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Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of Crown Capital Partners Inc. at 888 3rd Street SW, 10th Floor, West Tower, Calgary, Alberta T2P 5C5, telephone (403) 775-2554 and are also available electronically at www.sedar.com.

SHORT FORM PROSPECTUS

New Issue

June 6, 2018



CROWN CAPITAL PARTNERS INC.

\$20,000,000

5 YEAR 6.00% CONVERTIBLE UNSECURED SUBORDINATED DEBENTURES

This short form prospectus qualifies the distribution of \$20,000,000 aggregate principal amount of 5 Year 6.00% Convertible Unsecured Subordinated Debentures (“**Debentures**”) of Crown Capital Partners Inc. (the “**Corporation**”) in denominations of \$1,000 and multiples thereof at a price of \$1,000 per Debenture (the “**Offering**”). The Debentures will bear interest at the rate of 6.00% per annum payable semi-annually in arrears, in cash, on June 30 and December 31 of each year (an “**Interest Payment Date**”) with the first payment occurring on December 31, 2018, and will have a maturity date of June 30, 2023 (the “**Maturity Date**”). The December 31, 2018 interest payment will represent accrued interest for the period from the date of the closing of the Offering to December 31, 2018. The payment of the principal and accrual of interest on the Debentures will be subordinated in right of payment to the prior payment in full of all Senior Indebtedness (as defined herein) of the Corporation. Further particulars concerning the Debentures are set out under “Description of the Debentures”.

Debenture Conversion Privilege

Each Debenture will be convertible into common shares of the Corporation (“**Common Shares**”) at the option of the holder at any time prior to the close of business (Eastern time) on the business day prior to the Maturity Date, or, if called for redemption, the business day immediately preceding the date specified by the Corporation for redemption of the Debentures, at a conversion price of \$13.70 per Common Share, being a conversion rate of approximately 72.99 Common Shares per \$1,000 principal amount of Debentures, subject to adjustment in certain events. See “Description of the Debentures – Debentureholders’ Conversion Privilege”.

The head office and registered office of the Corporation is located at 888 3rd Street SW, 10th Floor, West Tower, Calgary, Alberta T2P 5C5.

The Toronto Stock Exchange (the “**Exchange**”) has conditionally approved the listing of the Debentures offered hereunder, under the symbol “CRWN.DB”, and the Common Shares issuable upon the conversion, redemption or maturity of the Debentures. Listing is subject to the Corporation satisfying all of the requirements of the Exchange on or before August 28, 2018. The outstanding Common Shares are listed on the Exchange under the symbol “CRWN”. On May 24, 2018, the date of the announcement of the Offering, the closing price

of the Common Shares on the Exchange was \$9.78. On June 5, 2018, the last trading day prior to the date of this short form prospectus, the closing price of the Common Shares on the Exchange was \$9.85. The terms and price of the Debentures were determined by negotiation between the Corporation and BMO Nesbitt Burns Inc. and National Bank Financial Inc. (the “**Co-Lead Underwriters**”) and AltaCorp Capital Inc., CIBC World Markets Inc., Cormark Securities Inc., GMP Securities L.P., Raymond James Ltd. and TD Securities Inc. (collectively, and together with the Co-Lead Underwriters, the “**Underwriters**”).

	Price to the Public	Underwriters’ Fee ⁽¹⁾	Net Proceeds to the Corporation ⁽²⁾
Per Debenture	\$1,000	\$40	\$960
Total Offering ⁽³⁾	\$20,000,000	\$800,000	\$19,200,000

- Notes:
- (1) In consideration of the services rendered by the Underwriters in connection with the Offering, the Corporation has agreed to pay the Underwriters on the closing of the Offering an aggregate fee of 4% of the gross proceeds from the Offering.
 - (2) After deducting the Underwriters’ fee but before deducting expenses of the Offering estimated at \$500,000, which will be paid by the Corporation.
 - (3) The Corporation has granted to the Underwriters an option (the “**Over-Allotment Option**”), exercisable in whole or in part for a period of up to 30 days following the closing date of the Offering, to purchase up to an additional \$3,000,000 principal amount of Debentures on the same terms and conditions as set out above to cover over-allotments, if any, and for market stabilization purposes. If the Over-Allotment Option is exercised in full, the total price to the public, Underwriters’ fee and net proceeds to the Corporation (prior to the deduction of the expenses of the Offering estimated at \$500,000) will be \$23,000,000, \$920,000 and \$22,080,000, respectively. This short form prospectus also qualifies the distribution of the Over-Allotment Option to the Underwriters and the distribution of Debentures issuable upon the exercise of the Over-Allotment Option. See “Plan of Distribution”.

A purchaser who acquires Debentures forming part of the Underwriters’ over-allotment position acquires those Debentures under this short form prospectus, regardless of whether the over-allotment position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

Underwriters’ Position	Maximum size or number of securities available	Exercise Period	Exercise Price
Over-Allotment Option	Up to \$3,000,000 principal amount of Debentures (being up to 15% of the Debentures sold pursuant to the Offering)	Exercisable for a period of 30 days from the closing date of the Offering	\$1,000 per Debenture

The Corporation is a corporation incorporated under the federal laws of Canada. The net proceeds of the Offering will be used by the Corporation to repay indebtedness under the Corporation’s credit facility, which will then be available to be drawn, as required, to fund new financing transactions by the Corporation. See “Use of Proceeds”.

The Underwriters, as principals, conditionally offer the Debentures subject to prior sale, if, as and when issued and delivered by the Corporation and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under “Plan of Distribution”, and subject to the approval of certain legal matters by MLT Aikins LLP on behalf of the Corporation and Stikeman Elliott LLP on behalf of the Underwriters. In connection with the Offering, the Underwriters may engage in market stabilization activities. Such transactions, if commenced, may be discontinued at any time. **The Underwriters may also decrease the price at which the Debentures are distributed for cash from the price disclosed in this short form prospectus. See “Plan of Distribution”.**

Subscriptions for Debentures will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. Except in certain limited circumstances, including where a Debenture certificate requires the addition of a legend under the applicable securities laws of the United States, the Debentures will be issued electronically through the non-certificated inventory system and held by, or on behalf of, CDS Clearing and Depository Services Inc. or its successors (“**CDS**”), as custodian for the direct and indirect participants of CDS. Except in certain limited circumstances as otherwise stated herein, holders of beneficial interests in the Debentures will not have the right to receive physical certificates evidencing their ownership of such securities. It is expected that the closing of the Offering will occur on or about June 13, 2018, or such other date as the Corporation and the Underwriters may agree, but in any event no later than July 17, 2018.

AltaCorp Capital Inc., one of the Underwriters, is majority owned by a financial institution that is a lender to the Corporation and/or its subsidiaries under a credit facility with Alberta Treasury Branches and Business Development Bank of Canada. Accordingly, the Corporation may be considered to be a “connected issuer” of AltaCorp Capital Inc. under applicable

securities laws. See “Relationship between the Corporation and Certain Underwriters”.

There is currently no market through which the Debentures may be sold and purchasers may not be able to resell the Debentures purchased under this short form prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities and the extent of issuer regulation. See “Risk Factors”.

The Corporation may elect to satisfy its obligation to pay interest and to pay the principal amount owing on redemption or maturity of the Debentures by issuing Common Shares. See “Description of the Debentures – Payment on Redemption or Maturity”, “Description of the Debentures – Common Share Interest Payment Election” and “Risk Factors – Additional Risks Relating to the Debentures – Non-Cash Payments and Dilutive Effects on Shareholders”.

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GLOSSARY OF DEFINED TERMS

Capitalized terms used herein have the meanings ascribed to them below.

“**1933 Act**” has the meaning set forth in the second disclaimer paragraph of the cover page;

“**Allowable Capital Loss**” has the meaning set forth under “Canadian Federal Income Tax Considerations – Taxation of Capital Gains and Capital Losses”;

“**Cash Offer Price**” has the meaning set forth under “Description of the Debentures – Offer Upon Change of Control”;

“**CCF IV LP**” has the meaning set forth under “Recent Developments”;

“**CDS**” means CDS Clearing and Depository Services Inc. and its successors;

“**Change of Control**” has the meaning set forth under “Description of the Debentures – Offer upon Change of Control”;

“**Change of Control Effective Date**” has the meaning set forth under “Description of the Debentures – Offer Upon Change of Control”;

“**Change of Control Offer**” has the meaning set forth under “Description of the Debentures – Offer upon Change of Control”;

“**Closing Date**” means the closing date of the Offering;

“**Co-Lead Underwriters**” means collectively, BMO Nesbitt Burns Inc. and National Bank Financial Inc.;

“**Common Share Interest Payment Election**” has the meaning set forth under “Description of the Debentures – Common Share Interest Payment Election”;

“**Common Shares**” means the common shares of the Corporation, and includes a fraction thereof;

“**Conversion Price**” means the price at which a Debentureholder may, at the Debentureholder’s option, convert the Debentures into fully paid Common Shares at any time prior to the close of business (Eastern time) on the last business day immediately preceding the Maturity Date or, if called for redemption, on the business day immediately preceding the date specified by the Corporation for redemption of Debentures, being a price of \$13.70 per Common Share, subject to adjustment upon the occurrence of certain events;

“**Conversion Rate**” means the conversion rate of approximately 72.99 Common Shares per \$1,000 principal amount of Debentures, subject to adjustment as provided in the Trust Indenture;

“**Corporation**” means Crown Capital Partners Inc. and its successors, as applicable, and where the context requires, will also refer to one or more of its Subsidiaries;

“**Corporation’s 2017 AIF**” means the annual information form of the Corporation dated as of March 1, 2018, for the year ended December 31, 2017, excluding the Business Acquisition Report dated July 30, 2015 incorporated by reference therein;

“**Counsel**” has the meaning set forth under “Canadian Federal Income Tax Considerations”;

“**CRA**” means the Canada Revenue Agency;

“**Credit Facility**” means the agreement for a \$35 million senior secured revolving credit facility entered into by the Corporation with Alberta Treasury Branches and Business Development Bank of Canada, as amended, which Credit Facility matures on December 30,

2019 and provides for renewable extensions at the request of the Corporation and subject to approval by the lenders;

“**Crown Capital Funds**” mean collectively, (i) the \$60 million capital pool allocated by Crown Life Insurance Company to the Corporation; (ii) Crown Capital Investments Partners, LP, with a target capital pool of US\$150 million; (iii) the \$171 million capital pool raised from Norrep Credit Opportunities Fund, LP, Norrep Credit Opportunities Fund II, LP and Norrep Credit Opportunities Fund II (Parallel), LP; (iv) Crown Capital Fund IV, LP; (v) Crown Capital Fund IV Investment, LP; and (vi) Crown Capital Private Credit Fund, LP with an unlimited target capital pool;

“**Current Market Price**” means, with respect to the Corporation at any date, the price per Common Share equal to the Weighted Average Price at which the Common Shares have traded on the Exchange, or such other recognized stock exchange upon which the Common Shares are listed from time to time, during a period of 20 consecutive trading days, ending on the fifth trading day preceding such date;

“**DATA Communications**” has the meaning set forth under “Recent Developments”;

“**Debentureholder**” means a holder of Debentures;

“**Debentures**” means the five-year 6.00% convertible unsecured subordinated debentures of the Corporation offered hereunder;

“**Definitive Debentures**” has the meaning set forth under “Description of the Debentures – Book Based System for Debentures”;

“**Directors**” means the directors of the Corporation;

“**DSUs**” means the dividend share units of the Corporation issued pursuant to the Incentive Plan;

“**Event of Default**” has the meaning set forth under “Description of the Debentures – Events of Default”;

“**Exchange**” means the Toronto Stock Exchange;

“**General Partners**” means collectively, Crown Capital Fund IV Management Inc. (as general partner of Crown Capital Fund IV, LP) and Crown Capital Private Credit Management Inc. (as general partner of Crown Capital Private Credit Fund, LP);

“**IFRS**” means International Financial Reporting Standards;

“**Incentive Plan**” means the Corporation’s omnibus equity incentive plan;

“**Indenture Trustee**” means TSX Trust Company;

“**Independent Directors**” means those Directors who are independent of management of the Corporation and are free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director’s ability to act with a view to the best interests of the Corporation, other than interests and relationships arising from security holdings;

“**Ineligible Consideration**” has the meaning set forth under “Description of the Debentures – Debentureholders’ Conversion Privilege”;

“**Interest Payment Date**” means, in respect of the Debentures, June 30 and December 31 in each year while the Debentures are outstanding, commencing on December 31, 2018;

“**Make-Whole Premium**” has the meaning set forth under “Description of the Debentures – Offer Upon Change of Control”;

“**Marketing Materials**” has the meaning set forth under “Documents Incorporated By Reference”;

“**Material Subsidiaries**” means collectively, Crown Capital Funding Corporation, Crown Capital Fund IV, LP, Crown Capital Private Credit Fund, LP and Crown Capital Fund IV Investment, LP;

“**Maturity Date**” means the maturity date of the Debentures, being June 30, 2023;

“**Mill Street**” has the meaning set forth under “Recent Developments”;

“**NI 44-101**” means National Instrument 44-101 – *Short Form Prospectus Distributions*;

“**Offer Price**” has the meaning set forth under “Description of the Debentures – Offer upon Change of Control”;

“**Offering**” means the offering of \$20,000,000 aggregate principal amount of Debentures pursuant to this short form prospectus, plus any Debentures offered pursuant to the exercise of the Over-Allotment Option;

“**Offering Price**” means \$1,000 per Debenture;

“**Options**” means options issued pursuant to the Incentive Plan;

“**Over-Allotment Option**” means the option granted by the Corporation to the Underwriters to acquire up to an additional \$3,000,000 principal amount of Debentures, exercisable in whole or in part at any time up to the date that is 30 days from the Closing Date, for the purposes of covering over-allotments, if any, and for market stabilization purposes;

“**Participant**” means a participant in the depository service of CDS;

“**Persta**” has the meaning set forth under “Recent Developments”;

“**Plans**” means trusts governed by registered retirement savings plans, deferred profit sharing plans, registered education savings plans, registered retirement income funds, tax-free savings accounts and registered disability savings plans, and a “**Plan**” means any of them;

“**Proposed Amendments**” has the meaning set forth under “Canadian Federal Income Tax Considerations”;

“**PSUs**” means the performance share units of the Corporation issued pursuant to the Incentive Plan;

“**RDSP**” has the meaning set forth under “Eligibility for Investment”;

“**Reference Property**” has the meaning set forth under “Description of the Debentures – Debentureholders’ Conversion Privilege”;

“**RESP**” has the meaning set forth under “Eligibility for Investment”;

“**RRIF**” has the meaning set forth under “Eligibility for Investment”;

“**RRSP**” has the meaning set forth under “Eligibility for Investment”;

“**RRSUs**” means the retainer restricted share units of the Corporation issued pursuant to the Incentive Plan;

“**RSUs**” means the restricted share units of the Corporation issued pursuant to the Incentive Plan;

“**Securities**” has the meaning set forth under “Canadian Federal Income Tax Considerations”;

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval available at www.sedar.com;

“**Senior Indebtedness**” means all indebtedness of the Corporation (whether outstanding on the date of the Trust Indenture or thereafter incurred) which by the terms of the instrument creating or evidencing such indebtedness is not expressed to be *pari passu* or subordinate in right of payment to the Debentures. For greater certainty, “Senior Indebtedness” includes: (i) claims by trade creditors of the Corporation; and (ii) the Credit Facility;

“**Share Redemption Right**” has the meaning set forth under “Description of the Debentures – Payment on Redemption or Maturity”;

“**Shareholder**” means a holder of Common Shares;

“**Subsidiary**” means, with respect to a specified entity, any entity: (i) of which more than 50% of the outstanding securities ordinarily entitled to elect a majority of the board of directors thereof (whether or not securities of any other class or classes shall or might be entitled to vote upon the happening of any event or contingency) are at the time owned directly or indirectly by such specified entity; or (ii) which is otherwise controlled, directly or indirectly, by such specified entity, and includes the Material Subsidiaries, and “**Subsidiaries**” means more than one Subsidiary;

“**Tax Act**” means the *Income Tax Act* (Canada), and the regulations thereto, as amended from time to time;

“**taxable capital gain**” has the meaning set forth under “Canadian Federal Income Tax Considerations – Taxation of Capital Gains and Capital Losses”;

“**TFSA**” has the meaning set forth under “Eligibility for Investment”;

“**Trust Indenture**” means the trust indenture to be entered into between the Corporation and the Indenture Trustee pursuant to which the Debentures will be created and issued and which shall set forth the terms and conditions relating to the Debentures;

“**Underwriters**” means collectively, BMO Nesbitt Burns Inc., National Bank Financial Inc., AltaCorp Capital Inc., CIBC World Markets Inc., Cormark Securities Inc., GMP Securities L.P., Raymond James Ltd. and TD Securities Inc.;

“**Underwriting Agreement**” means the underwriting agreement dated May 30, 2018 between the Corporation and the Underwriters;

“**United States**” means the United States of America, its territories and possessions, any state of the United States, and the District of Columbia;

“**U.S. Affiliates**” has the meaning set forth under “Plan of Distribution”;

“**U.S. Person**” has the meaning ascribed thereto under the 1933 Act;

“**Weighted Average Price**” means with respect to the Common Shares, for any period, the amount obtained by dividing the aggregate sale price of all Common Shares sold on the Exchange by the total number of Common Shares so sold; and

“**WireIE**” has the meaning set forth under “Recent Developments”.

All references in this short form prospectus to \$ or to dollars shall refer to the lawful currency of Canada, unless otherwise specified.

ABOUT THIS PROSPECTUS

The Corporation is a corporation governed by the federal laws of Canada. The head office of the Corporation is located at 888 3rd Street SW, 10th Floor, West Tower, Calgary, Alberta. Unless stated otherwise or the context otherwise requires, references in this short form prospectus to “we”, “us” or “our” means the Corporation and each of its Subsidiaries.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporation, 888 3rd Street SW, 10th Floor, West Tower, Calgary, Alberta T2P 5C5, telephone (403) 775-2554, and are also available electronically through the Internet on SEDAR at www.sedar.com.

Except to the extent that their contents are modified or superseded by a statement contained in this short form prospectus or in any other subsequently filed document that is also incorporated by reference in this short form prospectus, the following documents of the Corporation that have been filed with applicable securities regulatory authorities in Canada are specifically incorporated by reference herein and form an integral part of this short form prospectus:

- (a) the Corporation’s 2017 AIF;
- (b) the audited consolidated financial statements of the Corporation as at and for the years ended December 31, 2017 and December 31, 2016, and the independent auditor’s report thereon;
- (c) the management’s discussion and analysis of the Corporation’s operating results and financial position for the year ended December 31, 2017;
- (d) the unaudited interim condensed consolidated financial statements of the Corporation as at and for the three-month periods ended March 31, 2018 and March 31, 2017;
- (e) the management’s discussion and analysis of the Corporation’s operating results and financial position for the three-month period ended March 31, 2018;
- (f) the material change report dated May 25, 2018, relating to the Offering;
- (g) the management information circular of the Corporation dated March 29, 2018 which was sent to Shareholders in connection with the annual and special meeting of the Shareholders held on May 8, 2018; and
- (h) the term sheet for the Offering filed on SEDAR dated May 24, 2018 (the “**Marketing Materials**”).

All documents of the type required by NI 44-101 to be incorporated by reference in a short form prospectus including, but not limited to, any news release issued by the Corporation that specifically states that it is intended to be incorporated by reference into this short form prospectus and any material change reports (excluding confidential material change reports), comparative interim financial statements, comparative annual financial statements and the independent auditor’s report thereon, all management’s discussion and analysis of the Corporation’s operating results and financial position and information circulars (other than those portions that are not required to be incorporated by reference under applicable securities laws) which are filed by the Corporation with a securities commission or similar regulatory authority in any of the provinces or territories of Canada after the date of this short form prospectus and prior to the termination of the Offering shall be deemed to be incorporated by reference into this short form prospectus. Additionally, any template version of marketing materials for the Offering filed by the Corporation with a securities commission or similar regulatory authority in any of the provinces or territories of Canada after the date of this short form prospectus and prior to the termination of the Offering shall be deemed to be incorporated by reference into this short form prospectus.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded, for the purposes of this short form prospectus, to the extent that a statement contained herein, or in any other subsequently filed document that also is incorporated or is deemed to be incorporated by reference herein, modifies or supersedes that statement. The modifying or superseding statement need not state that it has modified or superseded a prior

statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact, or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed in its unmodified or superseded form to constitute part of this short form prospectus.

MARKETING MATERIALS

The Marketing Materials are not part of this short form prospectus to the extent that the contents of the Marketing Materials may have been modified or superseded by a statement contained in this short form prospectus. See “Documents Incorporated by Reference”. Any template version of “marketing materials” (as defined in National Instrument 41-101 – *General Prospectus Requirements*) filed after the date of this short form prospectus and before the termination of the distribution under the Offering (including any amendments to, or an amended version of, the Marketing Materials) is deemed to be incorporated into this short form prospectus.

ELIGIBILITY FOR INVESTMENT

In the opinion of Counsel, based on the provisions of the Tax Act in force as of the date hereof, all specific proposals to amend the Tax Act that have been publicly announced prior to the date hereof and Counsel’s understanding of the current administrative policies and assessing practices of the CRA made publicly available prior to the date hereof, provided that the Common Shares are listed on a designated stock exchange (which includes the Exchange) at all relevant times, the Debentures being offered pursuant to this short form prospectus and the Common Shares issuable upon the conversion, redemption or maturity of the Debentures will be qualified investments under the Tax Act for Plans (except, in the case of the Debentures, a deferred profit sharing plan to which the Corporation, or an employer that does not deal at arm’s length with the Corporation, has made a contribution). In the event that the Common Shares are not listed on a designated stock exchange, the Debentures being offered pursuant to this short form prospectus will be qualified investments under the Tax Act for Plans (except a deferred profit sharing plan to which the Corporation, or an employer that does not deal at arm’s length with the Corporation, has made a contribution) if the Debentures are listed on a designated stock exchange. Adverse tax consequences may apply to a Plan, or an annuitant, beneficiary or subscriber thereunder or holder thereof, if the Plan acquires or holds property that is not a qualified investment for the Plan.

Notwithstanding that the Debentures or the Common Shares may be qualified investments for a trust governed by a tax-free savings account (“TFSA”), registered disability savings plan (“RDSP”), registered retirement savings plan (“RRSP”), registered retirement income fund (“RRIF”) or registered education savings plan (“RESP”), the holder of a TFSA or RDSP, the annuitant of an RRSP or RRIF, or the subscriber of an RESP, as the case may be, will be subject to a penalty tax if the Debentures or the Common Shares are a “prohibited investment” (as defined in the Tax Act) for the TFSA, RDSP, RRSP, RRIF or RESP. Generally, the Debentures or the Common Shares will not be a “prohibited investment” provided that the holder of the TFSA or RDSP, the annuitant of the RRSP or RRIF or the subscriber of the RESP, as applicable, (i) deals at arm’s length with the Corporation for purposes of the Tax Act and (ii) does not have a “significant interest” (as defined in the Tax Act) in the Corporation. In addition, the Common Shares will not be a “prohibited investment” if the Common Shares are “excluded property” (as defined in the Tax Act for purposes of the prohibited investment rules) for such Plans.

Holders, annuitants and subscribers should consult their own tax advisors with respect to whether the Debentures or the Common Shares would be prohibited investments in their particular circumstances, including with respect to whether the Common Shares would be “excluded property” (as defined in the Tax Act).

FORWARD-LOOKING STATEMENTS

Statements that are not historical information are forward-looking statements within the meaning of applicable Canadian securities laws. This short form prospectus and the documents incorporated by reference herein include forward-looking statements, including statements about, among other things, the potential completion of the Offering, expectations, beliefs, plans, opportunities, objectives, prospects, assumptions, including those related to trends and prospects and future events and performance. Sentences and phrases containing or modified by words such as “anticipate”, “plan”, “continue”, “estimate”, “intend”, “expect”, “may”, “will”, “project”, “predict”, “potential”, “targets”, “projects”, “is designed to”, “strategy”, “should”, “believe”, “contemplate” and similar expressions, and the negative of such expressions, are not historical facts and are intended to identify forward-looking statements.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Forward-looking statements should not be read as guarantees of future events, future performance or results, and will not necessarily be accurate indicators of the times at, or by which, such events, performance or results will be achieved, if achieved at all. Forward-looking statements are based on information available at the time and/or management's expectations with respect to future events that involve a number of risks and uncertainties, any of which could cause actual results to differ materially from those expressed in or implied by the forward-looking statements. The factors described under the heading "Risk Factors", as well as any other cautionary language in this short form prospectus and in the documents incorporated by reference herein, provide examples of risks, uncertainties and events that may cause actual results to differ materially from the expectations it describes in its forward-looking statements. **Readers should be aware that the occurrence of the events described in these risk factors and elsewhere in this short form prospectus and in the documents incorporated by reference herein could have an adverse effect on, among other things, the Corporation's business, prospects, operations, results of operations and financial condition.**

In making the forward-looking statements in this short form prospectus and in the documents incorporated by reference herein, the Corporation has made assumptions regarding general economic conditions, reliance on debt financing, interest rates, continued lack of regulation of lending from sources other than commercial banks or equity transactions, continued operation of key systems, debt service, that bank lending to mid-market companies will continue to be constrained for at least several years, future capital needs, retention of key employees, adequate management of conflicts of interests, continued performance of the funds raised and managed by the Corporation and solvency of financing clients, competition, limited loan prepayment, effective use of leverage, strength of existing client relationships, regulatory oversight and such other risks or factors described in this short form prospectus and from time to time in public disclosure documents of the Corporation that are filed with securities regulatory authorities.

Forward-looking statements are necessarily based upon a number of expectations or assumptions that, while considered reasonable by management at the time the statements are made, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Readers are cautioned to not place undue reliance on forward-looking statements which only speak as to the date they are made. Although management believes that the expectations and assumptions underlying such forward-looking statements are reasonable, there can be no assurance that such expectations or assumptions will prove to be correct.

The forward-looking statements contained in this short form prospectus are expressly qualified by this cautionary statement. The forward-looking statements included or incorporated by reference in this short form prospectus are made as of the date of this short form prospectus or such other date specified in such statement. The Corporation does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. If the Corporation does update one or more forward-looking statements, it is not obligated to, and no inference should be drawn that it will, make additional updates with respect thereto or with respect to other forward-looking statements.

NON-IFRS FINANCIAL MEASURES AND PERFORMANCE MEASURES

In certain documents incorporated by reference in this short form prospectus, the Corporation utilizes the term Adjusted EBIT, which is not a recognized measure under IFRS and is, therefore, defined as follows: "**Adjusted EBIT**" is defined as earnings before non-cash share-based compensation, finance costs and taxes less net income attributable to non-controlling interests. Adjusted EBIT is a supplemental measure that the Corporation believes may assist investors in assessing the financial performance of the Corporation and the cash anticipated to be generated by the Corporation's business. For a reconciliation from earnings before income taxes, see "Adjusted EBIT" in the management's discussion and analysis of the Corporation's operating results and financial position for the year ended December 31, 2017 and for the three-month period ended March 31, 2018.

Readers are cautioned that Adjusted EBIT should not be viewed as an alternative to measures that are recognized under IFRS such as net earnings or cash from operating activities. The Corporation's method of calculating Adjusted EBIT may differ from that of other entities and therefore may not be comparable to measures utilized by them.

In certain documents incorporated by reference in this short form prospectus, the Corporation also utilizes certain performance measures including "**Gross IRR**". For a summary of how the Corporation utilizes certain performance measures in the documents incorporated by reference in this short form prospectus, including Gross IRR, please see the section entitled "Presentation of Performance Measures" in the Corporation's 2017 AIF.

CROWN CAPITAL PARTNERS INC.

The Corporation is a corporation governed by the federal laws of Canada. The head office and registered office of the Corporation is located at 888 3rd Street SW, 10th Floor, West Tower, Calgary, Alberta T2P 5C5. The Corporation is currently authorized to issue an unlimited number of Common Shares. There were 9,459,196 Common Shares issued and outstanding as at June 5, 2018. The Common Shares are listed for trading on the Exchange under the trading symbol “CRWN”. In addition, as at June 5, 2018, there were 471,394 Options, 77,404 PSUs and 297,792 RSUs issued pursuant to the Incentive Plan.

For a summary of the inter-corporate relationships between the Corporation and its Subsidiaries and other related companies, please see “Corporate Structure” and “Organizational Structure” in the Corporation’s 2017 AIF, which is incorporated by reference in this short form prospectus.

SUMMARY DESCRIPTION OF THE CORPORATION’S BUSINESS

General

The Corporation is a specialty finance company focused primarily on providing capital to successful Canadian companies, and to select U.S. companies, that are unwilling to obtain suitable financing from traditional capital providers such as banks and private equity funds. The Corporation also manages capital pools, including some in which the Corporation has a direct ownership interest. The Corporation originates, structures and provides tailored transitory and permanent financing solutions to a diversified group of private and public mid-market companies in the form of loans, royalties and other structures with minimal or no ownership dilution. Such financing solutions allow business owners to retain the vast majority of the economic rewards associated with the ownership of their respective businesses.

The Corporation’s hybrid business model provides two distinct financing solutions to its financing clients: special situations financing solutions and long-term financing solutions. See “Hybrid Business Model” in the Corporation’s 2017 AIF.

The Corporation targets successful companies with perceived risk profiles exceeding the lending criteria of traditional lenders, and whose capital requirements are too small to access the high yield public debt market. In identifying potential financing clients, particular attention is paid to the stability and growth of revenues and profitability, the potential client’s ability to repay debt, and marketability of the client or its assets in a default scenario. The Corporation’s management team has developed strong expertise in the alternative credit industry. Over the past 15 years, the Corporation has completed over 40 private debt transactions.

The Corporation’s financing solutions are designed to generate stable and predictable cash flows for the Corporation over the long term while limiting the Corporation’s exposure to variability in the financing client’s operating performance. The Corporation intends to continue to develop a diversified portfolio of successful commercial-stage financing clients that generate stable and recurring cash flows for the Corporation.

The Corporation has offices in Calgary and Toronto and employs an investment management team with substantial experience in originating, structuring, underwriting and managing alternative investments.

For more information, see “Description of the Business — Corporation Overview” in the Corporation’s 2017 AIF.

Management of the Corporation

Overall governance of the Corporation is under the direction of the Directors, a majority of whom must be, and are, Independent Directors. The Directors of the Corporation are C. Robert Gillis, Christopher Johnson, Glen Roane, Alan Rowe, Peter Snucins, and Larry Pollock. The current officers of the Corporation are Christopher Johnson (President and Chief Executive Officer), Michael Overvelde (Senior Vice-President, Finance and Chief Financial Officer), Brent Hughes (Executive Vice-President and Chief Compliance Officer), and Tim Oldfield (Senior Vice-President and Chief Investment Officer).

We note that Brent Hughes, Executive Vice-President and Chief Compliance Officer of the Corporation, was a director of National Builders Source Ltd. from June 2008 to May 2012. National Builders Source Ltd. was assigned a receiver in September 2011.

National Millwork Inc. acquired the assets of National Builders Source Ltd. in September 2011.

RECENT DEVELOPMENTS

In addition to those developments discussed elsewhere in this short form prospectus, the following is a summary of the significant developments of the Corporation which have occurred since March 31, 2018.

- On April 5, 2018, the Corporation announced that it received approval to implement a new normal course issuer bid for the twelve-month period commencing April 10, 2018, with the right to purchase up to 300,000 outstanding Common Shares. This replaces the Corporation's prior normal course issuer bid which expired on April 9, 2018.
- On April 30, 2018, Crown Capital Fund IV, LP ("**CCF IV LP**") announced an agreement to provide a \$12 million, 60-month loan to DATA Communications Management Corp. ("**DATA Communications**"), a provider of integrated business communication solutions to companies across North America, with an interest rate of 10% per annum plus the issue to the Corporation of 960,000 common share purchase warrants of DATA Communications. The Corporation is the manager of, and holds an effective 36.5% interest in, CCF IV LP. Crown Capital Fund IV Management Inc., a wholly-owned Subsidiary of the Corporation, is the general partner of CCF IV LP.
- On May 16, 2018, the Corporation announced the closing of a \$25 million term loan to Persta Resources Inc. ("**Persta**"), a Calgary-based company engaged in natural gas and crude oil exploration and production, with a focus on natural gas. The term loan bears a fixed interest rate of 12% per annum, matures in 60 months and includes the issue to CCF IV LP of 8,000,000 common share purchase warrants of Persta.
- On May 17, 2018 the Corporation announced the closing of a \$10 million, 10-year loan with Mill Street & Co. Inc. ("**Mill Street**"), a Canadian diversified operating company, with small- to medium-size, privately held subsidiaries, primarily based in Southern Ontario. Mill Street provides successful entrepreneurs with a succession plan and liquidity by acquiring up to 100% of the entrepreneur's business with the objective of creating value-added growth through a unique performance-based culture. The term loan has a floating interest rate based on the five-year Government of Canada Bond yield plus 10% (subject to a minimum of 12% per annum) and includes an equity participation right based on the growth in Mill Street's equity value per share.
- On May 23, 2018 the Corporation announced the closing of a commitment for a \$10 million, 10-year loan to WireIE (Canada) Inc. ("**WireIE**"), an Ontario-based Canadian network operator that specializes in the deployment and management of carrier-grade data networks across Canada and internationally to under-served communities in rural and remote areas. The term loan bears a fixed interest rate and includes the issue to the Corporation of common share purchase warrants of WireIE. As at the date hereof, the Corporation has not advanced any funds to WireIE pursuant to this commitment.

USE OF PROCEEDS

Proceeds

The net proceeds from the Offering (without giving effect to the Over-Allotment Option) are estimated to be \$19,200,000, after deducting the Underwriters' fee of \$800,000 but before deducting the expenses of the Offering estimated at \$500,000.

If the Over-Allotment Option is exercised in full, the total price to the public, Underwriters' fee and net proceeds to the Corporation (prior to the deduction of the expenses of the Offering estimated at \$500,000) will be \$23,000,000, \$920,000 and \$22,080,000, respectively.

Principal Purposes

Following completion of the Offering, the Corporation intends to allocate and use the net proceeds of the Offering of \$18,700,000, which takes into account the deduction of the estimated expenses of the Offering of \$500,000, to repay \$18,700,000 of the Corporation's indebtedness outstanding under the Credit Facility. As at June 5, 2018, the principal amount outstanding under the Credit Facility was approximately \$19 million. The Corporation will then be able to draw on the Credit Facility, as required, to fund the Corporation's financing activities. It is anticipated that the Corporation will draw down on the Credit Facility to fund \$3.0 million of the Corporation's previously announced \$10 million loan to WireIE. See "Recent Developments".

If the Over-Allotment Option is exercised, the Corporation will use such proceeds (if any) similarly. Any unallocated funds will be deposited in the Corporation's various bank accounts and added to the working capital of the Corporation. The Chief Financial Officer of the Corporation is responsible for the supervision of all financial assets of the Corporation. Based on the Corporation's cash flow requirements, management will determine the appropriate level of liquidity required for operations and will draw down such funds as necessary.

The principal purposes of the indebtedness incurred by the Corporation under the Credit Facility in the past two years were:

- (a) to fund the Corporation's \$10 million loan to Mill Street. See "Recent Developments"; and
- (b) to fund a \$9.5 million capital contribution to CCF IV LP to fund the Corporation's effective 36.5% share of CCF IV LP's investments in Persta and Data Communications, which is partially offset by a concurrent distribution by CCF IV LP to the Corporation. See "Recent Developments".

The Corporation intends to spend the funds available to it as stated above. However, there may be circumstances where, for sound business reasons, a re-allocation of the net proceeds may be necessary. The actual amount the Corporation spends in connection with each of the intended uses of proceeds will depend on a number of factors, including those referred to under "Risk Factors" in this short form prospectus and in the Corporation's 2017 AIF under the heading "Risk Factors".

PLAN OF DISTRIBUTION

Pursuant to the Underwriting Agreement, the Corporation has agreed to sell and the Underwriters have agreed to purchase as principals on the Closing Date, being on or about June 13, 2018, \$20,000,000 aggregate principal amount of Debentures at a price of \$1,000 per \$1,000 principal amount of Debentures payable in cash to the Corporation. The Offering is being made by way of short form prospectus in all of the provinces and territories of Canada. The price and terms of the Debentures were determined by negotiation between the Corporation and the Underwriters. The Corporation has agreed to pay the Underwriters a fee equal to 4% of the gross proceeds of the Offering.

Pursuant to policy statements of the Ontario Securities Commission, the Underwriters may not, throughout the period of distribution, bid for or purchase Debentures. The foregoing restriction is subject to exemptions, on the condition that the bid or purchase is not engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, the Debentures. The exceptions include a bid or purchase permitted under the Universal Market Integrity Rules of the Investment Industry Regulatory Organization of Canada relating to market stabilization and passive market-making activities and a bid or purchase made for and on behalf of a customer where the bid was not solicited during the period of distribution. Under the first-mentioned exception, in connection with the Offering, the Underwriters may over-allot or effect transactions which stabilize or maintain the market price of the Debentures at levels other than those which might prevail in the open market. Those transactions, if commenced, may be discontinued at any time.

The Corporation has granted to the Underwriters the Over-Allotment Option which entitles the Underwriters to purchase up to an additional \$3,000,000 principal amount of Debentures, representing up to 15% of the aggregate principal amount of Debentures sold under the Offering, for purposes of covering over-allotments, if any, and for market stabilization purposes, on the same terms as described above, exercisable in whole or in part at any time up to the date that is 30 days from the Closing Date. This short form prospectus also qualifies the grant of the Over-Allotment Option to the Underwriters and the distribution of any Debentures that are issued pursuant to the exercise of the Over-Allotment Option. The Underwriting Agreement provides that the Corporation will pay the Underwriters a fee of 4% of the gross proceeds from the sale of additional Debentures pursuant to the exercise of the Over-Allotment Option.

A purchaser who acquires Debentures forming part of the Underwriters' over-allotment position acquires those Debentures under this short form prospectus, regardless of whether the over-allotment position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

The obligations of the Underwriters under the Underwriting Agreement are several (and not joint nor joint and several) and may be terminated in certain circumstances upon the occurrence of certain stated events. Such events include, but are not limited to: (i) if any inquiry, action, suit, proceeding or investigation (whether formal or informal) is commenced, announced or threatened in relation to the Corporation, the General Partners, the Material Subsidiaries or the Crown Capital Funds, or any one of the officers or directors,

managers or principals of the Corporation, the General Partners, the Material Subsidiaries or the Crown Capital Funds, or any of their principal shareholders where wrong-doing is alleged or any order is made by any governmental authority which involves a finding of wrong-doing, or there is any change of law, or interpretation or administration thereof, or any order, action or proceeding which cease trades or otherwise operates to prevent or restrict the trading of the Debentures, the Common Shares or any other securities of the Corporation is made or threatened by a securities regulatory authority; (ii) if there occurs or should occur or come into effect any material change or other change in a material fact or there should be discovered any previously undisclosed material fact or other circumstance, which, in the reasonable opinion of the Underwriters (or any of them) results or would reasonably be expected to result in the purchasers of a material number of Debentures exercising their right under applicable law to withdraw from their purchase thereof or sue for damages in respect thereof, or to have a significant adverse effect on the market price or value of the Debentures, the underlying Common Shares or the Corporation; (iii) if there should develop, occur or come into effect or existence any event, action, state, condition or occurrence of national or international consequence (including any natural catastrophe, act of war, terrorism or similar event or the escalation thereof) or any new or change in law or regulation which, in the reasonable opinion of the Underwriters (or any of them), seriously adversely affects, involves or may seriously adversely affect, or involve, the state of financial markets or the Corporation and its Subsidiaries, taken as a whole, or the market price or value of the Debentures or underlying Common Shares; or (iv) if trading in any securities of the Corporation has been suspended or materially limited by the Alberta Securities Commission or the Exchange or if trading generally on the Exchange has been suspended or materially limited, or minimum or maximum prices for trading have been fixed, or maximum ranges for prices have been required, by the Exchange or by order of the Alberta Securities Commission or any other governmental authority.

The Underwriters are, however, obligated to take up and pay for all of the Debentures if any of the Debentures are purchased pursuant to the Underwriting Agreement. The Corporation has agreed to indemnify the Underwriters and any of their respective U.S. registered broker-dealer affiliates (“**U.S. Affiliates**”), and each of their respective directors, officers, employees, affiliates, advisors and agents and each person, if any, who controls any Underwriter or its U.S. Affiliate against certain liabilities, including civil liabilities under Canadian provincial securities legislation, or to contribute to any payments the Underwriters may be required to make in respect thereof.

The Corporation has agreed with the Underwriters that it will not, directly or indirectly issue any Common Shares or securities or other financial instruments convertible into or having the right to acquire Common Shares (other than pursuant to rights or obligations under securities or instruments outstanding as of May 24, 2018) or enter into any agreement or arrangement under which the Corporation acquires or transfers to another, in whole or in part, any of the economic consequences of ownership of common shares, for a period commencing on May 24, 2018 and ending 90 days after the Closing Date without the prior written consent of the Co-Lead Underwriters, which consent will not be unreasonably withheld. The Corporation’s officers and directors have also agreed not to sell or agree to sell (or announce any intention to do so), any Common Shares or securities exchangeable or convertible into Common Shares for a period ending 90 days after the Closing Date without the prior written consent of the Co-Lead Underwriters, which consent will not be unreasonably withheld.

The Debentures (and the underlying Common Shares) have not been and will not be registered under the 1933 Act, or any state securities laws, and accordingly may not be offered or sold in the United States or to, or for the account or benefit of, a U.S. Person or a person in the United States except pursuant to an exemption from the registration requirements of the 1933 Act and applicable state securities laws.

There is currently no market through which the Debentures may be sold and purchasers may not be able to resell the Debentures purchased under this short form prospectus. The Exchange has conditionally approved the listing of the Debentures distributed under this short form prospectus and the Common Shares issuable upon conversion, redemption or maturity thereof on the Exchange. Listing is subject to the Corporation fulfilling all the listing requirements of the Exchange on or before August 28, 2018.

Subscriptions for Debentures will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without prior notice. Except in limited circumstances, at the closing of the Offering, the Debentures will be issued electronically through the non-certificated inventory system and held by, or on behalf of CDS, as custodian for the Participants of CDS. A purchaser of Debentures will receive only a customer confirmation from a registered dealer who is a Participant through which the Debentures were purchased.

The Underwriters propose to offer the Debentures initially at the Offering Price of \$1,000 per \$1,000 principal amount of Debentures. After the Underwriters have made a reasonable effort to sell all of the Debentures at \$1,000 per Debenture, the Offering Price may be decreased and may be further changed from time to time to an amount not greater than \$1,000 per Debenture, and the compensation

realized by the Underwriters will be decreased by the amount that the aggregate price paid by purchasers for the Debentures is less than the proceeds paid by the Underwriters to the Corporation.

EARNINGS COVERAGE RATIOS

The Corporation's borrowing costs, before giving effect to the Offering, amounted to approximately \$559,000 for the twelve months ended December 31, 2017. The Corporation's earnings before borrowing costs and income tax for the twelve months then ended were approximately \$10,090,000, which is 18.1 times the Corporation's borrowing costs for this period.

The Corporation's borrowing costs, before giving effect to the Offering, amounted to approximately \$547,000 for the twelve months ended March 31, 2018. The Corporation's earnings before borrowing costs and income tax for the twelve months then ended were approximately \$8,994,000, which is 16.4 times the Corporation's borrowing costs for this period.

The Corporation's borrowing costs, after giving effect to the Offering, as if the Debentures were issued on January 1, 2017, would amount to approximately \$2,249,000 for the twelve months ended December 31, 2017. The Corporation's earnings before borrowing costs and income tax for the twelve months ended December 31, 2017 were approximately \$10,090,000, which is 4.5 times the Corporation's pro forma borrowing costs for this period.

The Corporation's borrowing costs, after giving effect to the Offering, as if the Debentures were issued on April 1, 2017, would amount to approximately \$2,237,000 for the twelve months ended March 31, 2018. The Corporation's earnings before borrowing costs and income tax for the twelve months ended March 31, 2018 were approximately \$8,994,000 which is 4.0 times the Corporation's pro forma borrowing costs for this period.

The earnings coverage ratios set forth above have been prepared in accordance with Canadian disclosure requirements, using financial information that was prepared in accordance with IFRS. The earnings assume that there are no additional earnings derived from the use of the net proceeds of the Offering. The earnings coverage ratios set forth above assume that the net proceeds will be used to repay all current indebtedness under the Credit Facility.

Earnings coverage is equal to net income before borrowing costs and income taxes divided by borrowing costs. The earnings coverage ratio includes the borrowing costs on all debt securities of the Corporation in the calculation assuming that the full principal amount of such debt securities, after giving effect to the Offering, would be characterized as debt and borrowing costs would be characterized as interest expense in the financial statements.

DESCRIPTION OF THE DEBENTURES

The following is a summary of the material attributes and characteristics of the Debentures and certain attributes and characteristics which will be incorporated into the Trust Indenture. The following does not purport to be complete and for full particulars, reference should be made to the Trust Indenture.

The Debentures represent a direct unsecured debt obligation of the Corporation which will be issued and created pursuant to the Trust Indenture. The principal terms of the Debentures are as follows:

General

The Debentures will be issued under and governed by the Trust Indenture. The Debentures will represent a direct unsecured debt obligation of the Corporation and will be issuable only in denominations of \$1,000 and integral multiples thereof. At the closing of the Offering, the Debentures will be issued electronically through the non-certificated inventory system and held by, or on behalf of CDS, as custodian for the Participants of CDS. Subject to certain exceptions, holders of beneficial interests in Debentures will not have the right to receive physical certificates evidencing their ownership of Debentures. No fractional Debentures will be issued.

Principal Amount and Maturity Date

The principal amount of each Debenture is \$1,000. There will be 20,000 Debentures issued, representing aggregate indebtedness of the Corporation of \$20,000,000, subject to up to an additional 3,000 Debentures being issued pursuant to the exercise of the Over-

Allotment Option. The Maturity Date of the Debentures will be June 30, 2023. The Debentures are repayable in full on the Maturity Date, subject to the prior redemption thereof.

Interest Rate and Interest Payment Dates

The Debentures bear interest at a rate of 6.00% per annum. Interest is payable semi-annually, in arrears, on June 30 and December 31 in each year, commencing on December 31, 2018. The first interest payment will include interest accrued from, and including, the closing of the Offering to December 31, 2018.

Debentureholders' Conversion Privilege

Each Debenture will be convertible, at the Debentureholders' option, into Common Shares, at any time prior to the close of business on the business day immediately prior to the Maturity Date, or if called for redemption, on the business day immediately preceding the date specified by the Corporation for redemption of the Debentures, at the Conversion Price, equal to the Conversion Rate, subject to adjustment upon the occurrence of certain events. Debentureholders converting their Debentures will receive interest on such Debentures from and including the last Interest Payment Date thereon (or the Closing Date if no interest has yet been paid by the Corporation) to, but excluding, the date of conversion of the Debentures. Notwithstanding the foregoing, no Debenture may be converted during the five business days preceding each Interest Payment Date.

Subject to the provisions thereof, the Trust Indenture provides for the adjustment of the Conversion Price in certain events, including, *inter alia*, the subdivision or consolidation of the outstanding Common Shares, spin-off events, reorganizations, the distribution of Common Shares by way of dividend or otherwise, the issuance of rights or warrants to acquire Common Shares or securities convertible into Common Shares at less than 95% of the then Current Market Price, and the distribution to all or substantially all holders of Common Shares of any securities or assets (other than cash dividends, provided that such cash dividends are not greater than \$0.20 per Common Share per quarter). The Corporation will not be required to make adjustments to the Conversion Price unless the cumulative effect of such adjustments would change the Conversion Price by at least 1%.

If the Corporation is a party to any reclassification of the Common Shares (other than a change resulting from a consolidation or subdivision of Common Shares) or a consolidation, amalgamation, merger, binding share exchange, statutory arrangement, sale or conveyance of all or substantially all of the Corporation's consolidated assets to another person or entity or other similar combination involving the Corporation, in each case pursuant to which the Common Shares are converted into cash, securities or other property, then at the effective time of such transaction the Corporation or the successor or purchasing person, as the case may be, shall execute with the Indenture Trustee a supplemental indenture providing that, subject to the provisions set out below, the Debentures shall be convertible into the kind and amount of cash, securities or other property receivable upon such transaction by a Debentureholder had such Debentureholder converted its Debentures immediately prior to such transaction solely for Common Shares (the "**Reference Property**"). If such transaction causes the Common Shares to be converted into the right to receive more than a single type of consideration (determined based in part upon any form of shareholder election), the Reference Property into which the Debentures will be convertible shall be deemed to be the weighted average of the types and amounts of consideration received by the holders of Common Shares that affirmatively make such an election. Notwithstanding the foregoing, if prior to the date that is five years plus one day from the last date of original issuance of Debentures, Debentureholders would otherwise be entitled to receive, upon conversion of the Debentures, any property (including cash) or securities that would not constitute "prescribed securities" for the purposes of clause 212(1)(b)(vii)(E) of the Tax Act as it applied immediately before January 1, 2008 (referred to herein as "**Ineligible Consideration**"), such Debentureholders shall not be entitled to receive such Ineligible Consideration but the Corporation or the successor or acquirer, as the case may be, shall have the right (at the sole option of the Corporation or the successor or acquirer, as the case may be) to deliver either such Ineligible Consideration or "prescribed securities" for the purposes of clause 212(1)(b)(vii)(E) of the Tax Act as it applied immediately before January 1, 2008 with a market value (as conclusively determined by the Directors) equal to the market value of such Ineligible Consideration. Such supplemental indenture shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided for in the Trust Indenture.

No fractional Common Shares will be issued on any conversion of the Debentures but the Corporation shall satisfy fractional interests by a cash payment equal to the Current Market Price of any fractional interest.

Subordination to Senior Indebtedness

The payment of the principal of, and interest on, the Debentures will be subordinated in right of payment to the prior payment in full of all Senior Indebtedness of the Corporation, provided that the Corporation is entitled to pay interest and the principal amount owing under the Debentures so long as the conditions for such payment which are specified in any applicable subordination agreement are complied with.

Subject to statutory or preferred exceptions or as may be specified by the terms of any particular securities, each Debenture issued under the Trust Indenture will rank *pari passu* with each other debenture issued under the Trust Indenture, and with all other present and future subordinated and unsecured indebtedness of the Corporation except for sinking provisions (if any) applicable to different series of debentures issued under the Trust Indenture or similar types of obligations of the Corporation in respect of debentures issued under the Trust Indenture.

Payment on Redemption or Maturity

On redemption or at maturity, the Corporation will repay the indebtedness represented by the Debentures by paying to the Indenture Trustee in lawful money of Canada an amount equal to the aggregate principal amount of the outstanding Debentures which are to be redeemed or which have matured, together with accrued and unpaid interest thereon. The Corporation may, at its option, on not more than 60 and not less than 40 days' prior notice and subject to applicable regulatory approval and provided that no Event of Default has occurred and is continuing, elect to satisfy its obligation to pay the aggregate principal amount of and premium on (if any) the Debentures which are to be redeemed or the aggregate principal amount of the Debentures which are due on the Maturity Date, as the case may be, by issuing freely tradeable Common Shares to the holders of the Debentures (the "**Share Redemption Right**"). The number of Common Shares to be issued in satisfaction of the Share Redemption Right will be determined by dividing the aggregate principal amount of the outstanding Debentures which are to be redeemed or which have matured by 95% of the Weighted Average Price of the Common Shares for the 20 consecutive trading days ending five trading days prior to the date fixed for redemption or the Maturity Date, as the case may be. No fractional Common Shares will be issued on redemption or maturity but in lieu thereof the Corporation shall satisfy fractional interests by a cash payment equal to the Current Market Price of any fractional interest.

Restriction on Share Redemption

The Corporation shall not, directly or indirectly (through a Subsidiary or otherwise) undertake or announce any rights offering, issuance of securities, subdivision of the Common Shares, dividend or other distribution on the Common Shares or any other securities, capital reorganization, reclassification or any similar type of transaction in which:

- (a) the number of securities to be issued;
- (b) the price at which securities are to be issued, converted or exchanged; or
- (c) any property or cash that is to be distributed or allocated;

is in whole or in part based upon, determined in reference to, related to or a function of, directly or indirectly, (i) the exercise or potential exercise of the Share Redemption Right, or (ii) the current market price determined in connection with the exercise or potential exercise of the Share Redemption Right.

Redemption Right of the Corporation

Other than as noted below, the Debentures will not be redeemable on or before June 30, 2021. After June 30, 2021, but prior to June 30, 2022, the Debentures will be redeemable, from time to time, in whole or in part, at the Corporation's sole option on not more than 60 days' and not less than 30 days' written notice, at a price equal to the aggregate principal amount of the Debentures to be redeemed, plus all accrued and unpaid interest thereon up to but excluding the date of redemption, provided that the Weighted Average Price of the Common Shares during the 20 consecutive trading days ending on the fifth trading day preceding the date on which notice of redemption is given is not less than 125% of the Conversion Price. On and after June 30, 2022, but prior to the Maturity Date, the Debentures will be redeemable, in whole, from time to time at the Corporation's sole option on not more than 60 days' and not less than 30 days' written notice, at a price equal to the aggregate principal amount of the Debentures to be redeemed, plus all accrued and

unpaid interest thereon up to but excluding the date of redemption. If the Corporation elects to redeem the Debentures, the Debentureholders shall have the option to convert the Debentures into Common Shares at the applicable Conversion Price effective on the business day immediately preceding the date of redemption.

Purchase of Debentures for Cancellation

The Corporation may, if it is not in default pursuant to the Trust Indenture, at any time and from time to time, purchase Debentures in the market (which shall include purchases from or through an investment dealer or a firm holding membership on a recognized stock exchange) or by tender or by contract at any price, subject to compliance with all applicable securities laws regarding issuer bid requirements and any necessary regulatory approvals. All Debentures so purchased may, at the option of the Corporation, be delivered to the Indenture Trustee and shall be cancelled and no Debentures shall be issued in substitution therefor.

Offer upon Change of Control

Upon the occurrence of a change of control involving the acquisition of voting control or direction over 66 2/3% or more of the outstanding Common Shares and securities convertible into or carrying the right to acquire Common Shares (a “**Change of Control**”) by any person or group of persons acting jointly or in concert, the Corporation will be required to make an offer (the “**Change of Control Offer**”) in writing to repurchase all of the Debentures at a price equal to 101% of the aggregate principal amount of the Debentures to be repurchased (the “**Offer Price**”), plus accrued and unpaid interest thereon.

If 90% or more of the aggregate principal amount of the Debentures outstanding on the date that the Corporation gives notice of a Change of Control to the Indenture Trustee have been tendered for purchase pursuant to the Change of Control Offer, the Corporation shall have the right to redeem all of the remaining Debentures on such date at the Offer Price plus accrued and unpaid interest. Notice of such redemption must be given to the Indenture Trustee by the Corporation within 10 days following the expiry of the Change of Control Offer and, as soon as possible thereafter, by the Indenture Trustee to the holders of Debentures not tendered for purchase.

In addition to the requirement of the Corporation to make a Change of Control Offer in the event of a Change of Control, if a Change of Control occurs in which 10% or more of the consideration for the Common Shares in the transaction or transactions constituting a Change of Control consists of: (i) cash; (ii) equity securities that are not traded or intended to be traded immediately following such transaction on a stock exchange; or (iii) other property that is not traded or intended to be traded immediately following such transaction on a stock exchange, Debentureholders will be entitled to convert their Debentures and receive, subject to and upon completion of the Change of Control, in addition to the number of Common Shares they would otherwise be entitled to receive as set out under “Description of the Debentures – Debentureholders’ Conversion Privilege” above, an additional number of Common Shares per \$1,000 principal amount of Debentures as set out below (the “**Make-Whole Premium**”).

The number of additional Common Shares per \$1,000 principal amount of Debentures constituting the Make-Whole Premium will be determined by reference to the table below and is based on the date on which the Change of Control becomes effective (the “**Change of Control Effective Date**”) and the price (the “**Cash Offer Price**”) paid per Common Share in the transaction constituting the Change of Control. If holders of Common Shares receive (or are entitled and able in all circumstances to receive) only cash in the transaction, the Cash Offer Price will be the cash amount paid per Common Share. Otherwise, the Cash Offer Price will be equal to the Current Market Price of the Common Shares immediately preceding the Change of Control Effective Date of such transaction.

The following table illustrates what the Make-Whole Premium would be for each hypothetical Cash Offer Price and Change of Control Effective Date set out below, expressed as additional Common Shares per \$1,000 principal amount of Debentures. For greater certainty, the Corporation will not be obliged to pay the Make-Whole Premium other than by issuance of Common Shares upon conversion, subject to the provision relating to adjustment of the Conversion Price in certain circumstances and following the completion of certain types of transactions described under “Description of the Debentures - Debentureholders’ Conversion Privilege” above.

Cash Offer Price										
	\$9.80	\$10.50	\$11.00	\$12.00	\$13.00	\$13.70	\$15.00	\$17.50	\$20.00	\$25.00
06/13/18	29.0481	23.3883	19.8982	14.0740	9.5227	6.9781	3.4073	0.2587	0.0023	0.0000
06/30/19	29.0481	23.1692	19.6346	13.7823	9.2381	6.7226	3.2406	0.2416	0.0023	0.0000
06/30/20	29.0481	22.8359	19.2164	13.2573	8.7073	6.2336	2.8873	0.1959	0.0023	0.0000
06/30/21	29.0481	22.2740	18.4528	12.2073	7.5611	5.1241	2.0673	0.0016	0.0023	0.0000
06/30/22	29.0481	22.2454	17.9164	10.4573	4.3842	1.7153	0.0673	0.0016	0.0023	0.0000

The actual Cash Offer Price and Change of Control Effective Date may not be set out in the table, in which case:

- (a) if the actual Cash Offer Price on the Change of Control Effective Date is between two Cash Offer Prices in the table or the actual Change of Control Effective Date is between two Change of Control Effective Dates in the table, the Make-Whole Premium will be determined by a straight-line interpolation between the Make-Whole Premiums set out for the two Cash Offer Prices and the two Change of Control Effective Dates in the table based on a 365-day year, as applicable;
- (b) if the Cash Offer Price on the Change of Control Effective Date is equal to or exceeds \$25.00 per Common Share, subject to adjustment as described below, the Make-Whole Premium will be zero; and
- (c) if the Cash Offer Price on the Change of Control Effective Date is less than \$9.80 per Common Share, subject to adjustment as described below, the Make-Whole Premium will be zero.

The Cash Offer Prices set out in the table above will be adjusted as of any date on which the Conversion Price of the Debentures is adjusted. The adjusted Cash Offer Prices will equal, subject to applicable regulatory approval, the Cash Offer Prices applicable immediately prior to such adjustment multiplied by a fraction, the numerator of which is the Conversion Price as so adjusted and the denominator of which is the Conversion Price immediately prior to the adjustment giving rise to the Cash Offer Price adjustment. The number of additional Common Shares set out in the table above will be adjusted in the manner that is inversely proportional to the adjustment of the Conversion Price as set out above under “Description of the Debentures - Debentureholders’ Conversion Privilege”. For greater certainty, there will be no additional Common Shares payable or adjustment to the Conversion Price due to an adjustment to the Conversion Price by adding the Make-Whole Premium as described above.

Common Share Interest Payment Election

Unless an Event of Default has occurred and is continuing, the Corporation may elect, from time to time, subject to applicable regulatory approval, to satisfy all or part of its interest payment obligations on the Debentures by delivering sufficient freely tradeable Common Shares to the Indenture Trustee in accordance with the Trust Indenture for sale by the Indenture Trustee (the “**Common Share Interest Payment Election**”), in which event Debentureholders will be entitled to receive a cash payment equal to the interest payable from the proceeds of the sale of such Common Shares by the Indenture Trustee. The Trust Indenture will provide that, upon such election, the Indenture Trustee shall: (i) accept delivery of the Common Shares from the Corporation; (ii) accept bids with respect to, and deliver for settlement, such Common Shares, each as the Corporation shall direct in its absolute discretion; (iii) invest the proceeds of such sales in short-term Canadian government obligations, which mature prior to the applicable Interest Payment Date; (iv) deliver proceeds Debentureholders sufficient to satisfy the Corporation’s interest payment obligations; and (v) perform any other action necessarily incidental thereto. The amount received by a Debentureholder in respect of interest will not be affected by whether or not the Corporation elects to utilize the Common Share Interest Payment Election.

Offer for Debentures

The Trust Indenture will contain provisions to the effect that if an offer is made for the Debentures which is a “take-over bid” for the Debentures within the meaning of National Instrument 62-104 *Take-over Bids and Issuer Bids* and if the Debentures were considered equity securities and not less than 90% of the outstanding principal amount of the Debentures (other than Debentures held at the date of the take-over bid by or on behalf of the offeror, any associates or affiliates of the offeror or any person acting jointly and in concert with the offeror) are taken up and paid for by the offeror, the offeror will be entitled to acquire the Debentures held by Debentureholders who did not accept the offer on the same terms offered by the offeror.

Book-Based System for Debentures

Except in certain limited circumstances, Debentures will be issued and deposited in electronic form with CDS or its nominee pursuant to the book-based system administered by CDS, or in “book entry only” form at the discretion of the Co-Lead Underwriters on behalf of the Underwriters. Each purchaser of a Debenture will receive a customer confirmation of purchase from the applicable Underwriter or registered dealer from whom the beneficial interest in the Debentures is being purchased in accordance with the practices and procedures of the applicable Underwriter or registered dealer. The practices of the applicable Underwriter or other registered dealers may vary but generally customer confirmations are issued promptly after execution of a customer order. CDS will be responsible for establishing and maintaining book-based accounts for its Participants having interests in the Debentures.

If CDS notifies the Corporation that it is unwilling or unable to continue as depository in connection with the Debentures or if at any time CDS ceases to be a clearing agency or otherwise ceases to be eligible to be a depository and the Corporation and the Indenture Trustee are unable to locate a qualified successor, or if the Corporation elects, in its sole discretion, to terminate the book-based system, with the consent of the Indenture Trustee, the beneficial owners of the Debentures at such time will receive Debentures in registered and definitive form (the “**Definitive Debentures**”).

Transfer and Exchange of Debentures

Transfers of beneficial ownership in Debentures will be effected through records maintained by CDS or its nominees for such Debentures (with respect to interests of Participants) and on the records of Participants (with respect to interests of persons other than Participants). Unless the Corporation elects, in its sole discretion, to prepare and deliver Definitive Debentures, beneficial owners who are not Participants in CDS’ book-based system, but who desire to purchase, sell or otherwise transfer ownership of or other interests in the Debentures, may do so only through Participants in CDS’ book-based system.

The ability of a beneficial owner of the Debentures to pledge the Debentures or otherwise take action with respect to such owner’s interest in a Debenture (other than through a Participant) may be limited due to a lack of a physical certificate.

Registered holders of Definitive Debentures may transfer such Debentures upon payment of such taxes or other charges incidental thereto, if any, by executing and delivering a form of transfer together with the Debentures to the registrar for the Debentures at its principal office in Toronto, Ontario or such other city or cities as may from time to time be designated by the Corporation whereupon new Debentures will be issued in the same aggregate principal amount as the Debentures so transferred, registered in the names of the transferees. No transfer of a Debenture will be registered during the period five business days before the mailing of a notice of redemption of the Debentures and ending at the close of business on the day of such mailing or during periods commencing on the date that is five business days prior to an Interest Payment Date or the Maturity Date.

Payments

Payments of interest and principal on the Debentures will be made to CDS or its nominee, as the case may be, while the book-based system is in effect. As long as the book-based system is in effect, CDS or its nominee will be considered the sole legal owner of the Debentures for the purposes of receiving payments of interest and principal on the Debentures and for all other purposes under the Trust Indenture and the Debentures. The record date for the payment of interest will be the last business day (a business day being a day on which banking institutions are open in the City of Toronto, Ontario and Calgary, Alberta) of the month preceding the month of the applicable Interest Payment Date. Interest payments on the Debentures will be made by electronic funds transfer on the day interest is payable and delivered to CDS or its nominee, as the case may be.

The Corporation understands that CDS or its nominee, upon receipt of any payment of interest or principal in respect of the Debentures, will credit Participants’ accounts, on the date interest or principal is payable, with payments in amounts proportionate to their respective beneficial interest in the principal amount of the Debentures as shown in the records of CDS or its nominee. The Corporation also understands that payments of interest and principal by Participants to owners of beneficial interest in such Debentures held through such Participants will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name” and will be the responsibility of such Participants. The responsibility and liability of the Corporation in respect of payments on Debentures is limited solely and exclusively to making payment of any interest and principal due on such Debentures to CDS or its nominee.

If Definitive Debentures are issued instead of or in place of the Debentures, payments of interest on each Definitive Debenture will be made by electronic funds transfer, if agreed to by the holder of the Definitive Debenture, or by cheque dated the applicable Interest Payment Date and mailed to the address of the holder appearing in the register maintained by the registrar for the Debentures, at the close of business on the last business day of the month preceding the month of the applicable Interest Payment Date. Payment of principal on the Maturity Date will be made at the principal office of the paying agent in the City of Toronto, Ontario (or in such other city or cities as may from time to time be designated by the Corporation) against surrender of the Definitive Debentures, if any. If the due date for payment of any amount of principal or interest on any Definitive Debentures is not, at the place of payment, a business day, such payment will be made on the next business day and the holder of such Definitive Debentures shall not be entitled to any further interest or other payment in respect of such delay.

Certain Covenants of the Corporation

Under the Trust Indenture, the Corporation will covenant substantially to the effect that, so long as any of the Debentures remain outstanding:

- (a) subject to the express provisions of the Trust Indenture, the Corporation will carry on and conduct its business in a proper and efficient manner and at all reasonable times it will furnish or cause to be furnished to the Indenture Trustee or its duly authorized agent or attorney such information relating to the business of the Corporation and its Subsidiaries as the Indenture Trustee may reasonably require for the performance of its duties thereunder;
- (b) the Corporation will pay the Indenture Trustee's reasonable remuneration for services thereunder and will repay to the Indenture Trustee on demand all monies which will have been paid by the Indenture Trustee in and about the administration and execution of the trusts thereby created (including reasonable compensation of its counsel and other advisors not regularly in its employ) with interest at the rate of 2% per month (26.82% per annum) from 30 days after the date of the invoice from the Indenture Trustee to the Corporation with respect to such expenditure until repayment, and such monies and the interest thereon, including the Indenture Trustee's remuneration, will be payable out of any funds coming into the possession of the Indenture Trustee in priority to any of the Debentures or interest thereon. The said remuneration will continue to be payable until such trusts be finally wound up and whether or not the trusts of the Trust Indenture will be in the course of administration by or under the direction of the court;
- (c) the Corporation will not, without the prior approval of the Debentureholders given by extraordinary resolution (as defined in the Trust Indenture), call for redemption, declare or pay any dividend (other than cash dividends on the Common Shares, provided that such cash dividends are not greater than \$0.20 per Common Share per quarter) on any shares in the capital of the Corporation or purchase for cancellation or make any capital distribution with respect to any shares of the Corporation, at any time when the Corporation is in arrears in payment of any principal or interest outstanding on the Debentures;
- (d) in order to prevent any accumulation after maturity of unpaid interest, the Corporation will not directly or indirectly extend or assent to the extension of time for payment of any interest upon the Debentures and it will not directly or indirectly be or become a party to or approve any such arrangement by purchasing or funding any interest on the Debentures or in any other manner;
- (e) the Corporation will diligently preserve such rights, powers, privileges, franchises and goodwill as are necessary or advisable, and such qualifications to do business and own property in all jurisdictions in which such qualification is necessary or advisable, in respect of the Corporation's assets;
- (f) the Corporation will observe and comply in all respects with all governing laws and other requirements relating to the Corporation's assets (including without limitation, applicable statutes, regulations, orders and restrictions relating to environmental standards or controls or to energy regulations);
- (g) the Corporation will ensure that all covenants, conditions, stipulations and provisos contained in the Trust Indenture and the Debentures are duly performed;
- (h) the Corporation will maintain or cause to be maintained (to the extent that the nature of its interest permits) all of its assets in good standing;
- (i) the Corporation will promptly notify the Debentureholders of any material adverse change in its business;

- (j) the Corporation will pay and discharge or cause to be paid and discharged, promptly when due, all of its taxes, assessments and governmental charges or levies imposed upon it in respect of the assets or upon the income or profits therefrom as well as all claims of any kind (including claims for labour, materials, supplies and rent) which, if unpaid, might become a lien thereupon; provided however, that it will not be required to pay or cause to be paid any such tax, assessment, charge, levy or claim if the amount, applicability or validity thereof will concurrently be contested in good faith by appropriate proceedings diligently conducted;
- (k) the Corporation will cause all necessary and proper steps to be taken diligently to protect and defend all of its assets and the proceeds thereof against any material adverse claim or demand, including without limitation, the employment or use of counsel for the prosecution or defence of litigation and the contest, settlement, release or discharge of any such claim or demand;
- (l) the Corporation will maintain with financially sound and reputable insurers, insurance with respect to all of its assets against such liabilities, casual risks and contingencies and in such types and amounts as is customary in the case of corporations holding assets of a similar nature and similarly situated; and
- (m) the Corporation will use its best efforts to maintain the listing of the Debentures and Common Shares on the Exchange and any other stock exchange(s) upon which the Debentures or Common Shares may become listed.

Events of Default

The Trust Indenture will provide that each of the following events constitutes an “**Event of Default**” for the purposes thereof:

- (a) if the Corporation makes default in payment of the principal on any Debenture when the same becomes due and payable under any provision thereof or of the Debentures;
- (b) if the Corporation makes default in payment of any interest due on any Debenture and such default continues for a period of 30 days;
- (c) if a decree or order of a court having jurisdiction in the premises is entered adjudging the Corporation a bankrupt or insolvent under the *Bankruptcy and Insolvency Act* (Canada) or any other bankruptcy, insolvency or analogous laws, or issuing sequestration or process of execution against, or against all or any substantial part of the property of the Corporation, or appointing a receiver or receiver-manager of or of any substantial part of the property of the Corporation or ordering the winding-up or liquidation of its affairs;
- (d) if a resolution is passed for the winding-up or liquidation of the Corporation except in the course of carrying out or pursuant to a transaction with respect to which the conditions of the Trust Indenture with respect to successor entities are duly observed and performed, or if the Corporation institutes proceedings to be adjudicated a bankrupt or insolvent, or consents to the institution of bankruptcy or insolvency proceedings against it under the *Bankruptcy and Insolvency Act* (Canada) or any other bankruptcy, insolvency or analogous laws or consents to the filing of any such petition, or if a receiver or receiver-manager is appointed over all or any substantial part of the property of the Corporation, or the Corporation makes a general assignment for the benefit of creditors or admits in writing its inability to pay its debts generally as they become due or takes corporate action in furtherance of any of the aforesaid purposes; or
- (e) if the Corporation neglects to observe or perform any other covenant or condition contained in the Trust Indenture on its part to be observed or performed and, after a notice in writing has been given by the Indenture Trustee to the Corporation specifying such default and requiring the Corporation to rectify the same (which said notice may be given by the Indenture Trustee upon receipt of a written requisition by Debentureholders holding not less than 25% of the aggregate principal amount of the Debentures outstanding), the Corporation fails to make good such default within a period of 30 days, unless the Indenture Trustee (having regard to the subject matter of the default) agrees to a longer period, and in such event, within the period agreed to by the Indenture Trustee.

Upon the happening of any Event of Default:

- (a) the holders of not less than 51% of the aggregate principal amount of the Debentures then outstanding will have the power (in addition to the powers exercisable by an extraordinary resolution of Debentureholders) by requisition in writing to instruct

the Indenture Trustee to waive any Event of Default and the Indenture Trustee will thereupon waive the Event of Default upon such terms and conditions as will be prescribed in such requisition;

- (b) subject to certain waiver and expense reimbursement provisions, the Indenture Trustee may, in its discretion, and shall, upon the request of holders of not less than 25% of the aggregate principal amount of Debentures, declare the principal (and premium, if any) and interest on all outstanding Debentures to be immediately due and payable; and
- (c) the Indenture Trustee, so long as it has not become bound to declare the principal of and interest on the Debentures then outstanding to be due and payable, or to obtain or enforce payment of the same, will have the power to waive any Event of Default if, in the Indenture Trustee's opinion, the same will have been cured or adequate satisfaction made therefor, and in such event to cancel any such declaration theretofore made by the Indenture Trustee in the exercise of its discretion, upon such terms and conditions as the Indenture Trustee may deem advisable;

provided that no act or omission either of the Indenture Trustee or of the Debentureholders in the premises will extend to or be taken in any manner whatsoever to affect any subsequent Event of Default or the rights resulting therefrom.

Amendments to Debentures

From time to time the Indenture Trustee, without the consent of the holders of the Debentures, may enter into a supplemental indenture for certain purposes, including the correction or rectification of any ambiguities, defective provisions, errors or omissions in the Trust Indenture, provided that in the opinion of the Indenture Trustee on written advice of counsel, the rights of the Indenture Trustee and of the Debentureholders are in no way prejudiced thereby. Any amendment or supplement to the Debentures that adversely affects the interests of the Debentureholders may only be made by way of extraordinary resolution, which is defined as a resolution passed at a meeting of the Debentureholders at which there are Debentureholders present in person or represented by proxy representing more than 20% of the aggregate number of the then outstanding Debentures and passed by the affirmative vote of Debentureholders representing not less than 66 2/3% of the aggregate principal amount of Debentures then outstanding represented at the meeting, or rendered by instruments in writing signed by the holders of not less than 66 2/3% of the aggregate principal amount of Debentures then outstanding.

DESCRIPTION OF THE COMMON SHARES

General

The Corporation is authorized to issue an unlimited number of Common Shares. The following is a summary of the rights, privileges, restrictions and conditions of the Common Shares.

Dividends

The holders of Common Shares are entitled to receive dividends, if, as and when declared by the board of Directors, out of the assets of the Corporation properly applicable to the payment of dividends in such amounts and payable at such times and at such place or places in Canada as the board of Directors may from time to time determine.

Voting Rights

Holders of Common Shares are entitled to receive notice of and to attend all annual and special meetings of the Shareholders, and to one vote at all such meetings in respect of each Common Share held.

Participation on Liquidation, Dissolution or Winding-Up

In the event of the liquidation, dissolution or winding-up of the Corporation or other distribution of assets of the Corporation among the Shareholders for the purpose of winding up its affairs, the Shareholders shall be entitled to participate rateably in any distribution of the assets of the Corporation.

The Common Shares do not have: (i) any pre-emptive rights; (ii) any conversion or exchange rights; (iii) any redemption, retraction, purchase for cancellation or surrender provisions; (iv) sinking or purchase fund provisions; and (v) provisions permitting or restricting the issuance of additional securities and any other material restrictions.

CONSOLIDATED CAPITALIZATION

The Corporation will issue \$20,000,000 aggregate principal amount of Debentures pursuant to the Offering without giving effect to the Over-Allotment Option. The following table sets forth the consolidated capitalization of the Corporation as at March 31, 2018 and after giving effect to the material changes in the Common Share and loan capital of the Corporation, on a consolidated basis, since March 31, 2018, including the changes that will result, assuming the completion of the Offering.

	Authorized (\$000's)	March 31, 2018 (\$000's)	March 31, 2018 pro forma after giving effect to the Offering and other material changes ^{(1) (2)} (\$000's)
Credit Facility ⁽³⁾	\$35,000	Nil	Nil ⁽⁴⁾
Convertible Debentures			
Debentures		Nil	\$20,000
Total Indebtedness		Nil	\$20,000
Equity ⁽⁵⁾			
Common Shares	Unlimited	\$96,304	\$96,051 ⁽⁶⁾
		(9,484,167 Common Shares)	(9,459,196 Common Shares)
TOTAL CAPITALIZATION		\$96,304	\$116,051

- Notes:
- (1) Prior to the issuance of any Debentures pursuant to the exercise of the Over-Allotment Option, if any.
 - (2) Prior to factoring in the estimated costs of the Offering of \$500,000 and the Underwriters' fee of \$800,000.
 - (3) The Corporation has \$35,000,000 of available credit pursuant to the Credit Facility.
 - (4) It is anticipated that the entire net proceeds of the Offering will be used to repay a portion of the amount that is currently drawn upon the Credit Facility.
 - (5) On a non-diluted basis.
 - (6) 3,387 Common Shares have been issued by the Corporation since March 31, 2018 pursuant to the vesting of RSUs. In addition, 28,358 Common Shares have been cancelled since March 31, 2018 pursuant to the normal course issuer bid of the Corporation.

PRIOR SALES

Prior Sales of Debentures

No Debentures (being the Debentures sold under this short form prospectus) or securities convertible into Debentures have been sold by the Corporation during the 12-month period before the date of this short form prospectus.

Trading Price and Volume

The Common Shares are listed for trading on the Exchange. No other securities of the Corporation are listed for trading on any Canadian or foreign marketplace.

Common Shares

The Common Shares are listed for trading on the Exchange under the symbol "CRWN". The following is a summary of the price ranges and volumes traded on the Exchange for the 12-month period prior to the date of this short form prospectus.

Period	Low (\$)	High (\$)	Volume
May, 2017	9.80	10.60	66,038
June, 2017	10.04	10.98	1,063,167
July, 2017	10.07	10.95	39,499
August, 2017	9.68	10.60	33,037
September, 2017	9.60	10.15	49,750
October, 2017	9.30	10.08	431,254
November, 2017	9.50	10.10	50,845
December, 2017	9.27	9.93	137,569
January, 2018	9.45	9.93	240,069
February, 2018	9.07	9.70	624,465
March, 2018	9.48	10.55	189,950
April, 2018	9.76	10.20	31,848
May, 2018	9.54	10.33	42,766
June 1 to June 5, 2018	9.75	10.01	6,190

The following table sets forth for each class of securities of the Corporation that is outstanding but not listed or quoted on a marketplace, the price at which securities of the class have been issued for the 12-month period prior to the date of this short form prospectus and the number of securities of the class issued at that price and the date on which the securities were issued.

Date of Issue	Grant Number and Designation of Securities	Issue/Exercise Price (\$)
July 10, 2017	5,115 RRSUs	Nil
July 20, 2017	14,988 RSUs	Nil
January 17, 2018	20,369 RSUs	Nil
January 17, 2018	40,738 PSUs	Nil
June 2, 2017	3,458 DSUs	Nil
September 1, 2017	4,060 DSUs	Nil
December 1, 2017	4,218 DSUs	Nil
January 12, 2018	5,726 RRSUs	Nil
March 2, 2018	6,013 DSUs	Nil
June 2, 2018	5,489 DSUs	Nil

RELATIONSHIP BETWEEN THE CORPORATION AND CERTAIN UNDERWRITERS

AltaCorp Capital Inc., one of the Underwriters, is majority owned by a financial institution that is a lender to the Corporation and/or its Subsidiaries under the Credit Facility. The Credit Facility is for a maximum principal amount of \$35 million. As at June 5, 2018, the principal amount outstanding under the Credit Facility was approximately \$19 million. Accordingly, the Corporation may be considered to be a “connected issuer” of AltaCorp Capital Inc. under applicable securities laws. The Corporation is in full compliance with the terms of the agreement governing the Credit Facility and no breach thereof has been waived by any of the Underwriters or their affiliates. The Corporation has granted a security interest over all of its property, assets and undertaking to the lenders under the Credit Facility. Except to the extent disclosed in the documents incorporated by reference herein, the financial position of the

Corporation has not changed materially since the indebtedness under the Credit Facility was incurred.

The terms of the Offering were determined by negotiation between the Corporation and the Underwriters. No related issuer of the Underwriters required, suggested or consented to the Offering. It is anticipated that the entire net proceeds of the Offering will be used to repay indebtedness under the Credit Facility which will then be available to be drawn, as required, to fund the Corporation's financing and other operations. As of the date hereof, the majority owner of AltaCorp Capital Inc. has an approximate 57% participation under the Credit Facility. The Corporation will pay to the Underwriters, including AltaCorp Capital Inc., a fee equal to 4% of the gross proceeds from the sale of Debentures under the Offering. Other than the payment of fees to the Underwriters as noted above, the proceeds of the Offering will not be applied for the benefit of any of the Underwriters or their affiliates.

INTEREST OF EXPERTS

KPMG LLP is the independent auditor who prepared the independent auditor's report for the Corporation's consolidated annual financial statements as at and for the years ended December 31, 2017 and December 31, 2016. KPMG LLP is independent with respect to the Corporation within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations.

MLT Aikins LLP is legal counsel to the Corporation and Stikeman Elliott LLP is legal counsel to the Underwriters. As of the date hereof, the partners and associates of MLT Aikins LLP have a registered or beneficial interest, direct or indirect, of less than 1% of the Corporation's outstanding securities of any class. As of the date hereof, the partners and associates of Stikeman Elliott LLP have a registered or beneficial interest, direct or indirect, of less than 1% of the Corporation's outstanding securities of any class.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of MLT Aikins LLP, counsel to the Corporation, and Stikeman Elliott LLP, counsel to the Underwriters (collectively, "**Counsel**"), the following summary describes the principal Canadian federal income tax considerations pursuant to the Tax Act generally applicable to a holder who acquires Debentures pursuant to the Offering and who, for purposes of the Tax Act and at all relevant times, is or is deemed to be resident in Canada, holds the Debentures and will hold the Common Shares issuable upon the conversion, redemption or maturity of the Debentures (collectively, the "**Securities**") as capital property and deals at arm's length with the Corporation and the Underwriters and is not affiliated with the Corporation or the Underwriters (a "**Holder**"). Generally, the Securities will be considered to be capital property to a Holder provided the Holder does not hold the Securities in the course of carrying on a business of trading or dealing in securities and has not acquired them in one or more transactions considered to be an adventure in the nature of trade. Certain Holders who might not otherwise be considered to hold their Debentures and Common Shares as capital property may, in certain circumstances, be entitled to have the Debentures and Common Shares, and all other "Canadian securities" (as defined in the Tax Act) owned or subsequently acquired by such Holders, treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act.

This summary is not applicable to a Holder (i) that is a "financial institution", as defined in the Tax Act for the purposes of the mark-to-market rules, (ii) an interest in which would be a "tax shelter investment" as defined in the Tax Act, (iii) that is a "specified financial institution" as defined in the Tax Act, (iv) who has entered or will enter into a "derivative forward agreement" (as defined in the Tax Act) in respect of any of the Securities, and (v) who makes or has made a functional currency reporting election pursuant to section 261 of the Tax Act. Any such Holder should consult its own tax advisor with respect to an investment in the Securities. In addition, this summary does not address the deductibility of interest by a Holder who has borrowed money or otherwise incurred debt in connection with the acquisition of Securities. **This summary does not address any Canadian federal income tax considerations applicable to non-residents of Canada, and such non-residents should consult their own tax advisors regarding the tax consequences of acquiring Debentures pursuant to the Offering or acquiring Common Shares issuable upon conversion, redemption or maturity of the Debentures.**

This summary is based upon the provisions of the Tax Act in force as of the date hereof, all specific proposals to amend the Tax Act that have been publicly announced prior to the date hereof (the "**Proposed Amendments**") and Counsel's understanding of the current administrative policies and assessing practices of the CRA made publicly available prior to the date hereof. This summary assumes the Proposed Amendments will be enacted in the form proposed; however, no assurance can be given that the Proposed Amendments will be enacted in the form proposed, or at all. This summary is not exhaustive of all possible Canadian federal income tax considerations and, except for the Proposed Amendments, does not take into account any changes in the law or in administrative policies or assessing

practices, whether by legislative, governmental or judicial action, nor does it take into account provincial, territorial or foreign tax considerations, which may differ significantly from those discussed herein.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder or prospective Holder of Securities, and no representations with respect to the income tax consequences to any Holder or prospective Holder are made. Consequently, Holders and prospective Holders of Securities should consult their own tax advisors for advice with respect to the tax consequences to them of acquiring Debentures pursuant to the Offering or acquiring Common Shares issuable upon conversion, redemption or maturity of the Debentures, having regard to their particular circumstances.

Taxation of Holders

Taxation of Interest on Debentures

A Holder that is a corporation, partnership, unit trust or any trust of which a corporation or a partnership is a beneficiary will be required to include in computing its income for a taxation year any interest on the Debentures that accrues or is deemed to accrue to it to the end of the particular taxation year or that has become receivable by or is received by the Holder before the end of that taxation year, except to the extent that such interest was included in computing the Holder's income for a preceding taxation year.

Any other Holder, including an individual, will be required to include in computing income for a taxation year all interest on the Debentures that is received or receivable by the Holder in that taxation year (depending upon the method regularly followed by the Holder in computing income), except to the extent that the interest was included in the Holder's income for a preceding taxation year. In addition, if such Holder has not otherwise included interest on a Debenture in computing the Holder's income at periodic intervals of not more than one year, such Holder will be required to include in computing income for a taxation year any interest that accrues to the Holder on the Debenture up to the end of any "anniversary day" (as defined in the Tax Act) in that year to the extent such interest was not otherwise included in the Holder's income for that year or a preceding year.

A Holder that throughout the relevant taxation year is a "Canadian-controlled private corporation", as defined in the Tax Act, may be liable to pay a refundable tax on its "aggregate investment income", which is defined in the Tax Act to include interest income.

Exercise of Conversion Privilege

Generally, a Holder who converts a Debenture into Common Shares pursuant to the conversion privilege will be deemed not to have disposed of the Debenture and, accordingly, will not be considered to realize a capital gain (or capital loss) on such conversion. Under the current administrative practice of the CRA, a Holder who, upon conversion of a Debenture into Common Shares, receives cash not in excess of \$200 in lieu of a fraction of a Common Share may elect to either treat this amount as proceeds of disposition of a portion of the Debenture, thereby realizing a capital gain (or capital loss), or reduce the adjusted cost base of the Common Shares that the Holder receives on the conversion by the amount of the cash received.

Upon a conversion of a Debenture, interest accrued thereon to the date of conversion will be included in computing the income of the Holder as described above under "Taxation of Interest on Debentures".

The aggregate cost to a Holder of the Common Shares acquired on the conversion of a Debenture will generally be equal to the Holder's adjusted cost base of the Debenture immediately before the conversion subject to the discussion above regarding cash in lieu of a fraction of a Common Share. The adjusted cost base to a holder of Common Shares acquired at any time will be determined by averaging the cost of such Common Shares with the adjusted cost base of any other Common Shares owned by the holder as capital property immediately before that time.

Disposition of Debentures

A disposition or deemed disposition of a Debenture by a Holder, including a redemption, payment on maturity or purchase for cancellation but not including the conversion of a Debenture into Common Shares pursuant to the Holder's right of conversion as described above, will generally result in the Holder realizing a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition (computed as described below) are greater (or less) than the aggregate of the Holder's adjusted cost base

thereof and any reasonable costs of disposition. Such capital gain (or capital loss) will be subject to the tax treatment described below under “Taxation of Capital Gains and Capital Losses”.

Where the Corporation elects to satisfy the redemption or purchase price or payment on maturity by issuing Common Shares to a Holder instead of paying cash, the Holder will be considered to have received proceeds of disposition equal to the fair market value of such Common Shares and any cash paid in lieu of fractional Common Shares at the date of disposition of the Debentures. The Holder’s cost of the Common Shares so received will be equal to the fair market value of such Common Shares. The adjusted cost base to a holder of Common Shares at any time will be determined by averaging the cost of such Common Shares with the adjusted cost base of any other Common Shares owned by the holder as capital property immediately before that time.

Any amount paid by the Corporation as a penalty or bonus because of the redemption or purchase for cancellation of a Debenture (for example, where the redemption price or purchase price is in excess of the principal amount) will generally be deemed to be interest (which will be excluded in computing the Holder’s proceeds of disposition of the Debenture) received at the time of the payment by the Holder to the extent that such amount can reasonably be considered to relate to, and does not exceed the value at the time of the payment of, the interest that, but for the redemption or purchase for cancellation, would have been paid or payable by the Corporation on the Debenture for a taxation year of the Corporation ending after the time of the payment.

Upon an assignment or other transfer of a Debenture, a Holder will generally be required to include in income the amount of interest accrued on the Debenture from the date of the last interest payment to the date of such assignment or transfer to the extent such amount has not otherwise been included in the Holder’s income for the taxation year or a preceding taxation year, and such amount will be excluded in computing the Holder’s proceeds of disposition of the Debenture.

Taxation of Holders of Common Shares

Receipt of Dividends on Common Shares

Dividends received or deemed to be received on the Common Shares by a Holder that is an individual (other than certain trusts) will be included in computing the individual’s income for tax purposes and will be subject to the gross-up and dividend tax credit rules normally applicable to dividends received from taxable Canadian corporations (as defined in the Tax Act), including the enhanced gross-up and dividend tax credit for dividends designated by the Corporation as eligible dividends (as defined in the Tax Act). There may be limitations on the ability of the Corporation to designate dividends as eligible dividends.

A Holder that is a corporation will include dividends received or deemed to be received on Common Shares in computing its income for tax purposes and generally will be entitled to deduct the amount of such dividends in computing its taxable income, with the result that no tax will be payable by it in respect of such dividends. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received by a Holder that is a corporation as proceeds of disposition or a capital gain. Holders that are corporations should consult their own tax advisors having regard to their own circumstances. Certain corporations, including a “private corporation” or a “subject corporation” (as such terms are defined in the Tax Act), may be liable to pay a refundable tax under Part IV of the Tax Act on dividends received or deemed to be received on Common Shares to the extent such dividends are deductible in computing taxable income.

Taxable dividends received by an individual (including certain trusts) may give rise to a liability for alternative minimum tax as calculated under the detailed rules set out in the Tax Act.

Disposition of Common Shares

A disposition or a deemed disposition of a Common Share by a Holder (except to the Corporation) will generally result in the Holder realizing a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition of the Common Share are greater (or less) than the aggregate of the Holder’s adjusted cost base thereof and any reasonable costs of disposition. Such capital gain (or capital loss) will be subject to the tax treatment described below under “Taxation of Capital Gains and Capital Losses”.

Taxation of Capital Gains and Capital Losses

Generally, one-half of any capital gain (a “**taxable capital gain**”) realized by a Holder in a taxation year must be included in the

Holder's income for the year, and one-half of any capital loss (an "Allowable Capital Loss") realized by a Holder in a taxation year must be deducted from taxable capital gains realized by the Holder in that year. Allowable Capital Losses for a taxation year in excess of taxable capital gains for that year generally may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years, to the extent and under the circumstances described in the Tax Act.

The amount of any capital loss realized by a Holder that is a corporation on the disposition of a Common Share may be reduced by the amount of dividends received or deemed to be received by it on such Common Share (or on a share for which the Common Share has been substituted) to the extent and under the circumstances described by the Tax Act. Similar rules may apply where a corporation is a member of a partnership or a beneficiary of a trust that owns Common Shares, directly or indirectly, through a partnership or a trust.

A Holder that is, throughout the relevant taxation year, a "Canadian-controlled private corporation", as defined in the Tax Act, may be liable for a refundable tax on its "aggregate investment income", which is defined in the Tax Act to include taxable capital gains.

Capital gains realized by an individual (including certain trusts) may give rise to a liability for alternative minimum tax as calculated under the detailed rules set out in the Tax Act.

RISK FACTORS

A prospective investor should carefully consider the information described in this short form prospectus and the documents incorporated by reference herein. There are certain risks inherent in an investment in the Debentures and in the activities of the Corporation and its Subsidiaries, in addition to those risks described under "Forward-Looking Statements" and the additional risks described below, which investors should carefully consider before investing in the Debentures including:

- risks particular to the alternative credit industry: financing of mid-market businesses; creditworthiness of financing clients; fraud by a financing client; dependence on the performance of financing clients; risks facing financing clients; prepayment by financing client; default by and bankruptcy of a financing client; additional indebtedness of financing clients; collateral securing the Corporation's loans; fair value estimate; monitoring and enforcement procedures; historical performance not indicative of future performance; control over financing clients; securities of financing clients; illiquidity of loans; changes in strategies; expansion of geographic and industry markets; and regulation;
- risks particular to special situations financing: uncertainty of return on the Corporation's capital funds; illiquidity of interest in the Corporation's capital funds; poor investment returns could lead to the loss of existing investors or an inability to attract new investors, lower assets under management and a further decline in revenues; removal of the general partner or manager; and general partner and manager are fiduciaries;
- risks particular to long-term financing: limited number of financing clients; and ability to negotiate additional income streams;
- general business risks: limited operating history for the Corporation; inability to raise additional funds in a timely manner or at all; dilution; no guarantee as to timing or amount of dividends; reliance on certain individuals; conflicts of interest; allocation of opportunities and resources; estimated quarterly financial and operational results not being indicative of the Corporation's future performance; change in interest rates; future use of leverage; changes in market and general economic conditions; competitive business environment; inability to realize potential benefits from growth; the Corporation's reliance on its management and employees; employee errors or misconduct could result in regulatory sanctions or reputational harm; litigation; the Corporation's ability to hedge against foreign currency exchange risks; failure of computer and data processing systems; potential security breaches of the Corporation's computer systems; and potential securities trading restrictions in connection with material non-public information; and
- risks relating to Common Shares: market price of the Common Shares; future sales of Common Shares by existing Shareholders; inaccurate or unfavourable research; and United States *Investment Company Act*.

For a description of the above and additional risks relating to the Corporation and its business, see "Risk Factors" in the Corporation's 2017 AIF and in management's discussion and analysis of the Corporation's operating results and financial position for the three-

month period ended March 31, 2018, both of which are incorporated by reference herein.

The risks and uncertainties set out above and below and incorporated by reference herein are not the only ones facing the Corporation. Additional risks and uncertainties not currently known to the Corporation, or that the Corporation currently deems immaterial, may also impair the Corporation's business, assets, liabilities, financial condition, results of operations, prospects, cash flows and the value or future trading price of the Debentures and the Common Shares. If any of the risks actually occur, the Corporation's business, assets, liabilities, financial condition, results of operations, prospects and cash flows could be adversely affected. As a result, the trading price of the Debentures and the underlying Common Shares could decline and investors could lose part or all of their investment. The Corporation's business is subject to significant risks and past performance is no guarantee of future performance.

Additional Risks Relating to the Debentures

No Trading Market for the Debentures

There is currently no trading market for the Debentures. The Corporation has applied to the Exchange for the listing of the Debentures and the Common Shares issuable upon conversion, redemption or maturity thereof on the Exchange but there can be no assurance that such application will be successful. If approved, listing will be subject to the Corporation fulfilling all the listing requirements of the Exchange.

Redemption Prior to Maturity

Other than as set forth below, the Debentures will not be redeemable on or before June 30, 2021. After June 30, 2021, but prior to June 30, 2022, the Debentures will be redeemable, in whole or in part from time to time at the Corporation's sole option on not more than 60 days' and not less than 30 days' written notice, at a price equal to the aggregate principal amount of the Debentures to be redeemed, plus all accrued and unpaid interest up to but excluding the date of redemption, provided that the Weighted Average Price of the Common Shares during the 20 consecutive trading days ending on the fifth trading day preceding the date on which notice of redemption is given is not less than 125% of the Conversion Price. On and after June 30, 2022 but prior to the Maturity Date, the Debentures will be redeemable, in whole or in part from time to time at the Corporation's sole option on not more than 60 days' and not less than 30 days' written notice, at a price equal to the aggregate principal amount of the Debentures to be redeemed, plus all accrued and unpaid interest up to but excluding the date of redemption. Debentureholders should assume that this redemption option will be exercised if the Corporation is able to refinance at a lower interest rate or it is otherwise in the interest of the Corporation to redeem the Debentures.

Non-Cash Payments and Dilutive Effects on Shareholders

The Corporation may determine to redeem outstanding Debentures for Common Shares or to repay outstanding principal amounts thereunder on the Maturity Date of the Debentures by issuing additional Common Shares or, subject to regulatory approval, make a Common Share Interest Payment Election to satisfy all or part of the Corporation's interest payment obligations on the Debentures. Accordingly, Shareholders may suffer dilution and Debentureholders may receive Common Shares instead of cash upon redemption or maturity of the Debentures at the sole option of the Corporation and, subject to applicable regulatory approval, may receive Common Shares instead of cash for outstanding interest payments on the Debentures.

Change of Control

The Corporation is required to make an offer to Debentureholders to purchase all or a portion of their Debentures for cash in the event of certain transactions that would constitute a Change of Control. The Corporation cannot assure Debentureholders that, if required, it would have sufficient cash or other financial resources at that time or would be able to arrange financing to pay the purchase price of the Debentures in cash. The Corporation's ability to purchase the Debentures in such an event may be limited by law, by the Trust Indenture, by the terms of other present or future agreements relating to the Credit Facility and other indebtedness and agreements that the Corporation may enter into in the future which may replace, supplement or amend the Corporation's future debt. The Corporation's future credit agreements or other agreements may contain provisions that could prohibit the purchase by the Corporation of the Debentures without the consent of the lenders or other parties thereunder. If the Corporation's obligation to offer to purchase the Debentures arises at a time when the Corporation is prohibited from purchasing or redeeming the Debentures, the Corporation could seek the consent of lenders to purchase the Debentures or could attempt to refinance the borrowings that contain this prohibition. If the

Corporation does not obtain a consent or refinance these borrowings, the Corporation could remain prohibited from purchasing the Debentures under its offer. The Corporation's failure to purchase the Debentures would constitute an Event of Default under the Trust Indenture, which might constitute a default under the terms of the Corporation's other indebtedness at that time. If a Debentureholder converts its Debentures in connection with a Change of Control that occurs, the Corporation may, in certain circumstances and for a limited time period, be required to increase the Conversion Rate as described under "Description of the Debentures – Offer Upon Change of Control". While the increased Conversion Rate is designed to compensate a Debentureholder for the lost option time value of its Debentures as a result of a Change of Control in certain circumstances, the increased Conversion Rate amount is only an approximation of such lost value and may not adequately compensate the Debentureholder for such loss.

Conversion Following Certain Transactions

In the event of certain transactions, pursuant to the terms of the Trust Indenture, each Debenture will become convertible into cash, securities or other property receivable by a holder of Common Shares in such transactions. This change could substantially reduce or eliminate any potential future value of the conversion privilege associated with the Debentures. For example, if the Corporation was acquired in a cash transaction, each Debenture would become convertible ultimately only into cash and would no longer be convertible into securities whose value would vary depending on the Corporation's future prospects and other factors. See "Description of the Debentures – Debentureholders' Conversion Privilege".

Absence of Covenant Protection

The Trust Indenture will not restrict the Corporation or any of its Subsidiaries from incurring additional indebtedness for borrowed money or otherwise from mortgaging, pledging or charging its real or personal property or properties to secure any indebtedness or other financing. The Trust Indenture will not contain any provisions specifically intended to protect Debentureholders in the event of a future leveraged transaction involving the Corporation or any of its Subsidiaries.

Prior Ranking Indebtedness

The Debentures will be subordinate to all Senior Indebtedness of the Corporation. The Debentures will also be effectively subordinate to claims of creditors of the Corporation's Subsidiaries except to the extent the Corporation is a creditor of such Subsidiaries ranking at least *pari passu* with such other creditors.

Volatility of Market Price of Common Shares and Debentures

The market price of the Common Shares and Debentures may be volatile. The volatility may affect the ability of Debentureholders to sell the Debentures at an advantageous price. Additionally, this may result in greater volatility in the market price of the Debentures than would be expected for non-convertible debt securities. Market price fluctuations in the Common Shares and Debentures may be due to the Corporation's operating results failing to meet the expectations of securities analysts or investors in any quarter, downward revision in securities analysts' estimates, governmental regulatory action, adverse change in general market conditions or economic trends, acquisitions, dispositions or other material public announcements by the Corporation or its competitors, along with a variety of additional factors, including, without limitation, those set forth under "Forward-Looking Statements" and the risk factors set forth herein and in the Corporation's 2017 AIF and management's discussion and analysis of the Corporation's operating results and financial position for the three-month period ended March 31, 2018. In addition, capital markets have recently experienced significant price and trading fluctuations. These fluctuations have resulted in volatility in the market prices of securities that often has been unrelated or disproportionate to changes in operating performance. These broad market fluctuations may adversely affect the market prices of the Debentures and the Common Shares.

Investment Eligibility

The Corporation will endeavor to ensure that the Debentures and any Common Shares acquired under the terms of the Debentures continue to be qualified investments for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans (except, in the case of the Debentures, a deferred profit sharing plan to which the Corporation, or an employer that does not deal at arm's length with the Corporation, has made a contribution), registered education savings plans, registered disability savings plans and tax free savings accounts. No assurance can be given in this regard. If the Debentures or any Common Shares acquired under the terms of the Debentures are not qualified investments for Plans, such Plans (and, in the case of

certain Plans, the annuitants, subscribers or beneficiaries thereunder or holders thereof) may be subject to adverse tax consequences.

No Increased Payments if Withholding is Required

The Trust Indenture will not contain a requirement that the Corporation increase the amount of interest or other payments to Debentureholders in the event that the Corporation is required to withhold amounts in respect of income or similar taxes on payment of interest or other amounts on the Debentures. Non-residents of Canada should consult their own tax advisors regarding the tax consequences of acquiring and holding Debentures.

Prevailing Yields on Similar Securities

Prevailing yields on similar securities will affect the market value of the Debentures. Assuming all other factors remain unchanged, the market value of the Debentures will decline as prevailing yields for similar securities rise, and will increase as prevailing yields for similar securities decline.

Coverage Ratios

See “Earnings Coverage Ratios”, which is relevant to an assessment of the risk that the Corporation may be unable to pay interest or principal on the Debentures when due. If the earnings coverage ratios of the Corporation decrease, the Corporation may become unable to pay interest or principal on the Debentures.

Discretion in the Use of Proceeds

The Corporation currently intends to allocate the net proceeds received from the Offering as described under “Use of Proceeds”. However, the Corporation will have discretion in the actual application of the net proceeds and may elect to allocate proceeds differently than described under “Use of Proceeds” if it believes it would be in its best interest to do so. The failure to apply these funds effectively could affect the Corporation’s business.

Shareholder Rights

Debentureholders will not be entitled to any rights with respect to the Common Shares (including, without limitation, voting rights and rights to receive any dividends or other distributions on the Common Shares), but if a Debentureholder subsequently converts its Debentures into Common Shares, such Debentureholder will be subject to all changes affecting the Common Shares. Rights with respect to the Common Shares will arise only if and when the Corporation delivers Common Shares upon conversion of a Debenture and, to a limited extent, under the Conversion Rate adjustments applicable to the Debentures. For example, in the event that an amendment is proposed to the Corporation’s constating documents requiring Shareholder approval and the record date for determining the Shareholders of record entitled to vote on the amendment occurs prior to delivery of Common Shares to a Debentureholder, such Debentureholder will not be entitled to vote on the amendment, although such Debentureholder will nevertheless be subject to any changes in the powers or rights of Common Shares that result from such amendment.

PURCHASERS’ RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for the particulars of these rights or consult with a legal adviser.

Under the Trust Indenture, original purchasers of Debentures will have a contractual right of rescission against the Corporation following the conversion of such Debentures in the event that this short form prospectus or any amendment thereto contains a

misrepresentation. This contractual right of rescission will entitle such original purchasers to receive from the Corporation, upon surrender of the Common Shares issued upon conversion of such Debentures, the amount paid for such Debentures, provided that the right of rescission is exercised within 180 days from the date of the purchase of such Debentures under this short form prospectus. This contractual right of rescission will be consistent with the statutory right of rescission described under section 203 of the *Securities Act* (Alberta), and is in addition to any other right or remedy available to original purchasers of Debentures under section 203 of the *Securities Act* (Alberta) or otherwise at law.

In an offering of convertible securities, such as the Debentures, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in a prospectus is limited, in certain provincial and territorial securities legislation, to the price at which the convertible security was offered to the public under the prospectus offering. This means that, under securities legislation of certain provinces and territories, if the purchaser pays additional amounts upon conversion of the security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces or territories. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of this statutory right of action for damages or consult with a legal advisor.

CERTIFICATE OF THE CORPORATION

Dated: June 6, 2018

This short form prospectus, together with the documents incorporated by reference herein, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of all of the provinces and territories of Canada.

CROWN CAPITAL PARTNERS INC.

(Signed) CHRISTOPHER JOHNSON
PRESIDENT AND CHIEF EXECUTIVE OFFICER

(Signed) MICHAEL OVERVELDE
CHIEF FINANCIAL OFFICER

ON BEHALF OF THE BOARD OF DIRECTORS

(Signed) ALAN ROWE
DIRECTOR

(Signed) GLEN ROANE
DIRECTOR

CERTIFICATE OF THE UNDERWRITERS

Dated: June 6, 2018

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated by reference herein, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of all of the provinces and territories of Canada.

BMO NESBITT BURNS INC.
Per: (Signed) MICHAEL GORT

NATIONAL BANK FINANCIAL INC.
Per: (Signed) JOE KULIC

ALTACORP CAPITAL INC.
Per: (Signed) JEFF FALLOWS

CIBC WORLD MARKETS INC.
Per: (Signed) JASON STEFANSON

CORMARK SECURITIES INC.
Per: (Signed) ALFRED AVANESSY

GMP SECURITIES L.P.
Per: (Signed) KEVIN SULLIVAN

RAYMOND JAMES LTD.
Per: (Signed) SEAN C. MARTIN

TD SECURITIES INC.
Per: (Signed) MAHSA AFGHAHI