

**UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION**

In re:)	Chapter 15
)	
DYNAMIC TECHNOLOGIES GROUP)	Case No. 23-41416
INC., <i>et al.</i> , ¹)	
)	(Jointly Administered)
Debtors in a Foreign Proceeding.)	

DECLARATION OF DUSTIN OLVER

I, Dustin Olver, pursuant to 28 U.S.C. § 1746, hereby declare under penalty of perjury under the laws of the United States of America that the following is true and correct to the best of my knowledge, information, and belief.

1. I am the Senior Managing Director of FTI Consulting Canada Inc., the Monitor of Dynamic Group, in a certain Canadian proceeding (defined below).

2. I am over the age of 18 and intimately familiar with the debtors, Dynamic Technologies Group Inc. (“DTG” or the “Foreign Representative”), Corporate Secretary of Dynamic Attractions Ltd. (“DAL”), Dynamic Entertainment Group Ltd. (“DEG”) Dynamic Attractions Inc. (“DAI”), and Dynamic Structures Ltd. (“DSL,” and collectively with DTC, DAL, DEG, and DAI, the “Dynamic Group” or the “Debtors”) and their reorganization proceeding (the “Canadian Proceeding”) currently pending in Court of the King’s Bench of Alberta, Judicial Centre Calgary (the “Canadian Court”).

¹ The Debtors in these Chapter 15 cases, along with the last four digits of the Debtors’ unique identifier are: DYNAMIC TECHNOLOGIES GROUP INC. (CA. BN 863055893); DYNAMIC ATTRACTIONS, INC. (EIN 98-1016243); DYNAMIC ATTRACTIONS LTD. (CA. BN 101632677); DYNAMIC ENTERTAINMENT GROUP LTD. (CA. BN 703755496 CR0001); DYNAMIC STRUCTURES LTD. (CA. BN 794519280 RC0001). Additional information regarding this case may be obtained on the Monitor’s website for this case at <http://cfcanada.fticonsulting.com/dynamicgroup/>.

3. All facts set forth in this Declaration are based upon (a) my personal knowledge; (b) my review of relevant documents and any and all documents prepared and/or filed in connection with the Canadian Proceedings; (c) information supplied to me by the directors or professionals retained by the Debtors; or (d) based on my experience and knowledge of the Debtors' assets and financial condition.

4. I make this Declaration in support of the *Motion for Entry of an Order (I) Recognizing and Enforcing the CCAA Vesting Orders, (II) Approving the Sale of Substantially All of the Debtors' Interests Free and Clear of Liens, Claims and Encumbrances, and (III) Granting Related Relief* (the "Sale Motion").

BACKGROUND²

I. The Canadian Proceeding and the U.S. Proceeding

5. On March 9, 2023, the Canadian Court entered the "Initial CCAA Order." The Initial CCAA Order, among other things, (i) commenced the Canadian Proceeding pursuant to the CCAA; (ii) appointed FTI Consulting Canada Inc. as Monitor in the Canadian Proceeding; (iii) granted a stay of proceedings in favor of the Debtors and their directors and officers up to and including March 19, 2023; (iv) granted priority charges in favor of (a) professionals employed by the Debtors and the Monitor; (b) directors and officers of the Debtors; and interim lender; (iv) authorized the Debtors to continue utilizing the Cash Management System; and (v) authorized interim financing with Promising Expert Limited ("PEL").

² A detailed description of the Debtors and their businesses and the facts and circumstances surrounding these Chapter 15 Cases are set forth in (a) the Verified Petition for Entry of an Order Recognizing Foreign Main Proceeding and Granting Additional Relief [Docket No. 2] together with the official form petitions filed concurrently therewith, the "Petition"), (b) the Declaration of Allan Francis [Docket No. 3], and (c) the Motion for an Order Granting Comity for Stay Extension [Docket No. 17] ("Motion for Comity"), each incorporated by reference herein.

6. On March 16, 2023, the Canadian Court entered an order (the “Amended Initial CCAA Order” and together with the Initial CCAA Order, the “Initial CCAA Orders”) which, among other things, (i) granted an extension of the stay of proceedings up to and including May 28, 2023; (ii) amended the amounts of the priority charges previously approved by the court; and (iii) authorized and empowered the Debtors to act as the foreign representative in respect of the Canadian Proceeding for the purposes of having such proceedings recognized in the United States. The Amended Initial CCAA Order also approved a Sale and Investment Solicitation Procedure (the “SISP”) with various milestones.

7. On May 26, 2023, the Canadian Court entered an order extending the stay through July 28, 2023 (the “Stay Extension Order”) to allow the Debtors, Monitor, and PEL additional time to complete the Transaction Agreement and related agreements.

8. On June 14, 2023, this Court entered (i) an order [Docket No. 43] (the “Recognition Order”) granting recognition of the Canadian Proceeding as a “foreign main proceeding” and granting comity and full force and effect to the Initial CCAA Orders in the United States, and (ii) an order granting the Motion for Comity [Docket No. 44].

II. Monitor’s Reports and Relevant Filings in the Canadian Proceeding Support Approval of the Sale Motion.

9. In connection with the Canadian Proceeding, my office created and filed certain reports with the Canadian Court. Each report provides specific details regarding the Monitor’s activities subsequent to the date of the Initial CAA Order, and a summary of Debtors’ restructuring activities. My office publishes copies of these reports, court orders, affidavits, and all other court-filed documents and notices on the Monitor’s website at <http://cfcanada.fticonsulting.com/dynamicgroup/> (the “Monitor’s Website”).

10. Upon approval of the SISP by the Canadian Court, by means of the Amended Initial CCAA Order, the Debtors and our office began marketing the Dynamic Group's business in accordance with the SISP. My office outlined these efforts in the Second Monitor Report filed with the Canadian Court, on May 19, 2023.

11. Attached hereto as **Exhibit 1-C** is a true, correct, and certified copy of the Monitor's Second Report (the "Second Monitor Report"), filed in the Canadian Proceeding, and published on the Monitor's Website.

12. In relevant part, the Second Monitor Report explains that the SISP included a Phase 1 bid deadline (the "Phase 1 Bid Deadline") whereby potential bidders were required to deliver a non-binding letter of intent ("LOI") to the Monitor prior to 5:00 PM (Calgary time) on April 28, 2023. Second Monitor Report at ¶ 14. The Monitor advertised the SISP in the Globe and Mail (National Edition) and distributed a solicitation process letter summarizing the opportunity via (i) a news release by Global Newswire to its North American distribution list, which was viewed by over 2,700 parties, (ii) targeted email blasts to approximately 95 parties who were contacted during the previous sales processes conducted by the Debtors prior to the Canadian Proceeding and approximately 130 parties identified by the Monitor, and (iii) posting the letter on the Monitor's website.

13. Ultimately, the Monitor received four LOIs (the "Bids"). *Id.* at ¶ 16. Three bids were cash offers for a single division of the Debtors' operations—two offers were for High Express Holdings (US) Inc. whose only asset is a 50% holding in Smoky Mountain Flyers LLC, a joint venture entity; the other cash offer was for the shares and assets of DAL, which included tax assets and the manufacturing equipment in DAL's production facility in Vancouver. *Id.* The fourth offer

was a credit bid (the “High Value Bid”) submitted by the Debtors’ secured creditor and interim lender, PEL, which represented an offer of the majority of the Debtors’ operations. *Id.*

14. Attached hereto as **Exhibit 1-D** is a true, correct, and certified copy of the Monitor’s Third Report filed in the Canadian Proceeding, on June 16, 2023 (the “Third Monitor Report”).

15. In the Third Monitor Report, my office outlines how it determined that the SISP was thorough, far-reaching and provided sufficient time and opportunity for interested parties to be involved and carry out the necessary due diligence required to form a view on the opportunity and ultimately submit a bid. Third Monitor Report ¶ 15. The Monitor also determined that the High Value Bid met the requirements of the SISP and will allow the Debtors to move forward with their restructuring efforts in an expedited manner, which is necessary in light of their cash constraints. *Id.* at ¶ 16. Finally, the Monitor believes that the High Value bid: (i) represents the highest and best offer; (ii) “results in a significantly higher recovery to creditors than in a liquidation or as compared to the other offers received”; and (iii) was the only viable bid that preserved the going-concern value. *Id.* at ¶ 17. All other offers were significantly less than the value of PEL’s secured debt. *Id.* at ¶ 26. Finally, the High Value Bid proposes to retain the majority of the Debtors’ remaining employees. *Id.* at ¶ 18.

16. The details of the High Value Bid are contained in the Third Monitor Report and the Transaction Agreement. A true, correct, and certified copy of the Transaction Agreement is attached hereto as **Exhibit 1-B** and is also published on the Monitor’s website.

17. In relevant part, and as set forth in the Transaction Agreement, the transaction is between the Debtors, on the one hand, and a purchaser group comprised of PEL, 2523613 Alberta Ltd. (“Canadian Holdco”), 15102545 Canada Inc. (“Canadian Subco”), and PEL Dynamic

Acquisition (US) Corp. (“US Subco,” and together with PEL, Canadian Holdco, and Canadian Subco, the “Purchaser”).

18. The transaction contemplates a Reverse Vesting Order (the “ARVO”) and a Sale Approval and Vesting Order (the “SAVO,” and with the ARVO, the “CCAA Vesting Orders”). The Canadian Court has approved both the ARVO and SAVO.

19. Collectively attached hereto, as Exhibit 1-A, are true, correct, and certified copies of both the SAVO and ARVO entered by the Canadian Court on June 9, 2023. The SAVO and ARVO are both published on the Monitor’s website.

20. Since, my office has filed its Fourth Report, attached hereto, as Exhibit 1-E, which is a true, correct, and certified copy of the Monitor’s Fourth Report, filed June 23, 2023 (“Monitor’s Fourth Report”). The Monitor’s Fourth Report outlines the Monitor’s comments with respect to the US Security review of PEL’s interest in the United States.

21. The Monitor believes that the Transaction Agreement is fair and reasonable under the circumstances, is the result of good faith, arms-length negotiations, and is in the best interests of the Debtors, their creditors, and other stakeholders.

22. For these reasons, the Monitor respectfully requests that the Sale Motion be granted.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct to the best of my knowledge, information, and belief.

Executed this 28th day of June in 2023, Calgary, Canada.

A handwritten signature in black ink, appearing to read "Dustin Olver", written over a horizontal line.

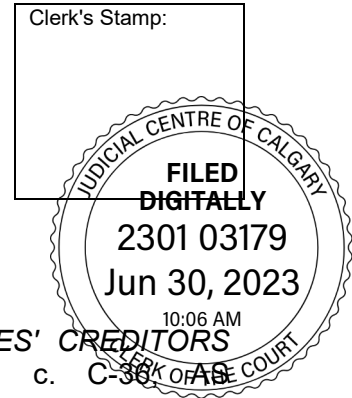
Dustin Olver
Senior Managing Director
FTI Consulting Canada Inc.
Monitor

EXHIBIT A

*Canadian Court's Approval and Reverse Vesting Order ("ARVO"), and
Canadian Court's Sale Approval and Vesting Order ("SAVO")*

CERTIFIED *E. Wheaton*
by the Court Clerk as a true copy of the
document digitally filed on Jun 30, 2023

COURT FILE NUMBER 2301-03179
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY



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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF DYNAMIC TECHNOLOGIES
GROUP INC., DYNAMIC ATTRACTIONS LTD., DYNAMIC
ENTERTAINMENT GROUP LTD., DYNAMIC
STRUCTURES LTD. and DYNAMIC ATTRACTIONS INC.

DOCUMENT APPROVAL AND REVERSE VESTING ORDER

ADDRESS FOR SERVICE AND CONTACT
INFORMATION OF PARTY FILING THIS
DOCUMENT
MLT AIKINS LLP
Barristers and Solicitors
2100, 222 – 3rd Avenue S.W.
Calgary, Alberta T2P 0B4
Telephone: 403.693.5420
Fax No.: 403.508.4349
Attention: Ryan Zahara
Email: rzahara@mltaikins.com
File No.: 0119375.00031

DATE ON WHICH ORDER WAS PRONOUNCED: JUNE 23, 2023

LOCATION OF HEARING OR TRIAL: CALGARY, ALBERTA

JUSTICE WHO MADE THIS ORDER: JUSTICE G.A. CAMPBELL

UPON the application of Dynamic Technologies Group Inc. ("**DTGI**"), Dynamic Attractions Ltd. ("**DAL**"), Dynamic Entertainment Group Ltd. ("**DEGL**"), Dynamic Structures Ltd. ("**DSL**") and Dynamic Attractions Inc. ("**DAI**") (collectively, the "**Applicants**") under the *Companies' Creditors Arrangement Act*, RSC, 1985, c C-36, as amended (the "**CCAA**") for an

order (this “**Order**”), among other things, approving the transactions (the “**Transaction**”) contemplated by the agreement dated as of June 22, 2023 (the “**PEL Transaction Agreement**”) among the DTGI, DAL, DEGL, DSL and DAI (collectively, the “**Vendors**”), Promising Expert Limited (“**PEL**”), 2523613 Alberta Ltd. (“**Canadian HoldCo**”), 15102545 Canada Inc. (“**Canadian SubCo**”), PEL Dynamic Acquisition (US) Corp. (“**US SubCo**”; together with Canadian Subco, the “**Purchaser**”) and 2524604 Alberta Ltd. (“**ResidualCo**”); **AND UPON** having read the Application, the Fourth Affidavit of Allan Francis (the “**Fourth Francis Affidavit**”), sworn on June 13, 2023, the Third Report (the “**Third Report**”) of FTI Consulting Canada Inc. dated June 15, 2023, in its capacity as monitor (the “**Monitor**”) of the Applicants, the Fourth Report (the “**Fourth Report**”) of the Monitor dated June 22, 2023, and the amended and restated initial order (the “**ARIO**”) granted by Justice D.R. Mah in the within proceedings on March 16, 2023; the stay extension order (the “**Extension Order**”) granted by Justice B.B. Johnston on May 26, 2023 extending the Stay Period in the ARIO until July 28, 2023; and the Affidavit of Service of Joy Mutuku, filed; **AND UPON** hearing from counsel for the Applicants, counsel for the Monitor, counsel for PEL, and counsel for any other creditors or stakeholders;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. The time for service of the notice of application for this order (the “**Order**”) is hereby abridged and deemed good and sufficient and this application is properly returnable today.

DEFINED TERMS

2. Capitalized terms used herein but not otherwise defined shall have the same meaning as given to such terms in the PEL Transaction Agreement and capitalized terms denoting the singular include the plural, and *vice versa*.

APPROVAL OF THE TRANSACTION

3. The PEL Transaction Agreement and the Transaction (including the Reorganization Steps) are hereby approved, and the execution of the PEL Transaction Agreement by the Applicants is hereby authorized and approved, with such amendments to the PEL

Transaction Agreement as the Vendors, PEL, ResidualCo, and the Purchaser may agree to with the consent of the Monitor. The performance by the Vendors of their obligations under the PEL Transaction Agreement is hereby authorized and approved. The Vendors and the Monitor are hereby authorized to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction, including without limitation, the Reorganization Steps.

4. For the purposes of determining the nature and priority of Claims, from and after the Effective Time (as defined in the PEL Transaction Certificate), subject to payment of the Cash Payment, all Claims, Liabilities and Encumbrances released, expunged and discharged pursuant to paragraph 12 hereof, including as against the Applicants, the Retained Assets and the Purchased Shares, shall attach to (a) the net proceeds remaining, if any (the "**Remaining Proceeds**"), realized from the Priority Payables Cash Payment and transferred to the Monitor on behalf of ResidualCo, and (b) the Excluded Assets, in each case, with the same nature and priority as they had immediately prior to the closing of the Transaction, as if the Transaction had not occurred.

REORGANIZATION

5. The Vendors, the Monitor and ResidualCo are authorized to undertake and complete the Reorganization Steps contemplated in **Schedule "J"** in the PEL Transaction Agreement and, without limiting the generality of the foregoing, subject to the terms of the PEL Transaction Agreement, upon delivery of a Monitor's certificate substantially in the form attached hereto as **Schedule "A"** (the "**PEL Transaction Certificate**") to the Vendors and the Purchaser, the following, among other things, shall be deemed to occur in accordance with the timing, sequence, terms and conditions set forth in the PEL Transaction Agreement and the Reorganization Steps:
 - (a) DTGI shall transfer (and in the case of the DTGI Share, issue) the Purchased Shares to Canadian SubCo in consideration for a portion of the Purchase Price;
 - (b) any and all outstanding shares of DTGI, DAL, DSL, and DEGL other than the Purchased Shares, and any and all options, warrants, and other rights and entitlements to shares of DTGI, DAL, DSL, and DEGL existing prior to the

Closing Date shall be deemed cancelled and extinguished without any consideration or any other Claim against the Vendors or ResidualCo therefor; and

- (c) any directors of DTGI, DAL, DSL, and DEGL immediately prior to the Closing Time shall be deemed to resign, and the new director named in the PEL Transaction Agreement shall be deemed to be appointed as a director of DTGI, DAL, DSL, and DEGL;
6. The Purchased Shares shall be transferred (and in the case of the DTGI Share, issued) by the Vendors to the Purchaser free and clear of and from any and all Claims, Liabilities or Encumbrances.
7. The Applicants and ResidualCo, in completing the transactions contemplated in the Reorganization Steps, are authorized:
- (a) to execute and deliver any documents and assurances governing or giving effect to the Reorganization Steps as the Applicants and ResidualCo, in their discretion, may deem to be reasonable, necessary or advisable to conclude the Reorganization Steps, including the execution of all such ancillary documents as may be contemplated in the PEL Transaction Agreement or as are reasonable, necessary or desirable for the completion and implementation of the Reorganization Steps, and all such ancillary documents are hereby ratified, approved and confirmed; and
 - (b) to take such steps as are, in the opinion of the Applicants and or ResidualCo, reasonable, necessary, advisable or incidental to the implementation of the Reorganization Steps.
8. The Applicants are hereby permitted to execute and file articles of amendment, amalgamation, continuance or reorganization or such other documents or instruments as may be required to permit or enable and effect the Reorganization Steps, including, without limitation, the transfer or issuance of the Purchased Shares and the appointment and resignation of directors of DTGI, DAL, DSL and DEGL and such articles, documents

or other instruments shall be deemed to be duly authorized, valid and effective notwithstanding any requirement under federal or provincial law to obtain director or shareholder approval with respect to such actions or to deliver any statutory declarations that may otherwise be required under corporate law to effect the Reorganization Steps.

9. This Order shall constitute the only authorization required by the Applicants or ResidualCo to proceed with the Transaction, including, without limitation, the Reorganization Steps and, except as specifically provided in the PEL Transaction Agreement, no director or shareholder approval shall be required and no authorization, approval or other action by or notice to or filing with any governmental authority or regulatory body exercising jurisdiction in respect of the Applicants is required for the due execution, delivery, and performance by the Applicants and ResidualCo of the PEL Transaction Agreement and the completion of the Transaction including, without limitation, the Reorganization Steps contemplated thereby.
10. In accordance with the terms of this Order:
 - (a) DTGI shall not be required to comply with the requirements of Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions, National Policy 11-207 – Failure to File Cease Trade Orders or the Cease Trade Order in connection with implementing the Reorganization Steps and any subsequent amalgamation of DTGI, DAL, DSL, and DEGL with Canadian SubCo (a “**Purchaser Amalgamation**”); and
 - (b) the Alberta Securities Commission and Ontario Securities Commission consent to the cease trade order in respect of DTGI issued by the Alberta Securities Commission on May 9, 2023 (the “**Cease Trade Order**”) being lifted for the limited purpose of allowing the Reorganization Steps outlined in items 1-14 of Schedule “J” of the PEL Transaction Agreement to be fully implemented. DTGI agrees to apply forthwith to the Alberta Securities Commission and the Ontario Securities Commission for a revocation of the Cease Trade Order that is required to effect the Purchaser Amalgamation.

11. The Executive Director as defined in the *Business Corporations Act*, RSA 2000, c B-9, as may be amended, and the Director of Corporations under the Canada *Business Corporations Act* RSC 1985, c C-44 (collectively, the “**Director**”), shall accept and receive any articles of amendment, amalgamation, continuance or reorganization or such other documents or instruments as may be required to permit or enable and effect the Reorganization Steps contemplated in the PEL Transaction Agreement, filed by either the Applicants or ResidualCo, as the case may be.

VESTING OF ASSETS AND LIABILITIES

12. Subject to the terms of the PEL Transaction Agreement, upon the delivery of the PEL Transaction Certificate to the Applicants and the Purchaser, the following shall be deemed to occur in accordance with the timing, sequence, terms and conditions set forth in the PEL Transaction Agreement:
 - (a) all of the DTGI, DAL, DSL and DEGL’s (collectively, the “**RVO Entities**”) right, title and interest in and to the Excluded Assets (including for certainty, the right to receive the Purchase Price (including the Cash Payment)) shall vest absolutely and exclusively in the name of ResidualCo and all Claims, Liabilities, and Encumbrances attached to the Excluded Assets shall continue to attach to the Excluded Assets with the same nature and priority as they had immediately prior to their transfer;
 - (b) all Excluded Liabilities and Excluded Contracts of the RVO Entities shall be transferred to, assumed by and vest absolutely and exclusively in the name of ResidualCo, and the Excluded Liabilities and Excluded Contracts of the RVO Entities shall be novated and become obligations of ResidualCo and shall no longer be obligations of the RVO Entities, and the RVO Entities shall be forever released and discharged from such Excluded Liabilities, Excluded Contracts, and all Encumbrances securing the Excluded Liabilities cancelled as against the RVO Entities;
 - (c) the RVO Entities and all of the Retained Assets of the RVO Entities, including, but not limited to, all of the RVO Entities’ remaining assets, undertakings and

properties of every nature and kind whatsoever and wherever situate shall be and are hereby forever released and discharged from all Excluded Contracts and Excluded Liabilities, and all related Claims, Liabilities, and Encumbrances, other than the permitted encumbrances, easements and restrictive covenants affecting or relating to the Retained Assets of the RVO Entities listed in Schedule “C” of the PEL Transaction Agreement (the “**Permitted Encumbrances**”), are hereby expunged and discharged as against the Retained Assets of the RVO Entities; provided that, for certainty, the Excluded Liabilities transferred hereby shall include the obligations of the RVO Entities in respect of the Priority Payables;

- (d) all right, title and interest in and to the Purchased Shares sold or issued to Canadian SubCo shall vest absolutely and exclusively in Canadian SubCo free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured or unsecured or otherwise, including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Initial Order or the ARIO, or any other Order of this Court; (ii) all charges, security interests or claims evidenced by registrations pursuant to the Personal Property Security Act (Alberta), (British Columbia), (Manitoba), (Ontario) or any other personal property registry system; and (iii) all Claims, Liabilities, and Encumbrances (all of which are collectively referred to as the “**Encumbrances**”, which term shall not include the Permitted Encumbrances) and for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Shares are hereby expunged and discharged as against the Purchased Shares;
- (e) all equity interests of DTGI, DAL, DSL, and DEGL existing prior to the commencement of the Reorganization Steps (for greater certainty, other than the Purchased Shares), as well as all options, conversion privileges, equity-based awards, warrants, securities, debentures, loans, notes or other rights,

agreements or commitments of any character whatsoever that are held by any Person and are convertible or exchangeable for any securities of DTGI, DAL, DSL, and DEGL or which require the issuance, sale or transfer by DTGI, DAL, DSL, and DEGL, of any shares or other securities of DTGI, DAL, DSL, and DEGL or otherwise evidencing a right to acquire the Purchased Shares and/or the share capital of DTGI, DAL, DSL, and DEGL, shall be deemed terminated and cancelled or redeemed as provided in the Reorganization Steps;

- (f) the commencement or prosecution, whether directly, indirectly, derivatively or otherwise of any demands, claims, actions, counterclaims, suits, judgements, or other remedy or recovery with respect to any indebtedness, liability, obligation or cause of action against the RVO Entities in respect of the Excluded Assets, Excluded Liabilities, or Excluded Contracts shall be permanently enjoined;
- (g) the nature of the Retained Liabilities and Retained Contracts retained by the Applicants, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of the PEL Transaction Agreement or the steps and actions taken in accordance with the terms thereof;
- (h) the nature and priority of the Excluded Liabilities and Excluded Contracts assumed by ResidualCo, including without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of their transfer to and assumption by ResidualCo; and
- (i) any Person that, prior to the Closing Date, had a valid Claim against the RVO Entities in respect of the Excluded Liabilities and the Excluded Contracts shall no longer have such or any Claim against the RVO Entities, but will have an equivalent Claim against ResidualCo (including, without limitation, in respect of the net proceeds of the Transaction received by ResidualCo pursuant to the PEL Transaction Agreement, if any) in respect of the Excluded Liabilities and Excluded Contracts from and after the Closing Date in its place and stead, and nothing in this Order limits, lessens, or extinguishes the Excluded Liabilities or

the Excluded Contracts or the Claim of any Person as against ResidualCo.

13. Upon delivery of the PEL Transaction Certificate to the Vendors and the Purchaser, and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental authorities (collectively, "**Governmental Authorities**") are hereby authorized, requested and directed to accept delivery of such PEL Transaction Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required in order to give effect to the terms of this Order and the PEL Transaction Agreement, including, but in no way limited to the Reorganization Steps.
14. In order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the PEL Transaction Agreement, including but in no way limited to the Reorganization Steps. Presentment of this Order and the Transaction Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registration such that the Purchased Shares, Retained Assets and Retained Contracts shall be free from all Encumbrances, Liabilities, and Claims.
15. The Purchaser shall be authorized to take all steps as may be necessary to effect the discharge of the Encumbrances as against the Purchased Shares, Retained Assets and the Retained Contracts.

CCAA APPLICANTS

16. Upon the filing of the PEL Transaction Certificate:
 - (a) ResidualCo shall be deemed to be a company to which the CCAA applies;
 - (b) ResidualCo shall be added as an applicant in these CCAA proceedings and any reference in any Order of this Court in respect of these CCAA proceedings to an "Applicant" shall refer to ResidualCo, *mutatis mutandis*, and, for greater certainty, each of the Charges (as such term is defined in the ARIO) shall, subject to the

terms of this Order, constitute a charge on the assets, property and undertakings of ResidualCo;

- (c) the RVO Entities shall be deemed to be released from the purview of any Order of this Court granted in respect of these CCAA proceedings, save an except for this Order, the terms of which as they relate to the RVO Entities shall continue to apply in all respects to the RVO Entities;
- (d) Without limiting the generality of (c), each of the Charges shall cease to constitute a charge on the assets, property and undertakings of the RVO Entities and the RVO Entities shall have no obligation or liability in relation to the Charges; and
- (e) The title and style of cause of these CCAA proceedings is hereby, and shall be deemed to be, amended as follows:

“IN THE MATTER OF THE COMPANIES’ CREDITORS ARRANGEMENT ACT,
RSC 1985, c C-36, as amended

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
DYNAMIC ATTRACTIONS INC. and 2524604 ALBERTA LTD.”

And any document filed thereafter in these CCAA proceedings (other than the PEL Transaction Certificate and the Monitor’s Closing Certificate contemplated by the SAVO) shall be filed using such revised title and style of cause of proceedings.

RELEASES

- 17. Effective upon the filing of the PEL Transaction Certificate, (i) the present and former, directors, officers, employees, legal counsel and advisors of the Applicants and ResidualCo (or any of them), (ii) PEL, Canadian Holdco, Canadian SubCo, and US SubCo and each of their subsidiaries, directors, officers, legal counsel and advisors; and (iii) the Monitor and its legal counsel (the persons listed in (i), (ii) and (iii) being

collectively, the “**Released Parties**”) shall be deemed to be forever irrevocably released and discharged by the Releasing Parties (as defined below) from any and all present and future claims (including without limitations, claims for contribution or indemnity), liabilities, indebtedness, demands, actions, causes of action, counterclaims, suits, damages, judgements, executions, recoupments, debts, sums of money, expenses, accounts, liens, taxes, recoveries, guarantees, warranties, and obligations of any nature or kind whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based in statute or otherwise) based in whole or in part on any act or omission, transaction, dealing or other occurrences existing or taking place on or prior to the Closing Date or undertaken or completed in connection with the terms of this Order, the issuance of the PEL Transaction Certificate in connection with the Transaction (including the Reorganization Steps) or completed pursuant to the terms of the SAVO, the Initial Order or the ARIO, in respect of, relating to, or arising out of (i) the Applicants, the business, operations, assets, property and affairs of the Applicants wherever or however conducted or governed, the administration or management of the Applicants, these CCAA proceedings and/or the Chapter 15 Case (as defined below), or (ii) the PEL Transaction Agreement or the Reorganization Steps, any agreement, document, instrument, matter or transaction involving the Applicants arising in connection with or pursuant to any of the foregoing and/or the consummation of the Transaction, (collectively, the “**Released Claims**”), which Released Claims are hereby deemed to be fully, finally, irrevocably and forever waived, discharged, released, remised, canceled and barred as against the Released Parties, provided that nothing in this paragraph 17 shall waive, discharge, release, remise, cancel or bar (i) any claim against the directors and officers of the Applicants and/or ResidualCo that is not permitted to be released pursuant to section 5.1(2) of the CCAA, or (ii) any obligations of the Released Parties under or in connection with the PEL Transaction Agreement and the Reorganization Steps, and/or any agreement, document, instrument, matter or transaction involving the Applicants arising in connection with or pursuant to any of the foregoing. “**Releasing Parties**” means any and all Persons, and their current and former affiliates current and former members, directors, managers, officers, equity holders (regardless of whether such interests are held directly or indirectly), predecessors, successors, assigns, participants, subsidiaries, affiliates, partners, limited partners,

general partners, employees, managers, agents, trustees, partners, legal counsel, consultants, representatives and other professionals, each in their capacity as such.

18. Without affecting or limiting the releases set forth in paragraph 17, effective as of the Effective Time, none of (i) the present and former, directors, officers, employees, legal counsel and advisors of the Applicants and ResidualCo (or any of them), (ii) PEL, Canadian Holdco, Canadian SubCo, and US SubCo and each of their subsidiaries, directors, officers, legal counsel and advisors; and (iii) the Monitor and its legal counsel (the persons listed in (i), (ii) and (iii) being collectively, the **“Exculpated Parties”**), shall have or incur, and each Exculpated Party is released and exculpated from, any Causes of Action (as hereinafter defined) against such Exculpated Party for any act or omission in respect of, relating to, or arising out of the PEL Transaction Agreement, these CCAA proceedings, the US Bankruptcy Proceedings, the formulation, preparation, dissemination, negotiation, filing or consummation of the PEL Transaction Agreement and all related agreements and documents, any transaction, contract, instrument, release or other agreement or document created or entered into in connection with the Transaction, the pursuit of approval and consummation of the Transaction or the recognition thereof in the United States, and/or the transfer of assets and liabilities pursuant to this Order and the SAVO, except for Causes of Action related to any act or omission that is determined by a court of competent jurisdiction to have constituted actual fraud, wilful misconduct, or gross negligence. “Causes of Action” means any action, claim, cross-claim, third-party claim, damage, judgement, cause of action, controversy, demand, right, action, suit, obligation, liability, debt, account, defense, offset, power, privilege, license, lien, indemnity, interest, guaranty, or franchise of any kind or character whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, contingent or non-contingent, liquidated or unliquidated, disputed or undisputed, secured or unsecured, assertable directly or derivatively, matured or unmatured, suspected or unsuspected, in contract or in tort, at law or in equity or pursuant to any other theory of law or otherwise.
19. All Persons are permanently and forever barred, estopped, stayed an enjoined, on and after the Closing Date, with respect to any and all claims or Causes of Action released pursuant to this Order (including, but not limited to, the Released Claims), from (a) commencing, conducting or continuing in any manner, directly or indirectly, any action,

suits, demands or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against any of the Released Parties or Exculpated Parties; (b) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgement, award, decree or order as against any of the Released Parties or their respective property; (c) commencing, conducting, continuing or making in any manner, directly or indirectly, any action, suit, claim, demand or other proceeding of any nature of kind whatsoever (including any proceeding in a judicial, arbitral, administrative or other forum) against any Person who makes a claim or might reasonably be expected to make a claim, in any manner or forum, including by way of contribution or indemnity or other relief, against one or more of the Released Parties or their respective property; or (d) taking any actions interfere with the consummation of the Transaction; and any such proceedings will be deemed to have no further effect against such parties and will be released, discharged or vacated without cost.

20. Without in any way limiting the Monitor's powers set out in the Initial Order, the ARIO, the Extension Order, or any other Order of this Court in these CCAA proceedings, or under the CCAA or applicable law, the Monitor is hereby authorized to undertake and perform any such activities and obligations as are contemplated to be undertaken or performed by the Monitor pursuant to this Order, the bankruptcy of ResidualCo, and the PEL Transaction Agreement or any ancillary document related thereto, and shall incur no liability in connection therewith, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall affect, vary, derogate from, limit or otherwise amend any of the protections in favour of the Monitor at law or pursuant to the CCAA, the Initial Order, the ARIO, the Extension Order or any other Order granted in these CCAA proceedings.
21. At the Effective Time (as defined in the PEL Transaction Certificate) and without limiting the provisions of paragraph 12 hereof, the Applicants shall be deemed released from any and all claims, liabilities (direct, indirect, absolute or contingent) or obligations with respect to any Taxes (including penalties and interest thereon) of, or that relate to, the Applicants (provided as it applies to the Purchaser and the RVO Entities such release shall not apply to (a) Taxes in respect of the business and operations conducted by the Purchaser and RVO Entities after the Effective Time; or (b) Taxes expressly assumed in

the Retained Liabilities pursuant to the PEL Transaction Agreement), including without limiting the generality of the foregoing, all Taxes that could be assessed against the Applicants pursuant to section 160 of the *Income Tax Act* (Canada) (the “**Tax Act**”) or proposed section 160.01 of the Tax Act, including as a result of any future amendments or proposed amendments to such provisions or related provisions, or any provincial equivalent, in connection with the Applicants.

ASSIGNMENT

22. Except to the extent expressly contemplated by the PEL Transaction Agreement, all Retained Contracts to which any of the Applicants are a party upon delivery of the PEL Transaction Certificate will be and remain in full force and effect upon and following delivery of the PEL Transaction Certificate and no Person who is a party to any such arrangement may accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right of set-off, dilution or other remedy) or make any demand under or in respect of any such arrangement and no automatic termination will have any validity or effect by reason of:
- (a) any event that occurred on or prior to the Closing Date and is not continuing that would have entitled such Person to enforce those rights or remedies (including defaults or events of default arising as a result of the insolvency of any of the Applicants);
 - (b) the insolvency of any Applicant or the fact that the Applicants sought or obtained relief under the CCAA;
 - (c) any compromises, releases, discharges, cancellations, transactions, arrangements, reorganizations or other steps taken or effected pursuant to the PEL Transaction Agreement, the Transaction or the provisions of this Order, or any other Order of this Court in these CCAA proceedings, including but not limited to the SAVO; or
 - (d) any transfer or assignment, or any change of control of the Applicants arising from the implementation of the PEL Transaction Agreement, the Transaction or

the provisions of this Order.

23. For greater certainty, (a) nothing in paragraph 22 hereof shall waive, compromise or discharge any obligations of the Applicants in respect of any Retained Liabilities; (b) the designation of any Claim as a Retained Liability is without prejudice to the Applicants' right to dispute the existence, validity, or quantum of any such Retained Liability; and (c) nothing in this Order or the PEL Transaction Agreement shall affect or waive the Applicants' or the RVO Entities rights and defences, both legal and equitable, with respect to any Retained Liability, including, but not limited to, all rights with respect to entitlements to set-offs or recoupments against such Retained Liability.
24. From and after the Closing Date, all Persons shall be deemed to have waived any and all defaults of any Applicant then existing or previously committed by any Applicant, or caused by any Applicant, directly or indirectly, or noncompliance with any covenant, warranty, representation, undertaking, positive or negative pledge, term, provision, condition or obligation, expressed or implied, in any Retained Contract existing between such Person and any Applicant directly or indirectly from the filing by the Applicants under the CCAA and the implementation of the Transaction, including without limitation any of the matters or events listed in paragraph 12 hereof, and any all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith under a Retained Contract shall be deemed to have been rescinded and of no further force or effect; provided that, nothing herein shall be deemed to excuse the Applicants from performing their obligations under, or be a waiver of defaults by the Applicants under the PEL Transaction Agreement and the related agreements and documents, or affect the validity of the Reorganization Steps.
25. Any and all Persons shall be and are hereby forever barred, estopped, stayed and enjoined from commencing, taking, applying for or issuing or continuing any and all steps or proceedings, whether directly, derivatively or otherwise, and including without limitation, administrative hearings and orders, declarations and assessment, commenced, taken or proceeded with or that may be commenced, taken or proceeded with or against the RVO Entities relating in any way to or in respect of any of the Excluded Assets, Excluded Contracts or Excluded Liabilities and any other claims,

obligations and other matters which are waived, released, expunged or discharged pursuant to this Order; provided that, nothing herein shall affect the validity of the Reorganization Steps.

GENERAL

26. Notwithstanding:

- (a) the pendency of these CCAA proceedings and any declaration of insolvency made herein;
- (b) the pendency of any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, RSC, 1985, c B-3, as amended (the "**BIA**"), in respect of the Applicants or ResidualCo, and any bankruptcy order issued pursuant to any such applications;
- (c) any assignment in bankruptcy made in respect of the Applicants or ResidualCo; and
- (d) the provisions of any federal or provincial statute,

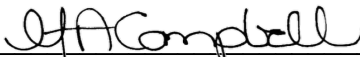
the execution of the PEL Transaction Agreement, the implementation of the Reorganization Steps (including the transfer of the Excluded Assets, Excluded Liabilities, and Excluded Contracts to ResidualCo and the transfer and issuance of the Purchased Shares to the Purchaser) and the implementation of the Transaction shall be binding on any trustee in bankruptcy that may be appointed in respect of the Applicants or ResidualCo, and shall not be void or voidable by creditors of the Applicants or ResidualCo, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

27. The Monitor is directed to file with the Court a copy of the PEL Transaction Certificate forthwith after delivery thereof to the Applicants and the Purchaser.

28. The Monitor may rely on written notice from the Vendors and the Purchaser or their respective counsel regarding the satisfaction of the Purchase Price and the fulfillment of the conditions to closing under the PEL Transaction Agreement and shall incur no liability with respect to the delivery of the PEL Transaction Certificate.
29. The Monitor's powers in respect of DAI and ResidualCo (collectively, the "**Remaining Debtors**") under the CCAA proceedings are hereby enhanced and the Monitor is authorized, but not required, to take any steps or actions for and on behalf of the Remaining Debtors that may be required by law, authorized or allowed under the terms of the Initial Order, the ARIO, the Extension Order and any other Orders in the CCAA proceedings.
30. The Monitor in addition to its prescribed rights and obligations under the CCAA, is authorized, entitled and empowered to assign or cause to be assigned, at any time after the Closing Date, ResidualCo into bankruptcy and the Monitor shall be entitled but not obligated to act as trustee in bankruptcy thereof.
31. Nothing in this Order, including but not limited to the sale or vesting of any asset or liability in accordance with this Order, shall limit the rights of parties set forth in sections 32(6) or 36(8) of the CCAA.
32. CIBC shall be entitled to retain a holdback of \$25,000 from the current cash collateral account the Applicants' have with CIBC ("**Cash Collateral Account**") for payment of CIBC's ongoing legal fees and costs with respect of these CCAA Proceedings (the "**Holdback**") and all of the remaining cash collateral in the Cash Collateral Account held by CIBC shall be transferred by CIBC into a new cash collateral account ("**New Cash Collateral Account**") with CIBC in the name of DTGI and be dealt with in accordance with the terms of the PEL Transaction Agreement. Following the conclusion of these CCAA proceedings, CIBC shall transfer any residual amount from the Holdback following payment of CIBC's legal fees and costs into the New Cash Collateral Account.
33. The Applicants, ResidualCo, the Monitor, and PEL, Canadian HoldCo, Canadian SubCo, and US SubCo shall each be at liberty to apply for further advice, assistance and directions as may be necessary or desirable in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.

34. This Court hereby declares that the Applicants and the Monitor shall be authorized to apply as they may consider necessary or desirable, with or without notice, to any other court or administrative body, whether in Canada, the United States or elsewhere, for orders which aid and complement this Order. All courts and administrative bodies of all such jurisdictions are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and the Monitor as may be deemed necessary or appropriate for that purpose.
35. The Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body, having jurisdiction in Canada or in the United States of America, including the United States Bankruptcy Court for the Northern District of Texas overseeing the Applicants proceedings under Chapter 15 of the Bankruptcy Code in Case No. 23-41416 (Jointly Administered) (the “**Chapter 15 Case**”), to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.
36. Service of this Order shall be deemed good and sufficient by:
- (a) Serving the same on:
 - (i) the persons listed on the service list created in these proceedings;
 - (ii) any other person served with notice of the application for this Order;
 - (iii) any other parties attending or represented at the application for this Order;
 - (iv) the Purchaser or the Purchaser’s solicitors.
- and service on any other person is hereby dispensed with.

37. Service of this Order may be effected by facsimile, electronic mail, personal delivery, or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.


Justice of the Court of King's Bench of Alberta

Schedule "A"

Form of Monitor's Certificate

COURT FILE NUMBER 2301-03179
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY



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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF DYNAMIC TECHNOLOGIES GROUP INC., DYNAMIC ATTRACTIONS LTD., DYNAMIC ENTERTAINMENT GROUP LTD., DYNAMIC STRUCTURES LTD. and DYNAMIC ATTRACTIONS INC.

APPLICANTS: DYNAMIC TECHNOLOGIES GROUP INC., DYNAMIC ATTRACTIONS LTD., DYNAMIC ENTERTAINMENT GROUP LTD., DYNAMIC STRUCTURES LTD. and DYNAMIC ATTRACTIONS INC
DOCUMENT:

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT: **MONITOR'S CERTIFICATE**
MLT AIKINS LLP
2100 Livingston Place
222 - 3rd Avenue S.W.
Calgary, AB T2P 0B4
Solicitor : Ryan Zahara
Phone Number: 403-693-5420
Email: rzahara@mltaikins.com
File No.: 0119375.00031

RECITALS

1. Pursuant to an Order of the Court of King's Bench of Alberta, Judicial District of Calgary (the "**Court**") dated March 9, 2023, FTI Consulting Canada Inc. was appointed as the monitor (the "**Monitor**") of the undertakings, property and assets of the Applicants.
2. Pursuant to an Order of the Court dated June 23, 2023, the Court approved the PEL Transaction Agreement and sale of certain Purchased Shares of DTGI, DAL, DSL and DEGL between the Applicants and Promising Expert Limited ("**PEL**"), 2523613 Alberta Ltd. ("**Canadian HoldCo**"), 15102545 Canada Inc. ("**Canadian SubCo**"), PEL Dynamic

Acquisition (US) Corp. (“**US SubCo**”; together with Canadian Subco, the “**Purchaser**”), and provided for the vesting in the Purchaser of the Applicants’ right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets and (ii) the Transaction has been completed to the satisfaction of the Monitor.

3. Unless otherwise indicated herein, capitalized terms have the meanings set out in the PEL Transaction Agreement:

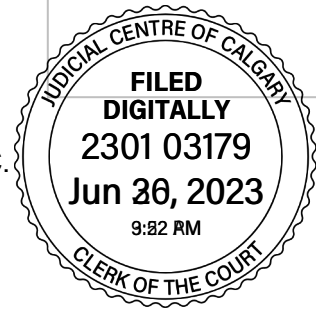
THE MONITOR CERTIFIES the following:

1. The Purchaser (or its nominee) has paid the Purchase Price and the Monitor has received the Cash Payment for the Purchased Assets payable on the Closing Date pursuant to the PEL Transaction Agreement; and
2. The Transaction has been completed to the satisfaction of the Monitor.
3. This Certificate was delivered by the Monitor at _____[Time] (the “**Effective Time**”) on _____[Date].

CERTIFIED *E. Wheaton*
by the Court Clerk as a true copy of the
document digitally filed on Jun 30, 2023

Clerk's Stamp

COURT FILE NUMBER 2301-03179
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
MATTER IN THE MATTER OF THE COMPANIES'
CREDITORS ARRANGEMENT ACT, R.S.C.
1985, c. C-36, AS AMENDED



AND IN THE MATTER OF A PLAN OF
COMPROMISE OR ARRANGEMENT OF
DYNAMIC TECHNOLOGIES GROUP INC.,
DYNAMIC ATTRACTIONS LTD., DYNAMIC
ENTERTAINMENT GROUP LTD., DYNAMIC
STRUCTURES LTD. and DYNAMIC
ATTRACTIONS INC.

APPLICANTS DYNAMIC TECHNOLOGIES GROUP INC.,
DYNAMIC ATTRACTIONS LTD., DYNAMIC
ENTERTAINMENT GROUP LTD., DYNAMIC
STRUCTURES LTD., and DYNAMIC
ATTRACTIONS INC.

DOCUMENT **SALE APPROVAL AND VESTING ORDER
(Dynamic Attractions Inc. Transaction)**

ADDRESS FOR SERVICE AND CONTACT
INFORMATION OF PARTY FILING THIS
DOCUMENT **MLT AIKINS LLP**
2100 Livingston Place
222 - 3rd Avenue S.W.
Calgary, AB T2P 0B4
Solicitors: Ryan Zahara
Telephone: 403.693.5420
Email: rzahara@mltaikins.com
Fax Number: 403.508.4349
File No.: 0119375.00031

DATE ON WHICH ORDER WAS PRONOUNCED: JUNE 23, 2023

LOCATION OF HEARING OR TRIAL: CALGARY, ALBERTA

JUSTICE WHO MADE THIS ORDER: JUSTICE G.A. CAMPBELL

UPON the application of Dynamic Technologies Group Inc., Dynamic Attractions Ltd., Dynamic Entertainment Group Ltd., Dynamic Structures Ltd. and Dynamic Attractions Inc. (collectively, the **"Applicants"**) for an order (this **"Order"**), among other things, approving the transactions (the **"Transaction"**) contemplated by the agreement dated as of June 22, 2023 (the

“**PEL Transaction Agreement**”) among DTGI, DAL, DEGL, DSL and DAI (collectively, the “**Vendors**”), Promising Expert Limited (“**PEL**”), 2523613 Alberta Ltd. (“**Canadian HoldCo**”), 15102545 Canada Inc. (“**Canadian SubCo**”), PEL, Dynamic Acquisition (US) Corp. (“**US SubCo**”; together with Canadian Subco, the “**Purchaser**”) and 2524604 Alberta Ltd. (“**ResidualCo**”); **AND UPON** having read the Application, the Fourth Affidavit of Allan Francis, sworn on June 13, 2023 (the “**Fourth Francis Affidavit**”), the supplemental affidavit to the Fourth Francis Affidavit, sworn June 23, 2023 (the “**Fourth Supplemental Affidavit**”), the Third Report of the Monitor, FTI Consulting Canada Inc. (the “**Monitor**”) dated June 15, 2023 (the “**Third Report**”), the confidential supplement to the Third Report dated June 15, 2023 (the “**Confidential Supplement**”), the fourth report of the Monitor dated June 22, 2023 (the “**Fourth Report**”), the amended and restated initial order (the “**ARIO**”) granted by Justice D.R. Mah in the within proceedings on March 16, 2023, the extension order (the “**Extension Order**”) granted on May 26, 2023 by Justice B.B. Johnston, and the Affidavit of Service of Joy Mutuku; **AND UPON** hearing counsel for the Applicants, counsel for the Monitor, counsel for Promising Expert Limited and counsel for any other creditors;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. The time for service of the notice of application for this order (the “**Order**”) is hereby abridged and deemed good and sufficient and this application is properly returnable today.

DEFINED TERMS

2. Capitalized terms used herein but not otherwise defined shall have the same meaning as given to such terms in the Fourth Francis Affidavit, the PEL Transaction Agreement and capitalized terms denoting the singular include the plural, and *vice versa*.

APPROVAL OF TRANSACTION

3. The purchase and sale (the “**DAI Transaction**”) of the U.S. Assets and Assigned Contracts from DAI, as vendor (the “**Vendor**”), as provided for under the PEL Transaction Agreement is hereby approved and the execution of the PEL Transaction Agreement evidencing the DAI Transaction by the Applicants and PEL is hereby authorized and approved, with such minor amendments as the Applicants and the Monitor may deem necessary. The Applicants and the Monitor are hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for completion of the

DAI Transaction and conveyance of the Purchased Assets (as defined below) to the Purchaser (or its nominee).

VESTING OF PROPERTY

4. In this Order, the purchased assets are all of the U.S. Assets listed at Schedule "G" to the PEL Transaction Agreement and the Assigned Contracts listed at Schedule "H" to the PEL Transaction Agreement (collectively, the "**Purchased Assets**").
5. Upon delivery of a Monitor's certificate to the Purchaser (or its nominee) substantially in the form set out in **Schedule "A"** hereto (the "**Monitor's Closing Certificate**"), all of DAI's right, title and interest in and to the Purchased Assets shall vest absolutely in the name of the Purchaser (or its nominee), free and clear of and from any and all Claims, Liabilities and Encumbrances (as each term is defined in the PEL Transaction Agreement), except for the Permitted Encumbrances (as defined below). For greater certainty, this Court orders that all claims including any Claim, Liabilities and Encumbrance (as each term is defined in the PEL Transaction Agreement) other than Permitted Encumbrances and Retained Liabilities (as defined in the PEL Transaction Agreement) (collectively, "**Claims**"), affecting, or relating to the Purchased Assets are hereby expunged, discharged, and terminated as against the Purchased Assets.
6. Upon delivery of the Monitor's Closing Certificate, and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental authorities including those referred to below in this paragraph (collectively, "**Governmental Authorities**") are hereby authorized, requested and directed to accept delivery of such Monitor's Closing Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to convey to the Purchaser or its nominee clear title to the Purchased Assets subject only to Permitted Encumbrances set out in Schedule "B" in the PEL Transaction Agreement and including the Retained Liabilities, the Cure Costs, and all liabilities arising after the Closing Date.
7. In order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the PEL Transaction Agreement. Presentment of this Order and the Monitor's Closing Certificate shall be the sole and sufficient authority for the Governmental

Authorities to make and register transfers of title or interest and cancel and discharge registrations against any of the Purchased Assets of any Claims including Encumbrances but excluding Retained Liabilities and Permitted Encumbrances.

8. For the purposes of determining the nature and priority of Claims, net proceeds from sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets from and after delivery of the Monitor's Closing Certificate and all Claims including Encumbrances (but excluding Retained Liabilities and Permitted Encumbrances) shall not attach to, encumber or otherwise form a charge, security interest, lien, or other Claim against the Purchased Assets and may be asserted against the net proceeds from sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale. Unless otherwise ordered (whether before or after the date of this Order), the Applicants shall not make any distributions to creditors of net proceeds from sale of the Purchased Assets without further order of this Court.
9. No authorization, approval, or other action by and no notice to or filing with any governmental authority or regulatory body exercising jurisdiction over the Purchased Assets is required for the due execution, delivery, and performance by the Applicants of the PEL Transaction Agreement.
10. Except to the extent expressly contemplated by the PEL Transaction Agreement, all Assigned Contracts to which any of the Applicants are a party upon delivery of the Monitor's Closing Certificate and the payment of the Cure Cost Amount will be and remain in full force and effect upon and following delivery of the Monitor's Closing Certificate and any Person who is a party to any such arrangement may accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right of set-off, dilution or other remedy) or make any demand under or in respect of any such arrangement and no automatic termination will have any validity or effect by reason of:
 - (a) any event that occurred on or prior to the Closing Date and is not continuing that would have entitled such Person to enforce those rights or remedies (including defaults or events of default arising as a result of the insolvency of any of the Applicants);

- (b) the insolvency of any Applicant or the fact that the Applicants sought or obtained relief under the CCAA;
 - (c) any compromises, releases, discharges, cancellations, transactions, arrangements, reorganizations or other steps taken or effected pursuant to the PEL Transaction Agreement, the Transaction or the provisions of this Order, or any other Order of this Court in these CCAA proceedings, including but not limited to the Reverse Vesting Order; or
 - (d) any transfer or assignment, or any change of control of the Applicants arising from the implementation of the PEL Transaction Agreement, the Transaction or the provisions of this Order.
11. For greater certainty, (a) nothing in paragraph 10 hereof shall waive, compromise or discharge any obligations of the Applicants' in respect of any Retained Liabilities; (b) the designation of any Claim as a Retained Liability is without prejudice to the Applicants' right to dispute the existence, validity, or quantum of any such Retained Liability; and (c) nothing in this Order or the PEL Transaction Agreement shall affect or waive the Applicants' rights and defences, both legal and equitable, with respect to any Retained Liability, including, but not limited to, all rights with respect to entitlements to set-offs or recoupments against such Retained Liability.
12. From and after the Closing Date, all Persons shall be deemed to have waived any and all defaults of any Applicant then existing or previously committed by any Applicant, or caused by any Applicant, directly or indirectly, or noncompliance with any covenant, warranty, representation, undertaking, positive or negative pledge, term, provision, condition or obligation, expressed or implied, in any Assigned Contract, existing between such Person and any Applicant directly or indirectly from the filing by the Applicants under the CCAA and the implementation of the Transaction, , and any all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith under an Assigned Contract shall be deemed to have been rescinded and of no further force or effect; provided that, nothing herein shall be deemed to excuse the Applicants from performing their obligations under, or be a waiver of defaults by the Applicants under the PEL Transaction Agreement and the related agreements and documents, or affect the validity of the Reorganization Steps.

13. Except as expressly provided for in the PEL Transaction Agreement, each of PEL, Canadian HoldCo, Canadian SubCo, and the Purchaser (or its nominee) shall not, by completion of the DAI Transaction, have liability of any kind whatsoever in respect of any Claims against the Applicants.
14. Upon completion of the DAI Transaction, the Applicants and all persons who claim by, through or under the Applicants in respect of the Purchased Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the Purchased Assets, save and except for persons entitled to the benefit of the Permitted Encumbrances or Retained Liabilities, shall stand absolutely and forever barred, estopped and foreclosed from and permanently enjoined from pursuing, asserting or claiming any and all right, title, estate, interest, royalty, rental, equity of redemption or other Claim whatsoever in respect of or to the Purchased Assets, and to the extent that any such persons or entities remain in the possession or control of any of the Purchased Assets, or any artifacts, certificates, instruments or other indicia of title representing or evidencing any right, title, estate, or interest in and to the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).
15. The Purchaser (or its nominee) shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by the Applicants, or any person claiming by, through or against the Applicants.
16. Immediately upon closing of the DAI Transaction, holders of Permitted Encumbrances and Retained Liabilities shall have no claim whatsoever against the Applicants or the Monitor in respect of the Purchased Assets.
17. The Monitor is directed to file with the Court a copy of the Monitor's Closing Certificate forthwith after delivery thereof to the Purchaser (or its nominee).

MISCELLANEOUS MATTERS

18. Notwithstanding:
 - (a) the pendency of these proceedings and any declaration of insolvency made herein;
 - (b) the pendency of any applications for a bankruptcy order now or hereafter issued pursuant to the Bankruptcy and Insolvency Act, R.S.C. 1985, c.B-3, as amended

(the “**BIA**”), in respect of the Applicants, and any bankruptcy order issued pursuant to any such applications;

- (c) any assignment in bankruptcy made in respect of the Applicants; and
- (d) the provisions of any federal or provincial statute:


the vesting of the Purchased Assets in the Purchaser (or its nominee) pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Applicants and shall not be void or voidable by creditors of the Applicants, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

- 19. The Applicants, the Monitor, the Purchaser (or its nominee), and any other interested party, shall be at liberty to apply for further advice, assistance and direction as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the DAI Transaction.
- 20. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body, having jurisdiction in Canada or in the United States of America, including the United States Bankruptcy Court for the Northern District of Texas overseeing the Applicants proceedings under Chapter 15 of the US Bankruptcy Code in Case No. 23-41416 (Jointly Administered), to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.
- 21. Service of this Order shall be deemed good and sufficient by:
 - (a) Serving the same on:
 - (i) the persons listed on the service list created in these proceedings;

- (ii) any other person served with notice of the application for this Order;
- (iii) any other parties attending or represented at the application for this Order;
- (iv) the Purchaser or the Purchaser's solicitors.

and service on any other person is hereby dispensed with.

22. Service of this Order may be effected by facsimile, electronic mail, personal delivery, or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.



The Honourable Justice G.A. Campbell
Justice of the Court of King's Bench of Alberta

Schedule "A"

Form of Monitor's Certificate

Clerk's stamp

COURT FILE NUMBER 2301-03179
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF DYNAMIC TECHNOLOGIES GROUP INC., DYNAMIC ATTRACTIONS LTD., DYNAMIC ENTERTAINMENT GROUP LTD., DYNAMIC STRUCTURES LTD. and DYNAMIC ATTRACTIONS INC.

APPLICANTS: DYNAMIC TECHNOLOGIES GROUP INC., DYNAMIC ATTRACTIONS LTD., DYNAMIC ENTERTAINMENT GROUP LTD., DYNAMIC STRUCTURES LTD. and DYNAMIC ATTRACTIONS INC
DOCUMENT:

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT: **MONITOR'S CERTIFICATE**
MLT AIKINS LLP
2100 Livingston Place
222 - 3rd Avenue S.W.
Calgary, AB T2P 0B4
Solicitor : Ryan Zahara
Phone Number: 403-693-5420
Email: rzahara@mltaikins.com
File No.: 0119375.00031

RECITALS

1. Pursuant to an Order of the Court of King's Bench of Alberta, Judicial District of Calgary (the "**Court**") dated March 9, 2023, FTI Consulting Canada Inc. was appointed as the monitor (the "**Monitor**") of the undertakings, property and assets of the Applicants.
2. Pursuant to an Order of the Court dated June 23, 2023, the Court approved the PEL Transaction Agreement and sale of certain assets of the Applicants between the Applicants and PEL (the "**Purchaser**") and provided for the vesting in the Purchaser of the Applicants' right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the

Purchased Assets and (ii) the DAI Transaction has been completed to the satisfaction of the Monitor.

3. Unless otherwise indicated herein, capitalized terms have the meanings set out in the PEL Transaction Agreement:

THE MONITOR CERTIFIES the following:

1. The Purchaser (or its nominee) has paid the Purchase Price and the Monitor has received the Cash Payment for the Purchased Assets payable on the Closing Date pursuant to the PEL Transaction Agreement; and
2. The DAI Transaction has been completed to the satisfaction of the Monitor.
3. This Certificate was delivered by the Monitor at _____[Time] (the "**Effective Time**") on _____[Date].

FTI Consulting Canada Inc., in its capacity as Monitor of the undertakings, property and assets of the Applicants and not in its personal capacity.

Per: _____
Name:
Title:

EXHIBIT B

Transaction Agreement

TRANSACTION AGREEMENT

THIS TRANSACTION AGREEMENT made as of the 22nd day of June, 2023 (the “**Effective Date**”).

BETWEEN:

DYNAMIC TECHNOLOGIES GROUP INC., a company incorporated under the laws of the Province of Alberta having a registered office address at c/o MLT Aikins LLP, 2100, 222 – 3rd Avenue SW, Calgary, AB T2P 0B4.

(“**DTGI**”)

AND:

DYNAMIC ENTERTAINMENT GROUP LTD., a company incorporated under the laws of Canada having a registered office address at 717 Jarvis Avenue, Winnipeg, MB R2W 3B1.

(“**DEGL**”)

AND:

DYNAMIC ATTRACTIONS LTD., a company incorporated under the laws of Canada having a registered office address at 717 Jarvis Avenue, Winnipeg, MB R2W 3B1.

(“**DAL**”)

AND:

DYNAMIC STRUCTURES LTD., a company incorporated under the laws of Canada having a registered office address at 717 Jarvis Avenue, Winnipeg, MB R2W 3B1.

(“**DSL**”)

AND:

DYNAMIC ATTRACTIONS INC., a company incorporated under the laws of the State of Delaware having a registered office address at c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware, 19801, United States.

(“**DAI**”, and collectively with DTGI, DEGL, DAL and DSL, the “**Vendors**”)

AND:

PROMISING EXPERT LIMITED, a company incorporated under the laws of Hong Kong, having a registered office address at 11/F., Capital Centre, 151 Gloucester Road, Wanchai, Hong Kong

(the “**Purchaser**”)

AND:

2523613 ALBERTA LTD., a company incorporated under the laws of the Province of Alberta, having a registered office address at c/o Dentons Canada LLP, 15th Floor, Bankers Court, 850 – 2nd Street SW, Calgary, AB T2P 0R8

(“**Canadian Holdco**”)

AND:

15102545 CANADA INC., a company incorporated under the laws of Canada, having a registered office address at c/o Dentons Canada LLP, 15th Floor, Bankers Court, 850 – 2nd Street SW, Calgary, AB T2P 0R8

(“**Canadian Subco**”)

AND:

PEL DYNAMIC ACQUISITION (US) CORP., a company incorporated under the laws of the State of Delaware, having a registered office address at c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801

(“**US Subco**”)

WHEREAS:

- A. Pursuant to an order (the “**Initial Order**”) of the Court of King’s Bench of Alberta (the “**Court**”) dated March 9, 2023 (the “**Filing Date**”), and as amended by the amended and restated Initial Order (the “**ARIO**”) dated March 16, 2023 in action number 2301-03179 (the “**CCAA Proceedings**”), the Vendors obtained protection from their creditors under the *Companies’ Creditors Arrangement Act* (Canada), as amended (the “**CCAA**”) and FTI Consulting Canada Inc., was appointed as monitor in the CCAA Proceedings (in such capacity and not in its personal or corporate capacity, the “**Monitor**”).
- B. On March 16, 2023, the Court granted an order that, among other things, authorized the Monitor to conduct, with the assistance of the Vendors, a sale and investment solicitation process in accordance with the Sale and Investment Solicitation Process Procedures (the “**SISP Procedures**”).
- C. On May 26, 2023, the Vendors obtained an extension of the stay period in the ARIO to July 28, 2023.

- D. On April 27, 2023, the Purchaser executed an indication of interest in accordance with the SISP Procedures.
- E. On May 9, 2023, the Monitor informed the Purchaser that it had been selected as the High Value LOI (as defined in the SISP Procedures).
- F. The Vendors have commenced ancillary insolvency proceedings under Chapter 15 of Title 11 of the United States Code (the “**US Proceedings**”) in the US Bankruptcy Court.
- G. DAI wishes to sell, transfer and assign to US Subco, and US Subco wishes to acquire and assume, all of the US Assets, subject to the granting by the Court of the Reverse Vesting Order and the US Recognition of Vesting Order, and upon the other terms and conditions set forth herein.
- H. The applicable Vendors wish to sell, transfer and assign to Canadian Subco, and Canadian Subco wishes to acquire, all of the Purchased Shares, subject to the granting by the Court of the Reverse Vesting Order, and upon the other terms and conditions set forth herein.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and the mutual covenants and agreements herein contained, and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the Parties covenant and agree as follows:

ARTICLE I – INTERPRETATION

The following terms have the meanings specified or referred to in this ARTICLE I:

“**Affiliate**” has the meaning set out in the *Business Corporations Act* (Alberta).

“**Applicable Law**” means, in respect of any Person, property, transaction or event, any domestic or foreign constitution, statute, law, principle of common law or equity, ordinance, rule, regulation, treaty, restriction, regulatory policy, standard, code or guideline, by-law or order (including any securities law or requirements of stock exchanges and any consent, decree or administrative order), in each case, having the force of law, that applies in whole or in part to such Person, property, transaction or event.

“**Assigned Contracts**” means, collectively, all Contracts of DAI that are set out as Assigned Contracts in Schedule G (Assigned Contracts) or are designated as Assigned Contracts by the Purchaser prior to Closing, in accordance with Section 6.07.

“**Authorization**” means any authorization, approval, consent, concession, exemption, license, lease, grant, permit, franchise, right, privilege or no-action letter from any Governmental Authority having jurisdiction with respect to any specified Person, property, transaction or event, or with respect to any of such Person’s property or business and affairs (including any zoning approval, development permit or building permit) or from any Person in connection with any easements, contractual rights or other matters.

“**Authorized Parties**” has the meaning given to it in Section 9.15.

“**Books and Records**” means all files, documents, instruments, papers, books and records (whether stored or maintained in hard copy, digital or electronic format or otherwise), including financial, tax and accounting books and records, used or intended for use by, and in the possession of, the Vendors or the Companies, in connection with the Retained Assets and/or the US Assets, the Retained Liabilities, the ownership of the Purchased Shares, and the operation of the Business, including drawings, engineering information, laboratory analysis data, production records, technical reports and environmental studies and reports including, if applicable, the care and maintenance plan, manuals and data, sales and advertising materials, sales and purchase data, trade association files, research and development records, lists of present and former customers and suppliers or contractors, personnel, employment or investor information and other

records, and all records, data and information stored electronically, digitally or on computer-related media, in each case, relating to the Business.

“Business” means, collectively, the business carried on by the Companies, including but not limited to, research, development, design and supply of media-based ride systems, development and ownership/co-ownership and operation of location based theatre attractions, provision of parts and service for ride systems, and third party specialty engineering services.

“Business Day” means any day except Saturday, Sunday, any statutory holiday in the Province of Alberta or the State of Delaware, or any other day on which commercial banks located in the Province of Alberta are required by law to be closed for business.

“Cash Payment” has the meaning given to it in Section 2.03(c).

“CCAA Proceedings” has the meaning given to it in the recitals.

“Cease Trade Order” means the Cease Trade Order issued by the Alberta Securities Commission and evidences the decision of the regulator or securities regulatory authority in Ontario (Ontario Securities Commission) with respect to DTGI, indexed as 2023 ABASC 59, *inter alia*, prohibiting persons from trading or purchasing securities of DTGI in any jurisdiction in which Multilateral Instrument 11-103 *Failure to File Cease Trade Orders in Multiple Jurisdictions* applies.

“Claims” means claims, demands, complaints, grievances, actions, applications, suits, causes of action, Orders, charges, indictments, prosecutions, arbitrations, information or other similar processes, assessments or reassessments, judgments, debts, indebtedness, liabilities, obligations, guarantees, warranties, expenses, costs, damages or losses, contingent or otherwise (whether contractual, statutory, or otherwise), of any kind or nature whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether arising by subrogation, set-off, right of indemnification or otherwise), whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, including loss of value, professional fees, including fees and disbursements of legal counsel, and all costs incurred in investigating or pursuing any of the foregoing or any proceeding relating to any of the foregoing.

“Closing” means the closing and consummation of the Transaction and steps contemplated in this Agreement on the Closing Date.

“Closing Date” means a date no later than five Business Days after the conditions set forth in ARTICLE V have been satisfied or waived, other than the conditions set forth in ARTICLE V that by their terms are to be satisfied or waived at the Closing, or such other date as the Parties may agree to in writing, with the consent of the Monitor.

“Closing Documents” means the documents referred to in Section 7.01 and Section 7.02, as applicable.

“Contracts” means all contracts, leases, deeds, mortgages, licenses, instruments, notes, commitments, undertakings, indentures, joint ventures and all other agreements, commitments, documents, instruments, and legally binding arrangements, whether written or oral.

“Companies” means DTGI, DEGL, DAL, DSL and DAI outside of their capacity as Vendors.

“Court” has the meaning given to it in the recitals.

“Cure Cost Amount” means an amount sufficient to pay all Cure Costs.

“**Cure Costs**” means the amounts, if any, that are required to cure any monetary defaults of DAI under any Assigned Contracts.

“**DAI**” has the meaning given to it in the recitals.

“**DAL**” has the meaning given to it in the recitals.

“**DEGL**” has the meaning given to it in the recitals.

“**DIP Loan Agreement**” means the debtor in possession financing term sheet dated March 8, 2023 between, *inter alios*, DTGI, as borrower, and the Purchaser, as lender, as amended, restated, modified, or supplemented from time to time.

“**DIP Loan Amount**” shall be an amount equal to the aggregate amount of funds provided by the Purchaser to DTGI pursuant to the DIP Loan Agreement prior to Closing.

“**DSL**” has the meaning given to it in the recitals.

“**DTGI**” has the meaning given to it in the recitals.

“**DTGI Share**” has the meaning given to it in Schedule J (Reorganization Steps).

“**Employees**” means all individuals who are employed by the Vendors and engaged in the Business, whether on a full-time or part-time basis, whether unionized or non-unionized, including all individuals who are on an approved and unexpired leave of absence, all individuals who have been placed on temporary lay-off which has not expired, and “**Employee**” means any one of them.

“**Employee Priority Claims**” means any Claim for (a) accrued and unpaid wages and vacation pay owing to an Employee whose employment was terminated between the date of the Initial Order and the Closing Date, and (b) unpaid amounts provided for in section 6(5)(a) of the CCAA.

“**Encumbrance**” means any legal notation, charge, lien, interest or other encumbrance or title defect of whatever kind or nature, regardless of form, whether or not registered or registrable and whether or not consensual or arising by law (statutory or otherwise), including any mortgage, lien, charge, pledge, debenture, trust deed, deemed trust, assignment by way of security, hypothec, security interest or similar interest or instrument charging, or creating a security interest in, against, or affecting, the Companies, the Purchased Shares, the US Assets, the Retained Contracts, the Retained Assets or any part thereof or interest therein, and any agreement, lease, license, option or claim, easement, servitude, restrictive covenant on real or immovable property, right of way, restriction, execution, contingent rights (including options and rights of first refusal), adverse claims or other encumbrance (including any notice or other registration in respect of any of the foregoing) or ownership rights of any kind or character, or agreements to create same, affecting title to or the ownership of the Companies, the Purchased Shares, the US Assets, the Retained Contracts, the Retained Assets or any part thereof or interest therein.

“**ETA**” has the meaning given to it in Section 8.01.

“**Excluded Assets**” means those assets owned by the Vendors which are expressly identified and set out in Schedule A (Excluded Assets) (as same may be modified by the Purchaser prior to the Closing Date), being those assets that are designated by the Purchaser to be transferred to ResidualCo under and pursuant to the Reverse Vesting Order, in accordance with Section 6.06.

“**Excluded Contracts**” means all Contracts which are not Assigned Contracts, as designated by the Purchaser prior to Closing, in accordance with Section 2.02 or Retained Contracts, as designated by the

Purchaser prior to Closing, in accordance with Section 6.07, including for greater certainty, but not limited to, the following:

- (a) Robo-Arm Attraction Consultancy Agreement made effective as of May 31, 2016 (English and Chinese language versions) by and between Lotte World Adventure (Shenyang) Co., Ltd. and Dynamic Attractions Ltd., together with all amendments and other modifications thereto, including, without limiting the generality of the foregoing, Addendum #1 dated November 24, 2017;
- (b) Robo-Arm Attraction Supply Agreement made effective as of May 31, 2016 (English and Chinese language versions) by and between Lotte World Adventure (Shenyang) Co., Ltd. and Dynamic Attractions Ltd., together with all amendments and other modifications thereto, including, without limiting the generality of the foregoing, Addendum #1 dated November 24, 2017;
- (c) Flying Theatre Attraction Consultancy Agreement made effective as of October 30, 2014 (English and Chinese language versions) by and between Lotte World Adventure (Shenyang) Co., Ltd. and Dynamic Attractions Ltd., together with all amendments and other modifications thereto, including, without limiting the generality of the foregoing, Addendum #1 dated November 11, 2017; and
- (d) Flying Theatre Attraction Supply Agreement made effective as of October 30, 2014 (English and Chinese language versions) by and between Lotte World Adventure (Shenyang) Co., Ltd. and Dynamic Attractions Ltd., together with all amendments and other modifications thereto, including, without limiting the generality of the foregoing, Addendum #1 dated November 11, 2017.

“Excluded Liabilities” means all Encumbrances, Claims, Liabilities, obligations, undertakings, leases, agreements, debts, rights and entitlements of any kind or nature whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or in equity and whether arising by subrogation, set-off, right of indemnification or otherwise) of or against any Vendor which are not designated by the Purchaser as Retained Liabilities prior to Closing, in accordance with Section 6.08. For greater certainty, without limiting the generality of the foregoing, the Excluded Liabilities include, but are not limited to, all:

- (a) Liabilities arising from or in connection with the conduct of the Business and the operation of the Retained Assets and/or US Assets prior to the Closing Date (other than those specifically included in the Retained Liabilities);
- (b) Liabilities of the Vendors arising from, in connection with or otherwise accruing before or after the Closing Date relating to or under the Excluded Contracts and Excluded Assets;
- (c) Liabilities of the Vendors for Taxes arising prior to the Filing Date;
- (d) Liabilities of the Vendors arising from the ETA, including any liability for GST;
- (e) Liabilities relating to any change of control provision that may arise in connection with the change of control contemplated by the Transaction and to which any Vendor may be bound as of the Closing Date;
- (f) Liabilities for or to Employees whose employment with the Vendors is terminated on or before Closing;
- (g) all Liabilities relating to or in connection with Priority Payables;

- (h) all Liabilities relating to or in connection with indebtedness owed by the Vendors to Export Development Canada;
- (i) all Liabilities relating to or in connection with the indebtedness owed by the Vendors to Skyrise Miami, LLC, including for greater certainty, but not limited to, any indebtedness of DAL in Case No. 2021-023732 CA 06 in the Circuit Court of the 11th Judicial Circuit in and for Miami-Dade County, Florida;
- (j) all remaining amounts outstanding under the PEL Loan Agreement and/or the DIP Loan Agreement that are not satisfied through the payment of the Purchase Price; and
- (k) all other Liabilities, of any nature and kind, other than the Retained Liabilities.

"Filing Date" has the meaning given to it in the recitals.

"Final Order" means an Order which:

- (a) has been issued and entered;
- (b) has not been stayed;
- (c) has not been overturned on appeal; and
- (d) for which the applicable appeal period has expired.

"GST" has the meaning given to it in Section 8.01.

"Governmental Authority" means:

- (a) any foreign or domestic national, federal, provincial, state, territorial, municipal or local government or public body, or any department, ministry, regulatory body, court, commission, central bank, tribunal, board, bureau, or agency or any other instrumentality having legislative, judicial (including courts and arbitrators), regulatory, prosecutorial, administrative or taxing authority or powers, or having functions of, or pertaining to, government;
- (b) any subdivision, agent, commission, board, or authority of such entities, including any other body or entity created under the authority of or otherwise subject to the jurisdiction of any of the foregoing, including any stock or other securities exchange or professional association, in each case, having requisite jurisdiction or authority in the relevant circumstances; and
- (c) any public, quasi-governmental or private body exercising a regulatory, expropriation, securities or taxing authority under or for the account of such entities.

"High Express Debt" means the principal amount of USD\$3,995,822, plus accrued interest thereon, that is owed to High Express Holdings Limited, as lender, by DEGL, as borrower, pursuant to the High Express Loan Agreement.

"High Express Loan Agreement" means the secured promissory note dated January 31, 2022 between DEGL, as borrower, and High Express Holdings Limited, as lender, as amended, restated, modified, or supplemented from time to time.

"Infinity APA" has the meaning given to it in Schedule C (Retained Assets).

"Infinity ASA" has the meaning given to it in Schedule C (Retained Assets).

"Initial Recognition Order" means the Order of the US Bankruptcy Court in the US Proceedings recognizing, on a final basis, the CCAA Proceedings as "foreign main proceedings" pursuant to section 1502(4) of the US Bankruptcy Code, which shall be acceptable, in form and substance, to the Vendors and the Purchaser, acting reasonably.

"Intellectual Property" means all rights in, arising out of, or associated with any of the following in any jurisdiction throughout the world:

- (a) issued patents and patent applications;
- (b) trademarks, service marks, brands, certification marks, logos, trade dress, trade names, and other similar indicia of source or origin, together with the goodwill connected with the use of and symbolized by, and all registrations, applications for registration, and renewals of, any of the foregoing;
- (c) copyrights and works of authorship, whether or not copyrightable, and all registrations, applications for registration, and renewals of any of the foregoing;
- (d) internet domain names and social media account or user names, and all associated web addresses, URLs, websites and web pages, social media sites and pages, and all content and data thereon or relating thereto;
- (e) industrial designs, registrations, applications for registration, and renewals thereof;
- (f) trade secrets, recipes, formulas, know-how, inventions (whether or not patentable), discoveries, improvements, technology, business and technical information, databases, data compilations and collections, tools, methods, processes, techniques, and other confidential and proprietary information and all rights therein;
- (g) rights of publicity; and
- (h) all other intellectual or industrial property and proprietary rights.

"Interim Period" means the period from the date that this Agreement is entered into by the Parties to the Closing Date.

"Inventory" means, collectively, all personal property owned by the Vendors that:

- (a) is for sale or lease, including any such property that has been leased by any Vendor as lessor;
- (b) is to be furnished by any Vendor or which has been furnished by any Vendor under a contract of service;
- (c) constitutes raw materials or work in progress; and
- (d) is used or consumed in the Business.

"Liabilities" means any and all past, present, and future debts, claims, suits, actions, liabilities, guarantees, warranties, duties, responsibilities, obligations, commitments, assessments, costs, expenses, losses, disbursements, damages, judgments, expenditures, charges, fees, penalties, fines, contributions or premiums, of any kind or nature whatsoever, whether known or unknown, asserted or unasserted, absolute

or contingent, direct or indirect, or due or to become due and regardless of when sustained, incurred, or asserted or when any corresponding relevant events occurred or circumstances existed.

“Monitor” has the meaning given to it in the recitals.

“Monitor’s Solicitors” means Burnet, Duckworth & Palmer LLP.

“Monitor’s US Solicitors” means Munsch Hardt Kopf & Harr, P.C.

“Order” means an order of the Court.

“Outside Date” means July 28, 2023.

“Party” means a party to this Agreement and reference to a Party includes its successors and permitted assigns, and **“Parties”** means more than one of them.

“PEL Loan Agreement” means the amended and restated credit facility dated August 5, 2022 between, *inter alios*, DTGI, as borrower, and the Purchaser, as lender, as amended, restated, modified, or supplemented from time to time.

“Permits and Licenses” means the permits, certifications, licenses, Authorizations, approvals or other evidence of authority related to the Business, including the permits, certifications, licenses, Authorizations, approvals or other evidence of authority related to the Business and issued to, granted to, conferred upon, or otherwise created for, the Vendors.

“Permitted Encumbrances” means the Encumbrances set out in Schedule B (Permitted Encumbrances).

“Person” means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, company, or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator, or other legal or personal representative, Governmental Authority, or other natural or legal entity however designated or constituted.

“Personal Property” means all of the personal property owned by any Vendor, as applicable, including all chattel paper, documents of title, instruments, money, investment property, intangibles, goods, crops, Contracts, Permits and Licenses, Receivables, Intellectual Property, fixtures, leasehold improvements, equipment, Inventory, claims, chose in actions, furniture (whether moveable or built-in), and computer hardware, wherever located.

“Priority Charges” means all priority charges granted under the Initial Order and the ARIO including the Administration Charge and the Director’s Charge (as those terms are defined in the Initial Order or ARIO, as applicable).

“Priority Payables” means all amounts secured by Encumbrances which have priority over the Encumbrances in favour of the Purchaser, including, without limitation, the Employee Priority Claims, the Priority Charges (which, for greater certainty, includes any amounts owed to the Vendors’ Solicitors, the Vendors’ US Solicitors, the Monitor’s Solicitors and the Monitor’s US Solicitors) and any deemed trust arising from the *Income Tax Act* (Canada), which shall be transferred to ResidualCo in accordance with the Reverse Vesting Order and Section 7.04.

“Priority Payables Accounting” has the meaning given to it in Section 7.06.

“Priority Payable Cash Amount” means an amount sufficient to repay all Priority Payables.

“Purchase Price” has the meaning given to it in Section 2.03.

“Purchased Assets” means, collectively, the Purchased Shares and the US Assets.

“Purchased Shares” means, collectively, all of the issued and outstanding shares in the capital of DEGL, DAL and DSL that are held by DTGI, and the DTGI Share subscribed for by Canadian Subco in accordance with the Reorganization Steps.

“Purchaser” has the meaning given to it on the second page of this Agreement.

“Purchaser’s Solicitors” means Dentons Canada LLP.

“Receivables” means the all right, title, and interest in all accounts receivable, bills receivable, trade accounts and book debts, recorded as a receivable in the Books and Records and other amounts due or deemed to be due to the Vendors, or any of them, including, refunds and rebates receivable relating to the Business, the Retained Assets or the US Assets, including, without limitation (a) those amounts recoverable under insurance policies, and (b) those amounts to be received by DAL pursuant to the transactions contemplated in the Infinity APA, the Infinity ASA and the Universal ESA, and subject to any applicable right to set-off and any refunds of taxes paid by any Vendor or their Affiliates.

“Recognition Order” means the Order of the US Bankruptcy Court in the US Proceedings recognizing and giving effect to the Initial Order and ARIO, in form and substance, acceptable to the Purchaser.

“Reorganization Steps” has the meaning given to it in Schedule J (Reorganization Steps).

“Remaining CCAA Estate” has the meaning given to it in Section 7.06.

“ResidualCo” means a new corporation to be incorporated pursuant to the laws of the Province of Alberta, by DTGI, prior to Closing, as contemplated by Section 6.01, for the purposes of accepting the transfer of all Excluded Assets, Excluded Contracts and assumption of all Excluded Liabilities, and to be added as an applicant in the CCAA Proceedings.

“Retained Assets” means, collectively, all assets and Personal Property of the Vendors that are not designated as Excluded Assets by the Purchaser, prior to Closing, in accordance with Section 6.06, including, which for clarity includes (subject to Section 4.02) all of the right, title and interest of the Vendors in and to those assets and Personal Property set out in Schedule C (Retained Assets) (as same may be modified by the Purchaser prior to the Closing Date).

“Retained Contracts” means, collectively, all Contracts of the Vendors that are set out as Retained Contracts in Schedule D (Retained Contracts) or are designated as Retained Contracts by the Purchaser prior to Closing, in accordance with Section 6.07.

“Retained Liabilities” means:

- (a) the Liabilities under the Retained Contracts;
- (b) the Liabilities under the Assigned Contracts;
- (c) the High Express Debt; and
- (d) those Liabilities set out in Schedule E (Retained Liabilities), and any additional Liabilities which may be designated by the Purchaser to be Retained Liabilities on or prior to Closing, in accordance with Section 6.08.

“Representative” means, in respect of a Party, each director, officer, employee, agent, Affiliate, manager, lender, attorney, accountant, professional advisor, consultant, contractor and other representative of such Party or such Party’s Affiliates.

“Reverse Vesting Order” has the meaning given to it in Section 5.03(d).

“SAVO” means the sale approval and vesting order transferring title to and vesting in the Purchaser all of the right, title and interest of DAI in and to the US Assets, substantially in the form attached hereto as Schedule H (Form of Reverse Vesting Order and SAVO).

“Taxes” means taxes, duties, fees, premiums, assessments, imposts, levies and other charges of any kind whatsoever (including withholding on amounts paid to or by any Person) imposed by any Taxing Authority, including all interest, penalties, fines, additions to tax or other additional amounts imposed by any Taxing Authority in respect thereof, and including those levied on, or measured by, or referred to as, income, gross receipts, profits, capital, transfer, land transfer, sales, goods and services, harmonized sales, use, value-added, excise, stamp, withholding, business, franchising, escheat, property, development, occupancy, employer health, payroll, employment, health, disability, severance, unemployment, social services, education and social security taxes, all surtaxes, all customs duties and import and export taxes, countervail and anti-dumping, all license, franchise and registration fees and all employment insurance, health insurance and Canada and other government pension plan premiums or contributions.

“Taxing Authority” means His Majesty the King in right of Canada, His Majesty the King in right of any province or territory of Canada, the Canada Revenue Agency, any similar revenue or taxing authority of Canada and each and every province or territory of Canada and any political subdivision thereof, the United States Internal Revenue Service, any similar revenue or taxing authority of the United States of America (“**U.S.**”) and each and every state and locality of the U.S., and any Canadian, U.S. or other Governmental Authority exercising taxing authority or power, and **“Taxing Authority”** means any one of the Taxing Authorities.

“Transaction” means, collectively, all transactions and steps contemplated by this Agreement, the Reverse Vesting Order, the SAVO, the Recognition Order and the US Recognition of Vesting Order.

“Universal ESA” has the meaning given to it in Schedule C (Retained Assets).

“US Assets” means, collectively, all assets, the Assigned Contracts, and Personal Property of DAI, which for clarity includes (subject to Section 4.02) all of the right, title and interest of DAI in and to those assets and Personal Property set out in Schedule F (US Assets) (as same may be modified by the Purchaser prior to the Closing Date).

“US Bankruptcy Code” means Title 11 of the United States Code, 11 USC §§ 101 et seq, as amended.

“US Bankruptcy Court” means the United States Bankruptcy Court for the State of Texas, overseeing the US Proceedings.

“US Proceedings” has the meaning given to it in the recitals.

“US Recognition of Vesting Order” means an order of the US Bankruptcy Court entered in the US Proceedings in form and substance acceptable to the Purchaser, which shall, among other things, recognize and give effect to the Reverse Vesting Order, the SAVO and otherwise approves this Agreement and the Transaction contemplated hereby.

“Vendors” has the meaning given to it on the first page of this Agreement.

“**Vendors’ Solicitors**” means MLT Aikins LLP.

“**Vendors’ US Solicitors**” means Akerman LLP.

“**Wind-Down Cost Amount**” means the amount, up to a maximum of two-hundred and twenty thousand Dollars (\$220,000.00), to be utilized to satisfy the Wind-Down Costs in accordance with Section 7.06.

“**Wind-Down Costs**” has the meaning given to it in Section 7.06.

ARTICLE II – PURCHASE AND SALE

Section 2.01 Agreement of Purchase and Sale. Subject to the terms and conditions of this Agreement:

- (a) DTGI agrees to sell and Canadian Subco agrees to purchase or subscribe for the Purchased Shares, as applicable, on the Closing Date, free and clear of all Claims, Liabilities and Encumbrances, except for the Permitted Encumbrances and the Retained Liabilities; and
- (b) DAI agrees to sell and US Subco agrees to purchase all of DAI’s rights, title and interest in and to the US Assets on the Closing Date, free and clear of all Claims, Liabilities and Encumbrances, except for the Permitted Encumbrances and the Retained Liabilities.

Section 2.02 Assignment of Assigned Contracts.

- (a) On the Closing Date, subject to the terms and conditions of this Agreement and the Reverse Vesting Order and US Recognition of Vesting Order, DAI’s rights, benefit, and interest in, to and under the Assigned Contracts shall be conveyed to US Subco, and US Subco shall assume DAI’s obligations under the Assigned Contracts.
- (b) The Vendors shall take such other actions as are commercially reasonable to cause the Assigned Contracts to be assigned by DAI to, and assumed by, US Subco as at the Closing Date. At or prior to the Closing Date, the Vendors will comply with Applicable Laws and with the terms of the Assigned Contracts in their efforts under this Section 2.02(b) to assign the Assigned Contracts to US Subco. US Subco will use its commercially reasonable efforts to assist the Vendors in obtaining any such consents, approvals and waivers required under Applicable Laws or the terms of the Assigned Contracts. For greater certainty, and notwithstanding anything else herein contained, US Subco shall be entitled to communicate with the counterparty to any Contract to which a Vendor is a party in connection with the transactions contemplated by this Agreement, in consultation with the applicable Vendor, and the applicable Vendor shall use commercially reasonable efforts to facilitate such communications by US Subco. For Assigned Contracts requiring the consent of a third party to be validly assigned and for which such consent has not been obtained prior to Closing, their conveyance unto US Subco shall be made pursuant to the Reverse Vesting Order, US Recognition of Vesting Order and any other necessary orders of the Court. The Parties will use commercially reasonable efforts in order for the Reverse Vesting Order and any other necessary orders to contain sufficient provisions for the assignment of DAI’s rights, benefits and interest in the Assigned Contracts to US Subco.
- (c) In accordance with the Reorganization Steps, DAI shall, for each Assigned Contract, pay to the counterparty to such Assigned Contract the amount, if any, of the Cure Costs related to such Assigned Contract(s) (and/or other amounts expressly provided by the Reverse Vesting Order or the SAVO, as the case may be), at or prior to Closing.

- (d) US Subco will not assume and will not be liable for any and all obligations, commitments and liabilities of and claims against the Vendors or for any and all obligations, commitments or liabilities of the Business and/or the Vendors related to the Assigned Contracts, other than the Retained Liabilities.

Section 2.03 Payment of Purchase Price. The Purchaser shall pay the purchase price as follows:

- (a) by setting off and cancelling the principal amount of USD\$, being a portion of the debt owed by DTGI to the Purchaser under the PEL Loan Agreement;
- (b) by setting off and cancelling the principal amount of \$, being a portion of the debt owed by DTGI to the Purchaser under the DIP Loan Agreement, including any accrued and unpaid interest on the entire DIP Loan Amount and any costs incurred by the PEL as interim lender;
- (c) by the payment, by certified cheque, bank draft, or wire transfer, of the Priority Payables Cash Amount and the Cure Cost Amount on the Closing Date (the payment of the Priority Payables Cash Amount and the Cure Cost Amount, together with the payment of the Wind-Down Cost Amount, are collectively referred to as, the “**Cash Payment**”) to the Monitor; and
- (d) by assumption of the Retained Liabilities,

(collectively, and as adjusted pursuant to Section 7.06, the “**Purchase Price**”).

Section 2.04 Allocation of Purchase Price. The Purchase Price shall be allocated among the Purchased Assets as set forth in Schedule I (Purchase Price Allocation). The Vendors, the Monitor, Canadian Subco and US Subco, as applicable, agree to make all filings and returns under the *Income Tax Act* (Canada) and other applicable taxation statutes in accordance with such allocation. If the Parties do not agree on an allocation, each shall nonetheless file its tax returns with the relevant revenue authorities based on their own respective reasonable allocations.

ARTICLE III – POSSESSION

Section 3.01 Possession Date. On completion of the Transaction contemplated by this Agreement, Canadian Subco will have possession of the Purchased Shares, all of the Retained Contracts, and all of the Retained Assets, and US Subco will have possession of all of the US Assets and all of the Assigned Contracts, as of the Closing Date, free and clear of all Claims, Liabilities and Encumbrances except for the Permitted Encumbrances and the Retained Liabilities. For certainty, all of the foregoing shall be delivered on an “as is, where is” basis.

Section 3.02 Non-Assignable Assets. If any of the Purchased Shares, the US Assets or the Assigned Contracts are not transferable without the consent of a third party, the Vendors shall use commercially reasonable efforts to obtain such consent prior to the Closing Date, at the Purchaser’s sole cost and expense. For certainty, obtaining such consents shall not be a condition to closing. If such third party consent is not obtained within sixty (60) days of the Closing Date, then the Purchased Share, US Asset or Assigned Contract to which such consent relates shall be deemed to be an Excluded Asset or Excluded Contract, as applicable.

ARTICLE IV – REPRESENTATIONS AND WARRANTIES

Section 4.01 Purchaser’s Representations and Warranties. The Purchaser represents and warrants to the Vendors, as representations and warranties made as of the date hereof and as of the

Closing Date, with the intent that the Vendors will rely on such representations and warranties in entering into this Agreement:

- (a) each of the Purchaser, Canadian Holdco, Canadian Subco and US Subco is a corporation duly incorporated, organized and subsisting under the laws of its jurisdiction of incorporation and has the requisite power and authority to enter into this Agreement and to complete the Transaction contemplated hereunder;
- (b) each of the Purchaser, Canadian Holdco, Canadian Subco and US Subco has the corporate power and authority to enter into this Agreement and to perform each of their obligations under this Agreement;
- (c) Canadian Holdco is a wholly-owned subsidiary of the Purchaser;
- (d) Canadian Subco is a wholly-owned subsidiary of Canadian Holdco;
- (e) US Subco is a wholly-owned subsidiary of Canadian Holdco;
- (f) other than the Reverse Vesting Order, the SAVO, the Recognition Order and the US Recognition of Vesting Order, execution, delivery and performance of this Agreement by the Purchaser, Canadian Holdco, Canadian Subco and US Subco do not and will not require any consent, approval, authorization or other order of, action by, filing with or notification to, any Governmental Authority; and
- (g) none of the Purchaser, Canadian Holdco, Canadian Subco or US Subco is subject to any order of any Governmental Authority, nor are there any such orders threatened to be imposed by any Governmental Authority, which could affect the legality, validity or enforceability of this Agreement or the consummation of the Transaction contemplated hereby by the Purchaser, Canadian Holdco, Canadian Subco or US Subco.

Section 4.02 “As Is, Where Is” Purchase. The Purchaser acknowledges and agrees that:

- (a) in entering into this Agreement and completing the Transaction contemplated herein, the Purchaser has relied and will continue to rely solely upon its own due diligence with respect to the Vendors, the Purchased Shares, the Retained Contracts, the Retained Assets, the US Assets and the Assigned Contracts;
- (b) the Purchased Shares, the Retained Contracts, the Retained Assets, the US Assets and the Assigned Contracts are being acquired or assumed on an “as is, where is” basis as of the Closing Date and without any representation or warranty, whether expressed or implied by this Agreement or at law, by the Vendors of any nature or kind whatsoever;
- (c) the Vendors make no representations or warranties concerning any statements made or information delivered or made available to the Purchaser (whether by the Vendors, Vendors’ Solicitors, the Monitor’s Solicitors or any other agents, representatives or advisors of the Vendors or any of their respective Affiliates, or any other Person) with respect to the Transaction, whether included as part of any due diligence matters or any other information disclosed to the Purchaser or otherwise; and
- (d) except as otherwise expressly provided for in this Agreement or in the Closing Documents, the Vendors shall have no obligations or responsibility to the Purchaser after the Closing Date with respect to any matter relating to the Purchased Shares, the Retained Contracts, the Retained Assets, the US Assets, or the Assigned Contracts, or the condition thereof. For greater certainty, nothing in this Section 4.02 shall relieve the Vendors of any

obligations, responsibilities, or covenants provided for in this Agreement expressly stated to survive Closing.

Section 4.03 Vendors' Representations and Warranties. The Vendors hereby represent and warrant to the Purchaser, as representations and warranties made as of the date hereof and as of the Closing Date, unless otherwise specified, with the intent that the Purchaser will rely on such representations and warranties in entering into this Agreement, that:

- (a) each Vendor is a corporation duly incorporated, organized and subsisting under the laws of its jurisdiction of incorporation and, subject to obtaining the Reverse Vesting Order, the SAVO, the Recognition Order and the US Recognition of Vesting Order, has the requisite power and authority to enter into this Agreement and to complete the Transaction contemplated hereunder;
- (b) subject to obtaining the Reverse Vesting Order, the SAVO, the Recognition Order and the US Recognition of Vesting Order, each Vendor has taken all necessary corporate action to authorize the entering into and performance by them of this Agreement and completion of the Transaction will not breach any Applicable Laws with respect to the Vendors;
- (c) subject to obtaining the Reverse Vesting Order, the SAVO, the Recognition Order and the US Recognition of Vesting Order, this Agreement and all other documents contemplated hereunder to which any of the Vendors are or will be a party, have been, in the case of this Agreement, as at the Effective Date, or will be, in the case of all other documents, as at the Closing Date, duly and validly executed and delivered by such Vendors and constitute, in the case of this Agreement, upon obtaining the Reverse Vesting Order, the Recognition Order and the US Recognition of Vesting Order, or will, in the case of all other documents, as at the Closing Date, constitute legal, valid and binding obligations of the Vendors enforceable in accordance with the terms hereof or thereof;
- (d) subject to obtaining the Reverse Vesting Order, the SAVO, the Recognition Order and the US Recognition of Vesting Order, the Assigned Contracts are in full force and effect and in good standing with no amendments and there are no outstanding defaults or violations under any of those Assigned Contracts; and
- (e) the Vendors, other than DAI, are not non-residents of Canada for the purposes of the *Income Tax Act* (Canada).

Section 4.04 Survival. The provisions, representations and warranties contained in this ARTICLE IV shall merge on the earlier of the Closing Date or termination of this Agreement.

ARTICLE V – CONDITIONS PRECEDENT

Section 5.01 Vendors' Conditions. The Vendors' obligation to complete the Transaction contemplated by this Agreement is subject to the following conditions being fulfilled or performed:

- (a) all representations and warranties of the Purchaser contained in this Agreement shall be true in all material respects as of the Closing Date with the same effect as though made on and as of that date; and
- (b) the Purchaser shall have performed in all material respects its obligations under this Agreement to the extent required to be performed at or prior to the Closing Date.

The foregoing conditions are for the exclusive benefit of the Vendors. If the conditions set out in this Section 5.01 have not been satisfied on or before the Closing Date, the Vendors may, with the written consent of

the Monitor, waive such conditions by written notice to the Purchaser, in whole or in part, without prejudice to any of its other rights under this Agreement and complete the Transaction or elect not to complete.

Section 5.02 Purchaser's Conditions. The Purchaser's obligation to complete the Transaction contemplated by this Agreement is subject to the following conditions being fulfilled or performed:

- (a) all representations and warranties of the Vendors contained in this Agreement shall be true in all material respects as of the Closing Date with the same effect as though made on and as of that date;
- (b) all necessary regulatory and material third-party approvals required to consummate the Transaction contemplated by this Agreement shall have been obtained by the Purchaser;
- (c) the Vendors or their Affiliates shall have terminated the employment of all Employees, and all Liabilities owing to any such terminated Employees in respect of such termination, including all amounts owing on account of statutory notice, termination payments, severance, vacation pay, benefits, bonuses or other compensation or entitlements, shall be and shall constitute Excluded Liabilities which, pursuant to the Reverse Vesting Order, shall be discharged as against the Vendors and transferred to ResidualCo; and
- (d) the Vendors shall have performed in all material respects each of their obligations under this Agreement to the extent required to be performed at or prior to the Closing Date.

The foregoing conditions are for the exclusive benefit of the Purchaser. If the conditions set out in this Section 5.02 have not been satisfied on or before the Closing Date, the Purchaser may waive such conditions by written notice to the Vendors, in whole or in part, without prejudice to any of its other rights under this Agreement and complete the Transaction or elect not to complete.

Section 5.03 Mutual Conditions. The obligation of each of the Parties to complete the Transaction contemplated by this Agreement is subject to the following mutual conditions being fulfilled or performed:

- (a) the Monitor shall have provided its approval and endorsement of this Agreement, in writing;
- (b) no Applicable Law and no judgment, injunction, order or decree shall have been issued by a Governmental Authority, or otherwise in effect, that restrains or prohibits the completion of the Transaction;
- (c) no motion, action, or proceedings shall be pending by or before a Governmental Authority to restrain or prohibit the completion of the Transaction;
- (d) on or by June 23, 2023 or such later date as agreed by the Parties, the Vendors shall have sought and obtained an Order (the "**Reverse Vesting Order**") and the SAVO, both in a form and substance acceptable to the Purchaser and substantially in the form attached as Schedule H (Form of Reverse Vesting Order and SAVO) hereto, approving the Transaction contemplated by this Agreement, transferring and assigning all of the Excluded Assets, Excluded Contracts, and Excluded Liabilities, in and to ResidualCo, vesting or retaining clear title to the Purchased Shares and the US Assets, all Retained Assets, Assigned Contracts and Retained Contracts, in Canadian Subco, US Subco or the Companies (as applicable), free and clear of all Claims, Liabilities and Encumbrances except the Retained Liabilities and the Permitted Encumbrances, it being understood that the Reverse Vesting Order will be in form and substance generally applicable for transactions of a similar nature to the Transaction;

- (e) on or by July 7, 2023 or such later date as agreed by the Parties, the Vendors' Solicitors shall have completed all necessary steps to effect service of the Reverse Vesting Order on the service list maintained within the CCAA Proceedings, including, but not limited to, the Canada Revenue Agency, and any other Person(s) the Purchaser, acting reasonably, may designate in writing prior to such date;
- (f) the Reorganization Steps shall have been completed to the satisfaction of the Parties, acting reasonably;
- (g) customary releases acceptable to the Vendors and the Purchaser shall have been obtained in the Reverse Vesting Order for: (i) the current and former directors and officers of the Vendors, ResidualCo and the Vendors' Solicitors; (ii) the Monitor and the Monitor's Solicitors; (iii) the Purchaser and the Purchaser's Solicitors; and (iv) Canadian Holdco, Canadian Subco and US Subco;
- (h) as of the Closing Date, each of the US Recognition of Vesting Order, the Initial Recognition Order and the Recognition Order shall have been issued and entered by the US Bankruptcy Court and shall be Final Orders;
- (i) as of the Closing Date, the Reverse Vesting Order and SAVO shall each be a Final Order; and
- (j) the TSX Venture Exchange shall have approved the delisting of DTGI.

Section 5.04 Satisfaction of Conditions. The Parties agree that if the conditions in this ARTICLE V are not satisfied or waived on or before the Outside Date, then this Agreement will automatically terminate.

Section 5.05 CCAA Proceedings and Chapter 15 Proceedings. The Purchaser shall support the application for the Reverse Vesting Order, the SAVO, the Recognition Order and the US Recognition of Vesting Order. In the event any variation of the Reverse Vesting Order, the SAVO, the Recognition Order or the US Recognition of Vesting Order is sought or leave to appeal is sought, an appeal is taken, or a stay pending appeal is requested with respect to the Final Order, the Vendors or Monitor shall promptly notify the Purchaser of such application for leave to appeal, appeal or stay request and shall promptly provide to the Purchaser a copy of the related notice(s) or order(s).

ARTICLE VI – INTERIM PERIOD

Section 6.01 Pre-Closing Covenants. The Parties hereby mutually covenant and agree that the following steps shall be implemented on or before Closing:

- (a) DTGI shall incorporate ResidualCo;
- (b) DTGI shall, immediately upon the incorporation of ResidualCo, cause ResidualCo to become a Party to this Agreement by way of joinder, in a form satisfactory to the Purchaser in all respects, pursuant to which ResidualCo shall agree to become bound hereunder;
- (c) the Purchaser shall assign a portion of the debt owing to it pursuant to the PEL Loan Agreement and a portion of the debt owing to it pursuant to the DIP Loan Agreement to Canadian Holdco in exchange for a promissory note issued by Canadian Holdco in favour of the Purchaser with a principal amount of an equivalent amount of such transferred debt, and Canadian Holdco will subsequently assign portions of the debt owing to it pursuant to the PEL Loan Agreement and portions of the debt owing to it pursuant to the DIP Loan Agreement to Canadian Subco and US Subco, as applicable, in exchange for equity of

Canadian Subco and US Subco with a fair market value of an equivalent amount of such transferred debt;

- (d) the Purchaser shall transfer the Cash Payment to the Purchaser's Solicitors, in trust, no less than three (3) business days prior to Closing; and
- (e) the Purchaser's Solicitors shall transfer the Cash Payment to the Monitor's Solicitors on trust conditions at least one (1) business day prior to Closing, in accordance with Section 7.04,

Section 6.02 Pre-Incorporation Contract. The Parties hereby acknowledge and agree that this Agreement is a pre-incorporation contract and that the Vendors have entered into and hold this Agreement in trust, for and on behalf of ResidualCo. From and after the adoption of this Agreement by ResidualCo, it shall be bound as if it were an original signatory hereto. Upon Closing, the Vendors shall cease to be bound by such obligations.

Section 6.03 Interim Period Covenants. During the Interim Period, the Vendors shall use commercially reasonable efforts to:

- (a) not transport, remove or dispose of, and the Vendors shall not allow the transportation, removal or disposal of, any Retained Asset or US Asset out of their current locations or other offices except as contemplated by this Section 6.03;
- (b) subject to the terms of this Agreement, take steps to keep in good standing Permits and Licenses that are active as of the Effective Date;
- (c) comply with their respective obligations under all existing Retained Contracts and Assigned Contracts. The occurrence of a default or event of default that has not been waived or cured (other than a default or event of default arising out of the initiation of the CCAA Proceedings) under any of the Retained Contracts or Assigned Contracts shall constitute a breach of covenant under this Agreement;
- (d) provide the Purchaser with a complete and accurate list of all Inventory and equipment for inclusion in Schedule C (Retained Assets) and Schedule F (US Assets);
- (e) limit sales of Inventory to those sales made in accordance with Retained Contracts and Assigned Contracts;
- (f) permit one or more security guards, to be engaged by the Purchaser at the Purchaser's own cost and expense, to enter upon, patrol, and monitor the premises of the Vendors, the Business, and all commercial structures located on the premises of the Vendors, if requested in writing by the Purchaser provided such does not interfere with the Business or operations of the Vendors; and
- (g) keep the Purchaser fully informed of any material developments relating to the Vendors or the Business.

Section 6.04 Access During Interim Period. During the Interim Period, the Vendors shall give, or cause to be given, to the Purchaser and its Representatives unlimited access to the Retained Assets and the US Assets, including their Books and Records, to conduct such investigations, inspections, surveys or tests thereof and of the financial and legal condition of the Business and the Retained Assets and the US Assets as the Purchaser deems reasonably necessary or desirable to further familiarize themselves with the Business, the Retained Assets and the US Assets. Without limiting the generality of the foregoing, the Purchaser and their Representatives shall be permitted full and unlimited access to all documents relating to information scheduled or required to be disclosed under this Agreement and to the Employees.

Such investigations, inspections, surveys and tests shall be carried out at the Purchaser's sole and exclusive risk, and without undue interference with the Business and the Vendors shall co-operate reasonably in facilitating such investigations, inspections, surveys and tests and shall furnish copies of all such documents and materials relating to such matters as may be reasonably requested by or on behalf of the Purchaser and their Representatives.

Section 6.05 Risk of Loss and Casualty. Until the Closing Date, but subject to Section 6.04, all of the Retained Assets and US Assets will be at the risk of the Vendors. If, before the Closing Date, any material portion of the Retained Assets or US Assets are destroyed or damaged or are appropriated, expropriated or otherwise, the Vendors will promptly notify the Purchaser, who shall have the option, exercisable by notice in writing: (a) to complete the Transaction, in which event all proceeds of any insurance (including business interruption insurance) relating to the applicable destroyed Retained Assets or US Assets will be immediately payable to the Purchaser upon receipt by the Vendors; or (b) to terminate this Agreement.

Section 6.06 Retained and Excluded Assets. The Purchaser may, on written notice to the Vendors and the Monitor, at any time and from time to time prior to the Closing Date, as part of the Transaction, elect to exclude any business, property, assets or undertaking (other than Inventory) of any of the Vendors from the Retained Assets or the US Assets, in which case, such business, property, asset or undertaking shall form part of the Excluded Assets, as applicable, and be realized upon by ResidualCo as part of the CCAA Proceedings or otherwise, with the approval of the Monitor or of the Court. For greater certainty, no such additional exclusions to or amendments of the Retained Assets or US Assets shall have the effect of amending or varying the Purchase Price.

Section 6.07 Retained, Excluded and Assigned Contracts. The Vendors will provide to the Purchaser copies of all of the Contracts to which any of the Vendors are a counterparty to on or before 5:00 p.m. (Calgary time) on June 15, 2023. The Purchaser may, on written notice to the Vendors and the Monitor, at any time and from time to time prior to the Closing Date, as part of the Transaction elect to include any Contract as a Retained Contract or Assigned Contract (in which case the applicable Liabilities under such additional Contracts arising after the Closing Date shall either be, as applicable, deemed to be Retained Liabilities and shall not be transferred to and assumed by ResidualCo or such Cure Costs shall be paid as part of this Transaction in respect of the Assigned Contracts) or deem such Contract to be an Excluded Contract (in which case such Contract shall be transferred to and assumed by ResidualCo). For greater certainty, no additional inclusions to or amendments of the Retained Contracts, Assigned Contracts or Excluded Contracts shall have the effect of amending or varying the Purchase Price. Notwithstanding any other provision of this Agreement, none of the Purchaser, Canadian Holdco, Canadian Subco or US Subco shall assume, nor have any liability or obligations under any of the Excluded Contracts, at any time.

Section 6.08 Retained and Excluded Liabilities. The Purchaser may, on written notice to the Companies and the Monitor, at any time and from time to time prior to the Closing Date, as part of the Transaction elect to include any Liability of any of the Companies as a Retained Liability (in which case such Liability shall be retained by such Company and shall not be transferred to and assumed by ResidualCo) or an Excluded Liability (in which case such Liability shall be transferred to and assumed by ResidualCo). For greater certainty, no additional inclusions to or amendments of the Retained Liabilities or Excluded Liabilities shall have the effect of amending or varying the Purchase Price. Notwithstanding any other provision of this Agreement, and in conformity with the Reverse Vesting Order, none of the Purchaser, Canadian Holdco, Canadian Subco, US Subco and the Companies shall retain, assume, nor have any liability or obligations under, any of the Excluded Liabilities after the Closing Date, and the Companies shall be forever irrevocably released and discharged from same.

ARTICLE VII – CLOSING

Section 7.01 Vendors' Closing Deliverables. On or before the Closing Date, the Vendors will deliver, or cause the Vendors' Solicitors to deliver, to the Purchaser's Solicitors in trust to be held in escrow as provided in this Agreement, the following documents duly executed as applicable:

- (a) a true copy of the entered Reverse Vesting Order, the Recognition Order and the US Recognition of Vesting Order, each of which shall be a Final Order;
- (b) the Books and Records of each of the Vendors;
- (c) share certificates or similar documents representing all of the issued and outstanding shares of DEGL;
- (d) share certificates or similar documents representing all of the issued and outstanding shares of DAL;
- (e) share certificates or similar documents representing all of the issued and outstanding shares of DSL held by DTGI;
- (f) a share certificate or similar document representing the DTGI Share;
- (g) resignation letters, effective as of the Closing Date, executed by each of the officers, directors, and responsible persons nominated, elected, or appointed to the board of, each of DEGL, DAL, DAI, DSL and DTGI;
- (h) certificate dated as of the Closing Date from the Vendors, confirming that all of the Vendors' representations and warranties contained in this Agreement are true in all material respects as of the Closing Date, with the same effect as though made at and as of the Closing Date, and that the Vendors' covenants and agreements to be observed or performed on or before the Closing Date pursuant to the terms of this Agreement have been, duly observed and performed in all material respects;
- (i) a copy of the TSX Venture Exchange bulletin confirming the delisting of DTGI;
- (j) written confirmation to the Monitor that all conditions of Closing have been satisfied or waived; and
- (k) such other documents and assurances as the Purchaser may reasonably require to give full effect to the intent and meaning of this Agreement.

Section 7.02 Purchaser's Closing Deliverables. On or before the Closing Date, the Purchaser will deliver, or cause the Purchaser's Solicitors to deliver, to the Vendors' Solicitors or the Monitor's Solicitors, in trust to be held in escrow, the following documents duly executed as applicable:

- (a) funds in an amount equal to the Cash Payment, by certified cheque, bank draft, or wire transfer;
- (b) completed copies of all schedules to this Agreement, as may be modified by the Purchaser prior to Closing in accordance with ARTICLE VI;
- (c) certificate dated as of the Closing Date of a senior officer of the Purchaser confirming that all of the Purchaser's representations and warranties contained in this Agreement are true in all material respects as of the Closing Date, with the same effect as though made at and as of the Closing Date, and the Purchaser's covenants and agreements to be observed or performed on or before the Closing Date pursuant to the terms of this Agreement have been duly observed and performed in all material respects;
- (d) a subscription agreement for the DTGI Share;
- (e) a customary GST declaration and indemnity;

- (f) written confirmation to the Monitor that all conditions of Closing have been satisfied or waived; and
- (g) such other documents and assurances as the Vendors may reasonably require to give full effect to the intent and meaning of this Agreement.

Section 7.03 Closing Escrow.

- (a) The Closing Documents and the Cash Payment will be held in trust by the Vendors' Solicitors, the Monitor's Solicitors, and the Purchaser's Solicitors, as applicable, until completion of Closing on the Closing Date in accordance with this Agreement, promptly after which the Parties shall release their respective Closing Documents and the Monitor shall release and utilize the cash portion of the Purchase Price to pay all Cure Costs and Priority Payables in accordance with the Reorganization Steps.
- (b) Following completion of Steps 1-14 of the Reorganization Steps, the Monitor shall deliver to the Purchaser, and file with the Court, the executed PEL Transaction Certificate (as defined in the Reverse Vesting Order), and the Monitor's Closing Certificate (as defined in the SAVO), as applicable, and the Monitor shall have no personal or corporate liability to the Parties in connection therewith.

Section 7.04 Closing Steps. The Parties hereby, jointly and severally (provided that this Section 7.04 may be modified with the consent of the Vendors, the Vendors' Solicitor, the Purchaser, the Purchaser's Solicitor, the Monitor and the Monitor's Solicitor), acknowledge and agree that, upon receipt of all of the closing deliverables set out in this ARTICLE VII, the Reorganization Steps shall occur in accordance with the steps set out on Schedule J (Reorganization Steps).

Section 7.05 Termination. Notwithstanding any other provision of this Agreement, if the Transaction contemplated by this Agreement does not complete on or prior to the Outside Date:

- (a) by reason of the Vendors' default, then the Purchaser may terminate this Agreement with written notice delivered to the Vendors, and thereafter the Vendors shall have no further liability to the Purchaser under or related to this Agreement, and the Purchaser shall have no further claim under or related to this Agreement; or
- (b) by reason of the Purchaser's default, then the Vendors may terminate this Agreement with written notice delivered to the Purchaser, and thereafter the Purchaser shall have no further liability to the Vendors under or related to this Agreement (other than as specified herein), and the Vendors shall have no further claim under or related to this Agreement.

Section 7.06 Wind-Down Cost Amount and Priority Payables Accounting. The Wind-Down Cost Amount will be held by the Monitor, in trust, and shall only be used to pay the reasonable costs required to terminate the CCAA Proceedings and wind-down the estate of ResidualCo in the CCAA proceedings (the "**Remaining CCAA Estate**"), including the administration of any bankruptcy in respect of the Remaining CCAA Estate (collectively, the "**Wind-Down Costs**"). It is understood and agreed that: (a) the balance, if any, remaining in respect of the Wind-Down Cost Amount after payment of the Wind-Down Costs shall be returned to the Purchaser once the administration of the Remaining CCAA Estate and the bankruptcy estate of ResidualCo is completed; and (b) upon the completion of payment of the Priority Payables by the Monitor, the Monitor shall provide the Purchaser with an accounting of the Priority Payables and, in the event that any part of the Priority Payables Cash Amount remains after the satisfaction of the Priority Payables, such remaining part of the Payables Cash Amount (if any) shall be returned to the Purchaser (the "**Priority Payables Accounting**"). For greater certainty, this Section 7.06 shall survive the Closing of this Agreement.

ARTICLE VIII – TAXES

Section 8.01 GST. Canadian Subco represents and warrants to the Vendors that it is and will be, as of the Closing on the Closing Date, registered for the purposes of Part IX of the *Excise Tax Act* (Canada) (the “**ETA**”) and will assume responsibility to account for, report and remit any goods and services tax and harmonized sales tax (collectively, the “**GST**”) payable under the ETA in connection with the Transaction contemplated by this Agreement. Canadian Subco agrees, represents and warrants to the Vendors that the Vendors will not be required to collect from the Purchaser or Canadian Subco nor report or remit, any GST in connection with the Transaction contemplated by this Agreement. The Purchaser shall indemnify and hold the Vendors and their directors, officers, employees, advisors and agents harmless from any liability under the ETA arising as a result of any breach of this Section 8.01, or any declaration made therein and such indemnity shall survive the completion of the Transaction contemplated by this Agreement.

Section 8.02 Provincial Sales Tax. Canadian Subco acknowledges that it may be liable to pay provincial sales tax in respect of some or all of the Purchased Shares, the Retained Contracts, or the Retained Assets and, if required, it will report and remit as required by applicable law any such sales tax that is due directly to the applicable taxing authority. The Purchaser shall indemnify and hold the Vendors and their directors, officers, employees, advisors and agents harmless from any liability related to the Vendors’ failure to account for, report and remit such provincial sales tax and such indemnity shall survive the completion of the Transaction contemplated by this Agreement.

Section 8.03 Tax Elections. Notwithstanding the above, the Vendors will cooperate with the Purchaser, Canadian Subco and US Subco to execute any election available under Applicable Law that may reduce or defer the amount or due date of any GST or other tax payable by the Purchaser, Canadian Subco or US Subco provided such election will not result in any increased cost or tax liability for the Vendors.

Section 8.04 Other Taxes. Canadian Subco shall be responsible for all transfer taxes, fees and expenses in connection with the registration of the Final Order or transfer of the Purchased Shares.

ARTICLE IX – GENERAL

Section 9.01 Monitor Liability. The Purchaser acknowledges and agrees that the Monitor shall incur no personal liability under this Agreement, including without limitation due to any incorrect representation or warranty, or due to any breach or failure to observe any covenant or term of this Agreement, and that the Purchaser’s sole recourse under this Agreement is to and against the Vendors.

Section 9.02 Further Assurances. Each Party shall execute and deliver all such further documents and do such further acts and things, at their own cost and expense, as may be reasonably required from time to time to give effect to this Agreement.

Section 9.03 Undertaking of the Vendors. The Vendors covenant and undertake to use commercially reasonable efforts to provide to the Purchaser all information reasonably required by the Purchaser in order to consider, analyze and complete or modify the Schedules to this Agreement prior to the Closing Date, including, without limitation, a list of what they consider to be material Contracts, US Assets, Retained Assets and Personal Property (including, without limitation, Intellectual Property and Inventory) according to their Books and Records, and their financial and tax information.

Section 9.04 No Merger. The execution and delivery of the Closing Documents is not intended to and will not in any way merge or otherwise restrict the terms, covenants, conditions, representations, warranties or provisions made or to be performed or observed by the Parties contained in this Agreement other than the obligation to deliver the Closing Documents.

Section 9.05 Entire Agreement. This Agreement constitutes the entire agreement between the Vendors and the Purchaser pertaining to the Transaction and supersedes all prior agreements and undertakings, negotiations and discussions, whether oral or written, of the Vendors and the Purchaser, and there are no representations, warranties, covenants or agreements between the Vendors and Purchaser except as set out in this Agreement.

Section 9.06 Obligations as Covenants. Each agreement and obligation of the Parties in this Agreement, even though not expressed as a covenant, shall be considered for all purposes to be a covenant.

Section 9.07 Amendment. This Agreement may only be altered or amended by an agreement in writing executed by all of the Parties.

Section 9.08 Notices. Any notice, document or communication required or permitted to be given under this Agreement shall be in writing and delivered by hand or electronic transmission as follows:

- (a) if to the Purchaser:

Promising Expert Limited

11/F., Capital Centre
151 Gloucester Road
Wanchai, Hong Kong

Attention: Huang Chao
Email: huangchao@shimaowuyuan.com

with a copy to the Purchaser's Solicitors:

Dentons Canada LLP

15th Floor, Bankers Court
850 – 2nd Street SW
Calgary, AB T2P 0R8

Attention: George Tai
Email: george.tai@dentons.com

- (b) if to Canadian Holdco, Canadian Subco or US Subco:

c/o Dentons Canada LLP
15th Floor, Bankers Court
850 – 2nd Street SW
Calgary, AB T2P 0R8

Attention: James Chui
Email: jameschui@126.com

with a copy to Canadian Holdco's, Canadian Subco's and US Subco's solicitors:

Dentons Canada LLP

15th Floor, Bankers Court
850 – 2nd Street SW
Calgary, AB T2P 0R8

Attention: George Tai
Email: george.tai@dentons.com

(c) if to the Vendors:

717 Jarvis Avenue
Winnipeg, MB R2W 3B4

Attention: Guy Nelson/Allan Francis
Email: gnelson@dynamictechgroup.com/afrancis@dynamictechgroup.com

with a copy to the Vendors' Solicitors:

MLT Aikins LLP
2100, 222 – 3rd Avenue SW
Calgary, AB T2P 0B4

Attention: Ryan Zahara/John Brigidear
Email: rzahara@mltaikins.com/jbrigidear@mltaikins.com

(d) if to the Monitor:

FTI Consulting Canada Inc.
1610, 520 – 5th Ave SW
Calgary, AB T2P 3R7 Canada

Attention: Deryck Helkaa/Dustin Olver
Email: Deryck.Helkaa@fticonsulting.com/Dustin.Olver@fticonsulting.com

with a copy to the Monitor's Solicitors:

Burnet, Duckworth & Palmer LLP
525 8 Ave SW #2400
Calgary, AB T2P 1G1

Attention: David Legeyt/Ryan Algar
Email: dlegeyt@bdplaw.com/ralgar@bdplaw.com

or to such other address as either Party may in writing advise. Any notice, document or communication will be deemed to have been given on the Business Day when delivered by hand if delivered prior to 5:00 p.m. (Calgary time), or otherwise will be deemed to be delivered and received on the next Business Day.

Section 9.09 Fees. Each Party shall pay its own legal fees and fees of its consultants. The Purchaser shall pay all of its own registration costs.

Section 9.10 Time. Time is of the essence of this Agreement. If anything is required to be done under this Agreement on a day which is not a Business Day, the same shall be done on the next following Business Day.

Section 9.11 Enurement. This Agreement will enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

Section 9.12 Assignment. The Parties are not entitled to assign their rights and obligations under this Agreement except with the prior written consent of the other Party.

Section 9.13 Governing Law. This Agreement will be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.

Section 9.14 Waiver. No waiver of any of the provisions of this Agreement will be deemed or will constitute a waiver of any other provision nor will any waiver constitute a continuing waiver unless otherwise expressed or provided.

Section 9.15 Confidentiality. Except as may be required in the CCAA Proceedings, the Parties shall not disclose the existence of nor the contents of this Agreement to any third party, except their respective directors, officers, employees, agents or advisors, including lawyers, accountants, consultants, bankers, lenders, and financial advisors (collectively, the "**Authorized Parties**"), without the prior written consent of the other Party, not to be unreasonably withheld, provided that such consent is not required in the case of disclosure required by law or disclosure by either Party to enforce any of its rights under this Agreement or to obtain necessary consents under this Agreement. The Parties will instruct their respective Authorized Parties to comply with the provisions of this Section 9.15 and the Parties will be responsible for any breach of the provisions of this Section 9.15 by their respective Authorized Parties. This Section 9.15 does not apply to public information or information in the public domain at the time that such information is obtained, information in the possession of a Party not provided by the other Party, or information received in good faith from a third party lawfully in possession of the information and not in breach of any confidentiality obligation. The provisions of this Section 9.15 shall supersede the confidentiality provisions of any non-disclosure or confidentiality agreements entered into by the Parties with respect to the Purchased Shares, the US Assets and the Transaction contemplated by this Agreement.

Section 9.16 Currency. Unless otherwise stated, all dollar amounts referred to in this Agreement are Canadian dollars.

Section 9.17 Construction. The division and headings of this Agreement are for reference only and are not to affect construction or interpretation.

Section 9.18 Counterparts and Execution. This Agreement may be executed in counterparts and delivered by electronic transmission including by PDF format, and each such counterpart will constitute an original and all such counterparts together will constitute one and the same agreement.


[signature page follows]

IN WITNESS WHEREOF, the Parties are executing this Agreement as of the date first set out above.

DYNAMIC TECHNOLOGIES GROUP INC.

Per: 
Authorized Signatory


DYNAMIC ENTERTAINMENT GROUP LTD.

Per: 
Authorized Signatory

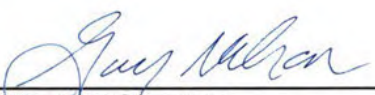
DYNAMIC ATTRACTIONS LTD.

Per: 
Authorized Signatory

DYNAMIC STRUCTURES LTD.

Per: 
Authorized Signatory

DYNAMIC ATTRACTIONS INC.

Per: 
Authorized Signatory

PROMISING EXPERT LIMITED

Per: _____
Authorized Signatory

2523613 ALBERTA LTD.

Per: _____
Authorized Signatory

IN WITNESS WHEREOF, the Parties are executing this Agreement as of the date first set out above.

DYNAMIC TECHNOLOGIES GROUP INC.

Per: _____
Authorized Signatory

DYNAMIC ENTERTAINMENT GROUP LTD.

Per: _____
Authorized Signatory

DYNAMIC ATTRACTIONS LTD.

Per: _____
Authorized Signatory

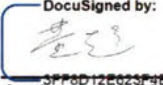
DYNAMIC STRUCTURES LTD.

Per: _____
Authorized Signatory

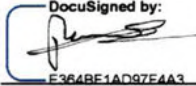
DYNAMIC ATTRACTIONS INC.

Per: _____
Authorized Signatory

PROMISING EXPERT LIMITED

Per:  _____
Authorized Signatory

2523613 ALBERTA LTD.

Per:  _____
Authorized Signatory

15102545 CANADA INC.

Per: 
Authorized Signatory

PEL DYNAMIC ACQUISITION (US) CORP.

Per: 
Authorized Signatory

SCHEDULE A

EXCLUDED ASSETS

1. All interests of DTGI, DEGL, DAL and/or DSL in the Cash Payment other than the Cure Cost Amount.
2. All Excluded Contracts.
3. All of the issued and outstanding securities in the capital of Qiguang Dynamic Steel Structures Ltd. that are owned by DTGI.
4. All of the issued and outstanding securities in the capital of DAI that are owned by DTGI.
5. All of the issued and outstanding securities in the capital of ResidualCo that are owned by DTGI.
6. All of the issued and outstanding securities in the capital of Dynamic Attractions (HK) Ltd. that are owned by DTGI.
7. All assets and Personal Property owned by Dynamic Attractions (HK) Ltd.

SCHEDULE B

PERMITTED ENCUMBRANCES

None.

SCHEDULE C

RETAINED ASSETS

1. All cash, bank balances, moneys in possession of banks, the Monitor and other depositories, term or time deposits and similar cash items, owned or held by or for the account of DTGI, DEGL, DAL or DSL except for Wind-Down Cost Amount and Priority Payable Cash Amount.
2. All Receivables, claims, and choses in action of DTGI, DEGL, DAL or DSL.
3. For greater certainty, all tax pools of DTGI, DEGL, DAL and DSL.
4. The Books and Records of DTGI, DEGL, DAL and DSL.
5. All of the issued and outstanding securities in the capital of High Express Holdings (US) Inc. that are owned by DEGL.
6. All Intellectual Property of DTGI, DEGL, DAL and DSL, including, without limitation:
 - (a) attraction designs (complete):
 - (i) Flying theatres;
 - (ii) Motion theatres;
 - (iii) SFX Coaster/tricks (side slide, tilt & drop, elevator drop, tumble table); and
 - (iv) Robotic track ride;
 - (b) attraction designs (in process):
 - (i) Tracked and trackless AGV; and
 - (ii) Flight Cycle;
 - (c) Assorted attraction/component design libraries;
 - (d) Film libraries, including, without limitation:
 - (i) Film taken for SkyFly; and
 - (ii) Avalanche film;
 - (e) Library of attraction themes, storyline;
 - (f) Creative tools/libraries for creating walkthroughs, images of attractions;
 - (g) Contact lists of potential suppliers of theming/media creation services;
 - (h) Pipeline of co-venture opportunities, including, without limitation:
 - (i) Monterey, IMAX Theater facility;
 - (ii) San Juan, Puerto Rico;

- (iii) Lompoc, California;
 - (iv) Highway 407, Pigeon Forge;
 - (v) Guangzhou Media Building;
 - (vi) Shanghai Tunnel; and
 - (vii) CN Tunnel, Toronto.
7. All interests of DAL in the cash proceeds received by DAL in connection with:
- (a) the asset purchase agreement (the “**Infinity APA**”) dated May 17, 2023 between DAL and Infinity Asset Solutions Inc. (“**Infinity**”); and
 - (b) the auction services agreement (the “**Infinity ASA**”) dated May 25, 2023 between DAL and Infinity.
8. All interests of DAL in the cash proceeds received by DAL in connection with the equipment sale agreement dated June 1, 2023 between DAL and Universal City Development Partners Ltd. (the “**Universal ESA**”).
9. All Inventory of DTGI, DEGL, DAL and DSL, including, without limitation:
- (a) All Inventory held at Velocity Magnetics (Genting AVP project); and
 - (b) All Inventory related to Genting SOA project.
10. All equipment used in connection with the Business, including, without limitation:
- (a) Electronic equipment, including computer systems and peripherals, phone systems, photocopiers;
 - (b) Office furniture and fixtures;
 - (c) Office supplies; and
 - (d) Websites, e-mail systems.
11. All ISO certifications held by the Vendors.
12. All other assets and Personal Property of DTGI, DEGL, DAL and DSL that are not designated as Excluded Assets by the Purchaser, prior to Closing.

SCHEDULE D

RETAINED CONTRACTS

1. All policies of insurance maintained by DTGI, DEGL, DAL and/or DSL.
2. All (i) credit card facility agreements, security and guarantees in support there and (ii) operating agreements in respect of DTGI, DEGL, DAL, and DSL in effect with Canadian Imperial Bank of Commerce ("**CIBC**"), which includes, the following:
 - a. Amended and restated credit agreement dated April 17, 2019, but only with respect to the Demand Visa Credit Facility therein;
 - b. Guarantee entered into by Dynamic Entertainment Group Ltd. in favour of CIBC;
 - c. Guarantee entered into by Dynamic Attractions Ltd. in favour of CIBC;
 - d. CIBC GICs Deposits & Payments Services Agreement for Cash Management Services dated October 10, 2013; and
 - e. Special Arrangements Service Fees Agreement dated June 19, 2019.

("CIBC Retained Contracts")

For greater certainty, the CIBC Retained Contracts do not include any obligations or agreements in respect of the Letters of Credit CIBC had previously issued to Genting Malaysia Berhad, Lotte World Adventure (Shenyang) Co., and Theme Parks LLC.

3. All agreements, memorandums of understanding, letters of intent or similar documents related to co-venture projects between DEGL and third parties, including without limitation:
 - (a) Memorandums of Understanding with potential co-venture/financing partners:
 - (i) Rio de Janeiro, Sugar Loaf Mountain; and
 - (ii) Niagara Falls, Planet Hollywood;
 - (b) Territorial Agreements (signed):
 - (i) Paradox Studios (Gulf Cooperation Council);
 - (c) Territorial Agreements (under discussion):
 - (i) Hawaii;
 - (ii) Australia;
 - (iii) Japan; and
 - (iv) India;
 - (d) All software licenses, including, without limitation:
 - (i) Microsoft;

- (ii) Sage; and
- (iii) AutoCad;
- (e) Real Property Leases and associated facility operation contracts (i.e., phone, internet, etc.):
 - (i) Winnipeg Facility, leased pursuant to a lease agreement dated May 31, 2021 between DAL and Dynamic Machine Corporation;
- (f) Certain non-disclosure agreements with the following parties:
 - (i) Canadian Niagara Hotels (Niagara Falls)- expires February 16, 2024;
 - (ii) Bondhino (Rio)- expires July 12, 2029;
 - (iii) Bharti Land Limited (India)- expires November 30, 2024;
 - (iv) Guangdong Jinma - expires January 1, 2030;
 - (v) Scenario - expires February 13, 2030;
 - (vi) MiConcept- expires December 22, 2029;
 - (vii) JLL Saudi- expires May 18, 2028;
 - (viii) Halcrow International Partnership Dubai- expires May 24, 2028;
 - (ix) Maadfam Studios Mumbai- expires June 13, 2030; and
 - (x) ICON Park - expires June 22, 2027.

SCHEDULE E

RETAINED LIABILITIES

1. All Liabilities under the Retained Contracts.
2. All Liabilities under the Assigned Contracts.
3. The High Express Debt.
4. All liabilities of DTGI, DEGL, DAL and DSL related to Taxes for any tax period or portion thereof beginning on or after the Filing Date excluding, for the avoidance of doubt, (a) all income tax or similar liabilities of any of DTGI, DEGL, DAL and/or DSL for any tax period ending prior to the Filing Date, and (b) any Tax or similar liability directly and solely related to the Excluded Assets, Excluded Liabilities or Excluded Contracts, or any of them.

SCHEDULE F

US ASSETS

1. All cash, bank balances, moneys in possession of banks, the Monitor and other depositories, term or time deposits and similar cash items, owned or held by or for the account of DAI except for amounts related to the Cure Cost Amount and the Wind-Down Cost Amount.
2. The Assigned Contracts.
3. All Receivables, claims, and choses in action of DAI.
4. The Books and Records of DAI.
5. All Intellectual Property of DAI.
6. All Inventory of DAI.
7. All equipment owned by DAI and used in connection with the Business.
8. All other assets and Personal Property of DAI.

SCHEDULE G

ASSIGNED CONTRACTS

1. All policies of insurance maintained by DAI.
2. Lease for the Orlando Facility which is leased under an agreement between DAI and EastGroup Properties, L.P. dated April 23, 2015 and associated facility operation contracts (i.e., phone, internet, etc.).
3. Lease for the Dallas Facility which is leased under an agreement between DAI and Andrews-Dillingham Properties, Ltd. dated October 17, 2013 and associated facility operation contracts (i.e., phone, internet, etc.).

SCHEDULE H

FORM OF REVERSE VESTING ORDER AND SAVO

(see attached)

SCHEDULE I

PURCHASE PRICE ALLOCATION

<u>Purchased Asset(s)</u>	<u>Allocation of Purchase Price</u>
Purchased Shares	66.67% of Purchase Price
US Assets	33.33% of Purchase Price

SCHEDULE J

REORGANIZATION STEPS

The following steps and transactions to be affected pursuant to this Agreement, the Reverse Vesting Order, the SAVO, the Recognition Order and the US Recognition of Vesting Order shall occur, and be deemed to have occurred, in the following order in five (5) minute increments (unless otherwise noted herein or agreed to by the Parties), without any further act or formality on the Closing Date beginning at the time of Closing:

1. The Purchase Price shall be delivered by the Purchaser, for and on behalf of Canadian Subco and US Subco, to the Monitor, for the benefit of the Vendors, and then immediately following Step 4, the Purchase Price shall be, and shall be deemed to be held by the Monitor for the benefit of ResidualCo (other than the Cure Cost Amount).
2. All Employees shall be terminated.
3. Any directors of the Vendors immediately prior to Closing Date shall be deemed to resign and Guy Nelson shall be deemed to be appointed as director of each of the Vendors.
4. All of the Vendors' right, title and interest in and to the Excluded Assets (including for certainty, the right to receive the Purchase Price (other than the Cure Cost Amount) shall vest absolutely and exclusively in the name of ResidualCo and all Claims, Liabilities and Encumbrances attached to the Excluded Assets shall continue to attach to the Excluded Assets with the same nature and priority as they had immediately prior to their transfer.
5. Concurrently with Step 4 above, all the Excluded Assets, Excluded Liabilities (including, for certainty, all Priority Payables), and Excluded Contracts shall be novated and become obligations of ResidualCo and not Liabilities or obligations of the Companies.
6. Concurrently with Step 5 above, the Companies shall be forever released and discharged from all Excluded Liabilities, and all Encumbrances securing the Excluded Liabilities shall be forever released and discharged in respect of the Companies and the Retained Assets.
7. The US Assets shall be transferred to and vested in US Subco free and clear of all Claims, Liabilities and Encumbrances, except for the Permitted Encumbrances and the Retained Liabilities, but only as they pertain to the Assigned Contracts.
8. The Cure Cost Amount will be disbursed by the Monitor to the applicable counterparties and the Assigned Contracts shall be transferred to and assumed by US Subco.
9. Pursuant to Section 192 of the *Business Corporations Act* (Alberta), the Reverse Vesting Order shall constitute an "order for reorganization" that has the effect of: (a) lifting the effect of the Cease Trade Order for the limited purpose of completing the DTGI reorganization steps; (b) authorizing DTGI to issue one common share in the capital of DTGI (the "**DTGI Share**") to Canadian Subco in exchange for \$1.00 notwithstanding any constraints under Applicable Law; and (c) cancelling for no consideration, all of the issued and outstanding securities in the capital of DTGI other than the DTGI Share.
10. Pursuant to Section 191 of the *Canada Business Corporations Act*, the Reverse Vesting Order shall constitute a court order for "reorganization" that has the effect of cancelling for no consideration, all of the issued and outstanding securities in the capital of DSL held by Persons other than DTGI.
11. Canadian Subco shall subscribe for, and DTGI shall issue the DTGI Share to Canadian Subco.

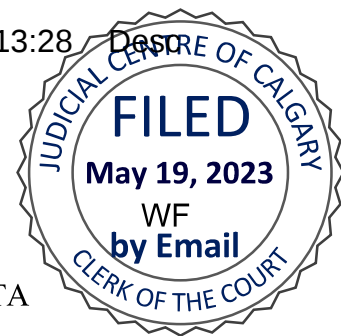
12. The Purchased Shares (other than the DTGI Share) shall be transferred to and vested in Canadian Subco free and clear of all Claims, Liabilities and Encumbrances, except for the Permitted Encumbrances and the Retained Liabilities.
13. The remaining Cash Payment shall be disbursed by the Monitor to pay the Priority Payables and any Wind-Down Cost Amount incurred in respect of or on behalf of ResidualCo.
14. DTGI, DAL, DEGL, and DSL shall each cease to be a petitioner in the CCAA proceedings and shall be deemed released from the purview of all Orders granted in the CCAA Proceedings. ResidualCo shall replace DTGI, DAL, DEGL, and DSL as petitioner in the CCAA Proceedings and shall be subject to the terms of all Orders granted in the CCAA Proceedings.
15. The Monitor's powers shall be enhanced in respect of DAI and ResidualCo, including the authority to authorize and direct ResidualCo to make an assignment in bankruptcy and the Monitor shall be authorized to be appointed as trustee in bankruptcy of the estate of ResidualCo.
16. DTGI shall cease to be a reporting issuer by order of the Alberta Securities Commission and the Ontario Securities Commission under the securities legislation of the jurisdictions in which DTGI is a reporting issuer and, concurrently with the order, a full revocation of the Cease Trade Order, upon completion of the issuance of the DTGI Share, provided that, a certified filed copy of the Reverse Vesting Order and the SAVO have been provided to the Alberta Securities Commission and the Ontario Securities Commission in advance of the issuance of the DTGI Share.
17. As and when the Purchaser sees fit, DTGI shall be continued into the jurisdiction of Canada and become a corporation governed by the *Canada Business Corporations Act* (the "**Continuance**") and the Reverse Vesting Order shall specifically authorize such Continuance.
18. As and when the Purchaser sees fit, Canadian Subco will amalgamate with DTGI, DAL, DSL and DEGL (the "**Amalgamation**") and the Reverse Vesting Order shall specifically authorize such Amalgamation.

(such steps being referred to as, the "**Reorganization Steps**").

EXHIBIT C

*Second Report of FTI Consulting Canada, Inc., in its Capacity as Monitor of Dynamic Technologies Group Inc., Dynamic Attractions Ltd., Dynamic Entertainment Group Ltd., Dynamic Structures Ltd., and Dynamic Attractions Inc.
("Monitor's Second Report")*

ENTERED



COURT FILE NUMBER 2301 - 03179
COURT COURT OF KINGS'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

COM
July 05, 2023

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

AND IN THE MATTER OF A PLAN OF
ARRANGEMENT OF DYNAMIC TECHNOLOGIES
GROUP INC., DYNAMIC ATTRACTIONS LTD.,
DYNAMIC ENTERTAINMENT GROUP LTD.,
DYNAMIC STRUCTURES LTD. and DYNAMIC
ATTRACTIONS INC.

DOCUMENT SECOND REPORT OF FTI CONSULTING CANADA
INC., IN ITS CAPACITY AS MONITOR OF DYNAMIC
TECHNOLOGIES GROUP INC., DYNAMIC
ATTRACTIONS LTD., DYNAMIC ENTERTAINMENT
GROUP LTD., DYNAMIC STRUCTURES LTD. and
DYNAMIC ATTRACTIONS INC.

May 18, 2023

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

MONITOR

FTI Consulting Canada Inc.
Suite 1610 520 Fifth Avenue S.W.
Calgary, AB T2P 3R7
Deryck Helkaa / Dustin Olver
Telephone: (403) 454-6031 / (403) 454-6032
Fax: (403) 232-6116
E-mail: deryck.helkaa@fticonsulting.com
dustin.olver@fticonsulting.com

COUNSEL

Burnet, Duckworth & Palmer LLP
2400, 525 – 8th Avenue SW
Calgary, AB T2P 1G1
David LeGeyt / Ryan Algar
Telephone: (403) 260-0210 /0126
Fax: (403) 260-0332
E-mail: dlegeyt@bdplaw.com
ralgar@bdplaw.com

SECOND REPORT OF THE MONITOR

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Appendix A – Second Cash Flow Statement

INTRODUCTION

1. On March 9, 2023, Dynamic Technologies Group Inc. (“**DTG**”), Dynamic Attractions Ltd. (“**DAL**”), Dynamic Entertainment Group Ltd. (“**DEGL**”), Dynamic Attractions Inc. (“**DAI**”) and Dynamic Structures Ltd. (“**DSL**”) (collectively, the “**Dynamic Group**” or the “**Applicants**”) were granted an initial order (the “**Initial Order**”) to commence proceedings (the “**CCAA Proceedings**”) under the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the “**CCAA**”).
2. The Initial Order, among other things, established a stay of proceedings (the “**Stay of Proceedings**”) in favor of the Applicants until March 19, 2023 and appointed FTI Consulting Canada Inc. as Monitor in these CCAA proceedings (the “**Monitor**”).
3. On March 16, 2023, this Honourable Court granted an Amended and Restated Initial Order (the “**ARIO**”) which granted, among other things, the following relief:
 - a. an extension to the Stay of Proceedings until and including May 26, 2023; and
 - b. the approval of procedures for a sales and investment solicitation process (the “**SISP**”).
4. On May 16, 2023, the Applicants filed a notice of application returnable on May 26, 2023 (the “**Application**”), seeking the following:
 - a. an order (the “**Infinity SAVO**”) approving a sale of certain surplus inventory and limited assets (the “**Surplus Equipment**”) to Infinity Asset Solutions Inc. (“**Infinity**”) pursuant to an asset purchase agreement (the “**Infinity APA**”) between DTG and Infinity ;
 - b. an order (the “**Universal SAVO**”) approving a potential transaction (the “**Universal Transaction**”) between Universal City Development Partners Ltd.

(“**Universal**”) and DAL relating to the dismantlement and shipping preparation of a demonstration track (the “**Demo Assets**”) that was fabricated by DAL for Universal and which currently remains at DAL’s production facility located in Port Coquitlam, British Columbia (the “**Vancouver Production Facility**”);

- c. an order (the “**Stay Extension and WEPPA Order**”) seeking the following:
 - i. extending the Stay Period until and including July 28, 2023; and
 - ii. declaring pursuant to section 5(5) of the *Wage Earner Protection Program Act*, S.C. 2005, c. 47, s.1 (“**WEPPA**”) that DAL, DSL and their former employees meet the criteria established by section 3.2 of the *Wage Earner Protection Program Regulations*, SOR/2008-222 (the “**WEPP Regulations**”) as of the date of the granting of the Stay Extension and WEPPA Order; and
- d. an order (the “**Sealing Order**”) for a restricted court access in respect of the Monitor’s confidential supplemental report to this report (the “**Supplemental Second Report**”).

PURPOSE

5. The purpose of this second report of the Monitor (this “**Report**” or the “**Second Report**”) is to inform this Honourable Court and the Applicants’ stakeholders with information and the Monitor’s comments with respect to the following:
 - a. a summary of the Monitor’s activities subsequent to the date of the ARIO and the First Report;
 - b. the status of the SISP;

- c. the Infinity SAVO between the DAL and Infinity;
- d. the Universal SAVO relating to the Universal Transaction between DAL and Universal;
- e. Dynamic’s actual cash receipts and disbursements for the 9-week period ended May 12, 2023, as compared to the Cash Flow Statement that was presented to this Honourable Court as attached to the Pre-filing Report of the proposed monitor dated March 8, 2023;
- f. a summary of the updated cash flow statement (the “**Second Cash Flow Statement**”) prepared by the Applicants for the 11-week period ending July 28, 2023, (the “**Forecast Period**”), including key assumptions on which the Second Cash Flow Statement is based;
- g. the Applicants’ request to extend the Stay Period;
- h. the WEPP Regulations and certain of the Applicants’ former employees eligibility for WEPPA; and
- i. the Monitor’s conclusions and recommendations in respect of the above.

TERMS OF REFERENCE

- 6. In preparing this Report, the Monitor has relied upon certain information (the “**Information**”) including the Dynamic Group’s unaudited financial information, books and records and discussions with senior management (“**Management**”).
- 7. Except as described in this Report, the Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would

comply with Generally Accepted Assurance Standards pursuant to the *Chartered Professional Accountants of Canada Handbook*.

8. The Monitor has not examined or reviewed financial forecasts and projections referred to in this Report in a manner that would comply with the procedures described in the *Chartered Professional Accountants of Canada Handbook*.
9. Future oriented financial information reported to be relied on in preparing this Report is based on Management's assumptions regarding future events. Actual results may vary from forecast and such variations may be material.
10. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.
11. Capitalized terms not otherwise defined herein have the meaning set forth in the Pre-Filing Report or the First Report.

ACTIVITIES OF THE MONITOR

12. The Monitor's activities during the CCAA Proceedings to date include the following:
 - a. engaging in ongoing discussions with Management and the Applicants' legal counsel regarding the Dynamic Group's business and financial affairs;
 - b. monitoring the Applicants' operations and cash flows;
 - c. consulting with (i) Employment and Social Development Canada and (ii) Labour Program Employment and Social Development Canada ("LPESDC") regarding terminated employees' and their eligibility to make claims under the *Wage Earner Protection Program Act*;

- d. launching and executing the SISP in accordance with the SISP Procedures approved by this Honourable Court on March 16, 2023;
- e. assisting the Applicants in effecting a bidding process for the Surplus Equipment;
- f. responding to numerous telephone and email enquiries from the Applicants' creditors and other stakeholders;
- g. reviewing and approving the Applicants' request to send notices under section 32 of the CCAA (each, a "**Disclaimer**") to disclaim various agreements which the Applicants are no longer able to fulfill for reasons including, but not limited to, the Applicants' lack of liquidity, timeline constraints, project delays beyond the Applicants' control and to enable the Applicants to return unneeded equipment.
 - i. As at the date of this Report, the Applicants have received one objection to Disclaimers, which was from Lotte World Adventure (Shenyang) Co., Ltd. ("**Lotte**"). As the Lotte Disclaimer is not before the Court at the Application, the Monitor intends to provide its analysis and comments in respect of the disclaimer in a subsequent report;
- h. assisting the Applicants in preparing application materials for foreign recognition and approval of these CCAA Proceedings in the United States pursuant to the Chapter 15 of Title 11 of the United States Code (the "**Chapter 15 Proceedings**"). The Monitor understands that the Chapter 15 Proceedings will be commenced in Dallas, Texas following expiry of the 21 day notice period. DTG is proposing to act as foreign representative for the purposes of the Chapter 15 Proceedings;
- i. reviewing a grievance received by the Applicants from the Local Union No. 712 of the International Association of Bridge, Structural & Ornamental Ironworkers, (the

“**Union**”) which relates to statutory holiday pay for union workers whose services were no longer required by the Applicants; and

- j. preparing this Report.

UPDATE ON THE SISP

13. On March 16, 2023, as further described in the First Report, the Applicants, in conjunction with the Monitor, began marketing the Dynamic Group's business in accordance with the SISP.
14. The SISP included a Phase 1 bid deadline the (the “**Phase 1 Bid Deadline**”) whereby potential bidders were required to deliver a non-binding letter of intent (“**LOI**”) to the Monitor, with a copy to the Applicants prior to 5:00PM (Calgary time) on April 28, 2023.
15. A summary of the key elements of the SISP is as follows:
 - a. On March, 24, 2023, the placement of an advertisement in the Globe and Mail (National Edition);
 - b. the distribution of a solicitation process letter summarizing the opportunity (“**Teaser**”) through the following methods:
 - i. a news release by Global Newswire, to its North American distribution list, on March 23, 2023, which was viewed by over 2,700 parties; and
 - ii. targeted email blasts between March 21 and March 27, 2023 to:
 - approximately 95 parties who were contacted during the previous sales process conducted by the Applicants prior to the commencement of the CCAA Proceedings; and

- approximately 130 parties identified by FTI following a review of potential strategic partners/buyers and listing of private equity firms; and
- iii. posting a copy of the Teaser on the Monitor’s website;
- c. all interested parties were required to execute a non-disclosure agreement (“**NDA**”) prior to gaining access to the virtual data room or being granted access to Management. A total of 13 parties signed an NDA (the “**Interested Parties**”) as part of the SISP and were granted access to the virtual data room;
- d. the establishment of a virtual data room to provide detailed financial and operations information in respect of the Applicants and their assets. Interested Parties who signed NDAs were granted access to the virtual data room;
- e. the Monitor maintained regular contact with the Interested Parties, including by offering meetings with Management, inquiring on status of due diligence and offering assistance in the structuring of a LOI for the Phase 1 Bid Deadline;
- f. the Monitor sent an email to its targeted email contact list on April 20, 2023 reminding parties of the pending bid deadline; and
- g. uploaded to the virtual data room a bidding process letter to provide the Interested Parties with a summary of the information which was required for an LOI to be considered qualified Phase 1 Bid.
16. At the Phase 1 Bid Deadline, the Monitor received four (4) LOIs (the “**Bids**”) which can be broken down into the following groups based on consideration offered:

- a. three (3) cash offers which represented an offer for a single division of the Applicants' operations. The cash bids can be further categorized by the assets proposed to be purchased by each LOI:
 - i. two (2) of the cash offers were for High Express Holdings (US) Inc. whose only assets is a 50% holding in Smoky Mountain Flyers LLC, a joint venture entity, which operates a flying theatre ride in Pigeon Forge, Tennessee; and
 - ii. one (1) cash offer for the shares and assets of DAL which included tax assets and the manufacturing equipment in DAL's production facility located in the Vancouver Production Facility; and
- b. one (1) credit bid (the "**High Value Bid**") submitted by the Applicants' senior secured creditor and interim lender, Promising Expert Limited ("**PEL**"), which represented an offer for the majority of the Applicants' operations except for DAL's manufacturing equipment located in the Vancouver Production Facility, which is primarily comprised of the Surplus Equipment and the Demo Assets.

HIGH VALUE BID

17. The High Value Bid included the following key terms:
 - a. a cash component to satisfy any CCAA priority charges;
 - b. the forgiveness and assumption of a significant portion of the Applicants secured indebtedness;
 - c. the purchase of the majority of the Applicants business units and retention of the majority of the Applicants' remaining employees; and
 - d. it could be finalized and closed in an expediated manner.

18. The Monitor has presented a summary of the Bids in the Supplement Second Report which includes, among other things, (i) the total purchase price and consideration offered, (ii) included assets and (iii) retained liabilities for each of the Bids. Further, the Supplemental Second Report presents the calculation of value that the High Value Bid needed to exceed to fulfil the criteria to be properly categorized as a High Value LOI (as described below).
19. The Monitor reviewed the Bids and determined that the High Value Bid met the requirements of a High Value LOI, as defined in paragraph 24 and 25 of the SISP Procedures and in the confidential supplement to the First Report of the Monitor based on the following:
 - a. it provides for full payment in cash of the CCAA priority charges;
 - b. it provides substantial satisfaction or assumption of the secured debt held by PEL and secured debt in priority to PEL, including other priority claims;
 - c. the proposed purchase price is both \$2 million and 25% higher than any other Bids received at the Phase 1 Bid Deadline;
 - d. it is presented by a counterparty that has the financial and commercial ability to close the proposed transaction on expedited terms;
 - e. it is not subject to any further significant due diligence;
 - f. it may preserve the continuation of certain going concern aspects of the Applicants and provide stability through the remainder of the SISP; and
 - g. it proposes to retain the majority of the remaining employees of the Applicants.
20. Accordingly, on May 5, 2023, the Monitor advised the Applicants of its intention to terminate the SISP in accordance with the High Value LOI criteria and, on May 9, 2023,

following the expiry of the 3 day notice period to be granted to the Applicants (as required by paragraph 25 of the SISP Procedures), the Monitor advised all bidding parties of the termination of the SISP. The Monitor also advised counsel to Export Development Canada (“EDC”) of the termination of the SISP as the High Value Bid does not contemplate the assumption of the secured debt held by EDC that is subordinate to PEL.

21. Following termination of the SISP, the Applicants, with assistance from the Monitor, commenced negotiating definitive documentation with PEL.
22. The Applicants and PEL require additional time to finalize the definitive documents in respect of the transaction with PEL (the “**PEL Transaction**”) and the Monitor understands that the Applicants intend to apply to this Honorable Court for an order approving the PEL Transaction once transaction documents have been completed and executed.

INFINITY APA

23. As the SISP progressed, the Monitor, in consultation with the Applicants, identified the likely result that certain equipment associated with DAL’s manufacturing operations, namely the Surplus Equipment and the Demo Assets, would not be included in any LOIs.
24. In preparing for this potential outcome, the Applicants, with assistance from the Monitor, reached out to four (4) auction houses to attend the Vancouver Production Facility and submit auction proposals (the “**Auction Proposals**”) for the Surplus Equipment. The Auction Proposals were to be structured in a manner that would allow flexibility in their contents based on the outcome of the SISP.
25. The Applicants were presented with Auction Proposals from three (3) of the auction houses which contained varying structures including net minimum guarantees, commission-only consideration, and an offer to purchase the Surplus Equipment outright. A summary of the Auction Proposals is contained in the Supplement Second Report.

26. The Applicants, in consultation with the Monitor, evaluated the Auction Proposals with consideration of, among other things:
- a. the scope of assets included;
 - b. the net minimum guarantees ;
 - c. the fee structures, including commissions, buyer's premiums, sharing thresholders and cost deductions;
 - d. key dates, including proposed auction dates and the length of time required at the Vancouver Production Facility;
 - e. closing risk and risk associated with maximizing recoveries under each proposal;
 - f. flexibility based on the outcome of the SISP; and
 - g. the proposed consideration structures and the anticipated recoveries.
27. After review, the Applicants, in consultation with the Monitor, selected the Auction Proposal submitted by Infinity, which contemplates that Infinity will purchase the Surplus Equipment outright from the Applicants. The Monitor understands that, following selection of the Infinity Auction Proposal, the Applicants and Infinity proceeded to negotiate the terms of the Infinity APA and the Infinity SAVO.
28. The Infinity APA includes the following key terms:
- a. Infinity will conduct an auction at the Vancouver Production Facility prior to July 15, 2023 and will receive all proceeds;

- b. a deposit is payable within five (5) business days following execution with the balance of the purchase price being payable immediately following all closing conditions being satisfied; and
 - c. the only material condition to closing is the approval of the Infinity APA by this Honourable Court.
29. The Monitor's comments with respect to the Infinity APA are as follows:
- a. the cash purchase price provided by Infinity provides for the highest expected recoveries for the Surplus Equipment in the circumstances;
 - b. Based on the Monitor's prior experience with auctioneers and liquidators, the structure of, and other key terms in, the Infinity APA are commercially reasonable given the nature, locations and condition of the assets; and
 - c. the Infinity APA does not include any assets contemplated to be included in the PEL Transaction or the Universal Transaction (i.e. the Demo Assets).
30. Of the Auction Proposals received, the direct purchase by Infinity has the highest guaranteed realization and will result in monetization of the Surplus Equipment in a timely manner. Accordingly, the Monitor recommends that this Honourable Court grant the Applicants' request for an Infinity SAVO, vesting the assets included therein in Infinity, free and clear of any encumbrances. A copy of the Infinity APA is attached at Appendix A of the Monitor's Second Supplemental Report.

PROPOSED UNIVERSAL TRANSACTION

31. As previously indicated, the High Value Bid excludes the assets and/or operations located at the Vancouver Production Facility, the majority of which are proposed to be included in the Surplus Equipment subject to the Infinity APA. Outside of the Surplus Equipment, the

remaining assets at the Vancouver Production Facility are the Demo Assets, which are comprised of a demonstration track for the Harry Potter Forbidden Journey Ride that was fabricated for Universal.

32. The Monitor understands that Universal opted to leave the Demo Assets in place at the Vancouver Production Facility following their completion. DAL is currently attempting to exit the Vancouver Production Facility and has received a request from Universal to decommission and disassemble the track and pack/crate it for shipment to Universal.

33. The Monitor understands that the definitive terms of the Universal Transaction are in the process of being finalized; however, key terms are expected to include:

- a. a lumpsum payment of US\$149,750 by Universal to DAL for the track disassembly, packing, crating, loading and administration of the Demo Assets;
- b. Universal will be responsible to cover all shipping costs from the Vancouver Production Facility to the final destination; and
- c. Universal will pay all outstanding invoices owing to Dynamic prior to the loading of the Demo Assets.

34. The Demo Assets currently occupy a significant portion of the Vancouver Production Facility and need to be removed in order to allow Infinity to proceed with the Surplus Equipment auction. Further, the Monitor understands that the Demo Assets:

- a. were not included in the Auction Proposals due to potential ownership disputes between DAL and Universal; and
- b. have no material value to any party other than Universal and any disposal costs would likely exceed their scrap value.

35. Subject to finalizing the terms of the Universal Transaction, the Applicants are seeking a vesting order relating to the Demo Assets as the Universal Transaction is considered a transaction outside of the ordinary course of business. The Monitor understands that should this Court approve the terms of the Universal Transactions and the proposed Universal SAVO, the Universal Transaction could be completed in the next 30-45 days.

SECURITY REVIEW

36. The Monitor's counsel has reviewed the security interests of PEL and has provided an opinion, subject to the customary assumptions and qualifications, that PEL's security is valid and enforceable and is the first-ranking security in the property of the Applicants. Depending on the structure of the anticipated PEL Transaction the Monitor may require additional security opinions from counsel in other jurisdictions, which the Monitor will obtain if necessary.

CASH FLOW VARIANCE ANALYSIS

37. The Applicants' actual cash flows in comparison to those contained in the Cash Flow Statement for the period of March 9 2023 to May 12, 2023 are summarized below:

9 Week Period Ending May 12, 2023			
<i>(CAD\$ in thousands)</i>	Actual	Forecast	Variance
RECEIPTS			
Receipts	\$ 1,629.7	\$ 523.5	\$ 1,106.2
DISBURSEMENTS			
<i>Operating Disbursements</i>			
Project Purchases	(202.3)	-	(202.3)
Employee Payroll & Benefits	(1,605.7)	(1,398.8)	(206.9)
Contractors and Employee Expenses	(471.0)	(407.5)	(63.5)
Occupancy Expense	(397.9)	(233.5)	(164.4)
Insurance & Lease Expenses	(25.9)	(14.9)	(11.0)
G&A Expenses	(34.7)	(346.8)	312.1
<i>Total Operating Disbursements</i>	\$ (2,737.5)	\$ (2,401.5)	\$ (336.0)
OPERATING CASH FLOWS	\$ (1,107.8)	\$ (1,878.0)	\$ 770.2
<i>Financing Disbursements</i>			
DIP - Borrowings / (Repayments)	1,950.0	1,950.0	-
<i>Restructuring Disbursements</i>			
Professional Fees	(319.0)	(387.5)	68.5
NET CASH FLOWS	\$ 523.2	\$ (315.5)	\$ 838.7
CASH			
Beginning Balance	\$ 537.6	\$ 524.4	\$ 13.2
Net Cash Inflows / (Outflows)	523.2	(315.5)	838.7
Other (FX)	(5.4)	-	(5.4)
ENDING CASH	\$ 1,055.4	\$ 208.9	\$ 846.5
BORROWING SUMMARY			
DIP Facility Credit Limit	\$ 2,600.0	\$ 2,600.0	\$ -
DIP - Borrowings / (Repayments)	1,950.0	1,950.0	-
DIP Principal Outstanding	\$ 1,950.0	\$ 1,950.0	\$ -
DIP Availability	650.0	650.0	-

38. The material variances in actual receipts and disbursements as compared to the Cash Flow Statement are primarily due to the following:

- a. the favourable variance of approximately \$1.1 million in receipts consists of a positive variance of \$0.3 million for collection of receivables and \$0.8 million for small project work requested by the Applicants' customers in relation to work in progress held at the Applicants' warehouse in Port Coquitlam that was not originally forecasted at the date of the Cash Flow Statement;
- b. the unfavourable variance of approximately \$0.3 million in disbursements is primarily comprised of the following:
 - i. an unfavourable variance in project purchases of approximately \$0.2 million relating to costs associated with the small project work requested by the Applicants' customers;
 - ii. an unfavourable variance in employee payroll and benefits of approximately \$0.2 million related to additional wages associated with small project work which was not forecast in the Cash Flow Statement;
 - iii. an unfavorable variance in occupancy expense of approximately \$0.2 million relating to occupancy expenses for the Applicants' leased warehouse in Port Coquitlam which has extended beyond what was originally forecast. The Applicants continue to occupy this warehouse; and
 - iv. a favourable variance in G&A Expenses of approximately \$0.3 million due to the Applicants being able to further reduce expenses compared to the forecast; and
- c. the favourable variance for professional fees of approximately \$0.1 million relates to the timing of payment of invoices for professionals and is expected to reverse in future periods.

39. As at May 12, 2023, the Interim Financing has been drawn, as forecasted, to \$2.0 million and the Applicants have an ending cash balance of approximately \$1.1 million.

SECOND CASH FLOW STATEMENT

40. Management has prepared the Second Cash Flow Statement to set out the Applicants' liquidity requirements for the 11 weeks ending July 28, 2023 (the "Forecast Period"). A copy of the Second Cash Flow Statement is attached as Appendix A.

41. The Second Cash Flow Statement is summarized as follows:

Weeks Ending (Friday) <i>(CAD\$ in thousands)</i>	March 17 to May 12	May 13 to July 28	Total
Forecast Week	Actuals	Forecast	
RECEIPTS			
Receipts	\$ 1,629.7	\$ 1,988.3	\$ 3,618.1
DISBURSEMENTS			
<i>Operating Disbursements</i>			
Project Purchases	(202.3)	(261.7)	(463.9)
Employee Payroll & Benefits	(1,605.7)	(1,008.7)	(2,614.5)
Contractors and Employee Expenses	(471.0)	(109.4)	(580.4)
Occupancy Expense	(397.9)	(397.1)	(795.0)
Insurance & Lease Expenses	(25.9)	(21.1)	(47.0)
G&A Expenses	(34.7)	(128.4)	(163.2)
<i>Total Operating Disbursements</i>	\$ (2,737.5)	\$ (1,926.4)	\$ (4,664.0)
OPERATING CASH FLOWS	\$ (1,107.8)	\$ 61.9	\$ (1,045.9)
<i>Financing Disbursements</i>			
DIP - Borrowings / (Repayments)	1,950.0	650.0	2,600.0
<i>Restructuring Disbursements</i>			
Professional Fees	(319.0)	(862.2)	(1,181.2)
NET CASH FLOWS	\$ 523.2	\$ (150.3)	\$ 372.9
CASH			
Beginning Balance	\$ 537.6	\$ 1,055.4	\$ 537.6
Net Cash Inflows / (Outflows)	523.2	(150.3)	372.9
Other (FX)	(5.4)	-	(5.4)
ENDING CASH	\$ 1,055.4	\$ 905.1	\$ 905.1
BORROWING SUMMARY			
DIP Facility Credit Limit	\$ 2,600.0	\$ 2,600.0	\$ 2,600.0
DIP - Borrowings / (Repayments)	1,950.0	650.0	2,600.0
DIP Principal Outstanding	\$ 1,950.0	\$ 650.0	\$ 2,600.0
DIP Availability	650.0	-	-

42. The key assumptions on which the Second Cash Flow Statement is based on are summarized as follows:
- a. receipts are forecasted to included existing accounts receivable, other miscellaneous receipts, collection of receipts related to additional small project work requested by the Applicants' customers and proceeds from the sale of the Surplus Equipment pursuant to the Infinity APA;
 - b. project purchases consist of costs associated with performing the small project work requested by the Applicants' customers, including the completion of existing contracts and parts and service work for maintenance operations;
 - c. employee payroll & benefits consists of amounts due to current employees including contractual employee benefits;
 - d. contractor and employee expenses consists of hourly rates paid to contract employees as well as expenses paid by employees;
 - e. occupancy expenses includes rent, utilities, property taxes and other building related items;
 - f. G&A expenses includes office expenses and other miscellaneous expenses;
 - g. DIP borrowing/ repayments consists of draws and repayments of the Interim Financing; and
 - h. professional fees includes fees paid to the Monitor, Monitor's Counsel, and Dynamic Group's Counsel.
43. The Applicants are currently forecasting \$0.9 million in cash at the end of the Forecast Period.

EXTENSION OF THE STAY OF PROCEEDINGS

44. The Monitor has considered the Dynamic Group's request to extend the Stay of Proceedings to July 28, 2023, and has the following comments:
- a. there will be no material prejudice to the Applicants;
 - b. it will allow the Applicants and PEL to continue to negotiate and finalize documents in relation to the PEL Transaction and provide sufficient time for the PEL Transaction to close within the timeframe currently contemplated;
 - c. the Second Cash Flow Statement forecasts that the Applicants' cash on hand will provide Dynamic with sufficient liquidity during the term of the Stay Extension;
 - d. the Applicants have acted, and continue to act, in good faith and with due diligence; and
 - e. the overall prospects of the Applicants' effecting a viable restructuring will be enhanced by the extension of the Stay of Proceedings.

WEPPA DECLARATION

45. Section 5(1) of the WEPPA provides that an individual is eligible to receive payment under that Act if, among other things, (i) the individual is owed eligible wages by a former employer; (ii) the former employer is subject to proceedings under the CCAA; and (iii) a court determines under subsection 5(5) that criteria prescribed by regulation are met.
46. Section 5(5) of WEPPA provides that, on application by any person, a court under the CCAA may determine that a former employee meets criteria prescribed by regulation. Section 3.2 of the WEPP Regulations provides that "for purposes of subsection 5(5) of the *WEPPA*, a court may determine whether the former employer is the former employer of all

of whose employees in Canada have been terminated other than any retained to wind down it business operations.”

47. At the commencement of the CCAA Proceedings, DAL and DSL had approximately 28 and 31 employees, respectively, for a combined total of 59 employees. On or about March 10, 2023, with the exception of seventeen (17) employees (the “**Retained Employees**”), DAL and DSL’s terminated the employment of their employees. Following those initial terminations, DAL and DSL terminated the employment of a further five (5) of the Retained Employees as the Applicants continue to wind-down operations at the Vancouver Production Facility. The Retained Employees have been retained to assist with these CCAA Proceedings and the care and maintenance of the Surplus Equipment located at the Port Coquitlam warehouse during the SISP.
48. Accordingly, the Monitor is of the view that the employment of all the terminated employees of both DAL and DSL was terminated due to the Applicants’ limited liquidity and the expectation that the Applicants’ manufacturing operations would not be included in any purchase offer submitted during the SISP. This expectation was confirmed through the SISP and the assets of the Applicants’ manufacturing division are scheduled to be sold by way of public auction pursuant to the Auction Purchase Agreement. As such, the Monitor supports the Applicants request for a declaration that DAL and DSL are former employers for the purposes of section 5(5) of the WEPPA.

The Monitor has had several discussions with LPESDC since the commencement of these CCAA proceedings in respect of employee eligibility for WEPP. LPESDC is aware that the Applicant, with the Monitor’s support, intends to bring this application for the Court’s approval. LPESDC is on the Service List for these CCAA Proceedings and was served with the Applicants’ materials for the May 26, 2023 application.

RESTRICTED COURT ACCESS ORDER

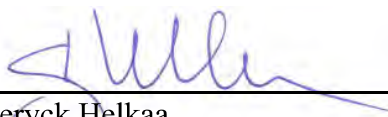
49. The Second Supplemental Report has been prepared in conjunction with this Second Report and contains confidential and commercially sensitive information relating to the Bids, High Value Bid, the Auction Proposals and the Infinity APA. The information contained in the Second Supplemental Report could materially harm Applicants' restructuring efforts and the value of the Applicants' creditors and stakeholders.
50. A Sealing Order is necessary to prevent the confidential and commercially sensitive information contained in the Second Supplemental Report from being published and disclosed. The Sealing Order sought is the least restrictive means possible to prevent disclosure of the confidential and commercially sensitive information in the Second Supplemental Report.

CONCLUSIONS

51. The Monitor is of the view that the relief requested by the Applicants pursuant to the ARIIO is necessary, reasonable and justified in the circumstances.
52. Accordingly, the Monitor respectfully recommends that this Honourable Court grant the following orders:
- a. the Infinity SAVO;
 - b. Universal SAVO;
 - c. the Stay Extension and WEPPA Order; and
 - d. the Sealing Order.

All of which is respectfully submitted this 18th day of May 2023.

FTI Consulting Canada Inc., in its capacity as
the Proposed Monitor of Dynamic Group
and not in its personal or corporate capacity



Deryck Helkaa
Senior Managing Director
FTI Consulting Canada Inc.



Dustin Olver, CA, CPA, CIRP, LIT
Senior Managing Director
FTI Consulting Canada Inc.

Appendix A

Dynamic Technologies Group Inc

CCA 11-Week Cash Flow
May 12, 2023

(CAD\$ in thousands)

Weeks Ending (Friday)	5/19/23	5/26/23	6/2/23	6/9/23	6/16/23	6/23/23	6/30/23	7/7/23	7/14/23	7/21/23	7/28/23	11-Week Forecast
(CAD\$ in thousands)	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Forecast Week	Wk 1	Wk 2	Wk 3	Wk 4	Wk 5	Wk 6	Wk 7	Wk 8	Wk 9	Wk 10	Wk 11	Total
RECEIPTS												
Receipts	\$ 248.8	\$ 360.4	\$ 1,127.7	\$ 177.4	\$ 33.8	\$ -	\$ -	\$ 20.3	\$ 20.0	\$ -	\$ -	\$ 1,988.3
DISBURSEMENTS												
<i>Operating Disbursements</i>												
Project Purchases	(95.9)	(24.6)	(33.8)	(35.8)	(35.8)	(35.8)	-	-	-	-	-	(261.7)
Employee Payroll & Benefits	(37.5)	(26.4)	(179.1)	(27.6)	(144.6)	(30.5)	(172.1)	(6.8)	(173.7)	(2.5)	(207.9)	(1,008.7)
Contractors and Employee Expenses	(20.9)	(3.5)	-	(7.0)	(33.5)	(1.0)	(4.5)	(5.0)	(28.5)	(1.0)	(4.5)	(109.4)
Occupancy Expense	(0.9)	(4.7)	(188.1)	(0.5)	(3.9)	(4.7)	-	(188.1)	(1.4)	(4.7)	-	(397.1)
Insurance & Lease Expenses	(0.2)	(0.9)	(8.7)	(1.1)	(0.2)	(0.9)	(0.3)	(8.6)	(0.2)	-	-	(21.1)
G&A Expenses	(30.4)	(32.0)	(25.0)	(25.0)	-	(2.0)	-	(5.0)	(2.0)	-	(7.0)	(128.4)
<i>Total Operating Disbursements</i>	\$ (185.7)	\$ (92.1)	\$ (434.8)	\$ (96.9)	\$ (217.9)	\$ (75.0)	\$ (176.9)	\$ (213.6)	\$ (205.8)	\$ (8.3)	\$ (219.4)	\$ (1,926.4)
OPERATING CASH FLOWS	\$ 63.0	\$ 268.3	\$ 692.9	\$ 80.4	\$ (184.1)	\$ (75.0)	\$ (176.9)	\$ (193.3)	\$ (185.8)	\$ (8.3)	\$ (219.4)	\$ 61.9
<i>Financing Disbursements</i>												
DIP - Borrowings / (Repayments)	350.0	-	-	300.0	-	-	-	-	-	-	-	650.0
<i>Restructuring Disbursements</i>												
Professional Fees	-	(228.8)	-	-	(250.0)	-	-	(162.5)	-	-	(220.9)	(862.2)
NET CASH FLOWS	\$ 413.0	\$ 39.5	\$ 692.9	\$ 380.4	\$ (434.1)	\$ (75.0)	\$ (176.9)	\$ (355.8)	\$ (185.8)	\$ (8.3)	\$ (440.3)	\$ (150.3)
CASH												
Beginning Balance	\$ 1,055.4	\$ 1,468.5	\$ 1,508.0	\$ 2,200.9	\$ 2,581.3	\$ 2,147.2	\$ 2,072.2	\$ 1,895.3	\$ 1,539.5	\$ 1,353.7	\$ 1,345.4	\$ 1,055.4
Net Cash Inflows / (Outflows)	413.0	39.5	692.9	380.4	(434.1)	(75.0)	(176.9)	(355.8)	(185.8)	(8.3)	(440.3)	(150.3)
Other (FX)	-	-	-	-	-	-	-	-	-	-	-	-
ENDING CASH	\$ 1,468.5	\$ 1,508.0	\$ 2,200.9	\$ 2,581.3	\$ 2,147.2	\$ 2,072.2	\$ 1,895.3	\$ 1,539.5	\$ 1,353.7	\$ 1,345.4	\$ 905.1	\$ 905.1
BORROWING SUMMARY												
DIP Facility Credit Limit	\$ 2,600.0	\$ 2,600.0	\$ 2,600.0	\$ 2,600.0	\$ 2,600.0	\$ 2,600.0	\$ 2,600.0	\$ 2,600.0	\$ 2,600.0	\$ 2,600.0	\$ 2,600.0	\$ 2,600.0
DIP - Borrowings / (Repayments)	350.0	-	-	300.0	-	-	-	-	-	-	-	650.0
DIP Principal Outstanding	\$ 2,300.0	\$ 2,300.0	\$ 2,300.0	\$ 2,600.0	\$ 2,600.0	\$ 2,600.0	\$ 2,600.0	\$ 2,600.0	\$ 2,600.0	\$ 2,600.0	\$ 2,600.0	\$ 650.0
DIP Availability	300.0	300.0	300.0	-	-	-	-	-	-	-	-	-



Mike Martin, CFO
Dynamic Technologies Group Inc

Notes:

Management has prepared this Cash Flow Statement solely for the purposes of determining the liquidity requirements of the Debtors during the CCAA Proceedings.

The Cash Flow Statement is based on the probable and hypothetical assumptions detailed below. Actual results will likely vary from performance projected and such variations may be material.

- [1] Receipts are forecasted to include existing accounts receivable, other miscellaneous receipts, collection of receipts related to small project work requested by the Applicants' customers and proceeds from the sale of the Surplus Equipment pursuant to the Infinity APA.
- [2] Project purchases consist of costs associated with small project work requested by the Applicants' customers, including the completion of existing contracts and parts and service work for maintenance operations.
- [3] Employee payroll & benefits consists of amounts due to current employees including contractual employee benefits.
- [4] Contractor and employee expenses consist of hourly rates paid to contract employees as well as out-of-pocket expenses paid by employees or contractors.
- [5] Occupancy expenses include rent, utilities, property taxes and other building related items.
- [6] Insurance & lease expenses consist of corporate insurance premiums and miscellaneous G&A lease payments.
- [7] G&A expenses include office expenses and other miscellaneous expenses.
- [8] DIP borrowing/ repayments consist of draws and repayments of the Debt in possession financing.
- [9] Professional fees include fees paid to the Monitor, Monitor's Counsel and Company Counsel.

EXHIBIT D

*Third Report of FTI Consulting Canada, Inc., in its Capacity as Monitor of Dynamic Technologies Group Inc., Dynamic Attractions Ltd., Dynamic Entertainment Group Ltd., Dynamic Structures Ltd., and Dynamic Attractions Inc.
("Monitor's Third Report")*

ENTERED



COURT FILE NUMBER 2301 - 03179

COURT COURT OF KINGS'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

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

COM
June 23, 2023

AND IN THE MATTER OF A PLAN OF
ARRANGEMENT OF DYNAMIC TECHNOLOGIES
GROUP INC., DYNAMIC ATTRACTIONS LTD.,
DYNAMIC ENTERTAINMENT GROUP LTD.,
DYNAMIC STRUCTURES LTD. and DYNAMIC
ATTRACTIONS INC.

DOCUMENT THIRD REPORT OF FTI CONSULTING CANADA
INC., IN ITS CAPACITY AS MONITOR OF DYNAMIC
TECHNOLOGIES GROUP INC., DYNAMIC
ATTRACTIONS LTD., DYNAMIC ENTERTAINMENT
GROUP LTD., DYNAMIC STRUCTURES LTD. and
DYNAMIC ATTRACTIONS INC.

June 15, 2023

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

MONITOR

FTI Consulting Canada Inc.
Suite 1610 520 Fifth Avenue S.W.
Calgary, AB T2P 3R7
Deryck Helkaa / Dustin Olver
Telephone: (403) 454-6031 / (403) 454-6032
Fax: (403) 232-6116
E-mail: deryck.helkaa@fticonsulting.com
dustin.olver@fticonsulting.com

COUNSEL

Burnet, Duckworth & Palmer LLP
2400, 525 – 8th Avenue SW
Calgary, AB T2P 1G1
David LeGeyt / Ryan Algar
Telephone: (403) 260-0210 /0126
Fax: (403) 260-0332
E-mail: dlegeyt@bdplaw.com
ralgar@bdplaw.com

THIRD REPORT OF THE MONITOR

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INTRODUCTION

1. On March 9, 2023, Dynamic Technologies Group Inc. (“**DTGI**”), Dynamic Attractions Ltd. (“**DAL**”), Dynamic Entertainment Group Ltd. (“**DEGL**”), Dynamic Attractions Inc. (“**DAI**”) and Dynamic Structures Ltd. (“**DSL**”) (collectively, the “**Dynamic Group**” or the “**Applicants**”) were granted an initial order (the “**Initial Order**”) to commence proceedings (the “**CCAA Proceedings**”) under the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the “**CCAA**”).
2. The Initial Order, among other things, established a stay of proceedings (the “**Stay of Proceedings**”) in favor of the Applicants until March 19, 2023 and appointed FTI Consulting Canada Inc. as Monitor in these CCAA proceedings (the “**Monitor**”).
3. On March 16, 2023, this Honourable Court granted an Amended and Restated Initial Order (the “**ARIO**”) which granted, among other things, the approval of procedures for a sales and investment solicitation process (the “**SISP**”).
4. On May 26, 2023, this Honourable Court granted an extension to the Stay of Proceedings until and including July 28, 2023.
5. On June 2, 2023, this Honourable Court granted the following relief:
 - a. an order (the “**WEPPA Order**”) declaring pursuant to section 5(5) of the *Wage Earner Protection Program Act*, S.C. 2005, c. 47, s.1 (“**WEPPA**”) that DAL, DSL and their former employees meet the criteria established by section 3.2 of the *Wage Earner Protection Program Regulations*, SOR/2008-222;
 - b. orders approving (i) a sale of certain surplus inventory and limited assets (the “**Surplus Equipment**”) to Infinity Asset Solutions Inc. (“**Infinity**”) pursuant to an asset purchase agreement (the “**Infinity APA**”) between DTGI and Infinity and (ii) the Infinity auction services agreement for Infinity to add any residual assets to the

auction being held on the Applicants' production facility located in Port Coquitlam, British Columbia; and

- c. an order (the "**Universal SAVO**") the transaction contemplated under purchase agreement between Universal City Development Partners Ltd. ("**Universal**") and DAL dated June 1, 2023, relating to the dismantlement and shipping preparation of a demonstration track (the "**Demo Assets**").

PURPOSE

6. The purpose of this third report of the Monitor (this "**Report**" or the "**Third Report**") is to provide this Honourable Court and the Applicants' stakeholders with information and the Monitor's comments with respect to the following:
 - a. a summary of the Monitor's activities since the Second Report of the Monitor, dated May 18, 2023;
 - b. the Applicants proposed form of Order (the "**ARVO**"), among other things:¹
 - i. approving the purchase agreement (the "**PEL Transaction Agreement**") between DTGI, DAL, DAI, DSL and DEGL as vendors (collectively, the "**Vendors**"), and the purchaser group comprised of Promising Expert Limited ("**PEL**"), 2523613 Alberta Ltd ("**Canadian Holdco**"), 15102545 Canada Inc ("**Canadian Subco**"), PEL Dynamic Acquisition (US) Corp. ("**US Subco**", and together with PEL, Canadian Holdco and Canadian Subco, collectively referred to as the "**Purchaser**") and the transaction completed therein (the "**Transaction**");

¹ All capitalized terms used in this sub-paragraph are as defined in the Transaction Agreement unless otherwise noted.

- ii. granting certain releases and exculpations in favour of (i) the present and former directors, officers, employees, legal counsel and advisors of the Applicants and ResidualCo (as defined and discussed below), (ii) PEL, the Purchaser and Canadian Holdco, its subsidiaries, directors, officers, legal counsel and advisors; and (iii) the Monitor and its legal counsel; and
- iii. ordering that, as at the Effective Date, the style of cause in the CCAA Proceedings will be amended to remove the names of DTGI, DAL, DSL and DEGL (collectively, the “**RVO Entities**”) and add the name of ResidualCo;
- c. the relief sought by the Applicants in their proposed order (the “**SAVO**”) approving the sale of the US Assets to US Subco pursuant to the PEL Transaction Agreement;
- d. Dynamic’s actual cash receipts and disbursements for the 4-week period ending June 9, 2023, as compared to the Second Cash Flow Statement that was presented to this Honourable Court as attached to the Second Report; and
- e. the Monitor’s conclusions and recommendations in respect of the foregoing.

TERMS OF REFERENCE

- 7. In preparing this Report, the Monitor has relied upon certain information (the “**Information**”) including the Dynamic Group’s unaudited financial information, books and records and discussions with senior management (“**Management**”).
- 8. Except as described in this Report, the Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the *Chartered Professional Accountants of Canada Handbook*.

9. The Monitor has not examined or reviewed financial forecasts and projections referred to in this Report in a manner that would comply with the procedures described in the *Chartered Professional Accountants of Canada Handbook*.
10. Future oriented financial information reported to be relied on in preparing this Report is based on Management's assumptions regarding future events. Actual results may vary from forecast and such variations may be material.
11. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.
12. Capitalized terms not otherwise defined herein have the meaning set forth in the Monitor's prior Reports or the PEL Transaction Agreement.

ACTIVITIES OF THE MONITOR

13. The Monitor's activities since the date of the Second Report include the following:
 - a. engaging in ongoing discussions with Management and the Applicants' legal counsel regarding the Dynamic Group's business and financial affairs;
 - b. monitoring the Applicants' operations and cash flows;
 - c. participating in regular and frequent discussions with the Applicants, their legal counsel, PEL and its legal counsel regarding the negotiation of the PEL Transaction Agreement;
 - d. reviewing and approving the Applicants' request to send notices under section 32 of the CCAA to disclaim various agreement which the Applicants are no longer able to fulfill for reasons including, but not limited to, the Applicants' lack of liquidity and timeline constraints;

- e. assisting the Applicants in their preparation for foreign recognition and approval of these CCAA Proceedings in the United States pursuant to the Chapter 15 of Title 11 of the United States Code (the “**Chapter 15 Proceedings**”) and responding to certain opposition thereto. The Monitor understands that the following documents were filed in the Chapter 15 Proceedings and were before the US Court (defined below) for the initial application that was heard on June 13, 2023:
 - i. motion materials for the initial hearing for the Chapter 15 Proceedings with the United States Bankruptcy Court for the Northern District of Texas (the “**US Court**”). DTGI is proposed to act as the foreign representative (the “**Foreign Representative**”);
 - ii. an objection to recognition in the Chapter 15 Proceedings filed by Skyrise Miami LLC (“**Skyrise**”), a contingent unsecured creditor based primarily on two arguments: (i) that Canada is not the center of the Applicants’ main interest and (ii) that the Foreign Representative is asking the US Court to approve, in advance, all future orders of the Court;
 - iii. the Applicants filed a reply to the objection in support of their original application and the Monitor filed a joinder to both the application and the reply; and
 - iv. leading up the hearing on the application, the parties negotiated the withdrawal of the objection filed by Skyrise and the hearing went ahead unopposed and the US Court granted the Orders sought by the Applicants in the Chapter 15 Proceedings;
- f. participating in negotiations between the Applicants and Universal to finalize the Universal SAVO which was executed on June 1, 2023 and included an amended final purchase price of USD \$135,000; and

- g. preparing this Report.

RESULTS OF THE SISP

14. As further described in the Second Report, the SISP as administered by the Monitor, included the following key dates and highlights:
 - a. the SISP was launched on March 16, 2023;
 - b. between March 21 and March 27, 2023, the Monitor placed notices in the Globe and Mail, National Edition and Global Newswire, sent targeted emails to approximately 225 parties and posted a copy of a letter summarizing the opportunity on the Monitor's website;
 - c. the Phase 1 Bid Deadline was April 28, 2023, at which time the Monitor received 4 non-binding LOIs (the "**Bids**") which consisted of the following:
 - i. 3 cash offers, 2 of which were for one of the Applicants' subsidiaries, High Express Holdings (US) Inc., and 1 of which was for the shares and assets of DAL; and
 - ii. 1 credit bid submitted by the Applicants' senior secured creditor and interim lender, PEL (the "**High Value Bid**"). The High Value Bid represented an offer for the majority of the Applicants' operations except for DAL's manufacturing equipment, comprised of the Surplus Equipment and the Demo Assets, which are summarized in the Monitor's summary of the Bids included in its confidential Supplemental Second Report;
 - d. the Monitor determined that the High Value Bid met the requirements of a High Value LOI (as defined in the SISP) and terminated the SISP on May 9, 2023.

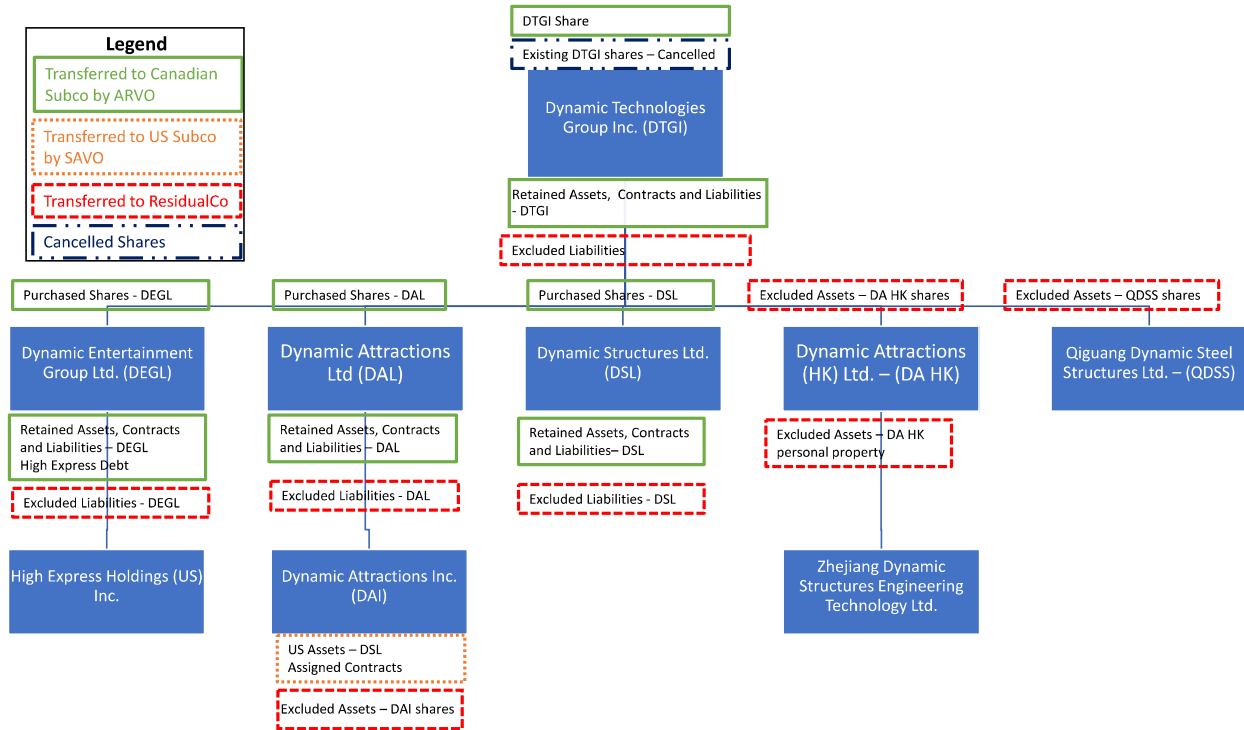
15. In the Monitor's view, the SISP was thorough, far-reaching and provided sufficient time and opportunity for interested parties to be involved and carry out the necessary due diligence required to form a view on the opportunity and ultimately submit a bid. The Monitor made significant solicitation efforts including contacting third parties who were identified as strategic partners/buyers, private equity investors, or other parties who were contacted during the sales processes completed by the Applicants prior to these CCAA Proceedings. Additionally, the SISP was also extensively advertised by the Applicants.
16. The High Value Bid met the requirements of the High Value LOI set forth in the SISP and, if approved, would allow the Applicants to move forward with their restructuring efforts in an expedited manner, particularly in light of their cash constraints.
17. The Monitor is of the view that the High Value Bid:
 - a. represents the highest and best offer in respect of the Dynamic Group;
 - b. results in a significantly higher recovery to creditors than in a liquidation or as compared to the other offers received; and
 - c. was the only viable bid that preserved the going-concern value.

THE PEL TRANSACTION AGREEMENT

OVERVIEW

18. The PEL Transaction Agreement is a result of the negotiations between the Applicants and the Purchaser, in conjunction with the Monitor to complete a transaction that preserves the going-concern value and the ongoing to employment of most of the Applicants' remaining employees.

19. To assist in summarizing the PEL Transaction Agreement, a copy of the Applicants’ organizational chart is included below along with an illustrative summary of the PEL Transaction Agreement:



20. The PEL Transaction Agreement contemplates that, upon closing, the Purchaser will own:

- a. the newly issued share of DTGI (the “**DTGI Share**”);
- b. all of the DEGL shares, DAL shares and DSL shares (collectively, the “**Purchased Shares**”);
- c. the assets and property of the RVO Entities (ie. DTGI, DEGL, DSL and DAL) that are not designated as Excluded Assets and which are defined therein as the “**Retained Assets**”;
- d. the retained contracts of the RVO Entities (the “**Retained Contracts**”); and

- e. liabilities relating to the Retained Contracts, the High Express Debt and any other liabilities designate by the Purchaser to be retained (the “**Retained Liabilities**”).
21. US Subco will acquire certain assets and contracts of DAI as contemplated in the SAVO.
22. Pursuant to the terms of the ARVO and the SAVO, the Excluded Assets, Excluded Liabilities and Excluded Contracts (as defined and discussed in the Fourth Affidavit of Mr. Allan Francis dated June 13, 2023 (the “**Fourth Francis Affidavit**”)) are to be transferred to ResidualCo as part of the Transaction, including the purchase price as set out in the PEL Transaction Agreement (the “**Purchase Price**”). The steps and transactions to implement the proposed Transaction are set out in detail in the PEL Transaction Agreement and are discussed further below.
23. The Purchase Price to be paid by Purchaser under the PEL Transaction Agreement consists of:
- a. setting off and cancelling a significant portion of the principal debt owed by DTGI to PEL under amended and restated credit facility dated August 5, 2022;
 - b. setting off and cancelling a significant amount of the principal debt owed by DTGI under the debtor in possession financing term sheet dated March 8, 2023; and
 - c. a cash payment on closing estimated to be in the range of \$350,00 to \$450,000 (the “**Cash Payment**”), which will be paid to the Monitor in trust², comprised of the following:
 - i. all payables ranking in priority to the PEL first secured debt (the “**Priority Payables Cash Amount**”) consisting of: (i) all obligations relating to the

² The Cash Payment is currently only an estimated range and will be finalized at the time of the closing of the proposed Transaction.

super priority charge for amounts owed under WEPPA, (ii) all obligations secured by the Administration Charge as set out in the Initial Order, and (iii) the amounts necessary to satisfy each claim of a Government entity of the kind defined in section 6(3) of the CCAA, if any. The Monitor has estimated WEPPA obligations of approximately \$150,000 and has assumed that no amounts will be owing under the Administrative Charge at Closing (as all professional fees are to be paid at that time). To the extent that professional fees are owing as at Closing, and therefore would be subject to the Administration Charge, such amounts would be added to the Priority Payables Cash Amount. Professional fees for post-closing are included in the Wind-Down Cost Amount discussed below;

- ii. reasonable fees and costs of the Monitor and its legal counsel and the legal counsel of the Applicants for services preformed after the Closing Date, including any costs to wind-down and/or bankrupt ResidualCo (the “**Wind-Down Cost Amount**”). The Wind-Down Cost Amount is estimated at \$200,000 to \$300,000 and comprises professional fees of the Monitor, its counsel, US counsel and the Applicants’ counsel and costs of the bankruptcy of ResidualCo); and
- iii. the amounts required to cure any monetary defaults of DAI under the Assigned Contracts (the “**Cure Costs Amount**”). At this time, the Applicants’ are not aware of any significant Cure Cost Amount; and

d. by assumption of the Retained Liabilities.

24. On or before the Closing Date, the Applicants will take certain steps (collectively, the “**Reorganization Steps**”) to effect the Transaction, including but not limited to:

- a. pursuant to the terms of the PEL Transaction Agreement and the ARVO:

- i. all equity interests of DTGI existing prior to the commencement of the Reorganization Steps will be deemed terminated and cancelled as provided in the Reorganization Steps and DTGI shall issue a single share (the “**DTGI Share**”) to Canadian Subco;
- ii. DTGI will be delisted and shall cease to be a reporting issuer under any securities laws in which DTGI is a reporting issuer;
- iii. the Purchased Shares shall be transferred to (or issued in the case of the DTGI Share) and vest in Canadian Subco free and clear of all claims, liabilities and encumbrances, expected for permitted encumbrances and the Retained Liabilities;
- iv. the Excluded Assets shall be transferred to and vested into ResidualCo and all claims and encumbrances shall continue to attach to the Excluded Assets, which, in accordance with amendments to the PEL Transaction Agreement under consideration by the Applicants and the Purchaser, are expected to include, among other things, the Excluded Contracts, issued and outstanding securities in Qiguang Dynamic Structures Ltd., DAI, ResidualCo, and Dynamic Attractions (HK) Ltd. and all assets and personal property owned by Dynamic Attractions (HK) Ltd.;
- v. all Excluded Contracts and Excluded Liabilities of the Applicants shall be transferred to and vest in ResidualCo and the Vendors shall be forever discharged and released from such Excluded Contracts and Excluded Liabilities and related claims and encumbrances. A full summary of the Excluded Contracts and Excluded Liabilities are set out in the Fourth Francis Affidavit which should be read in conjunction with this Third Report;

- vi. the Vendors will cease to be Applicants in these CCAA Proceedings and will be released from the ARIO and all other Order granted in the CCAA Proceedings (excluding the ARVO);
- vii. ResidualCo will be added as an Applicant to these CCAA Proceedings;
- viii. the Cure Costs will be disbursed by the Monitor to the applicable counterparties and the Assigned Contracts shall be transferred to, and assumed by US Subco;
- ix. all employees shall be terminated; and
- x. each of the Applicants' directors shall be deemed to resign and new directors shall be deemed to be appointed; and

b. pursuant to terms of the PEL Transaction Agreement and the SAVO:

- i. the US Assets shall be transferred and vested in US Subco free and clear of any claims, liabilities and encumbrances, except for permitted encumbrances and the Retained Liabilities.

25. The Transaction stipulates a "Closing Date" that is five (5) business days after the closing conditions are satisfied, or such other later date agreed to by the Applicants and the Purchaser in writing with consent of the Monitor.

MONITOR'S ANALYSIS OF THE TRANSACTION

RECOVERIES TO STAKEHOLDERS UNDER THE PEL TRANSACTION AGREEMENT

26. The Monitor has considered the recovery to the Applicants' stakeholders under the proposed Transaction and provides the following comments:

- a. the Applicants ran two unsuccessful sales and investment processes prior to the SISIP administered by the Monitor in the CCAA Proceedings; and
 - b. the PEL Transaction Agreement represents an offer that is materially higher and better than any of the other Bids received in the SISIP. In addition, the only offer received in the pre-CCAA sales processes was significantly less than the value of the secured debt.
27. For the reasons outlined above, the Monitor is of the view that the Purchase Price and terms of the PEL Transaction Agreement represent the highest and best offer in respect of the Dynamic Group, they are fair and reasonable in the circumstances and the Transaction will result in significantly higher recovery to creditors than would likely be achieved in a liquidation scenario.
28. In addition, the Monitor has considered the factors set out in section 36(3) of the CCAA. The Monitor understands that the Transaction will, among other things, result in (i) the re-hiring of a significant number of the remaining employees post-Closing, (ii) allow for the Dynamic Group to continue to provide maintenance and service to the numerous attractions they have designed and built prior to the CCAA Proceedings and (iii) allow the Dynamic Group to continue to engineer and develop amusement park attractions for its existing customers.

PROPOSED ARVO

29. The Transaction is to be implemented, in part, pursuant to the proposed ARVO. The proposed ARVO includes certain relief, including adding of ResidualCo to these CCAA Proceedings and the RVO Entities ceasing to be subject to the CCAA and the CCAA Proceedings. As noted above, the Excluded Assets, Excluded Liabilities and Excluded Contracts are to be transferred to ResidualCo.

30. The Purchaser's reasoning for structuring the Transaction to include a reverse vesting order is described in further detail in the Fourth Francis Affidavit. The success of Applicants' business is unique and in order to ensure its future success, is likely to require (i) the retention of various patents to protect intellectual property (the "**Intellectual Property**"), (ii) the continuation of DAL and DSL's certifications under the International Organization for Standardization ("**ISO Certification**"), and (iii) the utilization of the Applicants' significant tax attributes (the "**Tax Attributes**"). The relief set out in the ARVO allows for a cost-effective implementation of the Proposed Transaction in order to preserve the foregoing and going concern value.
31. The Monitor considered, among other things, the following with respect to the proposed ARVO:
- a. whether a reverse vesting order concept was necessary as set out in the proposed ARVO;
 - b. whether the ARVO structure provided an economic result at least as favourable as another viable alternative;
 - c. whether key stakeholder(s) were worse off under the ARVO structure than they would have been under another viable structure; and
 - d. whether the consideration paid for the Applicants' business is reflective of the importance and value of the intangible assets being preserved under the ARVO structure?
32. The ARVO is critical to the completion of the Transaction and one of its purposes is to convey the Intellectual Property without the additional costs and time associated with transferring the registration of the Intellectual Property in multiple countries around the world. In addition, the ARVO preserves the Applicants' ISO Certification, which is non-

transferable and would require a newly formed entity to complete the entire certification process again which would lose the significant annual costs DAL and DSL have incurred to maintain this certification since 1990 as well as taking significantly more time to obtain if starting the audit process from the beginning. The Tax Attributes provide significantly higher value in the ARVO structure given the ability to apply the Tax Attributes against future operational revenues whereas a new entity or third party purchaser would likely only ascribe nominal value to them.

33. As described above in paragraph 26, the Transaction represents the highest and best recovery available to the Applicants' stakeholders in the circumstances. Additionally, the proposed Transaction is the only viable alternative to effect a going-concern transaction and is a requirement of the Purchaser. PEL has advised that the Purchase Price payable under the Transaction would be reduced, or the Transaction would potentially not proceed if it could not utilize the ARVO structure and maintain the Intellectual Property, ISO Certification and Tax Attributes.
34. The Monitor is not aware of any stakeholder that would be worse off under the PEL Transaction Agreement as opposed to another viable transaction structure. In reviewing the other Bids received at the Phase 1 Bid Deadline, as set out in more detail in the Confidential Supplemental to the Second Report, none of the other Bids would have even been sufficient to repay the PEL first-priority secured debt making PEL the fulcrum creditor and key stakeholder in these proceedings. No other subordinate creditors will receive a return and therefore no creditors would be worse off as a result of the ARVO structure.
35. The Monitor has considered the potential impact on stakeholders that the ARVO structure may have. In the circumstances, any potential prejudice to individual creditors is far outweighed by the benefits of the transaction as a whole.

36. The Monitor is of the view that each of the above considerations support the utilization of the ARVO structure to complete the Transaction and as a result the Monitor supports the relief requested by the Applicants.

RELEASES

37. The proposed ARVO includes releases in favour of the “**Released Parties**,” which is defined to include (i) the present and former directors, officers, employees, legal counsel and advisors of the Applicants and ResidualCo, (ii) PEL, Canadian Holdco, Canadian Subco and US Subco and each of their subsidiaries, directors, officers, legal counsel and advisors and (iii) the Monitor and its legal counsel. The full scope of the release provisions are set out in the proposed ARVO and should be read in conjunction with this Third Report.
38. The Released Parties will be released by the “**Releasing Parties**” (which is defined to include any and all Persons (other than the Applicants and the respective current and former affiliates)) from any and all present and future claims liabilities, indebtedness, demands, actions, causes of action, counterclaims, suits, damages, judgements, executions, recoupments, debts, sums of money, expenses, accounts, liens, taxes, recoveries, guarantees, warranties, and obligations of any nature or kind whatsoever based in whole or in part on any act or omission, transaction, dealing or other occurrences existing or taking place on or prior to the Closing Date or undertaken or completed in connection with the terms of this Order, the issuance of the PEL Transaction Certificate in connection with the Transaction (including the Reorganization Steps) or completed pursuant to the terms of the SAVO, the Initial Order or the ARIO, in respect of, relating to, or arising out of (i) the Applicants, the business, operations, assets, property and affairs of the Applicants wherever or however conducted or governed, the administration or management of the Applicants, these CCAA Proceedings and/or the Chapter 15 Proceedings, or (ii) the PEL Transaction Agreement or the Reorganization Steps, any agreement, document, instrument, matter or transaction involving the Applicants arising

in connection with or pursuant to any of the foregoing and/or the consummation of the Transaction (the “**Released Claims**”).

39. In the view of the Monitor, having considered the facts of the situation, each of the Released Parties has, in a meaningful way, contributed to the Transaction and the successful restructuring of the Applicants. Further, it is the Monitor’s understanding based on the advice of counsel, that it is customary to include such releases in reverse vesting orders. The Monitor also understands that the release in favor of the Directors and Officers is necessary to allow for the release of the D&O Charge, which in turn is necessary to allow the Transaction to close contemplated by the Vendors and the Purchaser.
40. Accordingly, the Monitor is of the view that the proposed releases are reasonable, and not overly broad, in the circumstances, and supports the relief requested by the Applicants.

ENHANCED MONITOR’S POWERS

41. The Applicants are also seeking to expand the powers of the Monitor pursuant to the terms of the ARVO. As noted above, upon the Effective Date, all Excluded Liabilities, Excluded Assets and Excluded Contracts will be transferred to and vest in ResidualCo, and ResidualCo will be added as an applicant in the CCAA Proceedings. Given that the RVO Entities will, as at the Effective Date, no longer be Applicants in the CCAA Proceedings, the proposed relief expands the authority and powers of the Monitor so it can complete an orderly wind down of ResidualCo.
42. Specifically, the relief in the ARVO authorizes and empowers, but does not require, the Monitor to, among other things, take any steps or actions for an on behalf of DAI and ResidualCo that may be required by law, authorized or allowed under the Initial Order, the ARIO, the Extension Order and any other Orders in the CCAA Proceedings and authorizes, entitles and empowers the Monitor to assign or cause to be assigned, at any time after the Closing Date, ResidualCo into bankruptcy.

43. The proposed ARVO also provides for customary exclusions of liability of the Monitor in performing its duties, responsibilities and roles thereunder.
44. The authority granted to the Monitor in the ARVO will ensure that the Monitor has the requisite authority to deal with the winding-down of the ResidualCo in an orderly and efficient manner. As a result, the Monitor is of the view that the relief provided in the ARVO with respect to the Monitor's enhanced powers is appropriate in the circumstances.

US SECURITY REVIEW

45. As described in the Second Report, the Monitor's counsel reviewed the security interests of PEL and provided the Monitor with an opinion that stated PEL's security is valid and enforceable and is the first-ranking security over the property of the Applicants in Canada.
46. The PEL Transaction Agreement contemplates the purchase of assets located in the United States by way of credit bid. Accordingly, the Monitor engaged US counsel (the "**Monitor's US Counsel**") to complete a security review of PEL's interests in the United States. The Monitor's US Counsel is in the process of reviewing the first ranking security interests of PEL in the United States. The Monitor's US Counsel has advised the security review will be completed prior to the June 23 application. The Monitor intends to file a supplemental report to disclose the results of the security review.

SECOND CASH FLOW STATEMENT VARIANCE ANALYSIS

47. The Applicants' actual cash flows in comparison to those contained in the Second Cash Flow Statement for the period of May 12, 2023 to June 9, 2023 are summarized below:

4 Week Period Ending Jun 9, 2023			
<i>(CAD\$ in thousands)</i>	Actual	Forecast	Variance
RECEIPTS			
Receipts	\$ 1,472.9	\$ 1,914.3	\$ (441.3)
DISBURSEMENTS			
<i>Operating Disbursements</i>			
Project Purchases	(196.3)	(190.1)	(6.2)
Employee Payroll & Benefits	(273.8)	(270.5)	(3.3)
Contractors and Employee Expenses	(41.3)	(31.4)	(9.9)
Occupancy Expense	(228.7)	(194.2)	(34.4)
Insurance & Lease Expenses	(10.8)	(10.9)	0.1
G&A Expenses	(102.0)	(112.4)	10.4
<i>Total Operating Disbursements</i>	\$ (852.9)	\$ (809.6)	\$ (43.3)
OPERATING CASH FLOWS	\$ 620.1	\$ 1,104.7	\$ (484.6)
<i>Financing Disbursements</i>			
DIP - Borrowings / (Repayments)	650.0	650.0	-
<i>Restructuring Disbursements</i>			
Professional Fees	(192.1)	(228.8)	36.6
NET CASH FLOWS	\$ 1,077.9	\$ 1,525.9	\$ (448.0)
CASH			
Beginning Balance	\$ 1,055.4	\$ 1,055.4	\$ (0.0)
Net Cash Inflows / (Outflows)	1,077.9	1,525.9	(448.0)
Other (FX)	(20.8)	-	(20.8)
ENDING CASH	\$ 2,112.6	\$ 2,581.3	\$ (468.7)
BORROWING SUMMARY			
DIP Facility Credit Limit	\$ 2,600.0	\$ 2,600.0	\$ -
DIP - Borrowings / (Repayments)	650.0	650.0	-
DIP Principal Outstanding	\$ 2,600.0	\$ 2,600.0	\$ -
DIP Availability	-	-	-

48. The material variances in actual receipts and disbursements as compared to the Second Cash Flow Statement are primarily due to the following:

- a. the unfavourable variance in receipts of approximately \$440,000 consists of a negative variance of \$735,000 relating to the collection of proceeds from the Infinity APA which were delayed and have now been received as at the date of this Report but were not received as at June 9, 2023). This was partially offset by a positive variance of approximately \$365,000 relating to project work requested by the Applicants' customers which was not originally in the Second Cash Flow Statement;

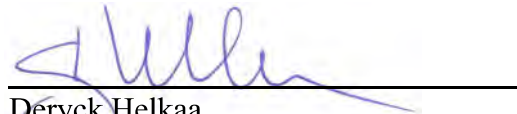
- b. the unfavorable variance of approximately \$40,000 in operating disbursements relates to higher than expected occupancy expenses due to the posting of security deposits for currently occupied and post closing office locations as well as higher than expected employee and contractor travel expenses in connection with project work for the Applicants' customers; and
 - c. the favorable variance for professional fees of approximately \$35,000 relates to the timing of payment of invoices for professionals and is expected to reverse in future periods.
49. As at June 9, 2023, the Interim Financing has been drawn as forecasted, to \$2.6 million and the Applicants have an ending cash balance under the Interim Financing facility of approximately \$2.6 million.

CONCLUSIONS

50. The Monitor is of the view that the relief requested by the Applicants is necessary, reasonable and justified in the circumstances.
51. Accordingly, the Monitor respectfully recommends that this Honourable Court grant the ARVO and the SAVO substantially in the form proposed by the Applicants.

All of which is respectfully submitted this 15th day of June 2023.

FTI Consulting Canada Inc., in its capacity as
the Proposed Monitor of Dynamic Group
and not in its personal or corporate capacity



Deryck Helkaa
Senior Managing Director
FTI Consulting Canada Inc.



Dustin Olver, CA, CPA, CIRP, LIT
Senior Managing Director
FTI Consulting Canada Inc.

EXHIBIT E

*Fourth Report of FTI Consulting Canada, Inc., in its Capacity as Monitor of Dynamic Technologies Group Inc., Dynamic Attractions Ltd., Dynamic Entertainment Group Ltd., Dynamic Structures Ltd., and Dynamic Attractions Inc.
("Monitor's Fourth Report")*



ENTERED

COURT FILE NUMBER 2301 - 03179
COURT COURT OF KINGS'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY

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

COM
June 23, 2023
Justice Campbell

AND IN THE MATTER OF A PLAN OF
ARRANGEMENT OF DYNAMIC TECHNOLOGIES
GROUP INC., DYNAMIC ATTRACTIONS LTD.,
DYNAMIC ENTERTAINMENT GROUP LTD.,
DYNAMIC STRUCTURES LTD. and DYNAMIC
ATTRACTIONS INC.

DOCUMENT FOURTH REPORT OF FTI CONSULTING CANADA
INC., IN ITS CAPACITY AS MONITOR OF DYNAMIC
TECHNOLOGIES GROUP INC., DYNAMIC
ATTRACTIONS LTD., DYNAMIC ENTERTAINMENT
GROUP LTD., DYNAMIC STRUCTURES LTD. and
DYNAMIC ATTRACTIONS INC.

June 22, 2023

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

MONITOR

FTI Consulting Canada Inc.
Suite 1610 520 Fifth Avenue S.W.
Calgary, AB T2P 3R7
Deryck Helkaa / Dustin Olver
Telephone: (403) 454-6031 / (403) 454-6032
Fax: (403) 232-6116
E-mail: deryck.helkaa@fticonsulting.com
dustin.olver@fticonsulting.com

COUNSEL

Burnet, Duckworth & Palmer LLP
2400, 525 – 8th Avenue SW
Calgary, AB T2P 1G1
David LeGeyt / Ryan Algar
Telephone: (403) 260-0210 /0126
Fax: (403) 260-0332
E-mail: dlegeyt@bdplaw.com
ralgar@bdplaw.com

PURPOSE

1. On June 15, 2023, FTI Consulting Canada Inc. as Monitor (the “**Monitor**”) filed its third report (“**Third Report**”). Paragraph 46 of the Third Report advised that it was awaiting the Monitor’s US Counsel to complete a security review (“**US Security Review**”) of PEL’s interests in the United States.
2. The limited and specific purpose of this fourth report of the Monitor (this “**Report**” or the “**Fourth Report**”) is to provide this Honourable Court and the Applicants’ stakeholders with information and the Monitor’s comments with respect to the US Security Review.
3. Capitalized terms not otherwise defined herein have the meaning set forth in the Monitor’s prior Reports or the PEL Transaction Agreement.
4. The Monitor’s US Counsel has now completed the US Security Review and concluded that, subject to the customary assumptions and qualifications, PEL’s security interests have been validly created, have attached, and have been perfected against the property of the Applicants in Texas and Delaware.

All of which is respectfully submitted this 22nd day of June 2023.

FTI Consulting Canada Inc., in its capacity as
the Proposed Monitor of Dynamic Group
and not in its personal or corporate capacity



Deryck Helkaa, CA, CPA, CIRP, LIT
Senior Managing Director
FTI Consulting Canada Inc.



Dustin Olver, CA, CPA, CIRP, LIT
Senior Managing Director
FTI Consulting Canada Inc.