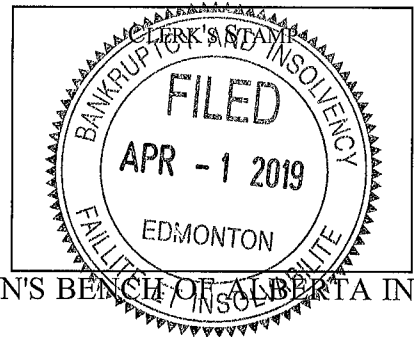


FORM 27



COURT FILE NUMBER

24-2472470

COURT

COURT OF QUEEN'S BENCH OF ALBERTA IN
BANKRUPTCY

JUDICIAL CENTRE

EDMONTON

IN THE MATTER OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, RSC 1985, C B-3, AS
AMENDED

IN THE MATTER OF THE NOTICE OF
INTENTION TO MAKE A PROPOSAL OF S7
VENTURES LTD.

DOCUMENT

**APPLICATION TO EXTEND TIME FOR
FILING A PROPOSAL**

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

BENNETT JONES LLP
Barristers and Solicitors
3200 TELUS House, South Tower
10020 – 100th Street
Edmonton, AB T5J 0N3

Attention: Katherine J. Fisher
Telephone No.: 780.917.4268
Fax No.: 780.421.7951
Email: fisherka@bennettjones.com

NOTICE TO RESPONDENTS:

This application is made against you. You are a respondent.

You have the right to state your side of this matter before the master/judge.

To do so, you must be in Court when the application is heard as shown below:

Date: Monday, April 8, 2019
Time: 2:00 p.m.
Where: Edmonton Law Courts
Before Whom: The Honourable Mr. Justice K.G. Nielsen

Go to the end of this document to see what else you can do and when you must do it.

Remedy claimed or sought:

1. S7 Ventures Ltd. ("S7") seeks an Order:
 - (a) abridging the time for service of this Application and supporting materials, and declaring service thereof to be good and sufficient;
 - (b) extending the time in which S7 must file a Proposal for an additional 45 days;
 - (c) extending the stay of proceedings in this matter for an additional 45 days; and
 - (d) such further and other relief as this Honourable Court may deem just.

Grounds for making this application:

2. On February 7, 2019, S7 filed a Notice of Intention to make a proposal ("NOI") pursuant to the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the "*BIA*"). The NOI appointed The Bowra Group Inc. as Proposal Trustee.
3. S7 is a holding company. It is a shareholder of Devlin Construction Ltd. ("**Devlin**") and guarantor of certain loans made by ATB Financial ("**ATB**") to Devlin (the "**Devlin ATB Indebtedness**").
4. S7 is acting in good faith and with due diligence with a view to presenting a viable proposal to its creditors. S7 has prepared an extended cash flow to June 21, 2019, which includes actuals to March 29, 2019.
5. Devlin has also filed a Notice of Intention to make a Proposal. A Proposal made by S7 will depend, to some extent, on the proposal of Devlin, as S7 is a shareholder of Devlin and guarantor of Devlin's ATB loans.
6. An order was granted on March 6, 2019 extending the time for both S7 and Devlin to make a Proposal to April 8, 2019.
7. S7 will have a better opportunity to fully assess its circumstances and to present a viable Proposal if the further extensions being applied for are granted.

8. No creditor will be materially prejudiced if the extensions being applied for are granted.
9. Such further and other grounds as counsel may advise and this Honourable Court may permit.

Material or evidence to be relied on:

10. The Affidavit of George Devlin, sworn April 1, 2019; and
11. Such further and other evidence as counsel may advise and this Honourable Court may permit.

Applicable rules:

12. Part 6, Division 1 of the Alberta *Rules of Court*.

Applicable Acts and regulations:

13. *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended, ss 50.4(9) and 69(1).

Any irregularity complained of or objection relied on:

14. None.

How the application is proposed to be heard or considered:

15. In person before the Honourable Mr. Justice K.G. Nielsen on the Commercial List.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court makes.

If you want to take part in this application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to rely on an affidavit or other evidence when the application is heard or considered, you must reply by giving reasonable notice of the material to the applicant.

COURT FILE NUMBER

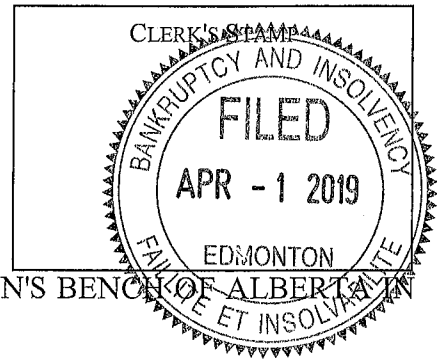
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COURT

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AFFIDAVIT OF GEORGE DEVLIN

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

BENNETT JONES LLP
Barristers and Solicitors
3200 TELUS House, South Tower
10020 – 100th Street
Edmonton, AB T5J 0N3

Attention: Katherine J. Fisher
Telephone No.: 780.917.4268
Fax No.: 780.421.7951
Email: fisherka@bennettjones.com

AFFIDAVIT OF GEORGE DEVLIN

Sworn April 1, 2019

I, GEORGE DEVLIN, of the City of Edmonton, in the Province of Alberta, SWEAR AND SAY THAT:

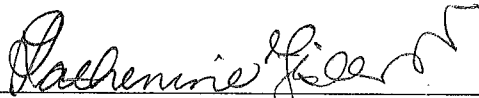
1. I am the sole director of the Applicant, S7 Ventures Ltd. ("S7"), and as such, I have personal knowledge of the matters hereinafter deposed to except where stated to be based on information and belief, in which case I verily believe the same to be true.
2. I have reviewed the business records maintained by S7 in respect of the matters at issue in these proceedings, which I believe were made in the ordinary and usual course of business,

and where I do not have direct knowledge of matters deposed to herein, my knowledge is derived from my general knowledge of the business and operations of S7, as well as a review of the business records.


3. S7 is a holding company and has no employees. S7 is a shareholder of Devlin Construction Ltd. ("**Devlin**"), of which I am also an officer and director. S7 granted certain guarantees (the "**Guarantees**") in favour of ATB Financial ("**ATB**"), guaranteeing certain outstanding loans from ATB to Devlin, which I understand to total approximately \$5.6 million (the "**Devlin ATB Indebtedness**").
4. Devlin was founded in 2003 and carries on business in and around Edmonton, Alberta. Devlin specializes in many areas of heavy construction, including excavation, base construction, concrete construction, landscaping, asphalt paving and snow removal.
5. Devlin ran into financial difficulty with the downturn of the Alberta economy, as the number of jobs and margins on those jobs decreased. As a result, Devlin ran into working capital shortfalls.
6. On January 30, 2019, ATB issued a Notice of Intention to Enforce Security against Devlin, as well as against S7 pursuant to the Guarantees. As a result, on February 7, 2019, S7 filed a Notice of Intention to make a Proposal (the "**NOI**") pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act*. The NOI appointed The Bowra Group Inc. as Proposal Trustee (the "**Proposal Trustee**"). Devlin also filed a Notice of Intention to make a Proposal on February 7, 2019.
7. On March 6, 2019, the Honourable Mr. Justice K.G. Nielsen granted an Order extending the time to file a Proposal to both Devlin and S7, until April 8, 2019. ATB agreed to adjourn its application to appoint a Receiver with respect to the assets of Devlin and S7, as well as KMOJ Holdings Ltd., until April 8, 2019.
8. Since filing the NOI, S7 has worked diligently and in good faith with the Proposal Trustee with a view to presenting a Proposal. S7 has prepared an extended forecasted cash flow to June 21, 2019, which includes actuals to March 29, 2019.
9. The Proposal of S7 will depend, to some extent, on the proposal formulated by Devlin, as S7 is a shareholder of Devlin and guarantor of the Devlin ATB Indebtedness. I understand that Devlin is currently seeking an Order for an extension of time to file a proposal and corresponding stay of proceedings for an additional 45 days. I understand that Devlin will also seek an Order permitting the sale of certain equipment assets (the "**Equipment Assets**") at the April 30, 2019 auction to be held by Ritchie Bros. Auctioneers. It is my understanding that the sale of these Equipment Assets by Devlin may result in sufficient proceeds to pay the Devlin ATB Indebtedness.

- 10. If S7 is granted a similar extension of time to file a Proposal, I expect that S7 will have a better opportunity to fully assess its circumstances and to make a viable Proposal to its creditors.
- 11. I believe that the proposed extension of the stay and the granting of additional time to file a Proposal will not materially prejudice any of the creditors of S7. The additional time requested will provide S7 time to determine the outcome of the sale of the Equipment Assets by Devlin, and whether the Devlin ATB Indebtedness may be paid in full. As well, the additional time requested will provide S7 time to determine what proposal is formulated by Devlin, and will enable S7 to better assess its own circumstances in order that S7 may present a viable Proposal of its own that maximizes value to its creditors.
- 12. I make this Affidavit in support of the Application of S7 Ventures Ltd. to extend the time to file a Proposal and for a corresponding extension of the stay of proceedings.

SWORN BEFORE ME at Edmonton,)
 Alberta this 1st day of April, 2019.)


 _____)
 A Commissioner for Oaths in and for the)
 Province of Alberta)

KATHERINE J. FISHER
 BARRISTER & SOLICITOR


 _____)
 GEORGE DEVLIN)