



Form 109 (Rule 22-2(2) and (7))

This is the 3rd Affidavit
of Thomas Jackson in this case
and was made on March 16, 2023

No. **S-231354**
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

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

AND

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

AND

IN THE MATTER OF THE *CANADA BUSINESS CORPORATIONS ACT*,
R.S.C. 1985, c. C-44, AS AMENDED

IN THE MATTER OF A PLAN OF COMPROMISE AND ARRANGEMENT OF
CANWEST AEROSPACE INC. AND CAN WEST GLOBAL AIRPARTS INC.

PETITIONERS

AFFIDAVIT

I, Thomas Jackson, of Hangar #12, 5225 216th Street, Langley, British Columbia,
Businessman, AFFIRM THAT:

1. I am a director and officer of each of the Petitioners, CanWest Aerospace Inc. ("**CW Aerospace**") and Can West Global Airparts Inc. ("**CW Airparts**", and collectively with CW Aerospace, the "**Petitioners**") and as such have personal knowledge of the facts hereinafter deposed, except where such facts are stated to be based upon information and belief and where so stated I do verily believe the same to be true.

2. This Affidavit should be read in conjunction with my first affidavit made in these proceedings on February 24, 2023 and my second affidavit made in these proceedings on March 6, 2023.

3. I swear this Affidavit in support of the Petitioners' application for an Amended and Restated Initial Order (the "**ARIO**"), which includes an extension of the stay of proceedings for a further 30 day period (the "**Stay Period**").

4. Since the date of the Initial Order on March 8, 2023, the Petitioners have met with and have worked diligently to provide the court-appointed monitor, FTI Consulting Inc. (the "**Monitor**") with information regarding with the Petitioners' business operations, assets and liabilities.

5. The Petitioners have worked with the Monitor to prepare a cash-flow forecast, which provides that the Petitioners can meet their post-filing obligations as they become due through the proposed Stay Period.

The Bangladesh Contracts

6. Since the spring of 2017, the Petitioners have entered into a total of 49 contracts (collectively, the "**Bangladesh Contracts**") with the Government of the Peoples Republic of Bangladesh, Ministry of Defence (the "**DGDP**"),

7. To date, 39 contracts have been completed, there have been no defaults on these contracts and the DGDP has made all payments on the completed contracts. All funds for these 39 contracts have all gone through RBC Bank.

8. To date, the Petitioners have paid back all performance guarantees and facilities from Export Development Canada, and have repaid all RBC loans advanced with respect to these contracts.

9. No other aviation company in Canada has entered into or completed this many contracts in Bangladesh in the history of outsourced aviation contracts, and the Petitioners are one of the most experienced companies to deal with the DGDP.

10. As of the date of this Affidavit, the Petitioners have a total of 12 outstanding contracts which have delivery dates of before August 1, 2023. These contracts total approximately USD\$3.7 million.

11. I believe that these contracts, including the Bangladesh Contract, will be paid by the DGDP in light of the successful relationship and payment history the Petitioners have had with the DGDP.

12. Due to the freeze by RBC of the Petitioners' accounts, the Petitioners have been unable to draw down on funds from the RBC operating lines since September 2022. This has made it extremely difficult to fund the work required to complete the outstanding contracts with the DGDP. During the past six months, the

Petitioners have had to fund the work through cash flow generated from their ongoing business operations.

13. The estimated total costs to complete the Bangladesh Contracts is approximately USD \$1.13 million. Of this amount, approximately USD \$1.1 million is the estimated costs to complete the largest of the Bangladesh Contracts, the EMS Contract (as defined below).

The ESM Contract

14. The largest of the Bangladesh Contracts in value is a contract for the installation of emergency medical service kits on an Emergency Medical Services helicopter (the "**EMS Contract**"). The contract amount is approximately USD\$3.1 million, with an equipment delivery date of June 2023.

15. The estimated costs to complete the EMS Contract is USD\$1.1 million. The Petitioners are looking to sell their interest in the EMS Contract (as described below).

Restructuring Plan

16. The Petitioners require the relief under the ARIO so that they can move forward with a restructuring plan that will benefit RBC and their other stakeholders.

17. As part of the Petitioners' restructuring plan, the Petitioners intend to sell their interest in the EMS Contract. The ESM contract requires an additional USD\$1.1 million of funding to complete the work required for the contract. By selling the contract, the Petitioners will no longer have to raise the necessary funds to complete the contract and instead will receive payment from a purchaser for the assignment.

18. I have a meeting scheduled for Monday March 20, 2023 with a potential purchaser of the EMS Contract. The potential purchaser is considering taking an assignment of the EMS Contract for a purchase price of approximately USD\$1.3 million. The proceeds, after deducting the usual and necessary closing amounts, will go to RBC directly. The assignment of the contract is expected to complete within the Stay Period.

19. I have also had discussions with the Monitor to put the Petitioners' assets and business up for sale through a sales and investment solicitation process (a "**SISP**").

20. I have been canvassing the market to seek a purchaser for the Petitioners' assets and/or business.

21. To date, I have had discussions with two different parties interested in the purchase of the Petitioners' business. However, these parties have advised me that they cannot move forward with a sale in the face of a potential receiver being appointed over the assets and business.

22. The Petitioners need to stabilize the business operations and require time to implement a SISP. Stabilizing and maintaining the business will provide the best means of increasing value to stakeholders through a going concern sale of the business, as existing contracts can be fulfilled, new contracts obtained and important licenses with the aviation authorities can be maintained.

23. In a SISP, I will assist the Monitor with identifying and approaching potential purchasers. I believe that I am in the best position to negotiate or assist in the negotiations of the terms of a purchase or investment agreement for the business given my intimate knowledge of not only the Petitioners' business, but of the aviation industry.

24. There are serious questions as to whether a receiver would be able to maximize value in circumstances where the aviation industry is heavily regulated and the successful transfer of licenses is uncertain. While I would have been prepared to assist a potential receiver in maximizing the value of the business, I have no control over whether employees will stay with the business, whether foreign or domestic aviation authorities will permit licenses to be transferred or whether third parties will continue their business relationships with the Petitioners. In conclusion, a SISP will maximize values to RBC and other stakeholders.

25. If the ARIO were granted, the SISP will commence immediately, with the goal of identifying a purchaser within the Stay Period.

Stay of Proceedings

26. The Petitioners believe that a further 30 days extension of the stay of proceedings is essential to maintaining the status quo in order to preserve the value of the Petitioners' business, while providing time for the Petitioners to take steps and explore restructuring options with the assistance of the Monitor. These steps include completing a sale of the ESM Contract and commencement of a SISP as described above.

27. There is no prejudice to RBC if the Stay Period is extended for 30 days. I am motivated to ensure that RBC's security is not impaired and I intend to work diligently to work with the Monitor to ensure that the business is preserved.

Administration Charge

28. The Petitioners' legal counsel, the Monitor and the Monitor's legal counsel legal counsel are essential to the Petitioners' restructuring.

29. The Petitioners proposed that the Administration Charge be increased from \$50,000 to \$100,000 to ensure that the Petitioners continue to retain access to professionals whose expertise and knowledge are required to pursue a successful restructuring and the SISP. The Petitioners believe that the Administration Charge is necessary to ensure these professionals' continued participation in these CCAA proceedings, and is fair and reasonable in the circumstances.

30. The Petitioners will meet its obligations to the professionals on a going forward basis and professional fees have been accounted for in the cash flow. However, in order for the professional to run the sales process and assist the Petitioners, the Administration Charge is required as security for their work.

31. I believe that the SISP is the best means for maximization of value, as opposed to having a receiver, who has no expertise or knowledge of the business and the aviation industry, being appointed.

Conclusion

32. I swear this affidavit in support of the ARIO, for the purpose of providing the Petitioners with the time required to move forward with their restructuring plan.

33. For the reasons set out above, I verily believe that it is in the interest of the Petitioners and all of their stakeholders that the relief sought by the Petitioners be granted.

34. The Petitioners are acting in good faith and with due diligence.

AFFIRMED BEFORE ME
at Vancouver, British Columbia,
on March 16, 2023



THOMAS JACKSON

A Commissioner for taking Affidavits for British
Columbia

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