COURT FILE NUMBER	Q.B. No.24-2536824 Estate No. 24-2536824
COURT	COURT OF QUEEN'S BENCH FOR ALBERTA
JUDICIAL CENTRE	EDMONTON
	IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF RDE VENTURES INC.
DOCUMENT	TRUSTEE'S ADDENDUM TO THE FIRST REPORT TO COURT August 17, 2019
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	PROPOSAL TRUSTEE The Bowra Group Inc. 1411 TD Tower 10088 – 102 Avenue Edmonton, AB T5J 2Z1 Attention: Kristin Gray / Doug Chivers Telephone: 780-705-0073 Fax: 780-705-1946 Email: kgray@bowragroup.com COUNSEL Dentons Canada LLP 2500 Stantec Tower 10220 103 Avenue NW Edmonton, AB T5J 0K4 Attention: Dean Hitesman Telephone: 780-423-7284 Fax: 780-423-7276 Email: dean.hitesman@dentons.com

TABLE OF CONTENTS

PURPOSE OF THE REPORT…….. 3

OVERVIEW AND PLAN…… 3

CONCLUSION AND RECOMMENDATIONS…… 4

PURPOSE OF THE REPORT

1. On July 19, 2019 RDE Ventures Inc. (the "Company" or "RDE") filed a Notice to Make a Proposal ("NOI") pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act*. The Bowra Group Inc. (the "Proposal Trustee") consented to act as Licensed Insolvency Trustee in the Proposal proceedings. A copy of the Certificate of Filing from the Office of the Superintendent of Bankruptcy is attached as **Appendix A**.

2. Frontline Civil Holdings Inc., a subsidiary company, also filed an NOI on July 19, 2019. The Bowra Group Inc. consented to act as Licensed Insolvency Trustee.

3. This report should be read in conjunction with the Trustee's First Report to Court dated August 15, 2019.

4. The purpose of this report is to provide this Honourable Court with;

    a) An update on the Company's restructuring efforts; and,

    b) Recommend this Honourable Court extend the stay of proceedings for 14 days from August 19, 2019 to September 2, 2019.

OVERVIEW AND PLAN

5. On August 16, 2019 National Bank of Canada ("NBC"), RDE's senior secured lender, made an application to lift the stay of proceedings and appoint a Receiver over specific assets subject to NBC's security. The Receivership Order was granted by this Honourable Court on August 16, 2019.

6. RDE's ability to restructure is somewhat contingent on Frontline Civil Holdings Inc.'s ("Frontline") restructuring proceedings given the majority of RDE's revenue is generated from Frontline for rental of equipment.

7. Frontline's efforts to formulate a viable proposal were temporarily hindered due to a lack of financing. However, on August 15, 2019 CN Rail ("CN"), Frontline's primary customer, began to release payment for outstanding receivables enabling Frontline to continue operations.

8. In addition, CN Rail has indicated they would consider the assignment of the contracts held with Frontline to Wolverine Energy and Infrastructure Inc. (“Wolverine”), which would allow for the completion of the contract on a time and materials basis.

9. This provides Frontline an opportunity to attempt to negotiate agreements with various suppliers and key stakeholders, including Wolverine and CN, which may allow Frontline to make a viable proposal. The Proposal Trustee has been advised that Wolverine requires the equipment owned by RDE and currently leased to Frontline in order to complete the CN contracts.

10. The ability of Frontline to continue restructuring efforts is subject to them obtaining an extension of time required to file a proposal.

11. The Company has not prepared an updated cash flow nor has it provided an updated actual to budget for the period of July 19, 2019 to August 16, 2019

12. We understand, RDE is currently working on cash flows to determine the benefit to the creditors based on the latest information provided by CN to Frontline and various ongoing obligations of RDE.

13. Given that RDE is the primary equipment supplier we believe an extension of the stay of proceedings in RDE would also be beneficial to provide Frontline and RDE the best chance to make a viable proposal.

14. Given the situation we believe a short extension of 14 days would be appropriate and not materially prejudice the creditors.

CONCLUSION AND RECOMMENDATIONS

15. The Company is currently completing cash flows to determine the opportunity that would be presented by CN agreeing to an assignment of the contracts held with Frontline and financing being obtained to complete the jobs.

16. The Proposal Trustee is of the opinion;

    a. The Company continues to act in good faith and with due diligence in formulating a Proposal;

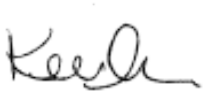
b. If a further extension is granted, the Company will have a better opportunity to be able to make a viable Proposal; and,

c. No creditor will be materially prejudiced if an extension is granted.

17. As such we recommend that this Honourable Court grant a 14-day extension to the stay of proceedings from August 19, 2019 to September 2, 2019.

All of which is respectfully submitted this 17th day of August 2019.

The Bowra Group Inc.
Licensed Insolvency Trustee under the Notice of Intention
To Make a Proposal for R.D.E. Ventures Inc.



Doug Chivers, CPA, CA, CIRP, LIT / Kristin Gray, CPA, CA, CIRP, LIT