



COURT FILE NUMBER 2301-16371  
COURT COURT OF KING'S BENCH OF ALBERTA  
JUDICIAL CENTRE CALGARY  
APPLICANT CANADIAN WESTERN BANK

C71169

RESPONDENTS WOLVERINE ENERGY AND INFRASTRUCTURE INC., WOLVERINE EQUIPMENT INC., WOLVERINE CONSTRUCTION INC., WOLVERINE MANAGEMENT SERVICES INC., HD NORTHERN EQUIPMENT SALES AND RENTALS INC., HD ENERGY RENTALS LTD., BHW EMPLOYMENT SERVICES INC., FLO-BACK EQUIPMENT INC., LIBERTY ENERGY SERVICES LTD., WESTERN CANADIAN MULCHING LTD. and WOLVERINE GROUP INC.

DOCUMENT SUPPLEMENTAL REPORT TO THE FOURTH REPORT OF FTI CONSULTING CANADA INC., IN ITS CAPACITY AS COURT APPOINTED RECEIVER AND MANAGER OF WOLVERINE ENERGY AND INFRASTRUCTURE INC., WOLVERINE EQUIPMENT INC., WOLVERINE CONSTRUCTION INC., HD ENERGY RENTALS LTD., BHW EMPLOYMENT SERVICES INC., FLO-BACK EQUIPMENT INC., LIBERTY ENERGY SERVICES LTD., WESTERN CANADIAN MULCHING LTD. and WOLVERINE GROUP INC.

**July 22, 2024**

FIAT: Let this Application and supporting materials be filed notwithstanding the fact that they were submitted for filing after the deadline for filing.

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING THIS  
DOCUMENT

**RECEIVER**

FTI Consulting Canada Inc.  
Suite 1610, 520 - 5th Ave S.W.  
Calgary, AB T2P 3R7  
Deryck Helkaa / Lindsay Shierman  
Telephone: (403) 454-6031 / (403) 464-6036  
Fax: (403) 232-6116  
E-mail: [deryck.helkaa@fticonsulting.com](mailto:deryck.helkaa@fticonsulting.com)  
E-mail: [Lindsay.shierman@fticonsulting.com](mailto:Lindsay.shierman@fticonsulting.com)

**COUNSEL**

Torys LLP  
4600 Eighth Avenue Place East  
525 – Eighth Ave SW  
Calgary, AB T2P 1G1  
Kyle Kashuba  
Telephone: (403) 776-3744  
Fax: (403) 776-3800  
E-mail: [kkashuba@torys.com](mailto:kkashuba@torys.com)

**SUPPLEMENTAL REPORT TO THE  
FOURTH REPORT OF THE RECEIVER**

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## INTRODUCTION

1. The purpose of this Supplemental Report to the Fourth Report of the Receiver (the “**Supplemental Report**”) is to provide this Honourable Court with additional background with respect to the proposed distribution of the GIP Shares to Fiera.
2. This Supplemental Report should be read in conjunction with the Fourth Report and all capitalized terms used, unless defined herein, are as defined in the Fourth Report.

## TERMS OF REFERENCE

3. In preparing this Supplemental Report, the Receiver has relied upon audited and unaudited financial information, other information available to the Receiver and, where appropriate, the Company’s books and records and discussions with various parties (collectively, the “**Information**”).
4. Except as described in this Supplemental Report:
  - (a) The Receiver 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; and
  - (b) The Receiver has not examined or reviewed financial forecasts and projections referred to in this Confidential Supplemental Report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.
5. Future oriented financial information reported or relied on in preparing this Confidential Supplemental Report is based on assumptions regarding future events. Actual results may vary from forecasts and such variations may be material.

6. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars.

## **THE GIP SHARES**

7. As at June 30, 2023, the GIP Shares had a book value of approximately \$35.9 million. The Company holds approximately 4.1 million GIP Shares, meaning the approximate price per share at June 30, 2023 was valued at \$8.78.
8. At the Date of Appointment, the GIP Shares were trading for approximately \$4.70 per share. The Receiver, in consultation with the Secured Lenders, opted to monitor the share price while considering various potentially available options to market the GIP Shares to best optimize recovery to the estate.
9. On December 18, 2023, the Receiver accepted a call with Alberta Investment Management Corporation (“**AIMCo**”) and their legal counsel to discuss the Receiver’s intentions with respect to the GIP Shares. AIMCo is both a significant unsecured creditor of the Company, and a minority shareholder of Green Impart Partners Inc. (“**GIP**”). During the meeting, AIMCo expressed their concerns over how the Receiver planned to market or dispose of the GIP Shares and provided ideas as to whom the Receiver could contact to best transact on the shares. Royal Bank of Canada (“**RBC**”) was recommended by AIMCo as the best agent to market the shares.

10. As discussed in the Fourth Report, the Receiver, in consultation with Fiera and with consideration of the advice provided by AIMCo, has considered various options to market and sell the GIP Shares. As noted, GIP is a public company traded on the TSX Venture exchange. The Receiver contacted numerous financial institutions and brokers, amongst which included RBC, Bank of Montreal and Acumen Capital Partners, to assess the best approach to realize on the GIP Shares. The overriding consensus from all institutions contacted was to sell or trade the SGIP Shares on the open market. Furthermore, when the Receiver asked about a bulk private sale transaction, it was noted that it could be done but would typically this approach would result in a price lower than market value. Given the known market price, the Receiver did not view there as being an advantage or benefit to the estate to pursue a private transaction at a discounted value as it would lock in a loss for the creditors.

## **SALE OF GIP SHARES**

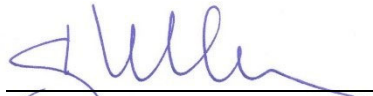
11. In considering the sale of shares on the open market, the Receiver notes the following challenges or risks:
  - (a) The GIP Shares trade at very low volume, meaning the Receiver could not simply sell all 4.1 million shares in one transaction. The GIP Shares would have to be sold slowly over a significant amount of time leading to increased professional costs to the estate; and
  - (b) Offloading 4.1 million shares, even over time, risks eroding the market value of the GIP Shares. This ultimately could lead to lower market prices of the GIP Shares over time and lower recoveries to the estate.
12. The Receiver has monitored the GIP Share price since the Date of Appointment. At the date of the Fourth Report the share price was \$3.15 per share. At the date of the Supplemental Report, the GIP Share price is \$3.06 per share. Based on the current share price, the GIP Share value is approximately \$12.5 million, slightly less than reported in the Fourth Report.

13. The value of GIP Shares over the last 52 weeks have ranged from \$2.45 to \$8.15 / share. The highest share price in the last six (6) months (i.e. during the Receivership Proceedings) was \$4.50 per share (*Source: Yahoo! Finance*).
  
14. Given the advice received from various financial institutions and brokers and the performance of GIP Shares in the market since the Date of Appointment, the Receiver is of the view that the most cost effective and efficient way to realize on the GIP Shares is by way of distribution to Fiera as proposed in the Fourth Report. The Receiver further substantiates this approach given the following:
  - (a) Fiera has first ranking security over the GIP Shares as provided for by to the Amended and Restated Priority Agreement dated August 11, 2020, as discussed in the Fourth Report;
  
  - (b) There is no prejudice to any other stakeholders or creditors of the Company. Fiera's current debt, including accrued interest and fees at the date of the Fourth Report is approximately \$58.6 million. On July 16, 2024, the Receiver put forward an application with a Proposed Interim Distribution to Fiera of approximately \$12.1 million. After the Proposed Interim Distribution, Fiera's remaining debt will be approximately \$46.5 million. After the GIP Share distribution, Fiera will still have significant remaining debt (in excess of \$33.0 million). Even in considering a distribution at full net book values of the Sound Energy Shares (book value of \$5.4 million as at June 30, 2023) and Fleet Shares (book value of \$1.6 million as at June 30, 2023), Fiera would still have significant remaining secured debt; and
  
  - (c) Continuing to hold onto the GIP Shares and exploring further options to liquidate the GIP Shares will lead to increased professional costs to the estate.

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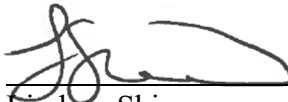
All of which is respectfully submitted this 22<sup>nd</sup> day of July, 2024.

FTI Consulting Canada Inc.  
in its capacity as receiver and manager of  
Wolverine Energy and Infrastructure Inc.,  
Wolverine Equipment Inc., Wolverine Construction  
Inc., HD Energy Rentals Ltd., BHW Employment  
Services Inc., Flo-Back Equipment Inc., Liberty Energy  
Services Ltd. and Western Canadian Mulching Ltd.,  
and not in its personal or corporate capacity



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Deryck Helkaa  
Senior Managing Director



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Lindsay Shierman  
Managing Director