165.76	
285	Structurepoint, LLC	5420 Old Orchard Rd. Skokie IL 60077 USA	4,513.83	
286	STV	225 Park Avenue South New York NY 10003-1604 USA	42,071.15	

No.	Name of Creditors	Address	Unsecured claim	Secured claim
287	STV Incorporated	225 Park Avenue South New York NY 10003-1604 USA	76,563.59	
288	Succession Forage George Downing Limitée	410, Rue Principale Grenville QC J0V 1B0 Canada	25,014.93	
289	Surplec HV Solutions	149, Godin Sherbrooke QC J1R 0S6 Canada	44,761.50	
290	Système Intérieur Sélection (2000)	9127-6873 Québec Inc. 4020 Louis-B.-Mayer, Suite 207 Laval QC H7P 1J0 Canada	7,358.40	
291	Systèmes Télésecure Inc. (Les)	4400 rue Ouimet Sherbrooke QC J1L 2A8 Canada	1,885.89	
292	Thomas Engineering Ltd	1165, Beaverwood Road Box 143 Manotick ON K4M 1A2 Canada	4,682.36	
293	TLA Architectes	2372, Boul. St-Martin Est Suite 200 Laval QC H7E 5A4 Canada	20,877.67	
294	Tony Bisson	C.P. 61 Port Meunier QC G0Y 2Y0 Canada	7,700.00	
295	Tourne-Sol	160 Marcotte Stukely Sud QC J0E 2J0 Canada	3,890.00	
296	Trafficware University	PO Box 499 Sugar Land TX 77487 USA	1,190.08	
297	Trane U.S. Inc.	C.D.S. Administration 3600 Pammel Creek Road La Crosse WI 54601-7599 Canada	1,335.55	
298	Un Mot d'Excellence Inc.	1819, Boul. René-Levesque Ouest Bureau 202 Montréal QC H3H 2P5 Canada	1,708.52	
299	Universite de Sherbrooke	Direction des Ressources Financiers 2500, Boul. Université Sherbrooke QC J1K 2R1 Canada	38,094.09	
300	Videotron (00900212926)	CP 11078 Succ Centre-Ville Montreal QC H3C 5B7 Canada	13,634.31	
301	Ville De Longueuil	C.P. 4000 Succursale Longueuil Principale Longueuil QC J4K 0A1 Canada	69,902.32	
302	Ville De Sherbrooke	555, Rue des Grandes-Fourches Sud Bloc B - Local 224 Sherbrooke QC J1H 5H9 Canada	12,692.52	
303	Winning Strategies Washington, LLC	C/O The Princeton House 160 West State Street, Suite 4 Trenton NJ 08608-1102 USA	9,669.75	
304	Yves R Hamel et Associés Inc.	102-424 Guy Montréal QC H3J 1S6 Canada	12,574.82	

90,204,861.76 36,378,092.00

Total **126,582,953.76**

Appendix C
(under seal)

Appendix D
(under seal)

Appendix E
(under seal)

Appendix F
(under seal)

Appendix G
(under seal)

Appendix H

Groupe SM - Budget to actual

For the four-week period ended 15 Sep, 2018

Consolidated (\$000)	Actual	Budget ⁽¹⁾	Variance	Note
Collections				
Collections from operations	6,775.8	7,351.0	(575.2)	1
Other	32.3	-	32.3	
Total Collections	6,808.1	7,351.0	(542.9)	
Disbursements				
Payroll	2,583.4	2,600.0	16.6	
DAS & RRSP	355.3	744.0	388.7	2
GST/QST	-	-	-	
Purchases, suppliers and other	229.9	1,390.0	1,160.1	3
Alaris	-	84.0	84.0	4
IAM	-	-	-	
Operating leases	45.7	47.0	1.3	
Insurances	168.5	160.0	(8.5)	
Rents	339.7	318.0	(21.7)	
Group Insurance	180.7	150.0	(30.7)	
KERP	500.0	500.0	-	
Professional fees	526.6	310.0	(216.6)	5
Subsidiary (Payroll, rent & monthly expenses)	66.1	-	(66.1)	6
Total Disbursements	4,995.9	6,303.0	1,307.1	
Net Cash-Flow	1,812.2	1,048.0	764.2	
Net cash (Shortfall) - Beginning	1,631.0	1,652.0	(21.0)	
Outstanding cheques cancelled	167.1	-	167.1	
Net cash (Shortfall) - End	3,610.3	2,700.0	910.3	

⁽¹⁾ Budget presented by SM for the period from August 19 to December 1, 2018.

SM Group

Budget to actual – Main explanations

1. **Collections from operations:** The Company's management team indicated that the unfavorable variance is mainly explained by the timing of collections. Overall, the Company's management team anticipates that this variance will be compensated in the upcoming weeks.
2. **DAS & RRSP:** Actual disbursements on Deduction at Source (DAS) were lower than budgeted, generating a favorable variance of \$389K after four weeks. The budget assumed a normal payment of DAS based on the projected payroll without taking into consideration that a portion of the DAS was for a pre-filing payroll period.
3. **Purchases, suppliers and other:** A favorable variance of \$1.2M was generated during the four-week period due to timing of payments.
4. **Alaris:** Payments previously anticipated for the month of September will be paid before September 30th (timing). Payments that were pending as at the date of the Initial Order were cancelled.
5. **Professional fees:** The professional fees were higher than anticipated due namely to the following:
 - a. Preparation for the contested hearing on the Joint Application;
 - b. Communications with the employees across the province, the clients, the suppliers and the media;
 - c. Assistance to the Company's management team in connection with the preparation and the issuance of the financial information for the fiscal periods 2015-2016-2017 and up to June 30, 2018;
 - d. Assistance to the Company's management team in order to coordinate the preparation of the financial information to be included in the Data Room for the potential buyer;
 - e. Participation to meetings and communications with the potential buyer;
 - f. Initiation of a Forensic Review conducted by the Monitor, following the numerous events outlined in the report (email issues, advances variation, etc.);
 - g. Need to address issues in relation with the maintaining of the SM Authorizations by the AMF and communications with the AMF;
 - h. Need to address legal issues regarding the alleged rights of certain parties;
 - i. Communications with and participation to meetings with Thornhill.

6. **Subsidiary (Payroll, rent and monthly expenses):** A payment of \$27K was made on August 22, 2018, to fund the operations of The SM Group (U.S), a company owned by Mr. Bernard Poulin. The court order was not yet issued at that date. Since the issuance of the Initial Order, no payment was made to The SM Group (U.S). Additionally, payments were also issued to SM Saudi to enable the Company's management team to finalize the disposition of assets.

Appendix I
(under seal)