

When the Corporation concludes that consolidation is required, the Corporation classifies the loan as assets acquired from loans as the intention is not to operate the acquired entity on an ongoing basis. In January 2015, one of the Company's borrowers emerged from formal restructuring proceedings in Canada and the U.S. as a going concern. As a result and under the terms of its secured creditor agreement, the Company gained control of the business of the borrower and has presented the net assets and liabilities of the business as assets held for sale. In November 2015, one of the Company's borrowers (Wabash Castings Inc., a manufacturer of aluminum castings) emerged from formal restructuring proceedings in the U.S. as a going concern. As a result and under the terms of its secured creditor agreement, the Company gained control of the operating assets of the borrower and has presented the net assets and liabilities of these operating assets as businesses acquired. In March 2016, the Company required payment by the Catalyst Funds of a guarantee with respect to the Company's assets held for sale. The Funds acquired the loan in question and became the owners of the business. In May 2016, one of the Company's borrowers (Altair Water and Drilling Inc., a water and oil drilling services company) emerged from formal restructuring proceedings in Canada as a going concern. These loans were classified as assets acquired from loans in the Statement of Financial Position and were recorded at the lower of (i) carrying value and (ii) fair value less cost to sell. Subsequent to year-end, in February 2017, one of the Company's borrowers (Bluberi Gaming Technologies Inc., a digital slot gaming company) emerged from formal restructuring proceedings in Canada as a going concern. As a result and under the terms of its secured creditor agreement, the Company gained control of the operating

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assets of the borrower and will present the net assets and liabilities of the operating assets as businesses acquired going forward