



KPMG Inc.
DA – Restructuring & Turnaround
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March 18, 2022

Re: Update to Stakeholders

SUMMARY OF ACTIVITIES OF THE LIQUIDATOR AND STATUS OF THE LIQUIDATION

Below is a summary of the recent material activities of the Liquidator, and general information regarding the status of the Liquidation.

Collection of Outstanding Loans by Arrangement

The Liquidator has collected payment in full on all but two outstanding loans. The Liquidator continues to pursue reasonable efforts to collect on the last balances due.

Realization of Real Property by Judicial Sale or Foreclosure

All judicial sales have now been complete under previously initiated mortgage enforcement proceedings.

Sale of Real Property owned by PrimeWest

All condominium units owned by PrimeWest have now been sold. The Liquidator continues to hold 2 titled parking units in the condominium building, and is continuing marketing efforts. To date, no other condominium owner has expressed interest in purchasing the available parking units.

Court Judgments and Other Enforcement Proceedings

All court proceedings against defendants in regard to unsatisfied debts due to PrimeWest have been complete. Where feasible and economical, recovery to PrimeWest has been obtained through payment arrangements, judicial sale, foreclosure, or income garnishment.



Realizations Generally

Please see below for a summary of the Liquidators receipts and disbursements to December 31, 2021:

PrimeWest Estimated Realization Analysis		
December 31, 2021		
	Notes	Amount (CAD \$)
Realizations		
Realizations during liquidation		4,555,643
Opening bank balance		1,775,312
Total realizations to date		6,330,955
Estimated future realizations		51,098
Total estimated realizations		6,382,053
Disbursements		
Total disbursements to date	1	1,644,354
Estimated future disbursements	2	335,739
Total estimated disbursements		1,980,092
Estimated net realizations		4,401,960
1 - Includes professional fees (including the Liquidator, its counsel and the additional legal fees incurred in ongoing litigation), payroll, contractors, taxes, insurance, inspector fees, commissions, GST and PST, and miscellaneous administration costs.		
2 - Future disbursements are dependent on ongoing litigation and may vary materially.		

Claims Against the Company and the former directors thereof (the “Directors”)

The following claims have been brought against the Company and the Directors:

- Q.B.G. No. 1395 of 2018 (the “**Granite Action**”)
- Q.B.G. No. 1889 of 2018 (the “**Burwash Action**”)
- Q.B.G. No. 1559 of 2017 (the “**Zealand Action**”)
- Q.B.G. No. 1455 of 2019 (the “**Merchant Action**”)

The Granite Action has been resolved and the terms of the settlement have now been finalized.

The resolution of the Burwash Action is still to be negotiated and should negotiations be unsuccessful, the matter will proceed to further document disclosure followed by questioning.

There are presently no attempts to resolve the Zealand Action and should the claim and counterclaim continue to be pursued the matter would be brought before Mr. Justice N.G.



Gabrielson in order to approve a litigation plan to facilitate the timely resolution of the same.

Regarding the Merchant Action, on December 1, 2021, a full three panel judiciary of the Saskatchewan Court of Appeal heard complete submissions on Mr. Koroluk's appeal of the lower Court's decision to include the Merchant Action in the liquidation proceedings (the "**Merchant Appeal**"). The Court of Appeal has not yet rendered its decision on the Merchant Appeal and, as with all court decisions, we are unable to provide a timeline for when we should expect to receive a final decision.

We trust that this update to the stakeholders of the Company is helpful.

Yours faithfully,

KPMG Inc., in its capacity as Liquidator
Of PrimeWest Mortgage Investment Corporation.,
And not in its personal or corporate capacity.

A handwritten signature in blue ink, appearing to read 'Neil Honess', written in a cursive style.

Neil Honess, Senior Vice President