



**IN THE MATTER OF THE WINDING-UP OF  
COVENTREE INC.**

**UPDATE TO THE SHAREHOLDERS OF COVENTREE INC.  
BY KSV KOFMAN INC.  
AS LIQUIDATOR OF COVENTREE INC.  
October 30, 2017**

**1.0 Settlement of Tai Litigation**

This is an update to the shareholders of Coventree Inc. ("Coventree") since the Fifth Report to Shareholders dated January 30, 2017 ("Fifth Report").

As set out in the Fifth Report, the major outstanding matter has been the litigation between Coventree and Mr. Dean Tai stemming from Coventree's cancellation of 736,522 common shares issued to Mr. Tai pursuant to Coventree's Share Allocation Plan ("SAP Shares").

On September 27, 2017, Coventree and Mr. Tai finalized a settlement of the litigation (the "Settlement"). The Settlement provided for payment of \$4.5 million to Mr. Tai and his companies in satisfaction of Mr. Tai's severance pay entitlement (\$500,000), the litigation in respect of the SAP Shares and cancellation of Mr. Tai's direct and indirect shareholdings ("Tai Shares") in Coventree. The cancellation of the Tai Shares reduced the number of outstanding Coventree shares to 12,343,241.

Attached as Schedule "A" is an announcement by Coventree regarding the Settlement.

**2.0 Updated Estimated Funds Available to Shareholders**

An estimate of the funds that may be available for a final distribution is provided below:

	(\$000's)
Funds on hand at January 30, 2017	10,700
Less: Net disbursements from January 31, 2017 to September 30, 2017	268
Settlement payment	4,500
Funds on hand at September 30, 2017	5,932
Less: Estimated accounts payable, future operating expenses and contingencies	1,500
Estimated funds available for distribution – shareholders	4,432
Estimated funds available for distribution – per share	.359

### 3.0 Future Steps in Liquidation

The final distribution to shareholders will be made upon:

- Discharging all existing liabilities;
- Filing final tax returns;
- Obtaining tax clearance certificates from Canada Revenue Agency (“CRA”) in respect of Coventree’s corporation tax and payroll accounts; and
- Obtaining a court order authorizing the payment of the final distribution, providing for the discharge of the Liquidator and the ultimate dissolution of Coventree.

The timing of the final distribution is uncertain and will depend, to a large extent, on CRA’s response to the clearance certificate requests.

Yours truly,

A handwritten signature in blue ink that reads "KSV Kofman Inc." in a cursive, stylized font.

KSV Kofman Inc.  
Liquidator of Coventree Inc.  
And not in its personal or corporate capacity

### **Schedule "A"**

Coventree is pleased to announce that it has settled all outstanding issues with its co-founder Dean Tai, and his holding companies. The settlement involves a payment by Coventree in the amount of \$4,500,000, in global settlement of all claimed or actual entitlements by Mr. Tai and his holding companies. We recognize and thank Mr. Tai for his many contributions to Coventree and wish him all the best.